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To: Adult Social Care and Public Health Policy Overview and Scrutiny Committee – 10 November 2011

Subject: **ADULT SOCIAL CARE BUDGET FORECAST & SAVINGS REPORT 2011/12 AND DEBT POSITION SEPTEMBER 2011**

Classification: Unrestricted

Summary: A report on the updated quarter 1 forecast outturn against the budget for Kent Adult Social Care to include savings and an update on the current position of the social care and accounts receivables debt as at September 2011.

Introduction

1. (1) This is the third report for 2011-12 to this Committee on the forecast outturn against budget for Adult Social Care. This report also includes an update on debt & savings.

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 Budget IMG was held during September 2011 to discuss and consider future Budget and MTP proposals prior to the Cabinet meeting held also held in September.

First Quarter Updated Monitoring report

3. (1) The revenue monitoring exception report for Adult Social Services was presented to Cabinet in October; this indicated an overall revenue under spend of £0.560m, which is an increase in under spend of £0.365m in the forecast submitted in the first quarter's full monitoring of £0.195m.

(2) The £0.560m under spend breaks down as follows:

-£2.967m Older People
+£0.587m Learning Disability
+£1.727m Physical Disability
-£0.785m All Adults Assessment & Related
+£0.528m Mental Health
+£0.350m Management & Support

-£0.560m Total

(3) The movements over £0.100m this month are:

- -£0.199m Strategic Management (incl Commissioning & Safeguarding) – a reduction in the pressure from £0.353m to £0.154m, which mainly reflects the continual management of vacancies and further savings against non-pay costs.
- -£0.318m Older People Direct Payments – an increase in the underspend from £0.444m to £0.762m as a result of a reduction in the growth assumed in the previous forecast, since the trend has remained static so far this year.
- -£0.359m Physical Disability Direct Payments – a reduction in the pressure from £0.546m to £0.187m as a result of a reduction in the growth assumed in the previous forecast, since the trend has remained static so far this year.
- +£0.391m Older People Nursing Care – an increase in the position from an underspend of £0.372m to a small pressure of £0.019m as a result of an increase in placements due to an increase of 47 clients creating a £0.613m pressure. This is slightly offset by both the release of unrealised creditors and an increase in income, totalling £0.222m.

- +£0.177m Older People Residential Care – a reduction in the underspend from £0.830m to £0.653m representing an increase of 23 clients, which has increased gross costs by £0.215m which is offset by an over recovery of income of £0.074m. The remaining £0.036m movement reflects a forecast reduction in income collected for in house residential care.
- +£0.303m Learning Disability Supported Accommodation – a reduction in the underspend from £1.096m to £0.793m as a result of a net movement of nine clients contributing a £0.246m pressure, coupled with a reduction in income contributions of £0.057m as a result of a client who changed from full funding to nominal funding, backdated to the beginning of the year.
- +£0.147m Learning Disability Day Care – a reduction in the underspend from £0.221m to £0.074m as a result of an ongoing review of commissioned services (+£0.069m), an increase in client numbers (+£0.037m) and the remaining £0.041m is due to updated spend trend information.
- -£0.513m Other Adult Services – a reduction in the pressure from £0.599m to £0.086m, which is mainly due to:
 1. -£0.157m to reflect the current trend within the Occupational Therapy equipment service, where the growth is currently below the level reflected in the budget;
 2. -£0.225m due to non renewal of contracts within Learning Disability Other Services;
 3. -£0.097m net effect of the cost/volume reduction through the provision of meals contract;
 4. -£0.025m anticipated additional health monies for the good health group.

(4) This position assumes that all but £1.696m savings identified within the Medium Term Plan will be achieved.

	£'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
Total	1.696

The achievement of savings are pivotal to the delivery of an efficiently managed budget. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.

Our monitoring process includes 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.

(5) The capital monitoring exception report for Adult Social Services was also presented to Cabinet in October; this indicated an overall movement of -£2.515m, broken down as follows.

- Learning Disability Good Day Programme (-£2.442m, re-phasing): a prudent view had been taken pending clarity around the releasing of further funds to support the delivery of the programme.
- Broadmeadow Extension (-£0.058m, real variance): a real variance of £0.274m was reported in last months monitoring return which was requested to be transferred and used as part of the Older Persons Strategy – Integrated Specialist Services. A further £0.058m underspend has been declared and is also requested to be transferred to Older Persons Strategy.

Overall this leaves a residual balance of -£0.015m on a number of minor projects

(6) The outstanding due debt as at September was £18.331m compared with July's figure of £18.830m (reported to Cabinet in September) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £4.526m of sundry debt compared to £4.859m in July. Also within the outstanding debt is £13.805m relating to Social Care (client) debt which is a decrease of £0.165m from the last reported position to Cabinet in September.

Recommendations

4. (1) Members of the Adults Social Care & Public Health Policy Overview and Scrutiny Committee are asked to:

- (a) **NOTE** the latest monitoring position for revenue, capital and savings.
- (b) **NOTE** and **COMMENT** on the latest debt position.

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Background documents: Cabinet Exception Report 17 October 2011