

By: Oliver Mills, Managing Director Adult Social Services

To: Adult Social Services Policy Overview Committee –
18 November 2008

Subject: **ADULT SERVICES BUDGET MONITORING 2008/09**

Classification: Unrestricted

Summary: A report on the updated quarter 1 forecast outturn against budget for Kent Adult Social Services.

Introduction

1. (1) This is the second report for 2008-09 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 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.

Updated First Quarter monitoring report

3. (1) The revenue monitoring exception report for Adult Social Services as presented to Cabinet in October is attached at Appendix 1. This indicates an overall revenue pressure of £1,619k, which is a reduction of £44k in the position submitted in the first quarter's full monitoring. This pressure will be addressed through the 'Guidelines for Good Financial Practice', previously referred to as 'Management Action Plans' in 2007-08. These 'Guidelines' were detailed in the first full monitoring report (presented to ASSPOC on 23 September), and through their implementation the Directorate expects to achieve a balanced position by the end of the year.

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

- The Older People budget line is forecasting an underspend of £1,175k including the one-off release of the Deferred Payments Loan of £1,256k. Therefore there is an underlying pressure of £81k. The remaining balance of the contingency held by the Managing Director (£436k) has also been released to reduce the overall Directorate position. Significant pressures remain within this client group, and there are increasing numbers of people with higher needs, particularly those with some form of dementia. Although the number of residential clients in permanent placements is similar to the figure in March (2,917 in March compared with 2,919 in July) a greater proportion of these clients is suffering from dementia. The number of clients with dementia has increased from 1,113 in April to 1,176 in July. This has impacted on the average cost per week which is increasing as people with higher needs/dementia require higher cost placements. Pressures within in house residential provision remain significant and result from the costs of agency staff needed to cover sickness and absence in order to meet care standards. Although nursing clients have also increased by 20 to 1,406 since March. The increase in the number of people with higher needs may help to explain the drop in domiciliary clients since April as it becomes more difficult for them to remain at home. There has been a significant increase in the number of clients in receipt of direct payments rising from 518 in March to 685 in September, but many of these only require small payments to access transport to access daycare facilities.
- Services for People with a Learning Difficulty is showing an overall pressure of £2,176k as both demographic and price placement pressures continue. These relate to young adults with very complex needs transferring from Children's Services, clients with ageing parents cared for at home but requiring more support, and the numbers of people placed by other authorities in registered residential care, but who then move into supported living in Kent, and are then classified as 'ordinarily resident' (deemed as living in the county rather than in a residential placement), and therefore become our responsibility. The number of residential placements has again increased as has the average unit cost which is nearly £10 higher per week than that reported for June. Also the previous

transfer of a proportion of the residential budget to support increasing demand in other lines, especially domiciliary and supported accommodation, continues to impact on the overspend. Pressures remain within domiciliary, direct payments and supported accommodation as the Directorate tries to support clients within the community. As with Older People in house residential provision is showing a pressure on staffing because of the need to cover sickness and absence in order to meet care standards. The number of people in receipt of a direct payment has risen by 77 since March to 412 in July. The overall forecast pressure has also been reduced by £264k following release of the remaining balance of the contingency held by the Managing Director.

- Services for People with a Physical Disability have similar pressures to Services for People with a Learning Difficulty and as a result the overall position is a pressure of £528k. The number of residential placements continues to increase and there are pressures within supported accommodation and direct payments. The number of Direct Payments clients has increased to 611 in July from 547 in March. It is hoped that the number of domiciliary clients, along with direct payments and supported accommodation clients, will increase throughout the year, as the Directorate tries to support people within the community rather than in a residential placement. The overall forecast pressure has also been reduced by £90k following release of the remaining balance of the contingency held by the Managing Director.
- The All Adults Assessment and Related budget line is reporting a pressure of £499k even though there a hold on recruitment to all but the most essential of posts remains in place. This action has helped to reduce the pressure which previously stood at £607k. Although the cost of increments is not funded on the assumption that turnover will cover this cost, it is causing pressure as the level of turnover seems to be reducing.
- Although the position for Mental Health is a small underspend of £32k, within that is a significant pressure against residential care offset by savings within Assessment and Related staffing line. As with other client groups budget has been transferred from residential to address growing demand in other services, primarily supported accommodation. This transfer leaves a significant pressure within residential care. The saving in staffing results from vacancy management.
- Policy, Performance and Quality Assurance is underspending by £328k and reflects vacancy management as well as costs covered by grants/external funding.
- Although the Resources budget line is showing a small underspend of £36k, within this is an underspend on gross, and an under-

recovery of income. The underspend on gross primarily relates to the release of £300k from the Supporting People Reserve to fund some of the legal costs incurred last year on the Better Homes Active Lives PFI. The release from reserve is shown as a credit entry in revenue. The under-recovery in income is also primarily related to the release from reserve as the position is skewed by writing back of a debtor of £225k which is shown as a debit entry in revenue. The debtor was raised last year in respect of contributions expected from District Councils towards the legal costs, but now covered by the release from reserve.

(3) The latest position on the review of the capital programme, as reported to Cabinet in October, is included at Appendix 2.

Recommendations

4. (1) Members of the Policy Overview Committee are asked to note the projected outturn figures for the Directorate as at the October Cabinet report.

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