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To: Adult Social Care and Public Health Policy Overview & Scrutiny Committee – 20 September 2011

Subject: **ADULT SERVICES BUDGET FORECAST REPORT 2011/12**

Classification: Unrestricted

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Summary: A report on the forecast outturn against budget for the first quarter for the Adults Services of the Families & Social Care Directorate.

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## **Introduction**

1. (1) This is the first report for 2011-12 to this Committee detailing the initial forecast outturn, against budget, for the Adults element of the Families & Social Care Directorate.

## **Background**

2. (1) Policy Overview and Scrutiny Committees (POSCs) 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 future meetings.

### **Budget Informal Members Group**

3. (1) An initial Budget IMG, for the Adults element of this Directorate, was held on the 28 July, preceded by a Debt IMG held on the 11 July.

(2) An extract from the conclusions part of the Debt IMG minutes captures the general feedback from that meeting.

- Members concluded that the IMG did not need to meet again, as it had had comprehensive and clear written explanations of the debt recovery procedures, policy and trends.

(3) A budget IMG was held on the 28 July, this was used to set the scene of the budget for adult social services and the likely implications arising from the MTP process. Because the meeting was held at the early stages of the 2012/13 budget process, it was agreed that a further meeting would be held in early September, when more information on likely required savings may be available.

### **Full Monitoring report for the First Quarter**

4. (1) The July 2011 Full Monitoring report for Adult Services as presented to Cabinet on 21 September is both summarized below in Table 1 and attached at Appendix 1 (sequencing in Appendix 1 replicates the Cabinet report) and this indicates an overall revenue under spend of £0.195m, including the adults element of the strategic directorate budget.

(2) The main areas to note within the latest position are:

	Net Variance
	£'m
Learning Disability	+0.541
Mental Health	+0.053
Older People	- 3.258
Physical Disability	+1.829
Strategic Director	+ 0.353
Strategic Commissioning/ Safeguarding	+ 0.287
<b>Total Forecast Net Variance</b>	<b>- 0.195</b>

- Almost £1.700m of savings are still assumed red within the latest forecast in relation to the following:

	£'m
LD/PD Procurement	1.153
Slippage of Enhanced Domiciliary	0.100
Slippage of Jointly Owned Properties	0.040
Non residential charging Delay in implementing -NDI/DREA	0.403
<b>Total</b>	<b>1.696</b>

- The achievement of savings are pivotal to the delivery of an efficiently managed budget. We are confident that through our regular monitoring process all savings will be realised and achieved.
- The Directorate has reviewed all cash limits and affordable levels of activity in light of the 2010/11 out-turn and any changing trends in activity that have become apparent since the budget was set. An initial number of requests for virement and other known inter Directorate changes to cash limits are included as part of the Cabinet report in September. All approved roll forwards agreed at the 20 June Cabinet are also included.
- As members will know, the Kent PCTs were allocated £16,226k in 2011-12 as part of the national allocation of 'Social Care Monies for Health Outcomes', these monies and their deployment is a current matter of debate with the PCTs and a separate report will be submitted to members in relation to this. Therefore this monitoring report excludes any effect of this allocation.

The summarised reasons for variances are shown below in Table 1 below, with further detail contained within Appendix 1.

<b>Table 1</b>							
Budget Book Heading	New cash limit			Variance			Comments
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Adult Social Care &amp; Public Health portfolio</b>							
Strategic Management & Directorate Support Budgets	9,922	-755	9,167	456	-103	353	Staffing pressure largely offset by additional income, increased legal services costs, BHAL pressure
<b>Adults &amp; Older People:</b>							
<b>- Direct Payments</b>							
- Learning Disability	10,837	-736	10,101	-214	364	150	Activity below affordable & unit income lower than budgeted
- Mental Health	732	0	732	-72	0	-72	Activity below affordable
- Older People	6,359	-665	5,694	-488	44	-444	Activity below affordable
- Physical Disability	8,248	-353	7,895	711	-165	546	Activity above affordable
Total Direct Payments	26,176	-1,754	24,422	-63	243	180	
<b>- Domiciliary Care</b>							
- Learning Disability	7,603	-1,454	6,149	-847	34	-813	Activity below affordable
- Mental Health	898	0	898	-221	0	-221	Activity below affordable
- Older People	47,704	-11,925	35,779	-2,945	1,591	-1,354	Activity below affordable
- Physical Disability	7,684	-539	7,145	-237	23	-214	Activity below affordable
Total Domiciliary Care	63,889	-13,918	49,971	-4,250	1,648	-2,602	
<b>- Nursing &amp; Residential Care</b>							
- Learning Disability	75,502	-23,389	52,113	3,757	-1,338	2,419	Activity above affordable
- Mental Health	6,737	-846	5,891	255	209	464	Activity above affordable
- Older People - Nursing	45,547	-22,070	23,477	-723	351	-372	Activity below affordable
- Older People - Residential	88,679	-36,594	52,085	-1,771	941	-830	Reduced P&V activity, reduced in house income
- Physical Disability	12,305	-1,786	10,519	1,272	42	1,314	Activity above affordable
Total Nursing & Residential Care	228,770	-84,685	144,085	2,790	205	2,995	
<b>- Supported Accommodation</b>							
- Learning Disability	31,227	-18,857	12,370	-903	-193	-1,096	Activity below affordable
- Physical Disability/Mental Health	1,313	-255	1,058	896	-101	795	PD Activity below affordable but higher unit cost MH Activity above affordable
Total Supported Accommodation	32,540	-19,112	13,428	-7	-294	-301	

**Table 1**

Budget Book Heading	New cash limit			Variance			Comments
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Adult Social Care &amp; Public Health portfolio</b>							
<b>- Other Services for Adults &amp; Older People</b>							
- Contributions to Vol Orgs	14,912	-902	14,010	-210	71	-139	Move towards SDS and Innovative commissioning
- Day Care							
- Learning Disability	13,197	-284	12,913	-246	25	-221	Reduced staffing levels
- Older People	4,086	-157	3,929	-166	-12	-178	Innovative commissioning
- Physical Disability/Mental Health	1,302	-1	1,301	-30	1	-29	
Total Day Care	18,585	-442	18,143	-442	14	-428	
- Other Adult Services	14,139	-8,185	5,954	304	295	599	Growth in OT; Meals; Loss of income
Total Other Services for A&OP	47,636	-9,529	38,107	-348	380	32	
<b>- Intermediate Services</b>							
- Assessment of Vulnerable Adults & Older People	42,117	-3,791	38,326	-1,001	149	-852	Vacancy management; uncommitted funds
<b>Total ASC&amp;PH portfolio</b>	<b>451,050</b>	<b>-133,544</b>	<b>317,506</b>	<b>-2,423</b>	<b>2,228</b>	<b>-195</b>	

(3) Detailed at Appendix 2 is the latest capital position, excluding PFI projects, showing a re-phasing request of £1.418m, as a result of the delay in delivering both the Ebbsfleet and Eastern Quarry projects. As part of September's Cabinet report members have also been invited to agree to the recycling of capital funds in relation to the Broadmeadow extension (£0.274m), Rusthall (£0.080m) and Bower Mount (£0.045m) projects for future use against both the Older Persons and Learning Disability Good Day Programmes.

(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 2011/14 medium term plan was approved in February.

(5) The outstanding debt as at the end of July was £18.830m compared with March's figure of £24.413m (reported to Cabinet in June) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £4.859m of sundry debt compared to £11.011m in March. The amount of sundry can change significantly for large invoices to health, which has been the case in the movement from March. Also within the outstanding debt is £13.970m relating to Social Care (client) debt which is an increase of £0.568m from the last reported position to Cabinet in June.

## **Recommendations**

5. (1) Members of the Adult Social Services & Public Health Policy Overview and Scrutiny Committee are asked to:
- a) NOTE the current revenue and capital financial outturn for 2011/12
  - b) NOTE the latest position with regards to the savings element of the monitoring
  - c) NOTE the latest debt position

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*Background documents:* None