

## **Savings Story 2010/11**

As set out on the graph in Annex A, the 'savings story' for Adult Social Care in 2010/11 may be summarised as follows:

- The MTFP required savings of £32m in 2010/11, and required that those savings be planned for on a recurring basis additional to any new savings targets set for future years
- Extra pressures of over £2.2m arose during the year, so that some £34m needed to be saved in total
- Savings of over £39m were achieved
- Consequently there is the potential to carry forward £6.4m of revenue in total, of which £2.0m is already committed against spending plans in 2011/12 in order to support the MTFP position or to complete project-type spending plans with partners
- Some £4.4m is therefore available – subject to Cabinet approval – to help deliver the budget in 2011/12. ASC have in recent months aimed to reach such a position, mindful of the challenges of the forward budget
- The £2m of new pressures which arose in 2010/11 have been fully built into the starting position for 2011/12, which requires new savings of £28.5m;
- Some £26m of the savings made in 2010/11 are recurring. That means that £6m of new savings are needed in 2011/12 in order to replace the non-recurring elements of 2010/11 savings (ie so that the £32m savings built into the base from 2010/11 onwards are achieved in 2011/12)
- New savings of £28.2m + £6m = £34.2m are therefore needed in 2011/12. It is therefore very helpful to be able to plan on the basis of £4.4m carry forwards which can contribute towards that £34.2m. It will be possible, given that, to proceed on the basis that the £28.5m planned new savings / indirect effects of the Whole Systems Funding + one-offs or further exploitation of 2010/11 savings will balance the position
- On that basis, the 2011/12 budget is judged to be deliverable. But that does, of course, need to be closely monitored, and additional actions need to be taken aimed at:
  - generating an underspend in 2011/12 if possible in order to provide similar back-up for the challenges of 2012/13

**ITEM 6**  
**ANNEX B**

- ensuring that one-off 2011/12 funding is replaced by recurring savings going forward
- setting in train early in the year the work needed to deliver the more radically-based savings plans which will be needed for 2012/13