

BRIEFING NOTE**6b.****TO: Health Scrutiny Panel****DATE: 19th September 2013****RE: Learning Disabilities Pooled Budget Forecast Outturn 2013/14****Purpose**

This note responds to your request for further information regarding the 2013/14 revenue budget monitoring forecast position.

Budget and Activity

The 2013/14 Learning Disability (LD) Pooled Budget of £30.710m was set based on activity levels as at November 2012. Any significant change in these assumed activity levels will lead to an over or under spend against the budget. Budgets (estimates) are discussed and agreed with budget holders.

The quarter 1 financial monitoring 2013/14 report submitted to scrutiny panel on 25th July reports a forecast overspend of £1.584m and of this £1.842m related to residential and nursing (placements) and domiciliary care (packages) for LD clients. Table 1 below details activity levels (numbers of) placements and packages as at November 2012 (base) and monthly since April 2013.

| | Number of long stay nursing/ residential placements | Number of domiciliary care packages | Total number of clients |
|-----------------------------|--|--|--------------------------------|
| November 2012 – Base | 148 | 402 | 550 |
| April 2013 | 126 | 416 | 542 |
| May 2013 | 125 | 425 | 550 |
| June 2013 | 125 | 447 | 572 |
| July 2013 | 125 | 475 | 600 |

Whilst the number of packages and placements have increased, this needs to be considered alongside the average cost of a placement and package as if numbers remain constant but costs of placements or packages increase this again will lead to an overspend against budget.

The average cost compared against that of November 2012 is:-

| | Average annual cost of long stay residential/ nursing placement | Average annual cost of domiciliary care package |
|-----------------------------|--|--|
| | £ | £ |
| November 2012 – Base | 66,785 | 26,735 |
| April 2013 | 70,648 | 29,776 |
| May 2013 | 68,901 | 29,253 |
| June 2013 | 68,630 | 29,322 |
| July 2013 | 67,320 | 27,622 |

This information is from the base data and will not include the adjustments mentioned below. It does not include internal provision costs, manual payments, respite costs or the Suttons drive contract. The average cost figures are not done at full time equivalents so this could distort the figures i.e. if there is an individual with a package of just £88 for example then it reduces the cost per package disproportionately.

Savings and Investment over the last 3 years

There has been a significant change in the economic climate over the last 3 years leading to a reduction/increase in the number of clients supported by Adult Social care.

The table below shows the movements within the Pooled Budget over the last 3 years that were approved through the Council's budget process. It should be noted that these movements include a combination of contractual inflation, internal realignments, investments and savings. 2011/12 and 2012/13 are net savings.

| | Investment | Saving |
|--------------|-------------------|----------------|
| | £'000 | £'000 |
| 2011/12 | 0 | (989) |
| 2012/13 | 0 | (2,005) |
| 2013/14 | 3,160 | (636) |
| Total | 3,160 | (3,630) |

Details of forecast overspend 2013/14

The budget forecasting is completed by finance in conjunction with budget holders (social care managers). Budget holders forecast against their budgets which are reviewed by finance. For placements and packages forecasts reports are produced from the two data systems (Fiscom and Nurrcis) and adjustments are then made based on more up-to-date information provided by social care managers and the finance team.

The main reasons for the pooled budget over spend are:

- £973k over spend relating to the Sutton's Drive contract
- (£1.570m) under spend on residential/ nursing placements
- £2.439m over spend relating to domiciliary care packages
- (£240k) under spend against management and admin element due to vacant posts and section 256 monies
- (£49k) under spend against care management due to vacant posts

Basis of 2013/14 Placement and Packages Forecast

The costs of placements and packages are forecast using 2 computer systems held within Adult Social Care – Nurrcis and Fiscom.

The forecast costs are based on the client information held on the systems, which are then adjusted for:-

- Duplicate clients

- Informed deaths
- Excess weeks
- Clients where invoices have not been paid since January (on the assumption that these clients are no longer in receipt of package)
- Clients in the wrong client group
- Potential new clients from Maximising Independence Group (MIG) meetings
- New CHC clients (Post 01/04/10) are recharged to NHS Walsall CCG
- Commissioner adjustments

Unless a client is identified as a short term placement, the assumption is that a client on the system will remain with the current placement/ package until the end of the financial year.

The level of confidence in the budget forecast must be linked to the level of confidence in the details held in the client systems. Due to the significant variance in budget to forecast the data held in the systems is currently undergoing a review to give the assurance that the forecast is based on accurate data. There are a significant number of clients on these 2 systems, and as such the review cannot be completed in a short space of time. However, a time line has been agreed (shown below) for data review and the impact of any known changes will be included in the quarter 2 monitoring which is to be delivered to the panel on 14 November 2013.

13th September - Initial review of data

23rd September - Update of Fiscom and Nurrcis systems

30th November (estimated) – Completion of review of system data

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