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To: Adult Social Services Policy Overview & Scrutiny Committee –
30 March 2010

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

Classification: Unrestricted

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

Introduction

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

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 Third Quarter

3. (1) The full monitoring report for the third quarter for Adult Services as presented to Cabinet on 29 March is attached at Appendix 1 and this indicates an overall revenue pressure of £0.580m. 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:

- Most of the savings identified within the Medium Term Plan will be achieved, and 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. However some risks remain as the current forecast assumes reductions in the number of residential and nursing placements in line with expected trends, although recently attrition rates have been lower than expected and if this continues it will impact on the forecast. In addition to this, although the numbers of frail people over 65 being admitted into residential care are generally not increasing, those being admitted with dementia are increasing, and these placements are at higher cost. In the past couple of months there seems to be an increasing trend of clients presenting themselves for residential or nursing care who are former self funders. This appears to be the case with both Older People and Mental Health, we are unsure at this stage whether this will be an ongoing trend. Other authorities are continuing to approach KASS regarding Learning Disability cases, which they deem that the cost should fall upon Kent due to the client now being ordinary residence. Although the risk has been covered in this forecast, there is potential that further cases will be presented in the remaining weeks of the year. Although KASS is still committed to achieve a balanced position, it is felt that the risks outlined above need to be flagged, as they could have a detrimental effect on the financial position of the portfolio.
- Older People is forecasting a net underspend of £2.040m. Within this is a net underspend of £1.036m 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 2,774 in December, down from the 2,796 as at the end of September; June was 2,733 and March 2,832. There are also price pressures resulting from the increasing numbers of people with dementia. Nursing care is forecasting a net pressure of £0.500m 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 1,386 in December from 1,353 in September; in

June it was 1,340, 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 £0.932m as the overall number of clients remains below the affordable level. As at December there were 6,385 people in receipt of domiciliary care from the independent sector, down from 6,465 in September; in June the figure was 6,422 and March 6,490. A net underspend of £0.529m 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 £3.051m 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. Kent Adult Social Services has accepted responsibility for five cases, the costs of which come to £0.382m, and we are contesting a number of other applications. The number of residential placements decreased from 642 in September to 636 in December; in June the figure was 632 and March was 640. Activity remains well above the affordable level and this line is showing a net pressure of £2.011m. 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 £0.702m. The number of residential placements has reduced from 229 in September to 222 in December; in June the figure was 213, and in March 222. The number remains well above the affordable level with the result that this line is showing a net pressure of £0.629m. 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 underspend of £0.577m against All Adults Assessment and Related staffing which relates vacancy management and additional contributions from health.
 - The position for Mental Health is a net pressure of £0.307m. Within this is a gross pressure of £0.631m 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 £0.329m against direct payments. The forecast for residential care also assumes an under-recovery in income of £0.338m 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 are also small underspends against Assessment and Related and Other Services.
 - There is a small pressure of £0.107m against gross expenditure within the Gypsy and Traveller Unit arising from an unsuccessful bid to redevelop a site. As a result all capital costs incurred so far on the project must be written back to revenue.
 - There is a net underspend of £0.835m against Strategic Business Support. Savings have arisen through vacancy management, funding some posts through grants and reductions in non-pay lines including printing and stationery. There has also been an over-recovery in income including contributions from Universities in respect of the Practice Placement Scheme, additional charges to Medway Council for Enhanced Pensions, and to District Councils involved in the new Excellent Homes for All PFI scheme, as well as contributions from partners towards the Safeguarding Adults Board Manager.
- (3) The Capital position reflects a variance of -£0.769m with all of it requested to be re-phased into 2010/11. Of this £0.273m relates to Modernisation of Assets, £0.138m relates to Public Access and £0.112m relates to Mental Health related projects. The remaining variance of -£0.246m mainly relates to either tendering delays or delays caused by bad weather against the following three projects: Broadmeadow extension £0.074m; Princess Christian Farm £0.064m, Queen Elizabeth Foundation £0.036m and Thameside-Eastern Quarry £0.014m. The remaining £0.058m is made up of re-phasing against other minor projects.

- (4) The outstanding debt that was due for payment as at January was £15.05m of which £12.53m related to client debt with £2.52m of sundry debt. This compared with total due debt as at October of £15.02m of which £12.10m was client debt and £2.92m of sundry debt.

Recommendations

4. (1) Members are asked to NOTE the projected outturn figures for the Directorate as at the March Cabinet report.

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