

By: Oliver Mills, Managing Director Adult Social Services  
To: Adult Social Services Policy Overview Committee – 1 April 2008  
Subject: **ADULT SERVICES BUDGET MONITORING 2007/08**  
Classification: Unrestricted

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

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## Introduction

1. (1) This report is the third of what will be a regular report to this Committee on the forecast outturn against budget for the Adult Social Services Department.

## Background

2. (1) Policy Overview 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 POC 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 POCs 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.

## Third Quarter monitoring report

3. (1) The monitoring report for the third quarter for Adult Services is attached (Appendix 1) and this indicates an overall revenue pressure of £2,853k for the Directorate. This is a decrease on the previous pressure of £4,109k as reported to POC in January. The reduction in part results from the impact of management actions imposed to bring the Directorate back to a balanced position, and primarily relate to decreases in Older People, Mental Health and Other Services. The reduction also results from additional funding secured from the Eastern and Coastal Kent PCT in respect of intermediate care and services for patients leaving hospital and requiring social care. This funding recognises the growing pressures that have been seen within our financial forecast on services for older people, and also enables us to work jointly to extend the strategy for intermediate care across the East Kent area for 2008-09. The income and any associated costs have now been included within the forecast.

(2) Although a range of management actions remains in place, the amount of financial savings generated have, to some extent, been offset by increased demand for services. It is therefore considered prudent to forecast a year end pressure, after Management Action, of £1,915k.

(3) The main areas to note within the third quarter's position are:

- Older People -£193k – on-going demographic pressures remain on domiciliary care, particularly where used as an alternative to residential placements. It has also proved difficult to evidence a switch in activity from other services to Direct Payments, even though budgets have been adjusted for this. However there have been reductions in the number of nursing and residential primarily as a result of higher than expected attrition. The funding secured from the Eastern & Coastal Kent PCT has also helped to allay some of the pressures within Older People;
- People with Learning Disabilities +£4,781k – this is due to on-going demographic and price pressures within all main areas of expenditure, including residential, direct payments, daycare, domiciliary and supported and other accommodation;
- People with Physical Disabilities +£1,492k – as with Learning Disabilities, there are significant pressures across all services, but primarily direct payments, where increases are not matched by decreases elsewhere, and supported and other accommodation;
- Assessment & Related -£939k – the increased underspend results from on-going management of vacancies and planned slippage of costs to try to reduce budget pressures in commissioning. The funding secured from the Eastern & Coastal Kent PCT has also helped to allay some of the pressure within the hospital care management team;
- Older People Direct Services Unit +£260k – although significant pressure relating to utility and staffing costs remain;
- Adult Services Provider Unit -£121k – the underspend results from vacancy management, some additional rent for group homes and the decision to close some respite units over the Christmas period, which was not previously anticipated.

- Occupational Therapy Bureau -£167k – this results from absorbing pressures to fund replacement of hoists rather than using the provision created in the previous year, together with some slippage against planned recruitment;
- Mental Health -£110k – Mental Health is now forecasting an underspend as a result of implementing management actions, primarily reductions and delays in planned residential placements which has brought the forecast down by £90K in recent weeks, together with vacancy management;
- Other -£2,150k – this results from both management action around staffing vacancies as well as some specific savings. These include: £525k in training; £468k provision for System Renewal Programme costs not now required; £122k part year savings on the establishment of a systems support team; and £278k underspend on facilities budgets within the Directorate. There are also £336K savings within Area business units, and £207K savings within Performance, Planning and Contracting, both as a result of vacancy management.

## **Recommendations**

4. (1) Members of the Policy Overview Committee are asked to note the projected outturn figures for the directorate as at the third quarter

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