

By: Graham Gibbens, Cabinet Member for Adult Social Care and Public Health

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To: Adult Social Care and Public Health Policy Overview and Scrutiny Committee – 10 January 2012

Subject: **ADULT SOCIAL CARE BUDGET FORECAST AND SAVINGS REPORT 2011/12**

Classification: Unrestricted

Summary: A report on the updated quarter 2 forecast outturn against the budget for Kent Adult Social Care to include savings as at November 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 and includes an update on 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 Care Directorate will be presented to this Committee at the meetings following those Cabinet meetings. This will help inform this Policy Overview and Scrutiny Committee 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 Policy Overview and Scrutiny Committees 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.

Second Quarter Updated Monitoring report

3. (1) The revenue monitoring exception report for Adult Social Care was presented to Cabinet in December; this indicated an overall revenue under spend of £2.537m, which is a decrease in under spend of £0.044m to the forecast submitted in the second quarter's full monitoring report.

(2) The £2.537m under spend breaks down as follows:

- £3.522m Older People
- £0.119m Learning Disability
- +£1.801m Physical Disability
- £1.209m All Adults Assessment & Related
- +£0.467m Mental Health
- +£0.045m Management & Support

-£2.537m Total

(3) The forecast under spend on this portfolio has marginally reduced by £0.044m this month from £2.581m to £2.537m. Although only a small movement overall, there are some larger compensating movements within this. The movements over £0.1m this month are:

-£0.106m Strategic Management & Directorate Support – a reduction in the pressure from £0.151m to £0.045m, the majority of this is due to savings within the efficiency team, which is currently operating with a smaller structure than was budgeted for, together with smaller movements on safeguarding adults and strategic commissioning.

-£0.309m Learning Disability Direct Payments – an increase in the underspend from £0.224m to £0.533m mainly against the gross budget, as a result of a lower take up from that assumed in the budget.

+£0.318m Older People Direct Payments – a reduction in the under spend from £0.548m to £0.230m as a result of both an increase of 28 clients in the month, coupled with the expected continued growth to year end.

-£0.186m Physical Disability Direct Payments – a reduction in the pressure from £0.359m to £0.173m mainly against the gross budget, as a result of a lower take up than previously assumed.

-£0.166m Learning Disability Domiciliary Care – an increase in the underspend from £1.099m to £1.265m largely reflecting the restatement of the forecast based on the trend of payments to external providers.

+£0.158m Older People Nursing Care – a reduction in the underspend from £0.242m to £0.084m due to a decrease in the forecast income expected as a result of restating the forecast using the year to date up until the end of October and assuming that a similar pattern continues for the remainder of the year, based on the latest 3 months trend of client billing runs

-£0.176m Physical Disability Residential Care – a reduction in the pressure from £1.334m to £1.158m. This is mainly against the gross budget (-£0.151m) due to a net decrease of 5 clients, together with a slight over recovery of income against the Preserved Rights service.

+£0.508m Learning Disability Supported Accommodation – a reduction in the underspend from £0.599m to £0.091m. This is mainly due to:

- +£0.320m as a result of a specific bad debt provision, reflecting the directorate's prudence with regards to three S256 clients where three other local authorities are currently refusing to settle raised invoices;
- +£0.214m pressure as a result of net changes to 9 clients;
- £0.080m reduction in the block beds contract.

-£0.172m Assessment of Vulnerable Adults & Older People – an increase in the underspend from £0.865m to £1.037m. The main client groups contributing to this overall movement are Mental Health -£0.108m and Learning Disability -£0.061m. The Mental Health movement is primarily in relation to the deletion of the director and associated posts and formation of the MH Professional Assurance Team – Social Care. The Learning Disability movement is as a result of staff leaving and vacancy management.

Directorate Management & Support (ASC) -£106k – There is a reduction in the forecast of £106k, the majority of this is due to savings within the efficiency team, which is currently operating with a smaller structure than was budgeted for, with smaller movements on Safeguarding adults and strategic commissioning.

(4) This position assumes that all but £1.946m savings identified within the Medium Term Plan will be achieved.

	£'m
LD/PD Procurement	1.403
Slippage of Enhanced Domiciliary	0.100
Slippage of Jointly Owned Properties	0.040
Non residential charging	
Delay in implementing -NDI/DREA	0.403
Total	1.946

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 position against the revised budget of £6.853m, is a variance of £0.333m. The revised budget reflects the previously reported re-phasing of £5.334m in relation to both the Older Persons Strategy & IT related projects.

The further variance of £0.333m reflects the request to re-phase the following budgets:

	£'m
Swift Enhancements	-0.272
Other minor projects	-0.061
Total Re-phase	-0.333

The Swift enhancement project request to re-phase is mainly as a result of a delay in the acquisition of several enhancements whilst requirements are reviewed.

Recommendations

4. (1) Members of the Adults Social Care and Public Health Policy Overview and Scrutiny Committee are asked to NOTE the latest monitoring position for revenue, capital and savings.

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Background documents: None