

23 November 2009

Learning Disabilities Pooled Budget – 2009/10 Second Quarter Forecast

Ward(s) All

Portfolios: Councillor McCracken – Health, Social Care & Inclusion

Summary of report:

This report shows the 2009/10 financial outturn forecast for the pooled budget within the remit of this panel including explanations of overspends, based on the first six months of the financial year. A net revenue overspend of £0.403m is predicted. An alternative action plan has been identified for £0.361m and if this is successful the overspend on the pooled budget will reduce from £0.403m to £0.042m

Background papers:

Various financial working papers and report to Partnership Executive Board.

Reason for scrutiny:

To provide an update on the 2009/10 financial performance of the pooled budget within the remit of this panel.

Resource and legal considerations:

The budgets were set as part of the council's budget setting process in line with the medium term financial strategy and with the NHS Walsall's Local delivery plan (LDP). The total gross budget for Learning Disabilities Pooled Budget for 2009/10 is £33.695m, which is funded by £17.654m (52%) from NHS Walsall and £16.041m (48%) by Walsall Council.

Citizen impact:

None directly associated with this report.

Environmental impact:

None directly associated with this report.

Performance management:

Financial performance is considered alongside service targets.

Equality implications:

None directly associated with this report.

Consultation

Consultation has been undertaken as part of the budget monitoring process with senior managers within the services, the Partnership Boards and senior managers within the services.



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Assistant Director Social Care & Inclusion
on behalf of Dave Martin – Executive Director



James Walsh- Chief Finance Officer

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SECTION A – OVERALL PROJECTION

1. Estimated financial position 2009/10

- 1.1 The estimated year-end position based on quarter two is an overspend of £0.403m as shown in **Table 1** below. A corrective action plan has been developed and if this is successful the overspend on the pooled budget will reduce to £0.042m.

Table 1 – Summary of the pooled budget estimated year–end position

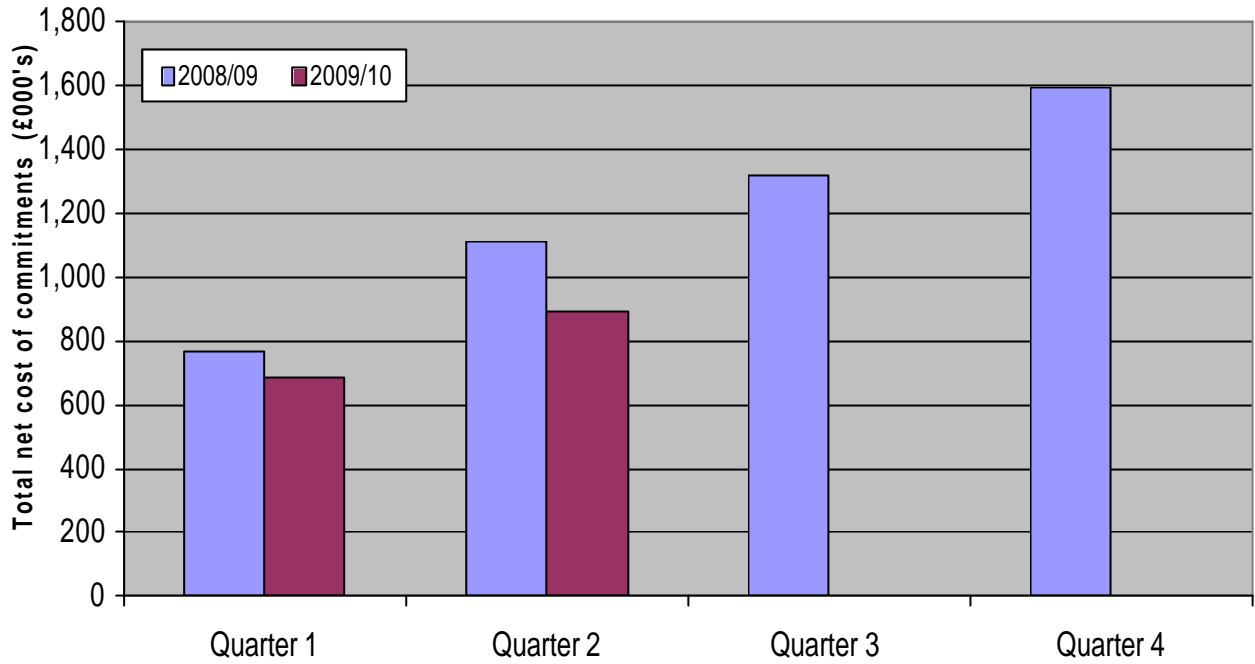
Pooled Budget	Year End Variance £m
Placements	0.561
Care management	(0.026)
Management and administration	(0.132)
Overall position: Deficit	0.403
Action plan	(0.361)
Position post action plan	0.042

- 1.2 The position of £0.403m assumes that all amber and green risks, which include saving targets and overspends bought forward from previous years, have been classified as being able to be mitigated following the successful completion of the assertive review programme. The majority of the overspend on the pool has arisen because the Local Authority efficiencies of £0.200m relating to the review of supported living packages is now thought to be unachievable. A high proportion of this item relates to the outcomes from tender exercises which will not be implemented in 2009/10, and is classed as an unachievable savings target due to a delay in implementing the revised residential and nursing tender which is being offset by underspends elsewhere within SC&I.
- 1.3 The remaining overspend is due to high cost packages and increased demand for services across both organisations. This is being funded by the partners in their contributions via mitigating action across their own organisations. If the overspend remains at the year end the partnership will agree whether to carry forward the overspend into 2010/11, or contain it within their individual budgets for 2009/10 in line with the partnership agreement.

SECTION B – NEW DEMAND

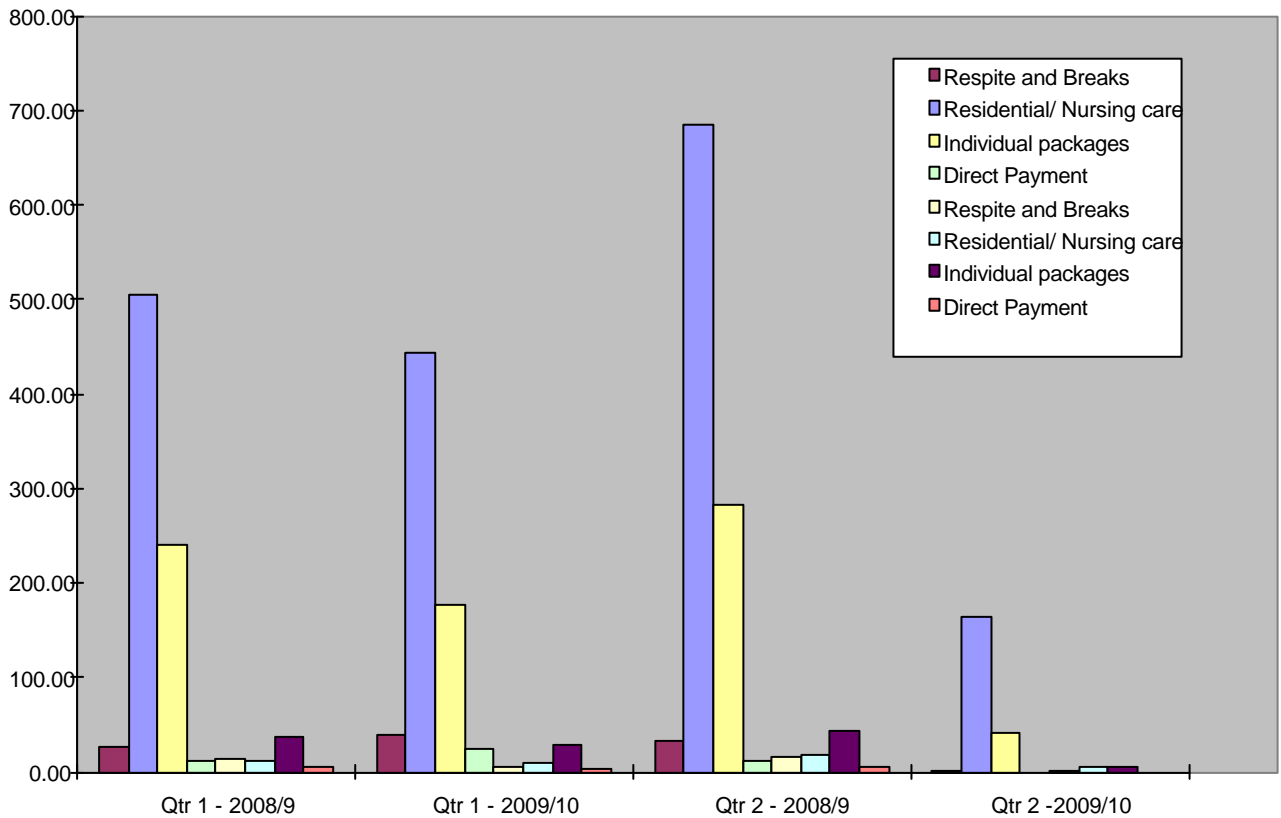
- 2.1 **Chart 1** shows the total net costs of packages committed during the first quarter of 2009/10 compared with 2008/09. The chart highlights during first six months of the year funding panel have committed 20% less packages in comparison with the first six months of 2008/09.

Chart 1 - Comparison with actual commitments per quarter with previous years commitments

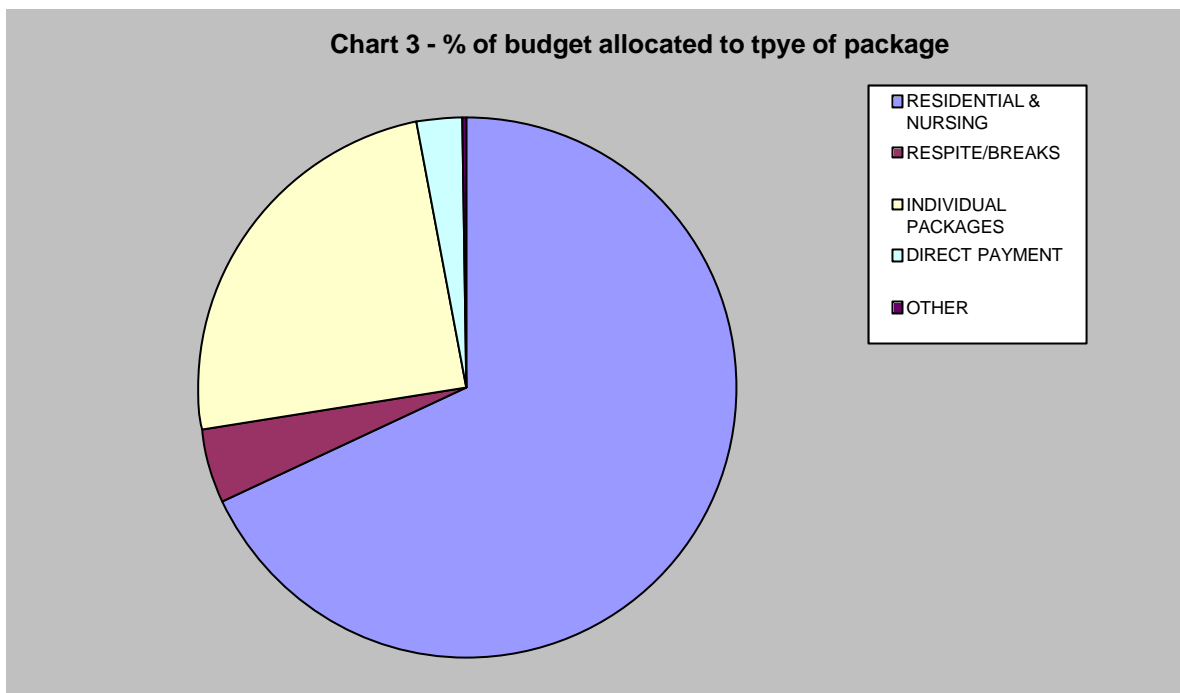


2.2 **Chart 2** shows the type of packages approved during the first six months of 2009/10 compared with the first six months of 2008/09 and the subsequent costs.

Chart 2 - Cumulative number of approved packages and costs per quarter



2.3 **Chart 3** shows a breakdown of the overall new demand budget committed by type of package to 30 September 2009.



SECTION C- CONCLUSIONS

3.1 The current over spend in relation the Learning Disabilities pooled budget is estimated to be £0.403m as at 30 September 2009. An alternative action plan has been identified for the £0.361m and if this is successful the overspend on the pooled budget will reduce to £0.042m.