

By: Graham Gibbens, Cabinet Member, Adult Social Care and Public Health
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To: Adult Social Services and Public Health Policy Overview and Scrutiny Committee - 7 April 2011

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

Classification: Unrestricted

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

Introduction

1. (1) This is the fourth 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 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 2009 to discuss the future Budget and MTP proposals in more detail. At its April meeting the Scrutiny Board recommended that all POSCs need to formulate their arrangements for contributing to the development of the budget so that they are able to have an input at an earlier stage than previous years. In particular POSCs were asked to consider whether the Informal Member Groups set up following the November 2009 meeting should meet regularly between now and December when the draft budget needs to be finalised for formal consultation. As a result three Budget IMGs have already taken place.

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 4 April 2011 is attached at Appendix 1 and this indicates an overall revenue pressure of £225k. This position assumes that all savings identified within the Medium Term Plan will be achieved. The reported position also assumes forecasted savings of £203k from the recently announced moratorium, and savings relating to vacancy management. 'Guidelines for Good Management Practice' are in place across all teams in order to help us manage demand on an equitable basis consistent with policy and legislation. The Guidelines include ensuring all high cost placements and support packages are reviewed, plus a continued analysis and scrutiny of all requests for waiving of third party top ups to the cost of placements, and rigorous on-going panel arrangements. Furthermore the successful promotion and increased use of enablement continues to result in fewer people needing long term support. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.

However even though the Directorate has done everything possible to balance we now believe that the remaining pressure of £225k will not be addressed, primarily because of the impact of the increase in debt over the past couple of months which has required us to put more money into the bad debt provision.

- (2) The £225k pressure breaks down as follows:
- £1,106k Older People
 - +£710k Learning Disability
 - +£2,025k Physical Disability
 - +£53k All Adults Assessment & Related
 - +£1k Mental Health
 - £39k Gypsy & Traveller Unit
 - £147k Strategic Management
 - £1,663k Strategic Business Support
 - +£29k Other Services
 - +£362k Specific Grants
 - +£225k Total**

(3) The revenue forecast also allows for the impact of the recent funding allocated to the NHS for joint working with Local Authorities to promote better services for patients leaving hospital (known as Reablement), as well as additional 'Winter Pressure Funding'. These allocations have enabled both the PCTs and

KASS to commission new projects and services, as well as also allowing us to cover some of the additional costs which we would have inevitably had to cover for the anticipated increase due to the winter.

(4) Although the capital forecast reported to Cabinet on 4 April was a variance of -£678k, we are re-phasing £692k into 2011/12 which leaves a real variance of +£14k; the £14k will be covered by developer contributions. Of the £692k being re-phased, £327k of it relates to the Good Day Programme, with a further £111k to the Broadmeadow extension; the remaining £327k comprises a number of projects all below £100k.

Recommendations

4. (1) Members of the Policy Overview and Scrutiny Committee are asked to **NOTE** the latest forecast out-turn for revenue and capital.

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Background documents: None