



12th March 2018

Agenda Item: 9

REPORT OF THE SERVICE DIRECTOR FINANCE, PROCUREMENT AND IMPROVEMENT

PROGRESS REPORT ON DELIVERY OF PROGRAMMES, PROJECTS AND SAVINGS

Purpose of the Report

1. The purpose of this report is to:
 - inform the Sub-Committee on the progress towards delivery of the Council's current savings and strategically significant projects
 - seek approval for 2 project change requests

Information

2. The Council's Departmental Strategies were considered and approved by Policy Committee in January 2018. These set out the 'major departmental and service change programmes being undertaken or planned'.
3. Responding to these developments, a revised reporting format will be developed in order that Improvement and Change Sub-Committee can consider progress in delivering against the Departmental Strategy change programmes. The Sub-Committee will receive the first of these reports, covering the period January to March 2018, in June 2018 and from then onwards on a quarterly basis.
4. This report focuses upon the detail in the following appendices. **Appendix A** provides a full status report as at December 2017, for all savings projects and some other strategically significant projects by portfolio. This status report is produced on a monthly basis from individual project highlight reports.
5. **Appendix B** consists of 2 change requests for the Care and Support Centres (**B1**) and Targeted Reviews projects (**B2**).
6. The overall financial position set out in the Project Status report, including savings at risk and amendments to the profile of savings approved through formal change control, is contained within the body of the financial monitoring report that will be regularly considered by the Finance and Major Contracts Management Committee.

Overall Savings Position

7. **Appendix A** to this report outlines in detail the delivery status of individual projects.

8. Across all portfolios the total savings target across the four years 2017/18-2020/21 is £38.5m. When taking into consideration savings at risk, slippage and over delivery it is projected that this target will be over achieved by £2.2m.
9. The breakdown of savings delivery, by Portfolio across the four years 2017/18-2020/21 as at December 2017 is as follows:
 - ASCH Portfolio - total savings target of £26.5m which is projected to be over achieved by 3.1m.
 - CFCS Portfolio - total savings of £4.7m with £172k currently assessed as being at risk.
 - Place Portfolio - total savings of £3.8m with £686k currently assessed as being at risk.
 - Resources Portfolio - total savings of £3.5m which are projected to be delivered as planned.

Projects at risk or compromised

9. Care and Support Centres (OfC C03)

This project seeks to make best use of the Council's five remaining care and support centres (CSC) for the period they remain open, with a view to reducing the numbers of long term residents and extending the provision of more short term and reablement services (such as respite, assessment beds, fall & fracture, transfer to assess, or any other short term provision). This supports the phased closure of the remaining CSCs, to coincide with the opening of extra care facilities in Nottinghamshire, in keeping with the commitment made by the Council that no CSC would close until a local extra care scheme was opened.

The closure of the remaining CSCs is predicated on:

- a) Finding alternative residential care or extra care placements for residents.
- b) Re-provision of short term social care assessment beds and short term beds that are used whilst a person waits for other care arrangements to be available.
- c) Decisions by Members on the development and approval of the Extra Care Strategy, and decisions regarding the re-provision of short-term capacity.
- d) Soft market testing with providers to establish the viability, models and costs of re-procuring the short term beds in the independent sector.

The link to the development of extra care due to delays in securing partnerships to develop some of the new local schemes, and further work to understand the capacity and likelihood of the Independent Sector to be able to provide the short term residential care assessment beds, has led to delays in the closure programme of the remaining CSCs, and the associated delivery of savings. To reflect these delays it is proposed that £2.464m of savings will slip from delivery in 2018/19 to delivery instead of £1.633m savings in 2019/2020 and £0.831m savings in 2020/2021. The Change Request (**Appendix B1**) provides further details.

10. Reduction in long-term care placements (C03 2014 & B04 2016)

This project, which was originally approved in February 2014, has been working to reduce the number of adults living in Long Term Care by developing more alternative services and moving suitable individuals from long-term residential care into supported living. A lack of supply of suitable housing has meant that less people have been able to move out of residential care and into supported living than planned. This is in part due to uncertainty over the central government's decision to remove the top up element of housing benefit that essentially funds supported housing from the housing benefit system and place it under local Authority control from 2019. This has made investment in supported housing riskier for housing associations and their investors.

The government announcement that supported living schemes will continue to be funded through housing benefit within the existing framework has resulted in improved confidence in the market being expressed by the Council's housing providers. The projects savings profile will be reviewed once the outcome of current invitations to tender for the development of supported housing are known. Any slippage of savings is predicted to be made up in 2019/2020.

11. Integrated Community Equipment Loan Scheme (ICELS)

It was approved in 2016/2017 to negotiate with partners to reduce the County Council's contribution to the Integrated Community Equipment Loans Service (ICELS) pooled budget in line with reduction in the Council's prescribing activities and the loaning of community equipment.

It has not proven possible to negotiate this reduction and alternative methods to deliver the savings are being investigated, such as potential underspends against the separate minor adaptations budget. Currently, £84k is projected to be at risk.

12. Contracts Review

It was approved in February 2016 that £1.080 million of contract savings would be made by Children's and Young People's Department in 2018/2019.

When the project was originally scoped 3.1% of savings (£1.08m) from a net budget of £34.9 million were proposed. However the scope of the project has subsequently been reduced to exclude care type contracts, which are to be considered under wider commissioning proposals and cultural service type contracts as a result of departmental restructures. This meant the £1.08 million of efficiency savings has needed to be delivered from a vastly reduced value of the contracts.

Contract Efficiencies to the value of £400k have been delivered in 2017/2018 and £443k has been identified for 2018/2019. The department are currently investigating alternative ways to deliver the remaining £237k. The project status will remain as compromised pending the outcome of these investigations.

13. Statutory School Transport

In February 2016 it was approved that the Council would cease to provide school bus services and discounted season passes for non-statutory travellers. It was proposed that the new statutory-only service would be implemented from September 2018. This approval was agreed on the basis that this would bring us in line with the services offered by many of our neighbouring County Councils.

However since this time organisational priorities have changed and consequently a decision is required on how this savings proposal will proceed. The service is actively reviewing the £686k 2018/19 savings target and recognises that there may be a potential requirement for slippage or for write-off as part of a future report to Improvement and Change Sub-Committee.

Other Options Considered

14. None.

Reason/s for Recommendation/s

15. To ensure opportunities for the effective and proportionate performance management of the Programmes and Projects.
16. For amendment to project saving profiles to be recommended to the Finance and Major Contracts Committee.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

18. Amendments to the savings profiles of the Care and Support Centres and Targeted Reviews Projects are detailed in change requests appended at **Appendix B**. For the Care and Support Centres the financial implication will be that £2.464m of savings will slip from delivery in 2018/19 to delivery instead of £1.633m savings in 2019/2020 and £0.831m savings in 2020/2021. For the Target Reviews project there will be slippage of savings of £1 million from the savings target in 2018/19 to 2020/21. These slippages were incorporated into the Budget and Medium Term Financial Strategy approved last month.

RECOMMENDATION/S

It is recommended that Improvement and Change Sub Committee:

- 1) Consider the Quarterly Savings Update
- 2) Approve the change requests for the Care and Support Centres and Targeted Reviews Projects detailed in **Appendix B**.

Nigel Stevenson

Service Director Finance, Procurement and Improvement

For any enquiries about this report please contact:

Celia Morris, Group Manager Performance and Improvement (0115 9772043)

Constitutional Comments (SLB 16/02/2018)

Improvement and Change Sub-Committee is the appropriate body to consider the content of this report.

Financial Comments (RWK 15/02/17)

The financial implications are set out in the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected: All