

Report of Head of Finance Adult Social Care

Report to Scrutiny Board (Adult Social Services, Public Health, NHS)

Date: 15th March 2016

Subject: Delivery of Adult Social Care Budget Savings 2016/17

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Local Government Finance Settlement was announced on the 8th February 2016. The impact for Leeds was a reduction of £34.1m to the Council's adjusted Settlement Funding Assessment. The 2016/17 budget was approved by Full Council on the 23rd February and includes some £76.3m of savings that need to be achieved in order to balance.
2. Within Adult Social Care £15.65m of savings have been identified in the budget. As requested by Members of the Scrutiny Committee this report outlines the proposals for delivering these savings in 2016/17. In order to avoid duplication the report follows an existing reporting format that was successfully used to track savings delivery in 2015/16.
3. Adult Social Care has rigorous arrangements in place to monitor delivery of the 2016/17 budgeted savings and to identify and implement any contingency actions required.

Recommendations

4. Members are asked to consider the robustness of the arrangements for ensuring delivery of the £15.65m of savings identified in the Adult Social Care budget 2016/17 and provide feedback as appropriate.

1 Purpose of this report

- 1.1 The purpose of this report is to inform members of the arrangements that are in place to ensure delivery of the £15.65m of savings identified in the Adult Social Care budget for 2016/17.

2 Background information

- 2.2 Local Government has faced significant cuts in funding over the last 6 years (over 40% reduction) and this is set to continue for at least 4 more years. Savings have become harder and harder to identify and deliver and for this reason a cross-council system to track the delivery of budget savings in-year was introduced in 2015/16. CLT and Cabinet have received regular updates during the year and it has proved to be a useful monitoring tool. This council-wide approach builds on the arrangements that have been in place within Adult Social Care to monitor the delivery of budgeted savings on a monthly basis.
- 2.3 Following a request from the Chair of Scrutiny Board (Adult Social Services, Public Health, NHS) this report incorporates the first 2016/17 savings monitoring report for ASC.
- 2.4 The report lists all approved budget savings proposals and provides RAG ratings which assesses the likelihood that the saving will be delivered. The ratings used are as follows:
- Red – Significant concerns about delivery of saving. Majority of saving may not be delivered. Action required.
 - Amber – Some concerns about delivery of saving. Possible that some of saving will not be delivered. Action should be considered.
 - Green – No or few concerns about delivery of saving. All savings should be delivered. No action necessary.
 - Blue – savings have been delivered and 'banked'.
- 2.5 It is important to note that this report only monitors the delivery of agreed budget savings. It does not pick up other budget pressures that may manifest themselves during the year. The monthly budget monitoring reports to Executive Board cover all these other areas and include progress in delivering budgeted savings. For internal monitoring purposes within the directorate Adult Social Care also includes savings from previous years where further actions are required to confirm their ongoing achievement in 2016/17.

3 Main Issues

- 3.6 The national context for ASC continues to be one of demographic increases, increased life expectancy, increasing complexity of need and service users expectations, greater support for people to remain living independently in their own homes for as long as possible, a national drive to improve the quality of social care services and an increasing focus on the integration of health and social care services.

- 3.7 These demands exert an upward pressure on costs and in recognition of this the Government have given councils the option of a 2% increase in Council tax earmarked wholly for Adult Social Care. Leeds has opted to implement this increase. However, given the scale of demand and cost pressures this additional funding does not fully address our financial challenges and leaves Adult Social Care with £15.65m of savings to deliver in 2016/17.
- 3.8 Over the last 5 years Adult Social Care has developed rigorous monitoring arrangements for budgeted savings. The first stage is the development of budget action plans for those savings that require actions in-year to ensure delivery. These include the key assumptions underpinning the budgeted savings and the monitoring mechanisms to track progress of the specific actions identified. Budget action plans are prepared by senior managers, usually Heads of Service, and approved by the Directorate Leadership Team before the start of the financial year. Monthly monitoring of actions and the associated financial impact takes place as part of regular budget monitoring. Adult Social Care also holds six-weekly challenge sessions, one for those savings being delivered by frontline operational services and another addressing savings that are the responsibility of commissioning and resources functions. These sessions are chaired by a Chief Officer and include the senior managers responsible for delivering the budget action plans. Contingency actions are identified for any budgeted savings not on track for delivery and issues are escalated to the Directorate Leadership Team and Executive Member if required. All these processes feed into the financial health report to each Executive Board meeting.
- 3.9 These budget monitoring arrangements have enabled Adult Social Care to achieve close to budget balance in percentage terms given the statutory requirements and potential for volatility within its demand led community care budgets. Over the last 5 years the average percentage year-end variance from budget has been an underspend of 0.2%.
- 3.10 The attached spreadsheet (appendix 1) sets out the 2016/17 budgeted savings down and provides both a RAG rating as to progress on implementation. The most significant savings are as follows:
- Income from health partners – income of £3.9m is included in the 2016/17, the majority of which relates to income received in 2015/16 on a non-recurrent basis. Discussions are ongoing with CCG colleagues led by the Deputy Chief Executive, but agreement has not yet been reached.
 - Review of care packages - £5.5m to be delivered from service reviews across all client groups for new and existing customers. A review of the costs of services has identified that spend in Leeds is significantly higher than in comparator authorities on mental health services and to a lesser extent on services for people with physical impairment and learning disabilities. The budgeted savings are based on this analysis and the current level of spend on these services. These reviews will build on the strengths of individual customers and the assets within their communities. The impact of these reviews may include some customers being transferred to different services and some reduction in the level of care provided, but eligible social care needs will continue to be met. Some of these savings may impact on third sector services.

4 Corporate Consideration

4.1 Consultation and Engagement

- 4.1.1 There may be consultation and engagement implications for some of the individual savings proposals. These will be addressed as a matter of course during implementation for each individual proposal as appropriate.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.2 There may be equality and diversity/ cohesion and integration implications for some of the individual savings proposals. These will be addressed as a matter of course during implementation for each individual proposal as appropriate.

4.3 Council policies and Best Council Plan

- 4.3.1 The Adult Social Care budget supports the Best City Outcome of people living with dignity and staying independent for as long as possible. It also supports the breakthrough project to make Leeds the best place to grow old in.

4.4 Resources and value for money

- 4.4.1 The delivery of agreed budget savings supports the Best Council Plan value of spending money wisely and on delivering value for money.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal or access to information implications in this report. The report does not include any decision making and so call in is not applicable.

4.6 Risk Management

- 4.6.1 Failure to deliver these budgeted savings would place pressure on the Adult Social Care budget necessitating contingency savings being implemented. This risk is monitored on a monthly basis as outlined in section 3.8 and actions are put in place to mitigate the impact of any shortfalls in delivery.

5 Conclusions

- 5.1 Adult Social Care has rigorous arrangements in place to monitor delivery of the 2016/17 budgeted savings and to identify and implement any contingency actions required.

6 Recommendations

- 6.1 Members are asked to consider the robustness of the arrangements for ensuring delivery of the £15.65m of savings identified in the Adult Social Care budget 2016/17 and provide feedback as appropriate.

7 Background documents¹

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

7.1 None.