

10.00am, Thursday, 25 June 2015

## Extension of contract for consultancy support for the review of the Health and Social Care budget

Item number 8.4  
Report number  
Executive/routine  
Wards

### Executive summary

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The report seeks approval to earmark up to £0.166m from the unaudited 2014/15 underspend to meet costs arising from the decision of the Finance and Resources Committee to authorise the Director of Corporate Governance to extend the contract with KPMG to allow additional works to be carried out on the review of the Health and Social Care budget.

### Links

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Coalition pledges [P30](#)  
Council outcomes [CO25](#)  
Single Outcome Agreement [SO1](#), [SO2](#)

## Extension of contract for consultancy support for the review of the Health and Social Care budget

### Recommendations

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- 1.1 It is requested that Council approves:
  - 1.1.1 Earmarking up to £0.166m of the unaudited 2014/15 underspend to meet costs arising from the decision of the Finance and Resources Committee to authorise the Director of Corporate Governance to extend the contract with KPMG to allow additional works to be carried out on the review of the Health and Social Care budget.

### Background

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- 2.1 The Finance and Resources Committee of 4 June 2015 considered a report on the 2015/16 budget action plan for Health and Social Care.

### Main report

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- 3.1 As part of their consideration of the above-mentioned report, the Committee agreed, under urgency provisions, that the Director of Corporate Governance be authorised, in consultation with the Convener of the Finance and Resources Committee, to extend the contract with KPMG for three months to enable additional work to be done on the review of the Health and Social Care budget.
- 3.2 A requirement of up to £0.166m of funding was identified. Members are advised that this sum could be met from the underspend of £0.519m returned by the Council in 2014/15. The underspend is included in the report on the Unaudited Financial Statements which can be seen elsewhere on the agenda. Members are therefore asked to earmark up to £0.166m of funding to enable the cost of the contract extension to be met.
- 3.3 The surplus returned by the Councils is subject to confirmation through the annual audit of the financial statements. Members are therefore advised that there is a risk that any adjustments identified as part of the audit may impact on the reported underspend. Should any material changes arise, the Head of Finance will review the position on completion of the audit and advise Members accordingly.

## Measures of success

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- 4.1 Reduction in potential budget overspend, whilst prioritising key services.

## Financial impact

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- 5.1 The costs of up to £0.166m can be met from the unaudited underspend of £0.519m returned by the Council in 2014/15.

## Risk, policy, compliance and governance impact

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- 6.1 The delivery of a balanced budget outturn for the year is the key target. The risks associated with cost pressures, increased demand and delivering savings targets are regularly monitored and reviewed and management action is taken as appropriate.
- 6.2 The reported underspend is subject to confirmation as part of the annual audit of the financial statements and therefore there is a risk that the underspend may be subject to change.

## Equalities impact

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- 7.1 It is anticipated that the review will highlight potential opportunities to identify necessary savings whilst prioritising key front-line services.

## Sustainability impact

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- 8.1 There are no impacts on carbon, adaptation to climate change and sustainable development arising directly from this report.

## Consultation and engagement

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- 9.1 Previous reports to the Finance and Resources Committee reflect ongoing discussion with NHS Lothian.

## Background reading/external references

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[Health and Social Care 2015-16 Budget Action Plan](#) – report to Finance and Resources Committee 4 June 2015

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## Links

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<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO25 – The Council has efficient and effective services that deliver on agreed objectives
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	None.