

**15 March 2010**

**Learning Disabilities Pooled Budget – 2009/10 Third 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 nine months of the financial year. A net revenue overspend of £1.027m is predicted. An alternative action plan has been identified for £0.476m and if this is successful the overspend on the pooled budget will reduce from £1.027m to £0.551m

**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 £33.759m, which is funded by £17.654m (52%) from NHS Walsall and £16.105m (48%) by Walsall Council.

**Citizen impact:**

None directly associated with this report.

**Environmental impact:**

None directly associated with this report.

**Performance management:**

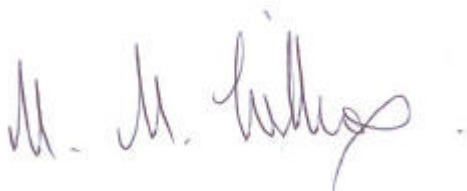
Financial performance is considered alongside service targets.

**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.



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**Assistant Director Social Care & Inclusion**



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## **SECTION A – OVERALL PROJECTION**

### **1. Estimated financial position 2009/10**

- 1.1 The estimated year-end position based on quarter three is an overspend of £1.027m 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 £0.551m.

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

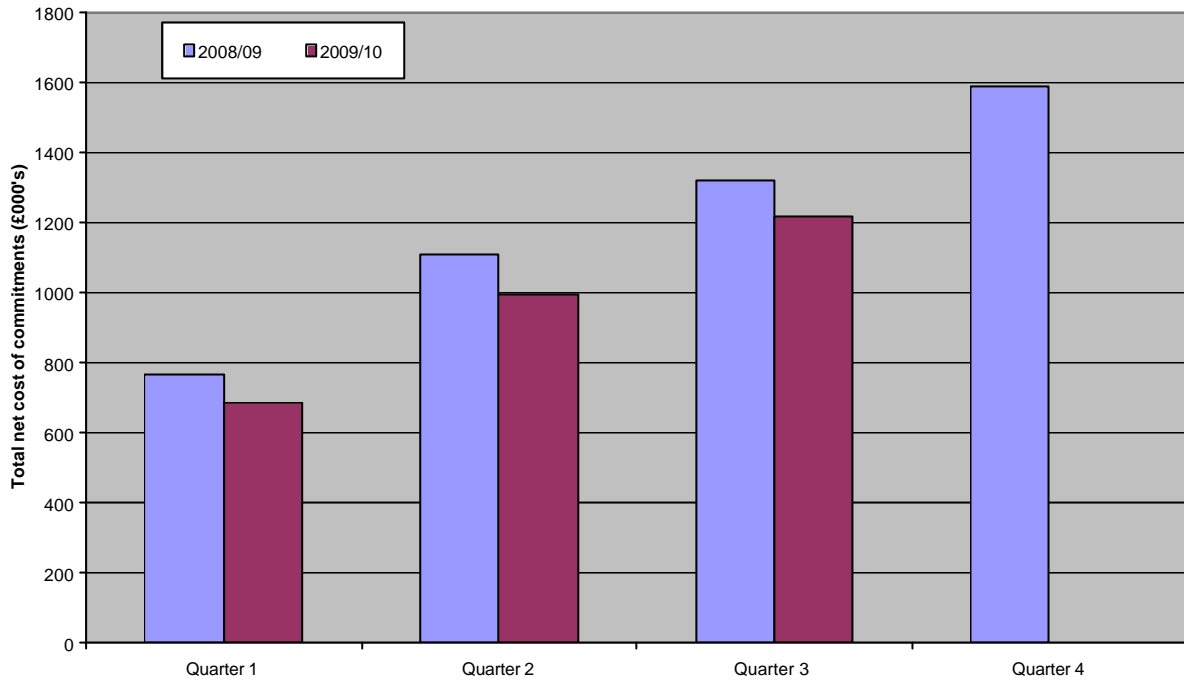
<b>Pooled Budget</b>	<b>Year End Variance £m</b>
Placements	1.623
Care management	0.027
Management and administration	(0.271)
<b>Overall position: Deficit</b>	<b>1.379</b>
NHS Walsall contribution to Deficit	(0.352)
<b>Local Authority contribution to Deficit</b>	<b>1.027</b>
<b>Action plan</b>	<b>(0.476)</b>
<b>Position post action plan</b>	<b>0.551</b>

- 1.2 Within 2009/10 the Local Authority included savings of £1.4m relating to the assertive review project within disability services. It had been assumed that these savings would be achieved in full. It has now been agreed that only £0.476m of the savings are potentially achievable. Work is continuing, led by the Joint Head of Commissioning, to implement the alternative action plan for this by the end of the financial year. This includes increased critical challenge taking place at funding panel, cross service review teams and more effective use of grant funding.
- 1.3 An alternative action plan has been identified for the £0.476m and if this is successful the overspend on the pooled budget will reduce from £1.027m to £0.551m.

## **SECTION B – NEW DEMAND**

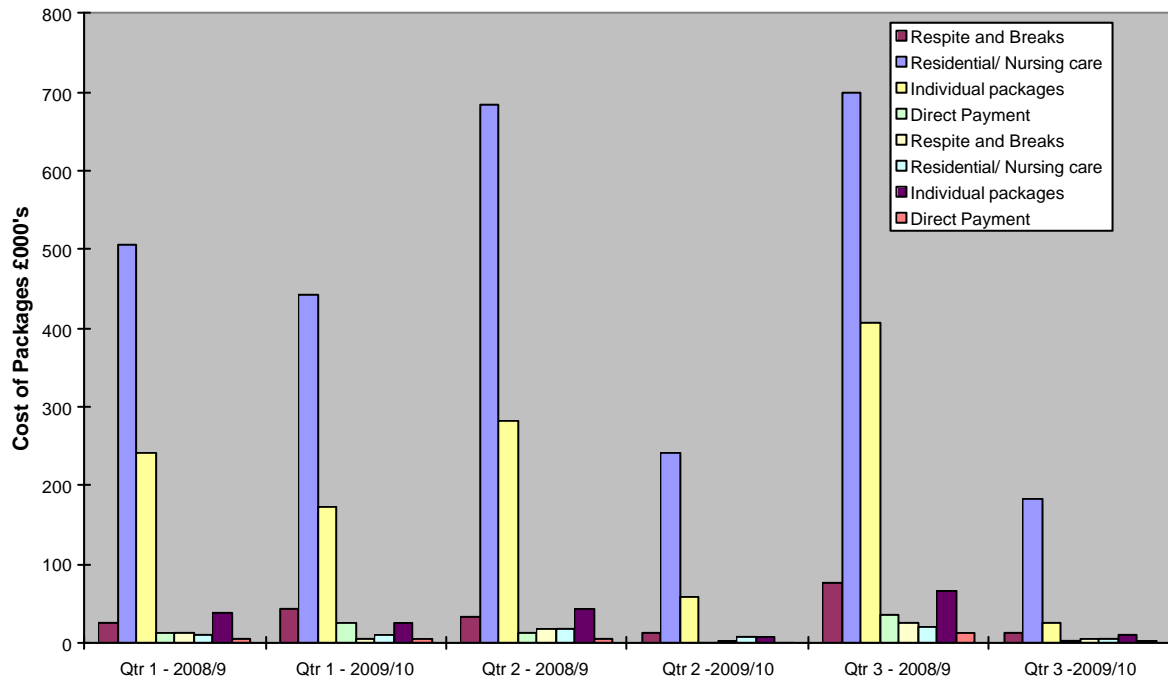
- 2.1 **Chart 1** shows the total net costs of packages committed during the first three quarters of 2009/10 compared with 2008/09. The chart highlights during first nine months of the year funding panel have committed 10% less packages in comparison with the first six months of 2008/09.

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



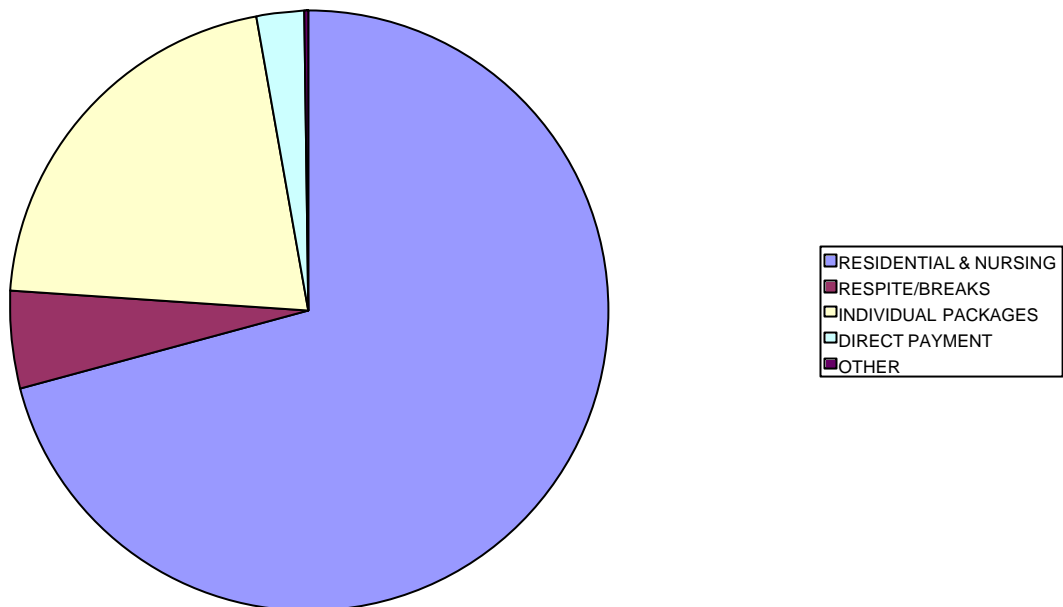
2.2 **Chart 2** shows the type of packages approved during the first nine months of 2009/10 compared with the first nine months of 2008/09 and the subsequent costs.

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



2.3 **Chart 3** shows a breakdown of the overall new demand budget committed by type of package to 31<sup>st</sup> December 2009.

Chart 3 - % of budget allocated to type of package



### **SECTION C - CONCLUSIONS**

3.1 The current over spend in relation the Learning Disabilities pooled budget is estimated to be £0.1.027m as at 31<sup>st</sup> December 2009. An alternative action plan has been identified to the value of £0.476m, and if this is successful the overspend on the pooled budget will reduce to £0.551mm.