

To: CABINET – 13 July 2009

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## REVENUE & CAPITAL BUDGET MONITORING EXCEPTION REPORT

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### 2. 2009-10 REVENUE MONITORING POSITION BY PORTFOLIO

#### 2.2 Kent Adult Social Services portfolio:

2.2.1 The initial forecast indicates a pressure of £0.508m. It should be noted that detailed forecasts are currently being worked on, in order that the report to be Cabinet in September is more firmly based. Over the forthcoming weeks, the KASS SMT will be working to ensure that appropriate Guidelines for Good Financial Practice are in place to reduce the pressure in order to achieve a balanced position by the end of the financial year. KASS are also in the process of reviewing all cash limits and affordable levels of activity in the light of the 2008-09 outturn and any changing trends in activity that have become apparent since the budget was set. Requests for virement or for realignment of gross and income cash limits will be submitted as part of the full monitoring report to Cabinet in September.

This forecast pressure assumes that all savings identified within the Medium Term Plan will be achieved. Work is on-going with Areas to identify methods of accurately tracking progress against each saving on a monthly basis.

The main reasons for the £0.508m pressure are detailed below:

2.2.2 **-£0.925m Older People Residential Care** – this forecast assumes a continued reduction in the number of people in permanent residential care based on known trends. The number of clients has dropped from 2,832 in March to 2,817 in April. The Directorate will review the level of cash limit against this heading in light of the continued reduction in placements and the budget pressure against nursing care.

2.2.3 **+£0.592m Older People Nursing Care** – although numbers of Older People who are frail and in a nursing placement are expected to remain fairly stable, it is assumed that the number of clients with dementia will increase. The overall number of nursing placements in April was 1,333, which is an increase of one from March. 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 and to reflect changing trends in activity. 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.

2.2.4 **-£0.667m Older People Domiciliary Care** – this budget remains very difficult to forecast with great accuracy at this early stage, as it is the most volatile activity line within the directorate. The number of clients has reduced from 6,490 in March to 6,457 in April and if this reduction continues it may be necessary to review the cash limit against this line.

2.2.5 **+£0.618m Learning Disability Residential** – this includes estimates of costs for clients known to be coming into residential placements during the year ahead. Alongside demographic growth within this client group, there is increasing pressure relating to new and existing clients whose needs are becoming more complex. This is particularly true for those clients coming through transition from childhood. The forecast assumes that a number of clients will be transferred into Supported Accommodation placements during the year and the success of this will have to be closely monitored. The number of clients has increased from 640 in March to 645 in April. 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 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.

- 2.2.6 **+£0.974m Physical Disability Residential Care** – this results from similar pressures seen within Learning Disability residential. Although the number of clients has reduced from 222 in March to 217 in April, this level remains significantly higher than the affordable level. It should be noted that as with Learning Disability Residential, 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. 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.
- 2.2.7 **+£0.305m Mental Health Residential** – the number of clients expected to remain within a residential placement is above the level afforded in the budget. The affordable level was reduced as a result of the decision in 2008-09 to realign budgets 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. These community based lines are forecasting a combined underspend of **-£0.165m** which helps to offset the pressure against residential.
- 2.2.8 **+£0.262m Mental Health Other Services** – this primarily results from the need to set up a provision for a potential future liability.
- 2.2.9 In addition to these variances, there are a number of other smaller variances, each below £0.1m, across all other services which make up a further £0.486m underspend, particularly within Physical Disability services.

### **3. 2009-10 CAPITAL MONITORING POSITION BY DIRECTORATE**

- 3.2 Although the capital monitoring returns from Directorates show significant variances from budget, most of this will be resolved once the roll forward of the capital re-phasing from 2008-09 is added to the cash limits. This will be done for the first full monitoring return of the year which will go to Cabinet in September. There are a few issues not related to roll forwards and these are detailed below.
- 3.4 Adult Social Services portfolio
- Broadmeadow extension re-phase -£825k – The re-phased forecast against the Broadmeadow extension project has come about as a result of building works delayed until the start of November 2009, with an eight months build timeline.
  - Princess Christian Farm -£614k - Princess Christian Farm has re-phased, the expected profile of this project is to start in 2010-11, reflecting ongoing negotiations with its future partner, Hadlow College.