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To: Adult Social Services Policy Overview Committee –15 July 2009

Subject: **ADULT SERVICES INITIAL BUDGET OUT-TURN EXCEPTION REPORT 2009/10**

Classification: Unrestricted

Summary: A report on the initial budget out-turn exception report for Kent Adult Social Services.

Introduction

1. (1) This is the first report for 2009-10 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 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 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.

Initial Budget Out-turn Exception report

3. (1) The revenue monitoring exception report for Adult Services as presented to Cabinet on 13 July is attached at Appendix 1 and this indicates an overall revenue pressure of £0.508m. Appropriate 'Guidelines for Good Financial Practice' will be implemented to ensure that the Directorate achieves a balanced position by the end of the year.

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

- All savings identified within the Medium Term Plan will be achieved.
- The Directorate is reviewing all cash limits and affordable levels of activity in light of the 2008/09 out-turn and any changing trends in activity that have become apparent since the budget was set. Any requests for virement or other changes to cash limits will be submitted to Cabinet in September.
- Older People is forecasting a net underspend of £1.188m. Within this is a net underspend of £0.925m against residential care which assumes a reduction in the number of clients based on trends. The number of clients in permanent residential care reduced from 2,832 in March to 2,817 in April. Nursing care is forecasting a net pressure of £0.592m as the number of clients with dementia is expected to increase even though the number of older People who are frail is expected to remain fairly stable. The Directorate will review the level of cash limits for both residential and nursing care as part of the exercise referred to above. Domiciliary care remains the most volatile and difficult to forecast with great accuracy. This line is reporting a net underspend of £0.667m as the number of clients continues to fall, with the April figure of 6,457 showing a drop of 33 clients since March. Again there may be a need to review the cash limit against this line if the reduction in clients continues.
- Services for People with a Learning Difficulty is showing an overall pressure of £0.790m as both demographic and price placement pressures continue. These primarily 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 but being classed as 'ordinarily resident' (deemed as living in the county rather than in a residential placement) and therefore our responsibility. The number of residential placements has increased from 640 in March to 645 in April. The forecast assumes that, where appropriate, clients transfer to supported accommodation as the Directorate tries to support clients within the community.
- 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 £0.727m. However the number of residential placements has reduced from 222 in March to 217 in April. It should be noted that the budgets were realigned in

2008-09 to reflect the changed priorities in the Directorate to support clients, wherever possible, within a community based setting such as supported accommodation or via direct payments, rather than residential care, however this change has not happened as quickly as anticipated. Again the Directorate is reviewing these assumptions for the first full monitoring report to Cabinet in September where requests for virement or realignment of gross and income cash limits may be submitted.

- The position for Mental Health is a pressure of £0.309m. Within this is a pressure of £0.305m against residential care as the number of clients is expected to remain above the level afforded in the budget. It should be noted that the budgets were realigned in 2008-09 to reflect the changed priorities in the Directorate to keep clients, wherever possible, within a community based setting such as supported accommodation or via direct payments, rather than residential care, however this change has not happened as quickly as anticipated. The other significant pressure within Mental Health is against Other Services. The £0.262m reported primarily results from the need to set up a provision for a potential future liability.
- (3) The underspend of £1.213m against the capital programme assumes that the expected roll-forwards from 2008/09 are approved. Rephasing of the budget for two projects will also be requested - the extension at Broadmeadow, the start of which has been delayed to November 2009; and Princess Christian Farm, which will now not begin until 2010/11. There will also be an adjustment to the FaME programme to reflect the transfer of costs to revenue.

Recommendations

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

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