

Learning Disabilities Pooled Budget – 2009/10 First 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 3 months of the financial year. A net revenue overspend of £0.531m is predicted. An alternative action plan has been identified and if this is successful the overspend on the pooled budget will reduce from £0.531m to £0.170m.

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 £32.241m, which is funded by £17.654m from NHS Walsall (55%) and £14.587m by Walsall Council (45%).

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 NHS Walsall, The Partnership Boards and senior managers within the services.

**Dave Martin – Executive Director
(SC&I)**

James Walsh- Chief Finance Officer



Contact Officer:

Stephanie Simcox - Service Finance Manager
01922 652703, simcoxs@walsall.gov.uk

1. SECTION A - Estimated financial position 2009/10

- 1.1 The estimated year-end position based on quarter one was an overspend of £0.531m as shown in **Table 1** below. An alternative action plan has been developed and if this is successful the overspend on the pooled budget will reduce from £0.531m to £0.170m. **Appendix 1** attached shows a detailed breakdown of the estimated position.

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

Pooled Budget	Year End Variance £m
Placements	0.589
Care management	0.025
Management and admin	(0.083)
Overall position Deficit	0.531
Action plan	(0.361)
Position post action plan	0.170

- 1.2 The position of £0.531m 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 £0.361m 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 delay in implementing the revised residential & 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 within their individual budgets for 2009/10 in line with the partnership agreement.

2. SECTION B – NEW DEMAND

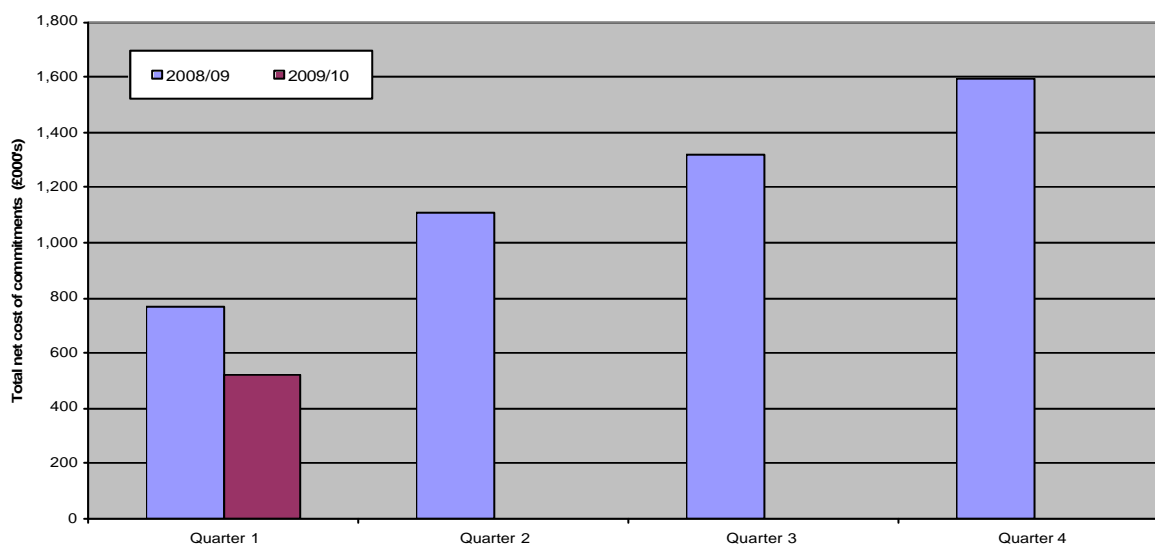
- 2.1 The total contribution for new demand in 2009/10 is £0.851m (£0.151m invested by the Council's MTFP and £0.700m invested from NHS Walsall LDP). However, £0.328m has already been committed for the full year effect of 2008/09 placements. **Table 2** summarises the remaining budget for new demand for each partner and the part year effect of packages approved as at quarter one.

Table 2 – Budget for increased demand 2009/10

	NHS Walsall £m	Local Authority £m	Total £m
Total Growth Budget 2009/10	0.700	0.151	0.851
Full Year Effect of 2008/09 clients in 2009/10	0.271	0.057	0.328
Budget remaining for new demand	0.429	0.094	0.523
Part year effect of packages approved as at quarter one	0.429	0.094	0.523
Budget remaining for the year	0.00	0.00	0.00

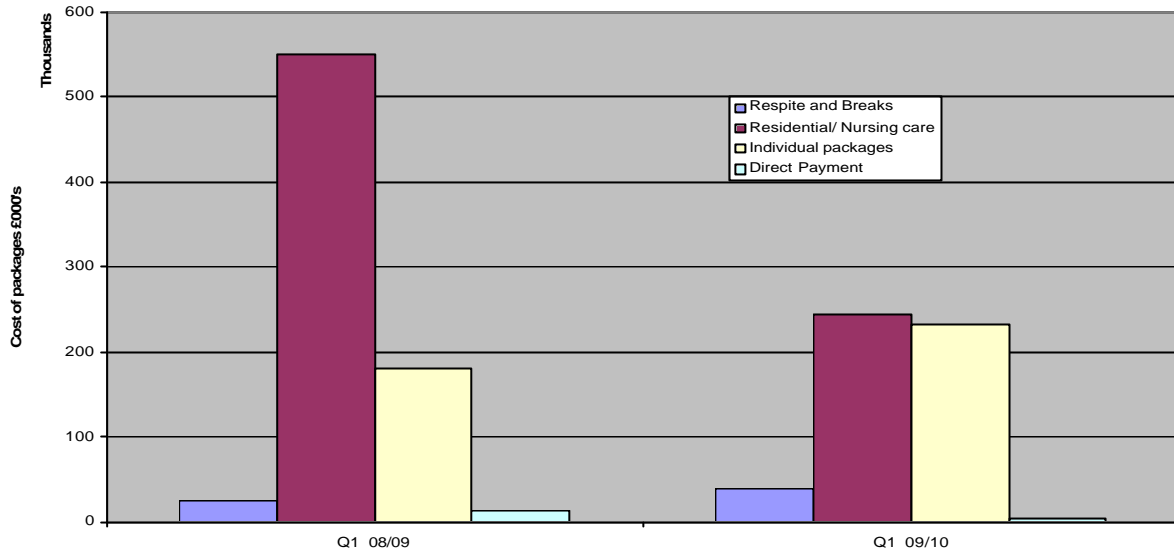
2.2 **Chart 1** shows the total net costs of packages committed during the first quarter of 2009/10 compared with 2008/09. The chart highlights during quarter one funding panel have committed 32% less in comparison with quarter one 2008/09. This is due to a reduction in residential and nursing placements.

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



2.3 **Chart 2** shows the type of packages approved as at quarter one of 2009/10 compared with quarter one of 2008/09 and the subsequent costs.

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



3. CONCLUSIONS

- 3.1 The current over spend in relation the Learning Disabilities pooled budget is estimated to be £0.892m as at quarter one. An alternative action plan has been identified for the £0.361m and if this is successful the overspend on the pooled budget will reduce from £0.531m to £0.170m
- 3.2 To date the funding panel commitments are 32% less in comparison with quarter one 2008/09.

POOLED FUND ACCOUNT
For the 3 month period 1st April 2009 to 30th June 2009

CC Narration	CUMULATIVE TO DATE					ANNUAL		
	ACTUAL SPEND	ADJUST TO ACTUAL	TOTAL ADJUSTED SPEND	PROFILED BUDGET	CURRENT VARIANCE	BUDGET 2009/10	FORECAST EXPEND	PREDICTED VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000
PROVIDER SERVICES								
WALSALL COUNCIL	1,054	2,939	3,993	3,993	0	4,356	4,356	0
NHS WALSALL	2,239	3,519	5,758	5,758	0	6,281	6,281	0
	3,292	6,458	9,750	9,750	0	10,636	10,636	0
PLACEMENTS								
INDEPENDENT SECTOR RESIDENTIAL PLACEMENTS	2,637	6968	9,606	9,606	0	10,479	11,068	589
COMMUNITY SUPPORT	919	6085	7,004	7,004	0	7,641	7,641	0
	3,557	13,053	16,610	16,610	0	18,120	18,709	589
CARE MANAGEMENT								
LEARNING DISABILITIES INTEGRATED TEAM	249	435	684	684	0	746	771	25
SERVICE LEVEL AGREEMENTS	44	91	135	135	0	148	148	0
PERSON CENTRED PLANNING	5	7	12	12	0	14	14	0
	299	533	832	832	0	907	933	25
MANAGEMENT AND ADMIN								
SERVICE REPROVISION MANAGEMENT BUDGET	153	239	392	392	0	428	348	-80
PARTNERSHIP BOARD SUPPORT	60	108	168	168	0	184	184	1
LEARNING DISABILITIES CLERICAL AND ADMIN	4	-4	-	-	0	-	10	10
BREWER ST MGMT CENTRE	-1	15	15	15	0	16	2	-18
LEARNING DISABILITIES SUPPORT	1	12	13	13	0	14	18	4
	217	371	588	588	0	641	558	-83
OTHER								
LEARNING DISABILITIES DEVELOPMENT FUND	4	-2	1	1	0	2	2	0
CARERS GRANT	22	196	218	218	0	238	238	0
CAMPUS CLOSURES	-579	1528	949	949	0	1,035	1,035	0
SSMSS	0	1385	1,385	1,385	0	1,510	1,510	0
	-553	3,106	2,553	2,553	0	2,785	2,785	0
2009/10 Council growth	0	138	138	138	0	151	151	0
	0	138	138	138	0	151	151	0
	6,812	23,659	30,471	30,471	0	33,241	33,772	531