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To: Adult Social Services Policy Overview & Scrutiny Committee –  
21 September 2010

Subject: **ADULT SOCIAL SERVICES BUDGET FORECAST REPORT  
2010/11**

Classification: Unrestricted

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

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## **Introduction**

1. (1) This is the first report for 2010-11 to this Committee on the forecast outturn against budget for the Adult Social Services Department.

## **Background**

2. (1) Policy Overview and Scrutiny Committees (POSC) 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.

## Full Monitoring report for the First Quarter

3. (1) The July 2010 Full Monitoring report for Adult Services as presented to Cabinet on 13 September is attached at Appendix 1 and this indicates an overall revenue pressure of £2.838m. Appropriate 'Guidelines for Good Management Practice' are in place 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.
- The Directorate has reviewed all cash limits and affordable levels of activity in light of the 2009/10 out-turn and any changing trends in activity that have become apparent since the budget was set. A number of requests for virement and other changes to cash limits are included as part of the report submitted to Cabinet.
- Older People is forecasting a net underspend of £0.134m. Within this is a net overspend of £0.575m against residential care, which despite recent increases, assumes a reduction in the number of clients by the end of the year based on prior year trends. The number of clients in a permanent residential placement has increased from 2,751 in March to 2,819 in June, a movement of 68 clients. Of these 46 relate to clients with dementia and this increasing trend continues to place additional pressure on this budget. Although the number of clients in permanent nursing care has increased from 1,374 in March to 1,417 in June the forecast continues to assume a reduction in clients based on prior year trends. As a result this budget line is reporting a net underspend of £0.236m. Domiciliary care continues to be the most volatile and difficult line to forecast with great accuracy. Overall this line is reporting a net underspend of £0.179m with a pressure on independent sector hours, where the number of clients has decreased to 6,298 in June following two months of increases, offset by an underspend on in-house provision.
- Services for People with a Learning Difficulty is showing an overall pressure of £2.388m 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 county rather than in a residential placement) and therefore our responsibility. The number of residential placements has increased from 632 in March to 703 including the transfer of a further 69 clients from Health under Section 256 arrangements and who are fully funded. Both the activity and the unit cost per week remain well above the affordable level and as a result this line is showing a net pressure of £3.671m. The forecast also assumes that, where appropriate, clients transfer to supported accommodation as the Directorate tries to support clients within the community. The overall

forecast pressure has also been reduced by £830k following release of the contingency held by the Managing Director to reduce 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 £0.654m. The number of residential placements has reduced from 222 in March to 218 in June.
- All Adults Assessment and Related is forecasting a net pressure of £0.429m although it is expected that this will reduce through vacancy management. The pressure partly results from low turnover with June seeing the lowest rate in over a year.
- The position for Mental Health is a net pressure of £0.404m. Within this is a gross pressure of £0.854m 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 previously realigned in previous years 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 £0.176m against direct payments. The forecast for residential care also assumes an under-recovery in income of £0.289m as there are an increasing proportion of clients who fall under Section 117 meaning that they do not contribute to the cost of their care. The overall forecast pressure has also been reduced by £520k following release of the contingency and other uncommitted funds held by the Managing Director to reduce the overall pressure within the Directorate.
- Strategic Business Support is forecasting a significant net underspend of £0.814m. This has been achieved through vacancy management and not backfilling some posts that are externally funded, releasing uncommitted funding held by the Managing Director, and making savings on non pay expenditure.

(3) The latest capital position, excluding PFI projects, is showing a real variance of £0.090m after requesting for £5.018m to be re-phased. Of this £2.613 relates to the Modernisation of Learning Disability Services, which now has a revised timescale following extensive consultation of day care services, and £1.082m to Older Persons Integrated Care Centres, which is being re-phased in light of the recent over-arching strategy for services for Older Persons. The real variance of £0.090m relates to a reduction in PCT funding towards the extension at Broadmeadow, and the Directorate is proposing to cover this by underspending on the modernisation of assets budget.

(4) The movements from the original budget and the approved cash limit have been reported in monitoring during the year and the cash limits were changed when the capital programme in 2010/13 medium term plan was approved in February.

(5) The outstanding debt that was due for payment as at July was £16.7m of which £12.4m related to client debt with £4.3m of sundry debt. This compared with total due debt as at March (reported to Cabinet in June) of £14.1m of which £12.5m was client debt and £1.6m of sundry debt.

## **Recommendations**

4. (1) Members are asked to NOTE the latest forecast out-turn for revenue and capital, and the latest debt position for 2010/11.

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*Background documents:* None