

**ADULT SOCIAL SERVICES POLICY OVERVIEW AND  
SCRUTINY COMMITTEE**

**Wednesday, 13th January, 2010**

**10.00 am**

**Council Chamber, Sessions House, County Hall,  
Maidstone**

***Members are asked to bring with them their copy of the  
Draft Budget which was circulated on 5 January 2010***







## AGENDA

### ADULT SOCIAL SERVICES POLICY OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 13 January 2010 at 10.00 am      Ask for:      Theresa Grayell  
Council Chamber, Sessions House, County      Telephone      01622 694277  
Hall, Maidstone

*Tea/Coffee will be available 30 minutes before the meeting*

#### Membership (13)

Conservative (11):      Mr P W A Lake      (Chairman),      Mr K Pugh      (Vice-Chairman),  
Mrs A D Allen,      Mr R Brookbank,      Mrs P T Cole,      Mr N J Collor,  
Mr J Cubitt,      Mr D A Hirst,      Mr M J Jarvis,      Mr J E Scholes      and  
Mr C P Smith

Labour (1):      Mr L Christie

Liberal Democrat (1):      Mr S J G Koowaree

#### **UNRESTRICTED ITEMS**

*(During these items the meeting is likely to be open to the public)*

***The Committee has the option of breaking for lunch and continuing its business afterwards, if the weight of business dictates. The timing of the meeting will be determined on the day by the Chairman.***

#### Item

#### No

#### **A.COMMITTEE BUSINESS**

A1      Substitutes

A2      Declarations of Members' Interest relating to items on today's agenda

A3      Minutes of the meeting held on 17 November 2009 (Pages 1 - 6)

A4      Chairman's Announcements

A5      Cabinet Member's and Director's Update (oral)

**10.20 - 11.20 am Presentation - 'Free Personal Care at Home':** A presentation by Caroline Highwood, Director, Strategic Business Support, and Oliver Mills, Managing Director.

#### **B. ITEMS FOR CONSIDERATION**

B1 Adult Social Services Budget Outturn Report 2009/2010, for the second quarter (Pages 7 - 36)

B2 Budget 2010/2011 and Medium Term Financial Plan 2010 - 2013 (Pages 37 - 42)

***Members are asked to bring with them their copy of the Draft Budget which was circulated on 5 January 2010***

B3 Half-Yearly Monitoring of the Annual Operating Business Plans, 2009/2010 (Pages 43 - 54)

B4 Risk Management - Revised Directorate Risk Register (Pages 55 - 64)

### **C. SELECT COMMITTEE WORK**

C1 Update on Select Committee Work (Pages 65 - 66)

### **EXEMPT ITEMS**

*(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)*

Peter Sass  
Head of Democratic Services and Local Leadership  
(01622) 694002

**Thursday, 7 January 2010**

*Please note that any background documents referred to in the accompanying papers may be inspected by arrangement with the officer responsible for preparing the relevant report.*

**KENT COUNTY COUNCIL**

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**ADULT SOCIAL SERVICES POLICY OVERVIEW AND  
SCRUTINY COMMITTEE**

MINUTES of a meeting of the Adult Social Services Policy Overview and Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 17 November 2009.

PRESENT: Mr P W A Lake (Chairman), Mr K Pugh (Vice-Chairman), Mrs A D Allen, Mr R Brookbank, Mr L Christie, Mrs P T Cole, Mr N J Collor, Mr J Cubitt, Mr D A Hirst, Mr M J Jarvis, Mr S J G Koowaree and Mr C P Smith

ALSO PRESENT: Mr G K Gibbens and Mr M J Angell

IN ATTENDANCE: Mr O Mills (Managing Director - Adult Social Services), Mr S Leidecker (Director of Operations) and Miss T Grayell (Democratic Services Officer)

**UNRESTRICTED ITEMS**

**27. Minutes of the meeting held on 22 September 2009**  
(Item A3)

RESOLVED that the minutes of the meeting held on 22 September 2009 are correctly recorded and that they be signed by the Chairman.

**28. Chairman's Announcements**  
(Item A4)

The Chairman referred to media coverage that morning of a report by the Alzheimer's Society on the poor quality of hospital care experienced by patients with Dementia. He asked the Cabinet Member to comment on this in his update.

**29. Cabinet Member's and Director's Update (oral)**  
(Item A5)

1) Mr Gibbens and Mr Mills updated the Committee on the following subjects, and answered a number of questions from Members.

**'Shaping the Future of Care Together' Green Paper**

2) The KCC response had been debated at full Council on 15 October, Members' comments had been included in the KCC response, and all POSC Members had been sent a copy of the final submission. KCC had asked for a number of changes to be made to the content of the Green Paper, including emphasising references to carers and young adults with long term care needs and defining the National Care Service more closely.

3) KCC had included a Section 9 which allowed Kent to start making the changes that it wanted to make without waiting for legislative change.

Section 9 would allow KCC to improve public access to information, support carers, extend the use of the Kent Card and change the way in which it assesses care needs to make the system more person-centred and more efficient.

4) Mr Mills and Mr Gibbens thanked Members for their valuable input in shaping Kent's response, and added that the responses of other local authorities and bodies would be collated and available for public reference. The White Paper will be reported to the POSC in the new year.

### **Age Concern Funding**

5) Mr Mills updated Members on the consultation with the 30 Age Concern committees across Kent, and explained that 2010/11 would be a year of transition before new funding arrangements came in. All KCC Members had recently received a briefing on the issue, and would receive further updates to keep them fully informed.

### **Whole System Demonstrator (WSD)**

6) Mr Leidecker updated Members on the progress of Phase 1 of the trial of WSD, in which Kent was one of only three local authorities taking part. The aim of the pilot scheme and the related £6.9mill of government funding over 2½ years was to establish a programme to deliver assistive technology, such as telehealth and telecare, to people with long term conditions, thus allowing them to remain at home and reducing the impact on health and social care services. Kent had set a target of 2000 participants for Phase 1, and achieving this had relied on great partnership working with health colleagues, GPs, etc. Phase 2, the evaluation process, was now starting.

7) Department of Health funding for the pilot schemes would end in August 2010, and the POSC would receive a further report at that stage on how the scheme would be administered thereafter.

### **Media Coverage of Dementia Care**

8) Mr Gibbens and Mr Mills undertook to consider and discuss the report by the Alzheimer's Society, 'Counting the Cost: Caring for people with Dementia', on the poor quality of hospital care experienced by patients with Dementia and report to the POSC at a later stage.

9) RESOLVED that the information given be noted, with thanks.

## **30. Presentation - Kent Adult Social Services Strategy**

*Mrs A D Allen declared a non-pecuniary interest in this item as the Chairman of a local Age Concern Committee.*

1) Mr Mills presented a series of slides which set out the national and local contexts of the Strategy and a summary of its key priorities. He responded to questions and comments from Members, as follows:-

- a) Many people manage very well without receiving care services from the state, if they have good community support. A person's community is vitally important, and KCC should exploit the community networks which existed;

- b) The person receiving a service was always the most important part of the system, and any change should be introduced gradually and with empathy. Some clients find change harder to accept and will resist it;
  - c) The principle of Self Directed Support (SDS) was much supported, but people needed there to be services available to purchase. KCC services must not be sold off commercially so they are unavailable for clients to access. In moving to SDS, KCC must increase its engagement with the market-led system, and Kent's low eligibility criteria adds a challenge in achieving a balance of choice and control within a realistic budget. The move to SDS offered a genuine transformation, if clients were given choice and control now;
  - d) a good strategy is as good as the people who will deliver it! Staff delivering new services will need good training and support to manage the transition to their new roles, and will receive training and support over an extended period while the new system beds in;
  - e) similarly, people receiving services in a new way will have to make an adjustment. eg older people and people with learning disabilities can become very used to receiving services in a certain way and can be fearful of change. KASS can minimise the culture change as far as possible by keeping a client's daily contacts the same as far as possible and offering continuous reassurance;
  - f) some client groups who do not attend day centres may not come to the attention of service providers, so KCC has a challenge of how to identify and reach them. KASS tries every way possible to identify client groups who may not otherwise show up; and
  - g) the Strategy should be presented as widely as possible, and the presentation made to this POSC should be made to Cabinet and full council, so that all Members have the chance to hear about it and comment on it.
- 2) RESOLVED that the Strategy be welcomed and that Members' comments, set out in paragraph 1) above, be noted.

### **31. Adult Social Services Budget Monitoring 2009/10**

*(Item B1)*

- 1) Mr Leidecker introduced the report and said that, despite a small overall increase in the overspend, he was confident of achieving a balanced budget by the end of the financial year.
- 2) RESOLVED that the information in the report be noted, with thanks.

### **32. Budget 2010/11 and Medium Term Financial Plan 2010/11 to 2012/13** (Item B2)

*The Chairman secured the Committee's agreement to consider this item as urgent business, as the papers had not been placed in the public domain with the required notice.*

1) Mr Mills introduced the report and set out the key elements which had to be considered when setting the KASS budget, including the majority of services (85%) being purchased from the independent sector, Kent having retained its eligibility criteria from rising above 'moderate', demographic changes (particularly an increase in the number of older people and clients with learning disabilities), the extent to which KASS could and could not charge for its services, and changes in service delivery arrangements with partners such as the NHS, district councils, etc. He explained that the recent directorate restructure had delivered some major savings and that efficiency savings were ongoing. Mr Mills and Mr Leidecker responded to questions from Members, as follows:-

- a) respite beds were provided at 5 KCC service sites, were provided both in house and in partnership with the independent sector, from whom a client would purchase services using personal budgets, and in the community. One site giving respite care for clients with LD and MH needs was jointly run by KASS and the NHS;
- b) the issue of 'ordinary residence', the legal definition which refers to clients placed by other local authorities becoming the responsibility of KCC, was addressed on a case by case basis, and KCC was pressing for legislative change; and
- c) KCC's partnership working under Total Place, referred to in its Section 9 addition to the Green Paper, would have some budget implications for KASS, but these had not yet been identified and built in.

2) The Chairman reminded Members that the POSC had convened an Informal Member Group to meet on 18 November at which Members would be able to discuss issues in more detail and give their views on priorities and pressures for budget savings.

3) RESOLVED that the information in the report and given in response to Members' questions be noted, with thanks, and that further detailed discussion and Members' views take place at an informal Member group on 18 November.

### **33. Kent Adult Social Services Public Involvement and Consultations** (Item B3)

*Mrs L Longhurst, Policy Manager – Public Involvement and Customer Care, was in attendance for this and the following item.*

1) Mrs Longhurst introduced the report and referred to the new 'duty to include' which came into force in April 2009. However, KASS already had a lot of what was in

the new procedure well established in its public involvement process, as this had always been vastly important to KASS's service delivery. Mrs Longhurst and Mr Mills responded to questions and comments from Members, as follows:-

- a) there was a delicate balance to be achieved between seeking views on services needed and having sufficient resources to be able to deliver services that were requested. KASS was genuinely committed to receiving feedback as it was vital as an indicator of service needs, and good quality public consultation contributed to the enablement and independence of clients; and
  - b) although it had not been possible to report the outcomes of some consultation exercises undertaken through the year, this was not for want of trying by KASS staff. Some consultations were simply awaiting their final outcome reports at a slightly later stage, so could not be included in this year's summary of activity.
- 2) RESOLVED that the information in the report and given in response to Members' questions be noted, with thanks.

#### **34. Kent Adult Social Services Complaints Report** *(Item B4)*

1) Mrs Longhurst introduced the report and reminded Members that Kent was part of a pilot of a new complaints procedure which made the process faster and more flexible. Staff had received training on the new process, and complainants had reported an improved experience due to more direct contact with staff. KASS had already viewed complaints as useful feedback which helped shape policy and service provision. There was very little difference in the number of complaints received this year compared to last, and none had gone to the Local Government Ombudsman. Mrs Longhurst responded to comments and questions from Members, as follows:-

- a) complaints can be a difficult area for Members to deal with, as any Member could receive a complaint via their local surgery and would have to pass it on to KASS impartially, without taking a view. It was important that complainants' details were kept confidential, and all complaints were issued with an identifying number (rather than being referred to by the complainant's name). Members asked for a best practice guide for Members on how to handle complaints, but Mrs Longhurst and Mr Mills pointed out that not all Directorates had the same statutory complaints procedure and that not all complaints received by KCC Members would necessarily be about KCC services; and
  - b) KASS did not have a formal advocacy system, e.g. like the one used by the NHS, but had found that clients were helped just by having the support of KASS staff in an informal advocacy role.
- 2) RESOLVED that the information in the report and given in response to Members' questions be noted, with thanks.

### **35. New Horizons**

*(Item B5)*

- 1) Mr Leidecker introduced the report which set out the government's proposal for a new vision and strategy for Mental Health services and KCC's response to them. He responded to questions and comments from Members, as follows:-
  - a) Kent did not envisage major changes in its current practice and provision. Many of the existing services meet statutory requirements and therefore would need to continue and a number of new services are very much in line with the vision in New Horizons. Mr. Leidecker undertook to report further to the POSC when the government produced their response to the consultation and the implications were clearer;
  - b) many clients with Mental Health needs also had a physical disability and often have a shorter life expectancy due to this rather than their Mental Health problem. To extend life expectancy and the quality of life for these clients, the standard of their physical health need to be raised; and
  - c) KASS has the responsibility for addressing Mental Health issues in the workplace, via investment in vocational training and for guidance and support for employers via the community Mental Health team and in partnership with others such as MIND and Job Centre Plus. KCC is part of a pilot to raise awareness of Mental Health issues in the workplace, which is being led by the Kent and Medway Partnership Trust, but there is still much educational work to do.
- 2) RESOLVED that the information in the report and given in response to Members' questions be noted, with thanks.

### **36. Update on Select Committee Work**

*(Item C1)*

- 1) Miss Grayell introduced the report and added that the Select Committee on Dementia which had been proposed by this POSC would start its work in the summer of 2010, to take account of the bedding in process of the National Dementia Strategy.
- 2) RESOLVED that the information in the report be noted.

By: Graham Gibbens, Cabinet Member Adult Social Services  
Oliver Mills, Managing Director Kent Adult Social Services

To: Adult Social Services Policy Overview & Scrutiny Committee –  
13 January 2010

Subject: **ADULT SOCIAL SERVICES BUDGET OUT-TURN REPORT  
2009/10 FOR THE SECOND QUARTER**

Classification: Unrestricted

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Summary: A report on the forecast outturn against budget for the second  
quarter for Kent Adult Social Services.

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## **Introduction**

1. (1) This is the third report for 2009-10 to this Committee on the forecast outturn against budget for the Adult Social Services Department.

## **Background**

2. (1) Policy Overview and Scrutiny Committees consider the draft Medium Term Financial Plan at their November and January meetings. To enable a more informed discussion, three reports will be presented to the Committee on a regular basis:

a) **Budget Monitoring reports**

A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. A report for each directorate is annexed to the summary report, and the annex for the Adult Social Services Directorate will be presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POSC about current trends, pressures and management actions in advance of the next year's budget setting

b) **Performance data**

This will be reported at least half-yearly to this Committee.

c) **Outturn report**

Effectively an amalgam of the above two, the outturn report will summarise both the financial and performance information for the whole of the preceding year

(2) Informed by these reports, the POSCs will be in a stronger position to question and comment on the future budget and medium term proposals, as they will be asked to do at the November and January meetings.

(3) A special Budget IMG was arranged for November to discuss the future Budget and MTP proposals in more detail.

### **Full Monitoring report for the Second Quarter**

3. (1) The full monitoring report for the second quarter for Adult Services as presented to Cabinet on 30 November is attached at Appendix 1 and this indicates an overall revenue pressure of £0.754m. Appropriate 'Guidelines for Good Management Practice' have been implemented to ensure that the Directorate achieves a balanced position by the end of the year.

(2) The main areas to note within the latest position are:

- All savings identified within the Medium Term Plan will be achieved except for the full saving relating to the review of management and support structures. Despite this, the Directorate remains confident that other savings, through the application of "Guidelines for Good Management Practice", will be found to ensure that a balanced budget is achieved by the end of the year.
- Older People is forecasting a net underspend of £2.247m. Within this is a net underspend of £0.723m against residential care which assumes a reduction in the number of clients based on trends. The number of clients in permanent residential care stood at 2,796 as at the end of September, which although is an increase on the 2,733 in June, this is still below the figure of 2,832 in March. There are also price pressures resulting from the increasing numbers of people with dementia. Nursing care is forecasting a small net pressure of £0.021m as the number of clients with dementia is expected to increase even though the number of Older People who are frail is expected to remain fairly stable. The number of clients in permanent nursing care increased to 1,353 in September from 1,340 in June and 1,332 in March. Domiciliary care remains the most volatile and difficult line to forecast with great accuracy. This line is reporting a net underspend of £1.047m despite a small increase in clients as the overall number of clients remains below the affordable level. As at September there were 6,465 people in receipt of domiciliary care from the independent sector, up 43 from June but still down on the March figure of 6,490. A net underspend of £0.511m is being reported against Other Services following the release of £0.200m of Contingency held by the Managing Director to offset the overall pressure, as well as lower than anticipated demand for fast-track occupational therapy equipment and enablement.
- Services for People with a Learning Difficulty is showing an overall pressure of £2.321m as both demographic and price placement pressures continue. These primarily relate to young adults with very complex needs transferring from Children's Services, clients with ageing parents cared for at home but requiring more support, and the numbers of people placed by other authorities but being

classed as 'ordinarily resident' (deemed as living in the community rather than in a residential placement) and therefore our responsibility. Two such cases have added £0.300m to the forecast, although one remains subject to legal review, with a further 23 cases under investigation. They could have a very significant impact on the financial position which currently does not include any estimate of costs for these further clients. Although the number of residential placements decreased from 640 in March to 632 in June, the September position shows an increase to 642 which is well above the affordable level and this line is showing a net pressure of £1.828m. There are also demographic and price pressures within Domiciliary Care, Direct Payments and Supported Accommodation although there is an underspend against Other Services following the release of £0.600m of Contingency held by the Managing Director to offset the overall pressure within the Directorate.

- Services for People with a Physical Disability have similar pressures to Services for People with a Learning Difficulty and as a result the overall position is a pressure of £0.491m. The number of residential placements has increased to 229 in September from 213 in June and 222 in March. The number remains well above the affordable level with the result that this line is showing a net pressure of £0.831m. Pressures within Domiciliary Care and Direct Payments are offset by a small underspend in Supported Accommodation and the release of the £0.200m Contingency held by the Managing Director. There is also an underspend in daycare as a number of clients are receiving their care via a direct payment, as well as small underspends against payments to voluntary organisations and occupational therapy.
- There is a net pressure of £0.205m against All Adults Assessment and Related staffing which relates to shortfall in the 2009/10 saving relating to the review of management and support structures as the saving was based on a profile of when staff would leave. A number of staff have actually left later than anticipated resulting in a reduced saving this year.
- The position for Mental Health is a net pressure of £0.223m. Within this is a gross pressure of £0.610m against residential care as the number of clients is expected to remain above the level afforded in the budget. It should be noted that the budgets were realigned in 2008-09 to reflect the changed priorities in the Directorate to keep clients, wherever possible, within a community based setting such as supported accommodation or via direct payments, rather than residential care, however this change has not happened as quickly as anticipated. This has resulted in an underspend of £0.338m against direct payments. The forecast for residential care also assumes an under-recovery in income of £0.334m as there is an

increasing proportion of clients who fall under Section 117 meaning that they do not contribute to the cost of their care.

- There is a net underspend of £0.275m against Strategic Business Support, partially through a small underspend against gross expenditure, but primarily through an over-recovery in income of £0.231m of which £0.140m relates to income from Universities in respect of the Practice Placement Scheme.
- (3) The Directorate has reported an updated position to Cabinet on 11 January and this indicates an increased pressure of £0.973m. The increase of £0.219m increase primarily relates to additional clients who are deemed to be “Ordinarily Resident” in the County although this has been partially offset by reductions elsewhere, particularly in All Adults Assessment and Related staffing and Strategic Business Support.
- (4) The Capital position reflects a variance of -£0.631m however £0.606m of this will be rephased into 2010/11. Of this £0.270m relates to Modernisation of Assets and £0.126m relates to Public Access. The remaining variance of -£0.025m relates to an underspend against the Public Access project which is being held to offset a minor pressure against Edenbridge Community Centre in 2010/11.
- (5) The outstanding debt that was due for payment as at October was £15.0m of which £12.1m related to client debt with £2.9m of sundry debt. This compared with total due debt as at September of £14.2m of which £12.2m was client debt and £2.0m of sundry debt.

## **Recommendations**

4. (1) Members of the Policy Overview and Scrutiny Committee are asked to note the projected outturn figures for the Directorate as at the November Cabinet report.

Michelle Goldsmith  
Directorate Finance Manager  
Tel: 01622 221770  
VPN: 7000 1770

## KENT ADULT SOCIAL SERVICES DIRECTORATE SUMMARY OCTOBER 2009-10 FULL MONITORING REPORT

### 1. FINANCE

#### 1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the last full monitoring report to reflect a number of technical adjustments to budget including the transfer of Supporting People to Communities.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in appendix 2 to the executive summary.

1.1.2.2 **Table 1** below details the revenue position by Service Unit:

| Budget Book Heading                | Cash Limit     |                |                | Variance     |               |               | Comment  |
|------------------------------------|----------------|----------------|----------------|--------------|---------------|---------------|--|
|                                    | G              | I              | N              | G            | I             | N             |  |
|                                    | £'000s         | £'000s         | £'000s         | £'000s       | £'000s        | £'000s        |  |
| <b>Adult Services portfolio</b>    |                |                |                |              |               |               |  |
| Older People:                      |                |                |                |              |               |               |  |
| - Residential Care                 | 88,635         | -31,724        | 56,911         | 139          | -862          | -723          | Reducing clients but price pressures due to complexity; agency staff cover for in-house service; additional income |
| - Nursing Care                     | 43,647         | -19,507        | 24,140         | 1,588        | -1,567        | 21            | Demographic and placement pressures offset with additional income  |
| - Domiciliary Care                 | 47,233         | -10,317        | 36,916         | -950         | -97           | -1,047        | Activity below affordable level but price pressures due to complexity  |
| - Direct Payments                  | 4,638          | -436           | 4,202          | 97           | -84           | 13            |  |
| - Other Services                   | 21,607         | -4,645         | 16,962         | -508         | -3            | -511          | Release of Contingency to offset overall pressure; lower demand for Fast-track equipment and Enablement            |
| <b>Total Older People</b>          | <b>205,760</b> | <b>-66,629</b> | <b>139,131</b> | <b>366</b>   | <b>-2,613</b> | <b>-2,247</b> |  |
| People with a Learning Difficulty: |                |                |                |              |               |               |  |
| - Residential Care                 | 64,909         | -12,119        | 52,790         | 2,176        | -348          | 1,828         | Demographic and placement pressures  |
| - Domiciliary Care                 | 6,704          | -650           | 6,054          | 194          | -53           | 141           | more clients accessing Independent Living Scheme   |
| - Direct Payments                  | 5,465          | -84            | 5,381          | 725          | -83           | 642           | increased demand & unit cost   |
| - Supported Accommodation          | 9,582          | -1,151         | 8,431          | 723          | -389          | 334           | Demographic and placement pressures  |
| - Other Services                   | 20,164         | -1,924         | 18,240         | -526         | -98           | -624          | Release of Managing Director's Contingency to offset overall pressure  |
| <b>Total People with a LD</b>      | <b>106,824</b> | <b>-15,928</b> | <b>90,896</b>  | <b>3,292</b> | <b>-971</b>   | <b>2,321</b>  |  |

Table 1

| Budget Book Heading                      | Cash Limit     |                 |                | Variance     |               |             | Comment   |
|--|----------------|-----------------|----------------|--------------|---------------|-------------|---|
|  | G              | I               | N              | G            | I             | N           |   |
|  | £'000s         | £'000s          | £'000s         | £'000s       | £'000s        | £'000s      |   |
| People with a Physical Disability        |                |                 |                |              |               |             |   |
| - Residential Care                       | 12,254         | -1,987          | 10,267         | 846          | -15           | 831         | Demographic and placement pressures   |
| - Domiciliary Care                       | 7,317          | -439            | 6,878          | 257          | -10           | 247         | Demographic pressures   |
| - Direct Payments                        | 6,697          | -250            | 6,447          | 61           | 7             | 68          |   |
| - Supported Accommodation                | 394            | -8              | 386            | -95          | -2            | -97         |   |
| - Other Services                         | 6,530          | -1,237          | 5,293          | -572         | 14            | -558        | Release of Contingency to offset overall pressure; underspend on daycare with a switch to Direct Payments |
| <b>Total People with a PD</b>            | <b>33,192</b>  | <b>-3,921</b>   | <b>29,271</b>  | <b>497</b>   | <b>-6</b>     | <b>491</b>  |   |
| All Adults Assessment & Related          | 37,367         | -1,917          | 35,450         | 465          | -260          | 205         | Staffing Pressure partially offset by additional income from Health                                       |
| Mental Health Service                    |                |                 |                |              |               |             |   |
| - Residential Care                       | 6,456          | -974            | 5,482          | 610          | 334           | 944         | Forecast activity in excess of affordable level; increased proportion of S117 clients                     |
| - Domiciliary Care                       | 627            |                 | 627            | 78           | 0             | 78          |   |
| - Direct Payments                        | 602            |                 | 602            | -338         | 0             | -338        | Less than expected activity   |
| - Supported Accommodation                | 435            | 0               | 435            | 96           | -87           | 9           |   |
| - Assessment & Related                   | 9,982          | -876            | 9,106          | -206         | -74           | -280        | Vacancy management plus difficulties in recruiting  |
| - Other Services                         | 6,736          | -904            | 5,832          | -92          | -98           | -190        |   |
| <b>Total Mental Health Service</b>       | <b>24,838</b>  | <b>-2,754</b>   | <b>22,084</b>  | <b>148</b>   | <b>75</b>     | <b>223</b>  |   |
| Gypsy & Traveller Unit                   | 630            | -289            | 341            | 39           | -46           | -7          |   |
| People with no recourse to Public Funds  | 100            |                 | 100            | 0            | 0             | 0           |   |
| Strategic Management                     | 1,339          |                 | 1,339          | 64           | -14           | 50          |   |
| Strategic Business Support               | 24,261         | -1,971          | 22,290         | -44          | -231          | -275        | Additional training income  |
| Support Services purchased from CED      | 7,301          |                 | 7,301          | -7           | 0             | -7          | reduced charge for KPSN   |
| Specific Grants                          |                | -7,591          | -7,591         | 0            | 0             | 0           |   |
| <b>Total Adult Services controllable</b> | <b>441,612</b> | <b>-101,000</b> | <b>340,612</b> | <b>4,820</b> | <b>-4,066</b> | <b>754</b>  |   |
| <b>Assumed Management Action</b>         |                |                 |                | <b>-754</b>  |               | <b>-754</b> |   |
| <b>Forecast after Mgmt Action</b>        |                |                 |                | <b>4,066</b> | <b>-4,066</b> | <b>0</b>    |   |

### 1.1.3 Major Reasons for Variance:

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

### 1.1.3.1 Older People:

The overall net position is an underspend of £2,247k. Although Older people services overall are underspending due to a continuing decline in domiciliary and residential care, there is an increase in demand for services for people with dementia. It should also be noted that the forecast assumes reductions in residential and nursing placements based on prior year trends. However, recently, attrition rates have been lower than expected. If attrition remains below the expected level then this would impact on the forecast. The forecast also assumes a significant over-recovery in client income and a separate piece of work is underway to understand the reasons for this.

#### a. Residential Care

This line is reporting a gross overspend of £139k as the number of clients in permanent care has recently begun to show an increase. As at September there were 2,796 clients against 2,733 in June, although it remains below the 2,832 reported in March. The forecast position is 157,379 weeks of care against an affordable level of 157,572, which is a difference of 193 weeks. Using the forecast unit cost of £385.42, this reduced level of activity generates an underspend of £74k. In addition the forecast unit cost is £1.90 higher than the affordable which results in a pressure of £299k and reflects the increasing number of clients with dementia as placements are more expensive. Although the slight reduction in activity also means a reduced level of income of £30k, the actual income per week is £156.66 against an expected level of £150.13. This gives an over-recovery in income of £1,029k.

The forecast number of client weeks of service provided to Preserved Rights clients is 982 lower than the affordable level because of increased attrition which is over and above that assumed in the budget. This reduced activity gives an underspend of £391k with a further reduction of £49k because the unit cost is slightly below the affordable level. The reduction in activity also results in an under-recovery in income of £88k.

In-house residential provision is showing a pressure of £357k on staffing because of the continuing need to cover sickness and absence with agency staff in order to meet care standards.

#### b. Nursing Care

There is a pressure of £1,588k on gross expenditure and client numbers have increased to 1,353 in September from 1,332 in March and 1,340 in June. The forecast is assuming 1,961 weeks more than budget at a cost of £919k. The unit cost is currently forecast to be marginally less than budget, £468.88 instead of £468.95, which reduces the pressure by £5k. The additional activity has resulted in increased income of £308k. Also the actual income per week is £157.18 against an expected level of £148.81. This gives an over-recovery in income of £628k.

Preserved Rights attrition is currently below that assumed within the budget which adds £326k.

There is currently an overspend of £413k against Registered Nursing Care Contributions with an identical over-recovery of income and is based on the latest estimates of client activity.

#### c. Domiciliary Care

This service remains the most volatile and difficult to forecast and currently this line is forecasting an underspend against gross of £950k. The continuing trend in the number of clients remains uncertain and although the number receiving a domiciliary care package from the independent sector remains below last year's level, this stabilised in the first quarter of 2009-10 and there has even been a steady increase since May. However the budget still allows for significantly more hours than is being delivered and the current forecast under-delivery is over 86,000 hours, giving a saving of £1,332k. The forecast unit cost is also £0.427 per hour more expensive than affordable generating an additional cost of £1,086k. This will relate to the fact that people who do receive domiciliary care, in its traditional sense, are more likely to have higher needs and require more intense packages.

There is also a significant underspend of £696k relating to the in-house domiciliary service as the number of clients remains well below that afforded within the budget.

d. Other Services

This line is showing a gross underspend of £508k following the release of £200k of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. Demand for Fast-track Occupational Therapy equipment and Enablement has also been below the level anticipated in the budget and when combined make up approximately £200k of the underspend. There are also small variances, both over and under, against the remaining services, including payments to voluntary organisations, day-care, and meals.

1.1.3.2 People with a Learning Difficulty:

Overall the position for this client group is a net pressure of £2,321k. Services for this client group remain under extreme pressure, particularly within residential care and supported accommodation, as a result of both demographic and placement price pressures.

The impact of young adults transferring from Children's Services, many of whom have very complex needs and require a much higher level of support, continues to be felt. Alongside these so-called "transitional" placements are the increasing number of older learning disabled clients who are cared for at home by ageing parents who will begin to require more support. There are also more cases of clients becoming "ordinarily resident" in Kent. A client would become "ordinarily resident" when placed by another local authority in Kent and following de-registration of the home, the individual moves into supported accommodation. Two recent cases have added approximately £300k to the forecast, although one of these is subject to legal review. There are potentially a further 23 cases that are being investigated and these could have a very significant impact on the financial position. Any costs relating to these 23 cases are not currently included within the forecast as we are still contesting and any legal judgements are unlikely to be made before the end of the year. The issue of ordinary residence is being discussed nationally through the Association of Directors of Adult Social Services as the current system penalises those authorities, such as Kent, who have historically been a net importer of residential clients. An exercise is also underway with CFE to identify children with a disability from other local authorities who are currently fostered in Kent as over time some of these could end up as ordinarily resident when they reach adulthood.

a. Residential Care

The overall forecast for residential care, including preserved rights clients, is an overspend on gross of £2,176k partially offset by an over recovery of income of £348k, giving a net pressure of £1,828k. Details of the individual pressures and savings contributing to this position are provided below.

Although the number of clients had reduced from 640 in March to 632 in June it has now increased to 642 in September. The forecast assumes 1,202 weeks more than is affordable at a cost of £1,356k, and includes those known young people who are in the "transition" process and will be coming to adult social services before the end of the year. The actual unit cost is £1,127.79 which is £17.64 higher than the affordable level which adds £576k to the forecast. The additional client weeks add £211k of income.

The forecast number of client weeks of service provided to Preserved Rights clients is 231 lower than the affordable level because of increased attrition which is over and above that assumed in the budget. This reduced activity gives an underspend of £182k although the unit cost is slightly higher than the affordable level which adds £58k back into the position.

As with Older People, in house residential provision is showing a pressure of £195k on staffing because of the need to cover sickness and absence with agency staff to meet national care standards.

There has also been a contribution of £170k to a provision for a potential future liability.

b. Domiciliary Care

This line is showing a gross overspend of £194k. The forecast for services provided through the independent sector assumes 5,331 hours more than is affordable, which with a cost per hour of £12.64 means a pressure of £67k. There has also been an increase in the number of clients accessing independent living services, especially a number with wide ranging and profound disabilities, with the result that this line is currently forecasting an overspend of £126k.

c. Direct Payments

Client numbers have increased from 459 in March, 502 in June and 557 in September which is above the affordable level of 546 clients. This forecast assumes 2,966 more weeks than the budget which is causing a pressure of £653k on gross expenditure. The actual unit cost is £2.88 more than budgeted which is adding £72k to the position. The additional activity has added £83k of income.

d. Supported Accommodation

The current position is a net pressure of £334k with the number of clients having increased from 233 in March to 276 in June although the growth in clients has now begun to slow with the September figure showing 284. The forecast weeks based on these clients shows 234 weeks less than affordable as the budget was based on a slightly higher figure; this generates a saving of £137k. However the unit cost of £583.26 is also £38.95 per week higher than is affordable and this increases the pressure by £653k. It should be noted that the unit cost is skewed by a number of placements transferred from Health under S256 arrangements as these clients cost over £1,200 per week. A combination of higher than expected average contribution per week plus the impact of S256 placements funded by Health generates an additional £390k of income.

There is also £189k of costs backdated for the two previous financial years relating to a client who, following a recent case has been awarded Ordinary Residence in Kent. The cost of this client for 2009/10 is included within the overall position outlined above.

e. Other Services

This line is showing a gross underspend of £526k following the release of £600k of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. There are also small variances, both over and under, against the remaining services, including payments to voluntary organisations, day-care and supported employment.

1.1.3.3 People with a Physical Disability:

Overall the position for this client group is a net pressure of £491k. Services for this client group remain under pressure as a result of both demographic and placement price pressures. As a result there continues to be a significant forecast pressure against residential care.

a. Residential Care

The overall forecast for residential care, including preserved rights clients, is a pressure on gross of £846k.

Although the number of clients had reduced from 222 in March to 213 in June, as at September this had increased to 229 and the forecast assumes 1,047 weeks more than is affordable at a cost of £916k. The actual unit cost is £874.31 which is £1.55 lower than the affordable which reduces the pressure by £18k. The additional client weeks add £131k of income to the position.

The forecast number of client weeks of service provided to Preserved Rights clients is 135 lower than the affordable level because of increased attrition which is over and above that assumed in the budget. This reduced activity gives an underspend of £106k although the unit cost is slightly higher than the affordable level which adds £11k back into the position. The reduced activity also means an under-recovery in income of £65k.

b. Domiciliary Care

This line is showing a gross overspend of £257k. The forecast for services provided through the independent sector assumes 11,984 hours more than is affordable, which with a cost per hour of £13.21 gives a pressure of £158k. The actual unit cost is also slightly higher than the affordable level which increases the pressure by £99k.

c. Other Services

This line is showing a gross underspend of £572k following the release of £200k of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. There is also an underspend of £221k against independent sector day-care as a number of clients are now receiving their daycare via a direct payment. There are also small underspends against the remaining services, including payments to voluntary organisations and occupational therapy.

#### 1.1.3.4 **All Adults Assessment & Related:**

There is a pressure against gross expenditure of £465k with an over-recovery in income of £260k relating to additional contributions from Health. As part of the restructure of the Directorate a very detailed exercise across all staffing lines was recently completed which revealed this pressure. The primary reason for the pressure is a shortfall in the 2009/10 saving relating to the review of management and support structures as the saving was based on a profile of when staff would leave. With such a profile there was always the risk that staff would leave later than anticipated and this has proved to be the case. This saving will be delivered, but not to the original timescale.

#### 1.1.3.5 **Mental Health:**

Overall the position for this client group is a net pressure of £223k.

##### a. Residential Care

The overall forecast for residential care, including preserved rights clients, is a pressure on gross of £610k. In the case of non-preserved rights clients the affordable level was reduced as a result of the decision in both 2008-09 and 2009-10 to realign budgets to reflect the changed priorities in the Directorate to keep clients, wherever possible, within a community based setting such as supported accommodation or via direct payments, rather than residential care, however this change has not happened as quickly as anticipated. The result is a forecast which is 1,264 weeks more than is affordable at a cost of £693k. The actual unit cost is £548.55 which is £16.66 higher than the affordable which adds £146k to the forecast. The forecast also assumes a significant under-recovery in income as an increasing proportion of clients fall under Section 117 legislation meaning that they do not contribute towards the cost of their care. This has added £230k to the pressure.

The forecast for Preserved Rights clients reflects an underspend of £183k because of increased attrition which is over and above that assumed in the budget. The reduced activity also means an under-recovery in income of £62k.

##### b. Direct Payments

As referred to above the affordable level has been increased in both 2008-09 and 2009-10 to reflect the changed priorities in the Directorate to keep clients, wherever possible, within a community based setting such as supported accommodation or via direct payments, rather than residential care, however this change has not happened as quickly as anticipated. The result is a gross forecast which is significantly underspending against budget by £338k.

##### c. Assessment & Related

An underspend of £206k on gross expenditure is being forecast which in part results from vacancy management but also from difficulties in recruiting qualified social work staff. Savings also accrue from difficulties experienced in recruiting to senior positions for joint health/social care posts.

#### 1.1.3.6 **Strategic Business Support:**

The current forecast is a small underspend on gross of £44k but a more significant over-recovery in income of £231k, of which £140k relates to income from Universities relating to the Practice Placement Scheme.

**Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER**  
(shading denotes that a pressure/saving has an offsetting entry which is directly related)

| Pressures (+) |  |        | Underspends (-) |   |        |
|---------------|--|--------|-----------------|---|--------|
| portfolio     |  | £000's | portfolio       |   | £000's |
| KASS          | LD Residential gross - activity in excess of affordable level in independent sector placements             | +1,356 | KASS            | Older People Domiciliary gross - reduction in hours in independent care   | -1,332 |
| KASS          | Older People Domiciliary gross - pressure relating to change in unit cost in independent sector hours      | +1,086 | KASS            | Older People Residential income resulting from higher unit cost   | -1,029 |
| KASS          | Older People Nursing gross - activity in excess of affordable level in independent sector placements       | +919   | KASS            | Older People Domiciliary gross - in house activity below affordable level   | -696   |
| KASS          | PD Residential gross - activity in excess of affordable level in independent sector placements             | +916   | KASS            | Older People Nursing income resulting from higher unit cost   | -628   |
| KASS          | MH Residential gross - transfer of clients to community based care/direct payments not yet happened        | +693   | KASS            | LD Other Services gross - release of the balance of the Managing Director's contingency                           | -600   |
| KASS          | LD Direct Payments Gross - activity higher than affordable level   | +653   | KASS            | Older People Nursing income - additional income due to higher RNCC activity                                       | -413   |
| KASS          | LD Supported Accommodation gross - pressure relating to change in unit cost                                | +653   | KASS            | Older People Residential gross - Preserved Rights increased attrition   | -391   |
| KASS          | LD Residential gross - pressure relating to change in unit cost in independent sector care                 | +576   | KASS            | LD Supported Accommodation income - additional income resulting from unit costs and additional Health funding     | -390   |
| KASS          | All Adults Assessment & Related Gross - staffing pressures   | +465   | KASS            | MH Direct Payments gross - increase in expected activity in community based care/direct payments not yet happened | -338   |
| KASS          | Older People Nursing gross - additional spend due to higher RNCC activity                                  | +413   | KASS            | Older People Nursing income resulting from additional activity  | -308   |
| KASS          | Older People Residential gross - in house provision staffing   | +357   | KASS            | Assessment & Related - Over-recovery of income from additional health contributions                               | -260   |
| KASS          | Older People Nursing gross - attrition in preserved rights lower than expected                             | +326   | KASS            | PD Other Services - underspend on independent sector day-care   | -221   |
| KASS          | Older People Residential gross - pressure relating to change in unit cost in independent sector placements | +299   | KASS            | LD Residential income - additional income resulting from additional activity                                      | -211   |
| KASS          | MH Residential income - reduced income due to increasing proportion of clients who are S117                | +230   | KASS            | MH Assessment & Related gross - vacancy management and difficulty recruiting qualified staff                      | -206   |
| KASS          | LD Residential gross - in house provision staffing   | +195   | KASS            | PD Other Services gross - release of the balance of the Managing Director's contingency                           | -200   |
| KASS          | LD Supported Accommodation gross - backdated cost relating to Ordinary Residence                           | +189   | KASS            | OP Other Services gross - release of the balance of the Managing Director's contingency                           | -200   |

| Pressures (+) |   |               | Underspends (-) |  |               |
|---------------|---|---------------|-----------------|--|---------------|
| portfolio     |   | £000's        | portfolio       |  | £000's        |
| KASS          | LD Residential gross - contribution to provision                  | +170          | KASS            | OP Other Services gross - lower than anticipated demand for Fast-track Occupational Therapy equipment and Enablement | -200          |
| KASS          | PD Domiciliary gross - activity in excess of affordable level     | +158          | KASS            | MH Residential gross - Preserved rights decreased activity due to higher attrition                                   | -183          |
| KASS          | MH Residential gross - unit cost in excess of affordable level    | +146          | KASS            | LD Residential gross - Preserved rights decreased activity due to higher attrition                                   | -182          |
| KASS          | LD Domiciliary gross - pressure against Independent Living Scheme | +126          | KASS            | Strat Bus Supp income - additional training income from Universities   | -140          |
|               |   |               | KASS            | LD Supported Accommodation gross - activity below affordable level   | -137          |
|               |   |               | KASS            | PD Residential income - addit activity/higher contribution   | -131          |
|               |   |               | KASS            | PD Residential gross - Preserved Rights increased attrition  | -106          |
|               |   |               |                 |  |               |
|               |   |               |                 |  |               |
|               |   | <b>+9,926</b> |                 |  | <b>-8,502</b> |

#### 1.1.4 Actions required to achieve this position:

The forecast pressure of £754k assumes that most of the savings identified within the MTP will be achieved, however, as indicated in paragraph 1.1.3.4, it is unlikely that the Directorate will be able to deliver the whole saving in 2009-10 relating to the review of management and support structures. Despite this, the Directorate remains confident that other savings, through the application of "Guidelines for Good Management Practice", will be found to ensure that a balanced budget is achieved by the end of the year.

#### 1.1.5 Implications for MTP:

The 2010-13 MTP will assume a breakeven position for 2009-10.

#### 1.1.6 Details of re-phasing of revenue projects:

No revenue projects have been identified for re-phasing.

#### 1.1.7 Details of proposals for residual variance:

The KASS Directorate is wholly committed to delivering a balanced outturn position by the end of the financial year. KASS has 'Guidelines for Good Management Practice' in place across all teams in order to help us manage demand on an equitable basis consistent with policy and legislation. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged. Through these arrangements the Directorate expects to balance the £754k pressure by the end of the year. However this pressure assumes reductions in the number of residential and nursing placements in line with expected trends and makes no allowance for additional costs of clients who may become "ordinarily resident" in Kent.

## 1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The capital cash limits have been adjusted since last reported to Cabinet on 12<sup>th</sup> October 2009, as detailed in section 4.1.

1.2.1 **Table 3** below provides a portfolio overview of the latest capital monitoring position excluding PFI projects.

|   | Prev Yrs<br>Exp<br>£000s | 2009-10<br>£000s | 2010-11<br>£000s | 2011-12<br>£000s | Future Yrs<br>£000s | TOTAL<br>£000s |
|---|--------------------------|------------------|------------------|------------------|---------------------|----------------|
| <b>Kent Adult Social Services portfolio</b> |                          |                  |                  |                  |                     |                |
| Budget                                      | 2,867                    | 6,531            | 19,832           | 16,080           | 12,651              | 57,961         |
| Additions:                                  |                          |                  |                  |                  |                     |                |
| - re-phasing agreed at Oct Cabinet          |                          | -499             | 499              |                  |                     | 0              |
| - trinity foyer                             |                          | 60               |                  |                  |                     | 60             |
| Revised Budget                              | 2,867                    | 6,092            | 20,331           | 16,080           | 12,651              | 58,021         |
| Variance                                    |                          | -631             | 631              | 0                |                     | 0              |
| <b>split:</b>                               |                          |                  |                  |                  |                     |                |
| - real variance                             |                          | -25              | +25              | 0                | 0                   | 0              |
| - re-phasing                                |                          | -606             | +606             | 0                | 0                   | 0              |

|                      |          |             |             |          |          |          |
|----------------------|----------|-------------|-------------|----------|----------|----------|
| <b>Real Variance</b> | <b>0</b> | <b>-25</b>  | <b>+25</b>  | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>Re-phasing</b>    | <b>0</b> | <b>-606</b> | <b>+606</b> | <b>0</b> | <b>0</b> | <b>0</b> |

### 1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2009-10 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

**Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER**

| portfolio                                    | Project                 | real/<br>phasing | Project Status       |                      |                     |                      |
|--|-------------------------|------------------|----------------------|----------------------|---------------------|----------------------|
|  |                         |                  | Rolling<br>Programme | Approval<br>to Spend | Approval<br>to Plan | Preliminary<br>Stage |
|  |                         |                  | £'000s               | £'000s               | £'000s              | £'000s               |
| <b>Overspends/Projects ahead of schedule</b> |                         |                  |                      |                      |                     |                      |
| KASS   |                         |                  |                      |                      |                     |                      |
|  |                         |                  | +0                   | +0                   | +0                  | +0                   |
| <b>Underspends/Projects behind schedule</b>  |                         |                  |                      |                      |                     |                      |
| KASS   | Modernisation of Assets | phasing          | -270                 |                      |                     |                      |
|  |                         |                  | -270                 | +0                   | +0                  | +0                   |
|  |                         |                  | -270                 | +0                   | +0                  | +0                   |

#### 1.2.4 Projects re-phasing by over £1m:

None

#### 1.2.5 Projects with real variances, including resourcing implications:

**Edenbridge -£0.025m** (in 2010/11) this is being offset by an underspend against the Public Access project.

Taking this into account, there is zero real variance in the KASS capital programme.

#### 1.2.6 General Overview of capital programme:

##### a) Risks

The main risk to the Adult Services Capital Programme is the funding from Developer Contributions. There are risks around the timing of the receipts, and the degree to which Developers may try to avoid the payment of contributions.

KASS Capital programme currently includes the following in relation to developer contributions

|                 | 2009/10 | 2010/11 | 2011/12 | Future Years | Total |
|-----------------|---------|---------|---------|--------------|-------|
|                 | £'m     | £'m     | £'m     | £'m          | £'m   |
| <b>Budget</b>   | 0.000   | 1.021   | 2.675   | 0.000        | 3.696 |
| <b>Forecast</b> | 0.000   | 1.021   | 2.675   | 0.000        | 3.696 |
| <b>Variance</b> | 0.000   | 0.000   | 0.000   | 0.000        | 0.000 |

##### (b) Details of action being taken to alleviate risks

In order to reduce the risk, KASS are developing a transparent and effective working relationship with third parties, including District and Borough Councils. The aim of this is to ensure KASS are fully aware of any changes to the agreements as they arise, and can plan around the changes.

As can be seen from the table above, KASS require £3.696m of developer contributions to fund their current commitments.

## 1.2.7 PFI projects

- PFI Housing

1. The £72.489m investment in the PFI Housing project represents investment by a third party. No payment is made by KCC for the new/refurbished assets until the assets are ready for use and this is by way of an annual unitary charge to the revenue budget. The completion of the assets is phased over two years and some are now operational.

|                 | Previous years | 2009-10 | 2010-11 | 2011-12 | TOTAL  |
|-----------------|----------------|---------|---------|---------|--------|
|                 | £000s          | £000s   | £000s   | £000s   | £000s  |
| <b>Budget</b>   | 8,892          | 51,818  | 11,779  | 0       | 72,489 |
| <b>Forecast</b> | 8,892          | 51,818  | 11,779  |         | 72,489 |
| <b>Variance</b> | 0              | 0       | 0       | 0       | 0      |

(a) **Progress and details of whether costings are still as planned (for the 3<sup>rd</sup> party)**

Overall costings still as planned.

(b) **Implications for KCC of details reported in (a) ie could an increase in the cost result in a change to the unitary charge ?**

The unitary charge is not subject to indexation as the contractor has agreed to a fixed price for the duration of the contract. Deductions will be made during the contract period if performance falls below the standards agreed or if the facilities are unavailable for use.

During the contract period if one of the partners proposes a change that either results in increased costs or a change in the balance of risk, this must be taken to the Project Board for agreement. Each partner has a vote and any decision resulting in a change to the costs or risks would need unanimous approval.

2. The £44.300m investment in the PFI Excellent Homes for All project also represents investment by a third party. No payment is made by KCC for the new/refurbished assets until the assets are ready for use and this is by way of an annual unitary charge to the revenue budget.

|                 | Previous years | 2009-10 | 2010-11 | -23    | TOTAL  |
|-----------------|----------------|---------|---------|--------|--------|
|                 | £000s          | £000s   | £000s   | £000s  | £000s  |
| <b>Budget</b>   |                |         | 22,300  | 22,000 | 44,300 |
| <b>Forecast</b> |                |         | 22,300  | 22,000 | 44,300 |
| <b>Variance</b> |                |         |         |        |        |

(a) **Progress and details of whether costings are still as planned (for the 3<sup>rd</sup> party)**

Overall costings still as planned.

(b) **Implications for KCC of details reported in (a) ie could an increase in the cost result in a change to the unitary charge ?**

The unitary charge is not subject to indexation as the contractor has agreed to a fixed price for the duration of the contract. Deductions will be made during the contract period if performance falls below the standards agreed or if the facilities are unavailable for use.

During the contract period if one of the partners proposes a change that either results in increased costs or a change in the balance of risk, this must be taken to the Project Board for agreement. Each partner has a vote and any decision resulting in a change to the costs or risks would need unanimous approval.

### 1.2.8 Project Re-Phasing

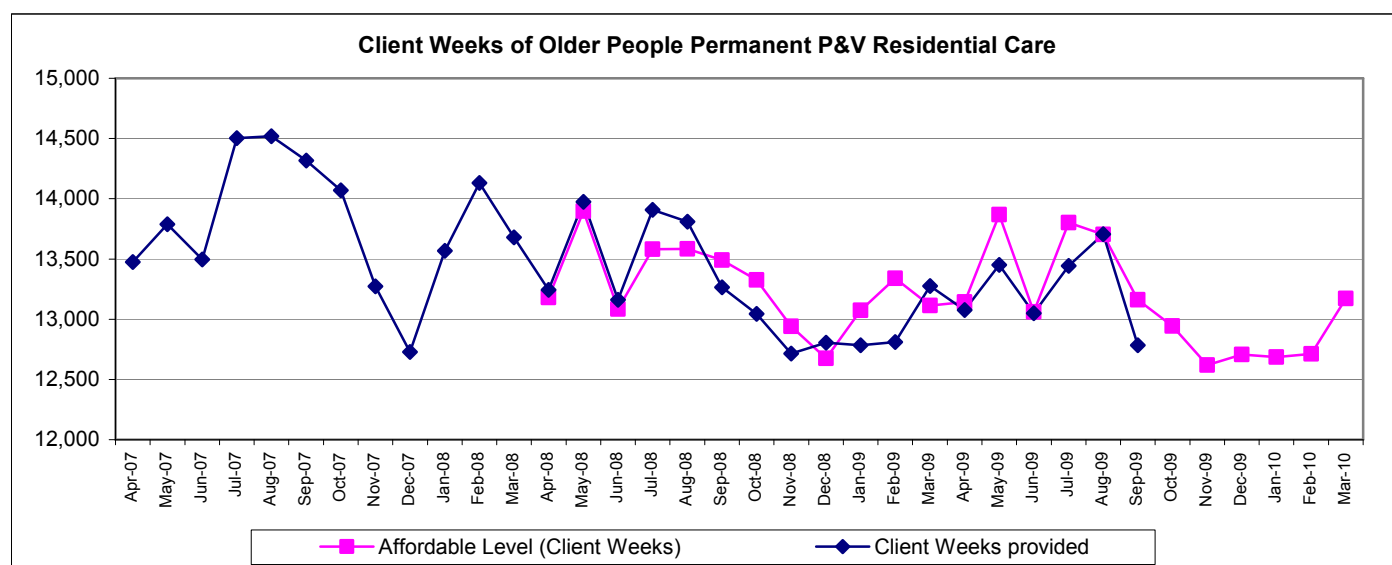
Cash limits are changed for projects that have rephased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m will be reported and the full extent of the rephasing will be shown. The possible re-phasing is detailed in the table below.

|   | 2009-10     | 2010-11     | 2011-12     | Future Years  | Total         |
|---|-------------|-------------|-------------|---------------|---------------|
|   | £k          | £k          | £k          | £k            |               |
| <b>Modernisation of Assets</b>              |             |             |             |               |               |
| Amended total cash limits                   | +1,028      | +549        | +533        | +1,119        | +3,229        |
| re-phasing                                  | -270        | +270        |             |               | 0             |
| <b>Revised project phasing</b>              | <b>+758</b> | <b>+819</b> | <b>+533</b> | <b>+1,119</b> | <b>+3,229</b> |
|   |             |             |             |               |               |
| <b>Public Access</b>                        |             |             |             |               |               |
| Amended total cash limits                   | +476        | +289        | +297        | +305          | +1,367        |
| re-phasing                                  | -126        | +126        |             |               | 0             |
| <b>Revised project phasing</b>              | <b>+350</b> | <b>+415</b> | <b>+297</b> | <b>+305</b>   | <b>+1,367</b> |
|   |             |             |             |               |               |
| <b>Total re-phasing &gt;£100k</b>           | <b>-396</b> | <b>+396</b> | <b>0</b>    | <b>0</b>      | <b>0</b>      |
|   |             |             |             |               |               |
| <b>Other re-phased Projects below £100k</b> | <b>-210</b> | <b>+210</b> |             |               |               |
|   |             |             |             |               |               |
| <b>TOTAL RE-PHASING</b>                     | <b>-606</b> | <b>+606</b> | <b>0</b>    | <b>0</b>      | <b>0</b>      |

## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1.1 Number of client weeks of older people permanent P&V residential care provided compared with affordable level:

|              | 2007-08                         |  | 2008-09                         |  | 2009-10                         |  |
|--------------|---------------------------------|--|---------------------------------|--|---------------------------------|--|
|              | Affordable Level (Client Weeks) | Client Weeks of older people permanent P&V residential care provided | Affordable Level (Client Weeks) | Client Weeks of older people permanent P&V residential care provided | Affordable Level (Client Weeks) | Client Weeks of older people permanent P&V residential care provided |
| April        |                                 | 13,476   | 13,181                          | 13,244   | 13,142                          | 13,076   |
| May          |                                 | 13,789   | 13,897                          | 13,974   | 13,867                          | 13,451   |
| June         |                                 | 13,495   | 13,084                          | 13,160   | 13,059                          | 13,050   |
| July         |                                 | 14,502   | 13,581                          | 13,909   | 13,802                          | 13,443   |
| August       |                                 | 14,520   | 13,585                          | 13,809   | 13,703                          | 13,707   |
| September    |                                 | 14,316   | 13,491                          | 13,264   | 13,162                          | 12,784   |
| October      |                                 | 14,069   | 13,326                          | 13,043   | 12,943                          |  |
| November     |                                 | 13,273   | 12,941                          | 12,716   | 12,618                          |  |
| December     |                                 | 12,728   | 12,676                          | 12,805   | 12,707                          |  |
| January      |                                 | 13,568   | 13,073                          | 12,784   | 12,685                          |  |
| February     |                                 | 14,131   | 13,338                          | 12,810   | 12,712                          |  |
| March        |                                 | 13,680   | 13,114                          | 13,275   | 13,172                          |  |
| <b>TOTAL</b> | <b>169,925</b>                  | <b>165,546</b>   | <b>159,287</b>                  | <b>158,793</b>   | <b>157,572</b>                  | <b>79,511</b>  |

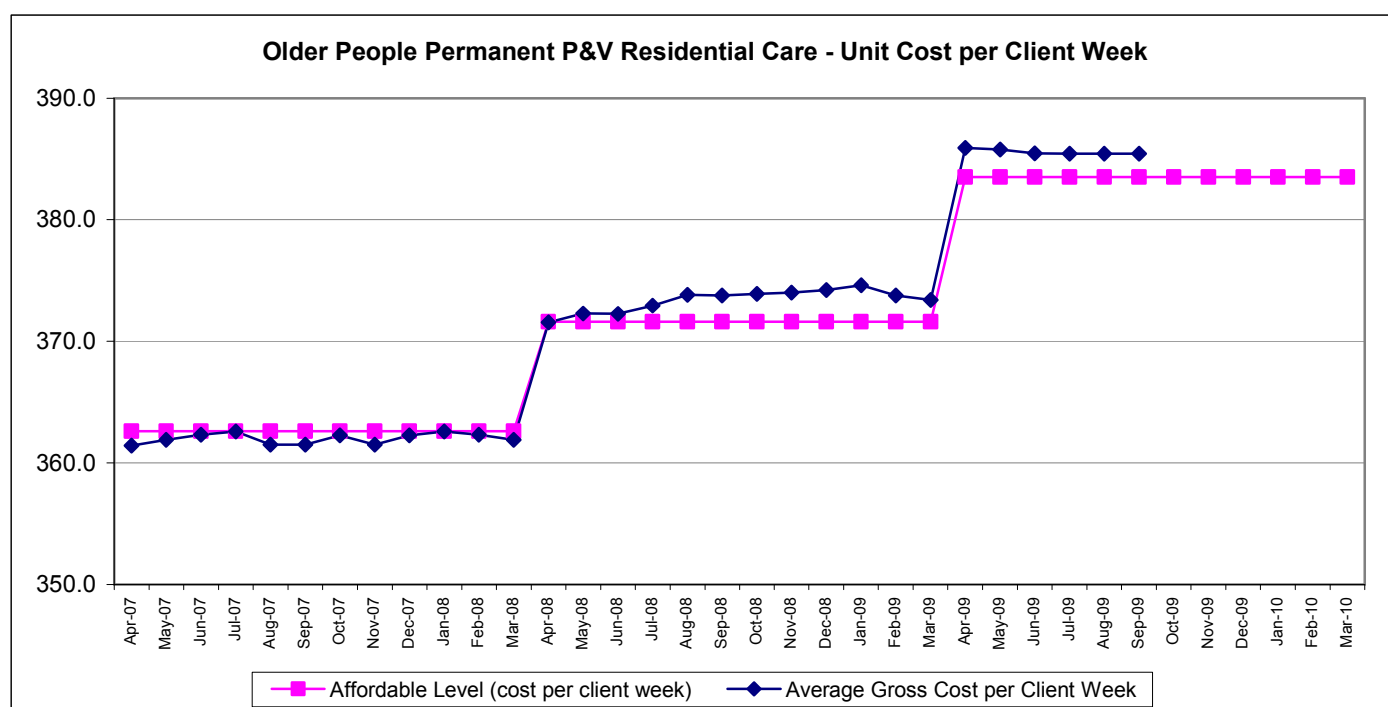


#### Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2007-08 was 2,917 and at the end of March 2009 it was 2,832. In September, the number was 2,796. Although the September position is lower than the March position, there continues to be a pressure relating to older people with dementia.
- The forecast position is 157,379 weeks of care against an affordable level of 157,572, which is a difference of -193 weeks. Using the actual unit cost of £385.42, this reduced level of activity generates an underspend of £74k as highlighted in section 1.1.3.1.a.
- To the end of September 79,511 weeks of care have been delivered against an affordable level of 80,735, a difference of -1,224 weeks. It should be noted that the actual weeks for June have been revised to take account of changes to Swift (client activity system) on the basis of ongoing data quality validation and changing client circumstances. Lower placements at the beginning of the year (there were 2,733 clients as at the end of June) means that the mid year position is lower than the affordable level. However, the forecast includes the increase in placements since then and this will impact on the end of year position, closing this gap.

## 2.1.2 Average gross cost per client week of older people permanent P&V residential care compared with affordable level:

|           | 2007-08                          |                                    | 2008-09                          |                                    | 2009-10                          |                                    |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
|           | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week |
| April     | 362.60                           | 361.41                             | 371.60                           | 371.54                             | 383.52                           | 385.90                             |
| May       | 362.60                           | 361.90                             | 371.60                           | 372.28                             | 383.52                           | 385.78                             |
| June      | 362.60                           | 362.31                             | 371.60                           | 372.27                             | 383.52                           | 385.47                             |
| July      | 362.60                           | 362.56                             | 371.60                           | 372.94                             | 383.52                           | 385.43                             |
| August    | 362.60                           | 361.50                             | 371.60                           | 373.84                             | 383.52                           | 385.44                             |
| September | 362.60                           | 361.50                             | 371.60                           | 373.78                             | 383.52                           | 385.42                             |
| October   | 362.60                           | 362.27                             | 371.60                           | 373.91                             | 383.52                           |                                    |
| November  | 362.60                           | 361.50                             | 371.60                           | 374.01                             | 383.52                           |                                    |
| December  | 362.60                           | 362.27                             | 371.60                           | 374.22                             | 383.52                           |                                    |
| January   | 362.60                           | 362.56                             | 371.60                           | 374.61                             | 383.52                           |                                    |
| February  | 362.60                           | 362.31                             | 371.60                           | 373.78                             | 383.52                           |                                    |
| March     | 362.60                           | 361.90                             | 371.60                           | 373.42                             | 383.52                           |                                    |

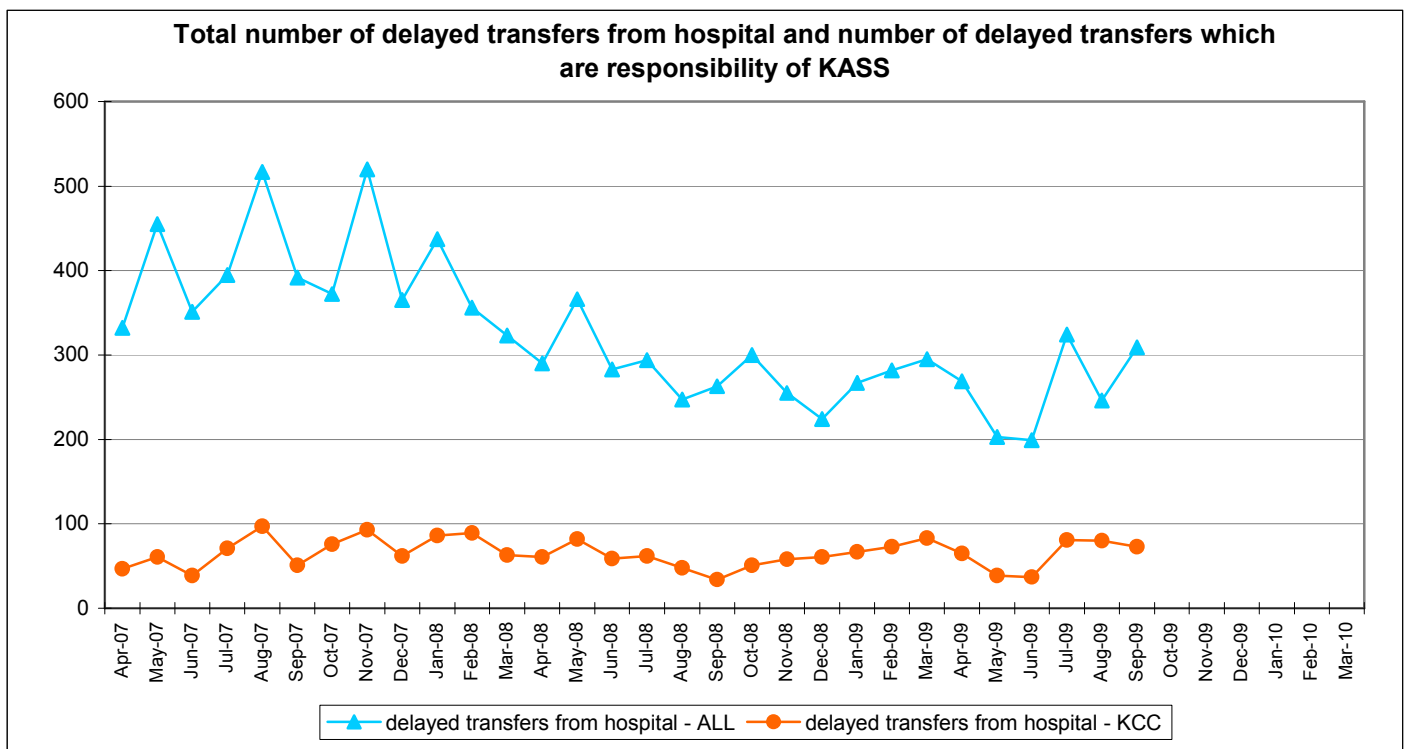


### Comments:

- The increase in unit cost over the last year is higher than inflation, but reflects the increasing proportion of clients with dementia.
- The forecast unit cost of £385.42 is higher than the affordable cost of £383.52 and this difference of +£1.90 adds £299k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.1.a.

2.1.3 Total of All Delayed Transfers from hospital compared with those which are KASS responsibility:

|           | 2007-08 |                     | 2008-09 |                     | 2009-10 |                     |
|-----------|---------|---------------------|---------|---------------------|---------|---------------------|
|           | ALL     | KASS responsibility | ALL     | KASS responsibility | ALL     | KASS responsibility |
| April     | 332     | 47                  | 290     | 61                  | 269     | 65                  |
| May       | 455     | 61                  | 366     | 82                  | 203     | 39                  |
| June      | 351     | 39                  | 283     | 59                  | 199     | 37                  |
| July      | 395     | 71                  | 294     | 62                  | 324     | 81                  |
| August    | 517     | 97                  | 247     | 48                  | 246     | 80                  |
| September | 392     | 51                  | 263     | 34                  | 309     | 73                  |
| October   | 372     | 76                  | 300     | 51                  |         |                     |
| November  | 520     | 93                  | 255     | 58                  |         |                     |
| December  | 365     | 62                  | 224     | 61                  |         |                     |
| January   | 437     | 86                  | 267     | 67                  |         |                     |
| February  | 356     | 89                  | 282     | 73                  |         |                     |
| March     | 323     | 63                  | 295     | 83                  |         |                     |

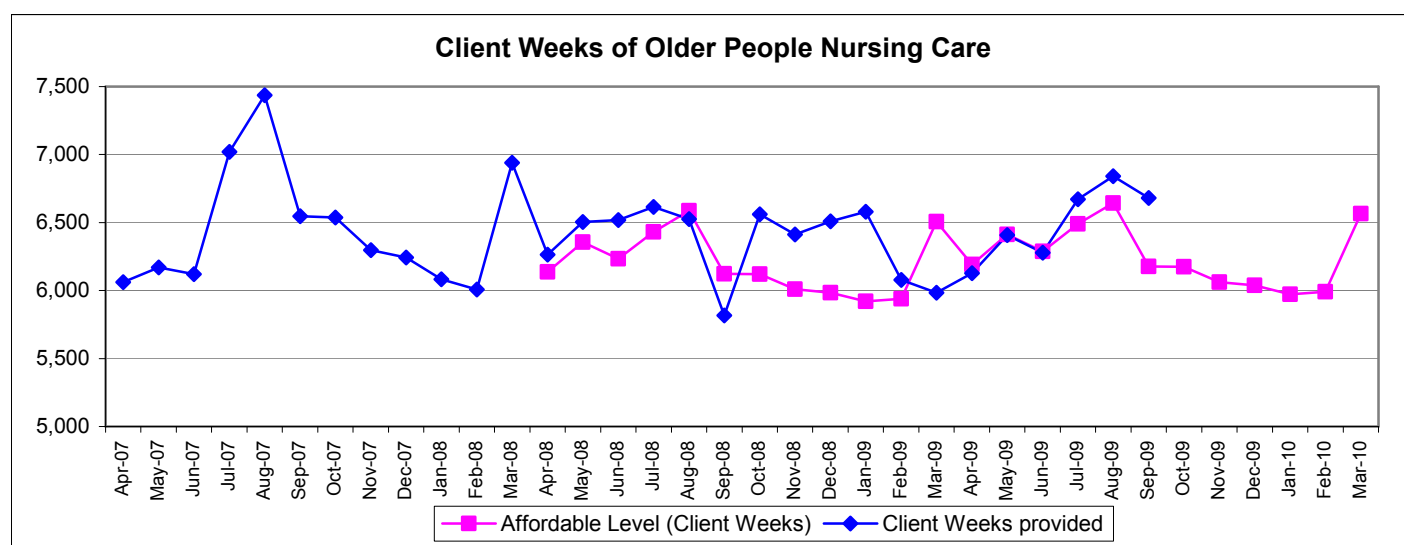


Comments:

- The Delayed Transfers of Care (DTCs) show the numbers of people whose movement from an acute hospital has been delayed. Typically this may be because they are waiting for an assessment to be completed, they are choosing a residential or nursing home placement, or waiting for a vacancy to become available. This figure shows all delays, but those attributable to Adult Social Services, and therefore subject to the reimbursement regime, are a minority. There are many reasons for fluctuations in the number of DTCs which result from the interaction of various different factors within a highly complex system across both Health and Social Care.
- This activity information is obtained from a national database based on data provided by the PCTs. The data previously reported for April 2009 has been amended to reflect later information provided by PCTs to the national database.

## 2.2.1 Number of client weeks of older people nursing care provided compared with affordable level:

|              | 2007-08                         |  | 2008-09                         |  | 2009-10                         |  |
|--------------|---------------------------------|--|---------------------------------|--|---------------------------------|--|
|              | Affordable Level (Client Weeks) | Client Weeks of older people nursing care provided | Affordable Level (Client Weeks) | Client Weeks of older people nursing care provided | Affordable Level (Client Weeks) | Client Weeks of older people nursing care provided |
| April        |                                 | 6,062  | 6,137                           | 6,263  | 6,191                           | 6,127  |
| May          |                                 | 6,170  | 6,357                           | 6,505  | 6,413                           | 6,408  |
| June         |                                 | 6,120  | 6,233                           | 6,518  | 6,288                           | 6,279  |
| July         |                                 | 7,020  | 6,432                           | 6,616  | 6,489                           | 6,671  |
| August       |                                 | 7,436  | 6,586                           | 6,525  | 6,644                           | 6,841  |
| September    |                                 | 6,546  | 6,124                           | 5,816  | 6,178                           | 6,680  |
| October      |                                 | 6,538  | 6,121                           | 6,561  | 6,175                           |  |
| November     |                                 | 6,298  | 6,009                           | 6,412  | 6,062                           |  |
| December     |                                 | 6,243  | 5,984                           | 6,509  | 6,037                           |  |
| January      |                                 | 6,083  | 5,921                           | 6,580  | 5,973                           |  |
| February     |                                 | 6,008  | 5,940                           | 6,077  | 5,992                           |  |
| March        |                                 | 6,941  | 6,507                           | 5,985  | 6,566                           |  |
| <b>TOTAL</b> | <b>74,707</b>                   | <b>77,463</b>                                      | <b>74,351</b>                   | <b>76,367</b>                                      | <b>75,008</b>                   | <b>39,006</b>                                      |



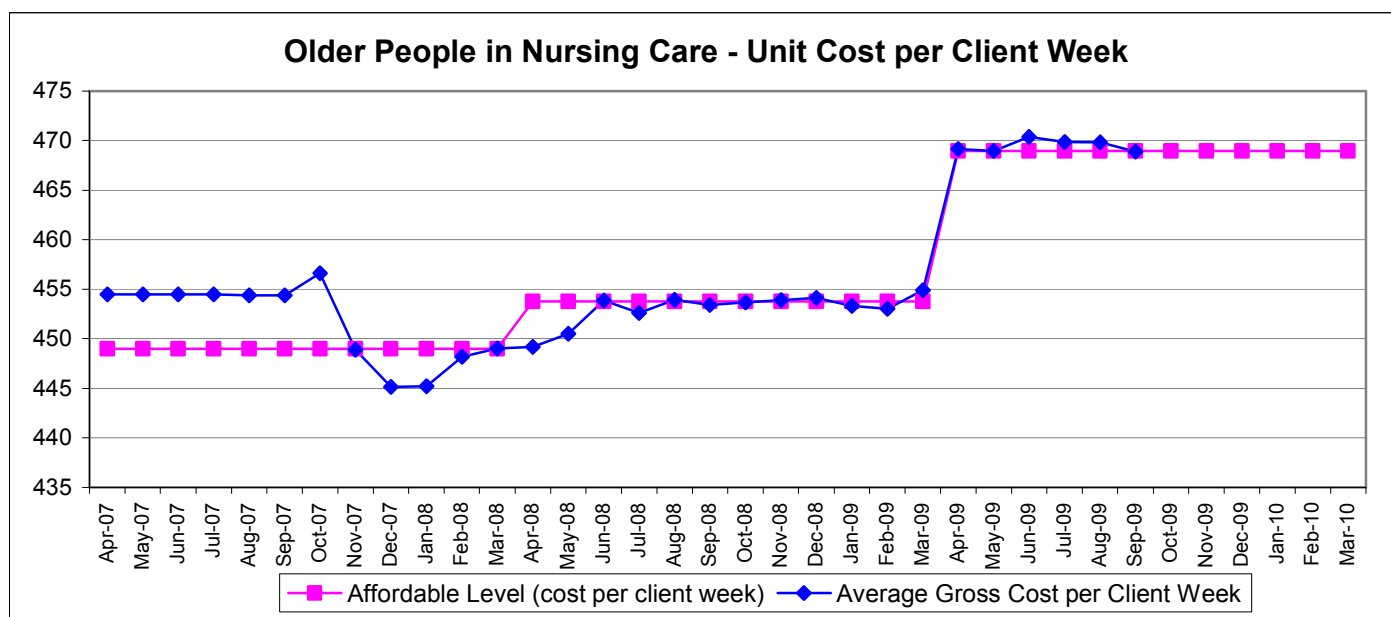
### Comment:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2007-08 was 1,386, at the end of March 2009, it had decreased to 1,332 and in September, it had increased slightly to 1,353. This increase is attributable to people with dementia.
- To the end of September 39,006 weeks of care have been delivered against an affordable level of 38,203 a difference of +803 weeks. It should be noted that the actual weeks for June have been revised to take account of changes to Swift (client activity system) on the basis of ongoing data quality validation and changing client circumstances.
- The forecast position is 76,969 weeks of care against an affordable level of 75,008, a difference of +1,961 weeks. Using the actual unit cost of £468.88, this additional activity adds £919k to the forecast as highlighted in section 1.1.3.1.b.
- Permanent placements have been slightly higher in the second quarter than in the first which means the difference between the forecast weeks and the affordable levels will be larger by year-end. In addition, non-permanent care has increased since the first quarter and this is included in the forecast.
- There are always pressures in permanent nursing care which may occur for many reasons. Increasingly, older people are entering nursing care only when other ways of support have been explored. This means that the most dependent are those that enter nursing care and consequently

are more likely to have dementia. In addition, there will always be pressures which the directorate face, for example the knock on effect of minimising delayed transfers of care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing nursing care.

## 2.2.2 Average gross cost per client week of older people nursing care compared with affordable level:

|           | 2007-08                          |                                    | 2008-09                          |                                    | 2009-10                          |                                    |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
|           | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week |
| April     | 448.98                           | 454.50                             | 453.77                           | 449.18                             | 468.95                           | 469.15                             |
| May       | 448.98                           | 454.50                             | 453.77                           | 450.49                             | 468.95                           | 468.95                             |
| June      | 448.98                           | 454.50                             | 453.77                           | 453.86                             | 468.95                           | 470.37                             |
| July      | 448.98                           | 454.50                             | 453.77                           | 452.61                             | 468.95                           | 469.84                             |
| August    | 448.98                           | 454.40                             | 453.77                           | 453.93                             | 468.95                           | 469.82                             |
| September | 448.98                           | 454.40                             | 453.77                           | 453.42                             | 468.95                           | 468.88                             |
| October   | 448.98                           | 456.60                             | 453.77                           | 453.68                             | 468.95                           |                                    |
| November  | 448.98                           | 448.88                             | 453.77                           | 453.92                             | 468.95                           |                                    |
| December  | 448.98                           | 445.16                             | 453.77                           | 454.13                             | 468.95                           |                                    |
| January   | 448.98                           | 445.22                             | 453.77                           | 453.33                             | 468.95                           |                                    |
| February  | 448.98                           | 448.17                             | 453.77                           | 453.02                             | 468.95                           |                                    |
| March     | 448.98                           | 449.00                             | 453.77                           | 454.90                             | 468.95                           |                                    |

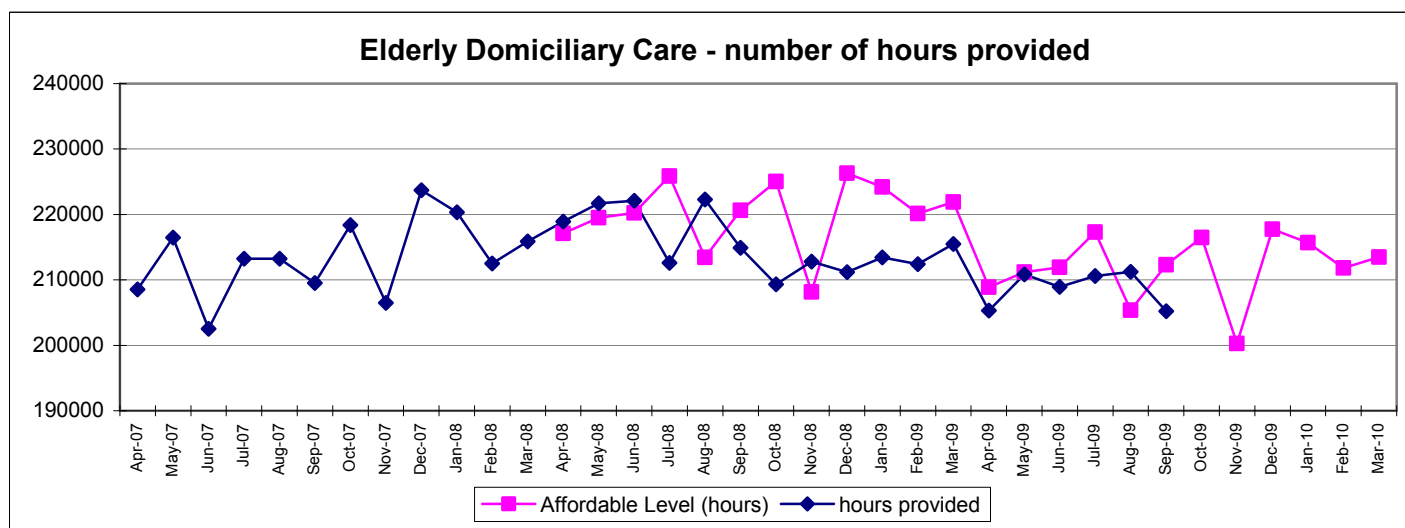
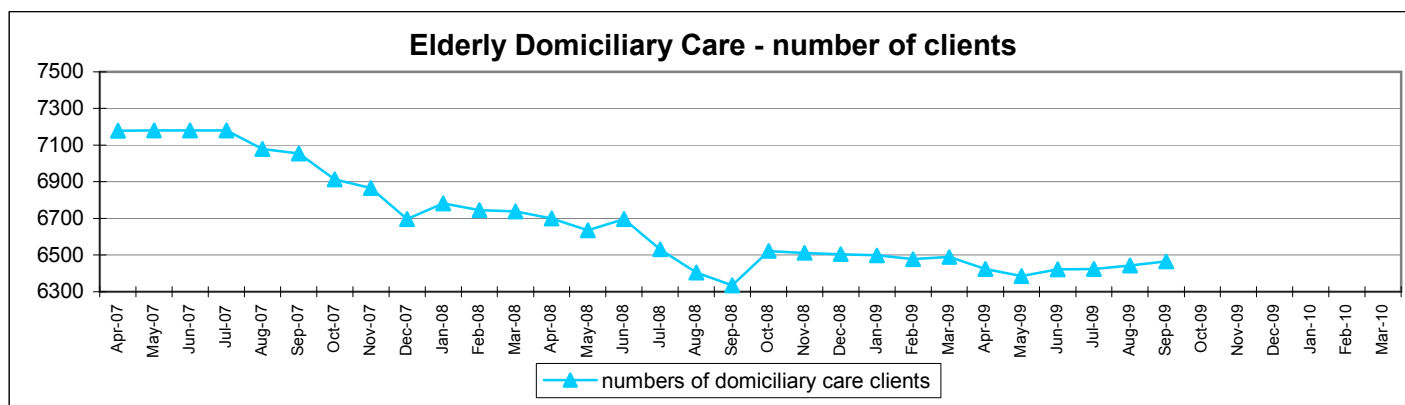


### Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care
- The forecast unit cost of £468.88 is slightly lower than the affordable cost of £468.95 and this difference of -£0.07 reduces the pressure by £5k when multiplied by the affordable weeks, as highlighted in section 1.1.3.1.b

## 2.3.1 Elderly domiciliary care – numbers of clients and hours provided:

|              | 2007-08                  |                  |                   | 2008-09                  |                  |                   | 2009-10                  |                  |                   |
|--------------|--------------------------|------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|------------------|-------------------|
|              | Affordable level (hours) | hours provided   | number of clients | Affordable level (hours) | hours provided   | number of clients | Affordable level (hours) | hours provided   | number of clients |
| April        |                          | 208,524          | 7,179             | 217,090                  | 218,929          | 6,700             | 208,869                  | 205,312          | 6,423             |
| May          |                          | 216,477          | 7,180             | 219,480                  | 221,725          | 6,635             | 211,169                  | 210,844          | 6,386             |
| June         |                          | 202,542          | 7,180             | 220,237                  | 222,088          | 6,696             | 211,897                  | 208,945          | 6,422             |
| July         |                          | 213,246          | 7,180             | 225,841                  | 212,610          | 6,531             | 217,289                  | 210,591          | 6,424             |
| August       |                          | 213,246          | 7,079             | 213,436                  | 222,273          | 6,404             | 205,354                  | 211,214          | 6,443             |
| September    |                          | 209,504          | 7,054             | 220,644                  | 214,904          | 6,335             | 212,289                  | 205,238          | 6,465             |
| October      |                          | 218,397          | 6,912             | 225,012                  | 209,336          | 6,522             | 216,491                  |                  |                   |
| November     |                          | 206,465          | 6,866             | 208,175                  | 212,778          | 6,512             | 200,292                  |                  |                   |
| December     |                          | 223,696          | 6,696             | 226,319                  | 211,189          | 6,506             | 217,749                  |                  |                   |
| January      |                          | 220,313          | 6,782             | 224,175                  | 213,424          | 6,499             | 215,686                  |                  |                   |
| February     |                          | 212,499          | 6,746             | 220,135                  | 212,395          | 6,478             | 211,799                  |                  |                   |
| March        |                          | 215,865          | 6,739             | 221,875                  | 215,488          | 6,490             | 213,474                  |                  |                   |
| <b>TOTAL</b> | <b>2,610,972</b>         | <b>2,560,774</b> |                   | <b>2,642,419</b>         | <b>2,587,139</b> |                   | <b>2,542,358</b>         | <b>1,252,144</b> |                   |



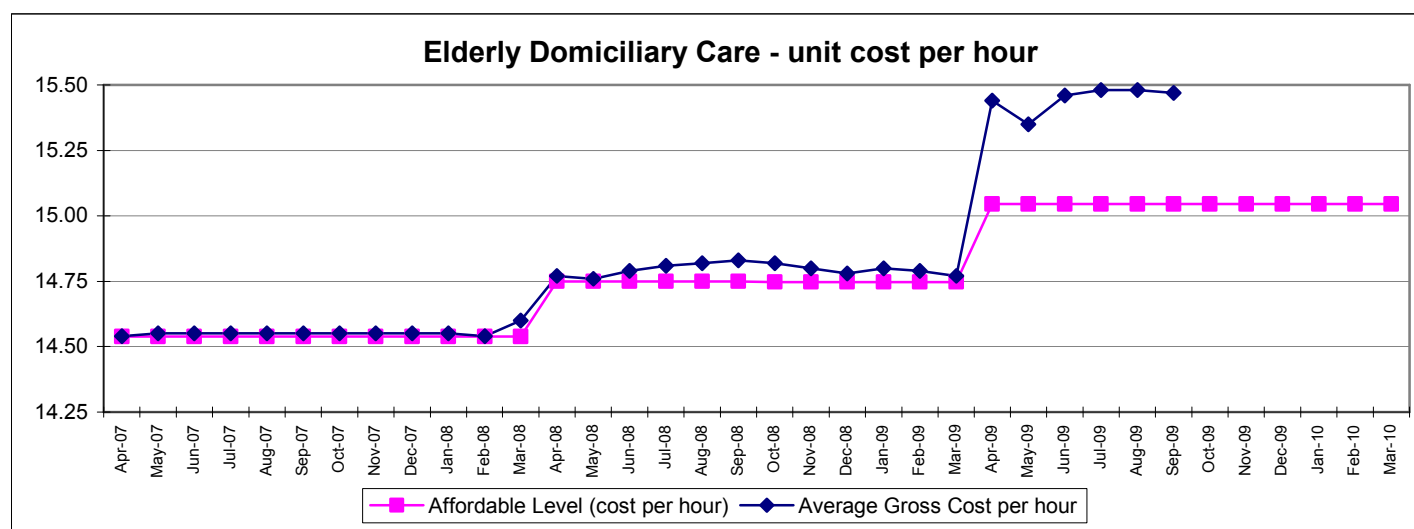
## Comment:

- Figures exclude services commissioned from the Kent HomeCare Service.
- The current forecast is 2,456,273 hours of care set against an affordable level of 2,542,358, a difference of 86,085 hours. Using the forecast unit cost of £15.472, this reduction in activity indicates a £1,332k underspend, as highlighted in section 1.1.3.1.c.
- The number of people receiving domiciliary care has decreased over the last year, but stabilised in the first quarter this year. We would not expect the number of domiciliary care clients to be significantly increasing for several reasons. Firstly, the success of preventative services such as intermediate care, rapid response and ongoing service developments with the voluntary sector and

other organisations mean that we continue to prevent people from needing 'mainstream' domiciliary care. The LAA target focuses on how we can ensure that people are helped back to their own homes successfully with very minimal support. In the voluntary sector, people can access services, very often involving social inclusion (e.g. luncheon clubs and other social activities), without having to undergo a full care management assessment. Secondly, public health campaigns and social marketing aimed at improving people's health is already starting to result in healthier older people. Increase in the use of Telecare and Telehealth similarly reduces the need for domiciliary care, and it is possible that this trend will continue despite the growth in numbers of older people. Thirdly, in Kent, as well as nationwide, the take up of direct payments by older people, has for the first time, reached similar levels as people with physical disabilities.

### 2.3.2 Average gross cost per hour of older people domiciliary care compared with affordable level:

|           | 2007-08                          |                             | 2008-09                          |                             | 2009-10                          |                             |
|-----------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
|           | Affordable Level (Cost per Hour) | Average Gross Cost per Hour | Affordable Level (Cost per Hour) | Average Gross Cost per Hour | Affordable Level (Cost per Hour) | Average Gross Cost per Hour |
| April     | 14.50                            | 14.54                       | 14.75                            | 14.77                       | 15.045                           | 15.44                       |
| May       | 14.50                            | 14.55                       | 14.75                            | 14.76                       | 15.045                           | 15.35                       |
| June      | 14.50                            | 14.55                       | 14.75                            | 14.79                       | 15.045                           | 15.46                       |
| July      | 14.50                            | 14.55                       | 14.75                            | 14.81                       | 15.045                           | 15.48                       |
| August    | 14.50                            | 14.55                       | 14.75                            | 14.82                       | 15.045                           | 15.48                       |
| September | 14.50                            | 14.55                       | 14.75                            | 14.83                       | 15.045                           | 15.47                       |
| October   | 14.50                            | 14.55                       | 14.75                            | 14.82                       | 15.045                           |                             |
| November  | 14.50                            | 14.55                       | 14.75                            | 14.80                       | 15.045                           |                             |
| December  | 14.50                            | 14.55                       | 14.75                            | 14.78                       | 15.045                           |                             |
| January   | 14.50                            | 14.55                       | 14.75                            | 14.80                       | 15.045                           |                             |
| February  | 14.50                            | 14.54                       | 14.75                            | 14.79                       | 15.045                           |                             |
| March     | 14.50                            | 14.60                       | 14.75                            | 14.77                       | 15.045                           |                             |

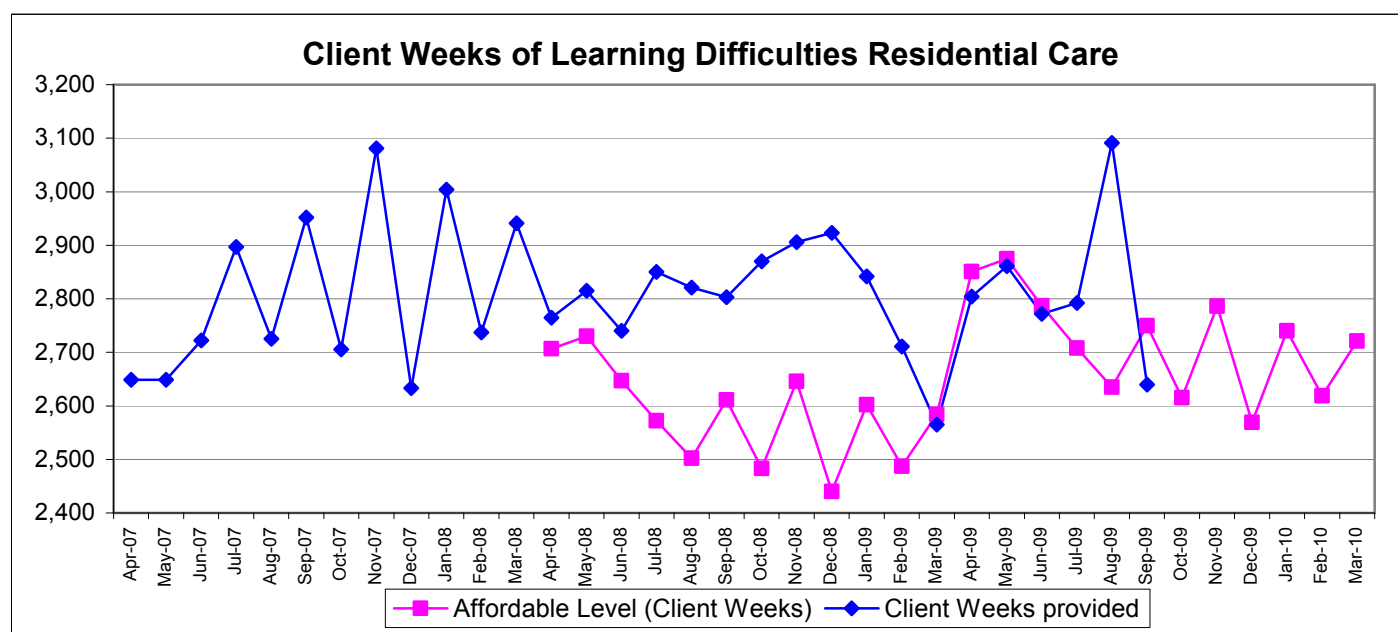


#### Comments:

- The average unit cost per week is increasing and may reflect the same issues outlined above concerning more intense packages and higher levels of need
- The forecast unit cost of £15.472 is higher than the affordable cost of £15.045 and this difference of £0.427 increases the pressure by £1,086k when multiplied by the affordable hours, as highlighted in section 1.1.3.1.c.

### 2.4.1 Number of client weeks of learning difficulties residential care provided compared with affordable level (non preserved rights clients):

|              | 2007-08                         |  | 2008-09                         |  | 2009-10                         |  |
|--------------|---------------------------------|--|---------------------------------|--|---------------------------------|--|
|              | Affordable Level (Client Weeks) | Client Weeks of LD residential care provided | Affordable Level (Client Weeks) | Client Weeks of LD residential care provided | Affordable Level (Client Weeks) | Client Weeks of LD residential care provided |
| April        |                                 | 2,648  | 2,707                           | 2,765  | 2,851                           | 2,804  |
| May          |                                 | 2,648  | 2,730                           | 2,815  | 2,875                           | 2,861  |
| June         |                                 | 2,722  | 2,647                           | 2,740  | 2,787                           | 2,772  |
| July         |                                 | 2,897  | 2,572                           | 2,850  | 2,708                           | 2,792  |
| August       |                                 | 2,725  | 2,502                           | 2,821  | 2,635                           | 3,091  |
| September    |                                 | 2,952  | 2,611                           | 2,803  | 2,750                           | 2,640  |
| October      |                                 | 2,706  | 2,483                           | 2,870  | 2,615                           |  |
| November     |                                 | 3,081  | 2,646                           | 2,906  | 2,786                           |  |
| December     |                                 | 2,633  | 2,440                           | 2,923  | 2,569                           |  |
| January      |                                 | 3,004  | 2,602                           | 2,842  | 2,740                           |  |
| February     |                                 | 2,737  | 2,487                           | 2,711  | 2,619                           |  |
| March        |                                 | 2,941  | 2,584                           | 2,565  | 2,721                           |  |
| <b>TOTAL</b> | <b>30,984</b>                   | <b>33,695</b>                                | <b>31,011</b>                   | <b>33,611</b>                                | <b>32,656</b>                   | <b>16,960</b>                                |

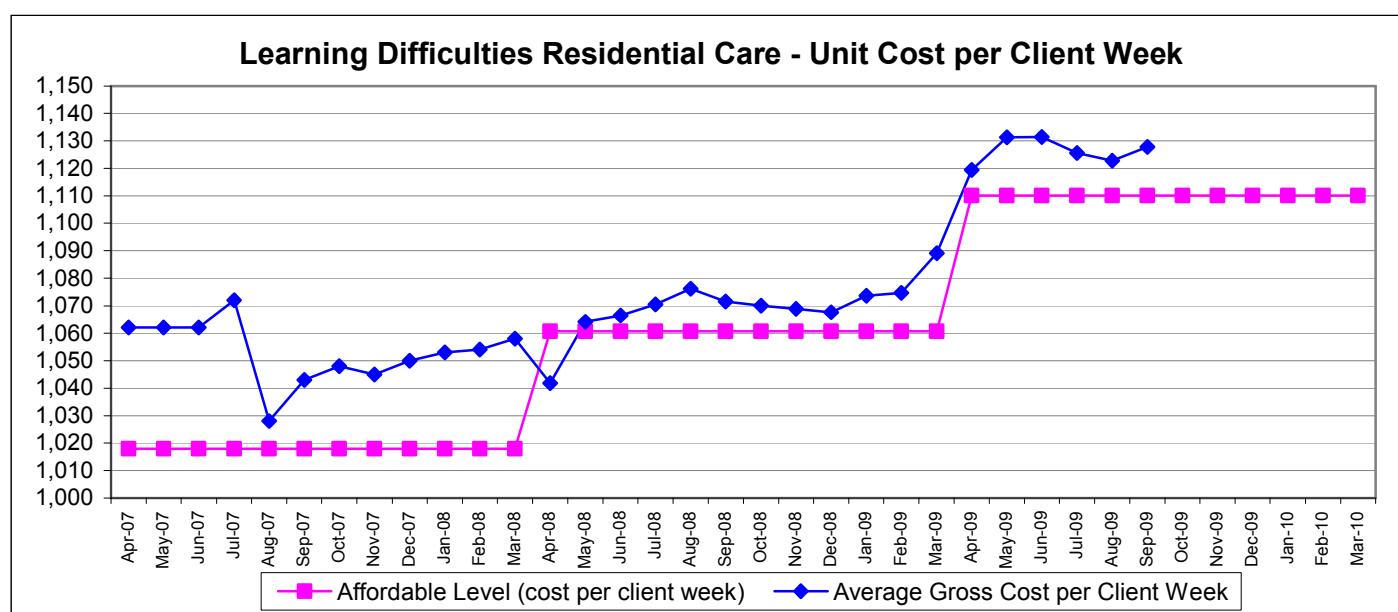


#### Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2007-08 was 633, at the end of 2008-09 it was 640 (with some much higher numbers during the year) and at the end of September, 642.
- The forecast position of 33,858 weeks of care is some 1,202 weeks over the affordable level, indicating a pressure of £1,356k using a unit cost of £1,127.79. The forecast is based on the current activity as well as those known young people that will be coming to adult social services before the end of the year, plus an assumption about clients transferring out of residential care to supported living arrangements. Those young people in the “transition” process are known to Social Services as young as 14 and so they can be planned for, as highlighted in section 1.1.3.2.a.
- To the end of September 16,960 weeks of care have been delivered against an affordable level of 16,606 a difference of 354 weeks. The number of people in residential care has increased slightly in the last couple of months which means that the end of year forecast will be proportionately higher than the affordable levels.

## 2.4.2 Average gross cost per client week of Learning Difficulties residential care compared with affordable level (non preserved rights clients):

|           | 2007-08                          |                                    | 2008-09                          |                                    | 2009-10                          |                                    |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
|           | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week |
| April     | 1,018.00                         | 1,062.00                           | 1,060.70                         | 1,041.82                           | 1,110.15                         | 1,119.42                           |
| May       | 1,018.00                         | 1,062.00                           | 1,060.70                         | 1,064.19                           | 1,110.15                         | 1,131.28                           |
| June      | 1,018.00                         | 1,062.00                           | 1,060.70                         | 1,066.49                           | 1,110.15                         | 1,131.43                           |
| July      | 1,018.00                         | 1,072.00                           | 1,060.70                         | 1,070.50                           | 1,110.15                         | 1,125.65                           |
| August    | 1,018.00                         | 1,028.00                           | 1,060.70                         | 1,076.27                           | 1,110.15                         | 1,122.81                           |
| September | 1,018.00                         | 1,043.00                           | 1,060.70                         | 1,071.59                           | 1,110.15                         | 1,127.79                           |
| October   | 1,018.00                         | 1,048.00                           | 1,060.70                         | 1,070.02                           | 1,110.15                         |                                    |
| November  | 1,018.00                         | 1,045.00                           | 1,060.70                         | 1,068.95                           | 1,110.15                         |                                    |
| December  | 1,018.00                         | 1,050.00                           | 1,060.70                         | 1,067.59                           | 1,110.15                         |                                    |
| January   | 1,018.00                         | 1,053.00                           | 1,060.70                         | 1,073.71                           | 1,110.15                         |                                    |
| February  | 1,018.00                         | 1,054.00                           | 1,060.70                         | 1,074.67                           | 1,110.15                         |                                    |
| March     | 1,018.00                         | 1,058.00                           | 1,060.70                         | 1,089.10                           | 1,110.15                         |                                    |

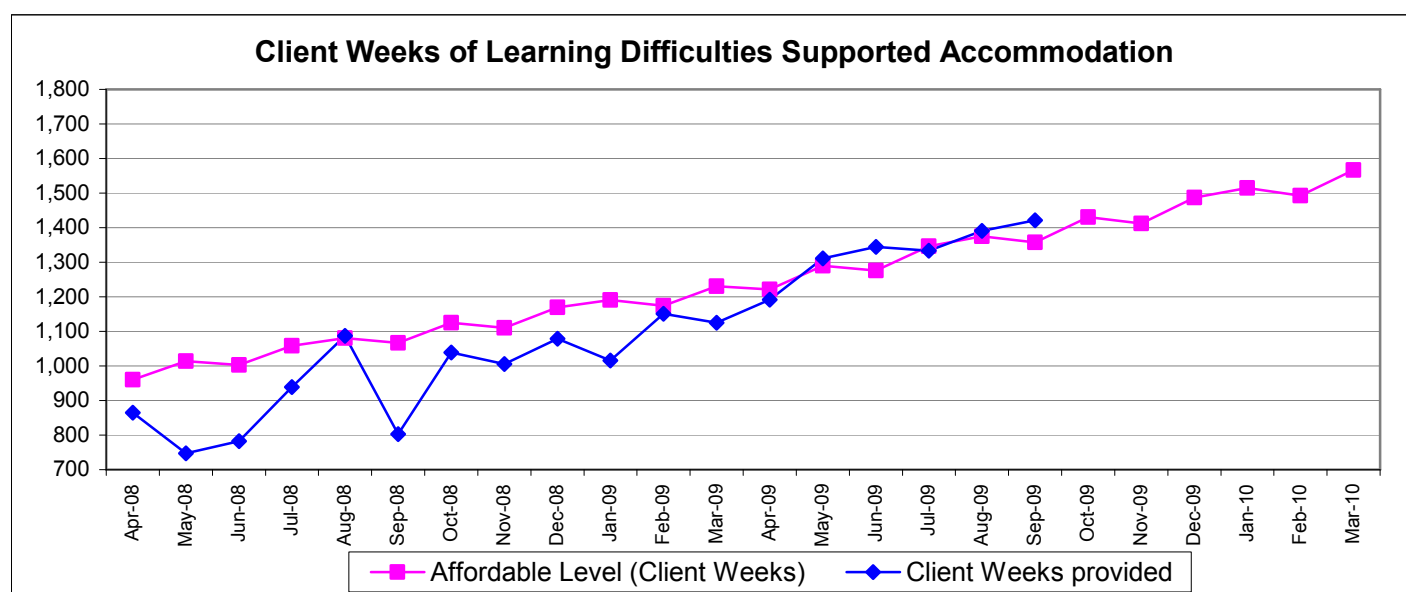


### Comments:

- Clients being placed in residential care are those with very complex and individual needs which makes it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,100 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high costs – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases.
- The forecast unit cost of £1,127.79 is higher than the affordable cost of £1,110.15 and this difference of £17.64 adds £576k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.2.a.

### 2.5.1 Number of client weeks of learning difficulties supported accommodation provided compared with affordable level:

|              | 2007-08                         |   | 2008-09                         |   | 2009-10                         |   |
|--------------|---------------------------------|---|---------------------------------|---|---------------------------------|---|
|              | Affordable Level (Client Weeks) | Client Weeks of LD supported accommodation provided | Affordable Level (Client Weeks) | Client Weeks of LD supported accommodation provided | Affordable Level (Client Weeks) | Client Weeks of LD supported accommodation provided |
| April        |                                 |   | 960                             | 865   | 1,221                           | 1,192   |
| May          |                                 |   | 1,014                           | 747   | 1,290                           | 1,311   |
| June         |                                 |   | 1,003                           | 782   | 1,276                           | 1,344   |
| July         |                                 |   | 1,058                           | 939   | 1,346                           | 1,333   |
| August       |                                 |   | 1,081                           | 1,087   | 1,375                           | 1,391   |
| September    |                                 |   | 1,067                           | 803   | 1,357                           | 1,421   |
| October      |                                 |   | 1,125                           | 1,039   | 1,431                           |   |
| November     |                                 |   | 1,110                           | 1,006   | 1,412                           |   |
| December     |                                 |   | 1,169                           | 1,079   | 1,487                           |   |
| January      |                                 |   | 1,191                           | 1,016   | 1,515                           |   |
| February     |                                 |   | 1,174                           | 1,151   | 1,493                           |   |
| March        |                                 |   | 1,231                           | 1,125   | 1,567                           |   |
| <b>TOTAL</b> | <b>7,618</b>                    | <b>11,156</b>                                       | <b>13,183</b>                   | <b>11,639</b>                                       | <b>16,770</b>                   | <b>7,992</b>  |

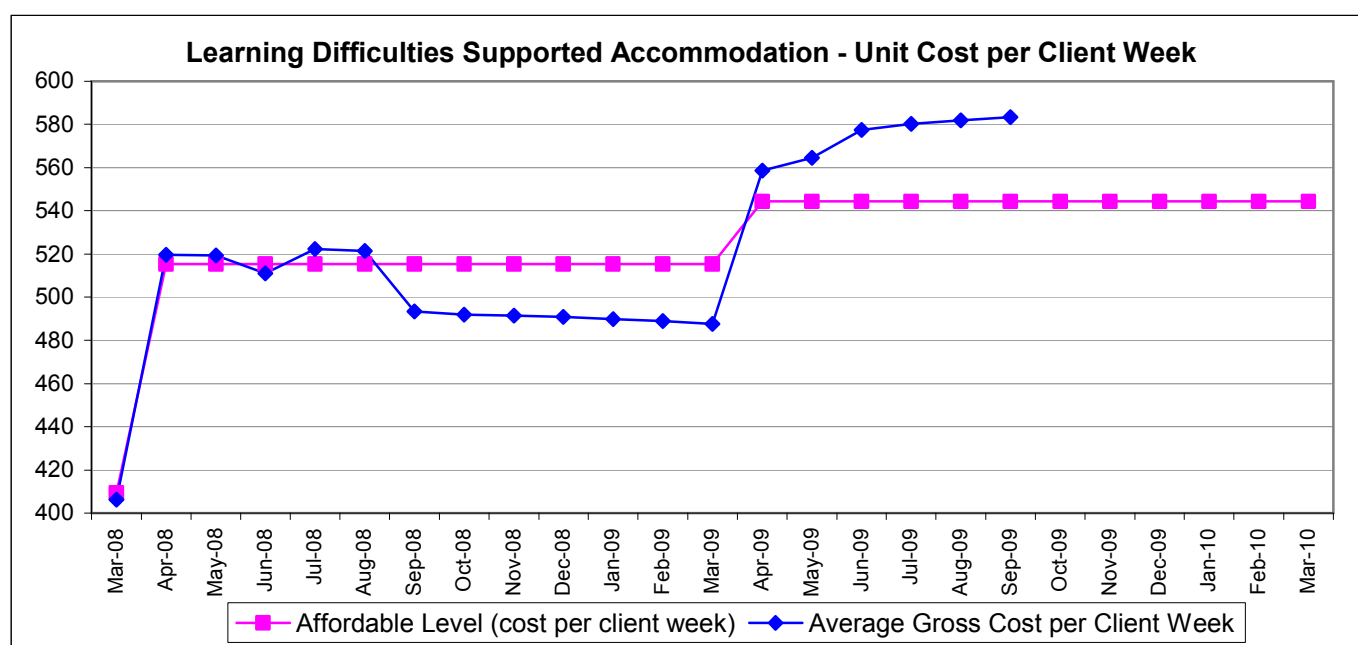


#### Comments:

- The above graph reflects the number of client weeks of service. The actual number of clients in LD supported accommodation at the end of 2007-08 was 193 and at the end of March 2009 it was 233. As at the end of September, the numbers had increased to 284.
- The latest forecast position of 16,536 weeks against an affordable level of 16,770 weeks shows a difference of 234 weeks, which indicates a saving of £137k using a unit cost of £583.26.
- It should be noted that the actual weeks for June have been revised to take account of changes to Swift (client activity system) on the basis of ongoing data quality validation and changing client circumstances.
- Like residential care for people with a learning disability, every case is unique and varies in cost, depending on the individual circumstances. Although the quality of life will be better for these people, it is not always significantly cheaper. The focus to enable as many people as possible to move from residential care into supported accommodation means that increasingly complex and unique cases will be successfully supported to live independently. The forecast assumes further small increases in clients in the year.

## 2.5.2 Average gross cost per client week of Learning Difficulties supported accommodation compared with affordable level (non preserved rights clients):

|           | 2007-08                          |                                    | 2008-09                          |                                    | 2009-10                          |                                    |
|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
|           | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week | Affordable Level (Cost per Week) | Average Gross Cost per Client Week |
| April     |                                  |                                    | 515.41                           | 519.60                             | 544.31                           | 558.65                             |
| May       |                                  |                                    | 515.41                           | 519.40                             | 544.31                           | 564.49                             |
| June      |                                  |                                    | 515.41                           | 511.10                             | 544.31                           | 577.33                             |
| July      |                                  |                                    | 515.41                           | 522.30                             | 544.31                           | 580.27                             |
| August    |                                  |                                    | 515.41                           | 521.40                             | 544.31                           | 581.76                             |
| September |                                  |                                    | 515.41                           | 493.33                             | 544.31                           | 583.26                             |
| October   |                                  |                                    | 515.41                           | 491.85                             | 544.31                           |                                    |
| November  |                                  |                                    | 515.41                           | 491.47                             | 544.31                           |                                    |
| December  |                                  |                                    | 515.41                           | 490.83                             | 544.31                           |                                    |
| January   |                                  |                                    | 515.41                           | 489.75                             | 544.31                           |                                    |
| February  |                                  |                                    | 515.41                           | 488.90                             | 544.31                           |                                    |
| March     | 409.31                           | 406.18                             | 515.41                           | 487.60                             | 544.31                           |                                    |

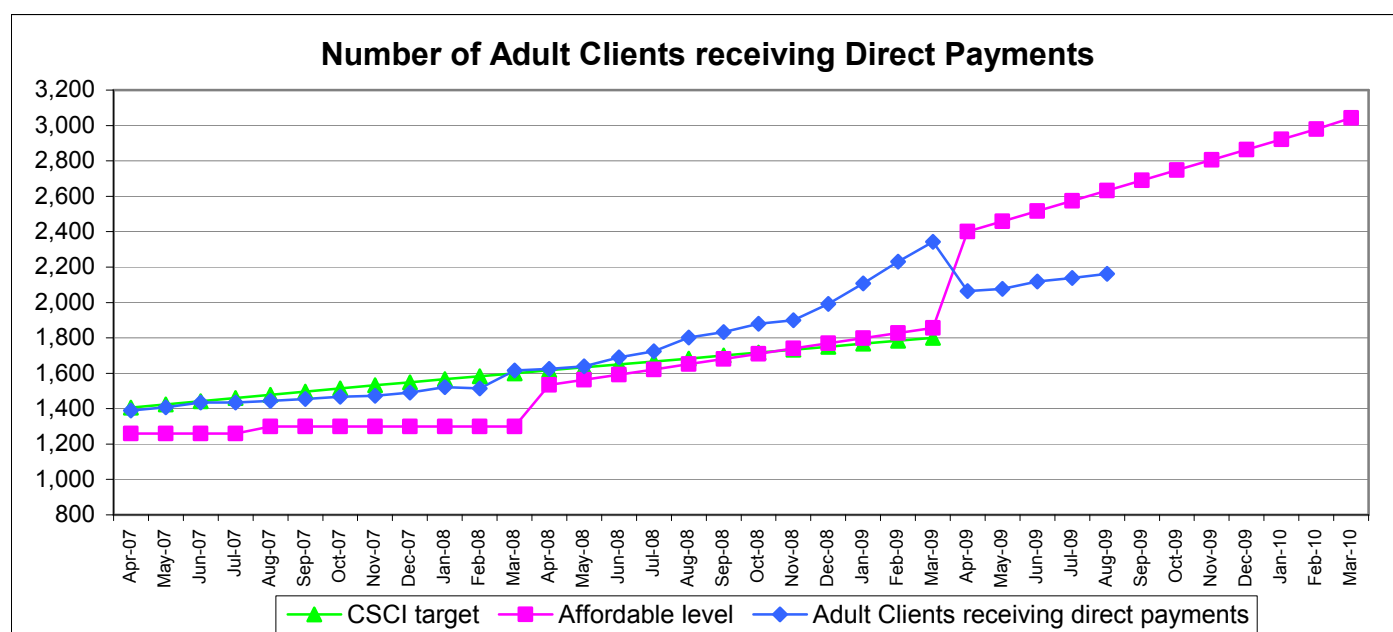


### Comments:

- The forecast unit cost of £583.26 is higher than the affordable cost of £544.31 and this difference of £38.95 adds £653k to the position when multiplied by the affordable weeks as highlighted in section 1.1.3.2.d.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.

## 2.6 Direct Payments – Number of Adult Social Services Clients receiving Direct Payments:

|           | 2007-08     |                  |   | 2008-09     |                  |   | 2009-10          |   |
|-----------|-------------|------------------|---|-------------|------------------|---|------------------|---|
|           | CSCI Target | Affordable Level | Adult Clients receiving Direct Payments | CSCI Target | Affordable Level | Adult Clients receiving Direct Payments | Affordable Level | Adult Clients receiving Direct Payments |
| April     | 1,406       | 1,259            | 1,390                                   | 1,617       | 1,535            | 1,625                                   | 2,400            | 2,065                                   |
| May       | 1,424       | 1,259            | 1,407                                   | 1,634       | 1,564            | 1,639                                   | 2,458            | 2,076                                   |
| June      | 1,442       | 1,259            | 1,434                                   | 1,650       | 1,593            | 1,689                                   | 2,516            | 2,097                                   |
| July      | 1,460       | 1,259            | 1,434                                   | 1,667       | 1,622            | 1,725                                   | 2,574            | 2,118                                   |
| August    | 1,478       | 1,299            | 1,444                                   | 1,683       | 1,651            | 1,802                                   | 2,632            | 2,139                                   |
| September | 1,496       | 1,299            | 1,454                                   | 1,700       | 1,681            | 1,832                                   | 2,690            | 2,179                                   |
| October   | 1,514       | 1,299            | 1,467                                   | 1,717       | 1,710            | 1,880                                   | 2,748            |   |
| November  | 1,532       | 1,299            | 1,472                                   | 1,734       | 1,740            | 1,899                                   | 2,806            |   |
| December  | 1,549       | 1,299            | 1,491                                   | 1,750       | 1,769            | 1,991                                   | 2,864            |   |
| January   | 1,566       | 1,299            | 1,522                                   | 1,767       | 1,799            | 2,108                                   | 2,922            |   |
| February  | 1,583       | 1,299            | 1,515                                   | 1,783       | 1,828            | 2,231                                   | 2,980            |   |
| March     | 1,600       | 1,299            | 1,615                                   | 1,800       | 1,857            | 2,342                                   | 3,042            |   |



## Comments:

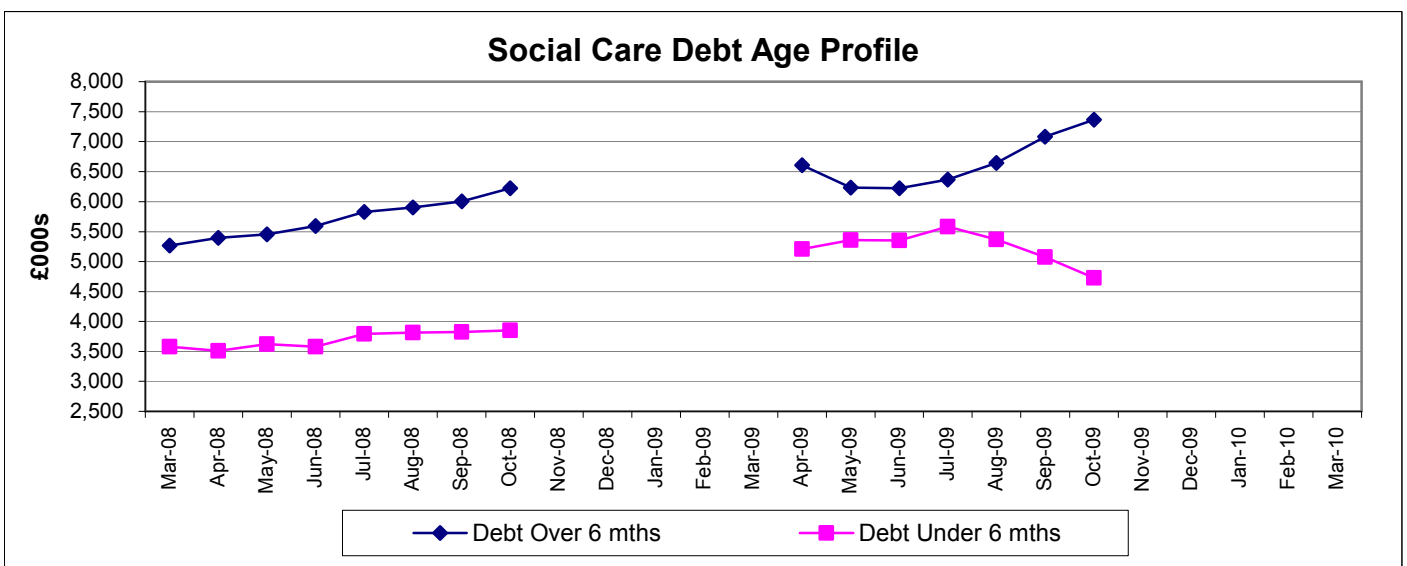
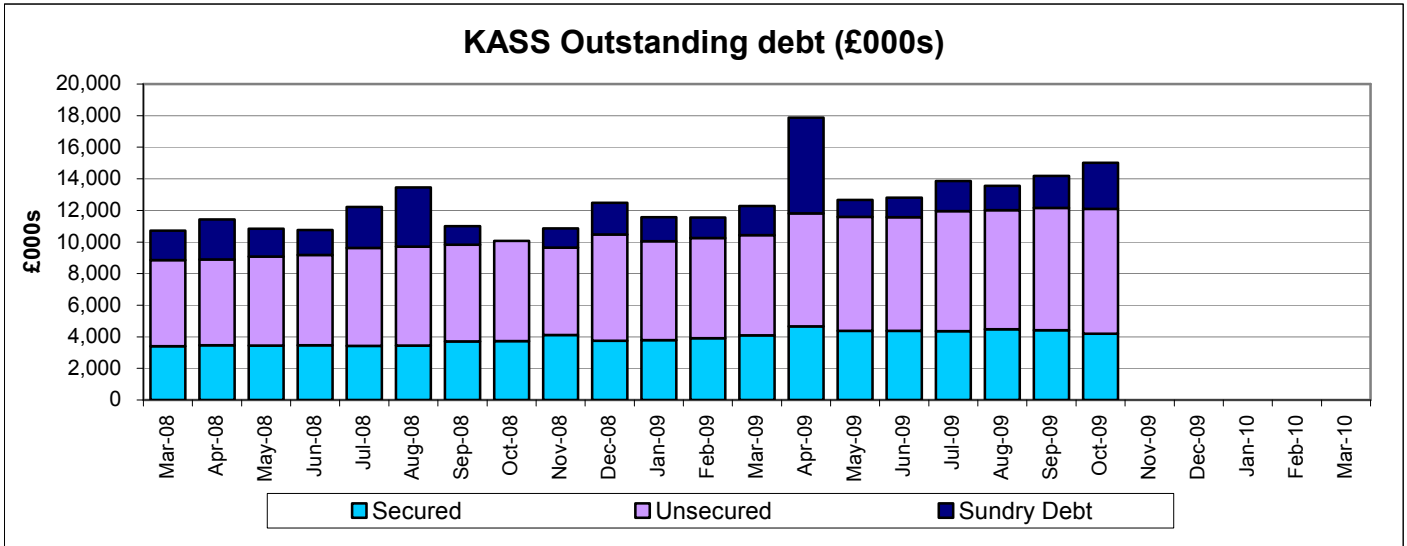
- From April 2008, the national measure for direct payments counted the permanent placements and the number of one-off payments within the year. The position reported for March 2009 represented the total activity for 2008-09 i.e. of the 2,342 adult clients reported as receiving a direct payment, 2,055 were in receipt of ongoing payments and 287 were clients that had received one-off payments at some point throughout the year. From April 2009, we have gone back to again reporting only the permanent placements in line with the requirements for Core Monitoring. For purposes of comparison, the ongoing placements as at March were 2,055, as at September this had increased to 2,179. It should be noted that the actual clients previously reported for April, May and June included one-off payments and these have now been excluded so that only on-going clients are included. Also figures will have been revised to take account of changes to Swift (client activity system) on the basis of ongoing data quality validation and changing client circumstances.
- From 2009-10, we no longer have a CSCI target for direct payments.

## 3. KASS OUTSTANDING DEBT

The outstanding debt as at October was £15.0m excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this is £12.1m relating to Social Care (client) debt and the following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. It also means that as the Directorate moved onto the new Client Billing system in October 2008, the balance will differ from that reported by Corporate Exchequer who report on a calendar month basis, apart from the period November 2008 to March 2009, when the figures are based on calendar months, as provided by Corporate Exchequer, because reports at that time were not aligned with the four weekly billing runs. From April 2009 the debt figures revert back to being on a four weekly basis to coincide with invoice billing runs. The age of debt cannot be completed for the months between November 2008 and March 2009 as the switch to Client Billing meant that all debts transferring on to the new system became "new" for purposes of reporting therefore it was not possible to show ageing until April.

| Debt Month | Total Due Debt<br>(Social Care &<br>Sundry Debt)<br>£000s | Sundry<br>Debt<br>£000s | Social Care Debt                             |                              |                                  |                  |                    |
|------------|---|-------------------------|--|------------------------------|----------------------------------|------------------|--------------------|
|            |   |                         | Total<br>Social<br>Care Due<br>Debt<br>£000s | Debt Over<br>6 mths<br>£000s | Debt<br>Under 6<br>mths<br>£000s | Secured<br>£000s | Unsecured<br>£000s |
| Mar-08     | 10,727  | 1,882                   | 8,845  | 5,268                        | 3,577                            | 3,410            | 5,435              |
| Apr-08     | 11,436  | 2,531                   | 8,905  | 5,399                        | 3,506                            | 3,468            | 5,437              |
| May-08     | 10,833  | 1,755                   | 9,078  | 5,457                        | 3,621                            | 3,452            | 5,626              |
| Jun-08     | 10,757  | 1,586                   | 9,171  | 5,593                        | 3,578                            | 3,464            | 5,707              |
| Jul-08     | 12,219  | 2,599                   | 9,620  | 5,827                        | 3,793                            | 3,425            | 6,195              |
| Aug-08     | 13,445  | 3,732                   | 9,713  | 5,902                        | 3,811                            | 3,449            | 6,264              |
| Sep-08     | 11,004  | 1,174                   | 9,830  | 6,006                        | 3,824                            | 3,716            | 6,114              |
| Oct-08     | *   | *                       | 10,071                                       | 6,223                        | 3,848                            | 3,737            | 6,334              |
| Nov-08     | 10,857  | 1,206                   | 9,651  |                              |                                  | 4,111            | 5,540              |
| Dec-08     | 12,486  | 2,004                   | 10,482                                       |                              |                                  | 3,742            | 6,740              |
| Jan-09     | 11,575  | 1,517                   | 10,058                                       |                              |                                  | 3,792            | 6,266              |
| Feb-09     | 11,542  | 1,283                   | 10,259                                       |                              |                                  | 3,914            | 6,345              |
| Mar-09     | 12,276  | 1,850                   | 10,426                                       |                              |                                  | 4,100            | 6,326              |
| Apr-09     | 17,874  | 6,056                   | 11,818                                       | 6,609                        | 5,209                            | 4,657            | 7,161              |
| May-09     | 12,671  | 1,078                   | 11,593                                       | 6,232                        | 5,361                            | 4,387            | 7,206              |
| Jun-09     | 12,799  | 1,221                   | 11,578                                       | 6,226                        | 5,352                            | 4,369            | 7,209              |
| Jul-09     | 13,862  | 1,909                   | 11,953                                       | 6,367                        | 5,586                            | 4,366            | 7,587              |
| Aug-09     | 13,559  | 1,545                   | 12,014                                       | 6,643                        | 5,371                            | 4,481            | 7,533              |
| Sep-09     | 14,182  | 2,024                   | 12,158                                       | 7,080                        | 5,078                            | 4,420            | 7,738              |
| Oct-09     | 15,017  | 2,922                   | 12,095                                       | 7,367                        | 4,728                            | 4,185            | 7,910              |
| Nov-09     |   |                         |  |                              |                                  |                  |                    |
| Dec-09     |   |                         |  |                              |                                  |                  |                    |
| Jan-10     |   |                         |  |                              |                                  |                  |                    |
| Feb-10     |   |                         |  |                              |                                  |                  |                    |
| Mar-10     |   |                         |  |                              |                                  |                  |                    |

\* In October 2008, KASS Social Care debt transferred from the COLLECT system to Oracle. The new reports were not available at this point, hence there is no data available for this period. The October Social Care debt figures relate to the last four weekly billing run in the old COLLECT system.



\* The age of debt cannot be completed for the months between November 2008 and March 2009 as the switch to Client Billing meant that all debts transferring on to the new system became “new” for purposes of reporting therefore it was not possible to show ageing until April (i.e. once these debts became 6 months old in the new system).

By: Graham Gibbens, Cabinet Member Adult Social Services  
Oliver Mills, Managing Director Kent Adult Social Services

To: Adult Social Services Policy Overview & Scrutiny Committee –  
13 January 2010

Subject: **BUDGET 2010/11 AND MEDIUM TERM FINANCIAL PLAN 2010/13**

Classification: Unrestricted

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Summary: The purpose of this report is to consult the Committee on the budget proposals for the Adult Social Services Directorate, with reference to the KCC published budget consultation paper issued on 5 January 2010. The report also provides a response to the issues raised at the IMG of this Committee, created in November 2009 to discuss detailed budget issues.

Members are invited to comment on the key issues on the proposed budget changes for the services provided by the Adult Social Services Directorate, and to note the issues raised by the IMG, and the resulting responses.

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## 1. Introduction

- 1.1 The Autumn Budget Statement report by the Leader, Cabinet Member for Finance, Chief Executive and Director of Finance to Cabinet on 12 October 2009 identified that we are likely to be entering more uncertain times for local government finance. The report to Cabinet on 11 January 2010 set out the provisional Local Government Finance Settlement, which confirmed that the level of Formula Grant was as announced in the three year settlement. However, there are still uncertainties over some specific grants and the level of council tax capping, and the announcement on 25 November that the Government intends to fund some of the free “Personal Care at Home” from local government efficiencies was a surprise. Furthermore, the next Comprehensive Spending Review which was due to start in the summer has been delayed until after the forthcoming general election.
- 1.2 We reported the national and local context to the last Policy Overview & Scrutiny Committee meeting and outlined the proposed MTP priorities and efficiency savings. The Committee discussed the policy issues from that report, and used an IMG to look at the budget details. The IMG met on 18 November and questioned a number of budget headings and pressures and offered areas for possible budget savings. This report provides a response to the issues raised.

- 1.3 Since the November meetings, there have been a number of further developments that have resulted in the budget proposals being presented for consultation. Members are invited to comment on the key issues for the services provided by the Adult Social Directorate, in order that these can be taken into account at the budget meetings of Cabinet on 1 February 2010 and County Council on 18 February 2010.
- 1.4 Members are asked to read this report in conjunction with the draft Medium Term Plan and Budget Book, issued on 5 January 2010.

## **2. Background**

- 2.1 The budget consultation papers include an overall summary of the proposed Portfolio budgets for 2010/11, showing the amounts proposed for each service within the portfolios. This identifies the gross expenditure, income and net expenditure.
- 2.2 The papers also include the proposed capital investment programme and the medium term revenue and capital plan for 2010/11 to 2012/13. All MTP entries and budget book pages are presented in as a consistent format as possible for each Portfolio.
- 2.3 Copies of the draft Budget Book and Medium Term Plan have been distributed to all Members (on the 5 January). You are asked to ensure you bring those to this meeting.
- 2.4 The MTP and Budget Book reflect the new portfolio responsibilities following the County Council elections in June.

## **3. Revenue Budget**

- 3.1 The overall direction for the Adult Social Services directorate is now well established, and the current Medium Term Service Priorities are included in Appendix B of the draft MTP.
- 3.2 We are setting this budget in a period of great economic instability. The recession has hit deeper and lasted longer than earlier forecasts and inflation (as measured by Retail Prices Index) has been negative all year. The Bank of England Monetary Policy Committee is committed to achieving the 2% target for Consumer Price Index over the medium term. The continuing economic situation presents us with threats and opportunities which as well as offering the potential for savings also presents additional costs.
- 3.3 Areas of spending priority in 2010/11 for which significant additional funding is required are:

**Pay:** The authority has under the local pay bargaining process with trade unions proposed that there should be no increase in pay for cost of living award for all staff in the Kent scheme from April 2010. This position has not been taken lightly but we believe reasonable at a time when employees in other sectors are being asked to take pay cuts and many others facing redundancy. It is also a matter of fact that for all of 2009 inflation has been low/negative.

The majority of staff in the Kent Scheme will be eligible to benefit from incremental increases in their salary under the performance assessment process. On average incremental progression equates to a 2.7% increase in pay. No funding is provided within the overall cash limit for incremental progression on the grounds that the cost is offset by the effect of staff turnover. Staff turnover levels have marginally declined in the current recession and we now have an average turnover level of around 12% of staff for the authority as a whole (KASS average is around 8%). This will continue to be closely monitored.

We have started consultation with staff and unions about changes to the pay structure and performance progression but any financial impact would not come into affect until April 2011. We are assuming the new arrangements will continue to be cost neutral after taking into account staff turnover.

In addition to staff turnover, vacancy management continues to be used to both deliver existing budgets and wherever possible to mitigate the impact of restructuring and any necessary downsizing for other employed staff.

## **Prices**

**Prices for Social Care Provision:** There is no provision currently included in cash limits for an annual increase in 2010/11 for social care provision. Thereafter cash limits include a provision consistent with the underlying rates of inflation throughout 2009 and the Monetary Policy Committee forecasts for the next two years. Discussion will take place with the care sector as in previous years.

**Transport, Gas & Electricity & Other Price increases: £67k** – We have identified pressures in relation to transport, gas and electricity and increases in other prices.

## **Unavoidable Legislative Pressures**

**CRB Checks: £100k** – We have identified pressures resulting from the increased costs of enhanced checks by the Criminal Records Bureau. This updates the pressure identified in the current Medium Term Plan.

**Demand/Demographic Led: £6,460k** - the current pressures within those services for younger adults indicate that at least £6,460k is required for demography in 2010-11 and £5,448k in future years. This calculation is based on comparing the expenditure in 2008-09 to that in 2007-08. An adjustment has been made for the inflationary uplift. The increase represents both the likely growth in client numbers but also the changing needs and complexity of cases.

The calculation does assume that any increase is similar to an historical trend. The growth figure assumed is similar to the percentage increase being seen nationally on expenditure on younger adults.

- No allowance for demographic growth in Older People has been made on the assumption that the investment in preventative measures such as enablement, intermediate care and assistive technology will reduce demand and allow the Directorate to hold spending at existing levels.

**Service Strategies & Improvements: -£250k** – This is assumed within the current Medium Term Plan and relates to the return of one-off funding received in 2009/10 for the Citizens Advice Bureau.

3.4 The position on budget increases can be summarised as follows:

|   | 2010/11      | 2011/12       | 2012/13       |
|---|--------------|---------------|---------------|
|   | £'000        | £'000         | £'000         |
| Base adjustments                            | -110         | -8            | -1            |
| Budget increased for:                       |              |               |               |
| Pay   |              |               |               |
| Prices                                      | 67           | 4,648         | 5,686         |
| Legislative                                 | 100          | 100           | 38            |
| Demand                                      | 6,460        | 5,448         | 5,448         |
| Service Improvements                        | -250         |               |               |
| <b>Total Pressures and base adjustments</b> | <b>6,267</b> | <b>10,188</b> | <b>11,171</b> |

Table 1; Summary of value of base budget adjustments and budget pressures

3.5 Provisional cash limits for each Portfolio have been set, and therefore to balance to those cash limits, given the pressures outlined above, we will need to deliver savings, efficiencies and new income streams to deliver a balanced budget. The three-year financial plans, shown in Appendix A of the MTP, detail the proposed savings required in 2010/11. The major items are explained in the following paragraphs

### 3.6 Savings and Income generation

3.6.1 The total of the proposed savings and income generation required in order to meet the indicative cash limits, is £10.082m.

3.6.2 Of the £10.082m, £6.479m is proposed to come from savings, the major themes being:

- £2.601m through staff efficiency savings both within KASS and Corporately Delegated budgets
- £3.726m to be found through targeted reduction in net spend

3.6.3 £1.139m of net income is to be generated by units in 2010/11, with a further £1.106m in 2011/12, and £1.339m in 2012/13.

3.6.4 The proposed net position is therefore as follows

|   | 2010/11 | 2011/12 | 2012/13 |
|---|---------|---------|---------|
|   | £'000   | £'000   | £'000   |
| Base budget   | 340,061 | 344,452 | 350,595 |
| Total Pressures and base adjustments (from Table 1) | 6,267   | 10,188  | 11,171  |
| Savings   | -737    | -2,939  | -2,803  |
| Income Generation                                   | -1,139  | -1,106  | -1,339  |
| Revised base budget                                 | 344,452 | 350,595 | 357,624 |

Table 2; Total proposed base budget for Adult Social Services, including Financing Items

#### **4 The Committee's IMG to discuss budget issues**

- 4.1 The IMG met on 18 November and asked for a number of issues to be considered when setting the draft budget proposals for this Directorate. The IMG broadly supported the proposal for not uplifting prices to the Private and Voluntary sector providing that the Council as a whole was seen to be going down the same route of not awarding any uplift to pay, and this is what has happened. The IMG also broadly supported the proposed efficiency savings in administrative costs before reviewing other budgets, and efficiency savings in both KASS and Chief Executives Department Delegated budgets have been identified in the draft Medium Term plan.
- 4.2 The POSC IMG process has been very useful in reviewing and shaping the budget.

#### **5 Capital Budget**

- 5.1 The starting point for the capital programme is the existing published capital programme for 2009/12. This is adjusted for re-phasing of schemes from 2009/10, changes to the total cost or funding of schemes, and new schemes. The detail of the proposed capital programme is provided in the draft budget book on pages 25, 26 and 27.
- 5.2 Details of significant new projects or projects which have been removed
- 5.3 Members should note that the level of financial support from Government in 2011/12 and 2012/13 is not known. It is very likely that we will see a significant reduction in the grants and supported borrowing. Because of the difficulty in predicting this we have presented the budget to show that the level of spend on certain schemes will be equal to the level of Government financial support. These schemes are identified in italic font in the draft budget book.

## **6. Recommendation**

- 6.1 Members are asked to note and comment on the revenue and capital budget proposals, and note the issues raised by the IMG, along with the resulting responses.

Oliver Mills  
Managing Director

Officer contact:

Michelle Goldsmith  
Directorate Finance Manager  
01622 221770

*Background documents:*

- Autumn Budget Statement; Cabinet, 12<sup>th</sup> October 2009
- Medium Term Financial Plan 2010/11 to 2012/13 for the Adult Social Services Department; Adult Social Services POSC, 17 November 2009
- Provisional Local Government Finance Settlement; Cabinet, 11th January 2010
- Draft Budget Book and Medium Term Plan 2010/13 (issued on 5th January 2010)

By: Graham Gibbens, Cabinet Member, Adult Social Services  
Oliver Mills, Managing Director, Kent Adult Social Services

To: Adult Social Services Policy Overview and Scrutiny Committee –  
13 January 2010

Subject: **HALF YEAR MONITORING OF THE ANNUAL OPERATING  
BUSINESS PLANS 2009/10**

Classification: Unrestricted

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Summary: The Directorate reports on its half year position against the targets and actions set in the Annual Operating Business plans.

The half year monitoring was reported to Cabinet on 30 November 2009

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## **Introduction**

1. (1) Business Plans represent the operation of the County Council's services within the context of its Policy Framework and are clearly linked to its Medium Term Financial Plan and annual budget as approved by the Council.

(2) The Unit Plans are in effect the annual operating plans for KCC and they continue to be an essential product of Directorate planning systems. Their primary purpose is to:

- Ensure that delegated authority to carry out activity in the coming year is approved
- Align annual unit resources (FTE and budgets) with core activity and projects
- Articulate operational performance targets and tasks, which will be monitored during the year
- Identify the relationship with the Units' customers and stakeholders during the coming year.

## **Process**

2. (1) Each of the Directorates produces the Half year monitoring report in a template issued by corporate performance during October. This enables the Directorates to provide a mid-year position statement demonstrating how well it is performing and what additional work needs to be undertaken in order to meet the targets and outcomes set in the Annual Operating Business Plans.

## **Summarised Outcomes**

3. (1) CORE SERVICES AND FORECAST ACTIVITY LEVELS:

All core services and forecast activity levels on track to be achieved or already completed.

(2) PROJECTS, DEVELOPMENTS AND KEY ACTIONS:

All projects, developments and key actions on track to be achieved or already completed.

**National Indicators: Mid-year monitoring 2009/10**

4. (1) The National indicators (NIS) came into effect in April 2008 and 2008/09 was the first year of collection. As the indicators are new, targets have not been set in all cases within unit plans, as comparative benchmarks were not previously available. Unlike previous Best Value Performance Indicators there is no statutory requirement to set targets.

(2) Directorates have provided mid-year estimates of performance where available against national indicators within detailed unit plan monitoring. We are reliant on partners and government departments for results for a number of indicators and there can be considerable time lag on the data

**Recommendations**

5. (1) Members are asked to NOTE and COMMENT on the attached half year Monitoring report (Appendix 1).

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*Background documents*

None

**Kent Adult Social Services  
2009/10 Half Year Monitoring  
September 2009**

This has been at a time of major change for the Directorate; with a major re-structure which is delivering efficiencies and total transformation to put the Directorate in a position to meet the challenges set out in the national concordat Putting People First and Kent's Active Lives vision for the future of social care.

### **1. Areas of Progress**

**Personalisation** - Self Directed Support (SDS) has been the major driver for change during this year. This is a programme of total transformation for Kent Adult Social Services and for all those services which the Directorate commissions. The implementation has seen major changes within KASS to ensure there is a structure and culture that supports and empowers people to develop their own solutions from an increasingly responsive and diverse market place. SDS enables people to self manage their support or if they choose to, have someone else (including KASS) manage it for them.

**Restructure** - The restructure the Directorate has undergone has been necessary to ensure that SDS is delivered. It has meant moving from 12 Districts to 6 Localities, establishing movement into new teams, and at the same time streamlining the management structure right across the Directorate, including at Headquarters. The challenge will be to continue to maintain standards during a time of change and with a significantly reduced management capacity.

**Efficiencies** - The restructure has been a major area where the Directorate has delivered efficiencies. Other areas are:

- reducing transactional costs, for example, extending the use of Transactional Data Matching (TDM) in purchasing services
- using technology to redesign more efficient services (Telehealth) and enable self management of support
- improved collection of management & performance information (SWIFT).
- enabling people to have easier access to services (Kent Adult Services Contract Assessment Teams (KASCAT) and self assessment, Fast track equipment)
- Modernisation of services. (The Good Day Programme is an example of this)
- Total Place - The Directorate is playing a key role in the work being undertaken by KCC under this national initiative.

**Prevention** - This is the 'cornerstone' of our ambition to promote independence. It is being delivered through a range of projects including INVOKE and Brighter Futures. The recent Independence, Wellbeing and Choice Inspection of the Directorate undertaken by the Care Quality Commission noted that:

*"There was a clear focus on promoting the independence of older people and a strong emphasis on enablement and rehabilitation. The council worked effectively with its partners to deliver a wide range of preventative services. There were some excellent initiatives between the council and its health, housing, independent and voluntary sector partners to provide a holistic response to the needs of older people".*

**Safeguarding** – In partnership with other agencies the Directorate has worked to improve its safeguarding arrangements for adults in Kent. This was noted by the CQC Inspection:

*"The council and its partners gave high priority to adult safeguarding. The Kent and Medway Safeguarding Vulnerable Adults Committee was effectively managed and there was a wide range of stakeholder membership, including people who use services and carers. The council and its partners responded promptly to allegations that people were at risk of harm or abuse".*

As Members are aware the Chief Executive has raised concerns about the risks to vulnerable adults within two wards in Thanet which are areas of high deprivation. The Chief Executive has written to the District Councils about the placement of homeless adults in these wards, and improving outcomes for people living in these wards is a theme in Kent's Total Place Pilot.

**Direct Payments** - The number of people on Direct Payments continues to increase. With the new structures in place, focus will be on offering people personalised budgets and direct payments to give them more flexibility and control over their support packages.

**Whole Systems Demonstrator Project** - This uses technologies such as Telehealth and Telecare, working with Health, to support people with long-term conditions maintain their independence and give them reassurance. Kent was one of only three sites to be chosen by the Department of Health for this project and has achieved the ambitious target set of 2,000 people on the project. The final figure achieved was 2,013.

**Better Homes/Active Lives** - A number of housing schemes providing accommodation for people with a whole range of needs from older people, through to people with learning disabilities have been developed through PFI's in partnership with District Councils. The outcome is based on current work and we fully expect there to be at least 417 new housing units built and ready for occupation by the end of 2010. Based on the success of Better Homes/Active Lives we have, in partnership with 5 District Councils, developed another PFI bid to deliver 228 units of social housing for vulnerable people.

**Towards 2010** -The Annual Report was presented to County Council in October which showed that all of the Targets which KASS lead on or jointly share are achieved or on course.

**Supporting Carers** - This is a key Towards 2010 Target. The Carer's Strategy and Annual Report were launched in the summer. We have developed a range of innovative initiatives, for example the Kent Carers' Emergency Card.

**Intermediate Care** - We continue to develop a range of intermediate, recuperative care and enablement services geared at preventing avoidable hospital admissions and delayed discharges. These services have been developed in partnership with Health. They are having a significant impact in reducing the rates of delayed hospital discharges across Kent.

**The Good Day Programme** - This has been developed over the last 18 months. The programme supports people with learning disabilities to move away from traditional day services through person centred planning, the use of Direct Payments/SDS and the provision of more community based services.

Kent is a demonstration site for Getting a Life. The emphasis of this project is to ensure that there are greater numbers of young learning disabled people going into employment from education.

**Kent Learning Disability Partnership Board** continues to work in a very inclusive way, working closely with KCC, East and Coastal Kent PCT and West Kent PCT. A review is currently being commissioned to ensure the Board, 12 component District Partnership Groups and the delivery structure can effectively implement **Valuing People Now**.

**Learning Disability Re- Provision Programme** - The Directorate is working with partners to re-provide new person centred care and support for those adults with learning disabilities who have been supported by the NHS. The Directorate has provided detailed briefings on this throughout the year. This is a good example of partnership working with the NHS to deliver effective person centred services.

**Joint Commissioning with Health** - Underpinned by Joint Strategic Needs Assessments and other specialist assessments, the Directorate is extending its integrated commissioning arrangements with the NHS. There is a further series of arrangements in place to support joint commissioning including jointly funded and appointed posts. These joint posts focus on key care pathways, such as dementia, stroke care, falls care and supporting carers.

## **2. Challenges**

Over the next year the Directorate faces significant challenges which include a White Paper on care support early next year and the general election.

**Impact of Restructuring.** As already outlined above it will be a challenge to maintain improvement whilst the new structure beds down.

**Demographic changes** which have been well documented. The demand and complexity of need is a significant feature in regard to people with learning disabilities, as it is in respect to the increase in the ageing population, for example the prevalence of dementia is increasing significantly. These issues will continue to have a major impact on budgets and resources. For example the proportion of people being admitted to residential and nursing care with dementia is significantly increasing.

**Recession and Public Sector Funding.** The Impact of the recession is being felt in a number of areas in relation to the work of the Directorate.

- The people and families we work with. People are finding it harder to make 'ends meet' and to find employment. Consequently people find it harder to meet the charges for care and thus overall the Directorates debt is increasing.
- Increase in demand for services. For example it is well documented that mental health issues increase during a time of recession.
- The indication is that, in the medium term, it is likely that there will be less resources available to social care in Kent as after the General Election public spending will shrink irrespective of who forms the next Government..
- The impending General Election also adds to the air of uncertainty as to the future national direction of social care, in particular hypothecated grants after March 2011.
- Partner organisations are also experiencing similar issues as is the social care market, as set out below.

**The Market.** There are a number of challenges in working with the private and voluntary sector over the next year. These include:

- working with the sector to make sure they are able to meet the new demands of self directed support
- ensuring that we continue to have a pricing structure that offers value for money
- supporting the market to deliver good quality services.

**Ordinary Residence.** This issue has been documented in previous reports, including a report to cabinet in the summer. Kent has a large number of residential homes within its boundaries and is a “net importer” of residents placed by other Local Authorities outside Kent. In the main these are adults with learning disabilities where 1500 placements have been made by other local authorities into care homes in Kent. With the drive towards independence and personalisation, a significant number of people want to move out of residential care and live in the community, often in the area where they have been placed (i.e. Kent). To enable these people to live independent fulfilled lives they often need complex support packages. Current legislation and guidance leads to disputes over who should pick up the cost for these packages, Kent or the Local Authority which originally placed the person. On a number of occasions the disputes have been referred to the Secretary of State whose determination in all cases has led to Kent funding the support package and taking responsibility for the person who is considered to be an *'ordinary resident'* of Kent. KCC has responded robustly on the review of the guidance, but in the short term at least this is likely to be a significant resource pressure on KCC.

**Active Lives for Adults (ALFA)** is the Directorate’s modernisation programme, and SDS has been a major strand of this work. Over the next year it will be important to implement other strands of ALFA which include FaME (flexible and mobile working) and the modernisation of in house older people services.

**Workforce.** It is essential that we continue to develop a strong, skilled and flexible workforce across the social care sector in Kent in order to deliver the challenging agenda of personalisation and prevention. Again there are likely to be demographic pressures as the population profile shows that there will be a decline in the number of people of working age. The Directorate is responding to these challenges and has put in place an integrated local area workforce strategy.

**Business Continuity and Emergency Planning.** The importance of this work has been highlighted by the threat of swine flu, which is predicted to have a significant impact. KASS has been working with its partners to put in place a range of strategies to minimise the potential disruption swine flu or indeed other unforeseen emergencies are likely to have.

**Inspection Action Plan.** The outcome of the Inspection was that Directorate was rated:

Safeguarding Adults – Good

Delivery of Preventative Services for Older People – Excellent

Capacity to Improve - Excellent

Although the Directorate welcomes the judgement, the inspection has identified a number of areas for improvement. These include access to services, and information, particularly in relation to disadvantaged groups. An action plan has been agreed with the Care Quality Commission. This plan will be monitored by the Commission over the coming year.

### **3. Progress against Business Plans - Exception reporting against both core services and forecast activity levels and projects, developments and key actions**

#### **CORE SERVICES AND FORECAST ACTIVITY LEVELS**

All core services and forecast activity levels on track to be achieved or already completed.

#### **PROJECTS, DEVELOPMENTS AND KEY ACTIONS**

All projects, developments and key actions on track to be achieved or already completed.

### **4. Performance Indicators**

Many of the National Indicators (NIS) are new. It is recognised nationally that they need time to bed down and adjust and therefore targets have not been asked for or set by the Department of Health and Care Quality Commission. The NIS a major transition from what was a more processed driven national performance framework (PAF) to one which focuses on outcomes for people.

The only target that must be set is for any indicator in the LAA (Kent Agreement 2). For KASS this applies to NI 125 (see below).

| <b>Performance Measure or Activity</b><br>Target Performance for 2009/10 cannot be set for the NIs until the first year of monitoring has been completed to provide a benchmark. | <b>Actual performance 2008/09</b> | <b>Half Year Monitoring 2009/10</b> | <b>Comments</b>  |
|--|-----------------------------------|-------------------------------------|--|
| NI 125 – Achieving independence for older people through rehabilitation/intermediate care  | 75%                               | 77%                                 | <p><b>LAA (Kent Agreement2) target for 2010 /11 is 79%.</b><br/>           Currently we are making steady progress on this indicator. Our As has been outlined previously to ASSPOSC this indicator only focuses on intermediate care to support hospital discharge and does not take into account the hospital to home and prevention community work which are key features of KASS preventative work.</p>  |
| Number of people receiving an ongoing direct payment<br><br>(which supports NI 130 Social Care clients receiving self directed support (Direct Payments and Individual Budgets)) | 2055                              | 2179                                | <p>As this is a new indicator, with a different definition, the figures here are the numbers of people with an ongoing direct payment. This excludes the one off direct payments, which are included in the end of year figures given to CQC/ DH.</p> <p>Direct Payments are only a small part of the personalisation agenda and as a consequence, we are providing more evidence based data to the Care Quality Commission to demonstrate our progress in transforming social care.</p> |
| NI 132 Timeliness of social care assessments   | 83%                               | 83%                                 | This indicator looks at the percentage of assessments that are completed within 28 days. This is very comparable with other local authorities.   |

| <b>Performance Measure or Activity</b><br>Target Performance for 2009/10 cannot be set for the NIs until the first year of monitoring has been completed to provide a benchmark. | <b>Actual performance 2008/09</b> | <b>Half Year Monitoring 2009/10</b> | <b>Comments</b>  |
|--|-----------------------------------|-------------------------------------|--|
| NI 133 Timeliness of Social Care Packages  | 95%                               | 95%                                 | This indicator looks at the percentage of packages of care that are in place 4 weeks after assessment. We perform very well for this indicator.  |
| NI 135 Carers receiving needs assessment or review and a specific carer's service or advice and information  | 29%                               | 29%                                 | This indicator looks at the proportion of service users receiving community based services who have a carer who is receiving support, a service or advice. We are one of the top performance authorities.  |
| NI 145 Adults with learning disabilities in settled accommodation  | 37%                               | 37%                                 | This is a new indicator. For 2008/09, it was based on a half year and then doubled. The results across the country varied significantly (from under 10% to more than 100%). As such, it is acknowledged that performance for 2008/09 is not representative. In addition, Kent has a significant amount of 'preserved rights clients' who are in residential care. Residential care does not count as settled accommodation |
| NI 146 Adults with learning disabilities in employment   | 10%                               | 10%                                 | In feedback from CQC they feel that we are performing well in comparison to other LA.s<br><br>There is in place an action plan to improve performance in this area., which becomes more challenging in the current economic climate  |

| <b>Performance Measure or Activity</b><br>Target Performance for 2009/10 cannot be set for the NIs until the first year of monitoring has been completed to provide a benchmark. | <b>Actual performance 2008/09</b> | <b>Half Year Monitoring 2009/10</b> | <b>Comments</b>  |
|--|-----------------------------------|-------------------------------------|--|
| PAF C72. Admissions of supported residents aged 65+ to residential/ nursing care per 10,000- population aged 65 and over   | 78                                | 85.9                                | The overall number of older people in residential and nursing care is lower now than it was in 2007-08. However, this indicator looks at the admission rate, which is higher than it was last year. This increase is mainly attributable to an increase in admissions for older people with Mental Health Needs (dementia). However, the higher admission rate only applies to the most complex cases who are placed in residential care. Community arrangements are in place for all other people. As a consequence, the average age of admission to residential / nursing care continues to rise and is now routinely over 85 years old. |
| PAF C73. Admissions of supported residents aged 18-64 to residential/ nursing care per 10,000- population aged 65 and over   | 1.5                               | 1.84                                | This figure has risen but actually represents an increase of only about 10 people. Given the small numbers involved this indicator can fluctuate. Transition arrangements are a key factor in this rise.   |

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By: Graham Gibbens, Cabinet Member, Adult Social Services  
Oliver Mills, Managing Director, Kent Adult Social Services

To: Adult Social Services Policy Overview and Scrutiny Committee –  
13 January 2010

Subject: **RISK MANAGEMENT – REVISED DIRECTORATE RISK REGISTER**

Classification: Unrestricted

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Summary: This report presents the revised Risk Register for Kent Adult Social Services for 2010-2011

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## **Introduction**

1. (1) The Kent Adult Social Services Risk Register was formally presented for the first time to the Committee in April 2007. At the meeting it was agreed that the Directorate would present the register on an annual basis. The register is included in the Annual Operating Plans and supports the Annual Governance Statement, which each Managing Director has to make at the end of each financial year.

## **Format of the Risk Register**

2. (1) All the Directorates Risk Registers have been standardised and inform the Corporate Risk Register. In addition, all risks have been rated using the same scoring methodology. Copied below is an extract from the Guidance which outlines this scoring methodology

## **Scoring Methodology**

3. (1) “A 5x5 matrix is to be used in order to provide an immediate appreciation of the scale of a risk. Using a 5x5 matrix allows for a more accurate assessment of key business risks, particularly around the medium to high end of the scale, thereby enabling you to better prioritise your action plans.

(2) Information to help rank risks can be found in the Business Risk Management Toolkit.

|                           |               |   |          |          |             |         |       |
|---------------------------|---------------|---|----------|----------|-------------|---------|-------|
| ↑<br>Likelihood           | Very likely   | 5 |          |          |             |         |       |
|                           | Likely        | 4 |          |          |             |         |       |
|                           | Possible      | 3 |          |          |             |         |       |
|                           | Unlikely      | 2 |          |          |             |         |       |
|                           | Very Unlikely | 1 |          |          |             |         |       |
| <b>RISK RATING MATRIX</b> |               |   | 1        | 2        | 3           | 4       | 5     |
|                           |               |   | Minor    | Moderate | Significant | Serious | Major |
|                           |               |   | Impact → |          |             |         |       |

(3) Risks should be scored for impact and likelihood to provide an overall ranking of 'high', 'medium' or 'low'. All scores should be entered onto the risk register.”

### Monitoring of Risk

4. (1) The risk management system is a formal process, which is linked to the budget monitoring/build process, activity and performance and is pro-actively managed throughout the year and led by the Senior Management Team. This process is supported throughout the County through Area Management teams. The Directorate Risk Management Group has a strategic role in identifying future potential risk, reviewing the risk register, and analysing the controls that are in place to meet the risks. The risk register has been reviewed and updated in light of the modernisation agenda KASS is currently implementing. A new Developing Good Practice Group is now in place to ensure that as we continue to transform social care services across Kent we can quickly issue guidance and policy in response to new ways of working and ensure lessons learnt are shared across the County.

### Next steps

5. (1) Following this meeting and the input from Members the register will be again reviewed by the Directorate Risk Management Team. The register will be refreshed in Spring 2010.

### Recommendation

6. (1) Members are asked to NOTE and COMMENT on the contents of the report and Risk Register attached as Appendix 1.

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*Background documents*  
None

**Kent Adult Social Services Directorate**  
**RISK REGISTER 2010-11**  
**DATE: December 2009**

I= impact L=likelihood of the event occurring. Inherent rating is a measure of the risk before any controls are applied. Residual is the risk of the event happening after the controls are applied.

|   | Source   | Event   | Planned Outcome  | Account able manager | Existing controls  | New tasks / action plans  | Date    | Inherent rating          | Residual risk                               |
|---|--|---|--|----------------------|--|---|---------|--------------------------|---|
| 1 | Citizen/Social/Economic<br><br><b>Ordinary Residence</b><br><br>Disproportionate numbers of people in need across the age ranges are being placed by other Local Authorities or have moved into Kent from other parts of the country | Financial impact of recent 'ordinary residence' judgements by Secretary of State, making KCC responsible for the cost of supporting individuals who came from outside Kent. Personal choice and control is at the heart of current Government policy. | Kent can continue to support individuals who want to live independently.<br><br>Nationally agreed protocol between Local Authorities is put in place to address fairly the issues of funding in these circumstances. | SMT                  | <ul style="list-style-type: none"> <li>Continuing representation to Government.</li> <li>Robust guidance in place for staff</li> <li>Partnerships with other agencies to plan and determine future demand</li> <li>Continued negotiation with other Local Authorities through such avenues as LGA &amp; ADASS</li> </ul> | <ul style="list-style-type: none"> <li>Influence national position through ADASS / LGA</li> <li>KASS Managing Director is the national lead for the ADASS response to Ordinary residence</li> <li>New policy and case law</li> <li>Discussions with CQC &amp; DH</li> </ul> | Ongoing | I = 5<br>L = 5<br>R = 25 | I = 5<br>L = 4<br>Score = 20<br><b>HIGH</b> |
| 2 | Economic<br><br><b>Financial risks:</b><br>Recession and public sector funding<br><br>(see also Risk 3)  | <ul style="list-style-type: none"> <li>Lack of certainty about government's intentions on funding from April 2011.</li> <li>Shortfall in funding leading to reduction in services.</li> <li>Longer-term issue of more</li> </ul>                      | Financial control, delivery of Medium term Plan and maintaining services for vulnerable adults in Kent.  | SMT                  | <ul style="list-style-type: none"> <li>Robust financial and activity monitoring regularly reported to SMT</li> <li>MTP and Business plans in place</li> <li>Good links with Health and others in place to maintain partnerships and plan more effective</li> <li>Strategic Review</li> </ul>                             | <ul style="list-style-type: none"> <li>Continued drive to deliver efficient and effective services through modernisation agenda.</li> <li>Joint project group with NHS to plan for re- provision of people currently in NHS residential units.</li> </ul>                   | ongoing | I = 5<br>L = 5<br>R = 25 | I = 4<br>L = 5<br>Score = 20<br><b>HIGH</b> |

|  | Source | Event   | Planned Outcome | Account able manager | Existing controls   | New tasks / action plans | Date | Inherent rating | Residual risk |
|--|--------|---|-----------------|----------------------|---|--------------------------|------|-----------------|---------------|
|  |        | <p>self funders needing support as a result of depleted funds (e.g. house sales at depressed prices, or failed investments).</p> <ul style="list-style-type: none"> <li>• Increased demand on services due to recession causing stress, family breakdown etc</li> <li>• Partner organisations also experiencing similar funding challenges putting joint working at risk. (see also risk 6)</li> <li>• Transfer of responsibility of some clients with Learning disability from Health to KASS with uncertainty about amount of continuing funding</li> </ul> |                 |                      | <p>and Modernisation of Learning Disability Services</p> <ul style="list-style-type: none"> <li>• SDS and Modernisation programme ensuring best use of available resources</li> </ul> |                          |      |                 |               |

|   | Source  | Event  | Planned Outcome   | Account able manager | Existing controls   | New tasks / action plans   | Date     | Inherent rating          | Residual risk                               |
|---|---|--|---|----------------------|---|--|----------|--------------------------|---|
| 3 | Social /financial<br><br><b>Increasing demand in services and demographic changes</b>   | Demand outstrips available resources   | Through modernisation we are able to offer efficient, effective and value for money services to vulnerable adults who need support. | SMT                  | <ul style="list-style-type: none"> <li>Robust reporting to SMT</li> <li>Business plans</li> <li>More sophisticated tools – JSNA, MOSAIC etc to support longer term planning.</li> <li>Joint planning and commissioning with partners</li> <li>Contracting and Procurement Controls</li> <li>Modernisation agenda – SDS, KCAS</li> <li>Early intervention and Preventative services aimed at reducing demand-enablement, fast track minor equipment.</li> <li>Strategic Review and Modernisation of older people services</li> </ul> | <ul style="list-style-type: none"> <li>Continue to explore streamlining of processes- FaCE, FAME, single assessments and self assessment</li> <li>Total place project</li> <li>Core monitoring now in place for Members</li> </ul> | ongoing  | I = 5<br>L = 5<br>R = 25 | I = 4<br>L = 5<br>Score = 20<br><b>HIGH</b> |
| 4 | Political/ citizen<br><br><b>Loss of Reputation</b><br>Loss of trust and credibility with service users, members, partners and staff. | Increased internal and external scrutiny.<br><br>More regulatory involvement leading to shift of resources to meet regulator's requirements. | Maintain quality of services.   | SMT                  | <ul style="list-style-type: none"> <li>Existing internal performance management processes/controls to monitor progress against national performance</li> <li>Regular business meetings with</li> </ul>  | <ul style="list-style-type: none"> <li>Action plan monitored regularly by SMT</li> <li>Safeguarding sub-group in place to take forward recommendations from action plan</li> <li>Carers action plan</li> </ul>                     | Dec 2010 | I = 5<br>L = 5<br>R = 25 | I = 4<br>L = 5<br>Score = 20<br><b>HIGH</b> |

|   | Source   | Event  | Planned Outcome  | Account able manager | Existing controls   | New tasks / action plans  | Date    | Inherent rating          | Residual risk                               |
|---|--|--|--|----------------------|---|---|---------|--------------------------|---|
|   |  | Less likely to attract external funding-reducing resources.  |  |                      | Inspectorate <ul style="list-style-type: none"> <li>Regular briefings to Chief officers and cabinet member</li> <li>Implementation of CQC Action Plan</li> <li>External judgement through 2009 Annual Review assessed Kent as performing well.</li> </ul>   | in place <ul style="list-style-type: none"> <li>Robust preparation for 2010 annual review.</li> </ul>   |         |                          |   |
| 5 | Political/Social/financial/professional<br><br><b>Health Service Economy</b> | Risk to Social Services and investment in community based preventative services as a result of challenges in the Health Economy. | Continued joint working delivering more effective, efficient and seamless services that improve outcomes for individuals | SMT                  | <ul style="list-style-type: none"> <li>Engagement of Members through Cabinet, Overview Committees, Local Boards.</li> <li>Lead arrangements with PCTs.</li> <li>Effective joint initiatives in place eg telecare, POPPS</li> <li>Kent Health Watch</li> <li>Partnership working with PCTs which is leading to shared improvements and efficiencies</li> <li>Joint Strategic Needs Assessments in place</li> <li>Formal joint agreements in place</li> <li>Robust Debt Monitoring</li> <li>Lobbying of Government</li> </ul> | <ul style="list-style-type: none"> <li>Appointment of shared commissioning post in both areas.</li> <li>CQC are the shared regulator with NHS</li> <li>Review of all formal joint agreements</li> </ul> | ongoing | I = 5<br>L = 5<br>R = 25 | I = 4<br>L = 5<br>Score = 20<br><b>HIGH</b> |

|   | Source  | Event   | Planned Outcome   | Account able manager | Existing controls  | New tasks / action plans  | Date    | Inherent rating          | Residual risk                               |
|---|---|---|---|----------------------|--|---|---------|--------------------------|---|
| 6 | Human resources<br><br><b>Workforce: impact of restructuring</b><br><br>Failure to recruit, retain and develop the social care workforce necessary to deliver the modernisation agenda. | Reduction in quality of services due to: <ul style="list-style-type: none"> <li>• Period of uncertainty following reorganisation leading to greater turnover of staff.</li> <li>• Reduction of 32 management posts could create gaps in leadership and decision making at the right levels to embed the modernisation agenda.</li> <li>• Ageing workforce and limited succession planning leads to loss of experienced staff and gaps at key positions in the Directorate.</li> </ul> | Workforce planning in place to ensure that we have motivated workforce equipped with the right skills and experience to flexibly meet challenge of delivering Active Lives. | SMT                  | <ul style="list-style-type: none"> <li>• Robust line management processes with Heads of Service posts in place to lead teams. Robust area and locality management.</li> <li>• Full programme of training and support available to staff relating to reorganisation and modernisation.</li> <li>• Training4Care Contract</li> <li>• Regular meetings between SMT and Union</li> </ul> | <ul style="list-style-type: none"> <li>• Social Care Workforce strategy group now in place chaired by Managing Director</li> <li>• SMT considerations on succession planning</li> <li>• Establishment of Kent and Medway Care Alliance</li> </ul> | ongoing | I = 5<br>L = 5<br>R = 25 | I = 5<br>L = 4<br>Score = 20<br><b>HIGH</b> |
| 7 | Political/social /citizen<br><br><b>Market place</b>  | KASS commissions about 85% of services from outside the Directorate. Many of them from the Private and Voluntary Sector. Although this offers efficiencies and  | Supporting the development of a range of services- the “Market place”- so that there is variety and flexibility so that individuals can                                     | SMT                  | <ul style="list-style-type: none"> <li>• A strong Contracting / Procurement Arm which ensures KCC gets value for money – whilst maintaining productive relationships with providers.</li> </ul>  | <ul style="list-style-type: none"> <li>• Positive Risk Management Policy</li> <li>• Reviewing relationships with Voluntary organisations</li> <li>• Brokerage Pilot</li> <li>• Working with the Market to prepare</li> </ul>                      | ongoing | I = 5<br>L = 5<br>R = 25 | I = 5<br>L = 4<br>Score = 20<br><b>HIGH</b> |

|   | Source  | Event  | Planned Outcome   | Account able manager | Existing controls  | New tasks / action plans   | Date    | Inherent rating          | Residual risk                               |
|---|---|--|---|----------------------|--|--|---------|--------------------------|---|
|   |   | value for money it does mean the Directorate needs the market to be buoyant to achieve best value and to give service users real choice and control.   | choose their own support  |                      | <ul style="list-style-type: none"> <li>Regular market mapping and price increase pressure tracking.</li> <li>Drive to help providers reduce direct costs via access to Commercial Services purchases and other initiatives.</li> <li>Procurement and Contracting Controls.</li> <li>Strong Commissioning Strategies in partnership with key agencies (Health)</li> <li>subsidised training under the Training4Care contract</li> </ul> | <p>for the increase in personalisation</p> <ul style="list-style-type: none"> <li>Ensuring market is able to offer Choice in the new market conditions opened up by personalization</li> <li>Social Care Workforce Strategy</li> </ul>   |         |                          |   |
| 8 | Citizen/<br>Social/Financial/Professional<br><br><b>Personalisation:</b><br>Implementation of personal budgets and self directed support.<br>Control is transferred to the individual who decides what form | Personalisation necessitates more risk taking as more control & choice is passed to the individual<br><br>Risk of misuse of public funds, money not being spent on services and vulnerable service users not receiving support | Individuals have real choice and control over their services and enjoy better personal outcomes.<br><br>KCC is able to protect public funds and service users and ensure vulnerable users | SMT                  | <ul style="list-style-type: none"> <li>Regular financial monitoring in place</li> <li>Audit reports-irregular happenings</li> <li>Regular reviews with service users</li> <li>Self Directed Support project and action plan in place</li> <li>Safeguarding Board</li> <li>Extensive training to staff</li> <li>PDRB ensures lessons are learned</li> </ul>   | <ul style="list-style-type: none"> <li>Implementation of Positive Risk Policy</li> <li>Continued focus on Safeguarding arrangements</li> <li>Staff training and awareness</li> <li>Strengthen links with audit</li> <li>Regular monitoring to SMT highlighting this issue</li> <li>Improved financial risk matrix for</li> </ul> | ongoing | I = 5<br>L = 5<br>R = 25 | I = 4<br>L = 4<br>Score = 16<br><b>HIGH</b> |

|    | Source   | Event   | Planned Outcome   | Account able manager | Existing controls  | New tasks / action plans   | Date | Inherent rating                             | Residual risk                               |
|----|--|---|---|----------------------|--|--|------|---|---|
|    | their support will take, when it will take place and who will provide that support. This means much less reliance on standardised block contracts. |   | are not open to financial abuse   |                      | and good practice agreed and disseminated <ul style="list-style-type: none"> <li>• Positive Risk Management Policy in place</li> <li>• Member and senior management support for personalisation</li> </ul>   | <ul style="list-style-type: none"> <li>• Reshaping of Complaints procedures to enable a statutory complaint to be made if using a personalised budget. This is shortly to come into place following lobbying from KCC and other Local Authorities</li> </ul>   |      |   |   |
| 9  | Professional/citizen<br><br><b>Emergency and continuity planning</b>   | Impact of emergency on service users and KASS' ability to maintain services following a disaster.   | Systems in place to offset event and / or mitigate impacts of an emergency and maintain core business. KASS able to support corporate colleagues in response to an emergency. | SMT                  | <ul style="list-style-type: none"> <li>• Continuity Plans for all units.</li> <li>• Good partnership working arrangements at all levels.</li> <li>• Crisis / Emergency training.</li> <li>• Dedicated Emergency Planning officer within Directorate</li> </ul> | <ul style="list-style-type: none"> <li>• Working group set up to explore the plan for pandemic flu impacts in greater depth</li> <li>• Updated emergency plan in place.(Oct 2009)</li> <li>• Negotiate with contact centre about having emergency report and using the online Kent Directory to alert providers</li> </ul> |      | I = 5<br>L = 4<br>Score = 20<br><b>HIGH</b> | I = 4<br>L = 4<br>Score = 16<br><b>HIGH</b> |
| 10 | Professional/Social<br><br><b>Safeguarding-protecting vulnerable adults</b>  | <ul style="list-style-type: none"> <li>• Potential for vulnerable adults to be at risk of harm</li> <li>• Managing Director fails in his statutory</li> </ul> | Vulnerable adults have a level of protection without stifling independence.   | SMT                  | <ul style="list-style-type: none"> <li>• Safeguarding Board-</li> <li>• Multi-Agency Public Protection Arrangements</li> <li>• Advocacy</li> <li>• Complaints process /Kent Health Watch</li> </ul>  | <ul style="list-style-type: none"> <li>• CQC action plan</li> <li>• Safeguarding Subgroup in place supporting Action Plan</li> </ul>   |      | I = 5<br>L = 4<br>Score = 20<br><b>HIGH</b> | I = 4<br>L = 4<br>Score = 16<br><b>HIGH</b> |

|    | Source   | Event   | Planned Outcome   | Account able manager | Existing controls  | New tasks / action plans   | Date | Inherent rating                             | Residual risk                               |
|----|--|---|---|----------------------|--|--|------|---|---|
|    |  | responsibility to promote welfare of all adults, including safeguarding them and keeping them from harm.                      |   |                      | <ul style="list-style-type: none"> <li>• Mental Capacity Act Arrangements</li> <li>• Positive Risk Management Policy</li> <li>• Implementing of safeguarding stream for independence in place</li> <li>• Extensive staff training</li> </ul>   |  |      |   |   |
| 11 | Technological<br><b>Information Technology</b> | Complete overhaul of our IT systems leads to network failure and incorrect or untimely data collection affecting performance. | Robust system with high reliance on quality of data Capacity for further development to meet future needs | SMT                  | <ul style="list-style-type: none"> <li>• SMT monitoring closely and have taken on the role of programme board.</li> <li>• Major implementation programme. Involving front line staff / managers etc.</li> <li>• Steering Group.</li> <li>• Prince 2 Project methodology.</li> <li>• Experienced project team focusing solely on the renewal project.</li> <li>• Working closely with other SWIFT user Councils – e.g. Hampshire, Essex.</li> </ul> | <ul style="list-style-type: none"> <li>• Encryption for individuals</li> <li>• Information sharing protocols for sharing outside of KASS</li> <li>• Meetings with staff to determine reporting requirements</li> </ul> |      | I = 5<br>L = 4<br>Score = 20<br><b>HIGH</b> | I = 4<br>L = 4<br>Score = 16<br><b>HIGH</b> |

By: Overview, Scrutiny and Localism Manager

To: Adult Social Services Policy Overview and Scrutiny Committee  
13 January 2010

Subject: **UPDATE ON SELECT COMMITTEE WORK**

Classification: Unrestricted

Summary: This report updates Members on Select Committee work due to start in 2010.

### Select Committee Topic Review Work Programme

1. (1) At its meeting on 16 October, the former Policy Overview Co-ordinating Committee (now called the Scrutiny Board) considered all the suggestions put forward by Members and Officers for possible Select Committee Topic Reviews, and agreed that the following topics would form part of the work programme for 2009/10:-

- Extended Schools (a short review, due to start in spring 2010)
- Renewable Energy – what should Kent’s role be? (starting its work now)
- Dementia (due to start its work in summer 2010)
- Educational Attainment of Pupils and Schools in Areas of High Deprivation (due to start its work in summer 2010)

If resources allow, there may be an additional short piece of work on the benefits of interaction between the generations.

(2) The only Select Committee topic in the agreed programme which was proposed by this POSC is Dementia, but regular update reports on the progress of the Select Committees will be made to all POSCs, so Members are kept informed of any part of any Select Committee’s work which might cross over into the remit of other POSCs.

#### **Recommendation**

2. Members are asked to note the planned timetable of Select Committee work in 2010, and the arrangements to keep all POSCs updated on any issues arising which cross over into their remit.

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Background Information: *Nil*

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