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TO: Adult Social Services & Public Health Policy Overview & Scrutiny Committee – 7 July 2011

SUBJECT: **ADULT SOCIAL SERVICES DIRECTORATE/PORTFOLIO
FINANCIAL OUTTURN 2010/11**

Classification: Unrestricted

Summary:

This report summarises the 2010/11 financial outturn for each of the service units within the Adult Social Services Directorate/Portfolio. Previously outturn reports to POSCs have included performance outcome information but this is now covered in the separate Core Monitoring report

FOR INFORMATION

Introduction

1. (1) In the March/April cycle of meetings POSCs received a report setting out the latest forecast outturn for the 2010/11 financial year as reported to Cabinet based on the position as at the end of the third quarter. Third quarter performance monitoring against unit business plans was also covered at the same meetings in the Core Monitoring report.

(2) This is the second year we have been able to bring the final outturn reports to the July round of POSC meetings. It is important that committees receive timely information on actual costs in advance of considering options for future years' budgets during the autumn. This report includes the final outturn for each of the service units within the Adult Social Services Directorate/Portfolio in the same format as reported throughout the year in monitoring reports together with an explanation of any significant variances from the third quarter's monitoring. We are not in a position to report the outturn in the A to Z Service format used for the 2011/12 Budget Book as financial reporting for 2010/11 was not set up to produce information in this format.

(3) At its meeting on 26 May Scrutiny Board considered how POSCs can be more engaged in the budget planning process. Scrutiny Board recommended that each POSC should establish an Informal Member Group of up to 5 members which should meet between July and October in order to report back to the November POSC meeting on options for the forthcoming budget. The 2010/11 outturn report was identified as one of the core pieces of information that IMGs will need for these series of meetings.

Adult Social Services Directorate/Portfolio 2010/11 Financial Outturn- Revenue

2. (1) The provisional revenue outturn was reported to Cabinet on 20 June together with recommendations on rollover for committed projects and contributions to reserves for uncommitted under spends. The overall final position for the Adult Social Services Directorate/Portfolio was an under spend of £483k.

(2) Table 1 sets out the original budget, final approved cash limit and spending for each service unit within the Adult Social Services Directorate/Portfolio. The changes between the original budget and final approved cash limit are all within KCC's "virement" rules as set out in Financial Regulations.

(3) In summary the variances from cash limit by client group are:

	£000
Older People	- 2,275
Learning Disability	- 370
Physical Disability	+ 2,138
Assessment & Related	+ 35
Mental Health	+ 123
Other Services	- 1,435
Specific Grant	+ 1,301
Total	- 483

Table 1

Portfolio: Kent Adult Social Services				
	2010-11			
	Original Budget	Approved Cash Limit	Final Outturn	Variance from Cash Limit
	£000s	£000s	£000s	£000s
Older People Residential Care				
Gross	88,305	89,113	88,936	-177
Income	-33,217	-36,771	-36,348	423
Net	55,088	52,342	52,588	246
Older People Nursing Care				
Gross	44,209	47,636	46,249	-1,387
Income	-20,201	-23,025	-23,046	-21
Net	24,008	24,612	23,203	-1,409
Older People Domiciliary Care				
Gross	47,882	48,029	47,314	-715
Income	-10,490	-10,574	-10,594	-19
Net	37,392	37,455	36,720	-735
Older People Direct Payments				

Gross	4,981	5,062	5,447	386
Income	-452	-532	-589	-56
Net	4,529	4,529	4,859	329
Older People Other Services				
Gross	19,582	20,317	19,124	-1,193
Income	-3,082	-7,455	-6,968	487
Net	16,500	12,862	12,156	-706
TOTAL OLDER PEOPLE				
Gross	204,959	210,157	207,069	-3,088
Income	-67,442	-78,358	-77,545	813
Net	137,517	131,799	129,525	-2,275
Learning Disability Residential Care				
Gross	65,284	72,361	75,372	3,012
Income	-12,791	-19,794	-19,654	140
Net	52,493	52,567	55,719	3,152
Learning Disability Domiciliary Care				
Gross	7,827	7,828	6,891	-937
Income	-949	-1,557	-1,520	37
Net	6,878	6,271	5,371	-900
Learning Disability Direct Payments				
Gross	7,747	7,865	8,335	470
Income	-185	-143	-289	-146
Net	7,562	7,722	8,046	324
Learning Disability Supported Accommodation				
Gross	12,729	26,287	26,289	2
Income	-2,140	-16,496	-16,463	33
Net	10,589	9,791	9,826	35
Learning Disability Other Services				
Gross	21,110	21,169	18,067	-3,102
Income	-1,397	-897	-776	121
Net	19,713	20,272	17,291	-2,981
TOTAL LEARNING DISABILITY				
Gross	114,697	135,509	134,954	-554
Income	-17,462	-38,886	-38,702	184
Net	97,235	96,623	96,253	-370
Physical Disability Residential Care				
Gross	12,759	12,526	13,059	532
Income	-2,136	-1,951	-1,691	260
Net	10,623	10,575	11,367	792
Physical Disability Domiciliary Care				
Gross	7,718	7,661	8,112	452
Income	-459	-449	-436	13
Net	7,259	7,212	7,677	465
Physical Disability Direct Payments				
Gross	7,022	7,132	8,113	981

Income	-269	-249	-362	-114
Net	6,753	6,883	7,751	868
Physical Disability Supported Accommodation				
Gross	477	394	674	281
Income	-18	-8	-20	-12
Net	459	386	654	269
Physical Disability Other Services				
Gross	5,940	5,594	4,996	-598
Income	-715	-685	-342	343
Net	5,225	4,909	4,654	-255
TOTAL PHYSICAL DISABILITY				
Gross	33,916	33,307	34,954	1,648
Income	-3,597	-3,341	-2,851	490
Net	30,319	29,965	32,103	2,138
ALL ADULTS ASSESSMENT & RELATED				
Gross	36,550	38,163	37,944	-219
Income	-1,876	-2,826	-2,572	254
Net	34,674	35,337	35,372	35
Mental Health Residential Care				
Gross	6,456	6,416	7,416	1,000
Income	-772	-882	-626	256
Net	5,684	5,534	6,790	1,256
Mental Health Domiciliary Care				
Gross	725	878	736	-142
Income	0	0	0	0
Net	725	878	736	-142
Mental Health Direct Payments				
Gross	602	606	581	-25
Income	0	0	-0	-0
Net	602	606	580	-25
Mental Health Supported Accommodation				
Gross	435	548	743	195
Income	0	-219	-229	-10
Net	435	329	514	185
Mental Health Assessment & Related				
Gross	10,001	9,911	9,479	-432
Income	-876	-786	-770	16
Net	9,125	9,125	8,709	-416
Mental Health Other Services				
Gross	6,914	7,180	6,548	-632
Income	-902	-1,157	-1,258	-102
Net	6,012	6,024	5,290	-734
TOTAL MENTAL HEALTH				
Gross	25,133	25,539	25,502	-36
Income	-2,550	-3,043	-2,884	160

Net	22,583	22,495	22,619	123
GYPSY & TRAVELLER UNIT				
Gross	647	662	638	-24
Income	-319	-333	-396	-63
Net	328	329	242	-87
PEOPLE WITH NO RECOURSE TO PUBLIC FUNDS				
Gross	100	100	111	11
Income	0	0	0	0
Net	100	100	111	11
STRATEGIC MANAGEMENT				
Gross	1,289	1,399	1,386	-12
Income	-27	0	-8	-8
Net	1,262	1,399	1,378	-21
STRATEGIC BUSINESS SUPPORT				
Gross	24,525	24,768	23,497	-1,271
Income	-2,134	-2,054	-2,154	-100
Net	22,391	22,714	21,343	-1,371
Support Services purchased from CED				
Gross	6,816	6,787	6,819	32
Income	0	0	0	0
Net	6,816	6,787	6,819	32
Specific Grants				
Gross	0	0	0	0
Income	-8,773	-9,910	-8,609	1,301
Net	-8,773	-9,910	-8,609	1,301
PORTFOLIO TOTAL (CONTROLLABLE)				
Gross	448,632	476,389	472,876	-3,513
Income	-	-	-	3,030
Net	344,452	337,637	337,154	-483

(4) This represents a movement of £708k compared to the third quarter's monitoring. The significant variations include the following:

Older People-Residential Care -£491k

The continued reduction in clients has enabled the outturn to reduce by approximately £250k, coupled with a further re-phase of Social Care Reform Grant funding against the in-house service of £68k. As a result of the final quarters decrease in client related debt, this has enabled us to reduce the value of bad debt provision required by £0.189m. The remaining £16k reflects small increases against the rest of the in house provision and preserved rights clients.

Older People-Nursing Care +£274k

A reduction in the net overspend caused by activity/price changes, with the average income per client week reducing by £2.31 from previous estimates, which contributes £181k to the movement. The net position for preserved rights clients has also increased by £86k, leaving a minimal movement elsewhere.

Older People-Domiciliary -£682k

The downward movement from forecast of £160k reflects payments made to the independent sector through the Transaction Data Matching (TDM) process. The actual outturn for in-house provision, extra care and enablement also ended up £147k lower than expected. As a result of the final quarters decrease in client related debt, this has enabled us to reduce the value of bad debt provision required by £0.79m. The amount of client income fluctuates month by month, this ended up £156k higher than expected. The remaining reduction relates to the element of the Social Care Reform Grant which has re-phased into 2011-12.

Older People-Direct Payments -£111k

Actual number of weeks for both ongoing placements and unit cost paid, although higher than affordable levels, ended up slightly lower than forecast at Quarter 3.

Older People-Other Services - £160k

The net movement of £160k is made of small movements against a number of budgets, including a £50k reduction in the Integrated Community Equipment Store, whose outturn ended up at £97k underspend. This is a pooled budget with Health colleagues, with a further £31k against Physical Disability. A request is made to roll the overall underspend against the pooled budget of £128k.

Learning Disability-Domiciliary Care -£374k

The net variance has reduced as a result of reductions in activity and price since the last forecast. Actual activity has dropped by approximately 8,600 hours, which has reduced spend by £90k, coupled with a price drop from £11.05 to £10.52 which reduced expenditure by a further £182k. The remaining decrease is made up of minor movements against other service lines.

Learning Disability-Supported Accommodation -£248k

£193k of the movement is in relation to Ordinary Residence clients who were previously forecast against the supported accommodation budget, but whose costs ended up against other client groups and services. A further £82k reduction follows the release of a proportion of the Social Care Supported living costs reserve created in 2009-10 for a number of clients whose costs were previously funded by other authorities, but were expected to become our responsibility. These client have either become our responsibility from a later date or the costs have come in below the level expected. The remaining increase of £27k relates to small movements in other clients and their associated costs.

Learning Disability-Direct Payments/Other Services -£548k

Approximately £330k of the movement is as a result of re-phasing against the Social Care Reform Grant into 2011-12. The remaining movement relates to decreases in expenditure across numerous lines including day care, Campus and supported accommodation.

Physical Disability-Domiciliary Care +£113k

As explained within the learning disability supported accommodation section, part of the movement has been as a result of the costs associated with Ordinary Residence clients now reflected here.

Physical Disability-Supported Accommodation +£193k

Both actual independent sector weeks and unit cost ended up higher than the affordable level and forecast quoted at Quarter 3.

Physical Disability-Direct Payments/Other Services -£135k

Release of uncommitted grant monies totalling approx £59k, coupled with the savings realised as a result of holding vacancies against resource centres, totalling approx £62k. There has been some final realignment between both gross/income in relation to both the Whole Systems Development project and the Integrated Community Equipment Store.

Mental Health Residential Care +£121k

An increase in Section 117 provision, offset by a continual decrease in income levels as an increasing number of clients fall under the Section 117 ruling and do not contribute to the ongoing cost of their care.

Strategic Business Support +£325k

It was felt prudent to set up end of year reserves to assist with the resources required to achieve the significant savings required for procurement and also to enhance the client billing system. This prudence is slightly offset by further slippage against the Social Care Reform Grant and a roll forward of underspend in relation to domiciliary procurement.

Specific Grants +£939k

This movement reflects the value of the requested roll forwards in relation to Social Care Reform Grant, referred to throughout this report.

(5) The approved budget for 2011/12 was set on the basis of known/forecast activity as at December 2010. The impact of any ongoing variations into 2011/12 will be reported as part of the in-year budget monitoring together with progress on delivering the savings needed to balance the budget.

(6) The first exception monitoring for 2011/12 will be reported to Cabinet on 18 July and the full monitoring as at the first quarter is scheduled to be reported on 19 September. The timing of this Cabinet means reports to the September round of POSCs may have to be despatched late in order to include the latest position considered by Cabinet.

The under spend for 2010/11 includes a number of areas of committed expenditure which Cabinet agreed should be rolled forward into 2011/12 as per table 2 below.

Table 2	Amount
Reason for Rollover	£000s
Integrated Community Equipment Store-This represents KCC's Share of the underspend of the ICES Board. Under the terms of the S75 agreement, KCC has an obligation to provide this funding to the pooled Budget. The underspending relating to partners contributions has been rolled forward as a receipt in advance.	128
Domiciliary Procurement-The Medium Term Plan has £3m savings in relation to the procurement of domiciliary care over 2011-12 & 2012-13. In order to achieve this saving it is necessary to re-let the contract. Currently KASS contract with some 80+ providers. This funding is required to fund a project manager To draw up the new specification and lead on the tender process and subsequent negotiations with providers.	80

(7) The balance of the uncommitted under spend (£2.128m) for the County Council, of which £275k related to Adult Social Services, was transferred to the Economic Downturn reserve in accordance with the recommendation agreed by Cabinet.

Adult Social Services Directorate/Portfolio 2010/11 Financial Outturn – Capital

3. (1) Table 3 identifies the planned and actual spend on all capital projects in 2010/11 and the total approved and forecast spending over the lifetime of these projects.

Table 3

	2010/11 Spend				Total Scheme Cost		
	Original Budget £000s	Approved Cash Limit £000s	Final Outturn £000s	Variance from Cash Limit £000s	Approved Cash Limit £000s	Forecast Spending £000s	Variance from Cash Limit £000s
<u>Rolling Programmes</u>	1,833	1,309	1,099	-210	8,496	8,496	0
Asset Maintenance	834	309	135	-174	1,120	1,120	0
Home Support Fund	999	1,000	964	-36	7,377	7,377	0
<u>Schemes with Approval to Spend</u>	3,425	2,228	1,834	-394	7,366	7,366	0
Broadmeadow Extension	1,530	1,410	1,424	14	1,753	1,753	0
Broadmeadow				0	440	440	0
Edenbridge				0	347	347	0
Bearsted Dementia Services	25	25	25	0	25	25	0
Dementia Care				0	171	171	0
Wood n Ware				0	103	103	0
Beaney Centre	300			0			0
Bower Mount	96	31	31	0	105	105	0
Rustall Site		18	20	2	297	297	0
The Bridge		13	13	0	32	32	0
Crispe House	124	22	0	-22	495	495	0
QEF		15	15	-0	196	196	0
Prov for range of services	260			0			0
LD Development Fund	63	139	139	0	688	688	0
Princess Christian Farm				0	560	560	0
Trinity Foyer				0			0
MH Single Capital Pot	200	242	120	-122	771	771	0
Public Access Development	347	1	2	1	419	419	0
FAME	480	312	45	-267	965	965	0
PFI Better Homes				0			0
<u>Schemes with Approval to Plan</u>	26,625	22,871	22,821	-50	64,133	64,133	0
Modernisation of Dementia Care	547			0			0
Dartford TC				0	4,405	4,405	0
New OP Integrated Care Centres	1,082			0			0
Thameside Eastern Quarry/Ebbsfleet	521			0	1,418	1,418	0
Modernisation of services for LD	730	125	91	-34	6,898	6,898	0
Intrgrated Care Centres				0	1,082	1,082	0
MH SCE				0	784	784	0
Public Access Development				0	900	900	0
Rustall Site	455			0			0
Social and Healthcare Centre in Dartford	76			0			0
PFI Excellent Homes	22,800	22,300	22,300	0	44,300	44,300	0
IT Infrastructure Grant	414	446	430	-16	4,346	4,346	0
Total	31,883	26,408	25,754	-654	79,996	79,996	0

(2) 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 2011/13 Medium Term Financial Plan was approved in February. The variance from approved cash limit represents the latest actual spending for 2010/11 (and forecast spending for future years) since the capital programme was published and includes the following significant issues:

The final outturn variance reflected a £654k slippage into 2011-12. This was reduced by £266k to reflect the Westview/Westbrook PFI capitalisation of unitary costs into 2011-12. This revised the outturn variance to -£388k.

The main contributors to this variance were:

Flexible & Mobile Engagement-£268k as a result of two projects that have re-phased following advice from ISG not to procure a third party on ground of affordability and new emerging corporate KCC ICT strategy requirements.

Modernisation of Assets-£131k relates to the TDM enhancements and client billing projects which have been re-phased as detailed above for the FaME project.

(3) These variances will be included in the budget monitoring reports to Cabinet in July and September together with any other issues affecting capital projects which have arisen during 2011/12.

Recommendations

4. (1) Members of the Adult Social Services and Public Health POSC are asked to:
 - a) NOTE the revenue and capital financial outturn for 2010/11 including rollovers for committed projects and changes to capital programme
 - b) NOTE the potential impact of variations since the 2011/12 budget was approved
 - c) PROVIDE any comments and guidance to IMG members on potential impact for 2012/13 and future years' budgets

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Background documents: None