

KENT ADULT SOCIAL SERVICES DIRECTORATE SUMMARY OCTOBER 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 to the executive summary.
- Cash limits have also been adjusted since the last full monitoring report to reflect a number of technical adjustments to budgets.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Adult Services portfolio							
Older People:							
- Residential Care	87,732	-29,891	57,841	230	-140	90	Demographic and placement pressures offset by one-off release of grant and additional income
- Nursing Care	42,753	-18,982	23,771	-508	138	-370	Demographic and placement pressures offset by one-off release of grant and additional income
- Domiciliary Care	45,964	-10,461	35,503	-1,704	590	-1,114	Reducing clients but more intensive packages
- Direct Payments	4,042	-327	3,715	-170	28	-142	Low unit cost/activity
- Other Services	21,894	-5,627	16,267	-532	12	-520	Balance of Managing Director's Contingency to offset overall pressure
Total Older People	202,385	-65,288	137,097	-2,684	628	-2,056	
People with a Learning Difficulty:							
- Residential Care	62,104	-9,946	52,158	3,302	-550	2,752	Demographic and placement pressures offset by additional income
- Domiciliary Care	5,822	-696	5,126	710	-215	495	Demographic pressures
- Direct Payments	3,772	-49	3,723	682	-18	664	Demographic pressures
- Supported Accommodation	7,247	-593	6,654	-999	91	-908	Less than expected activity
- Other Services	20,033	-1,970	18,063	83	11	94	Balance of Managing Director's Contingency to offset overall pressure
Total People with a LD	98,978	-13,254	85,724	3,778	-681	3,097	

Table 1

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
People with a Physical Disability							
- Residential Care	10,897	-1,649	9,248	1,621	-476	1,145	Demographic and placement pressures offset by additional income
- Domiciliary Care	8,039	-689	7,350	-511	156	-355	Forecast activity below affordable level
- Direct Payments	5,712	-247	5,465	243	-5	238	Forecast activity in excess of affordable level
- Supported Accommodation	604	-59	545	-304	59	-245	Forecast activity below affordable level
- Other Services	5,628	-972	4,656	31	17	48	Balance of Managing Director's Contingency to offset overall pressure
Total People with a PD	30,880	-3,616	27,264	1,080	-249	831	
All Adults Assessment & Related	35,122	-1,596	33,526	320	-170	150	Pressure of increments, low turnover and increasing numbers of referrals/assessments
Mental Health Service			0			0	
- Residential Care	6,441	-948	5,493	648	19	667	Increased activity, price pressures
- Domiciliary Care	874	0	874	180	-5	175	Forecast activity in excess of affordable level
- Direct Payments	234	0	234	45	0	45	
- Supported Accommodation	303	-62	241	-61	0	-61	
- Assessment & Related	10,131	-854	9,277	-501	14	-487	Vacancy management
- Other Services	6,569	-881	5,688	-191	1	-190	Balance of Managing Director's Contingency to offset overall pressure
Total Mental Health Service	24,552	-2,745	21,807	120	29	149	
Supporting People	32,957	0	32,957	-17	0	-17	
Gypsy & Traveller Unit	628	-279	349	39	-13	26	
People with no recourse to Public Funds	100	0	100	-20	0	-20	
Strategic Management	1,407	0	1,407	1	0	1	
Policy, Performance & Quality Assurance	6,152	-307	5,845	-484	5	-479	Vacancy management
Resources	14,666	-392	14,274	-656	87	-569	Release from reserve and provision, write back of debtor
Specific Grants	0	-35,111	-35,111	0	0	0	
Total Adult Services controllable	447,827	-122,588	325,239	1,477	-364	1,113	
Assumed Management Action				-1,113		-1,113	
Forecast after Mgmt Action				364	-364	0	

1.1.3 Major Reasons for Variance:

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

1.1.3.1 General Comment

The Directorate continues to face significant demographic pressures, primarily within services for People with Learning and Physical Disabilities, and although they are largely offset by underspends elsewhere, there remains an overall pressure of £1,113k.

Contributions to KASS from the Eastern & Coastal Kent PCT

As previously reported the Directorate secured funding from the Eastern & Coastal Kent PCT in late 2007/08 in respect of intermediate care proposals and services for patients leaving hospital and requiring social care. This funding has continued into 2008/09 and recognises the growing pressures that have been seen within our financial forecast on services for older people, and has allowed us to work jointly on a strategy for intermediate care across the East Kent area for 2008/09. The income and associated costs are included within the forecast.

1.1.3.2 Older People:

The overall net position is an underspend of £2,056k, and includes the release of the one-off Deferred Payments Loan of £1,256k from the Department of Health. Although there are underlying pressures remaining within residential and nursing care, particularly the increasing proportion of clients who are suffering from dementia, the Directorate is reporting a very significant underspend against domiciliary care resulting from a continuing reduction in the number of clients requiring this form of care.

a. Residential Care

There is a pressure of £230k against gross expenditure which includes the release of the proportion of the Deferred Payments Loan that relates to residential care (£628k). The number of clients in permanent placements in the independent sector was 2,916 in September. In terms of client weeks the forecast assumes 587 weeks more than is affordable at a cost of £219k. This primarily results from additional non-permanent/respite placements to assist clients to remain within their own homes. In addition the forecast unit cost is £373.78 per week against an affordable figure of £371.60 which has resulted in a pressure of £347k. This pressure reflects the increasing number of clients with dementia that the Directorate is having to contend with as placements are more expensive, and this trend can clearly be seen in table 2.1.2. There is an over-recovery in income of £250k resulting from activity levels which are higher than afforded in the budget.

It should also be noted that the residential budget was previously adjusted with funding transferred to the domiciliary and direct payments lines to support current levels of clients and/or expected growth in these services.

A pressure of £82k is forecast against Preserved Rights because the actual attrition rate is currently less than that assumed in the budget.

In house residential provision is showing a pressure of £210k on staffing because of the continuing need to cover sickness and absence with agency staff in order to meet care standards set by the regulator (Commission for Social Care Inspection - CSCI).

b. Nursing Care

There is an underspend of £508k on gross expenditure which includes the release of the proportion of the Deferred Payments Loan that relates to nursing care (£628k). Client numbers have decreased from 1,420 in June to 1,391 by the end of September, a figure more in line with the 1,386 seen in March. The forecast is assuming 1,432 weeks more than budget. The cost of these extra weeks is £649k. The unit cost is also forecast to be marginally lower than budget, £453.42 instead of £453.77, which reduces the pressure by £26k. The additional activity has resulted in increased income of £286k.

It is worth noting that there is some evidence to suggest that client numbers may have increased more than they have done but for the implementation of the National Framework for NHS Continuing Healthcare in October 2007. This greatly clarified when someone should receive NHS care with the result that many clients that may otherwise have received a service via KASS are now paid for directly by Health.

The attrition within Preserved Rights is actually higher than budgeted for and this has resulted in an underspend of £100k against gross expenditure.

There is currently an underspend of £402k against Registered Nursing Care Contributions with an identical under-recovery of income and is based on the latest estimates of client activity. Although realignment of gross and income has been considered it has not been requested because the forecast remains subject to changes throughout the year.

c. Domiciliary Care

This service remains the most volatile and difficult to forecast and currently this line is forecasting a very significant underspend against gross of £1,704k. The number of clients receiving packages of care from an independent sector provider continues to fall with the figure standing at 6,335 at the end of September. This is a significant drop from both the 6,739 in March and the 6,696 in June and as a result the forecast assumes 85,637 hours less than the budget, a saving of £1,270k. The forecast unit cost is slightly more expensive than affordable, at an additional cost of £211k. The average number of hours per client per week continues to increase with September showing 7.8 hours per week compared with 7.2 in March and 7.6 in June. This reflects the increasing number of clients with higher needs, including those with dementia, requiring more intensive packages to enable them to remain within their own homes. The higher unit cost reflects these intensive packages and the increasing number of clients requiring 'double-handers' (two carers). There has also been a significant reduction in the number of clients accessing the in-house domiciliary service and this is currently forecasting an underspend of £640k.

The reduced level of activity has meant a corresponding under-recovery in income of £590k.

It was estimated that the number of clients in residential would fall, with clients instead remaining in their own homes and receiving a domiciliary package, and as a consequence budget has transferred from residential care to domiciliary. However it may be the case that a growing proportion of clients with higher levels of need, particularly those with dementia, have no option but to go into residential care.

d. Direct Payments

Since March there has been a significant increase in the number of clients accessing a service via a direct payment – 694 in September compared with 626 clients in June and 518 in March – but a good number of these only require small payments to access transport to day-care facilities. These payments are well below the average cost per week afforded in the budget which helps to explain why this line is forecasting an underspend of £170k.

e. Other Services

The position is a £532k underspend against the gross budget with an under-recovery against income of £12k. There are small variances, both over and under, against a number of services, including meals, payments to voluntary organisations, occupational therapy equipment and in-house day-care, but the significant portion of the underspend relates to the £436k release of the remaining balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate.

1.1.3.3 People with a Learning Difficulty:

Overall the position for this client group is a net pressure of £3,097k. Services for this client group remain under extreme pressure as a result of both demographic and placement price pressures. As a result there continue to be significant forecast overspends against both residential and domiciliary care, as well as direct payments. The Directorate had hoped to achieve some significant savings by transferring clients from residential care to supported accommodation.

The impact of young adults transferring from Children's Services, many of whom have very complex needs and require a much higher level of support, continues to be felt. Alongside these so-called "transitional" placements are the increasing number of older learning disabled clients who are cared for at home by ageing parents who will begin to require more support. There are also more cases of clients becoming "ordinarily resident" in Kent. A client would become "ordinarily resident" when placed by another local authority in Kent and following de-registration of the home, the individual moves into supported accommodation.

a. Residential Care

Although the number of clients reduced from 633 in March to 623 in June, this figure has since increased to 635 in September, with the result that the forecast assumes 2,141 more weeks than is affordable. It should be noted that the Directorate had previously transferred a significant proportion of the cash limit from this line to support the increasing demand for services against domiciliary care, direct payments and supported accommodation. The additional weeks result in a pressure of £2,294k. The forecast unit cost is also above the affordable level which adds £338k to the position. The additional activity has resulted in an over-recovery of income of £429k.

The position on the pre-2002 Preserved Rights clients is also a pressure. Lower than expected attrition means that there are 720 more client weeks than budgeted for at a cost of £654k. However the actual unit cost is £907.76 per week which is just over £10 lower than the £918.05 budgeted for. This reduces the pressure by £232k. Also there is additional income from this extra activity of £105k.

As with Older People, in house residential provision is showing a pressure of £167k on staffing because of the need to cover sickness and absence with agency staff to meet CSCI care standards.

b. Domiciliary Care

Demand against this budget continues to be significant as the Directorate tries to support clients to remain at home rather than in a residential placement. The current forecast pressure of £710k is partially offset by additional income of £215k. The forecast for services provided through the independent sector assumes 27,794 hours more than is affordable, which with a cost per hour of £12.04 means a pressure of £335k. However the cost per hour is actually 31p less than affordable so when applied to affordable hours of 325,643 there is actually a saving of £101k. There has also been a significant increase in the number of clients accessing independent living services, especially a number with wide ranging and profound disabilities, with the result that this line is currently forecasting an overspend of £528k.

c. Direct Payments

Client numbers have increased from 338 in March and 365 in June to 424 in September which is significantly above the affordable level of 360 clients. This budget is therefore showing a pressure of £682k on gross expenditure with a small over-recovery on income of £18k.

d. Supported Accommodation

The overall position is an underspend on gross expenditure of £999k. It should be noted that budget was previously increased greatly to support expected growth in these services which has not happened as yet. The forecast assumes 1,268 weeks less than affordable resulting in a saving of £626k. The forecast unit cost is also below the affordable level which reduces the position by a further £291k. The reduced activity has resulted in an under-recovery of income of £91k.

e. Other Services

There is an overspend on gross of £83k but within this is the £264k release of the remaining balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. Alongside minor variances against a number of services including, supported employment, Learning Disability Development Fund and payments to voluntary organisations, is a much more significant pressure of £239k against in-house day services. Day-care provides much needed respite for carers which in turn helps to enable clients to remain at home rather than in a residential placement.

1.1.3.4 People with a Physical Disability:

There are similar pressures here to those for services for People with Learning Disabilities, especially demand and demographic pressures against residential care budgets. The overall position is a net pressure of £831k.

a. Residential Care

This line is forecasting a pressure against gross expenditure of £1,621k. Client numbers have increased from a figure of 207 in March to 214 in September and overall the forecast assumes 1,649 weeks of care above the affordable level. The additional cost of these weeks is £1,408k. The additional activity has resulted in an over-recovery income of £432k. The unit cost is also

forecast to be £854.05 per week as opposed to the £823.38 assumed within the budget, and this adds £325k.

It should be noted that the residential budget was adjusted in the first full monitoring return with funding transferred to domiciliary, direct payments and supported accommodation to support current levels of clients and/or expected growth in these services.

The attrition within Preserved Rights is actually higher than budgeted for and this has resulted in an underspend of £160k against gross expenditure.

b. Domiciliary Care

The forecast is for an underspend of £511k on gross and an under-recovery in income of £156k. The adjusted budget gives an affordable level of activity which is currently in excess of actual demand. It is anticipated that spend will increase in the remaining months of the year as more clients remain at home rather than enter residential care.

c. Direct Payments

This budget is currently forecasting a pressure of £243k, with a small over-recovery of income. The number of clients has increased from 547 in March and 586 in June to 620 in September, which is 58 clients more than is currently affordable.

d. Supported Accommodation

There is an underspend on gross expenditure of £304k with an under-recovery in income of £59k as client numbers remain slightly below what is affordable. As with domiciliary, the supported accommodation budget was previously increased at the expense of residential care and gives an affordable level of in excess of actual demand. Again it is anticipated that spend will increase in the remaining months of the year as more clients remain in the community rather than enter residential care, especially as existing clients in residential care are being reviewed, and where appropriate transferred back into the community.

e. Other Services

The current forecast is a pressure of £31k on gross, however within this is an underspend of £90k following release of the balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. The remaining budgets, which include day-care, OT equipment, sensory disabilities unit, payments to voluntary organisations and assisted telephones are showing small variances.

1.1.3.5 **All Adults Assessment & Related:**

There is a pressure against gross expenditure of £320k, with an over-recovery in income of £170k. As a result there is currently a hold on recruitment for all non-essential posts. An impact assessment is also currently being undertaken on the use of agency staff to inform any decision that may be taken to reduce their numbers or move to a position of no agency staff. The over-recovery in income relates to additional one-off contributions from Health.

For several years now the Directorate has taken the decision not to fund the cost of increments on the assumption that staff turnover will cover this cost. However there is some evidence, including from the staff survey that the level of turnover is reduced on previous years, and this has impacted on the forecast. The forecast also includes the additional costs of their travel due to the recent increases.

1.1.3.6 **Mental Health Service:**

The overall position for Mental Health is a pressure of £149k.

a. Residential Care

Although the number of clients has remained at 270 this budget continues to report a significant pressure of £648k against gross expenditure. This is mainly due to the fact that cash limit has been transferred to Supported Accommodation to reflect the changed priorities in the Directorate and the desire for clients to remain within a community based setting. It is hoped that the application of good financial practice and delaying planned placements will start to reduce this pressure. Where appropriate, specialist resettlement teams will work to get clients out of residential care and into the community.

b. Domiciliary Care

This line is forecasting a pressure of £180k against gross expenditure. Demand against this budget is significant as the Directorate tries to support clients to remain at home rather than in a residential placement.

c. Assessment & Related

A significant underspend of £501k on gross expenditure is being forecast as a result of the vacancy management necessary to offset the pressure within residential care. Savings also accrue from difficulties experienced in recruiting to senior posts in both social care and health.

d. Other Services

The current forecast is an underspend of £191k on gross, however within this is £69k released as the balance of the Contingency held by the Managing Director to offset the overall pressure within the Directorate. The forecasts against the remaining budgets, including day-care, payments to voluntary organisations, facilities, and community services, make up the remaining underspend of £122k.

1.1.3.7 **Policy, Performance & Quality Assurance:**

The gross budget is estimated to underspend by £484k which is spread across a number of teams both at Headquarters and in the two Areas and reflects savings through vacancy management. There are also cases where costs have been funded through a grant. For example several posts are either partly or totally covered through the Whole Systems Demonstrator (Telecare/Telehealth) funding awarded by the Department of Health. Backfilling of posts has either been done at a lower cost or the post has not been covered, both of which have added to the underspend.

1.1.3.8 **Resources:**

There is a £656K underspend on gross expenditure. Within this is a credit of £300k released from the Supporting People reserve to fund some of the legal costs incurred in 2007/08 on the Better Homes Active Lives PFI as agreed by the Supporting People Commissioning Body. The release from reserve is shown as a credit entry in revenue and offsets the £225K debit against income as outlined below. The remaining £75K released from reserve reduces the Directorate's position as the costs were incurred last year.

This line is also benefitting from the release of the provision set up in respect of the costs of client billing. The provision was set up at the end of 2007/08 because of uncertainty around the replacement grant for Social Care IT Infrastructure Capital grant from the Department of Health. However the Directorate has since been notified that it will receive £362k in 2008/09 thereby allowing release of this amount from the provision to offset the overall revenue pressure within the Directorate.

The current income position is an under-recovery of £87k. The position is skewed by the writing back (to revenue as a debit) of a debtor for £225K set up in 2007/08 in respect of contributions from District Councils towards the legal costs of the Better Homes Active Lives PFI scheme. The contribution will instead come from the Supporting People reserve as described above. In addition we are expecting income from Medway Council in respect of Enhanced Pensions as well as contributions from District Councils involved in the new Excellent Homes For All PFI scheme.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	LD Residential gross - activity in excess of affordable level in independent sector placements	+2,294	KASS	Older People Domiciliary gross - reduction in hours in independent care	-1,270
KASS	PD Residential gross - activity in excess of affordable level in independent sector placements	+1,408	KASS	Older People Domiciliary gross - reduction in in-house hours	-640
KASS	LD Direct Payments gross - activity in excess of affordable level	+682	KASS	Older People Residential gross - release of Deferred Payments Loan from DoH	-628
KASS	LD Residential gross - Preserved Rights reduced attrition	+654	KASS	Older People Nursing gross - release of Deferred Payments Loan from DoH	-628
KASS	Older People Nursing gross - activity in excess of affordable level in independent sector	+649	KASS	LD Supported Accommodation gross - activity below affordable level	-626
KASS	MH Residential gross - tfr of clients to supported accommodation not yet happened	+648	KASS	PD Domiciliary gross - activity below affordable level	-511
KASS	Older People Domiciliary income - under-recovery of income due to lower activity	+590	KASS	MH Assessment & Related gross - vacancy management	-501
KASS	LD Domiciliary gross - pressure against Independent Living Scheme	+528	KASS	PPQA gross - vacancy management	-484
KASS	Older People Nursing income - under recovery of income due to lower RNCC activity	+402	KASS	Older People Other Services - release of the balance of the Managing Director's contingency	-436
KASS	Older People Residential gross - pressure relating to change in unit cost in independent sector placements	+347	KASS	PD Residential gross - additional income through additional activity	-432
KASS	LD Residential gross - pressure relating to change in unit cost of independent sector placements	+338	KASS	LD Residential income - additional income resulting from additional activity	-429
KASS	LD Domiciliary gross - activity in excess of affordable level	+335	KASS	Older People Nursing gross - RNCC activity below affordable	-402
KASS	PD Residential gross - pressure relating to change in unit cost of independent sector placements	+325	KASS	Resources gross - release of client billing provision	-362
KASS	All Adults Assessment & Related Gross - staffing pressures	+320	KASS	PD Supported Accommodation gross - activity below affordable	-304
KASS	PD Direct Payments gross - activity in excess of affordable level	+243	KASS	Resources gross - release of Supporting People reserve to fund PFI legal costs	-300
KASS	LD Other Services gross - in-house day services in excess of affordable level	+239	KASS	LD Supported Accommodation gross - difference in unit cost	-291
KASS	Resources income - write back of PFI debtor	+225	KASS	Older People Nursing income resulting from additional activity	-286
KASS	Older People Residential gross - activity in excess of affordable level in independent sector	+219	KASS	LD Other Services - release of the balance of the Managing Director's contingency	-264

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
KASS	Older People Residential gross - in house provision staffing costs	+210	KASS	Older People Residential income resulting from additional activity	-250
KASS	Older People Domiciliary gross - pressure relating to change in unit cost in independent sector placements	+206	KASS	LD Residential gross - Preserved Rights change in unit cost	-232
KASS	MH Domiciliary gross - activity in excess of affordable level	+180	KASS	LD Domiciliary income resulting from additional activity	-215
KASS	LD Residential gross - in house provision staffing	+167	KASS	All Adults Assessment & Related one-off income from Health	-170
KASS	PD Domiciliary income - under-recovery of income due to lower activity	+156	KASS	Older People Direct Payments gross - lower unit cost & activity	-170
			KASS	PD Residential gross - Preserved Rights increased attrition	-160
			KASS	LD Residential income resulting from additional Preserved Rights activity	-105
			KASS	Learning Domiciliary gross - change in unit cost in independent sector	-101
			KASS	Older People Nursing gross - Preserved Rights increased	-100
		+11,365			-10,297

1.1.4 Actions required to achieve this position:

The forecast pressure of £1,113k assumes that most of the savings identified within the MTP will be achieved however it is unlikely that the Directorate will be able to deliver the whole saving against Learning Disability residential as moving the required number of clients into supported accommodation is proving more difficult than anticipated. Despite this the Directorate remains confident that other savings, through the application of Good Financial Practice, will be found to ensure that a balanced budget is achieved by the end of the year. The management actions, or 'Guidelines for Good Financial Practice' as they are now referred to, required to address the residual pressure is referred to in section 1.1.7 below.

1.1.5 Implications for MTP:

Although the MTP assumes a breakeven position for 2008/09 it does also assume an underlying pressure of £1,256k as this year's position has been reduced by the same amount in respect of the one-off Deferred Payments Loan.

1.1.6 Details of re-phasing of revenue projects:

No revenue projects have been identified for re-phasing.

1.1.7 Details of proposals for residual variance:

The KASS Management Team have previously refined the 'Guidelines for Good Financial Practice', which were referred to as 'Management Action Plans' in 2007-08. Details of these guidelines were provided to Cabinet in September. Robust monitoring arrangements are in place on a monthly basis to ensure that all areas and HQ budgets are aggressively challenged and monitored.

Also it should be noted that at this time of the year, as managers become more confident in their forecasts, that forecasts begin to fall over the autumn months, especially on non-direct services.

The KASS Directorate is wholly committed to delivering a balanced outturn position by the end of the year. The range of innovations that the Directorate has implemented will help us to achieve this, for example telehealth and telecare through the successful investment of the 'Whole Systems Demonstrator Programme', and extra care sheltered housing as the new units come on stream in the next few months.

The guidelines are currently expected to balance the £1,113k forecast pressure by year end.

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The revised capital cash limits agreed by Cabinet on 13 October 2008 are now being used for monitoring purposes and are reflected in this report. However, these differ from the cash limits shown in appendix 3 of the October Cabinet report, as the cash limits reflected in this report only include those projects starting in the current or previous years, whereas the cash limits approved by Cabinet in October also include projects due to start in future years of the 2008-11MTP.

In addition to the changes agreed by Cabinet on 13 October, there has been a further change to the capital cash limit as follows:

	2008-09 £000s
▪ Income from the Strategic Health Authority for Learning Disability Development Fund (LDDF) Partnership projects	300

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp	2008-09	2009-10	2010-11	Future Yrs	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s
Kent Adult Social Services portfolio						
Budget approved at Oct Cabinet	11,602	4,998	8,260	5,531	4,960	35,351
Adjustments:						
- LDDF income from SHA		300				300
-						0
						0
Revised Budget	11,602	5,298	8,260	5,531	4,960	35,651
Variance		984	-567			417
split:						
- real variance		+417				+417
- re-phasing		+567	-567			0
Real Variance		+417	0	0	0	+417
Re-phasing		+567	-567	0	0	0

1.2.3 **Main Reasons for Variance**

Table 4 below, details all forecast capital variances over £250k in 2008-09 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
KASS	Crispe House - Rephase	Phasing		+567		
KASS	Broadmeadow	Real		+417		
			+0	+984	+0	+0
Underspends/Projects behind schedule						
			-0	-0	-0	-0
			+0	+984	+0	+0

1.2.4 Projects re-phasing by over £1m:

None

1.2.5 Projects with real variances, including resourcing implications:

[All real variances need to be explained in this section]

The true underlying variance is +£417k which relates to the Broadmeadow project. This reflects the full outcome of the mediation process with the architects and the contractors. Discussions are currently underway as to how this pressure is to be funded.

1.2.6 General Overview of capital programme:

(a) Risks

Most of the directorate's capital programme was to be funded by back-to-back receipts. In the current climate of falling property prices and uncertainty over sales, this funding stream is risky.

(b) Details of action being taken to alleviate risks

In order to minimise the risk to the KASS capital programme, all of the properties for disposal which were not at advanced stages of negotiation have been put into PEF2. For KASS, this means that the value of funding may be below that which was originally sought. KASS are currently undertaking work to ensure that the PEF2 funding is adequate for the projects.

1.2.7 PFI projects

- PFI Housing

The £72.489m investment in the PFI Housing project represents investment by a third party. No payment is made by KCC for the new/refurbished assets until the asset are ready for use and this is by way of an annual unitary charge to the revenue budget.

	Previous years	2008-09	2009-10	2010-11	TOTAL
	£000s	£000s	£000s	£000s	£000s
Budget	8,892	51,818	11,779	-	72,489
Forecast	8,892	51,818	11,779	-	72,489
Variance	-	-	-	-	-

(a) **Progress and details of whether costings are still as planned** (for the 3rd party)

Overall costings are still as planned.

(b) **Implications for KCC of details reported in (a). i.e. could an increase in the cost result in a change to the unitary charge?**

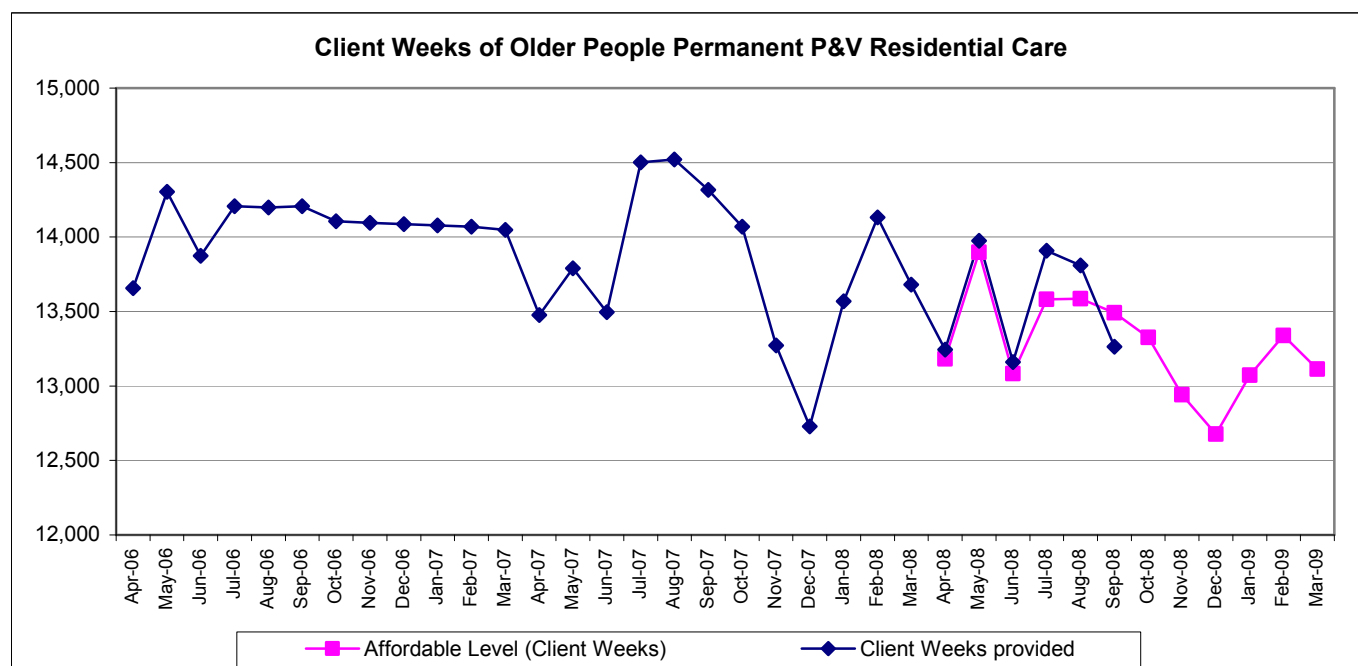
The unitary charge is not subject to indexation as the contractor has agreed to a fixed price for the duration of the contract. Deductions will be made during the contract period if performance falls below the standards agreed or if the facilities are unavailable for use.

During the contract period if one of the partners proposes a change that either results in increased costs or a change in the balance of risk, this must be taken to the Project Board for agreement. Each partner has a vote and any decision resulting in a change to the costs or risks would need unanimous approval.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1.1 Number of client weeks of older people permanent P&V residential care provided compared with affordable level:

	2006-07		2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided
April		13,656		13,476	13,181	13,244
May		14,303		13,789	13,897	13,974
June		13,875		13,495	13,084	13,160
July		14,207		14,502	13,581	13,909
August		14,199		14,520	13,585	13,809
September		14,206		14,316	13,491	13,264
October		14,105		14,069	13,326	
November		14,095		13,273	12,941	
December		14,086		12,728	12,676	
January		14,077		13,568	13,073	
February		14,069		14,131	13,338	
March		14,049		13,680	13,114	
TOTAL	167,393	168,928	169,925	165,546	159,287	81,360

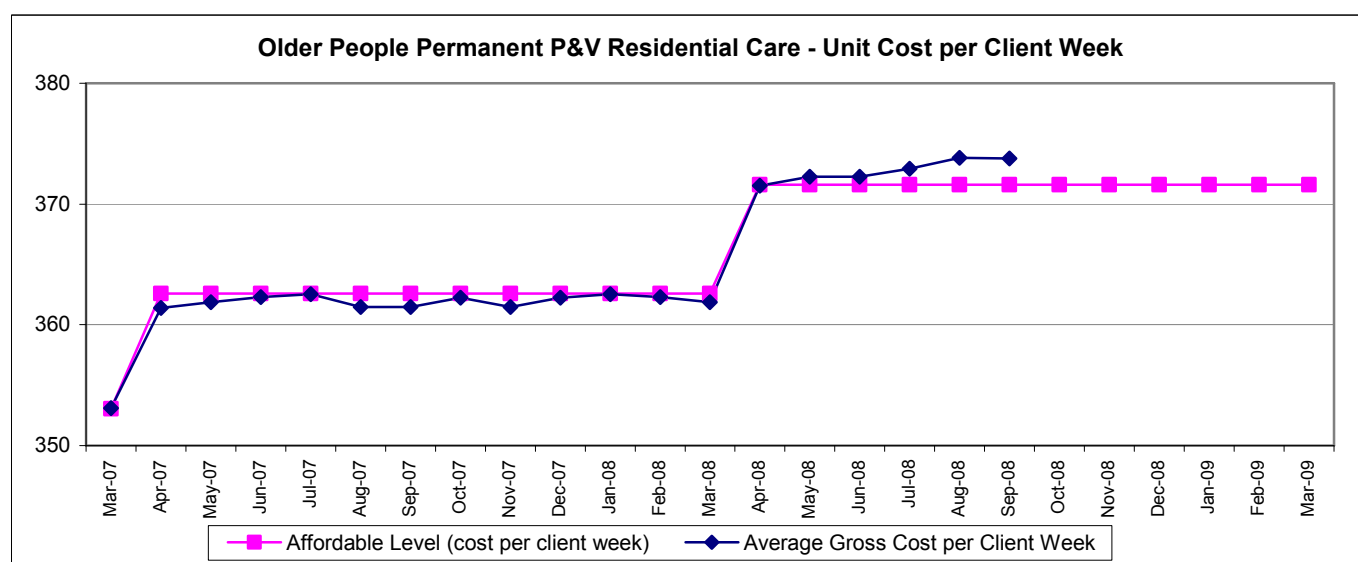


Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent P&V residential care at the end of 2006-07 was 3,045, at the end of 2007-08 it was 2,917 and at the end of September 2008 it was 2,916. It is evident that there are ongoing pressures relating to clients with dementia. During this year, the number of clients with dementia have increased from 1,113 in April to 1,168 in September, whilst the other residential clients have decreased.
- The current forecast is 159,874 weeks of care against an affordable level of 159,287, a difference of 587 weeks. Using the forecast unit cost of £373.78 this additional activity adds £219k to the forecast, as highlighted in section 1.1.3.2.a.
- To the end of September 81,360 weeks of care have been delivered against an affordable level of 80,819, a difference of 541 weeks.

2.1.2 Average gross cost per client week of older people permanent P&V residential care compared with affordable level:

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April			362.60	361.41	371.60	371.54
May			362.60	361.90	371.60	372.28
June			362.60	362.31	371.60	372.27
July			362.60	362.56	371.60	372.94
August			362.60	361.50	371.60	373.84
September			362.60	361.50	371.60	373.78
October			362.60	362.27	371.60	
November			362.60	361.50	371.60	
December			362.60	362.27	371.60	
January			362.60	362.56	371.60	
February			362.60	362.31	371.60	
March	353.04	353.10	362.60	361.90	371.60	

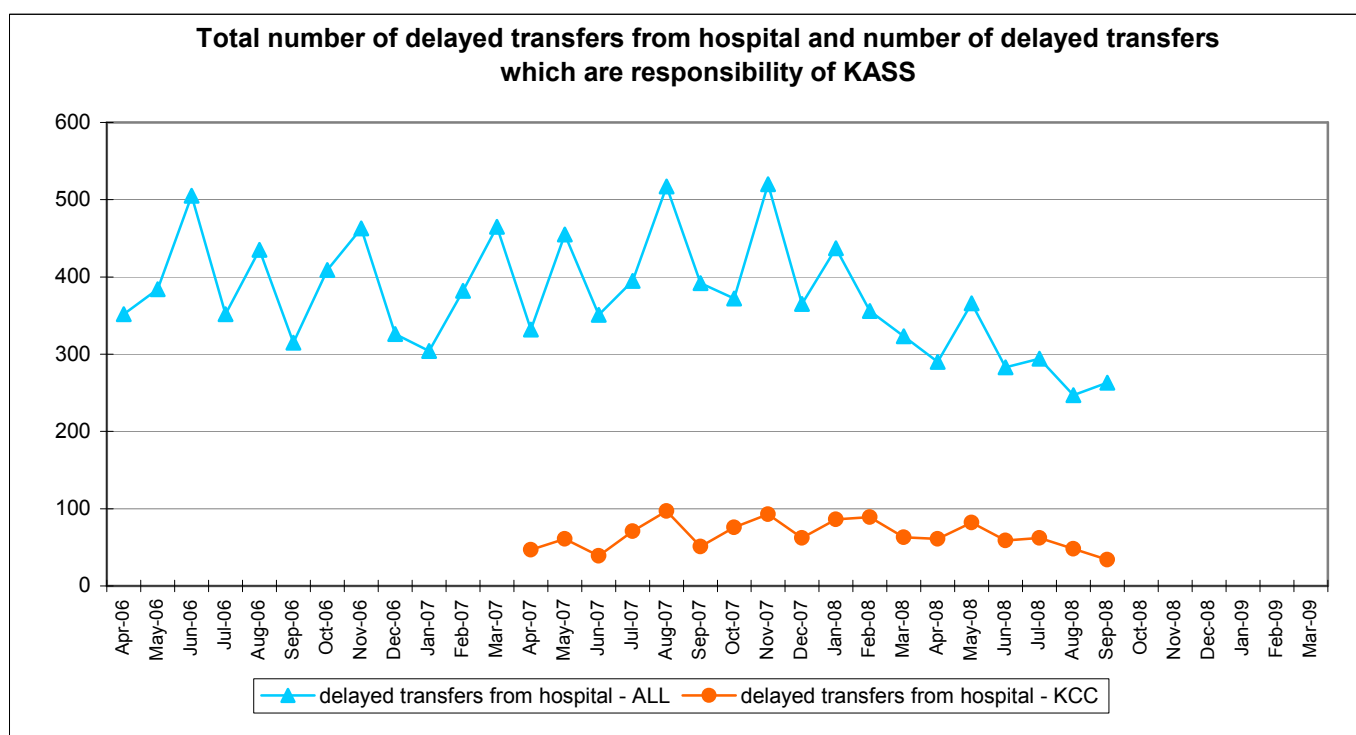


Comments:

- Average unit cost per week has increased more than inflation and is likely to reflect the increasing numbers of clients with dementia.
- The forecast unit cost of £373.78 is higher than the affordable cost of £371.60 and this difference of £2.18 adds £347k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.2.a.

2.1.3 Total of All Delayed Transfers from hospital compared with those which are KASS responsibility:

	2006-07		2007-08		2008-09	
	ALL	KASS responsibility	ALL	KASS responsibility	ALL	KASS responsibility
April	352		332	47	290	61
May	384		455	61	366	82
June	505		351	39	283	59
July	352		395	71	294	62
August	435		517	97	247	48
September	315		392	51	263	34
October	409		372	76		
November	463		520	93		
December	326		365	62		
January	304		437	86		
February	382		356	89		
March	465		323	63		

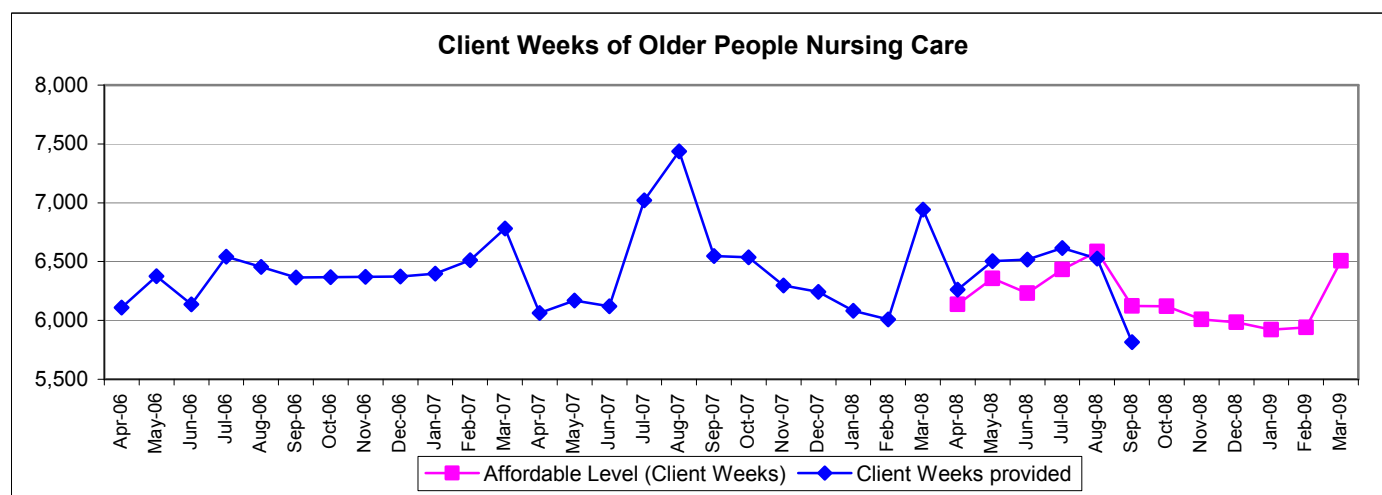


Comments:

- The Delayed Transfers of Care (DTCs) show the numbers of people whose movement from an acute hospital has been delayed. Typically this may be because they are waiting for an assessment to be completed, they are choosing a residential or nursing home placement, or waiting for a vacancy to become available. This figure shows all delays, but those attributable to Adult Social Services, and therefore subject to the reimbursement regime, are a minority. There are many reasons for fluctuations in the number of DTCs which result from the interaction of various different factors within a highly complex system across both Health and Social Care. The average number of delayed transfers per week is on a steadily reducing trend from a peak in the second quarter of 2007/08. Approximately 13%-22% of these will be the responsibility of Social Services and trends over the last three months show a decreasing trend.

2.2.1 Number of client weeks of older people nursing care provided compared with affordable level:

	2006-07		2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided
April		6,109		6,062	6,137	6,263
May		6,375		6,170	6,357	6,505
June		6,136		6,120	6,233	6,518
July		6,542		7,020	6,432	6,616
August		6,454		7,436	6,586	6,525
September		6,366		6,546	6,124	5,816
October		6,368		6,538	6,121	
November		6,371		6,298	6,009	
December		6,374		6,243	5,984	
January		6,399		6,083	5,921	
February		6,513		6,008	5,940	
March		6,780		6,941	6,507	
TOTAL	74,256	76,786	74,707	77,463	74,351	38,243

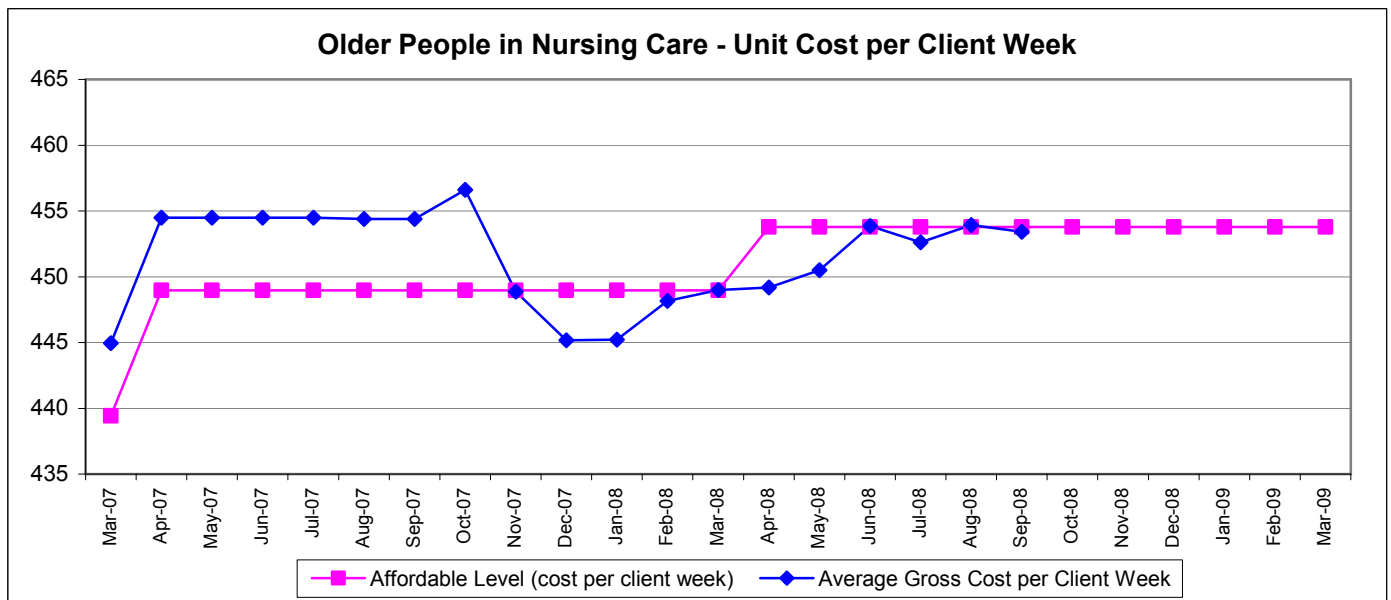


Comment:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2006-07 was 1,387, at the end of 2007-08 it was 1,386, at the end of June it was 1,420 and these levels have decreased to 1,391 by the end of September. In nursing care, there is not the same distinction between clients with dementia, as with residential care. The difference in intensity of care for nursing care and nursing care with dementia is not as significant as it is for residential care.
- The current forecast is 75,783 weeks of care against an affordable level of 74,351, a difference of 1,432 weeks. Using the forecast unit cost of £453.42 this additional activity adds £649k to the forecast, as highlighted in section 1.1.3.2.b.
- To the end of September 38,243 weeks of care have been delivered against an affordable level of 37,869, a difference of 374 weeks.
- There are always pressures in permanent nursing care which may occur for many reasons. Although numbers are decreasing at the present, significant issues still remain. There will always be pressures which the directorate face, for example the knock on effect of minimising delayed transfers of care. Demographic changes – increasing numbers of older people with long term illnesses – also means that there is an underlying trend of growing numbers of people needing more intense nursing care. This is further supported by the increasing age of older people entering residential and nursing care. In 2000, 4.5% of placements were made for people aged 94+. This year, this is 7.5% and is likely to mean that these people will require more intense support. If they are not placed in nursing care, then an alternative needs to be found.

2.2.2 Average gross cost per client week of older people nursing care compared with affordable level:

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April			448.98	454.50	453.77	449.18
May			448.98	454.50	453.77	450.49
June			448.98	454.50	453.77	453.86
July			448.98	454.50	453.77	452.61
August			448.98	454.40	453.77	453.93
September			448.98	454.40	453.77	453.42
October			448.98	456.60	453.77	
November			448.98	448.88	453.77	
December			448.98	445.16	453.77	
January			448.98	445.22	453.77	
February			448.98	448.17	453.77	
March	439.42	444.94	448.98	449.00	453.77	

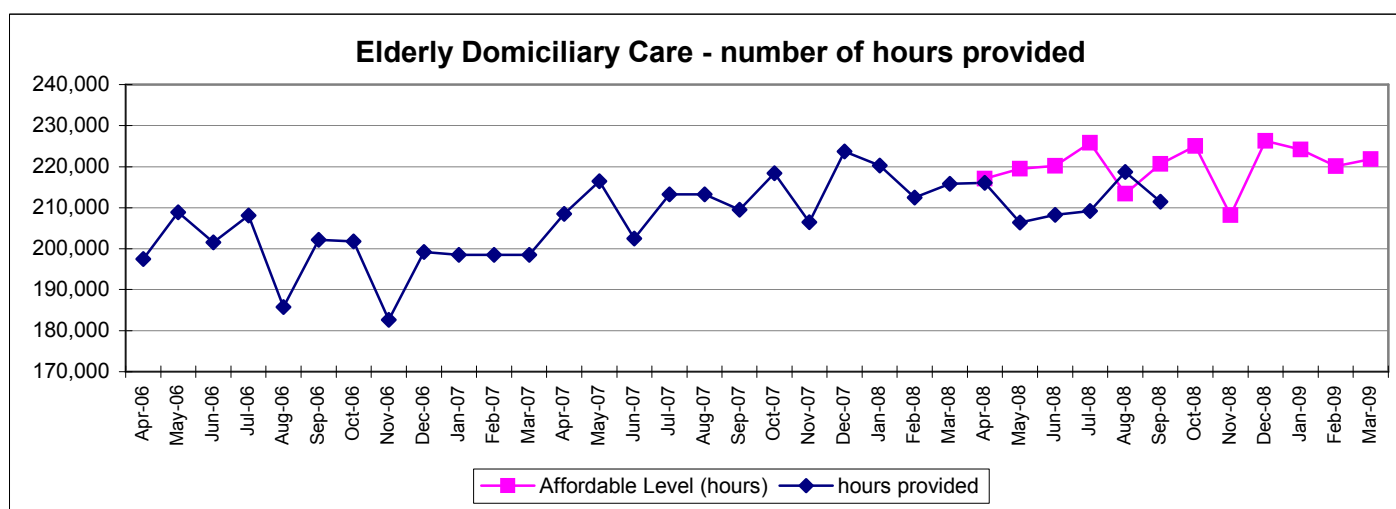
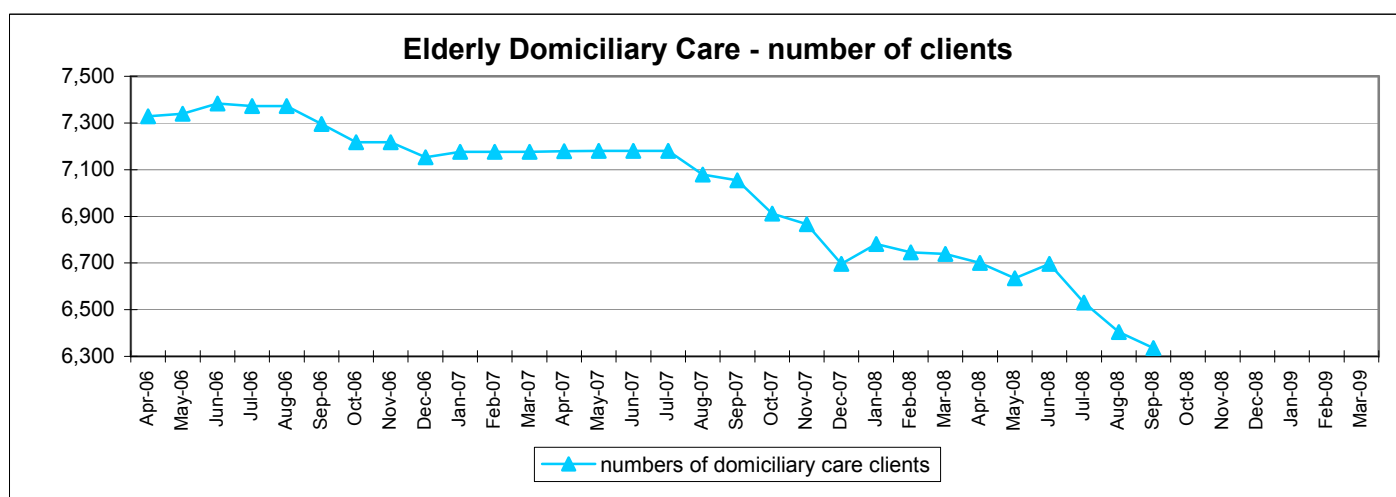


Comments:

- The forecast unit cost of £453.42 is slightly below the affordable cost of £453.77 but does fluctuate with the differing placements within it (Non OPMH, OPMH and non permanent). The difference in unit cost of 35p reduces the position by £26k when multiplied by the affordable weeks, as highlighted in section 1.1.3.2.b.

2.3.1 Elderly domiciliary care – numbers of clients and hours provided in the independent sector:

	2006-07			2007-08			2008-09		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
April		197,531	7,329		208,524	7,179	217,090	215,448	6,700
May		208,870	7,339		216,477	7,180	219,480	218,200	6,635
June		201,559	7,383		202,542	7,180	220,237	218,557	6,696
July		208,101	7,373		213,246	7,180	225,841	209,230	6,531
August		185,768	7,373		213,246	7,079	213,436	218,739	6,404
September		202,227	7,295		209,504	7,054	220,644	211,487	6,335
October		201,815	7,218		218,397	6,912	225,012		
November		182,608	7,218		206,465	6,866	208,175		
December		199,235	7,153		223,696	6,696	226,319		
January		198,524	7,177		220,313	6,782	224,175		
February		198,524	7,177		212,499	6,746	220,135		
March		198,524	7,177		215,865	6,739	221,875		
TOTAL	2,462,712	2,383,286		2,610,972	2,560,774		2,642,419	1,291,661	



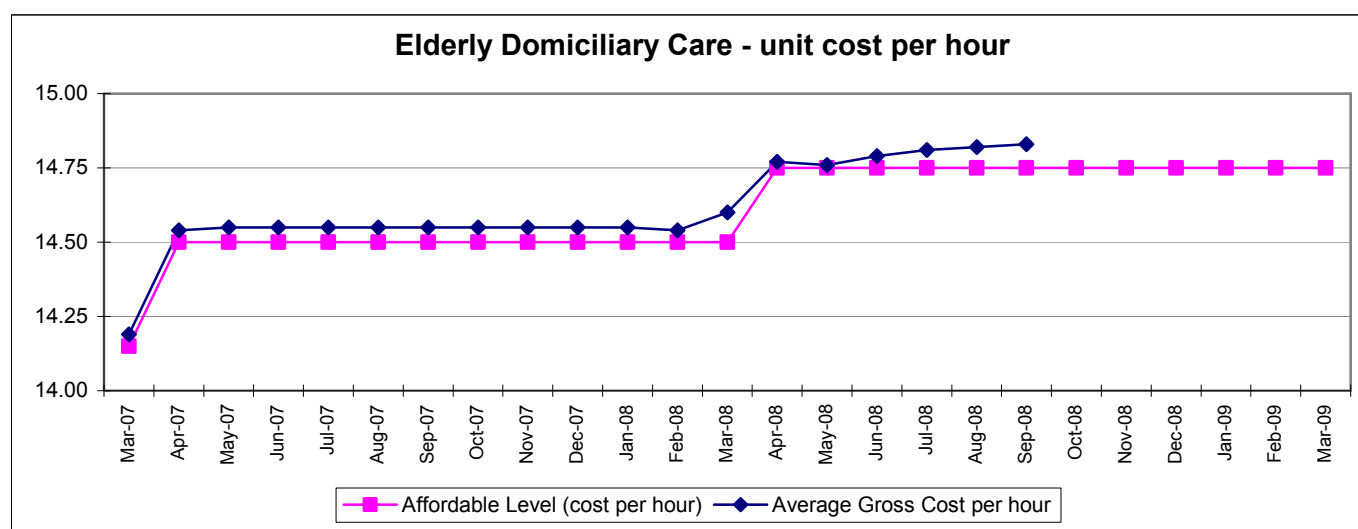
Comments:

- Figures exclude services commissioned from the Kent HomeCare Service.
- The current forecast is 2,566,782 hours of care against an affordable level of 2,642,419, a difference of 85,637 hours. Using the forecast unit cost of £14.83 this reduction in activity reduces the forecast by £1,270k, as highlighted in section 1.1.3.2.c.
- To the end of September 1,291,661 hours of care have been delivered against an affordable level of 1,316,728 a difference of 25,067 hours.

- The decrease in numbers of people receiving domiciliary care is partly as a result of the increase in direct payments. This is not linked to nursing care placements, as the two cohorts of service users are completely different. There are a number of other factors reducing the need for formal domiciliary care. Ongoing service developments with the voluntary sector and other organisations mean that we continue to prevent people from needing 'mainstream' domiciliary care, and they can access services, very often involving social inclusion (e.g. luncheon clubs and other social activities), without having to undergo a full care management assessment. Public health campaigns and social marketing aimed at improving people's health is already starting to result in healthier older people. Increase in the use of Telecare and Telehealth similarly reduces the need for domiciliary care, and it is possible that this trend will continue despite the growth in numbers of older people. In addition, intermediate and recuperative care provides intensive support to increasing numbers of people, which allows them to return home with little or no support at all, or prevents them from entering hospital, or needing intense services. Our LAA/Kent Agreement target on intermediate care focuses on this very issue.

2.3.2 Average gross cost per hour of older people domiciliary care compared with affordable level:

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour
April			14.50	14.54	14.75	14.77
May			14.50	14.55	14.75	14.76
June			14.50	14.55	14.75	14.79
July			14.50	14.55	14.75	14.81
August			14.50	14.55	14.75	14.82
September			14.50	14.55	14.75	14.83
October			14.50	14.55	14.75	
November			14.50	14.55	14.75	
December			14.50	14.55	14.75	
January			14.50	14.55	14.75	
February			14.50	14.54	14.75	
March	14.15	14.19	14.50	14.60	14.75	

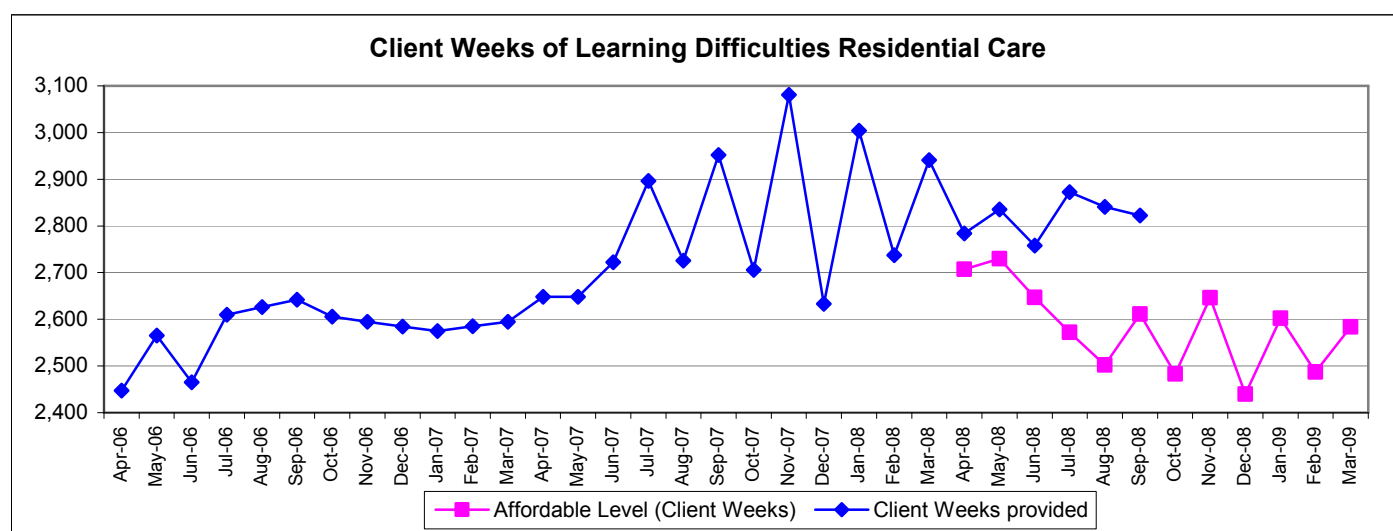


Comments:

- Average unit cost is increasing and is likely to reflect the same issues outlined above concerning more intense packages and higher levels of need.
- The forecast unit cost of £14.83 is slightly higher than the affordable cost of £14.75 and this difference of 8p increases the pressure by £211k when multiplied by the affordable hours, as highlighted in section 1.1.3.2.c.

2.4.1 Number of client weeks of learning difficulties residential care provided compared with affordable level (non preserved rights clients):

	2006-07		2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided
April		2,447		2,648	2,707	2,784
May		2,565		2,648	2,730	2,836
June		2,465		2,722	2,647	2,758
July		2,610		2,897	2,572	2,872
August		2,626		2,725	2,502	2,841
September		2,642		2,952	2,611	2,822
October		2,606		2,706	2,483	
November		2,595		3,081	2,646	
December		2,584		2,633	2,440	
January		2,575		3,004	2,602	
February		2,585		2,737	2,487	
March		2,595		2,941	2,584	
TOTAL	30,984	30,895	30,984	33,695	31,011	16,913

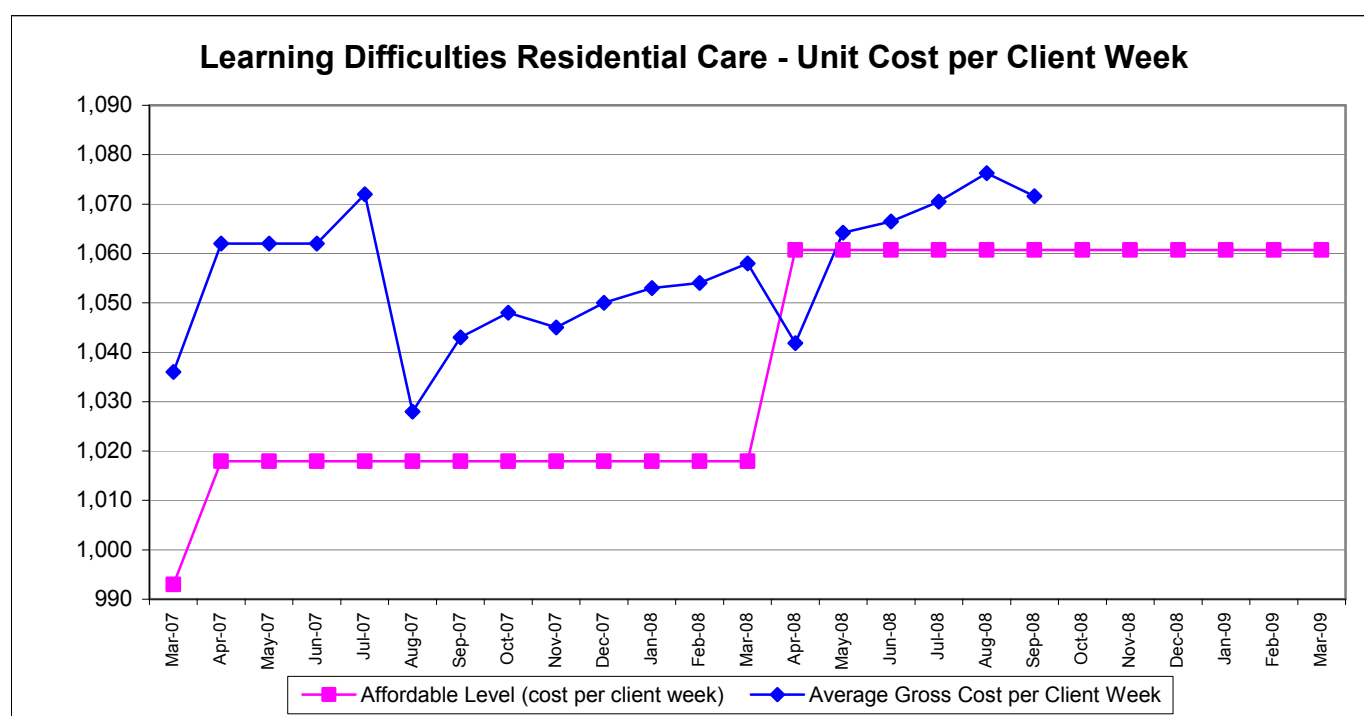


Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2006-07 was 615, at the end of 2007-08 it was 633 and at the end of June 2008 it was 623 and at the end of September it was 635.
- The current forecast is 33,152 weeks of care against an affordable level of 31,011, a difference of 2,141 weeks. Using the forecast unit cost of £1,071.59 this additional activity adds £2,294k to the forecast, as highlighted in section 1.1.3.3.a.
- To the end of September 16,913 weeks of care have been delivered against an affordable level of 15,769, a difference of 1,144 weeks.

2.4.2 Average gross cost per client week of Learning Difficulties residential care compared with affordable level (non preserved rights clients):

	2006-07		2007-08		2008-09	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April			1,018.00	1,062.00	1,060.70	1,041.82
May			1,018.00	1,062.00	1,060.70	1,064.19
June			1,018.00	1,062.00	1,060.70	1,066.49
July			1,018.00	1,072.00	1,060.70	1,070.50
August			1,018.00	1,028.00	1,060.70	1,076.27
September			1,018.00	1,043.00	1,060.70	1,071.59
October			1,018.00	1,048.00	1,060.70	
November			1,018.00	1,045.00	1,060.70	
December			1,018.00	1,050.00	1,060.70	
January			1,018.00	1,053.00	1,060.70	
February			1,018.00	1,054.00	1,060.70	
March	993.00	1,036.00	1,018.00	1,058.00	1,060.70	

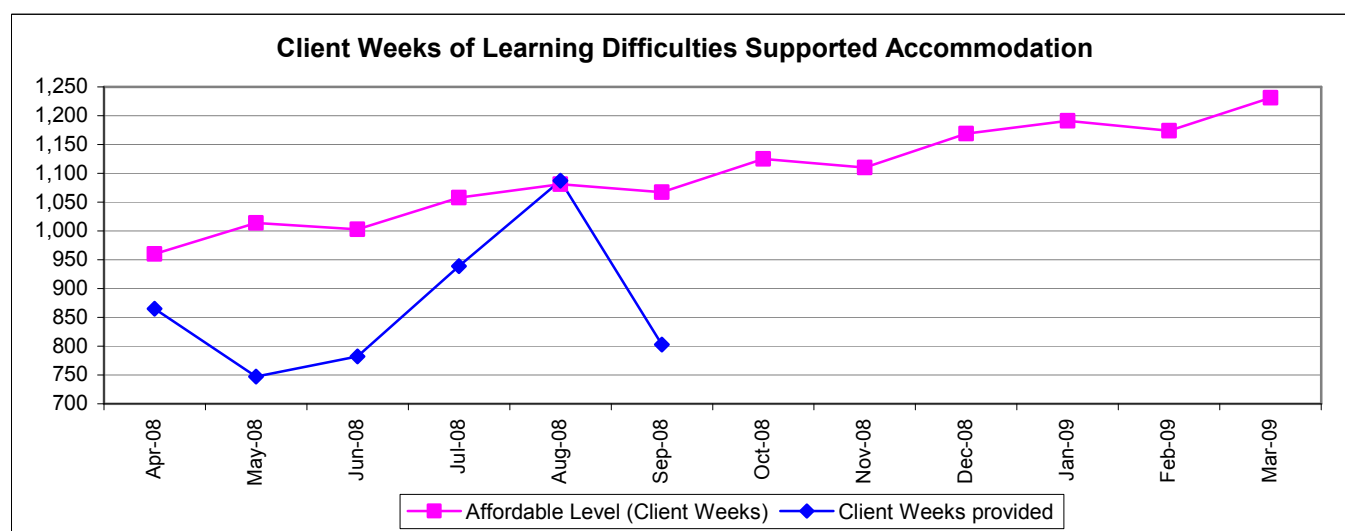


Comments:

- Clients being placed in residential care are those with very complex needs which makes it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,000 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be the very high cost ones – some of whom can cost up to £2,000 per week.
- The forecast unit cost of £1,071.59 is higher than the affordable cost of £1,060.70 and this difference of £10.89 adds £338k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.3.a.

2.5.1 Number of client weeks of learning difficulties supported accommodation provided compared with affordable level:

	2007-08		2008-09	
	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided
April			960	865
May			1,014	747
June			1,003	782
July			1,058	939
August			1,081	1,087
September			1,067	803
October			1,125	
November			1,110	
December			1,169	
January			1,191	
February			1,174	
March			1,231	
TOTAL	7,618	11,156	13,182	5,223

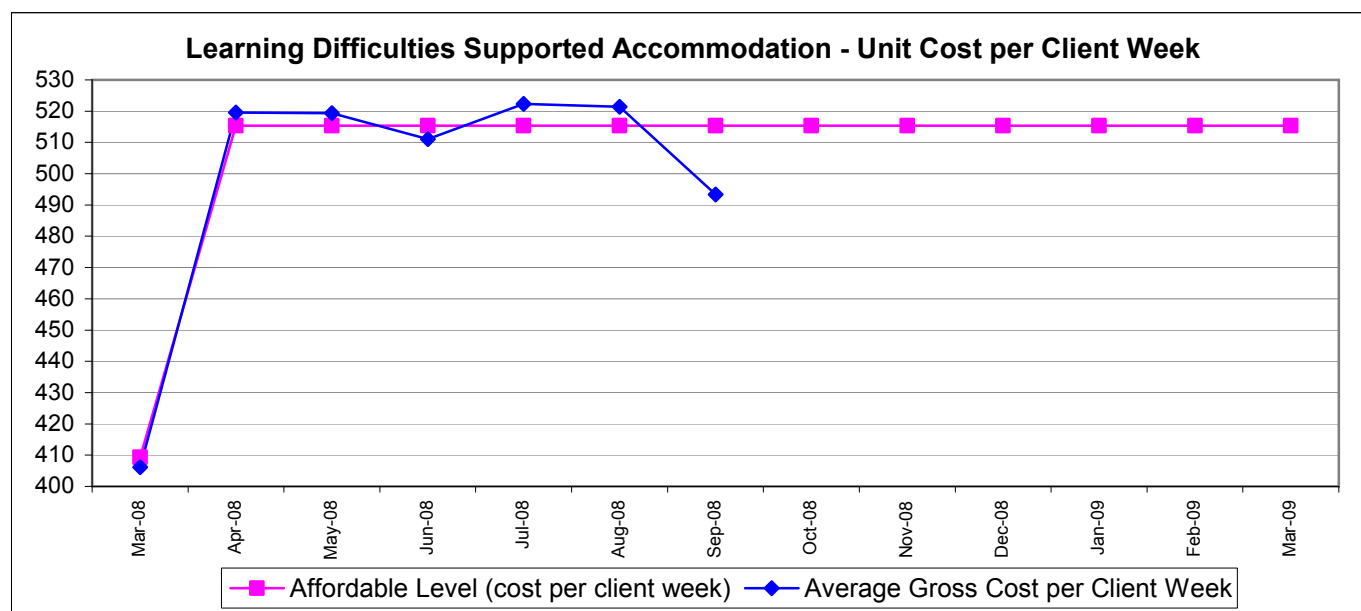


Comments:

- Supported Accommodation is a rapidly growing area of expenditure and as such there is little activity/unit cost data available from prior years. In addition, supported accommodation is regarded as a community service and is often provided as an hourly service. Following recent national consultation, we are still awaiting confirmation on how supported accommodation should be recorded. Some adjustments to the activity have been made since the first full monitoring report to reflect our developing understanding of this service, and more may be required in the future once an agreed definition nationally has been reached.
- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD supported accommodation at the end of 2007-08 was 193 and at the end of June 2008 it was 193. The September position was 205.
- The current forecast is 11,914 weeks of care against an affordable level of 13,182, a difference of 1,268 weeks. Using the forecast unit cost of £493.33 this reduction in activity provides a saving of £626k as highlighted in section 1.1.3.3.d.
- To the end of September 5,223 weeks of care have been delivered against an affordable level of 6,183, a difference of 960 weeks.
- It is hoped that this number will increase in line with the expectation of transferring clients with less complex needs from residential care and using this service as an alternative to a residential placement for new clients. As such there has previously been a corresponding increase in the cash limit to support these additional clients.

2.5.2 Average gross cost per client week of Learning Difficulties supported accommodation compared with affordable level (non preserved rights clients):

	2007-08		2008-09	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April			515.41	519.60
May			515.41	519.40
June			515.41	511.10
July			515.41	522.30
August			515.41	521.40
September			515.41	493.33
October			515.41	
November			515.41	
December			515.41	
January			515.41	
February			515.41	
March	409.31	406.18	515.41	

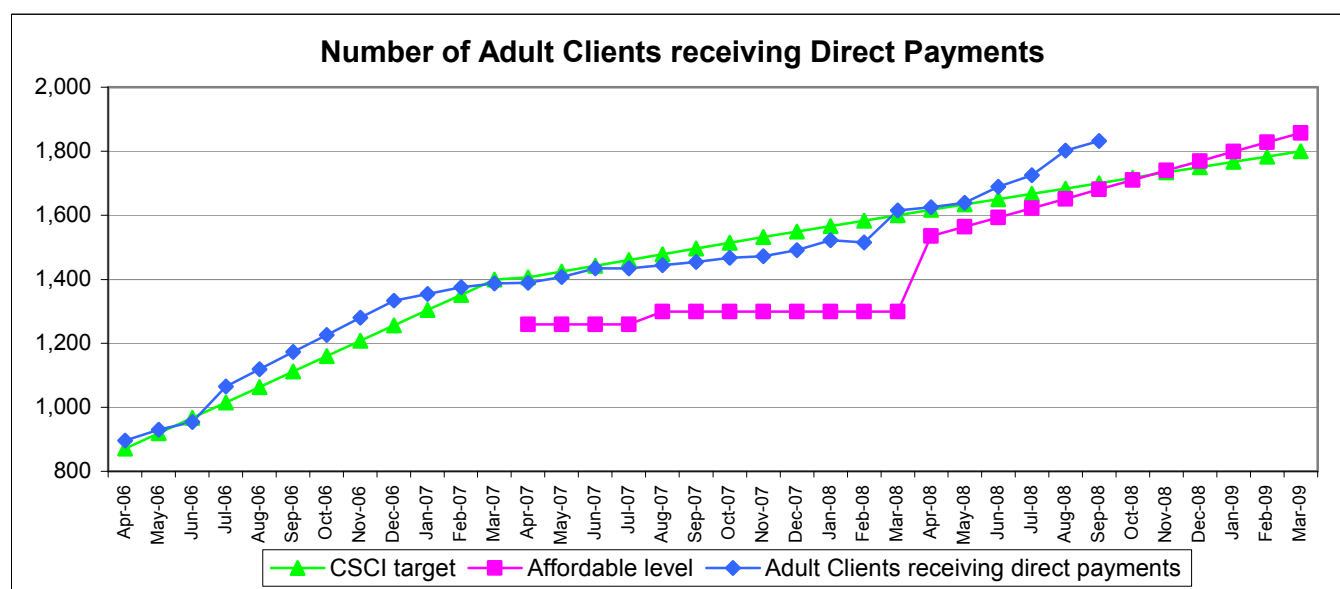


Comments:

- Supported Accommodation is a rapidly growing area of expenditure and as such there is little activity/unit cost data available from prior years. The service is difficult to measure in weeks as it is regarded as a community service. The weekly unit cost for the service will fluctuate as the service assists people with a learning disability with a wide range of needs, and even a few hours or more intensive support will change the weekly cost. As already mentioned above there have been changes to the figures since the first full monitoring report to reflect our developing understanding of the service. A Department of Health consultation has just finished and we are now awaiting the confirmation of the definition for Supported Accommodation. There will be some adjustments to the activity and unit costs once this has happened.
- Since the first full monitoring report the Directorate has revised its estimates for both the affordable and forecast unit costs to reflect the latest definitions for this type of care. Previously the affordable unit cost was estimated to be £439.54, with the forecast unit costs reported as £441.00, £442.40 and £446.13 for April, May and June respectively.
- The forecast unit cost of £493.33 is lower than the affordable cost of £515.41 and this difference of £22.08 provides a saving of £291k when multiplied by the affordable weeks as highlighted in section 1.1.3.3.d.

2.6 Direct Payments – Number of Adult Social Services Clients receiving Direct Payments:

	2006-07			2007-08			2008-09		
	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments	CSCI Target	Affordable Level	Adult Clients receiving Direct Payments
April	871		896	1,406	1,259	1,390	1,617	1,535	1,625
May	919		930	1,424	1,259	1,407	1,634	1,564	1,639
June	967		954	1,442	1,259	1,434	1,650	1,593	1,689
July	1,015		1,065	1,460	1,259	1,434	1,667	1,622	1,725
August	1,063		1,119	1,478	1,299	1,444	1,683	1,651	1,802
September	1,112		1,173	1,496	1,299	1,454	1,700	1,681	1,832
October	1,160		1,226	1,514	1,299	1,467	1,717	1,710	
November	1,208		1,280	1,532	1,299	1,472	1,734	1,740	
December	1,256		1,334	1,549	1,299	1,491	1,750	1,769	
January	1,304		1,355	1,566	1,299	1,522	1,767	1,799	
February	1,352		1,376	1,583	1,299	1,515	1,783	1,828	
March	1,400		1,388	1,600	1,299	1,615	1,800	1,857	



Comments:

- Figures provided for last year represented the number of people who had a direct payment to provide permanent support. As of March 2008 and onwards, the monitoring of these figures have changed slightly, in line with guidance from the Department of Health. We are now monitoring all people who have had a direct payment, irrespective of whether permanent ongoing support is being purchased, or whether the direct payment is being used to purchase respite care.
- The introduction of direct payments is identifying some previously unmet demand/need. Work is ongoing to track all new direct payment clients to prove /disprove this belief.