

By: Oliver Mills, Managing Director Kent Adult Social Services

To: Adult Social Services Policy Overview Committee – 29 January 2008

Subject: **ADULT SOCIAL SERVICES BUDGET MONITORING 2007/08**

Classification: Unrestricted

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

For Information

1. Introduction

- 1.1 This report is the second of what will be a regular report to this Committee on the forecast outturn against budget for the Kent Adult Social Services Directorate.

2. 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 Kent 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 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

- 2.2 Armed with the above, 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.

3 Second Quarter monitoring report

- 3.1 The monitoring report for the second quarter for Adult Services is attached (Appendix 1) and this indicates an overall revenue pressure of £4,109k for the Directorate. This has increased from the position reported to POC in November, which was a pressure of £3,592k. A range of management actions designed to bring the Directorate back to a balanced position remain in place, however there are still increasing demographic pressures, which means that costs are increasing too. It is therefore considered prudent to forecast a year end pressure, after management action, of £1,915k.
- 3.2 The main areas to note within the second quarter's position are:
- Older People +£1,014k – whilst the number of residential placements continue to be significantly below target and are continuing to reduce, pressures remain within nursing and domiciliary care, with increases in the latter often resulting from being used as an alternative to residential care;
 - People with Learning Disabilities +£4,504k – this is due to on-going demographic increases, complexity of needs and price pressures within all main areas of expenditure, including residential, direct payments, and supported and other accommodation;
 - People with Physical Disabilities +£1,097k – as with Learning Disabilities, there are significant pressures across all services, but primarily direct payments, where increases are not matched by decreases elsewhere, and supported and other accommodation;
 - Assessment & Related -£706k – the increased underspend results from on-going management of vacancies and planned slippage of costs to try to reduce budget pressures in commissioning;
 - Older People Direct Services Unit +£261k – although significant pressure relating to utility and staffing costs remain, the position has improved following revised estimates and vacancy management;
 - Occupational Therapy Bureau -£175k – this results from absorbing pressures to fund replacement of hoists rather than using the provision created in the previous year, together with some slippage against planned recruitment;
 - Mental Health +£151k – although some pressures remain, the application of management action has significantly improved the position against this heading;
 - Other -£2,037k – this results from both management action around staffing vacancies as well as some specific savings. These include: £525k in training; £468k provision for SRP costs not now required; £122k part year savings on the establishment of a systems support team; and £248k underspend on facilities budgets within the Directorate.
- 3.3 The Directorate has reported an updated position to Cabinet on 14 January and this indicates a reduced pressure of £3,666k. The reduction has primarily resulted from successful management action within Older Persons, Mental Health and Other Services, however there is still concern that expenditure will reduce enough to achieve a balanced position by year end. The Directorate is therefore still reflecting a pressure of £1,915k after management action.

3.4 The Directorate continues to have significant slippage in its capital programme, and the value reported in the second quarter is now £4,974k, all of which has been re-phased into future years. The updated position as reported to Cabinet on 14 January, is a slightly increased level of slippage of £5,172k.

4 Recommendations

4.1 Members are asked to note the projected outturn figures for the Directorate as at the second quarter

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