

APPENDIX B

Commentary for EIG Report - to explain latest forecast, key risks, any variances and compensatory savings to plug shortfall:

Social Care, Health & Housing - the SCHH efficiency target for 2011/12 is £4.694M (including Cross Cutting efficiencies – Procurement £0.019M, Income Review – Telecare £0.192M and Passenger Transport Review £0.020M).

All efficiency workstreams are being actively managed. The major risk areas are identified as follows:-

1. EA51 - The reduction in usage of residential and nursing care is now expected to deliver £1.176M vs target £1.4m.
2. EA38 - Closure of LuDun did not occur until the end of May; as such running costs of £30k have been experienced including pay in lieu of notice to employees.
3. EA40 Direct Services streamlining of domiciliary care and A&R services; a shortfall of £0.179m is forecast
3. Telecare income – the income target of £0.192m will not be achieved in the current year as charging will not be introduced until half way through the year and is forecasting to generate £0.024M in 2011/12.

Compensatory initiatives have been identified to mitigate for the current shortfall.