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To: Adult Social Services Policy Overview & Scrutiny Committee –
13 January 2010

Subject: **ADULT SOCIAL SERVICES BUDGET OUT-TURN REPORT
2009/10 FOR THE SECOND QUARTER**

Classification: Unrestricted

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

Introduction

1. (1) This is the third report for 2009-10 to this Committee on the forecast outturn against budget for the Adult Social Services Department.

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 Services Directorate will be presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POSC 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 POSCs 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) A special Budget IMG was arranged for November to discuss the future Budget and MTP proposals in more detail.

Full Monitoring report for the Second Quarter

3. (1) The full monitoring report for the second quarter for Adult Services as presented to Cabinet on 30 November is attached at Appendix 1 and this indicates an overall revenue pressure of £0.754m. Appropriate 'Guidelines for Good Management Practice' have been 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 except for the full saving relating to the review of management and support structures. Despite this, the Directorate remains confident that other savings, through the application of "Guidelines for Good Management Practice", will be found to ensure that a balanced budget is achieved by the end of the year.
- Older People is forecasting a net underspend of £2.247m. Within this is a net underspend of £0.723m against residential care which assumes a reduction in the number of clients based on trends. The number of clients in permanent residential care stood at 2,796 as at the end of September, which although is an increase on the 2,733 in June, this is still below the figure of 2,832 in March. There are also price pressures resulting from the increasing numbers of people with dementia. Nursing care is forecasting a small net pressure of £0.021m 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 number of clients in permanent nursing care increased to 1,353 in September from 1,340 in June and 1,332 in March. Domiciliary care remains the most volatile and difficult line to forecast with great accuracy. This line is reporting a net underspend of £1.047m despite a small increase in clients as the overall number of clients remains below the affordable level. As at September there were 6,465 people in receipt of domiciliary care from the independent sector, up 43 from June but still down on the March figure of 6,490. A net underspend of £0.511m is being reported against Other Services following the release of £0.200m of Contingency held by the Managing Director to offset the overall pressure, as well as lower than anticipated demand for fast-track occupational therapy equipment and enablement.
- Services for People with a Learning Difficulty is showing an overall pressure of £2.321m 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 community rather than in a residential placement) and therefore our responsibility. Two such cases have added £0.300m to the forecast, although one remains subject to legal review, with a further 23 cases under investigation. They could have a very significant impact on the financial position which currently does not include any estimate of costs for these further clients. Although the number of residential placements decreased from 640 in March to 632 in June, the September position shows an increase to 642 which is well above the affordable level and this line is showing a net pressure of £1.828m. There are also demographic and price pressures within Domiciliary Care, Direct Payments and Supported Accommodation although there is an underspend against Other Services following the release of £0.600m of Contingency held by the Managing Director to offset the overall pressure within the Directorate.

- 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 £0.491m. The number of residential placements has increased to 229 in September from 213 in June and 222 in March. The number remains well above the affordable level with the result that this line is showing a net pressure of £0.831m. Pressures within Domiciliary Care and Direct Payments are offset by a small underspend in Supported Accommodation and the release of the £0.200m Contingency held by the Managing Director. There is also an underspend in daycare as a number of clients are receiving their care via a direct payment, as well as small underspends against payments to voluntary organisations and occupational therapy.
- There is a net pressure of £0.205m against All Adults Assessment and Related staffing which relates to shortfall in the 2009/10 saving relating to the review of management and support structures as the saving was based on a profile of when staff would leave. A number of staff have actually left later than anticipated resulting in a reduced saving this year.
- The position for Mental Health is a net pressure of £0.223m. Within this is a gross pressure of £0.610m 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. This has resulted in an underspend of £0.338m against direct payments. The forecast for residential care also assumes an under-recovery in income of £0.334m as there is an

increasing proportion of clients who fall under Section 117 meaning that they do not contribute to the cost of their care.

- There is a net underspend of £0.275m against Strategic Business Support, partially through a small underspend against gross expenditure, but primarily through an over-recovery in income of £0.231m of which £0.140m relates to income from Universities in respect of the Practice Placement Scheme.
- (3) The Directorate has reported an updated position to Cabinet on 11 January and this indicates an increased pressure of £0.973m. The increase of £0.219m increase primarily relates to additional clients who are deemed to be “Ordinarily Resident” in the County although this has been partially offset by reductions elsewhere, particularly in All Adults Assessment and Related staffing and Strategic Business Support.
- (4) The Capital position reflects a variance of -£0.631m however £0.606m of this will be rephased into 2010/11. Of this £0.270m relates to Modernisation of Assets and £0.126m relates to Public Access. The remaining variance of -£0.025m relates to an underspend against the Public Access project which is being held to offset a minor pressure against Edenbridge Community Centre in 2010/11.
- (5) The outstanding debt that was due for payment as at October was £15.0m of which £12.1m related to client debt with £2.9m of sundry debt. This compared with total due debt as at September of £14.2m of which £12.2m was client debt and £2.0m of sundry debt.

Recommendations

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

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