



Direct Dial/Ext: 01622 694277  
Fax:  
e-mail: [theresa.grayell@kent.gov.uk](mailto:theresa.grayell@kent.gov.uk)  
Ask for:  
Your Ref:  
Our Ref:  
Date: 30 June 2011

Dear Member

**ADULT SOCIAL SERVICES AND PUBLIC HEALTH POLICY OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 7 JULY 2011**

I am now able to enclose, for consideration at next Thursday, 7 July 2011 meeting of the Adult Social Services and Public Health Policy Overview and Scrutiny Committee, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
E2	<b><u>Adult Social Services Directorate/Portfolio Financial Outturn 2010/2011 ( 1 - 10)</u></b>
E3	<b><u>KASS Debt Position, June 2011 ( 11 - 18)</u></b>
E4	<b><u>2011/2012 Budget Savings ( 19 - 24)</u></b>

Yours sincerely

**Peter Sass**  
**Head of Democratic Services**

This page is intentionally left blank

**BY:** Graham Gibbens - Cabinet Member for Adults Social Care & Public Health  
Malcolm Newsam - Interim Corporate Director, Families & Social Care

**TO:** Adult Social Services & Public Health Policy Overview & Scrutiny Committee – 7 July 2011

**SUBJECT:** **ADULT SOCIAL SERVICES DIRECTORATE/PORTFOLIO  
FINANCIAL OUTTURN 2010/11**

**Classification:** Unrestricted

---

### **Summary:**

This report summarises the 2010/11 financial outturn for each of the service units within the Adult Social Services Directorate/Portfolio. Previously outturn reports to POSCs have included performance outcome information but this is now covered in the separate Core Monitoring report

FOR INFORMATION

---

### **Introduction**

1. (1) In the March/April cycle of meetings POSCs received a report setting out the latest forecast outturn for the 2010/11 financial year as reported to Cabinet based on the position as at the end of the third quarter. Third quarter performance monitoring against unit business plans was also covered at the same meetings in the Core Monitoring report.

(2) This is the second year we have been able to bring the final outturn reports to the July round of POSC meetings. It is important that committees receive timely information on actual costs in advance of considering options for future years' budgets during the autumn. This report includes the final outturn for each of the service units within the Adult Social Services Directorate/Portfolio in the same format as reported throughout the year in monitoring reports together with an explanation of any significant variances from the third quarter's monitoring. We are not in a position to report the outturn in the A to Z Service format used for the 2011/12 Budget Book as financial reporting for 2010/11 was not set up to produce information in this format.

(3) At its meeting on 26 May Scrutiny Board considered how POSCs can be more engaged in the budget planning process. Scrutiny Board recommended that each POSC should establish an Informal Member Group of up to 5 members which should meet between July and October in order to report back to the November POSC meeting on options for the forthcoming budget. The 2010/11 outturn report was identified as one of the core pieces of information that IMGs will need for these series of meetings.

## Adult Social Services Directorate/Portfolio 2010/11 Financial Outturn- Revenue

2. (1) The provisional revenue outturn was reported to Cabinet on 20 June together with recommendations on rollover for committed projects and contributions to reserves for uncommitted under spends. The overall final position for the Adult Social Services Directorate/Portfolio was an under spend of £483k.

(2) Table 1 sets out the original budget, final approved cash limit and spending for each service unit within the Adult Social Services Directorate/Portfolio. The changes between the original budget and final approved cash limit are all within KCC's "virement" rules as set out in Financial Regulations.

(3) In summary the variances from cash limit by client group are:

	£000
Older People	- 2,275
Learning Disability	- 370
Physical Disability	+ 2,138
Assessment & Related	+ 35
Mental Health	+ 123
Other Services	- 1,435
Specific Grant	+ 1,301
<b>Total</b>	<b>- 483</b>

**Table 1**

Portfolio: Kent Adult Social Services				
	2010-11			
	Original Budget	Approved Cash Limit	Final Outturn	Variance from Cash Limit
	£000s	£000s	£000s	£000s
<b>Older People Residential Care</b>				
Gross	88,305	89,113	88,936	-177
Income	-33,217	-36,771	-36,348	423
<b>Net</b>	<b>55,088</b>	<b>52,342</b>	<b>52,588</b>	<b>246</b>
<b>Older People Nursing Care</b>				
Gross	44,209	47,636	46,249	-1,387
Income	-20,201	-23,025	-23,046	-21
<b>Net</b>	<b>24,008</b>	<b>24,612</b>	<b>23,203</b>	<b>-1,409</b>
<b>Older People Domiciliary Care</b>				
Gross	47,882	48,029	47,314	-715
Income	-10,490	-10,574	-10,594	-19
<b>Net</b>	<b>37,392</b>	<b>37,455</b>	<b>36,720</b>	<b>-735</b>
<b>Older People Direct Payments</b>				

Gross	4,981	5,062	5,447	386
Income	-452	-532	-589	-56
<b>Net</b>	<b>4,529</b>	<b>4,529</b>	<b>4,859</b>	<b>329</b>
<b>Older People Other Services</b>				
Gross	19,582	20,317	19,124	-1,193
Income	-3,082	-7,455	-6,968	487
<b>Net</b>	<b>16,500</b>	<b>12,862</b>	<b>12,156</b>	<b>-706</b>
<b>TOTAL OLDER PEOPLE</b>				
<b>Gross</b>	<b>204,959</b>	<b>210,157</b>	<b>207,069</b>	<b>-3,088</b>
<b>Income</b>	<b>-67,442</b>	<b>-78,358</b>	<b>-77,545</b>	<b>813</b>
<b>Net</b>	<b>137,517</b>	<b>131,799</b>	<b>129,525</b>	<b>-2,275</b>
<b>Learning Disability Residential Care</b>				
Gross	65,284	72,361	75,372	3,012
Income	-12,791	-19,794	-19,654	140
<b>Net</b>	<b>52,493</b>	<b>52,567</b>	<b>55,719</b>	<b>3,152</b>
<b>Learning Disability Domiciliary Care</b>				
Gross	7,827	7,828	6,891	-937
Income	-949	-1,557	-1,520	37
<b>Net</b>	<b>6,878</b>	<b>6,271</b>	<b>5,371</b>	<b>-900</b>
<b>Learning Disability Direct Payments</b>				
Gross	7,747	7,865	8,335	470
Income	-185	-143	-289	-146
<b>Net</b>	<b>7,562</b>	<b>7,722</b>	<b>8,046</b>	<b>324</b>
<b>Learning Disability Supported Accommodation</b>				
Gross	12,729	26,287	26,289	2
Income	-2,140	-16,496	-16,463	33
<b>Net</b>	<b>10,589</b>	<b>9,791</b>	<b>9,826</b>	<b>35</b>
<b>Learning Disability Other Services</b>				
Gross	21,110	21,169	18,067	-3,102
Income	-1,397	-897	-776	121
<b>Net</b>	<b>19,713</b>	<b>20,272</b>	<b>17,291</b>	<b>-2,981</b>
<b>TOTAL LEARNING DISABILITY</b>				
<b>Gross</b>	<b>114,697</b>	<b>135,509</b>	<b>134,954</b>	<b>-554</b>
<b>Income</b>	<b>-17,462</b>	<b>-38,886</b>	<b>-38,702</b>	<b>184</b>
<b>Net</b>	<b>97,235</b>	<b>96,623</b>	<b>96,253</b>	<b>-370</b>
<b>Physical Disability Residential Care</b>				
Gross	12,759	12,526	13,059	532
Income	-2,136	-1,951	-1,691	260
<b>Net</b>	<b>10,623</b>	<b>10,575</b>	<b>11,367</b>	<b>792</b>
<b>Physical Disability Domiciliary Care</b>				
Gross	7,718	7,661	8,112	452
Income	-459	-449	-436	13
<b>Net</b>	<b>7,259</b>	<b>7,212</b>	<b>7,677</b>	<b>465</b>
<b>Physical Disability Direct Payments</b>				
Gross	7,022	7,132	8,113	981

Income	-269	-249	-362	-114
<b>Net</b>	<b>6,753</b>	<b>6,883</b>	<b>7,751</b>	<b>868</b>
<b>Physical Disability Supported Accommodation</b>				
Gross	477	394	674	281
Income	-18	-8	-20	-12
<b>Net</b>	<b>459</b>	<b>386</b>	<b>654</b>	<b>269</b>
<b>Physical Disability Other Services</b>				
Gross	5,940	5,594	4,996	-598
Income	-715	-685	-342	343
<b>Net</b>	<b>5,225</b>	<b>4,909</b>	<b>4,654</b>	<b>-255</b>
<b>TOTAL PHYSICAL DISABILITY</b>				
<b>Gross</b>	<b>33,916</b>	<b>33,307</b>	<b>34,954</b>	<b>1,648</b>
<b>Income</b>	<b>-3,597</b>	<b>-3,341</b>	<b>-2,851</b>	<b>490</b>
<b>Net</b>	<b>30,319</b>	<b>29,965</b>	<b>32,103</b>	<b>2,138</b>
<b>ALL ADULTS ASSESSMENT &amp; RELATED</b>				
Gross	36,550	38,163	37,944	-219
Income	-1,876	-2,826	-2,572	254
<b>Net</b>	<b>34,674</b>	<b>35,337</b>	<b>35,372</b>	<b>35</b>
<b>Mental Health Residential Care</b>				
Gross	6,456	6,416	7,416	1,000
Income	-772	-882	-626	256
<b>Net</b>	<b>5,684</b>	<b>5,534</b>	<b>6,790</b>	<b>1,256</b>
<b>Mental Health Domiciliary Care</b>				
Gross	725	878	736	-142
Income	0	0	0	0
<b>Net</b>	<b>725</b>	<b>878</b>	<b>736</b>	<b>-142</b>
<b>Mental Health Direct Payments</b>				
Gross	602	606	581	-25
Income	0	0	-0	-0
<b>Net</b>	<b>602</b>	<b>606</b>	<b>580</b>	<b>-25</b>
<b>Mental Health Supported Accommodation</b>				
Gross	435	548	743	195
Income	0	-219	-229	-10
<b>Net</b>	<b>435</b>	<b>329</b>	<b>514</b>	<b>185</b>
<b>Mental Health Assessment &amp; Related</b>				
Gross	10,001	9,911	9,479	-432
Income	-876	-786	-770	16
<b>Net</b>	<b>9,125</b>	<b>9,125</b>	<b>8,709</b>	<b>-416</b>
<b>Mental Health Other Services</b>				
Gross	6,914	7,180	6,548	-632
Income	-902	-1,157	-1,258	-102
<b>Net</b>	<b>6,012</b>	<b>6,024</b>	<b>5,290</b>	<b>-734</b>
<b>TOTAL MENTAL HEALTH</b>				
<b>Gross</b>	<b>25,133</b>	<b>25,539</b>	<b>25,502</b>	<b>-36</b>
<b>Income</b>	<b>-2,550</b>	<b>-3,043</b>	<b>-2,884</b>	<b>160</b>

<b>Net</b>	<b>22,583</b>	<b>22,495</b>	<b>22,619</b>	<b>123</b>
<b>GYPSY &amp; TRAVELLER UNIT</b>				
Gross	647	662	638	-24
Income	-319	-333	-396	-63
<b>Net</b>	<b>328</b>	<b>329</b>	<b>242</b>	<b>-87</b>
<b>PEOPLE WITH NO RECOURSE TO PUBLIC FUNDS</b>				
Gross	100	100	111	11
Income	0	0	0	0
<b>Net</b>	<b>100</b>	<b>100</b>	<b>111</b>	<b>11</b>
<b>STRATEGIC MANAGEMENT</b>				
Gross	1,289	1,399	1,386	-12
Income	-27	0	-8	-8
<b>Net</b>	<b>1,262</b>	<b>1,399</b>	<b>1,378</b>	<b>-21</b>
<b>STRATEGIC BUSINESS SUPPORT</b>				
Gross	24,525	24,768	23,497	-1,271
Income	-2,134	-2,054	-2,154	-100
<b>Net</b>	<b>22,391</b>	<b>22,714</b>	<b>21,343</b>	<b>-1,371</b>
<b>Support Services purchased from CED</b>				
Gross	6,816	6,787	6,819	32
Income	0	0	0	0
<b>Net</b>	<b>6,816</b>	<b>6,787</b>	<b>6,819</b>	<b>32</b>
<b>Specific Grants</b>				
Gross	0	0	0	0
Income	-8,773	-9,910	-8,609	1,301
<b>Net</b>	<b>-8,773</b>	<b>-9,910</b>	<b>-8,609</b>	<b>1,301</b>
<b>PORTFOLIO TOTAL (CONTROLLABLE)</b>				
<b>Gross</b>	<b>448,632</b>	<b>476,389</b>	<b>472,876</b>	<b>-3,513</b>
<b>Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,030</b>
<b>Net</b>	<b>344,452</b>	<b>337,637</b>	<b>337,154</b>	<b>-483</b>

(4) This represents a movement of £708k compared to the third quarter's monitoring. The significant variations include the following:

#### **Older People-Residential Care -£491k**

The continued reduction in clients has enabled the outturn to reduce by approximately £250k, coupled with a further re-phase of Social Care Reform Grant funding against the in-house service of £68k. As a result of the final quarters decrease in client related debt, this has enabled us to reduce the value of bad debt provision required by £0.189m. The remaining £16k reflects small increases against the rest of the in house provision and preserved rights clients.

### **Older People-Nursing Care +£274k**

A reduction in the net overspend caused by activity/price changes, with the average income per client week reducing by £2.31 from previous estimates, which contributes £181k to the movement. The net position for preserved rights clients has also increased by £86k, leaving a minimal movement elsewhere.

### **Older People-Domiciliary -£682k**

The downward movement from forecast of £160k reflects payments made to the independent sector through the Transaction Data Matching (TDM) process. The actual outturn for in-house provision, extra care and enablement also ended up £147k lower than expected. As a result of the final quarters decrease in client related debt, this has enabled us to reduce the value of bad debt provision required by £0.79m. The amount of client income fluctuates month by month, this ended up £156k higher than expected. The remaining reduction relates to the element of the Social Care Reform Grant which has re-phased into 2011-12.

### **Older People-Direct Payments -£111k**

Actual number of weeks for both ongoing placements and unit cost paid, although higher than affordable levels, ended up slightly lower than forecast at Quarter 3.

### **Older People-Other Services - £160k**

The net movement of £160k is made of small movements against a number of budgets, including a £50k reduction in the Integrated Community Equipment Store, whose outturn ended up at £97k underspend. This is a pooled budget with Health colleagues, with a further £31k against Physical Disability. A request is made to roll the overall underspend against the pooled budget of £128k.

### **Learning Disability-Domiciliary Care -£374k**

The net variance has reduced as a result of reductions in activity and price since the last forecast. Actual activity has dropped by approximately 8,600 hours, which has reduced spend by £90k, coupled with a price drop from £11.05 to £10.52 which reduced expenditure by a further £182k. The remaining decrease is made up of minor movements against other service lines.

### **Learning Disability-Supported Accommodation -£248k**

£193k of the movement is in relation to Ordinary Residence clients who were previously forecast against the supported accommodation budget, but whose costs ended up against other client groups and services. A further £82k reduction follows the release of a proportion of the Social Care Supported living costs reserve created in 2009-10 for a number of clients whose costs were previously funded by other authorities, but were expected to become our responsibility. These client have either become our responsibility from a later date or the costs have come in below the level expected. The remaining increase of £27k relates to small movements in other clients and their associated costs.

### **Learning Disability-Direct Payments/Other Services -£548k**

Approximately £330k of the movement is as a result of re-phasing against the Social Care Reform Grant into 2011-12. The remaining movement relates to decreases in expenditure across numerous lines including day care, Campus and supported accommodation.

### **Physical Disability-Domiciliary Care +£113k**

As explained within the learning disability supported accommodation section, part of the movement has been as a result of the costs associated with Ordinary Residence clients now reflected here.

### **Physical Disability-Supported Accommodation +£193k**

Both actual independent sector weeks and unit cost ended up higher than the affordable level and forecast quoted at Quarter 3.

### **Physical Disability-Direct Payments/Other Services -£135k**

Release of uncommitted grant monies totalling approx £59k, coupled with the savings realised as a result of holding vacancies against resource centres, totalling approx £62k. There has been some final realignment between both gross/income in relation to both the Whole Systems Development project and the Integrated Community Equipment Store.

### **Mental Health Residential Care +£121k**

An increase in Section 117 provision, offset by a continual decrease in income levels as an increasing number of clients fall under the Section 117 ruling and do not contribute to the ongoing cost of their care.

### **Strategic Business Support +£325k**

It was felt prudent to set up end of year reserves to assist with the resources required to achieve the significant savings required for procurement and also to enhance the client billing system. This prudence is slightly offset by further slippage against the Social Care Reform Grant and a roll forward of underspend in relation to domiciliary procurement.

### **Specific Grants +£939k**

This movement reflects the value of the requested roll forwards in relation to Social Care Reform Grant, referred to throughout this report.

(5) The approved budget for 2011/12 was set on the basis of known/forecast activity as at December 2010. The impact of any ongoing variations into 2011/12 will be reported as part of the in-year budget monitoring together with progress on delivering the savings needed to balance the budget.

(6) The first exception monitoring for 2011/12 will be reported to Cabinet on 18 July and the full monitoring as at the first quarter is scheduled to be reported on 19 September. The timing of this Cabinet means reports to the September round of POSCs may have to be despatched late in order to include the latest position considered by Cabinet.

The under spend for 2010/11 includes a number of areas of committed expenditure which Cabinet agreed should be rolled forward into 2011/12 as per table 2 below.

Table 2	Amount
Reason for Rollover	£000s
Integrated Community Equipment Store-This represents KCC's Share of the underspend of the ICES Board. Under the terms of the S75 agreement, KCC has an obligation to provide this funding to the pooled Budget. The underspending relating to partners contributions has been rolled forward as a receipt in advance.	128
Domiciliary Procurement-The Medium Term Plan has £3m savings in relation to the procurement of domiciliary care over 2011-12 & 2012-13. In order to achieve this saving it is necessary to re-let the contract. Currently KASS contract with some 80+ providers. This funding is required to fund a project manager To draw up the new specification and lead on the tender process and subsequent negotiations with providers.	80

(7) The balance of the uncommitted under spend (£2.128m) for the County Council, of which £275k related to Adult Social Services, was transferred to the Economic Downturn reserve in accordance with the recommendation agreed by Cabinet.

### **Adult Social Services Directorate/Portfolio 2010/11 Financial Outturn – Capital**

3. (1) Table 3 identifies the planned and actual spend on all capital projects in 2010/11 and the total approved and forecast spending over the lifetime of these projects.

Table 3

	2010/11 Spend				Total Scheme Cost		
	Original Budget £000s	Approved Cash Limit £000s	Final Outturn £000s	Variance from Cash Limit £000s	Approved Cash Limit £000s	Forecast Spending £000s	Variance from Cash Limit £000s
<b><u>Rolling Programmes</u></b>	<b>1,833</b>	<b>1,309</b>	<b>1,099</b>	<b>-210</b>	<b>8,496</b>	<b>8,496</b>	<b>0</b>
Asset Maintenance	834	309	135	-174	1,120	1,120	0
Home Support Fund	999	1,000	964	-36	7,377	7,377	0
<b><u>Schemes with Approval to Spend</u></b>	<b>3,425</b>	<b>2,228</b>	<b>1,834</b>	<b>-394</b>	<b>7,366</b>	<b>7,366</b>	<b>0</b>
Broadmeadow Extension	1,530	1,410	1,424	14	1,753	1,753	0
Broadmeadow				0	440	440	0
Edenbridge				0	347	347	0
Bearsted Dementia Services	25	25	25	0	25	25	0
Dementia Care				0	171	171	0
Wood n Ware				0	103	103	0
Beaney Centre	300			0			0
Bower Mount	96	31	31	0	105	105	0
Rustall Site		18	20	2	297	297	0
The Bridge		13	13	0	32	32	0
Crispe House	124	22	0	-22	495	495	0
QEF		15	15	-0	196	196	0
Prov for range of services	260			0			0
LD Development Fund	63	139	139	0	688	688	0
Princess Christian Farm				0	560	560	0
Trinity Foyer				0			0
MH Single Capital Pot	200	242	120	-122	771	771	0
Public Access Development	347	1	2	1	419	419	0
FAME	480	312	45	-267	965	965	0
PFI Better Homes				0			0
<b><u>Schemes with Approval to Plan</u></b>	<b>26,625</b>	<b>22,871</b>	<b>22,821</b>	<b>-50</b>	<b>64,133</b>	<b>64,133</b>	<b>0</b>
Modernisation of Dementia Care	547			0			0
Dartford TC				0	4,405	4,405	0
New OP Integrated Care Centres	1,082			0			0
Thameside Eastern Quarry/Ebbsfleet	521			0	1,418	1,418	0
Modernisation of services for LD	730	125	91	-34	6,898	6,898	0
Intrgrated Care Centres				0	1,082	1,082	0
MH SCE				0	784	784	0
Public Access Development				0	900	900	0
Rustall Site	455			0			0
Social and Healthcare Centre in Dartford	76			0			0
PFI Excellent Homes	22,800	22,300	22,300	0	44,300	44,300	0
IT Infrastructure Grant	414	446	430	-16	4,346	4,346	0
<b>Total</b>	<b>31,883</b>	<b>26,408</b>	<b>25,754</b>	<b>-654</b>	<b>79,996</b>	<b>79,996</b>	<b>0</b>

(2) The movements from the original budget and the approved cash limit have been reported in monitoring during the year and the cash limits were changed when the capital programme in 2011/13 Medium Term Financial Plan was approved in February. The variance from approved cash limit represents the latest actual spending for 2010/11 (and forecast spending for future years) since the capital programme was published and includes the following significant issues:

The final outturn variance reflected a £654k slippage into 2011-12. This was reduced by £266k to reflect the Westview/Westbrook PFI capitalisation of unitary costs into 2011-12. This revised the outturn variance to -£388k.

The main contributors to this variance were:

Flexible & Mobile Engagement-£268k as a result of two projects that have re-phased following advice from ISG not to procure a third party on ground of affordability and new emerging corporate KCC ICT strategy requirements.

Modernisation of Assets-£131k relates to the TDM enhancements and client billing projects which have been re-phased as detailed above for the FaME project.

(3) These variances will be included in the budget monitoring reports to Cabinet in July and September together with any other issues affecting capital projects which have arisen during 2011/12.

### **Recommendations**

4. (1) Members of the Adult Social Services and Public Health POSC are asked to:
  - a) NOTE the revenue and capital financial outturn for 2010/11 including rollovers for committed projects and changes to capital programme
  - b) NOTE the potential impact of variations since the 2011/12 budget was approved
  - c) PROVIDE any comments and guidance to IMG members on potential impact for 2012/13 and future years' budgets

Michelle Goldsmith  
Families & Social Care Finance Business Partner  
Tel 01622 221770  
Email michelle.goldsmith@kent.gov.uk

*Background documents:* None

By: Graham Gibbens - Cabinet Member for Adults Social Care & Public Health

Malcolm Newsam - Interim Corporate Director-Families & Social Care

To: Adult Social Services & Public Health Policy Overview & Scrutiny Committee – 7 July 2011

Subject: **KASS DEBT POSITION JUNE 2011**

Classification: Unrestricted

Summary: To update this Committee on the current position of the Families & Social Care Debt position as at June 2011

### Introduction

1. (1) This is the first of a regular report that updates this Committee on the latest debt position for the Families & Social Care Directorate. Unfortunately this report details the Adults related position only, any debt relating to Children's services are currently omitted. This will be corrected in time for future reports.

### Summary Position

2. (1) The overall debt for KASS as at June is £27,326k, of which £5,246k is not yet due for payment, leaving an amount due for payment of £22,080k.

(2) There are two types of invoicing arrangements used by KASS, both of which are through Oracle Accounts Receivables. This report will primarily deal with the client related debt, but will give a general overview of the other debt.

(3) The sundry debt due for payment is:

Health	£8,443k
Sundry	<u>£566k</u>
Total	<u>£9,009k</u>

*(It should be noted that the majority of monies owed by Health are secured through legal agreements)*

(4) The client billing debt is currently £18,317k, of which £13,780k is due for payment.

## Analysis of Client Related Debt

3. (1) The £18,317k client related debt is made up of 12,602 individual debtors, with an average debt of £1,453 each. This compares with £17,877k and 12,659 debtors, with an average of £1,412 each, reported to ASSPHPOSC in April. The debt for both months is broken down as follows:

Type	July ASPHPOSC (June debt) (£000)	April ASPHPOSC (Feb debt) (£000)	Change (£000)
Residential	15,897	15,347	+550
Domiciliary	2,381	2,471	-90
Health Contributions	39	59	-20
<b>Total</b>	<b>18,317</b>	<b>17,877</b>	<b>+440</b>

(2) Of the 12,602 debtors, 7,966 (63%) only have a current debt which is not yet due, i.e. all previous invoices have been paid and the only amount to be paid relates to the most recent period of care. This therefore means that 4,636 (37%) have debt for prior periods of care. The following table will plot the detail throughout the forthcoming year.

ASPHPOSC Month	No. of Debtors  (1)	Change  (2)
April 2011	4,432	
July 2011	4,636	+204

(3) Of the £18,317k only £13,780k is actually due for payment, invoices having only just been dispatched for the remaining £4,536k. Clients and health have 28 days to pay their invoices.

(4) The £13,780k can be broken down between secured and unsecured debt as follows:

	<b>£K</b>
• Unsecured – ongoing clients	£5,661k
• Unsecured – terminated/ deceased clients	<u>£957k</u>
Total Unsecured	<u>£6,618k</u>
• Secured with legal charges	£7,136k
• Health contributions	£26k
Overall Total of due debt	<u>£13,780k</u>

## **Aged Analysis of Unsecured Due Debt**

4. (1) Appendix 1 shows an analysis of Unsecured Debt that is due for payment comprising both Ongoing and Terminated/Deceased Debt. The appendix compares the current position with the position reported last time. Overall the amount of Unsecured Debt that is Due for payment is down £232k from last time which is good news.

## **Analysis of Ongoing Unsecured Debt (including Not Yet Due)**

5. (1) Appendix 2 shows an analysis of all Unsecured Debt for those debtors who have debts relating to prior periods of care as well as the invoice for the most recent period of care. The appendix includes due and not yet due amounts relating to Ongoing clients, broken down into bands by the value of debt, the number of debtors and the average debt per debtor. The appendix also shows the figures reported last time, together with movement.

## **Secured Debt**

6. (1) We continue to carry out a full review of all debts secured by legal charges on clients' houses. This review has ensured that the estimated valuation of the properties are not less than the value of the deferred debts, and if so 100% provision has been allowed for.

(2) Of the 4,636 debtors with an outstanding debt 255 of these are secured by a legal charge. The total value of debt for this group is £7,375k which works out at an average of £28,924k each.

## **Unsecured Deceased/Terminated Debt**

7. (1) Of the 4,636 debtors with an outstanding debt, 475 are either deceased or are now no longer receiving a chargeable service. The total value of debt for this group is £952k which works out at an average of £2,005 each.

## **Bad Debt Provision**

8. (1) At the end of 2010-11 the total bad debt provision for client related debt was £3,981k. This is calculated by looking at the value of all of the debts under various debt categories of those secured and unsecured. It also takes into account the age of the debt.

(2) Generally the percentages for the main categories used are as follows:

Unsecured - ongoing (under 6 months) - 5%  
Unsecured - ongoing (over 6 months) - 60%  
Unsecured - terminated (under 6 months) - 33%  
Unsecured – terminated (over 6 months) - 75%

(3) The general provision, which was £1,960k at the end of 2010-11, covers all debts, secured, unsecured and health. This provision is re-calculated on a monthly basis, and any required changes are forecast within the revenue monitoring.

(4) In addition to the general provision that is calculated as described above we also allow for specific provisions, which at the end of 2010-11 amounted to £2,021k. These relate to individual named clients for which we believe there is a high risk of the debt not being paid. This is reviewed during the course of the year to see if any payments have been made.

### **Write Off's**

9. (1) In 2009-10 £421k of client debt and £109k of sundry debt was formally written off. At the end of 2010-11 £351k of client debt and £17k of sundry debt had been written off.

### **Recommendation**

10. (1) Members are asked to **NOTE** and **COMMENT** on the content of the report.

Michelle Goldsmith  
Finance Business Partner- Families & Social Care  
01622 221770  
(VPN: 7000 1770)  
[michelle.goldsmith@kent.gov.uk](mailto:michelle.goldsmith@kent.gov.uk)

*Background documents:* None

Aged Analysis of Unsecured Due Debt - comparison from January to April report

Appendix 1

	Under 6 months			Over 6 months			Over 1 year			Total		
	April £'000	June £'000	Change £000	April £'000	June £'000	Change £000	April £'000	June £'000	Change £000	Jan £000	June £'000	Change £000
	Unsecured – ongoing client debt	2,983	2,843	-140	1,144	1,152	8	1,666	1,665	-1	5,793	5,661
Unsecured deceased/ terminated Client debt	220	119	-101	233	245	12	604	594	-10	1,057	958	-99
Total unsecured client debt	3,203	2,962	-241	1,377	1,398	21	2,270	2,258	-12	6,850	6,618	-232

This page is intentionally left blank

Analysis of Ongoing Debt (including Not Yet Due)

Appendix 2

Value of debt	Last Report (April ASSPHOSC) This Report (July ASSPHOSC)						Change		
	No. of Debtors	Total of Debt (£000)	Average debt (£)	No. of Debtors	Total of Debt (£000)	Average debt (£)	No. of Debtors	Total of Debt (£000)	Average debt (£)
Above £25,000.01	26	1,002	38,538	25	1,153	46,135	-1	151	7,597
£10,000.01 - £25,000.00	90	1,338	14,867	78	1,172	15,026	-12	-166	159
£5000.01 - £10,000.00	193	1,320	6,839	195	1,327	6,807	2	7	-32
£1,000.01 - £5,000.00	1,095	2,446	2,234	1,146	2,475	2,160	51	29	-74
£1000.00 and below	1,732	812	469	2,447	722	295	715	-90	-174
<b>Totals</b>	<b>3,136</b>	<b>6,918</b>	<b>2,206</b>	<b>3,891</b>	<b>6,850</b>	<b>1,760</b>	<b>755</b>	<b>-68</b>	<b>-445</b>

This page is intentionally left blank

By: Graham Gibbens - Cabinet Member for Adults Social Care & Public Health  
Malcolm Newsam - Interim Corporate Director, Families & Social Care

To: Adult Social Services & Public Health Policy Overview & Scrutiny Committee – 7 July 2011

Subject: **2011/12 BUDGET SAVINGS**

Classification: Unrestricted

---

Summary: This report sets out the process we have been through to ensure the delivery of the 2011/12 budget savings allocated to the services overseen by this POSC.

---

## **Introduction**

1. (1) This is a one-off report setting out the detail behind the 2011/12 budget savings allocated to the services overseen by this POSC.

(2) The scale of the savings to be made in 2011/12 is unprecedented and we have put additional processes in place to monitor their delivery.

(3) The delivery of the £95m of savings will be a major factor in delivering the 2011/12 budget on target. However, our overall net budget for 2011/12 is £908m and it is crucial that we ensure that the whole budget is delivered on target.

(4) The 2011/12 budget is not all about savings. There is a substantial reorganisation under way, which will change the way we run our business. Our new structure will enable us to effectively deliver front line services in the most efficient way, and ensure we can adapt and prosper in what is sure to be a difficult financial climate. We have a clear vision for the future shape of the Authority, as evidenced in Bold Steps for Kent, and in future years of budget setting we will seek to ensure that we can deliver our vision for Kent.

## **Background**

2. (1) The 2011/12 budget approved by County Council on 17<sup>th</sup> February included £95m of savings. This is some three or four times larger than the savings requirement we have been used to in recent budget rounds, and is an unprecedented amount of savings for this Authority. We are doing this with minimal disruption to front line services.

(2) The savings that the Authority will be required to make in the next few years will also be extremely tough, and we have therefore set up a rigorous process to monitor the delivery of the £95m savings, and we will follow this process again in future years, if necessary.

(3) At the point when the budget was approved by County Council, as is usual at this point in the process some detail about how these savings would be made was missing. This was partly due to the impact of the County Council restructure, and partly due to a change in responsibilities for some services at Director level.

(4) The process began with each saving line in the MTFP being allocated to responsible managers. As the MTFP is presented in the old structure, we had to ensure that savings were correctly split and allocated to the correct responsible managers where a saving in the old structure split across two Directorates in the new structure. In addition to this, where people had left the organisation it was important that their successor, or a suitable alternative officer, was made aware of the savings that had been agreed.

(5) In March responsible managers were asked to 'RAG rate' each of their savings according to the following guidelines:

- Red – detailed plans not yet finalised and/or delivery not totally within our control
- Amber – anything that is between 'Green' and 'Red'
- Green – delivery of savings has already started

(6) Subsequently 'Blue' has been added to this rating for savings that are already delivered and 'in the bag'. The 'BRAG rating' of savings has been an iterative process, and responsible managers provided several updates.

(7) The current totals for the 'BRAG rating' is:

Blue	£32.4m
Green	£29.1m
Amber	£28.4m
Red	£4.8m

(8) For savings in excess of £200k over the two years in the MTFP the responsible managers completed a Project Initiation Document (PID).

(9) We set the threshold at £200k to ensure that we covered as much of the £95m of savings as possible, but with the emphasis being on the larger savings which would have the biggest impact if they were not delivered. There are around 250 savings lines in total, and around 100 PIDs have been created. The PIDs cover £92m of the £95m.

(10) The PIDs identify how it is intended that the saving will be achieved and the key milestones which need to be met in order to deliver the saving as planned. This will enable us to monitor progress throughout the year to ensure that we are on target to deliver the planned savings and where plans have slipped what remedial action needs to be taken to ensure we stay within budget. It will also enable the necessary support for many of these savings, from HR and Communications in particular, to plan their workload accordingly.

(11) The first PIDs were returned in March. A PID surgery was held by Corporate Finance on 6 April to discuss some of the savings with the responsible manager and the Directorate's Finance Business Partner (formerly the Head of Finance in each Directorate). Savings that were discussed at this surgery were those where there was some uncertainty over the deliverability of the saving from reading the contents of the PID. The PID surgery gave assurance over the deliverability of many of the savings discussed and revised PIDs have been submitted for the most of the savings discussed at the surgery. There were some savings discussed at the PID surgery which remained 'red rated'.

(12) As set out in paragraph 2.(7), there is currently a total of £4.8m of 'red rated' savings across the Authority. The Corporate Management Team has agreed to continue to pursue £2.6m through the original means, and have asked the responsible Directorates to work up alternative savings for the remaining £2.2m.

### **Savings for services covered by this Committee**

3. (1) Details about the progress towards the delivery of the savings attributable to the Families & Social Care Directorate are documented in section 3.2 below.

#### **Families & Social Care Directorate**

##### (2) Adults related savings

Of the £12.155m of Adults related savings in 2011-12, £5.560m are on target for delivery, and are therefore classified as 'blue' or 'green' in the 'BRAG' rating. For ease of member's reference, these are listed below:

	£'m
Review of Domiciliary Procurement	0.300
Area & Headquarters Support	0.102
Management Structures	0.242
Release of uncommitted contingency	0.930
Income Increase in line with benefits uplift	1.891
Older Persons Strategy	1.000
Access & Assessment-Hospital Review Teams	0.225
Access & Assessment-Co-ordination Mgers	0.150
Access & Assessment-Mental Health Mgers	0.150
Review of Learning Disability/Physical Disability Residential & Supported Accommodation Procurement	0.570
<b>Total on target for delivery</b>	<b>5.560</b>
Amber Savings	5.390
Red Savings	1.205
<b>Overall Total</b>	<b>12.155</b>

As reported below, the remaining £6.595m is currently shown as either 'amber' or 'red' in the 'BRAG' rating, with further work underway to either review their status or work up alternative ideas to bridge the gap.

	£'m
Review of Domiciliary Procurement	0.600

Notice has been given to Providers of proposals around the enhanced element of the domiciliary contract. The anticipation is that the balance of this savings target will move to green over the forthcoming months.

	£'m
Increase Charging-Non Residential	1.477

Consultation has commenced and subject to the outcome of that consultation, changes to the amount of 'Non Disposable Income (NDI)' as well as the 'Disability Related Expenditure Assessment (DREA)' will take effect from December 2011. As a result of this timeline, it is hoped that the majority of the savings target will move to green.

Review of Learning Disability/Physical Disability Residential & Supported Accommodation Procurement.

	£'m
Procurement Review	2.945

The amber element of these savings totalling £1.740m are where we are confident that we have plans in place to generate these savings and should subsequently move to green. The remaining £1.205m is where we have not yet approached the Providers to start negotiations to alter the future procurement of savings.

	£'m
Application of Good Practice Guidelines	0.500

Pending the outcome of the first quarters performance figures, this saving should hopefully move to green, but is currently reflected as amber, to be prudent.

	£'m
Review of In House Services	0.430

The complex review of in house services has commenced, with a timeline of the summer for the outcome to be reported back. Management actions on other budget service lines have been implemented to reflect the effect of this timeline.

	£'m
Management Structures-Day Services Review	0.262

Consultation regarding the suggested proposals and new ways of working will commence in summer 2011, with only part year savings expected to be realised. As above, management actions have been implemented to reflect the effect of this timeline.

	£'m
Agency Staff	0.132

Pending the outcome of the second quarters performance figures, this saving should hopefully move to green, but is currently reflected as amber, to be prudent.

	£'m
Increase Charging-Residential Jointly Owned Properties	0.250

This policy change was implemented on June 1<sup>st</sup>, so it is anticipated that these savings will turn to green over the next few months.

(3) The Directorate's Finance Business Partner will give a presentation at the meeting on the progress against each saving covered by this Policy Overview and Scrutiny Committee.

(4) To date the focus of attention has been on the £95m savings in the 2011/12 budget. It is important that we now shift the focus to monitoring the overall 2011/12 budget of £908m and ensure we deliver this on target. Therefore, from now on monitoring the delivery of savings will be picked up as part of the routine budget monitoring process and reports.

## Recommendations

4. (1) The Adult Social Services & Public Health Policy Overview and Scrutiny Committee is asked to note the progress against the delivery of the savings covered by the Committee.

### Contact Officer:

Michelle Goldsmith

Finance Business Partner – Families & Social Care Directorate

01622 221770

Email: [michelle.goldsmith@kent.gov.uk](mailto:michelle.goldsmith@kent.gov.uk)

*Background document:* None

This page is intentionally left blank