

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny
DATE	28 April 2016
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Due Diligence Process for the Establishment of the Aberdeen City Health and Social Care Partnership Budget
REPORT NUMBER	CG/16/064
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This report provide details of the due diligence processes that have been applied to the creation of the consolidated Aberdeen City Health and Social Care Partnership budget for the 2016/17 financial year.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- i) Note the content of the report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications from this report. The level of funding for the Health and Social Care Partnership from the City Council, as indicated within the report to the shadow Integration Joint Board (sIJB), formed the basis of the Budget report to Council on 25 February 2016.

4. OTHER IMPLICATIONS

- 4.1 None.

5. BACKGROUND/MAIN ISSUES

- 5.1 The report has been prepared in response to the recommendations contained in paragraph 2.3.17 of the internal audit report on Pre-Integration Financial assurance that was considered by this Committee on 9 March 2016.

- 5.2 The attached report on the due diligence process for the establishment of the Aberdeen City Health and Social Care Partnership budget was considered by the sIJB on 29 March 2016. The sIJB endorsed the due diligence processes that have been applied to the creation of the consolidated Aberdeen City Health and Social Care Partnership budget for the 2016/17 financial year, and otherwise noted the content of the report.

6. IMPACT

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report.

Improving our use of Resources –

No direct impact arising from this report.

Corporate -

No direct impact arising from this report.

Public –

This report may be of interest to the public as it concerns the level of funding provided for the newly created Health and Social Care Partnership.

7. MANAGEMENT OF RISK

- 7.1 A risk to the Council is that from 2017/18 onwards it would be liable to share any overspend on the overall IJB budget, rather than only the element directly managed by the Council. However, it is a clear expectancy of the Integration Scheme that the Chief Officer of the IJB will deliver the agreed outcomes within the total resources delegated to the IJB, and the scheme also contains provisions for recovery plans to be agreed and for dealing with any residual overspend. The sIJB has agreed to create an Audit and Performance Systems Committee to oversee the financial performance of the IJB.

8. BACKGROUND PAPERS

Budget workings in relation to the IJB services;
Budget report to Council on 25 February 2016;
Report to Council on 9 March 2016 “Powers Transferring to Integrated Joint Board for Health and Social Care”

9. REPORT AUTHOR DETAILS

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Report Title	DUE DILIGENCE PROCESS FOR THE ESTABLISHMENT OF THE ABERDEEN CITY HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET
Lead Officer	Alan Gray
Report Author	Paul Dixon and Alan Sharp
Date of Report	16 March 2016
Date of Meeting	29 March 2016

1:	Purpose of the Report
<p>To provide details of the due diligence processes that have been applied to the creation of the consolidated Aberdeen City Health and Social Care Partnership budget for the 2016/17 financial year.</p>	

2:	Summary of Key Information
2.1	<p>Background</p> <p>2.1.1 The Scottish Government established the Integrated Resources Advisory Group (IRAG) to consider the financial implications of integrating Health and Social Care and to develop professional guidance.</p> <p>2.1.2 The IRAG guidance states that the resources in the first year should be based on the due diligence carried out during the shadow period. IRAG also issued supplementary statutory guidance on financial assurance matters and in relation to the due diligence process the guidance recommended that the initial sums should be determined on the basis of existing Health Board and Local Authority budgets, actual spend and financial plans for the delegated services. It is important that the plans are tested against recent actual expenditure and that the assumptions used in developing the plans and the associated risks are fully transparent. To assist in this it is recommended that:</p> <ul style="list-style-type: none"> • The budget in the financial plan is assessed against actual expenditure reported in the management accounts for the most recent two/three years. Ideally, the roll forward of the budget for the delegated services and the actual expenditure over this period should be understood; • Material non-recurrent funding and expenditure budgets for the delegated services and the associated risks are identified and assessed; • The medium term financial forecast for the delegated services and associated assumptions and risks is reviewed;

- Savings and efficiency targets and any savings schemes are clearly identified and the assumptions and risks are understood by all Partners. This is a key part of the assurance process and the experience from Highland partners is that it is a potential source of future disagreement; it is advised that Partners devote sufficient time to understand the targets, efficiency schemes and associated assumptions and risks;
- All risks should be quantified where possible and measures to mitigate risk identified. Risks could be classified as delivery of efficiency savings; on-going risks; emerging risks;
- The amount set aside for the Integration Joint Board (IJB) consumption of large hospital services is consistent with the methods recommended in the IRAG guidance on the set aside resource and that the assumptions and risks are assessed.

In subsequent years the Chief Officer and the IJB Chief Financial Officer will develop a business case for its resources in line with the method set out in the Integration Scheme.

2.1.3 It is important that a process of due diligence is undertaken to ensure that the budget provided for the Partnership is sufficient, identifies current and historical pressures and demands and allows the Partnership to proceed on a sound financial basis.

2.1.4 Due diligence will be informed by an overview, for both Council and Health aspects, of the following

- 2013/14 final expenditure
- 2014/15 final expenditure
- 2015/16 projected expenditure
- 2015/16 budget
- 2016/17 proposed budget

Appendices 1 and 2 provide a breakdown of services managed within Aberdeen City Council and NHS Grampian respectively.

2.1.5 The IJB is responsible for the production of a Strategic Plan setting out the services for their population over the medium term (3 years). To support this medium term financial planning process, Aberdeen City Council and NHS Grampian are required to provide indicative three year rolling funding allocations to the IJB. Such indicative allocations would remain subject to annual approval through the respective budget setting processes. It is the responsibility of the Chief Officer and the IJB Chief Financial Officer to develop a business case for the integrated budget based upon the Strategic Plan and to present this business case for consideration and agreement within the budget-setting processes of Aberdeen City Council and NHS Grampian. The ultimate objective is to ensure that the Strategic Plan meets

the requirement for economy, efficiency and effectiveness in the use of the IJB's resources.

2.2 Aberdeen City IJB Integrated Budget

2.2.1 The budget for the Partnership will be derived from the funding allocated to the IJB from Aberdeen City Council and NHS Grampian Health Board. In 2016/17 it is likely that the majority of funding will continue to be used as per existing budgets but in future years the IJB may choose to use the funds to provide services in an alternative manner. This would involve the reallocation of funding between health and social care budgets.

2.2.2 The integrated budget for the Partnership for 2016/17 is summarised in Appendix 1.

2.3 Due Diligence Process 2016/17 Aberdeen City Council Budgets

2.3.1 The Scottish Government's Local Government Finance Settlement (Circular 7/2015 version 4) provides Local Authorities with details of their revenue and capital funding for 2016/17. The settlement details for the Council show a reduction in funding from the Scottish Government of just over £10.3 million (3.0%).

2.3.2 The Finance Settlement Circular also imposed a range of conditions on Councils, and of particular relevance to the IJB, £250 million, for Scotland as a whole, will be transferred from the Health Budget to integration authorities in 2016/17, whereby £125 million is to support additional spend on expanding social care to support the objectives of integration; and £125 million is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services. This includes a requirement that all social care workers including those in the independent and third sectors are paid the Living Wage.

2.3.3 The forecast out-turn position of the budgets which formed the Council's element of the IJB's shadow year budget for 2015/16 is important in respect of due diligence as it provides details of any current overspend on the budget and enables scrutiny of the base budget prior to it being delegated to the Partnership.

2.3.4 In preparing an initial draft budget position for 2016/17, the Council's Corporate Management Team (CMT) began with an analysis of the 2015/16 budgetary position. This review analysed and re-modelled the cost pressures which had already been identified for 2016/17, such as contractual obligations and staffing costs. The process also identified new growth which would be required during 2016/17, such as changes to National Insurance contracting out arrangements. Cost pressures identified that impacted on IJB budgets were as follows:

Cost Pressures included in 2016/17 IJB budgets	£000
1% staff pay award	414
Increase in National Insurance rates	334
Staffing increments etc.	44
Bon Accord Care pay award+increments	450
1% uplift on commissioned services	628
National Care Home Rate increase(NCHR) (6.25%)	<u>1,950</u>
Total cost pressures included in budget	<u>3,820</u>

Note:

- i) a nationally agreed pay award has been settled at a 1% increase and this has been allowed for in the 2016/17 budget.
- ii) the current system for National Insurance is that employers and employees pay a reduced rate where employees are paying into an approved pension scheme. This will be abolished in April 2016 and the employer's rate increases from 10.4% to 13.8%.
- iii) assumed no increase in price of utilities due to current price of oil.

2.3.5 The next step was to review the pattern of spend that the Council had been incurring within the 2015/16 financial year and the two years prior to that. This highlighted budgets which could be vired and efficiencies which could be made. As a result of this exercise savings targets of £1.9 million were agreed in IJB budgets. Details of these savings targets are included in Appendix 4. The HRA budget for aids and adaptations was also reduced by £0.250 million to reflect the level of actual spend in previous years.

2.3.6 From the additional £250 million additional funding noted at 2.3.2 above, the Aberdeen City IJB would receive £9.5 million. On the basis of the guidance received this would be split into two components - £4.75 million to fund additional capacity and £4.75 million to meet local authority budget pressures including pay, national insurance changes and funding the Living Wage. On this basis the Council assumed a saving of £4.75 million to be funded from this additional funding. The Council also built an additional growth pressure into the IJB budgets of £1.6 million to provide additional funding to enable the payment of the Living Wage across third and independent sector providers with effect from 1 October 2016.

2.3.7 After following all the steps outlined in paragraphs 2.3.4 to 2.3.6 above, across all Council services there remained a funding deficit of £2.4 million. A range of further savings options were presented to Council totaling £5.9 million. Two of those savings options related to IJB services and were part of the package of measures agreed by the Council to meet the £2.4 million deficit. This added a further £0.7 million to the IJB savings targets and again the details of these savings targets are included in Appendix 4.

2.3.8 As a result of all the measures outlined above the movement on the Council's IJB budgets from 2015/16 to 2016/17 could be summarised as follows:

	<u>£m</u>
2015/16 budgets	90.3
add: growth pressures for pay and price increases	3.8
provision to meet costs of Living wage w.e.f 1 October 2016	<u>1.6</u>
	95.7
less: agreed efficiency savings targets	-2.6
reduction in HRA funding	-0.2
sum to be met from additional social care funding	<u>-4.7</u>
	88.2

2.3.9 Appendix 2 to this report highlights a forecast underspend for Aberdeen City Council's budgets of £0.357 million for the 2015/16 shadow year. This is a small improvement on the previous forecasts presented during the year, which suggested a broadly balanced budget overall. Previous reports had highlighted overspend in Learning Disabilities services, resulting from under achievement of savings targets, broadly matched by underspend in Older People's services due to shortage of care packages available. Agreement has been reached during the year to virement of £2.1 million in commissioning services budgets from Older People's services to Learning Disabilities in order to more closely align the budgets with actual spending levels.

2.3.10 Efficiency savings totaling £2.574m have been approved for 2016/17 and built into the budget assumptions. Appendix 4 to this report provides a breakdown of the approved savings. The achievement of these savings will be monitored and reviewed over the course of the financial year. Progress will be highlighted in Financial Management Reports to the IJB.

2.4 Due Diligence Process 2016/17 NHS Grampian Budgets

2.4.1 In Health there is a requirement to submit to the Scottish Government an interim financial plan each year as part of the Health Board's Local Delivery Plan (LDP). The LDP forms a "contract" between the Scottish Government and the Health Board. For 2016/17 the draft LDP needs to be submitted on 4 March 2016 with the final LDP being submitted on 31 May 2016. The Health Board budget was approved by the NHS Grampian Budget Steering Group on 22 February with formal approval by the full NHS Grampian Board anticipated in April.

2.4.2 Financial plans are created based on the current existing recurring Health budgets. In setting budgets, the reasons underlying current budget variances are assessed to determine if these are of a recurring or non-

recurring nature and whether the cause of overspend is justifiable e.g. evidence of increased activity.

2.4.3 To arrive at the financial plan there is:

- A review of existing over-commitments to determine if there is a requirement for additional funding.
- An assessment of expected cost increases (e.g. pay uplifts, inflation, horizon scanning for the introduction of new drugs, implications of national agreements e.g. provision of tertiary paediatric beds).
- A need to address any commitments made during the year (e.g. the full year effects of any new service developments such as investment in Emergency Department capacity).
- Consideration of the growth in demand e.g. volume increases for prescriptions in primary care or increased diagnostic tests, increased surgical procedures for cataracts or hip/knee replacement.
- A requirement to meet Scottish Government access targets.
- Consideration of services where there could be patient safety or health and safety issues.

2.4.4 The cost pressures requiring funding in the following financial year are reviewed by a few multi-disciplinary groups to arrive at robust estimates to form the base of the financial plan:

- The Grampian Medicines Management Group recommends uplifts to GP Prescribing and Secondary Care drug budgets, giving particular consideration to the emergence of new drugs.
- Estimates to uplifts for pay awards and national insurance changes are made by the NHS Grampian Finance Department based on the relevant pay circulars. Pay budgets are set at the mid-point of the salary scale.
- The Nursing Resources Group reviews the service requirements for additional nurse staffing and determines a priority in which any available funding should be applied.

The outcomes of these groups are reviewed by the NHS Grampian Budget Steering Group who oversee the revenue budget setting process and prioritise across the competing demands for resources.

2.4.5 The requirement to meet Cash Releasing Efficiency Savings (CRES) is determined by the extent of the cost pressures and the level of increased allocation from the Scottish Government. Sectors and Departments are expected to identify potential sources for these savings and the risks associated with these plans. Not all budgets will be subject to CRES e.g. the budget for primary medical services is a separate allocation to the Board which funds nationally negotiated payments and is therefore exempt from CRES. Prior years CRES targets remain in the budget to the extent that

specific savings have not been identified, but there are no new CRES targets for 2016/17.

2.4.6 Appendix 3 highlights the Health expenditure in 2013/14 and 2014/15 on “in-scope” budgets; the projected expenditure for 2015/16; the annual budget for 2015/16 and the indicative budget for 2016/17. The indicative budget, which is reflected in the indicative allocation for the strategic plan, is based upon the current recurring budget.

2.4.7 Reviewing Appendix 3 it is worth noting:

- Uplifts will be applied to the GP Prescribing budget for 2016/17 based on the recommendation of the NHS Grampian Budget Steering Group.
- Uplifts will also be applied to pay budgets for 2016/17 to reflect increases in pay scales and employer national insurance contributions from 1st April 2016 onwards.

The uplift figures have not yet been confirmed and are not reflected in the budget figures in the table at 2.4.8 below, nor in the figures in Appendix 3.

2.4.8 The movement in budget from 2015/16 to the draft budget for 2016/17 can be analysed as follows:

	£m	£m
Current Year Health budget 2015/16 (at Jan. 2014)		154.108
Less non-recurring funding in 2015/16		
- Primary Care Earmarked Funding (DES)	1.634	
- Change Fund/Integrated Care Fund/Delayed	1.150	
- Residential Care/Care Quality (ACC Payment)	0.468	
- Oral Health & Childsmile Dental Funding	0.287	
- Alcohol & Drug Partnership Funding	0.285	
- HMP Grampian/GMED Non-Recurring (Hosted)	0.265	
- Public Health Earmarked Funding	0.255	
- Immunisations Programme	0.151	
- Brimmond Non-Recurring Support	0.150	
- Dental Access Initiative Grant	0.125	
- Locum Support Funding (Elderly)	0.120	
- Non-Recurring Cost Pressure Funding (Elderly)	0.104	
- Other Minor Budget Adjustments	(0.053)	4.941
Draft Full Year Health Budget 2016/17		149.167

The plans to achieve the prior year’s CRES have still to be developed which is a risk for the Partnership. There are no new CRES targets for 2016/17.

2.4.9 In addition, there is the budget set aside for large hospital services. It has been agreed that adjustments to the set aside budget for activity or cost

changes will only be made at the start of the financial year with no in- year financial consequence on the HSCP. Any amendments to the set aside budgets will also need to be reviewed on an annual basis as part of the Strategic Plan.

2.4.10 The introduction of Health and Social Care Partnerships in Grampian will see a number of services currently provided by Health being managed by one HSCP for the entire Grampian population. These services will be known as “hosted” services and are listed below:

- Intermediate Care
- Sexual Health Services
- Marie Curie Nursing
- Heart Failure Service
- Continence Service
- Diabetes Network
- Chronic Oedema Service
- HMP Grampian
- Police Forensic Examiners
- Primary Care Contracts Team
- A small number of other Primary Care budgets (e.g. IT contracts and Improvement Grants)
- GMED

The due diligence process outlined in this report for NHS services will apply in Lead Partnership arrangements.

2.5 Additional Capacity Funding

2.5.1 The 2016/17 budget includes significant elements of additional capacity/transformation funding. In addition to previously announced budgets for the Integrated Care Fund and Delayed Discharge Funding the Scottish Government also announced additional capacity funding totaling £9.5 million for Aberdeen City IJB (also see paragraphs 2.3.2 and 2.3.6 above). This additional capacity funding is recurring funding, but at this stage no specific requirements have been outlined by the Scottish Government as to how it may expect the IJB to evidence that this funding has been used to support additional capacity. In setting the 2016/17 budgets the £9.5 million has been applied as follows:

	<u>£m</u>	<u>£m</u>
Total sum available		<u>9.500</u>
Amount utilised by the Council in setting its budget:		
provision for costs of implementing living wage	1.600	
additional provision for uplift on national care homes contract price	1.000	
to provide budget for other growth pressures within adult social care	<u>2.150</u>	
		4.750
Sum available to the IJB for additional social care capacity		<u>4.750</u>
		<u>9.500</u>

The total additional capacity/transformational funding available within the 2016/17 budget may then be summarised as:

	<u>£m</u>
Additional social care capacity	4.750
Integrated Care Fund	3.750
Delayed Discharge Funding	<u>1.125</u>
	<u>9.625</u>

The Chief Officer will consider the investment strategy for this additional capacity/transformational funding and bring forward a report outlining the strategy to the Board meeting in April.

2.6 Ongoing Monitoring and Review

- 2.6.1 A comparison of the forecast out-turn against annual budget will be reported to the IJB at regular intervals throughout the financial year. This is a key component of the due diligence process as it ensures that the impact on resources in respect of increased demand (e.g. demographic pressures and increased prevalence of long term conditions) and other planned and unplanned activity changes are monitored and reviewed on an ongoing basis. The requirement for ongoing monitoring of and reporting of progress against approved efficiency savings is a further key component of the due diligence process. Financial Management Reports to the Aberdeen City Shadow IJB during 2015/16 highlighted the approved efficiencies which are challenging in terms of delivery in 2015/16 and this will continue in 2016/17.

3: Recommendations for Action

It is recommended that the Shadow IJB:

- i) Endorses the due diligence processes that have been applied to the creation of the consolidated Aberdeen City Health and Social Care Partnership budget for the 2016/17 financial year.

- ii) Otherwise notes the content of the report.

4: Opportunities and Risks

4.1 Opportunities will arise from the additional funding for social care provided by the Scottish Government to enhance social care services to meet the objectives of integration, and also from the confirmation that the Integrated Care Fund and Delayed Discharge funding have now been made recurring.

4.2 Risks would revolve around the failure to achieve a balanced budget in 2016/17. Regular monitoring of actual expenditure against budget and forecasting full year out-turns will help to mitigate such risk. The main areas of risk include:

- Staff Recruitment – There is currently reliance on carrying a significant number of vacant posts in staff groups due to recruitment difficulties. If recruitment conditions improve this will lead to a financial pressure on pay budgets.
- GP Prescribing – this is a volatile budget which is influenced by volume and price movements which are often outwith local control.
- Commissioning budgets – The needs led element of the budget can be volatile, with major fluctuations in the level of commitment from month to month due to demand pressures. A 1% increase in care packages costs approximately £0.75 million.
- Achievement of savings targets in 2016/17 – Total savings of £2.6 million in Council budgets are anticipated as detailed in Appendix 4. Any delay/shortfall in achieving the savings levels will create pressures on the budget.
- In addition to the growth pressures that were built into the budget, as set out in the table in paragraph 2.3.4 above a further £2.9 million of potential growth pressures were identified, but it was considered that they could be met from within existing budgets. To any extent this proves not to be possible this would add to the risk of overspending.

APPENDIX 1

Aberdeen City Integration Joint Board Revenue Budget 2016/17

Table 1 Summary Budget 2016/17

	£000
Community Health Services	33,885
Hosted Services	16,517
Learning Disabilities	28,868
Mental Health & Addictions	17,783
Older People & Physical and Sensory Disabilities	72,417
ACC Administration & Management & Criminal Justice	794
Primary Care Prescribing	38,334
Primary Care	33,476
Additional Capacity Funding	9,625
Total Delegated Budget	<u>251,699</u>

APPENDIX 2

Aberdeen City Health & Social Care Partnership
 Due Diligence Process - Aberdeen City Council Services
 Annual Budget to Actual / Forecast Out-turn Comparison 2013/14 to 2016/17

Service Division	Actual Expenditure 2013/14 £m	Actual Expenditure 2014/15 £m	Current Budget 2015/16 £m	Projected Expenditure 2015/16 £m	Variance 2015/16 £m	Proposed Budget 2016/17 £m
Learning Disability	20.250	21.496	20.266	20.930	0.664	20.766
Mental Health & Addictions	4.953	5.876	5.872	5.822	-0.050	5.766
Older People & Physical Disabilities	59.180	59.996	61.862	61.228	-0.634	63.720
Administration & Management	-0.243	-0.096	0.399	0.144	-0.255	0.881
Criminal Justice	-0.257	-0.220	-0.199	-0.281	-0.082	-0.087
Housing General Fund	0.535	0.673	0.770	0.850	0.080	0.770
Housing Revenue Account	1.227	1.040	1.341	1.192	-0.149	1.091
Support from Additional SG Funding	-	-	-	-	-	-4.750
Total	85.645	88.765	90.311	89.885	-0.426	88.157

APPENDIX 3

Aberdeen City Health & Social Care Partnership
 Due Diligence Process - NHS Grampian Services
 Annual Budget to Actual / Forecast Out-turn Comparison 2013/14 to 2016/17

Service Division	Actual Expenditure 2013/14 £m	Actual Expenditure 2014/15 £m	Current Budget 2015/16 £m	Projected Expenditure 2015/16 £m	Variance 2015/16 £m	Proposed Budget 2016/17 £m
Core Community Services	32.616	35.207	32.512	32.507	-0.005	29.787
Resource Transfer	16.990	17.330	17.645	17.645	0.000	17.645
Intermediate Care	5.024	5.102	4.724	4.933	0.209	4.335
Community Mental Health	6.789	7.640	9.033	8.825	-0.208	9.073
Prescribing	35.934	37.834	38.302	39.034	0.732	38.334
Primary Care	34.010	34.441	35.110	35.202	0.092	33.476
Share of Hosted Services	14.739	15.562	16.782	16.808	0.026	16.517
Total NHSG budget	146.102	153.116	154.108	154.954	0.846	149.167
Additional Capacity Funding						14.375
Total	146.102	153.116	154.108	154.954	0.846	163.542

APPENDIX 4

Service Area	Approved saving	Amount £	Notes
Adult Social Care	Review of current clients against ordinary residence rules	(150,000)	The aim is to make sure that costs for out of authority service users accommodated within the City are met by their home authority.
Adult Social Care	Review of block funded contracts	(150,000)	Moving to a spot purchase model rather than a block funded system particularly for providers where services are offered to non-Aberdeen city residents.
Adult Social Care	Review Self Directed Support community engagement strategy	(168,000)	Rationalise bespoke funding in learning disability services and self directed support into a single more cost effective system.
Adult Social Care	Efficient collection of all valid fees and charges	(300,000)	By ensuring that we recover fees owed to the Council from providers and faster processing of applications means waived charges will be reduced.
Adult Social Care	reduce energy consumption by 10%	(5,612)	Through improving education in energy management, with support from the Energy Management Unit, a 10% reduction in consumption is anticipated across the service.
Adult Social Care	increase Vacancy Factor from 6.5% to 8%	(177,000)	Increase of Vacancy Factor from 6.5% to 8% to more accurately reflect the current staff turnover within the service.
Adult Social Care	Procurement saving	(750,000)	A review of adult social care contracts will allow costs, not services, to be reduced.
Adult Social Care	4% reduction in admin. Budgets	(10,000)	Rationalisation and review of admin. budgets.
Adult Social Care	4% reduction supplies & services budgets	(52,000)	Rationalisation and review of supplies and services budgets.
Adult Social Care	review centralisation of small budgets - courses	(64,504)	Across the services a review of budgets under £10,000 shows that by aggregating these small budgets a reduction can be made which reflects actual spend.
Adult Social Care	review centralisation of small budgets - phones	(9,988)	Across the services a review of budgets under £10,000 shows that by aggregating these small budgets a reduction can be made which reflects actual spend.
Adult Social Care	10% reduction on overtime budgets	(8,313)	This represents a 10% reduction in non-contractual overtime and is applied across the Council for 2016/17.
Adult Social Care	Review of fixed phones etc.	(2,964)	A review of the fixed line contract for telephone calls and rental to reduce costs.
Adult Social Care	Review of mobile phone distribution	(987)	A review of mobile phone distribution to reduce costs.
Adult Social Care	Use of alternative technology such as Lync to reduce travel budgets	(24,177)	Use of alternative technology such as Lync means that travel budgets can be reduced.
Adult Social Care	Rationalise external care home commissioning	0	Investigate opportunities to commission external care services/rationalise external care home commissioning (Head of Operations is keen to explore this option but as not yet scoped, no savings are anticipated in year 1).
Adult Social Care	Reduce BAC management and infrastructure costs	(250,000)	Saving on management and infrastructure costs of Bon Accord Care in line with those applied to other services for 2016/17 e.g. vacancy factor increase, reduction in energy consumption, overtime budget reduction etc.
Adult Social Care	Review BAC current service delivery model	(450,000)	Comprehensive review of the current service delivery model through Bon Accord Care. The Council will work with Bon Accord Care to determine the proposals to manage this reduction.
	Total Approved Savings	(2,573,545)	