



**Clackmannanshire  
Council**

[www.clacks.gov.uk](http://www.clacks.gov.uk)

Comhairle Siorrachd  
Chlach Mhanann

Kilncraigs, Greenside Street, Alloa, FK10 1EB (Tel.01259-450000)

## **Meeting of the Audit & Finance Committee**

**Thursday 18 January 2018 at 9.30 am**

**Venue: Council Chamber, Kilncraigs,  
Greenside Street, Alloa, FK10 1EB**



## **AUDIT AND FINANCE COMMITTEE**

The remit of the Audit and Finance Committee is:

- a) To receive, review and consider reports on the Council's finance
- b) To receive, review and consider reports on value for money and best value
- c) To consider the Council's Annual Governance Statement
- d) To consider internal audit reports and results of internal audit investigations
- e) To consider external audit and resultant action plans
- f) To monitor and review actions taken on internal and external audit recommendations
- g) To approve the corporate risk strategy and risk management procedures
- h) To receive and consider reports on countering fraud and corruption

To meet every 2 months on the third Thursday.

**10 January 2018**

**A MEETING of the AUDIT AND FINANCE COMMITTEE will be held within the Council Chamber, Kilncraigs, Greenside Street, Alloa FK10 1EB, on THURSDAY 18 JANUARY 2018 at 9.30 am.**

**NIKKI BRIDLE  
Depute Chief Executive**

**B U S I N E S S**

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1. Apologies	--
2. Declarations of Interest Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Officer.	--
3. Confirm Minutes of Meeting held on Thursday 16 November 2017 (Copy herewith)	07
4. Council Financial Performance 2017/18 – October Outturn – report by the Chief Accountant (Copy herewith)	11
5. Health and Social Care Partnership – report by the Chief Officer, Health and Social Care Integration (Copy herewith)	47
6. Corporate Risk and External Audit Actions – report by the Head of Strategy and Customer Services (Copy herewith)	71
7. Internal Audit Progress Report 2017/18 – report by the Internal Audit Manager (Copy herewith)	85



## Audit & Finance Committee – Committee Members (Membership 8 – Quorum 4)

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### Councillors

### Wards

Councillor	Phil Fairlie (Chair)	3	Clackmannanshire Central	SNP
Councillor	Les Sharp (Vice Chair)	1	Clackmannanshire West	SNP
Councillor	Darren Lee	1	Clackmannanshire West	CONS
Councillor	Dave Clark	2	Clackmannanshire North	LAB
Councillor	Derek Stewart	3	Clackmannanshire Central	LAB
Councillor	Mike Watson	3	Clackmannanshire Central	CONS
Councillor	Kenneth Earle	4	Clackmannanshire South	LAB
(Vacancy)				





**MINUTES OF MEETING of the AUDIT AND FINANCE COMMITTEE held within the  
Council Chamber, Kilncraigs, Greenside Street, Alloa, FK10 1EB, on THURSDAY 16  
NOVEMBER 2017 at 9.30 am.**

**PRESENT**

Councillor Phil Fairlie (Chair)  
Councillor Les Sharp (Vice Chair)  
Councillor Dave Clark  
Councillor Archie Drummond  
Councillor Kenneth Earle  
Councillor Darren Lee  
Councillor Derek Stewart  
Councillor Mike Watson

**IN ATTENDANCE**

Nikki Bridle, Depute Chief Executive  
Stephen Coulter, Head of Resources and Governance  
Shiona Strachan, Chief Officer, Health and Care Integration  
Celia Gray, Head of Social Services  
Lindsay Sim, Chief Accountant  
Michael Boyle, Improving Outcomes Business Manager  
Gordon O'Connor, Internal Audit  
Janice Young, Acting Service Manager  
Ewan Murray, Chief Finance Officer, Integration Joint Board  
Lindsay Thomson, Service Manager Legal and Democracy (Clerk to the Committee)  
Melanie Moore, Committee Services

Councillor Fairlie, the new Chair of Audit and Finance Committee thanked the previous Chair for all his work.

**AF(17)39      APOLOGIES**

None.

**AF(17)40      DECLARATIONS OF INTEREST**

None.

**AF(17)41      CONFIRM MINUTES OF MEETING HELD ON 7 SEPTEMBER 2017**

The minutes of the meeting of the Scrutiny Committee held on 7 September 2017 were submitted for approval.

**Decision**

The minutes of the meeting of the Scrutiny Committee held on 7 September 2017 were agreed as a correct record and signed by the Chair.

Moved by Councillor Phil Fairlie. Seconded by Councillor Mike Watson.

## **AF(17)42 COUNCIL FINANCIAL PERFORMANCE 2017/18 – OUTTURN**

The report, submitted by the Chief Accountant, provided an update on the financial performance of the Council in respect of both revenue and capital spend for the current financial year, 2017/18.

### **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Archie Drummond.

### **Decision**

The Committee agreed to note:-

1. The forecast General Fund revenue underspend for the year of (£0.120m), which rises to an overspend of £0.697m taking account of the in year demand pressure crystallising in respect of Universal Credit (para 4.9.1).
2. The plans for spending restraint during 2017/18 to maximise the Council's ability to mitigate the currently forecast overspend of £0.937m.
3. Progress on delivering planning savings in the year.
4. The favourable forecast outturn of £0.172m on the Housing Revenue Account.
5. The underspend in General Services capital of £4.399m of which £2,102m is grant income received earlier than anticipated with the remaining £2.297m being carried forward to 2018/19.
6. The forecasted underspend on HRA capital of £3.336 of which £0.448m is additional income from house and land sales. £0.183m of the underspend is proposed to be carried forward with the balance been taken as an underspend with the year.

The Committee agreed to approve:-

1. The rephrasing of the current capital budget for Telecare and the use of the budget to support a new call system with Menstrie House.

### **Action**

Chief Accountant

## **AF(17)43 HEALTH AND SOCIAL CARE PARTNERSHIP AND CHILDREN'S AND JUSTICE SERVICES**

The report, submitted by the Chief Officer, Integration Joint Board and Head of Service, Children's and Justice, provided the Committee with current information on the financial performance of the services within the Health and Social Care Partnership and also the financial performance of Children's and Justice Services.

### **Motion**

That Committee agrees the recommendations set out in the report.

Moved by Councillor Les Sharp. Seconded by Councillor Darren Lee.



### **Decision**

The Committee agreed to note the projected overspend within the services delegated by the Integration Joint Board to Clackmannanshire Council. The Committee also agreed to note the financial performance of Children's and Justice Services.

### **AF(17)44      INTERNAL AUDIT PROGRESS REPORT 2017/18**

The report, submitted by the Internal Audit Manager, provided the Committee with an update on progress with completing the 2017/18 Internal Audit Plan.

### **Motion**

That Committee agrees the recommendation set out in the report.

Moved by Councillor Derek Stewart. Seconded by Councillor Kenneth Earle.

### **Decision**

The Committee agreed to note the progress being made with completing the 2017/18 Internal Audit Plan.

### **AF(17)45      THE NATIONAL FRAUD INITIATIVE**

The report, submitted by the Head of Resources and Governance, updated the Committee on progress to date and provided some context on the national NFI exercise and the circumstances that led to the lower than expected match investigations.

### **Motion**

That Committee agrees the recommendation set out in the report.

Moved by Councillor Derek Stewart. Seconded by Councillor Mike Watson.

### **Decision**

The Committee agreed to note the background, current context and the progress that has been made.

Ends 1105 hrs.



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**Report to Audit and Finance Committee**

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**Date of Meeting: 18 January 2018**

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**Subject: Council Financial Performance 2017/18 – October Outturn**

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**Report by: Chief Accountant**

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**1.0 Purpose**

- 1.1 This paper provides an update on the financial performance of the Council in respect of both revenue and capital spend for the current financial year, 2017/18.

**2.0 Recommendations**

- 2.1. The Committee is asked to note:

2.1.1 The forecast General Fund revenue underspend for the year of (£0.496m).

2.1.2 Progress on delivering planned savings in the year.

2.1.3 The favourable forecast outturn of £0.245m on the Housing Revenue Account.

2.1.4 The underspend in General Services capital of £4.313m of which £2.102m is grant income received earlier than anticipated with the remaining £2.227m being carried forward to 2018/19.

2.1.5 The forecasted underspend on HRA capital of £3.961m of which £0.448m is additional income from house and land sales. £0.183m of the underspend is proposed to be carried forward with the balance been taken as an underspend within the year.

**2.2 Background**

- 2.2. This report summarises the draft financial position of the Council for the financial year ended 31<sup>st</sup> March 2018. This report consolidates all of the detailed service financial data to provide a corporate position. The report also provides detail of individual Service positions. The forecast Outturn position reflected in this report will be reviewed and updated throughout the year by service managers with the support of Accountancy.

**3.0 General Fund Revenue**

- 3.1 Appendix A to this paper sets out the actual spend for each service area.

- 3.2 Overall the Council's net service expenditure this year is forecasting an underspend of (£0.496m) for the year ended 31<sup>st</sup> March 2018. This is an increase of £0.376m since the August forecast reported to this Committee in November.
- 3.3 Overall service expenditure is projecting an underspend of (£0.308m) and a further underspend within the Loans Fund of (£0.188m). Most services are forecasting an underspend however this is offset by a projected overspend of £0.801m within Corporate Services which relates to unachievable savings in the year. The projected underspend also contains £0.674m for Universal Credit which is being met through underspends elsewhere within the Housing Service. Committed levels of spend will continue to be maintained and updated forecasts provided during the year.
- 3.4 Table 1 below provides an overview of the Council's outturn position within each Service Expenditure area. The commentary aims to flag the **key** reasons for material variances from the approved budget.

**Table 1: Summary of Service Budget Variances**

Service	Annual Budget 2017/18	Projected Over/(underspend) at 31 <sup>st</sup> March 2018	Variance to Budget %	Previous reported over/(under) spend August	Movement
Resources & Governance	£5.900m	(£0.245m)	(4.16%)	(£0.202m)	(£0.043m)
<p>Resources and Governance is projecting an underspend of (£0.245m), resulting in a favourable movement of (£0.043m).</p> <p>The main variances are detailed below:-</p> <p>Accountancy is reporting an underspend of (£0.011m), resulting in movement of (£0.021m). The underspend and movement are due to staffing.</p> <p>Governance is projecting an underspend of (£0.081m), resulting in movement of £0.134m. The underspend is attributable to staff vacancies and the movement reflects an up to date position on the filling of these vacancies.</p> <p>IT is reporting an underspend of (£0.104m), resulting in a movement of (£0.107m). The underspend is primarily attributed to staffing (£0.147m) and a further (£0.025m) underspend in third party payments. These are offset by an overspend in Supplies and Services £0.059m and various other small overspends. The movement is in relation to a revised forecast on computer software maintenance.</p> <p>Legal and Democracy is reporting an underspend of (£0.029m), resulting in a movement of (£0.029m). This is due to vacancies within the team.</p> <p>Corporate Training is reporting an underspend of (£0.020m), resulting in a movement of (£0.020m). This underspend and movement is due to a reduction in Council wide training.</p>					

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Strategy and Customer Services	£6.066m	(£0.180m)	(2.97%)	(£0.011m)	(£0.169m)

Strategy and Customer Services is projecting a total spend of £5.885m at the end of 2017/18, resulting in a net underspend of £0.180m.

The main areas of variance are detailed below:-

Business Support is forecasting an underspend of (£0.116m) by the year end. The underspend is mainly attributable to staffing vacancies as where posts become vacant these are not planned to be replaced during the year.

Members Services is forecasting a small overspend of £0.002m.

Strategy & Performance is forecasting an overspend of £0.008m. The main reason for this is an income shortfall from NHS Forth Valley following a recent TVR on a jointly funded post.

Customer Services (which includes Leisure) is forecasting that there will be an underspend of (£0.050m) by the year end. This relates mainly to savings in Libraries staffing as the service continues to make savings through managed workforce contraction.

Two aspects of Leisure Services' budget were recently transferred to the service These are Alloa Leisure Bowl and Gartmorn Dam, which together contribute to an underspend of (£0.023m). The Gartmorn Dam Centre accounts for (£0.030m), offset by £0.007m for the Leisure Bowl Subsidy where the actual inflationary index applied to the subsidy was greater than budgeted.

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Development and Environment Services	£14.782m	(£0.205m)	(1.39%)	£0.017m	(£0.223)

D&E is reporting an underspend of (£0.205m), resulting in a movement of (£0.223).

The Main variances are detailed below:-

Development Services is reporting an underspend of (£0.062m), resulting in a movement since last outturn of (£0.008m). The underspend is due to a reduction in expected

throughput of clients in Clacks Works, coupled with a revised forecast of costs in the Ochil Landscape Partnership. The movement is due to the reforecast of Ochil Landscape Partnership costs, as the project comes to an end. Fees from Planning Applications within Development Quality and Building Standards are also higher than anticipated due to the volume of applications.

Environmental Services is projecting an overspend of £0.087m resulting in a movement of (£0.041m). The overspend is primarily due to the part unachievement of a 17/18 saving in waste management of £0.072m. The movement is due to updated staffing forecasts.

Regulatory Services is reporting underspend of (£0.062m) resulting in a movement of (£0.052m). The underspend and movement is mainly due to staff vacancies.

Roads & Transportation is projecting an underspend of (£0.091m) resulting in a movement of (£0.017m). The underspend and movement are mainly due to staff vacancies.

Catering is reporting an underspend of (£0.018m), resulting in a movement of £0.014m. The movement and underspend are due to revised detailed forecasts of costs and income.

Cleaning is reporting an overspend of £0.138m, resulting in a movement of (£0.036m). Overspend is due to unachieved savings in previous years and the movement is due to an updated detailed forecast.

Soft FM is projecting an underspend of (£0.125m), resulting in a movement of (£0.052m). The underspend is due to vacancies and overtime within Janitorial (£0.050m), building costs (£0.084m) and various small overspends £0.009m. The movement of £0.052m is due to service restructure.

Energy Management is reporting an underspend of (£0.072m), resulting in a movement of (£0.032m). Underspend and movement is due to fluctuations in energy usage.

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Social Services	£14.286m	£0.001m	0.01%	£0.088m	(£0.087m)

The budget for Social Services above relates to Services for Children and Families, Criminal Justice and Management and Strategy. The IJB budget for Health and Social Care Partnership Budget covering Adults Services is now managed through the Health and Social Care Partnership and a separate report is presented on this agenda by the Partnership Chief Officer.

The Service is projecting an overspend at the year end of £0.001m and a favourable movement of £0.087m since the last report. The service is experiencing continuing pressures within Fostering and Adoption, offset by projected underspends on residential schools (£0.5m) and employees (£0.1m). At the start of the year there were 26 children in residential schools with the number falling to 21 in October and a further reduction anticipated before the end of the year. This position follows from the strategy of developing local community based alternatives to residential care.

Whilst demand for services is volatile, management is actively monitoring expenditure and anticipates being able to manage demand pressures through controls over recruitment.

The movement from the August forecast is an improved position, with the forecast outturn having improved by £0.087m as a result of residential placements being utilised by neighbouring local authorities.

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Education	£47.517	£0.040m	0.08%	£0.214m	(£0.174m)

Education has had a net budget increase of £0.018m due to restructure adjustments and allocation of corporate savings. Education is forecasting an overspend of £0.040m in comparison to the previously reported overspend of £0.214m. This is summarised as follows:

Early Years Devolved, Primary Devolved, Additional Support Needs (ASN) Devolved and Secondary Devolved are forecast on budget as any under or overspends are carried forward to the next financial year for the respective establishments.

Business Management is forecasting to overspend by £0.017m, which relates to an unachievable saving relating to staffing. The movement of (£0.065m) relates to part of the previously unachievable saving now being charged to Capital, and a reduction in hours.

Early Years Non Devolved is forecasted to overspend by £0.014m. The movement of (£0.245m) is due mainly to more accurate staffing information and the allocation of funding for demand pressures within Alva nursery and funding for the final stage of the implementation of the rollout of 600 hours of Early Learning and Childcare.

Secondary Non Devolved is forecasting to underspend by (£0.240m) mainly due to an underspend within supply cover due to a shortage of supply teachers. The movement of £0.005m relates to additional transport income.

ASN Non Devolved is forecasting to overspend by £0.095m. This consists of £0.026m for school transport for children with additional support needs and staffing net overspends totalling £0.024m. There is an overspend of £0.021m relating to purchase of specialist equipment for schools and £0.014m for additional speech and language therapy costs. There are also other small overspends totalling £0.010m. The movement of (£0.197m) relates to a reduction in the forecast for pupil transport (£0.114m), along with more accurate staffing information (£0.081m). There are various other small movements totalling (£0.002m).

Primary Non Devolved is forecasting to overspend by £0.269m. This relates mainly to Teachers Flexibility which is showing £0.247m overspend due to underachievement of the cash saving target. Due to the reduction in Probationer numbers there will be a reduction

in funding from the Scottish Govt that is still to be clarified, the current assumption is that this will be in region of £0.090m. The underspend in Reduced Class Contact Time (RCCT) of (£0.109m) is offset by overspends in other areas of £0.052m. There are other small underspends of (£0.007m) in supply cover and (£0.004m) relating to various areas. The movement of £0.370m relates to budget realignment of £0.728m from devolved schools, to Teachers Flexibility and the provision for potential reduction in Probationers funding £0.090m.

Sports Development, Sports Primary, School Crossing Patrols and Educational Psychology are projecting to overspend by a total of £0.008m due to small over/underspends within their respective areas. The movement of £0.023m mainly relates to Sports Primary PE team vacancies now being filled £0.016m, along with the allocation of a saving for Printing £0.009m. There is a small movement in Sports Development of (£0.003m) over various areas.

Youth Services is forecasting to underspend by (£0.053m) of which (£0.047m) relates to over-achievement in income. There are also small over/underspends across various areas. The movement of (£0.019m) relates to staff cost being met by external funding for Vulnerable Persons Relocation.

Schools PPP is reporting an underspend of (£0.074m) which is a movement of (£0.038m) from the last report. The underspend and movement is due to agreed deductions in service delivery from the original contract.

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Housing	£5.981m	(£0.509m)	(8.51%)	(£0.028m)	(£0.481m)

The revised Service budget is now £5.981m, after the reconciliation activity of the FM service to Housing and a reallocation of Discretionary Housing Payments funding, a reduction of £0.311m from the previous reported budget. The Housing, Property & Revenue Service are currently projecting a total spend of £5.452m, resulting in an underspend of (£0.509m).

There are a number of drivers for this position:-

Saving on employee related expenditure (£0.426m). This has been a result of the service having a greater number of Voluntary Redundancy and severance acceptances than anticipated, equating to a further 8% reduction in the staffing budget. The remainder is as a result of a planned management of vacancies in line with the service reviewing the Revenues structure which was reported to the Scrutiny committee in August. This follows completion of the movement of the current tenant rent management to the Housing patch teams. Re-alignment of the revenues staffing budget forms part of the service proposals for 2018/19.



Public building costs and maintenance is forecasting to be overspent by £0.255m, which includes the running costs of the school estate, CAPs and leisure buildings. The £0.255m includes an unfunded demand pressure of £0.129m to account for the rates revaluation and increase in the rate poundage. Previous budget and policy decisions to focus repairs on wind & water tight only on public buildings, have resulted in additional expenditure on catch up repairs in this financial year.

Revenues Service is forecasting to receive (£0.186m) additional income over budget from Council Tax costs retained and Agency Income. The Councils Housing Benefits budget allowance is at present forecast to underspend by (£0.867m). This is the amount of budget the council retains to pay housing benefits as not all rental amounts achieve or attract full DWP subsidy to cover the rent. This includes (£0.232m) for income due for Housing Benefit overpayments. The budget also includes additional DHP income from the Scottish Government, and now expected draw down of (£0.050m) Tranche 2 funding still to be received for mitigation of Bedroom Tax. The service is continuing where possible to maximise the use of this grant spend.

As previously reported, the Homeless Income and HB Subsidy budgets continue to be unpredictable due to the introduction of Universal Credit and some adjustment for HB regulation announcements. At present the service is currently running bi-weekly updates from both the Housing benefit system and the ledger to ensure appropriate monitoring and tracking are in place due to the its unpredictable nature.

There has though been a reduction in the income pressure from homeless rents from the previous outturn reported to November committee. In November, the reduction in income was expected to be £0.817m, further revisions to the prediction and actual income received suggests the income shortfall maybe closer to £0.674m. However, as with the Housing benefit expenditure this continues to be monitored.

General Fund Housing also has an unachievable saving of £0.046m (2016/17) in relation to pursuit of bad debts.

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Executive Team	£0.437m	(£0.011m)	(2.52%)	(£0.010m)	(£0.001m)

The Executive Team are forecasting to come in (£0.011m) under budget. There is forecast to be a saving of £0.006m on the COSLA subscription as the myjobscotland levy is covered by the Human Resources budget. There is also a small saving in staff travel expenses forecast.

<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Corporate Adjustments	(£1.375m)	£0.801m	58.26%	£0m	£0.801m
The budget includes a number of Corporate Savings which are currently being reviewed to allow them to be allocated to services. The projected overspend relates to the underachievement of savings in the year: Unsocial Hours, Service redesign, and VS.					
<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
Non Distributed Costs	£1.312m	£0m	0%	£0m	£0m
Non distributed costs are currently forecast to come in on budget. This is being reviewed as TVR's and VS packages are agreed.					
<b>Service</b>	<b>Annual Budget 2017/18</b>	<b>Projected Over/(underspend) at 31<sup>st</sup> March 2018</b>	<b>Variance to Budget %</b>	<b>Previous reported over/(under) spend August</b>	<b>Movement</b>
<b>Total</b>	<b>£94.906m</b>	<b>(£0.308m)</b>	<b>(0.32%)</b>	<b>£0.068m</b>	<b>(£0.376m)</b>

3.5 Appendix A also highlights a number of non-service expenditure and income areas of the Council budget (not detailed in Table 1). Within non-service expenditure the loans fund budget is projecting an underspend of (£0.188m), resulting in a projected net underspend of (£0.496m).

### 3.6 2017/18 Savings Progress

The 2017/18 budget incorporated approved savings of £6.8m. £4.6m (67%) are forecast as achieved, with up to a further £1.5m (22%) likely to be achieved in the year. Table 2 below sets out the position for each of the savings categories.

**Table 2: Budgeted 2017/18 savings progress**

<b>Savings Category</b>	<b>Savings full year 17/18 (£000)</b>	<b>Green (£000)</b>	<b>Amber (£000)</b>	<b>Red (£000)</b>
Policy Savings	1,951	1,011	542	398
Management Efficiencies	2,737	1,920	708	109
Managed Contraction of Workforce	391	391	0	0
Service Redesign	463	378	0	85
Budget Savings from Year 2 Approved in 16-17	1,262	888	280	94
<b>Total</b>	<b>6,804</b>	<b>4,588</b>	<b>1,530</b>	<b>686</b>

- 3.7 Services have been asked to identify compensatory savings for those that will not be achieved during 2017/18. Appendices E to I provide further detail of the progress on delivering savings within each service.

### **3.8. Earmarked Reserves**

In addition to service expenditure there is a total of £3.806m, as approved by Council, set aside for specific purposes or requirements. As at end October a sum of £85k has been drawn down against these earmarked reserves. Reserves will continue to be drawn down throughout the year as expenditure is incurred or released back to uncommitted reserves if no longer required.

### **3.9 Financial Risks**

#### **3.9.1 Revenues Service**

As first reported to the Audit and Finance Committee 7<sup>th</sup> September, a risk has been identified in the Revenues Service in respect of the rollout of Universal Credit (UC) and the impact on the Housing Benefit Subsidy budget. The most significant risk highlighted was the impact on the benefit levels relating to temporary accommodation. Work continues to refine the current position in relation to temporary accommodation and at present the expected shortfall based on the existing modelling and projections is £0.674m which is a reduction from the previous forecast of £0.817m. This pressure of £0.674m has been incorporated within the outturns above and is expected to be fully mitigated from underspends elsewhere within the Housing service.

#### **3.9.2 Provisions**

At the 31<sup>st</sup> March 2017 the Council set aside sums in respect of future liabilities for Equal Pay, Insurance, PPP and a Damages Claim. Work is ongoing in relation to PPP as detailed in the report which was brought to council in September. The table below provides a summary of the movements to date and expected year end balance.

**Table 3: Provisions**

<b>Provision</b>	<b>Balance at 31st March 2017 (£000)</b>	<b>Notified Amounts to be paid in the year (£000)</b>	<b>Amounts expected to be utilised in the year (£000)</b>	<b>Anticipated Closing balance at 31st March 2018 (£000)</b>
Equal Pay	92	61	31	0
Insurance	26	0	3	23
Legal Case – PPP	50	15	35	0
Damages Claim	150	9	141	0
<b>Total</b>	<b>318</b>	<b>85</b>	<b>210</b>	<b>23</b>

### 3.9.3 Contingent Liabilities

The Council reported 4 Contingent Liabilities at 31<sup>st</sup> March 2017. These are areas where the Council may have a future obligation to make a payment however, the timescale and quantification is not known. The Council reported Contingent Liabilities in respect of: Equal Pay, Insurance, a Health and Safety Case and PPP.

As at 31<sup>st</sup> October these Contingent Liabilities are still in existence and no further information is available either to remove or quantify any potential liability.

### 3.9.4 Unbudgeted Unavoidable Spend

To the end of October there have been four Deaths in Service. This is not something that is provided for due to its uncertain nature. The Deaths in Service costs of £51k are absorbed by Services within existing budget and are included within the outturns shown above.

### 3.10 Capital Receipts

Capital receipts expected to be received up to 31<sup>st</sup> March 2017 were £1.452m and £0.622m from the Economic Stimulus Fund. These receipts have been fully utilised to support the 2017/18 budget. The value of capital receipts received to the 31<sup>st</sup> March 2017 was £0.115m and the Economic Stimulus Fund balance was £0.622m. In the year to date we have received receipts of £0.990m, and are projecting to receive further receipts of £0.370m in the year which will meet the budget requirement of £2.074m for 2017/18. Additional properties are currently being prepared for sale and marketed from which further receipts are expected. These will be included in future reports as timing is clarified.

### 3.11 Social Services Adult Care

Service	Annual Budget 2017/18	Projected Over/(underspend) at 31st March 2018	Variance to Budget %	Previous reported over/(under) spend August	Movement
Health and Social Care Partnership Integrated Joint Board	£15.341m	£1.733m	11.29%	£1.853m	(£0.120m)
<p>The budget for the Integrated Joint Board above relates to the Adult Social work services delegated to Clackmannanshire and Stirling Health and Social Care Partnership. Operational responsibility for adult services transferred to the Health and Social Care Partnership on 3 July 2017.</p> <p>The Health and Social Care Partnership is forecast to spend £17.074m (including Garden Aid), £1.733m more than the budget.</p> <p>Expenditure trends continue to be closely monitored across the service using both data on service commitments and data on actual spend to date to provide a sense check and validate the forecasts.</p> <p>The Service experiences increased service levels including an 11% increase in elderly nursing home placements over last year's activity with costs rising by 18% following price uplifts for the national care home contract. This trend represents a significant increased cost pressure arising in part from delivering challenging delayed discharge timescales, continuing the trend seen in the last financial year.</p> <p>Whilst the pressure on Care at Home has not been as high as in residential care, service levels have still risen by 2.3% compared to 2016/17.</p> <p>Since the August outturn the forecasted overspend has fallen by £0.120m. This movement is as a result of updated forecast information on demand and an assessment in relation to the achievement of savings.</p> <p>A separate financial report on the whole of Social Services is attached to this agenda.</p>					

## 4.0 Housing Revenue Account

- 4.1 Appendix B to this paper sets out the summary budget for the Housing Revenue Account for this year in accordance with its Business Plan. It is forecast that the Service will achieve a surplus in the year of £5.370m which is £0.245m greater than budgeted and £0.073m greater than the August forecast.

- 4.2 Employee Related Expenditure is at present forecast to be a £0.547m saving for the year. This is in relation to posts that are vacant through voluntary severance and turnover. The Service has been working during the year to complete the restructure and this is almost complete. As further posts become vacant the replacement of them is reviewed.
- 4.3 Premises Related Expenditure is forecasting a saving of £0.117m for the year. This is £0.095m more than previously forecast as the level of Voids has remained steady. The expected increase in the use of Private Contractors to turn around the Voids has not yet happened with seven just recently been placed with them. This budget will be carefully monitored between now and the end of the year with the placing of work to a Private Contractor only done after careful consideration.
- 4.4 Transport Related Expenditure is forecast to be £0.018m less than budget. Supplies and Services are forecasting a £0.153m underspend as Property Contracts are reducing their costs. This has increased by £0.098m from August after review of materials and scaffold hire in property contracts and subscriptions overall.
- 4.5 Offsetting the above underspends is a shortfall in Rental Income of £0.224m and reduced income from charges made by Property Contracts to Capital and the General Fund of £0.200m. The Rental reduction is in relation to the higher than forecast House Sales while the reduction in charging is after reviewing the portfolio of work that property contracts have been involved with this year.
- 4.6 The most recent forecast of Capital Financing costs is indicating that there will be an overspend of £0.201m this year.

## **5.0 Capital**

### **5.1 General Services**

- 5.2 Appendix C to this paper details the General Services capital programme for the period ended 31<sup>st</sup> October 2017 where individual projects are listed within the various asset management plans.
- 5.3 Overall, the General Services capital programme has projected an underspend of £2.131m against the £15.980m gross budget and an underspend of £4.313m against the £7.926m net budget, which is mainly due to the revised timing of project expenditure for larger school estate projects and an early grant receipt received from Scottish Futures Trust for Tullibody South Campus.
- 5.4 Council in November approved the removal of the £300k 17/18 budget Kellibank/Forthbank Depot consolidation and approved that this be replaced with Depot upgrades for Kelliebank/Forthbank valued at £315k .
- 5.5 A summary of the projected outturn position for each of the Asset plans is shown in the table below.

**Table 4 General Services Capital Budget Variances**

<b>Asset Management Strategy Plan</b>	<b>Budget (£000)</b>	<b>Projected as at 31<sup>st</sup> Oct 2017 (£000)</b>	<b>Over / (under) Spend (£000)</b>	<b>Comments</b>
Corporate	12,057	9,641	(2,416)	Revised timing of project expenditure for Craigbank Primary £0.62m, Clackmannan Regeneration £0.45m, Clackmannan Primary £0.25m, Alva Primary £0.25m Kelliebank £0.30m, City Deal £0.25m and New Cemetery £0.18m
Property	81	81	0	Projected to be on budget at the year end
Roads	2,563	2,913	350	Projected to be on budget at the year end
Lands	30	30	0	Projected to be on budget at the year end
Fleet	634	634	0	Projected to be on budget at the year end
IT	615	565	(50)	Revised timing of project expenditure Social Services Integrated System £0.05m
<b>Total Capital Expenditure</b>	<b>15,980</b>	<b>13,864</b>	<b>(2,116)</b>	
<b>Income</b>	<b>(8,054)</b>	<b>(10,251)</b>	<b>(2,197)</b>	Early grant receipt received from Scottish Futures Trust for Tullibody South Campus
<b>Net Capital Programme</b>	<b>(7,926)</b>	<b>3,613</b>	<b>(4,313)</b>	

### ***Housing Revenue Account***

- 5.6 Appendix D to this paper details the HRA capital programme for the current year where individual projects are listed within the various asset management plans.
- 5.7 The current net HRA Capital Budget is £11.102m. Expenditure is forecasted to be £3.961m less than budget. At present it is anticipated that only £0.183m will require to be carried forward.
- 5.8 Following the restructure of the Assets function, there has been some staff turnover in the assets team. Vacancies have now been filled and other contractual relationships are being put in place. It is expected that this will achieve efficiencies whilst improving corporate works project management. There has however been some slippage on contracts during the period that these arrangements were being implemented.
- 5.9 A higher than usual level of illness during the year in part accounted for the internal trades team carrying out less work than anticipated. There has been

improved attendance in recent months but this has resulted in slippage in some areas.

5.10 The major projects that contribute to the underspend of £3.778m are detailed in Table 5 below and comments are also recorded in Appendix D:

**Table 5 HRA Capital Budget Major Variances**

<b>Project</b>	<b>Variance (£000)</b>	<b>Comments</b>
Roof & Render Upgrading	(1,312)	The programme has been re-profiled and is more realistic moving forward at £1m per year.
Energy Efficiency Works	(330)	A grant of £230k was received from the Scottish Government due to the good progress made by the Council on EESSH Compliance. This was set against the boiler replacement programme reducing the Council funds required for this project.
Kitchen Replacement	(656)	The window and kitchen replacement programme was delayed to allow upgrade works to be carried out at Clackmannan and Alva Primary Schools over the summer. The Kitchen replacement programme started on site in September 2017. Good progress is now being made on this.
Electrical Rewiring	(438)	Work is being back programmed until 2018/19. The contract for the 4 year measured term is currently being procured. Should resource capacity become available with in-house trades these can also be utilised.
Off the Shelf Purchase	(524)	No more units forecast to be bought this year.
Income from Sale of Council Property & Land	(448)	Sales that did not complete by March 2017.

## **6.0 Conclusions**

6.1 General Services revenue spend is anticipated to record an underspend of (£0.496m).

6.2 Of the £6.8m approved savings, £4.6m is forecast to be achieved and up to a further £1.5m is likely to be achieved in the year.

6.3 The Housing Revenue Account is anticipating an underspend of £0.245m.

6.4 The draft outturn for the capital programme indicates an underspend in the year (including carry forwards) of £4.313m on General Services Capital. Detail on each project is shown in Appendix C.

6.5 The HRA Capital Programme indicates a forecasted underspend of £3.778m, including additional income from house & land sales £0.448m.

## **7.0 Sustainability Implications**

7.1 None



## 8.0 Resource Implications

### 8.1 Financial Details

8.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

8.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

### 8.4 Staffing

8.5 None

## 9.0 Exempt Reports

9.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

## 10.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses	<input type="checkbox"/>
Our communities are more cohesive and inclusive	<input type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

(2) **Council Policies** (Please detail)

## 11.0 Equalities Impact

11.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes ☐ No ☒

## 12.0 Legality

- 12.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

### 13.0 Appendices

- 13.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A Council summary of expenditure

Appendix B HRA Revenues

Appendix C General Services Capital

Appendix D HRA Capital

Appendices E - I Corporate Savings Position

### 14.0 Background Papers

- 14.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

#### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Sim	Chief Accountant	2078

#### Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources & Governance	Signed: S Coulter
Nikki Bridle	Depute Chief Executive	Signed: N Bridle

## Council Summary 2017/18

As at 31st October 2017



Clackmannanshire  
Council

www.clacks.gov.uk

Comhairle Siorrachd  
Chlach Mhanann

## APPENDIX A

	Annual Budget 2017/18	Forecast to March 2018	Variance Forecast to Budget	Variance Forecast to Budget	Previous Reported Variance	Movement
	£'000	£'000	£'000	%	£'000	£'000
Resource & Governance	5,900	5,655	(245)	(4.16)	(202)	(43)
Strategy & Customer Services	6,066	5,886	(180)	(2.97)	(11)	(169)
	11,967	11,541	(426)	(3.56)	(213)	(213)
<b>less allocated to non general fund</b>	(1,305)	(1,305)	0	0.00	0	0
	10,662	10,236	(426)	(3.99)	(213)	(213)
Executive Team	437	426	(11)	(2.52)	(10)	(1)
Development & Environmental	14,782	14,577	(205)	(1.39)	17	(222)
Education Service	47,517	47,557	40	0.08	214	(174)
Housing & Community Safety	5,981	5,472	(509)	(8.51)	(28)	(481)
Social Services	14,286	14,287	1	0.01	88	(87)
Corporate Services	(1,375)	(574)	801	(58.26)	0	801
Misc Services - Non Distributed Costs	1,312	1,312	0	0.00	0	0
<b>Services Expenditure</b>	93,601	93,293	(308)	(0.33)	68	(376)
<b>Add Requisitions from Joint Boards</b>						
Central Scotland Valuation	381	381	0	0.00	0	0
Health & Social Care Partnership	15,341	15,341	0	0.00	0	0
	109,323	109,015	(308)	(0.28)	68	(376)
<b>Add/Deduct</b>						
Interest on Revenue Balances	(91)	(91)	0	0.00	0	0
Loans Fund Contribution	9,538	9,350	(188)	(1.97)	(188)	0
Contribution to Bad Debt Provision	200	200	0	0.00	0	0
	118,970	118,474	(496)	(0.42)	(120)	(376)
<b>Sources of Funding</b>						
General Revenue Funding/Non-Domestic Rates	(91,413)	(91,413)	0	0	0	0
Council Tax	(20,611)	(20,611)	0	0	0	0
Council Tax Reduction Scheme	(3,207)	(3,207)	0	0	0	0
Contribution from Reserves	(1,457)	(1,457)	0	0	0	0
Capital Stimulus Fund	(622)	(622)	0	0	0	0
Application of unapplied Capital receipt	(1,452)	(1,452)	0	0	0	0
Contribution from Earmarked Reserves	(85)	(85)	0	0	0	0
Contribution from Uncommitted Reserves	(123)	(123)	0	0	0	0
	(118,970)	(118,970)	0	0	0	0
<b>Projected (Surplus)/Shortfall</b>	(0)	(496)	(496)	(0)	(120)	(376)



## Service Summary - Housing Revenue Account



**Clackmannanshire  
Council**

www.clacksweb.org.uk

Description	Annual Budget for 2017/18	Budget to end of October	Actual to end of October	Annual forecast for 2017/18	Forecast v Budget	YTD Actual v Budget
<b>Employee Related Expenditure</b>						
Chief Officers Gross Salaries	54,330	31,693	29,599	51,609	(2,721)	(2,094)
Chief Officers Employers Superann	11,681	6,814	6,553	11,423	(258)	(261)
Chief Officers Employers NIC	8,871	5,175	3,592	6,277	(2,594)	(1,583)
Single Status Gross Salaries	5,367,486	3,131,034	2,763,016	4,776,036	(591,450)	(368,017)
Single Status Employers Superann	1,111,330	648,276	586,358	1,010,424	(100,906)	(61,918)
Single Status Employers NIC	475,912	277,615	269,750	463,895	(12,017)	(7,865)
Single Status Overtime	157,220	91,712	106,390	187,312	30,092	14,679
Single Status Absence Pay	0	0	69,101	68,881	68,881	69,101
General Manual Gross Salaries	0	0	71	71	71	71
General Manual Employers NIC	0	0	26	26	26	26
General Manual Overtime	0	0	189	189	189	189
Long Service Awards	900	525	894	1,350	450	369
Childcare Vouchers Admin Costs	2,000	1,167	290	116	(1,884)	(877)
Employee Management Costs	0	0	545	200	200	545
Conference Expenses And Subsistence	2,000	1,167	820	250	(1,750)	(347)
Superannuation Lump Sums	0	0	79,271	74,991	74,991	79,271
Severance Payments	0	0	13,584	13,584	13,584	13,584
Recruitment Expenses	1,000	583	1,200	3,700	2,700	617
Staff Training	81,350	47,454	6,245	56,900	(24,450)	(41,209)
<b>Employee Related Expenditure Total</b>	<b>7,274,080</b>	<b>4,243,213</b>	<b>3,937,493</b>	<b>6,727,233</b>	<b>(546,847)</b>	<b>(305,721)</b>
<b>Premises Related Expenditure</b>						
Corporate Building Repairs	0	0	19,375	40,000	40,000	19,375
Annual Maintenance External Provider	256,000	149,333	(4,369)	123,100	(132,900)	(153,703)
Service Requested Building Repairs	0	0	36	0	0	36
Grounds Maintenance	0	0	7,998	5,000	5,000	7,998
Service Charge	0	0	282	280	280	282
Cleaning & Hygiene Materials	11,250	6,563	492	1,310	(9,940)	(6,070)
Gas	4,000	2,333	1,931	4,000	(0)	(402)
Electricity	16,000	9,333	9,787	17,730	1,730	454
Void Rent Loss	480,870	280,508	242,421	435,200	(45,670)	(38,087)
Rates	2,500	1,458	5,103	5,546	3,046	3,645
Council Tax	20,000	11,667	0	10,000	(10,000)	(11,667)
Property Insurance	200,000	116,667	142,535	142,500	(57,500)	25,868
Bad Debt Provision	250,000	145,833	0	338,000	88,000	(145,833)
Building Costs - Recharges Internal	80,000	46,667	0	91,000	11,000	(46,667)
Cleaning Services Internal recharge	10,000	5,833	0	0	(10,000)	(5,833)
Land Services - Internal Recharges	0	0	769	0	0	769
<b>Premises Related Expenditure Total</b>	<b>1,330,620</b>	<b>776,195</b>	<b>426,359</b>	<b>1,213,666</b>	<b>(116,954)</b>	<b>(349,836)</b>
<b>Transport Related Expenditure</b>						
Short Term Vehicle Hire	2,500	1,458	8,529	12,500	10,000	7,071
Staff Travel Mileage Expenses	26,000	15,167	11,569	20,514	(5,486)	(3,597)
Vehicles - Maintenance Recharges	343,830	200,568	3,184	321,500	(22,330)	(197,384)
Vehicles - General Consumables	350	204	0	0	(350)	(204)
<b>Transport Related Expenditure Total</b>	<b>372,680</b>	<b>217,397</b>	<b>23,282</b>	<b>354,514</b>	<b>(18,166)</b>	<b>(194,114)</b>
<b>Supplies and Services</b>						
Purchase Of Equipment	20,870	12,174	17,226	30,300	9,430	5,052
Purchase Of Furniture	0	0	326	2,530	2,530	326
Materials (issued from Stock)	711,700	415,158	330,838	650,950	(60,750)	(84,320)
Materials - Direct purchases from supp	334,000	194,833	229,780	334,150	150	34,947
General Consumables (small items)	40,000	23,333	19,361	40,000	(0)	(3,973)
Per Capita English	0	0	7	0	0	7
Equipment Maintenance	12,500	7,292	3,063	9,100	(3,400)	(4,229)
Equipment Rental/Leasing	15,000	8,750	7,743	15,000	0	(1,007)
Scaffold Hire	57,500	33,542	2,948	15,000	(42,500)	(30,594)
Medical Supplies	1,000	583	0	0	(1,000)	(583)
Catering Disposables	0	0	96	0	0	96
Hospitality	100	58	48	0	(100)	(11)
Uniforms & Clothing	13,480	7,863	541	2,430	(11,050)	(7,322)
Office Equipment - Purchases	1,150	671	0	100	(1,050)	(671)
Printing & Photocopying	5,800	3,383	1,036	2,200	(3,600)	(2,347)
Stationery	2,000	1,167	3,620	4,200	2,200	2,453
Publications	500	292	0	0	(500)	(292)
Insurance	31,620	18,445	25,869	25,870	(5,750)	7,424
Professional Fees	34,100	19,892	5,272	18,745	(15,355)	(14,620)
Performing Rights	300	175	0	300	(0)	(175)
Per Capita Strategic Improvement Fun	0	0	0	0	0	0
Postages	5,010	2,923	6,451	11,200	6,190	3,528
Legal Expenses	6,000	3,500	10,138	16,790	10,790	6,638
Subscriptions	18,500	10,792	4,289	4,150	(14,350)	(6,502)
Telephones	150	88	76	150	0	(12)
Mobile Telephones	32,980	19,238	(1,951)	32,000	(980)	(21,189)
Computer Hardware Purchase	3,400	1,983	0	0	(3,400)	(1,983)
Computer Software Maint.	96,450	56,263	31,141	75,950	(20,500)	(25,121)

Description	Annual Budget for 2017/18	Budget to end of October	Actual to end of October	Annual forecast for 2017/18	Forecast v Budget	YTD Actual v Budget
Computer Peripherals	0	0	43,760	(0)	(0)	43,760
Carriage	0	0	0	0	0	0
<b>Supplies and Services Total</b>	<b>1,444,110</b>	<b>842,398</b>	<b>741,677</b>	<b>1,291,116</b>	<b>(152,994)</b>	<b>(100,721)</b>
<b>Third Party Payments</b>						
Other Council Accounts	522,200	304,617	214,400	440,500	(81,700)	(90,216)
Property - Internal Recharges	0	0	100	100	100	100
Voluntary Organisations Payment	14,400	8,400	18,550	31,400	17,000	10,150
Payments To Contractors	44,250	25,813	2,936	22,310	(21,940)	(22,876)
Payment To Subcontractor	281,500	164,208	191,424	328,150	46,650	27,216
Payments to Individuals (services provi	10,000	5,833	65	10,100	100	(5,768)
Interest on Debit Balance	0	0	(132)	(0)	(0)	(132)
<b>Third Party Payments Total</b>	<b>872,350</b>	<b>508,871</b>	<b>427,343</b>	<b>832,560</b>	<b>(39,790)</b>	<b>(81,528)</b>
<b>Transfer Payments</b>						
Payments To Individuals (no service pr	0	0	25	0	0	25
<b>Transfer Payments Total</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>25</b>
<b>Support Services</b>						
Accountancy	1,189,410	693,823	0	1,189,410	0	(693,823)
IT	0	0	0	0	(0)	0
Human Resources	0	0	0	0	(0)	0
Legal	0	0	0	0	(0)	0
<b>Support Services Total</b>	<b>1,189,410</b>	<b>693,823</b>	<b>0</b>	<b>1,189,410</b>	<b>(0)</b>	<b>(693,823)</b>
<b>Capital Financing Costs</b>						
Loans Fund Interest	1,457,000	849,917	0	1,627,300	170,300	(849,917)
Debt Management Expenses	29,000	16,917	0	30,480	1,480	(16,917)
Principal Repayments	1,533,000	894,250	0	1,562,500	29,500	(894,250)
<b>Capital Financing Costs Total</b>	<b>3,019,000</b>	<b>1,761,083</b>	<b>0</b>	<b>3,220,280</b>	<b>201,280</b>	<b>(1,761,083)</b>
<b>Total Gross Expenditure</b>	<b>15,502,250</b>	<b>9,042,979</b>	<b>5,556,179</b>	<b>14,828,779</b>	<b>(673,471)</b>	<b>(3,486,800)</b>
<b>Income</b>						
Charges for Services Standard VAT	(25,000)	(14,583)	(24,226)	(35,140)	(10,140)	(9,643)
Charges for Services Reduced VAT	0	0	0	0	0	0
Subscriptions	0	0	507	500	500	507
Other Income	(22,240)	(12,973)	4,096	(2,232)	20,008	17,070
Housing Rents	(18,925,000)	(11,039,583)	(11,759,189)	(18,700,540)	224,460	(719,606)
General Rents	(61,000)	(35,583)	(61,253)	(67,170)	(6,170)	(25,670)
Interest(Revenue Balance)	(11,640)	(6,790)	0	(11,640)	0	6,790
Internal Trading Contract	(1,582,370)	(923,049)	(155,663)	(1,382,370)	200,000	767,387
<b>Income Total</b>	<b>(20,627,250)</b>	<b>(12,032,563)</b>	<b>(11,995,728)</b>	<b>(20,198,591)</b>	<b>428,659</b>	<b>36,834</b>
<b>Net Expenditure</b>	<b>(5,125,000)</b>	<b>(2,989,584)</b>	<b>(6,439,549)</b>	<b>(5,369,813)</b>	<b>(244,813)</b>	<b>(3,449,966)</b>

				RESPONSIBLE OFFICER	Amended Budget 17/18 £	Expenditure as at 31.8.17 £	Income as at 31.08.17 £	Net Expenditure as at 31.08.17 £	Projected out- turn to 31.3.18 £	Projected (Under) / Over spend as at 31.3.18 £	Projected (Under) / Over spend August 17 £	Movement from August to October £	Comments
	(A)	Corporate Asset Management Strategy :											
Project co				Alloa Area									
10000	A1	Schools ICT Replacement	Alloa Academy	J Munro	47,000	38,411		38,411	47,000	0	-	-	Work being carried out Q2 & Q3
10006	A3	Park Primary School	Alloa	E Turnbull	264,040	91,605		91,605	264,040	0	-	-	Delays in the Phase 3 heating installation. Majority of works to be undertaken in Quarter 2 & 3
10003	A4	CCTV Equipment	Alloa	Tony Carman	75,000	1,125		1,125	75,000	0	-	-	
10040	A5	St Mungo's Primary School	Alloa	E Turnbull	1,000	0		0	1,000	0	-	-	Feasability studies in 17/18
10008	A9	Heritage Improvements	Alloa	Complete	24,790	90		90	24,790	0	-	-	Final Invoices for 16/17 project
10133	A46	ALLOA SECONDARY SCHOOL SUPPORT	Alloa	E Turnbull	11,000	0		0	11,000	0	-	-	Majority of works to be undertaken in Quarter 2 & 3
10136	A51	Regeneration Speirs Centre	Alloa		74,280	87,599		87,599	86,200	11,920	11,920	-	Project complete
10137	A53	Alloa Town Hall	Alloa	Complete	9,720	1,200		1,200	9,720	0	-	-	Final Invoices only for 16/17 project
10150	A54	Bowmar Area Enhancements	Alloa	Complete	8,870	0		0	8,870	0	-	-	Final Invoices only for 16/17 project
10138	A55	Kelliebank	Alloa	J Pearcy	0	0		0	0	0	0	(300,000)	Project not proceeding - budget transferred to 2 replacement projects (Kellibank Depot Improvements/Forthbank Depot Improvements)
10169	A55	Kelliebank Depot Improvements	Alloa	J Pearcy	200,000	5,775		5,775	215,000	15,000	0	215,000	Council Approval received for redirection of budget New project added - funded from release of project 10138 addn £15k b/f from future years 10138
10168	A55	Forthbank Depot Improvements	Alloa	J Pearcy	100,000	0		0	100,000	0	0	100,000	Council Approval received for redirection of budget New project added - funded from release of project 10138
TOTAL Alloa Area					815,700	231,073	0	231,073	842,620	26,920	11,920	15,000	
Tullibody/ Sauchie/ Clackmannan Area													
10011	A12	Schools ICT Replacement	Lornshill Academy	J Munro	46,000	7,162		7,162	46,000	0	-	0	Work being carried out Q2 to Q3 (summer and oct breaks)
10012	A13	Sauchie Hall Locality Hub	Sauchie	B Forbes	90,000	0		0	0	(90,000)	(90,000)	0	Due to structural issues a survey and feasibility study is required which has delayed this project.
10122	A14	Deerpark Primary	Sauchie	E Turnbull	34,000	0		0	0	(34,000)	(34,000)	0	Retention awaiting final valuation. Enabling funds from Hub used for feasibility studies. Project delayed to future years.
10014	A15	Craigbank Primary School Refurbishment	Sauchie	E Turnbull	628,000	0		0	0	(628,000)	(50,000)	0	Project delayed
10127	A17	St Serfs Primary School	Tullibody	E Turnbull	33,000	495		495	33,000	0	0	0	Majority of works to be undertaken in Quarter 2 & 3
10017	A18	School Estate - Tullibody South Campus	Tullibody	E Turnbull	1,825,000	14,325		14,325	1,825,000	0	2,024,630	0	Build to commence in 18/19 Budget realigned to reflect the Stage 1 completion planned for August 2017 as per council report 31st August 2017
10018	A19	Village and Small Town Initiative including safer routes to communities	Tullibody	GD	502,100	70,343		70,343	502,100	0	0	0	Budget increased as per Council Report on 31st August 2017
10019	A20	Network Infrastructure Improvement	Tullibody	J Munro	200,000	800		800	5,000	(195,000)	(195,000)	0	Due to timeline for Tullibody South, main works for this project will not be started until 18/19. Minor fees only in 17/18.
10022	A23	Park, Play Area & Open Space Improvements	Tullibody / Clackmannan	I Doctor	50,000	13,210		13,210	50,000	0	-	0	All equipment and materials for safety surfacing have all been received. Works being completed by Land Services before the year end.
10023	A24	Street Lighting Improvements	Tullibody/ Clackmannan	S Walker	450,000	297,733		297,733	450,000	0	-	0	Related to A31 - works ongoing and to be completed by 31 March
10024	A25	Clackmannan Primary School Refurbishment/Locality Hub	Clackmannan	E Turnbull	1,562,500	48,223		48,223	1,307,870	(254,630)	(254,630)	0	Grant income received from SFT, budget required is therefore reduced in 17/18.
10149	A57	Clackmannan Regeneration Project (Council)	Clackmannan	A Murray / A Khan	450,000	723,917		723,917	0	(450,000)	0	0	Main St Project & Lochies Road Project both under construction. Government Grant to be spent before Council budget. Council element to be used in 18/19 to finalise project.
10149 B	A57 B	Clackmannan Regeneration Project (Grant Funding)	Clackmannan	A Murray / A Khan	1,590,000	0		0	1,572,927	(17,073)	0	0	Main St Project & Lochies Road Project both under construction - Offset by Income G3
10163	A59	Fishcross Puffin Crossing	Fishcross	A Murray	40,000	0		0	40,000	0	-	0	Design in progress
10164	A60	Community Enterprise Hub	Clackmannan	B Forbes	93,000	0		0	93,000	0	-	0	
10125	A61	Banchory Primary School	Tullibody	E Turnbull	238,000	243,709		243,709	243,709	5,709	4,980	729	Project complete
10120	A62	Fishcross Primary School	Fishcross	E Turnbull	17,000	0		0	17,000	0	-	0	Majority of works to be undertaken in Quarter 3 & 4
10132	A63	Sauchie Nursery School	Sauchie	E Turnbull	240,000	0		0	240,000	0		0	Additional funding from Government for 1140 hours early years
TOTAL Tullibody/ Sauchie/ Clackmannan Area					8,088,600	1,419,917	0	1,419,917	6,425,606	(1,662,994)	1,405,980	729	
Hillfoots Area (Alva/Tillicoultury/Menstrie/Dollar)													
10027	A29	Allotment Extension	Tillicoultury	I Doctor	10,000	0		0	10,000	0	-	0	Working with Greenspace Scotland to develop a solution for the site (which has been identified as being contaminated). Stirling University interested in assisting in food growing initiative. It is envisaged that the budget will be fully utilised within this financial year. Community Council are being issued with a final option for development of the site, responses are expected by end of Nov
10028	A30	Flood Prevention Generator	Tillicoultury	GD	20,000	27,219		27,219	20,000	0	-	0	Works bing undertaken by PCU
10029	A31	Street Lighting Improvements	Tillicoultury / Alva	Scott Walker	1,215,040	573,884		573,884	1,215,040	0	-	0	Related to A24 - works ongoing and to be completed by 31 March
10031	A32	Schools ICT Replacement	Alva Academy	J Munro	47,000	699		699	47,000	0	-	0	Work being carried out Q2 to Q3 (summer and oct breaks)
10032	A33	Alva Community Campus/Locality Hub/ Primary school	Alva	E Turnbull	554,460	42,780		42,780	304,460	(250,000)	(250,000)	0	Majority of works to be undertaken in Quarter 2 & 3. Other works to be completed in 18-19
10034	A35	Tillicoultury Glen	Tillicoultury	I Doctor	16,000	0		0	16,000	0	-	0	A consulting engineer is currently being appointed to develop the design & specification for the work. Following receipt of the specification a contractor will be procured to undertake the works. The works will be completed by 31st March 2018
10121	A38	Menstrie Primary School	Menstrie	E Turnbull	164,330	35,590		35,590	64,330	(100,000)	(100,000)	0	Significant investment required in future years, alarms & firedoors only in 17/18

				RESPONSIBLE OFFICER	Amended Budget 17/18 £	Expenditure as at 31.8.17 £	Income as at 31.08.17 £	Net Expenditure as at 31.08.17 £	Projected out- turn to 31.3.18 £	Projected (Under) / Over spend as at 31.3.18 £	Projected (Under) / Over spend August 17 £	Movement from August to October £	Comments
10038	A39	New Cemetery	Dollar	GD	200,000	418		418	20,000	(180,000)	-	(180,000)	Project rephased to reflect the anticipated start date of 1st April 2018 £180k carried forward to 18/19
10039	A40	Village and Small Town Initiative including Playing field develop	Dollar	B Forbes	125,000	0		0	125,000	0	-	0	
10118	A65	Coalsnaughton Primary school	Coalsnaughton	E Turnbull	26,000	0		0	26,000	0	-	0	Majority of works to be undertaken in Quarter 2 & 3
10119	A47	Strathdevon Primary	Dollar	E Turnbull	6,000	2,272		2,272	6,000	0	-	0	Retention awaiting valuation
TOTAL Hillfoots Area (Alva/Tillicoultry/Menstrie/Dollar)					2,383,830	682,862	0	682,862	1,853,830	(530,000)	(350,000)	(180,000)	
All Clackmannanshire Areas - not seperated into an area													
10041	A42	Schools ICT Replacement - All primaries	All Clackmannanshire	J Munro	100,000	7,962		7,962	100,000	0	-	-	Works being carried our Q3 & Q4
10042	A43	Community Empowerment	All Clackmannanshire	C Jarvie	125,000	0		0	125,000	0	-	-	Further discussions with portfolio holders required
10043	A44	2yr Old School Development	All Clackmannanshire	E Turnbull	37,000	-		0	37,000	-	-	-	Additional funding from Government for 1140 hours early years to be allocated to nurseries for adaptations
10147	A50	Free School Meal Equipment	All Clackmannanshire	Complete	7,110	28,144		28,144	7,110	-	-	-	Final Invoices only for 16/17 project
10156	A67	City Deal	All Clackmannanshire	G Dallas	500,000	6,350		6,350	250,000	(250,000)	0	0	Anticipated Timescale of Development work longer than expected. Awaiting decision from Scottish Government before commencement of projects, which will be completed over a 2 year period.
TOTAL All Clackmannanshire Areas - not seperated into an area					769,110	42,456	0	42,456	519,110	(250,000)	0	0	
Total (A) Total Corporate Asset Management Strategy					12,057,240	2,376,307	0	2,376,307	9,641,166	(2,416,074)	1,067,900	(164,271)	Budget Re-alignment
(B) Property Asset Management Strategy :													
10045	B1	Statutory Compliance DDA Schools	All Clackmannanshire	E Turnbull	16,000	-		0	16,000	-	-	-	Majority of works to be undertaken in Quarter 2 & 3
10046	B2	Compliance - Asbestos Removal (Schools)	All Clackmannanshire	E Turnbull	40,000	-		0	40,000	-	-	-	Majority of works to be undertaken in Quarter 2 & 3
10047	B3	Childcare Residential Unit	tbcc	M Porco	25,000	-		0	25,000	-	-	-	possible redundant project
Total (B) Total Property Asset Management Strategy :					81,000	0	0	0	81,000	0	0	0	
(C) Roads Asset Management Strategy :													
10049	C2	- Flood Prevention	All Clackmannanshire	A Murray	86,000	-		0	86,000	-	-	-	Project briefs & procurement in preparation
10050	C3	- Cycle Routes	All Clackmannanshire	A Murray	80,000	-		0	430,000	350,000	-	-	Offset by income from Sustrans
10051	C4	- Carriageways	All Clackmannanshire	S Walker	1,450,000	761,298		761,298	1,450,000	-	-	-	Proceeding as planned - full budget will be spent
10052	C5	- Footways	All Clackmannanshire	S Walker	200,000	162,082		162,082	200,000	-	-	-	Proceeding as planned - full budget will be spent
10053	C6	- Surface Treatment	All Clackmannanshire	S Walker	100,000	100,000		100,000	100,000	-	-	-	Proceeding as planned - full budget will be spent
10054	C7	- Bridge Improvements	All Clackmannanshire	A Murray	111,000	67,715		67,715	111,000	-	-	-	Projects underway
10055	C8	- Road Safety	All Clackmannanshire	A Murray	131,200	63,457		63,457	131,200	-	-	-	Projects underway
10056	C9	- Lighting Replacement	All Clackmannanshire	S Walker	250,000	307,380		307,380	250,000	-	-	-	Proceeding as planned - full budget will be spent
10057	C10	Road & Footpath Improvements	All Clackmannanshire	S Walker	155,000	31,310		31,310	155,000	0	-	-	Proceeding as planned - full budget will be spent
Total (C) Total Roads Asset Management Strategy :					2,563,200	1,493,242	-	1,493,242	2,913,200	350,000	-	-	Offset by income from Sustrans
(D) Lands Asset Management Strategy :													
10061	D1	SWF/Wheeled Bins	Various	GD	30,000	0		0	30,000	0	-	-	
Total (D) Total Lands Asset Management Strategy :					30,000	-	-	-	30,000	-	-	-	
(E) Fleet Asset Management Strategy :													
10062	E1	Vehicle & Machinery Replacement	N/A	S Blyth	634,000	60,034		60,034	634,000	-	-	-	
Total (E) Total Fleet Asset Management Strategy :					634,000	60,034	0	60,034	634,000	0	0	0	
(F) IT Asset Management Strategy :													
10064	F1	IT Infrastructure	tbcc	J Munro	169,800	158,043		158,043	169,800	-	-	-	Upgrade of security systems work ongoing
10065	F2	Telecare	tbcc	L Melville	75,000	20,678		20,678	75,000	-	-	-	Annual Budget
10066	F3	Social Services Integrated System	N/A	J Munro	100,000	495		495	50,000	(50,000)	0	(50,000)	Project Manager in post, half year staff costs for project initiation
10067	F4	Digital Transformation	N/A	J Munro	200,000	42,067		42,067	200,000	-	-	-	Wifi work carried over Q1 expect invoicing Q2
10068	F5	e-Building Standards	N/A	J Munro	10,000	-		0	10,000	-	-	-	work scheduled Q3
10070	F7	Financial Management System Replacement	N/A	L Sim	0	383		383	-	-	-	-	Final Invoices only for 16/17 project
10165	F8	CCTV - Kelliebank	N/A	T Carman	60,000	1,400		1,400	60,000	-	-	-	
10155	F9	Technology Enabled Care	N/A	L Melville	0		(150,000)	(150,000)	-	-	-	-	
Total (F) Total IT Asset Management Strategy :					614,800	252,722	(150,000)	102,722	564,800	-	50,000	-	50,000
TOTAL CAPITAL PROGRAMME					15,980,240	4,182,306	(150,000)	4,032,306	13,864,166	(2,116,074)	1,067,900	(214,271)	
(G) Income													
1476	G1	Government Grant			(6,094,000)		(1,454,250)	(1,454,250)	(6,094,000)	0	-	-	Annual Government Grant
1476	G2	Specific Government Grant - CWSS			(70,000)			0	(70,000)	0	-	-	
1476	G3	Clackmannan Regeneration			(1,590,000)		(1,572,927)	(1,572,927)	(1,572,927)	17,073	17,073	-	Offset by expenditure - A57B
1476	G4	Dollar Development			(300,000)			0	(300,000)	0	-	-	
1476	G5	Scottish Future Trust Grant - Schools			0			0	(1,864,000)	(1,864,000)	(1,864,000)	0	SFT Grant Income
1476	G6	Sustrans		Alan Murray	0			0	(350,000)	(350,000)		(350,000)	Offset by expenditure - Cycle Routes C3
TOTAL CAPITAL PROGRAMME INCOME					(8,054,000)	0	(3,027,177)	(3,027,177)	(10,250,927)	(2,196,927)	(1,846,927)	(350,000)	-
NET CAPITAL PROGRAMME					7,926,240	4,182,306	(3,177,177)	1,005,129	3,613,239	(4,313,001)	(779,027)	(564,271)	Movement mainly due to Budget re-alignment for Tullibody South



Housing Capital Programme 2017-18 Period to October 2017		Project Code	17-18 Net Budget	Net Expenditure to 31/10/17	Budget to 31/08/17	Forecast as at 31/03/18	Actual to Budget Variance	Forecast to Budget Variance	Comment	C/F to 2018-19
<b>SCOTTISH HOUSING QUALITY STANDARD</b>										
<b>TACKLING SERIOUS DISREPAIR PRIMARY BUILDING ELEMENTS</b>										
<b>Structural Works</b>										
Asbestos Testing for Council Houses 2013-17		10071	25,000	2,773	16,667	20,000	(13,894)	(5,000)	Reactive work that will be less than budget as programme moves away from Kitchens.	
Asbestos Removal Works for Council Houses 2013-17		10072	125,000	14,126	83,333	40,000	(69,207)	(85,000)		
<b>Structural Works</b>			<b>150,000</b>	<b>16,899</b>	<b>100,000</b>	<b>60,000</b>	<b>(83,101)</b>	<b>(90,000)</b>		
<b>SECONDARY BUILDING ELEMENTS</b>										
<b>Damp/Rot</b>										
2013-17 Damp & Rot Works		10074	70,000	17,838	38,000	70,000	(20,162)	0	Expenditure more likely in winter months	
<b>Damp/Rot</b>			<b>70,000</b>	<b>17,838</b>	<b>38,000</b>	<b>70,000</b>	<b>(20,162)</b>	<b>0</b>		
<b>Roofs / Rainwater / External Walls</b>										
2014-17 Roof & Render Upgrading Works		10076	3,012,000	436,250	2,000,000	1,700,000	(1,563,750)	(1,312,000)	Staffing is now in place to manage this programme over the winter months.	
<b>Roofs / Rainwater / External Walls</b>			<b>3,012,000</b>	<b>436,250</b>	<b>2,000,000</b>	<b>1,700,000</b>	<b>(1,563,750)</b>	<b>(1,312,000)</b>		
<b>Doors</b>										
External Door Replacement 2014-18		10077	10,000	0	6,000	10,000	(6,000)	0		
<b>Window &amp; Doors</b>			<b>10,000</b>	<b>0</b>	<b>6,000</b>	<b>10,000</b>	<b>(6,000)</b>	<b>0</b>		
<b>Windows</b>										
Window Replacement 2014-18 Sidey		10078	1,000,000	832,286	666,664	1,683,000	165,622	683,000	Shortfall of work by Property Contracts being undertaken by private contractor. Other commitments has resulted in less work being completed than envisaged.	
Window Replacement 2014-18 PCU		10139	960,000	146,021	490,000	277,000	(343,979)	(683,000)		
<b>Windows</b>			<b>1,960,000</b>	<b>978,307</b>	<b>1,156,664</b>	<b>1,960,000</b>	<b>(178,357)</b>	<b>0</b>		
<b>Secondary Building Elements</b>			<b>5,052,000</b>	<b>1,432,395</b>	<b>3,200,664</b>	<b>3,740,000</b>	<b>(1,768,269)</b>	<b>(1,312,000)</b>		
<b>ENERGY EFFICIENCY</b>										
<b>Full/Efficient Central Heating</b>										
2013/16 Central Heating Replacement		10079	236,000	55,878	236,000	56,000	(180,122)	(180,000)	Work completed in this contract. Solution to this may now involve project moving to Roofing programme.	183,000
Bowmar Community Energy Savings Programme (CESP)		10080	183,000	0		0	0	(183,000)		
2017/19 Central Heating Replacement		10157	800,000	217,359	400,000	800,000	(182,641)	0	Programme started PH Jones. Staffing now in place to manage this contract.	
Energy Efficiency Works		10142	500,000	0	166,666	350,000	(166,666)	(150,000)		
<b>Full/Efficient Central Heating</b>			<b>1,719,000</b>	<b>273,237</b>	<b>802,666</b>	<b>1,206,000</b>	<b>(529,429)</b>	<b>(513,000)</b>		
			<b>1,719,000</b>	<b>273,237</b>	<b>802,666</b>	<b>1,206,000</b>	<b>(529,429)</b>	<b>(513,000)</b>		
<b>MODERN FACILITIES &amp; SERVICES</b>										
<b>Kitchen Renewal</b>										

Housing Capital Programme 2017-18 Period to October 2017		Project Code	17-18 Net Budget	Net Expenditure to 31/10/17	Budget to 31/08/17	Forecast as at 31/03/18	Actual to Budget Variance	Forecast to Budget Variance	Comment	C/F to 2018-19
Kitchen Replacement 2014-17		10082	91,000	0	30,000	0	(30,000)	(91,000)	New Contract now in place Property Contracts other commitments will mean less replacements than budgeted.	
Kitchen Replacement 2017-20		10158	1,365,300	0	585,000	800,000	(585,000)	(565,300)		
Kitchen Renewal			1,456,300	0	615,000	800,000	(615,000)	(656,300)		
Bathrooms										
2016-20 Bathroom Replacements PCU Team		10141	50,000	0	25,000	50,000	(25,000)	0		
Bathrooms			50,000	0	25,000	50,000	(25,000)	0		
			1,506,300	0	640,000	850,000	(640,000)	(656,300)		
HEALTHY, SAFE & SECURE										
Safe Electrical Systems / CO Detectors										
Safe Electrical Rewire 2013-17		10087	740,000	178,787	493,336	361,500	(314,549)	(378,500)	Contract now completed with new one to be procured.	
Safe Electrical Testing		10159	60,000	0	20,000	0	(20,000)	(60,000)		
Safe Electrical Systems			800,000	178,787	513,336	361,500	(334,549)	(438,500)		
Communal Areas (Environmentals)										
2011-15 Rep/Up Door Entry Systems		10089	52,000	618	26,000	52,000	(25,382)	0		
External Works : Fencing, Gates, Paths		10090	125,000	0	25,000	125,000	(25,000)	0		
Door Entry Upgrade Term Contract 2016-20		10160	125,000		62,500	125,000	(62,500)	0	Contractor appointed and programme identified.	
Communal Areas (Environmentals)			302,000	618	113,500	302,000	(112,882)	0		
			1,102,000	179,405	626,836	663,500	(447,431)	(438,500)		
NON-SHS ELEMENTS										
PARTICULAR NEEDS HOUSING (CITC)										
Conversions & Upgradings										
Conversions & Upgradings		10092	98,000	1,930	48,000	98,000	(46,070)	0		
Conversions & Upgradings			98,000	1,930	48,000	98,000	(46,070)	0		
Disabled Adaptations										
Aids & Adaptations 2013-17		10161	50,000	0	25,000	50,000	(25,000)	0		
Disabled Adaptations			50,000	0	25,000	50,000	(25,000)	0		
Environmental Improvements										
HRA Roads & Footpaths Improvements		10099	100,000	0	50,000	100,000	(50,000)	0		
MCB Tenant Community Improvement Fund		10100	278,000	23,777	130,666	278,000	(106,889)	0		
Environmental Improvements			378,000	23,777	180,666	378,000	(156,889)	0		
			526,000	25,707	253,666	526,000	(227,959)	0		
Council New Build Housing (Transforming Communities)										
Hallpark New Build		10103	25,000	15,712	25,000	15,710	(9,288)	(9,290)	Retention greater than anticipated.	
New Build - Fairfield School		10104	31,000	25,210	31,000	30,000	(5,790)	(1,000)		
New Build - Tilly Community Centre Phase 1a		10107	11,000	30,534	11,000	31,000	19,534	20,000		
New Build - Tilly Community Centre Phase 1b/OTSP Refurbishment			0	0			0	0		

Housing Capital Programme 2017-18 Period to October 2017		Project Code	17-18 Net Budget	Net Expenditure to 31/10/17	Budget to 31/08/17	Forecast as at 31/03/18	Actual to Budget Variance	Forecast to Budget Variance	Comment	C/F to 2018-19
New Build - Tilly Community Centre Phase 2		10109	20,000	0	0	20,000	0	0		
The Orchard			0	0			0	0		
Off The Shelf Purchase		10105	820,000	416,759	400,000	296,000	16,759	(524,000)	Five properties purchased to date.	
Off The Shelf Refurbishment		10106	40,000	5,472	15,000	40,000	(9,528)	0		
<b>Council New Build Housing (Transforming Communities)</b>			<b>947,000</b>	<b>493,687</b>	<b>482,000</b>	<b>432,710</b>	<b>11,687</b>	<b>(514,290)</b>		
			<b>947,000</b>	<b>493,687</b>	<b>482,000</b>	<b>432,710</b>	<b>11,687</b>	<b>(514,290)</b>		
<b>Other Costs / HBMS</b>										
Construction Design Management		10143	20,000	24,368	20,000	30,000	4,368	10,000		
Computer Equipment - New (HBMS)		10111	60,000	12,712	40,000	60,000	(27,288)	0		
Lead Piping Replacement		10166	20,000	0		20,000	0	0	Work planned for Tillicoultry	
<b>Other Costs / HBMS</b>			<b>100,000</b>	<b>37,080</b>	<b>60,000</b>	<b>110,000</b>	<b>(22,920)</b>	<b>10,000</b>		
			<b>100,000</b>	<b>37,080</b>	<b>60,000</b>	<b>110,000</b>	<b>(22,920)</b>	<b>10,000</b>		
<b>TOTAL CAPITAL EXPENDITURE</b>			<b>11,102,300</b>	<b>2,458,410</b>	<b>6,165,832</b>	<b>7,588,210</b>	<b>(3,707,422)</b>	<b>(3,514,090)</b>		
<b>Sale of Council Property</b>										
Sale of Council Houses		10112	0	(416,704)	0	(447,400)	(416,704)	(447,400)	Balance of Houses not settled by March 2017.	
<b>Sale of Council Property</b>			<b>0</b>	<b>(416,704)</b>	<b>0</b>	<b>(447,400)</b>	<b>(416,704)</b>	<b>(447,400)</b>		
<b>NET EXPENDITURE</b>			<b>11,102,300</b>	<b>2,041,706</b>	<b>6,165,832</b>	<b>7,140,810</b>	<b>(4,124,126)</b>	<b>(3,961,490)</b>		<b>183,000</b>



## POLICY

## Appendix E

Service	Saving Type	Reference	Saving Description	Year One Saving (2017/18)	2017/18 Saving Green	2017/18 Saving Amber	2017/18 Saving Red	Description
				£	£	£	£	
Education	Policy	EDU 178 005	School crossing patrols	2,789	2,789	0	0	Reduction in posts are Menstrie and Redwell. Saving achieved
Education	Policy	EDU 178 006	Sports Development Charges (academic year)	18,750	18,750	0	0	Continuous monitoring throughout the year. On target to achieve savings in 17/18
Education	Policy	EDU 178 011	Music Tuition Fees	2,818	2,818	0	0	Actual income currently exceeds budget. Saving achieved
Education	Policy	EDU 178 006	School efficiencies	200,000	200,000	0	0	Allocated to schools. Any overspends will be carried forward to 2018/2019
Corporate	Policy	COU 178 013	Capital Programme	129,000	129,000	0	0	Saving achieved
Corporate	Policy	COU 178 019	Refresh Income and Charging Strategy and Rates	60,000	60,000	0	0	Saving expected to be achieved but dependant on demand. Will be monitored throughout the year
D&E	Policy	DAE 178 011	Review of Council Depots	155,000	126,041	0	28,959	Saving of £155K this year based on staffing changes in security, mailroom and stores. Full saving will not be achieved this year (detail within November Council report. There is a compensatory cash saving from the closure of Lime Tree House of £93,210.
D&E	Policy	DAE 178 004	Street Lighting	110,000	110,000	0	0	Savings achieved, reporting net underspend across St Lighting and Power of £2,400 at Oct outturn.
D&E	Policy	DAE 178 001	Glenochil Prison Partnership Working.	6,000	0	0	6,000	Compensatory saving being achieved in Land Services
Housing	Policy	HCS 178 001	B&B Places	78,000	78,000	0	0	On target, client numbers low enough to achieve as long as numbers remain constant
Housing	Policy	HCS 178 008	Harmonise TU facilities time	11,236	11,236	0	0	Achieved
R&G	Policy	RAG 178 006	School meals	12,000	12,000	0	0	Implemented but saving may be impacted if take-up of school meals is reduced.
R&G	Policy	MCB RAG 039	Review of working week, role flexibility and other terms and conditions	363,000	0	0	363,000	Unsocial hours expenditure in 2016/17 was approx. £320k indicating potentially lower saving value. Council will have to dismiss and re-engage staff.
Social Services	Policy	SW 178 001	Respite care for adults	50,000	50,000	0	0	On target to achieve savings in 17/18
Social Services	Policy	SW 178 002	Adult social work	542,000	0	542,000	0	Review activity underway however this can be impacted by unforeseen changes in demand for services. Unlikely to be achieved as forecasts indicate service levels continue to outstrip the budget.
Social Services	Policy		Children's Social Work	150,000	150,000	0	0	Proceeding - can be impacted by unforeseen events; plans in place for a further 3 young people to return from high cost placement home.
SCS	Policy	SCS 178 001	Review and target funding to voluntary organisations	37,500	37,500	0	0	Savings all implemented. Discussions taking place on apportionment. May be that further reallocation required.
SCS	Policy	MCB SCS 006a	Roll out of hub model: Community and leisure Facilities	23,000	23,000	0	0	Staffing savings aspect completed. Discussions are still ongoing on buildings aspects and are now linked in to 2018-19 savings proposals.
<b>TOTAL</b>				<b>1,951,093</b>	<b>1,011,134</b>	<b>542,000</b>	<b>397,959</b>	
				52%	28%	20%		



# MANAGEMENT EFFICIENCIES

# Appendix F

Service	Saving Type	Reference	Saving Description	Year One Saving (2017/18)	2017/18 Saving Green	2017/18 Saving Amber	2017/18 Saving Red	Description
				£	£	£	£	
Education	Management Efficiencies	EDU 178 017	Education staff budget	605,758	268,843	336,915	0	One year cash saving looking at secondary school management structures have been agreed. Progress on saving was updated after School budgets were updated following the September census. Saving will continue to be monitored and updated based on actual staffing levels.
Corporate	Management Efficiencies	COU 178 017	Business process efficiencies	200,000	0	200,000	0	Scope agreed focussed on income maximisation and commissioning and procurement efficiencies. Savings being achieved are mostly within Capital contracts.
D&E	Management Efficiencies	DAE 178 002	Environmental Health efficiencies	10,000	10,000	0	0	Savings achieved
D&E	Management Efficiencies	DAE 178 003	Trading Standards efficiencies	8,000	8,000	0	0	Savings achieved
D&E	Management Efficiencies	DAE 178 005	Fleet Review	83,720	51,280	32,440	0	Reduction in fleet asset is taking place, £51k achieved to-date. Service working on the achievement of the remaining saving.
D&E	Management Efficiencies	DAE 178 010	Review of Street Care	12,280	7,080	5,200	0	Full saving likely to be achieved.
D&E	Management Efficiencies	DAE 178 023	Business Loans fund	40,000	40,000	0	0	Fully achieved
D&E	Management Efficiencies	DAE 178 015	Waste treatment and refuse collection	110,000	38,000	0	72,000	Saving based on historic trend data and projections. Team Leader monitoring actual vs forecast position during year. Partial savings achieved per October outturn.
D&E	Management Efficiencies	DAE 178 020	Standby for School Alarms	20,000	0	0	20,000	Delay in implementation due to staff absence. Interim staff cover being recruited.
D&E	Management Efficiencies	DAE 178 018	Catering Service efficiency and income	300,000	300,000	0	0	Saving achieved
D&E	Management Efficiencies	DAE 178 009	Building Standards Efficiencies	59,594	59,594	0	0	Fully achieved as post is vacant
D&E	Management Efficiencies	DAE 178 013	D&E Vacancy management	70,000	70,000	0	0	Vacancy management savings achieved across the whole of D&E.
D&E	Management Efficiencies	DAE 178 014	Storage lease (Meals on Wheels)	8,000	8,000	0	0	Achieved - saving from storage of surplus furniture and stock (Unit 7 Trade Centre)
D&E	Management Efficiencies	DAE 178 016	Modern Apprentice	40,000	40,000	0	0	Fully achieved
Housing	Management Efficiencies	HCS 178 003	Housing Budget realignment	53,543	53,543	0	0	Fully achieved through staff reductions
Housing	Management Efficiencies	HCS 178 004	Staffing: Housing	46,128	46,128	0	0	Employee transferring to HRA & employee left
Housing	Management Efficiencies	HCS 178 005	Housing budget realignment	600,000	600,000	0	0	Saving on target to be achieved and will be monitored throughout the year
Housing	Management Efficiencies	HCS 178 006	Housing Staffing costs	29,000	29,000	0	0	Employee left service
Housing	Management Efficiencies	HCS 178 007	CCTV	15,000	15,000	0	0	Will be achieved pending any unforeseen maintenance problems
Housing	Management Efficiencies	HCS 178 008	Budget realignment (assets)	67,000	50,250	0	16,750	Moved across to Education. Discussions ongoing regarding charging this post to Capital. 75% recharge assumed at present.
R&G	Management Efficiencies	RAG 178 001	Technology efficiency	40,000	12,000	28,000	0	Work ongoing to achieve full saving.
R&G	Management Efficiencies	RAG 178 002	Training Budget	30,000	30,000	0	0	Fully achieved
R&G	Management Efficiencies	RAG 178 003	Voluntary Severance	250,000	164,187	85,813	0	This is a corporate saving and will come from approved VSs in all services not already provided for in agreed savings. VS is still open to any staff coming forward and will be publicised throughout the year. £164k achieved in year, £84k 2nd year effect.
R&G	Management Efficiencies	RAG 178 004	Flexible working	20,000	0	20,000	0	Dependent on uptake by staff.
R&G	Management Efficiencies	RAG 178 005	External Audit Fee	4,000	4,000	0	0	Fully achieved
SCS	Management Efficiencies	SCS 178 002	Strategy & Customer Services vacancy management	11,242	11,242	0	0	Achieved
SCS	Management Efficiencies	SCS 178 003	Strategy & Performance grant finder	3,600	3,600	0	0	Achieved
<b>TOTAL</b>				<b>2,736,865</b>	<b>1,919,747</b>	<b>708,368</b>	<b>108,750</b>	
					70%	26%	4%	





## MANAGED CONTRACTION

## Appendix G

Service	Saving Type	Reference	Saving Description	Year One Saving (2017/18)	2017/18 Saving Green	2017/18 Saving Amber	2017/18 Saving Red	Description
				£	£	£	£	
Education	Managed Contraction	Education	Reduction of posts in Sport, Youth, Central Support, Secondary School Management, teachers	101,671	101,671	0	0	£70k achieved via reduction in 2 posts. Severance has been approved for 2 Youth Workers posts. Discussions are ongoing around other posts. Service are still hopeful that saving will be achieved in full
D&E	Managed Contraction	Development & Environment	Reduction of posts in Economic Development, Transportation, Estates	97,005	97,005	0	0	Fully achieved through three vacant posts.
Housing	Managed Contraction	Housing & Community Safety	Reduction of posts in Community Safety, Advice, Homelessness	84,378	84,378	0	0	Employees accepted VR
R&G	Managed Contraction	Resources & Governance	Reduction of posts in Finance, IT and HR	44,919	44,919	0	0	Fully achieved
SCS	Managed Contraction	Strategy & Customer	Reduction of posts in Strategy & Performance, Customer Services and Business Support	63,288	63,288	0	0	Achieved
<b>TOTAL</b>				<b>391,261</b>	<b>391,261</b>	<b>0</b>	<b>0</b>	



## SERVICE REDESIGN

## Appendix H

Service	Saving Type	Reference	Saving Description	Year One Saving (2017/18)	2017/18 Saving Green	2017/18 Saving Amber	2017/18 Saving Red	Description
				£	£	£	£	
Education	Service Redesign	Senior Management Education	Contribution to secondary school management & design as part of managed contraction in senior management roles based on retirements, vacancies and /or severance	193,000	193,000	0	0	£176k achieved via reduction in DHT posts in Academies and vacant post. £17k balance was confirmed when school budgets updated following the Sept census.
Corporate	Service Redesign	Chief Officer Reduction	Contribution to longer term managed contraction of Chief Officers based on voluntary severance and/or vacancies	170,000	85,000	0	85,000	Dependant upon reorganisation proposals
Social Services	Service Redesign	Social Services Redesign	Redesign of Staffing further to cessation of shared services	100,000	100,000	0	0	Redesign being implemented and Savings currently being achieved through vacancies.
<b>TOTAL</b>				<b>463,000</b>	<b>378,000</b>	<b>0</b>	<b>85,000</b>	



**2016/2017 Year 2 Savings****Appendix I**

				Year One Saving (2017/18)	2017/18 Saving Green	2017/18 Saving Amber	2017/18 Saving Red	Notes
				£	£	£	£	
Education				58,073	58,073	0	0	
Corporate				197,884	22,500	175,384	0	
Development & Environment				430,038	345,138	35,000	49,900	Unachieved TVR Savings
Housing				55,587	55,587	0	0	
Resource & Governance				201,069	131,825	69,244	0	
Social Services				192,293	147,998	0	44,295	Unachieved TVR Savings
Strategy & Customer Services				127,138	127,138	0	0	
TOTAL 2016-17 Year 2 Savings				1,262,082	888,259	279,628	94,195	
					70.4%	22.2%	7.5%	



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**Report to Audit and Finance Committee, Clackmannanshire Council**

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**Date of Meeting: 18 January 2018**

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**Subject: Health and Social Care Partnership**

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**Report by: Chief Officer, Integration Joint Board**

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**1.0 Purpose**

- 1.1. This paper provides the Audit and Finance Committee of Clackmannanshire Council with current information on the financial performance of the services within the Health and Social Care Partnership. The services have been delegated to the Chief Officer for operational management since 3 July 2017.

**2.0 Recommendations**

- 2.1. The Committee is asked to note the projected overspend within the services delegated by the Integration Joint Board to Clackmannanshire Council and the key financial pressures across the Partnership outlined in Table 1.
- 2.2. The Committee is asked to note that, whilst the focus on budget recovery requires to continue, it is now clear that this will not fully recovery the position in year. Therefore the constituent authorities and the Integration Joint Board require to consider, agree and document how the residual financial risk will be treated in line with the terms of the Integration Scheme.

**3.0 Considerations**

**Health and Social Care Partnership**

- 3.1. As noted in the previous report considered by the Audit and Finance Committee in November 2017, the budget was agreed by the Integration Joint Board on 29 March 2017. The budget delegated to Clackmannanshire is £15.343m in line with the payment transferred to the Board from Clackmannanshire Council as a constituent partner. Services delivered by Clackmannanshire Council are in line with the Strategic Plan and the Directions.
- 3.2. Based on current information on year to date financial performance, and projections provided by the finance teams within the constituent authorities, the current projected out turn is an overspend on £3.316m. The figure previously reported to this Committee in November was £3.246m. Table 1 shows the latest report to the Integration Joint Board in December 2017.

3.3. Table 1:

Budgets Delegated to:	Current Projection	Previous Projection	Movement
	£m	£m	£m
Clackmannanshire Council	(1.864)	(1.854)	(0.010)
Stirling Council	(0.776)	(0.860)	0.084
NHS Forth Valley	(0.676)	(0.533)	(0.143)
<b>PARTNERSHIP TOTAL</b>	<b>(3.316)</b>	<b>(3.247)</b>	<b>(0.069)</b>

3.4. As can be observed from table 1, whilst the overall position has broadly stabilised, the efforts to date to recover the position are not at this point showing a significant downward impact on the projections. This reflects a position where cost and service pressures, driven by demand appear to be effectively nullifying the impact of efficiency and savings programmes.

3.5. Since the IJB report was written a further update of the Clackmannanshire element of the projections has been undertaken and this element has reduced to a projected overspend of £1.733m. The effect on the overall partnership projection is detailed in Table 2 below.

Table 2:

	£m
Adjusted Partnership Total from Table 1	(3.185)
Additional Non-Recurrent Measures and Review of Partnership Funding Commitments	0.465
Application of Useable IJB Reserves	1.145
<b>Residual Financial Risk</b>	<b>(1.575)</b>

Note: Financial Reports to the Integration Joint Board are presented such that a negative figure represents an overspend.

3.6. Whilst the focus on budget recovery requires to continue it is now clear that this will not fully recovery the position in year. Therefore the constituent authorities and the Integration Joint Board require to consider, agree and document how the residual financial risk will be treated in line with the terms of the Integration Scheme.

3.7. Going forward financial reports to the IJB will focus on segmental reporting (such as Adult Social Care, Set Aside Budget for Large Hospital Services and Operational and Universal Health Services) rather than organisations.

3.8. With specific reference to the budgets delegated to Clackmannanshire Council are forecast to spend £17.074m (including garden Aid), £1.733m more than the delegated budget per the extant direction from the IJB to Clackmannanshire Council.

Expenditure trends continue to be closely monitored across the service using



both data on service commitments and data on actual spend to date to provide a sense check and validate the forecasts.

The services experience increased service levels including an 11% increase in elderly nursing home placements over last year's activity with costs rising by 18% following price uplifts for the national care home contract. This trend represents a significant increased cost pressure arising in part from delivering challenging delayed discharge timescales, continuing the trend seen in the last financial year

Whilst the pressure on Care at Home has not been as high as in residential care, service levels have still risen by 2.3% compared to 2016/17.

Since Quarter 1 the forecast overspend has fallen £0.120m. This movement is as a result of updated forecast information and an assessment in relation to the achievement of savings.

#### **4.0 Significant Financial Pressures and Variances Within the Partnership Budget**

- 4.1 This section provides a summary of the significant financial issues affecting the various parts of the Partnership budget. The appendices to the report show the information from the individual constituent authorities for reference.

##### ***Budgets Under the Scope of the Integration Joint Board for Strategic Planning Purposes***

#### **4.2 Set Aside Budget for Large Hospital Services**

The current reporting protocol has been that financial performance against the set aside budget is not reported in-year but significant financial issues will be highlighted to the Board via the narrative within financial reports where required. However, the need to develop reporting arrangements around the set aside is acknowledged and under review. To enhance transparency the relevant detail of the set aside budget has now been included within Appendix III.

Financial performance against the set aside budget using the extant budget model would indicate an overspend for the first seven months of the financial year of £0.449m mainly driven by financial pressures in Accident and Emergency, General Medicine and Mental Health Inpatient Services.

## ***Budgets Delegated to the Constituent Authorities for Delivery of In-Scope Services***

### **4.3 Care at Home**

As previously reported growth in demand and cost of Care at Home Services across all care groups. The overall cost pressure is projected to total £1.037m in the current financial year.

### **4.4 Residential Care / Long Term Care (Nursing Homes and Residential Homes)**

Previous reports have also highlighted demand and cost pressures in relation to Care provided in nursing and residential homes. The earlier part of the financial year saw a notable increase in admissions to Nursing Homes in the Clackmannanshire Locality predominantly relating to older people and the support for discharges from hospital. Whilst the level of demand increase has levelled out in recent months the net financial pressure in this area is projected at £1.076m across the Partnership.

Capacity in the Nursing Home sector locally remains tight.

### **4.5 Transitions from Children's Services**

The cost of care in transition from Children's Services is generally contained within the growth in Care at Home and Residential/ Long Term Care rather than being additional. The issue is worthy of note in its own right though, given the impact it has on the overall financial position of the Partnership.

In the current financial year the financial pressure associated with transitions from Children's Services totals £1.115m, of this £0.480m relates to the Clackmannanshire services. This is effectively a year on year unfunded demand in Adult Services as no resource follows the care packages under current arrangements and people live longer lives often with high levels of need. This is because, generally, there is no net decrease in provision of Children's Social Care as new demand consumes the available resource.- Work is taking place with Children's Services to better understand and manage young people who will require longer term [whole life] support from adult services.

### **4.6 Respite Care**

The financial pressure associated with provision of respite care is projected to total £0.541m in the current financial year. Pressures in this area are likely to increase in relation to the implementation of the Carers Act from 1 April 2018.

### **4.7 Complex Care Packages**

Costs associated with an increasing demand for high intensity care packages are significant. An overspend of c£1m is currently anticipated across the Forth Valley area which at this point has been allocated to the Partnerships based per the extant budget model. The current split between the two Partnerships is 53% Falkirk and 47% Clackmannanshire and Stirling, resulting

in a projected overspend of £0.470m for the Clackmannanshire and Stirling Health and Social Care Partnership.

This area of service is demand led. To bring this area into balance may require difficult decisions to be taken in relation to criteria for and allocation of new packages of care. It is also critical that regular reviews of care packages are undertaken across health and social care as part of normal business. It is proposed that a complex care group should be established to jointly review on a regular basis all current services and new requests for funding.

The Complex Care service also provides care packages to children meaning the transitions issue detailed in Section 6.5 also affects this service area.

#### 4.8 Primary Care Prescribing

Prescribing is causing financial pressures on a national basis due to short supply issues and increasing uptake of new medicines. The position is being monitored nationally and initial analysis suggests that the financial risk associated with short supply items may be in the region of £33m to £44m during 2017-18 (Figures are for Scotland as a whole).

This translates to a potential worst case scenario of £1.7m to £2.2m across Forth Valley. The issue is compounded by the fact that short supply drugs are often the first choice of drug for a patient and in many cases there are no alternative medicines to switch to during the short supply period. It is hoped that there will be some easing of prices if market conditions improve, however this is difficult to predict and prices rarely go back to where they were before the short supply period.

This latter issue is being reviewed by the national Short Life Working Group on short supply. The nature of a number of the issues in prescribing means that action will be required on a national, rather than local basis.

Based on actual prescribing information received up until August 2017 an overspend of £0.669m is projected in relation to the Clackmannanshire and Stirling Partnership.

Prescribing information for September 2017 has recently been received and is currently being analysed. Receipt of actual prescribing information runs approximately 2 months behind the current point in time.

Given the scale of the Prescribing Budgets and the risk to the overall financial position of the Partnership a presentation on Prescribing has been arranged as part of the development session prior to the 13 December 2017 meeting.

#### 4.9 Community Hospitals

There is a cost pressure in relation to Community Hospitals which amounts to £0.145m for the year to date. This relates to the cost of 16/17 Winter Contingency capacity being open till mid April and ongoing challenges around sickness absence levels and maintaining safe nurse staffing levels.

## 5.0 Budget Recovery Management Actions

### Budget Recovery: Management Actions Including Non-Recurrent Measures

A budget seminar was held in November 2017 with the voting members of the Integration Joint Board, senior officers and professional advisors to discuss the financial position, budget recovery actions and additional non-recurrent actions, outlook for 2018/19 and potential options for more sustainable service delivery going forward.

The short term management actions which were discussed are detailed in the table below:

**Table 3**

Reference	Management Action	Description	Evidence of Impact / Other Commentary
MA1	<b>Management of Absence</b>	Ensuring appropriate management of absence is in place and human resources policies followed.	Reduced staffing cost projections including temporary and agency staffing (e.g. @ Menstrie House)
MA2	<b>Reconciliation of Client Based Information with Financial and Payment Systems</b>	More than 5000 individual case records reviewed	Reduced risk of duplication, evidence of review and better management information
MA3	<b>Engagement with Internal Audit to Support Systems Review</b>	Identification of opportunities for improvement and streamlining of business processes. (see section 8)	Improved management information and forecasting.
MA4	<b>Vacancy Management</b>	Any non essential vacancies held	Projected Cost Reductions in across elements of Partnership Budget
MA5	<b>Eligibility Criteria and Service Standards</b>	Service Standards reviewed and review of application of eligibility criteria	Application of Eligibility Criteria to top two tiers of service 'critical and substantial' will mean that only people with the greatest level of need will receive services. Not likely

			to be sustainable on longer term basis.
<b>MA6</b>	<b>Scrutiny of Other In-Scope Budgets for Non-Recurrent Opportunities to Reduce Costs</b>	Non recurrent opportunities for expenditure avoidance in NHS Community Services Directorate and Primary Care Budgets (2c Practices and Enhanced Services)	Much of non-recurrent opportunities are either fortuitous and/or relate to preventative activities. The associated impact is manageable in short-term these cannot be assumed to be available recurrently.
<b>MA7</b>	<b>Review of Partnership Funding Commitments</b>	As described in Separate Paper	Non Recurrent Resource Release (subject to approval of paper)

## 6.0. Conclusions

### Health and Social Care Partnership

- 6.1 This report sets out the significant areas of challenge for the Health and Social Care Partnership services. While the projections have the potential to improve through efforts to deliver the savings and efficiency programmes and improved management of processes it is evident that the projected overspend will not be fully recovered in year. Therefore the Integration Joint Board and constituent authorities require to consider, agree and document how the residual financial risk will be dealt with in line the terms of the Integration Scheme.
- 6.2 There are limited options for the service to reduce costs further in year set against increasing evidence of demand and increased complexity. This, coupled with the anticipated financial outlook for future years, indicates the need for a far more radical approach to service design and delivery than has been taken thus far. The traditional approach to savings and efficiencies taken in recent years is having a diminishing return and, whilst still of some value, will not in itself deliver sustainable service models in the face of reducing resources, increasing demand and complexity.
- 6.3 It is critical that efforts continue to further examine and design sustainable service delivery models continues to take place and in a collegiate manner across the Partnership while supporting and maximising further opportunities for integration of services.
- 6.4 The Integration Joint Board considered Options for Service Delivery at it's meeting of 16 December 2017. These options, were agreed to be taken forward, but will require significant further work and consultation over the coming weeks before the Integration Joint Board consider the 2018/19 budget

in March 2018. Details of the Options for Service Delivery, quantified where possible, are attached at Appendix 3 to this report.

## **7.0 Sustainability Implications**

7.1. As noted within the body of the paper.

## **8.0 Resource Implications**

### *8.1 Financial Details*

8.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes **X**

8.3 Finance have been consulted and have agreed the financial implications as set out in the report. Yes **X**

8.4 *Staffing- not applicable*

## **9 Exempt Reports**

9.1 Is this report exempt? No **X**

## **10 Declarations**

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses	<input type="checkbox"/>
Our communities are more cohesive and inclusive	<input type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<b>X</b>
Vulnerable people and families are supported	<b>X</b>
Substance misuse and its effects are reduced	<b>X</b>
Health is improving and health inequalities are reducing	<b>X</b>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input type="checkbox"/>

(2) **Council Policies** (Please detail)

## **11.0 Equalities Impact**

11.1 Equalities and Human Rights Impact Assessment is not required at this stage in relation to the report, which is for noting. Yes **X** No ☐

## **12.0 Legality**

12.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes **X**

### 13.0 Background Papers

13.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes **X** (please list the documents below) No ☐

Integration Joint Board *Financial Report 18 October 2017*

#### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Shiona Strachan	Chief Officer	Signed: S Strachan
Celia Gray	Head of Service & CSWO	

#### Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Depute Chief Executive	Signed: N Bridle





APPENDIX 1 - BUDGETS DELEGATED TO CLACKMANNANSHIRE COUNCIL			
	Annual Budget 2017/18	Full Year Projected Expenditure	Projected variance
	£'000	£'000	£'000
Employees Expenditure	7,683	7,409	-274
Premises Expenditure	11	19	8
Transport Related Expenditure	48	46	-2
Supplies and Services	535	657	122
Misc Third Party Payments	516	314	-201
Transfer Payments	442	588	147
Nursing Homes	7,049	7,882	833
Residential Homes	2,903	3,160	257
Housing with Care	257	218	-39
Respite	0	197	197
Care at Home	6,664	7,442	778
Day Care	327	366	39
Garden Aid	123	123	0
Resource Transfer (Health)	-6,733	-6,733	0
Income	-4,484	-4,614	-130
<b>Grand Total</b>	<b>15,341</b>	<b>17,074</b>	<b>1,733</b>

Note: Positive variance indicates an overspend, Negative variance indicates an underspend



## Appendix 2 – Budget Recovery Plan

The following is an extract from the wider Budget Recovery Plan for the Integration Joint Board. The longer term actions are part of the Transforming Care programme, which are reported to the Board.

IJB Ref	Action	Svce Manager /owner	Sub Action	MCB Ref	Notes
1b	Review of needs [general]	Linda Melville	Review all care packages for older adults over 7 hrs per week [excluding LD & MH]	SW 008 172	Review programme underway.
2b	Care at Home	Janice Young	Review of Care at Home model including reablement	-	Transforming Care
3b	Commissioned Services	Jim Robb	Review 3 <sup>rd</sup> Sector Services- LD & MH	-	
4b	Learning Disability	Jim Robb	Review all LD care packages		
5b	All Care Groups	Jim Robb/Janice Young	Review respite		
6	Learning Disability	Jim Robb	Review operational model for LD service		Transforming Care
8a	Mental Health	Jim Robb	Review operational model for MH service		Transforming Care
8b	Mental Health	Jim Robb	Review all MH care packages		
10	Menstrie House	Janice Young	Review baseline budget, building review & model of care		Transforming Care
11b	Ludgate	Janice Young	Day Care review		Transforming Care- with NHS services
12a	ADL & Equipment	Linda Melville & Janice Young	Review standards & eligibility with Stirling		



## Appendix 3 – Options for Service Delivery

Maximising our Joint Assets				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Residential Care Home – internal – Menstrie House	Clackmannanshire - Low use of beds in the Partnership when compared nationally; positive use of care at home Running costs @ c£900 per week per resident following base budget review (As a comparative benchmark current National Care Home Contract Rates for Nursing Care is £667.09)	Recovery Actions: 1. Review of shift patterns 2. Reduced agency spend from £20K to £2K / Month 3. Focused Absence Management within policy	Options: 1. Stay as is – high cost; valued local resource 2. Retain services over 2018-20 – will require investment in building; review of staffing model to support needs of client group [this will move to nursing level]; increased costs and retain bed capacity 3. Dependent on suitable community based alternatives being in place and sustainable. Would be possible over time to review use of building as a long term care facility, with commitment to the current residents who will continue to live within the home	Full Year Effect of 17/18 Actions c£0.120m  Longer Term Options TBA
Residential Care Home – internal - Strathendrick	Rural Stirling care home. Costs c£1000 per week per resident, no income from short term beds	Options: Mix of long term residents and intermediate care provision	Options: 1. Option paper currently being developed [due Dec 2018] – link to the care village and models of care retain as part intermediate care provision and part alternative service hub base 2. Dependent on alternative community based alternatives	Unlikely to Have Material Financial Impact in 2018/19

			being in place and sustainable. Would be possible over time to review use of building as a long term care facility 3. Current resident group will continue to live within the home	
Ludgate - 2018	Day care & Respite	<ul style="list-style-type: none"> <li>Carry out individual reviews of service users using Self-directed Support framework</li> <li>Voluntary redundancy offer to staff group already in place following previous Council decisions – deliver with policy/HR framework</li> <li>Work with third sector and community on early intervention and preventative alternatives</li> <li>Review use of beds within Ludgate – with movement towards respite provision</li> </ul>	[Link to option on Clackmannanshire Community Hospital]  Review use of beds within Ludgate – due Jan 2018	£0.197 (Full year effect of 17/18 savings)
Clackmannanshire Community Healthcare Centre – 2018	Option to establish joint service for older people with highest level of need	Complete review of option to feed into budget proposal, due in January 2018 – delivery of recommendations in part dependent on ihub support.	[Linked to option relating to Ludgate]- review due January 2018	TBA

<b>Service Modernisation and Digitalisation</b>				
<b>Service</b>	<b>Note</b>	<b>2017/18</b>	<b>Options 2018-20</b>	<b>2018/19 Indicative Savings Where Available (£m)</b>
Digital 2017	Invest in Care Monitoring [CM] 2000 across the Partnership – currently used internally only in one area of Stirling Planned corporate re commissioning of client information systems will support this investment and improve accuracy of information for planning and delivery Use of telecare/telehealth options for individual care [run alongside SDS]	Option: Use of telecare/health options for individual care [running alongside SDS].	<ul style="list-style-type: none"> <li>• Further embed and use as first offer of service; expand use of CM2000 across the partnership area to external care providers</li> <li>• Potential to deliver significant savings in first full year</li> </ul>	£0.150
<b>Rapid Acceleration of Implementation of Self - directed Support</b>				
<b>Service</b>	<b>Note</b>	<b>2017/18</b>	<b>Options 2018-20</b>	<b>2018/19 Indicative Savings Where Available (£m)</b>
Self-directed Support 2017-19	In line with Accounts Commission report – rapid improvement approach to drive use of SDS & embed into services	Carry out review using full SDS framework [including pilot of RAS] Pilot in LD and MH services building increased efficiency target Use eligibility criteria to establish service offer to meet needs	Continue to apply SDS framework using full Resource Allocation System (RAS) across the Partnership which will cap service offer to meet personal outcomes. Target mid range of care provision in older peoples services of 3 -7 hours of care per week	£1.100 (per LD and MH review paper)

Implementation of New Models of Care				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Model of Neighbourhood Care 2018-19	Establish pilot service and evaluate with view to roll out across Partnership area	Develop team and worker roles. Initial implementation date March 2018 Develop support worker/healthcare posts across Forth Valley	Embed and evaluate community facing approach 18/19	Unlikely to have material impact on costs in 2018/19. Requires monitoring of whole system impact/costs.
Stirling Care Village – 2018	Establish care village – intermediate care services	Project running slightly ahead of time Complete review of model of care Retraction of residential care homes Implement Autumn 2018	Care model in place and supporting community based service delivery and acute services  c£0.5m full year effect.	£0.142 (Part Year Effect)
Market Testing				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Commissioning & Market Testing 2018-19	Single lead for commissioning across the social care service – efficiency from single approach Options work for alternative care at home provision Review contractual arrangements and tender services – ADP; complex care [beds]; equipment provision	Agree single lead for commissioning across the social care aspects of the Partnership – implement by March 2018 [any efficiency will be corporate]	Care at home revised options for service delivery Consistent approach to commissioning across the Partnership ensuring best use of volume – focus on Alcohol and Drugs Partnership; complex care [beds]; equipment provision and those services due for renewal of contracts	TBA  Dependent on Market Response – Require Service Specifications to 'Build-in' Efficiency



Establishing Single Partnership Management Structure				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Establish single management structure 2018 & realign Clackmannanshire services on interim basis	Dependent on delegation of services [including support service agreement] by all constituent partners	Interim - realign social care services in Clackmannanshire to improve sustainability and reduce risk– care at home to move to provisions; single commissioning point [as above]; review of intake complete; remove Assistant Team Manager grade level within Assessment & Care Management	Consider fully integrated management structure across Partnership	TBA
Mental Health Services	Integrated service provision Redesign work for Mental health services taking place [due March 2018]	Remove Assistant Team Manager post Reduce MHO compliment by 1 post across Partnership Supported employment provided via community access team Apply review of need via SDS framework	Commissioning Plan in place to support tendering and provider development. Review of commissioned high cost long term placements, retuning people to Partnership area. Working with housing services and local providers to develop capital programme and new models of care and support	£0.248  Review of Need Included in SDS Item
Learning Disability	Re design work for learning disability services taking place [due March 2018]	Develop proposal for high cost care residential provision – return out of area placements to Partnership Focus day services provision within Clackmannanshire to people with highest level of need – with people with less complex need reviewed using SDS approach [as above] – 18 service users building based	Embed SDS approach Ensure full implementation	Included in SDS item (Building savings will be at corporate level)

		<p>service using 1 building rather than 4</p> <p>Review without walls service and apply SDS options, retaining building based service for people with higher levels of need</p>		
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Prescribing and Primary Care				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Pharmacy / Primary Care Prescribing	<p>Significant Market Risks Continue re Short Supply.</p> <p>Future Macro-Economic Risks re Supply and Demand in Global Pharmaceuticals Market</p> <p>Links to Realistic Medicine and Pharmacy First</p>	<ul style="list-style-type: none"> <li>Consider appropriateness and potential value of a Prescribing Incentive Scheme on pan Forth Valley Basis</li> <li>Review the effectiveness and value of the Local Enhanced Services Programme in Primary Care.</li> </ul>	<p>Implement and monitor effect of Prescribing Incentive Scheme (if agreed)</p> <ul style="list-style-type: none"> <li>Initiatives to reduce Prescribing Waste and Over-ordering</li> <li>Reduction of avoidable variation and support appropriate technical switches through use of Pharmacy Support and other tools such as Scriptswitch.</li> <li>Implement any agreed changes to Local Enhanced Services Programme linked to proposed new General Medical Services contract implementation</li> </ul>	<p>TBA (as a indication - to counter inflationary pressures in 18/19 £1.451m of savings would be required)</p> <p>TBA</p>

Unscheduled Care				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Unscheduled Care		Review performance linked to Ministerial Steering Group (MSG) indicators and 6 Essential Actions (6EA) and agree objectives for 2018/19 taking cognisance of estimated effect on set-side budget	Monitor performance against trajectories	TBQ based on assessment of 18/19 trajectories
Service Prioritisation and Disinvestment				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Need to ensure consistent and robust approach to service prioritisation and disinvestment.	The Partnership are involved in a project with Glasgow Caledonian University (GCU), sponsored by the Chief Scientists Office, examining using Prioritisation Based Frameworks to inform decision making including ethical and legal considerations. This process will not assist with 18/19 budget	<ul style="list-style-type: none"> <li>Consider disinvestment opportunities for non-statutory or non-essential services using the Partnership Vision, Strategic Plan Priorities and National Health and Social Care Outcomes as a reference.</li> <li>Proposal will be brought forward to February 18 SPG and March 18 IJB strengthen and formalise the strategic and financial planning alignment process</li> </ul>	Direct available resources to identified priorities and outcomes taking account of legal and ethical implications. Disinvest in areas not identified as core priorities.	Approach will be developed during 2018/19 to inform 2019/20 onwards budget settings.

	setting however it is intended to use it to assist in medium term planning and future decision year's decision making linked to the 2019 to 2021 Strategic Plan.	going forward. This will ensure proposals are subject to same process and rigour.		
<b>Income maximisation</b>				
<b>Service</b>	<b>Note</b>	<b>2017/18</b>	<b>Options 2018-20</b>	<b>2018/19 Indicative Savings Where Available (£m)</b>
Charging is already in place for intermediate care services after the week assessment period, which can take up to 6 weeks.	Charging is not delegated to the Integration Joint Board and is a function of the local authorities to set within the budget setting process		Further work required: Consider how we maximise income through existing or potentially revised charging policies and their implementation.  [Note that charges are already high for services]	TBA

Access to Services				
Service	Note	2017/18	Options 2018-20	2018/19 Indicative Savings Where Available (£m)
Effectively Capping Service Levels to Available Resource Levels	Consider how, through use of capacity planning, waiting lists and eligibility criteria services can be delivered to eligible clients with allocated budgets.	N/A	Further work required including consideration of ethical and legal implications and the risk of cost shifting to other parts of the Partnership Budget or Health and Social Care System. E.g. if Admissions to Nursing Homes were restricted there would be an impact on system capacity, delayed discharge which could lead to requirement to open contingency bed capacity. 11 bed ward at SCH costs c£0.065m per month to staff.	TBA

Key=

TBA = To be Assessed

TBQ = To be Quantified

SDS = Self Directed Support

RAS = Resource Allocation System

SPG = Strategic Planning Group

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**Report to                      Audit & Finance Committee**

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**Date of Meeting:    18 January 2018**

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**Subject:                      Corporate Risk and External Audit Actions**

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**Report by:                      Head of Strategy & Customer Services**

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## **1.0    Purpose**

- 1.1. This report provides the 2017/18 half year update on Clackmannanshire Council's Corporate Risk Log (Appendix A). Progress updates are then provided on Audit Scotland's recommendations following their audit of 2016/17 accounts (Appendix B).

## **2.0    Recommendations**

- 2.1. That Committee notes the report, commenting and challenging as appropriate.

## **3.0    Considerations**

### **3.1.    Summary**

- 3.1.1. The Council has key goals regarding how it will care for and support the people and area of Clackmannanshire. In order to plan how we will achieve goals, we must consider internal and external factors with the potential to prevent or hinder their achievement. An effective risk management approach ensures that the Council is aware of such factors and, where appropriate, takes action to reduce or remove risks to ensure the success of initiatives.
- 3.1.2. While Council officers and services deal with operational risks to individuals, communities and physical aspects of the area on a daily basis, a corporate risk management approach must take a wider, more strategic view. The hierarchy of risk logs from teams, to services (and partnerships), to the corporate log should ensure that the Council has holistic oversight of the most significant issues which must be monitored and managed.
- 3.1.3. The purpose of risk management is not to prevent activities from taking place, but to ensure that all relevant factors are taken into account in their planning and execution so that the best possible outcomes are realised. Various steps are taken to integrate the corporate risk management approach with key organisational areas, such as governance, sustainability, equalities, workforce management, communications, legal, health & safety, etc.
- 3.1.4. Though external auditors have a key focus on financial management, Audit Scotland's revised Best Value Audit approach aims to enhance assessment of wider areas, such as performance and change management, to present a more comprehensive audit opinion. For the same reason, this report presents corporate risk alongside external audit recommendations to ensure that both internal and external views, as well as short- and longer-term factors are summarised together.

### **3.2. Corporate Risk Management Process**

- 3.2.1. The corporate risk log is owned by the Corporate Management Team, and the Head of Strategy & Customer Services is responsible for the corporate risk management approach. The Council follows a systematic risk process, reporting corporate and service risks to Committee on a 6-monthly basis. Processes are assessed via internal and external governance and audit mechanisms, and peer-reviewed by other local authorities.
- 3.2.2. Each corporate risk log review involves gathering information from internal and external sources (environmental scanning), review of the log by the Corporate Risk & Integrity Forum, and individual meetings with risk owners and delegated officers, to:
- Review changes and developments in existing corporate and service risks;
  - Analyse dependencies, 'knock-on effects' and wider perspectives;
  - Investigate emerging externally-identified risks for local relevance;
  - Evaluate emerging internally-identified risks, such as those highlighted during the Annual Governance Statement process.
- 3.2.3. Risks with implications for 3 or more of the 6 Council services, or assessed as significant (red) for any specific service, are considered for escalation to the corporate log, where they are managed until their significance reduces. Risks are recorded on the Pentana (formerly Covalent) performance management system and associated with outcomes, actions (or action plans), and existing controls (strategies, policies, procedures, etc. already in place).
- 3.2.4. It would be impossible to remove all risk from our operations as many Council functions have inherent risks, as do most organisational changes, thus, never taking risks would also mean missing key improvement opportunities. The aim, therefore, is not to be 'risk averse', but to be 'risk aware'. We identify our approach to managing each risk as:
- Treat: actions will be completed to reduce the risk,
  - Tolerate: actions within our control are complete and plans are in place,
  - Transfer: the risk will be passed to another party, such as insurers,
  - Terminate: the activity that is causing the risk will be ceased.
- 3.2.5. Pending revisions:
- The new Local Outcome Improvement Plan (LOIP) and Corporate Plan include a revised set of priority outcomes for the area (shown in section 7 of this report). Corporate risks will be aligned to the new priorities in the next report (2017/18 year end).

### **3.3. Corporate Risk Log – Appendix A**

- 3.3.1. The previous corporate risk report (2016/17 end of year) was delayed due to the elections, and presented to Audit & Finance Committee in September. Therefore, as can be seen in the Corporate Risk Log Summary (Appendix A), there has been less movement in terms of risk scores and status than is normally the case over a 6-month period.
- 3.3.2. 6 risks remain red, and the 5 risks previously reported as amber remain in this status. Of the 4 risks previously reported as green, 2 remain in this status, and 1 was Transferred from the corporate log (see note in Appendix A summary). The remaining risk previously reported as green relates to Information Management and has increased to amber due to the contraction of the workforce and forthcoming organisational redesign. The only other risk score to increase is that for Organisational Change (though this change does not affect the status of the risk, which remains red).



### **Approach: Treat**

- 3.3.3. Financial Resilience remains a key area of focus and services continue to identify, consult on, and implement efficiency opportunities. The area currently considered the second greatest risk to the Council and area of Clackmannanshire is Welfare Reform, where predicted impacts are beginning to materialise. Progress also continues around Health & Safety, with senior manager training, a revised policy, and plans to address recommendations from Gallagher Bassett (the Council's insurance claims handlers).
- 3.3.4. Both Organisational Change (where the score has increased) and corporate Governance are closely linked to Financial Resilience, and manager workshops are being held to explore corporate redesign options, where statutory duties and services must be prioritised. Work also continues around Extremism and/or Radicalisation, with staff training, revision of building security protocols and a one-stop page on the Connect intranet providing information for staff. Changing Demographics, needs and demand for services are analysed in relation to redesign and planning, including around the Health & Social Care Integration and development of the Local Outcome Improvement Plan.
- 3.3.5. As noted above, Information Management is one of two risks to have increased in this update, and work continues on implementation of the approved Records Management Plan. Child Protection remains a key priority for the Council, with the Child Protection Committee and sub-groups progressing the Strategic Action Plan. Priorities regarding Serious Organised Crime have been identified through completion of a Police Scotland self-assessment, and are being taken forward by the Corporate Risk & Integrity Forum.

### **Approach: Tolerate**

- 3.3.6. Risks which must be 'Tolerated' are generally those where the cause is outwith Council control (often relating to Emergency Planning and Business Continuity), but where plans are in place to respond to the issue/incident, should it materialise.
- 3.3.7. The risk of Public Utility failure was increased in the last report due to changes in the national infrastructure, meaning that recovery from a major outage is now expected to take a minimum of 7 days. The Resilience community see this as a priority, and planning and work is ongoing in conjunction with a number of external bodies. Controls are in place and continue to be developed in relation to the risk of Winter Weather and flooding, though contraction of the workforce is also threatening resilience in this area.
- 3.3.8. The risk of Industrial Action currently remains unchanged, though this may change in the next few months, depending on the impact of budget decisions on jobs/roles, terms & conditions, and Trade Union relationships. The Scottish Government have renewed their focus on pandemic flu and, though this risk has not yet materialised to the extent previously predicted, the awareness-raising has prompted planning and preparations which will improve resilience, should this or another Public Health Emergency arise.

### **External Audit Actions – Appendix B**

- 3.3.9. Progress on the observations and recommendations made by Audit Scotland in their audit of the 2016/17 accounts are shown in Appendix B. These relate to annual reconciliation of the Asset Register to ensure accuracy, amendments to Accountancy processes to address underspend in the Capital Programme, and reviewing a greater volume of matches identified by the National Fraud Initiative. Actions on better linking Financial Planning to new Local Outcome Improvement Plan priorities, and developing a new Corporate Plan, as well as work on developing Savings Plans to address funding gaps are also detailed.

#### 4.0 Sustainability Implications

4.1. There are no direct sustainability implications arising from this report.

#### 5.0 Resource Implications

5.1. *Financial Details – There are no direct financial implications arising from this report.*

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ✓

5.3. Finance have been consulted and have agreed the financial implications as set out. Yes ✓

5.4. *Staffing – There are no direct staffing implications arising from this report.*

#### 6.0 Exempt Reports

6.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ✓

#### 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ✓

Our families; children and young people will have the best possible start in life ✓

Women and girls will be confident and aspirational, and achieve their full potential ✓

Our communities will be resilient and empowered so that they can thrive and flourish ✓

(2) **Council Policies** (Please detail)

#### 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? Yes ✓ No ☐

#### 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ✓

#### 10.0 Appendices

10.1 Please list any appendices attached. If there are no appendices, please state "none".

**Appendix A – Corporate Risk Log**

**Appendix B – External Audit Actions**

#### 11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ✓

##### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Judi Richardson	Performance & Information Adviser	2105

##### Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Head of Strategy & Customer Services	Signed: S Crickmar
Nikki Bridle	Depute Chief Executive	Signed: N Bridle

# Appendix A – Corporate Risk Log





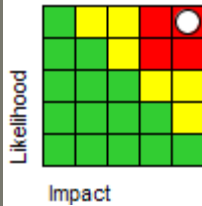
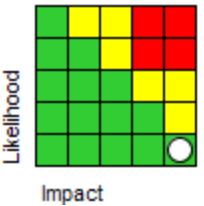
Clackmannanshire  
Council  
www.clacks.gov.uk



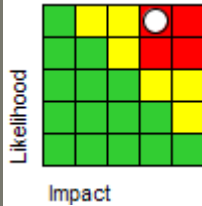
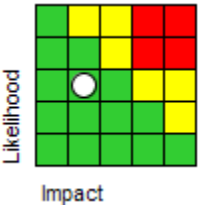
Comhairle Siorrachd  
Chlach Mhanann

Summary of Changes	Distribution of Scores
<p>At the 2017/18 half year stage (out of a total of 14 risks):</p> <p><u>Status</u></p> <ul style="list-style-type: none"> <li>6 risks are red (same as in the 2016/17 year end report)</li> <li>6 risks are amber (increase from 5 in previous report)</li> <li>2 risks are green (decrease from 4 in previous report, 1 of which was Transferred from the Corporate Log after the previous report, see below)</li> </ul> <p><u>Approach</u></p> <p>10 risks are being Treated (same as in previous report)</p> <p>4 risks must be Tolerated (same as in previous report)</p> <p>(1 risk, relating to the ending of Shared Service arrangements with Stirling Council, was Transferred from the Corporate Log after the previous report – any residual service-specific risks will be reflected in the Social Services or Education risk logs)</p> <p><u>Change in Scores Since Last Review</u></p> <ul style="list-style-type: none"> <li>2 risks has increased</li> <li>12 risks remain the same</li> <li>No risks have decreased</li> <li>No new risks have been added to the log</li> </ul>	

Code	Title	Score	Status	Approach	Change
COU CRR 008	Insufficient Financial Resilience	25		Treat	
COU CRR 032	Council & Community Impact of Welfare Reform	20		Treat	
COU CRR 012	Health & Safety Non-compliance	20		Treat	
COU CRR 034	Insufficient Pace and Scale of Organisational Change	20		Treat	
COU CRR 033	Major Governance Failure	16		Treat	
COU CRR 040	Failure of Public Utility Supply	16		Tolerate	
COU CRR 038	Failure to Prevent Extremism and/or Radicalisation	15		Treat	
COU CRR 005	Inability to Respond to Changing Demographics	15		Treat	
COU CRR 009	Information Not Managed Effectively	12		Treat	
COU CRR 031	Failure to Prepare for Severe Weather Events	12		Tolerate	
COU CRR 023	Industrial Unrest	12		Tolerate	
COU CRR 011	Harm to Child(ren)	10		Treat	
COU CRR 037	Failure to Address Serious Organised Crime	9		Treat	
COU CRR 022	Public Health Emergency	9		Tolerate	

## Approach: Treat

Insufficient Financial Resilience			Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change	
Deputy Chief Executive		COU CRR 008			Current Score	25	Target Score	5
Description	The Council does not have sufficient funds to meet its liabilities and cannot meet essential service demands or customer needs, or respond to external agendas.							
Potential Effect	Reputational damage, legal implications and severe and extended loss of service provision. Possibility of Alliance partners also being affected contributes to the potential impact, given the interdependencies.							
Latest Note	Independent analysis suggests Clackmannanshire is experiencing amongst the greatest budget pressure of all 32 councils. The funding gap for 18-19 is estimated at £13.1m, with lower settlements to 2020/21, requiring more significant budget reductions. Given that significant savings have been made in recent years, it is proving extremely challenging to identify new proposals within existing policy parameters. Work is currently progressing to identify savings in respect of 2018/19 and beyond, including the development of redesign and restructure proposals.							
Related Actions	Savings and/or income from increased focus on efficient and compliant business processes. Initial focus on procurement and income maximisation.			COU 178 017	Existing Controls	Budget Challenge & Financial Monitoring		
	External Audit Action Plan (Audit of 2016/17 Accounts by Audit Scotland)			COU EXA 167		Financial Management Strategy		
	Corporate change programme activity from 2017/18 onwards.			MCB PRG 201718		Interim Procurement Strategy		

Council & Community Impact of Welfare Reform			Priority Outcome	1. The area has a positive image and attracts people and businesses; 5. Vulnerable people and families are supported	Status		Change	
Head of Housing & Community Safety		COU CRR 032			Current Score	20	Target Score	6
Description	The welfare reform agenda increases deprivation in the area, removes £8 to £10 million from the local economy and requires the Council to provide additional services and support due to a national priority of reducing welfare expenditure.				<div>Likelihood</div>  <div>Impact</div>	<div>Likelihood</div>  <div>Impact</div>		
Potential Effect	Reversal of efforts to reduce deprivation and improve economic development in the area, as well as reputational, budget and staffing implications of providing new services (impact of the transfer to Universal Credit cannot yet be quantified).							
Latest Note	Impact of Universal Credit now being seen on income, particularly from homeless accommodation. Projected around £800K loss this year. Work is in place to identify potential mitigation options alongside a review of broader policy.							
Related Actions	Review the Housing Allocation Policy			HCS SBP 079	Existing Controls	Scottish Welfare Fund (Crisis & Community Grants)		
	Review the Local Housing Strategy			HCS SBP 080		Housing Options Service		



Low - 9 or below



Medium - 10 to 15



High - 16 or above

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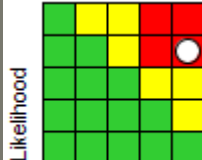
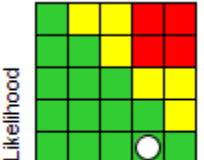
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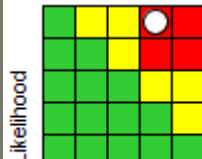
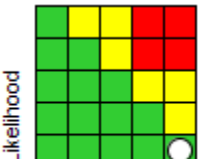


Consistent score



Decreased score

Health & Safety Non-compliance			Priority Outcome	7. Health is improving and health inequalities are reducing; 9. The Council is efficient, effective and recognised for excellence	Status		Change	
Head of Resources & Governance		COU CRR 012			Current Score	20	Target Score	4
Description	A Health & Safety incident or statutory breach results in the injury to or death of a staff member or customer due to lack of awareness of or non-compliance with policies and procedures. Such incidents may also arise from the actions of third parties, whose activities may be outwith the direct control of the Council.				<div><div>Likelihood</div><div></div><div>Impact</div></div> <div><div>Likelihood</div><div></div><div>Impact</div></div>			
Potential Effect	The effects on individuals and their families, financial penalties (including HSE intervention fees), criminal proceedings, adverse publicity, increased insurance or damage to Council assets.							
Latest Note	H&S Policy in process of being agreed. Plan in place to address issues raised in Gallagher Bassett report. However, resources are required to allow the plan to progress.							
Related Actions	Health & Safety action plan, based on recommendations from Gallagher Bassett		CRR RAG 012		Existing Controls	Health & Safety Management System		
	Governance Improvement Plans across all services		CRR RAG 001			Health & Safety Handbook for Managers Maximising Attendance & Employee Wellbeing Policy		

Insufficient Pace and Scale of Organisational Change			Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change	
Chief Executive		COU CRR 034			Current Score	20	Target Score	5
Description	The Council fails to proactively drive the fundamental redesign of services and organisational planning/ development with the speed required to address the funding gap due to ineffective change management.							
Potential Effect	Failure to maintain the required level of provision for statutory services. The corporate business improvement programme does not establish sustainable service delivery and a sustainable cost base for the future.							
Latest Note	Council approved a balanced Budget for 2017/18 on 27th March 2017. The Budget report contains recommendations for a strategic redesign and proposals to achieve financial savings through managed contraction of staffing, new operational changes, new policy decisions and management efficiencies. Actions to achieve financial savings for 2017/18 are underway, with progress reported on an ongoing basis to Council. Further savings for 2018/19 are being consulted on, however, as the scale and complexity of organisational change increases, there is an increasing likelihood that the pace of change required may be inhibited by additional social, economic, political, technological factors.							
Related Actions	Corporate change programme activity from 2017/18 onwards.			MCB PRG 201718	Existing Controls	Communications Strategy		
						Business Planning Process		
						Trade Union & Elected Member Communication Forums		



Low - 9 or below



Medium - 10 to 15



High - 16 or above





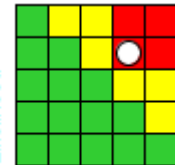
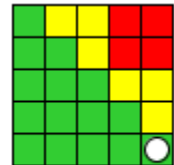
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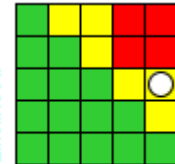
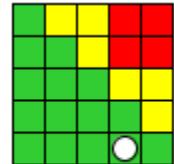


Consistent score



Decreased score

Major Governance Failure			Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change		
Head of Resources & Governance		COU CRR 033			Current Score	16	Target Score	5	
Description	A significant failure of compliance with statutory duties due to a lack of awareness or understanding of corporate policies or codes of conduct, or through non-adherence, including through management or elected member override of controls.				<div><div>Likelihood</div><div>Impact</div></div>		<div><div>Likelihood</div><div>Impact</div></div>		
Potential Effect	Significant reputational damage, injury or loss of life, legal action, financial loss or disruption to service delivery.								
Latest Note	The risk of failure to comply with statutory duties remains high, given the level of change within both a local and national context.								
Related Actions	External Audit Action Plan (Audit of 2016/17 Accounts by Audit Scotland)			COU EXA 167	Existing Controls	Scheme of Delegation			
	Annual Internal Audit & Fraud Programme			COU IAF		Audit & Finance Committee			
	Governance Improvement Plans across all services			CRR RAG 001		Governance & Audit Processes			

Failure to Prevent Extremism and/or Radicalisation			Priority Outcome	1. The area has a positive image and attracts people and businesses; 4. Our communities are safer	Status		Change	
Head of Strategy & Customer Services		COU CRR 038			Current Score	15	Target Score	4
Description	A terrorist incident (or other malicious attack) causes physical or financial harm to individuals or groups in Clackmannanshire, potentially caused by the radicalisation of someone from the area (who could be involved in an incident either here or elsewhere). The fear of these issues could also have an impact on quality of life.				<div><div>Likelihood</div><div>Impact</div></div> <div><div>Likelihood</div><div>Impact</div></div>			
Potential Effect	Casualties and fatalities, damage to property and infrastructure, need for evacuation or temporary housing for those affected and potential for wider economic damage. Financial harm to individuals, businesses or the Council. Direct or indirect disruption to Council services and reputational and/or legal implications.							
Latest Note	We continue to roll implement the CONTEST strategy and delivery plan in Clackmannanshire. We have rolled out training to staff on WRAP and Prevent Awareness. We have also revised our building security protocols and have launched a one-stop Connect page with information for staff on security and CONTEST. Risk must remain amber as a reflection of several instances of 'Move to Critical' in light of terrorist attacks. We have also rolled out 'Stay Safe; Run, Hide and Tell' to all employees in the Council. Clackmannanshire Council now has in place a Graduated Security Risk Profile which identifies a number of actions in the event that we move to critical.							
Related Actions	Ensure deployment of the corporate CONTEST delivery plan			SCS 17 15-07	Existing Controls	Forth Valley Local Resilience Partnership		
						CONTEST Working Groups (FV & Clacks)		
						WRAP Training (High Priority Staff)		



Low - 9 or below



Medium - 10 to 15



High - 16 or above

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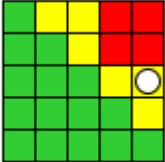
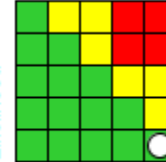
Increased score



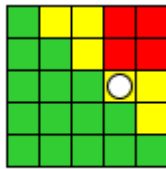
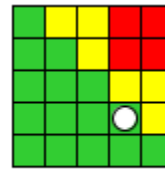


Consistent score



Decreased score

Inability to Respond to Changing Demographics			Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change	
Chief Executive		COU CRR 005			Current Score	15	Target Score	5
Description	The Council is unable to appropriately redesign services due to not acting on predictions of changing needs and demand in areas such as the 'ageing population' (including more single-person households), and changing needs relating to health, complexity of care needs and socio-economic behaviour.				<div><div>Likelihood</div><div></div><div>Impact</div></div>		<div><div>Likelihood</div><div></div><div>Impact</div></div>	
Potential Effect	Inappropriate allocation of resources & assets, misalignment of corporate objectives with needs, inability to demonstrate Best Value, and possible financial and reputational consequences of responding to unplanned situations.							
Latest Note	A number of significant analysis reviews have been carried out throughout the 16/17 reporting year which has helped the Councils understanding of the impact of demographic change. These have included analysis under Health and Social Care Integration; A Poverty Assessment; Economic Baseline Assessment and Strategic Assessment for Community Justice Services. The new Local Outcome Improvement Plan for 2017/27 (LOIP) and Locality Plans sets out the new outcomes for partners taking into cognisance the changing demographics in Clackmannanshire.							
Related Actions	Finalise and implement delivery plan for Health & Care Integration			CRR SOS 005	Existing Controls	Customer Consultation & Communication		
	Develop and publish a Local Outcomes Improvement Plan (LOIP) for Clackmannanshire and Locality Plans for Clackmannanshire in line with the CEA Act.			SCS 17 06		Budget Challenge & Financial Monitoring		
						Health & Social Care Strategic Plan		

Information Not Managed Effectively			Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change	
Head of Resources & Governance		COU CRR 009			Current Score	12	Target Score	8
Description	Information is not protected due to a lack of compliance with information sharing, records management or ICT protocols. Information is not managed due to lack of compliance with records management protocols and good practice. Data is of poor quality, duplicated, or held across multiple systems. Lack of Business Intelligence and Management Information.				<div> Likelihood Impact</div>		<div> Likelihood Impact</div>	
Potential Effect	Possible legal and reputational issues relating to data breaches, increased difficulty and time to access information and loss of tacit information when staff leave or are absent, resulting in duplication or non-completion of (possibly statutory) duties. Loss of productivity when systems do not operate or integrate appropriately, causing frustration and impact on morale. Uninformed decision-making when organisational knowledge is not available when needed, due to 'single points of failure', poor succession planning, lack of awareness of knowledge held by different service areas, or system failure.							
Latest Note	Records Management Plan has been approved and is being implemented. Some improvements in management of old physical records. Improvements in MI due to implementation of Tech One finance system. Impact of GDPR being considered. Increased likelihood score because of increased number of experienced staff leaving organisation and pending reorganisation which may increase the risk of ineffective information management							
Related Actions	Implement Records Management Plan			RAG SRR A01	Existing Controls	Information Management Strategy		
	Deliver the business benefits from the introduction of the new finance system			RAG SRR A02		Digital Strategy		
					Records Management Plan			



Low - 9 or below



Medium - 10 to 15



High - 16 or above

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Increased score



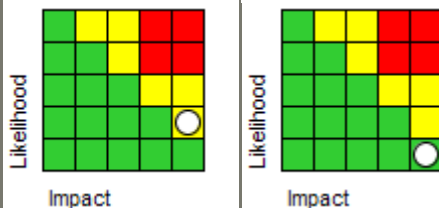




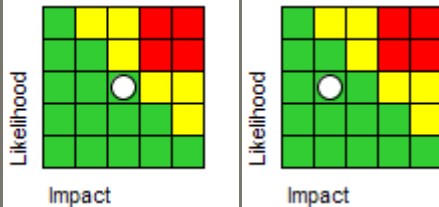
Consistent score



Decreased score



Harm to Child(ren)			Priority Outcome	5. Vulnerable people and families are supported; 6. Substance misuse and its effects are reduced	Status		Change	
Head of Social Services; Head of Education		COU CRR 011			Current Score	10	Target Score	5
Description	A lack of intervention or action by the Council fails to prevent the serious harm of a child/children.				<div><div><div>Likelihood</div></div><div><div>Impact</div></div></div>			
Potential Effect	The effects of the injury or death on the individual, family, friends and staff members, and reputational harm or criminal proceedings, with associated costs, as well as the impact of reputational damage and negative publicity on morale, workforce development and sustainability.							
Latest Note	H&S Policy in process of being agreed. Plan in place to address issues raised in Gallagher & Bassett report. However, resources are required to allow the plan to progress.							
Related Actions	Children's Services Plan		CRR SOS 003	Existing Controls	Child protection procedures			
	Education Business Plan 2017/18		EDU SBP 178		Public Protection Forum			
	SOS Social Services Business Plan 2017-22		SOS BP 2017-22		Child Protection Committee			

Failure to Address Serious Organised Crime			Priority Outcome	4. Our communities are safer; 6. Substance misuse and its effects are reduced	Status		Change		
Head of Strategy & Customer Services		COU CRR 037			Current Score	9	Target Score	6	
Description	Public bodies fail to address the issues around serious organised crime involving drugs, violence, fraud, corruption, money laundering and/or human trafficking.				<div><div>Likelihood</div></div>				
Potential Effect	Physical or financial harm to individuals, businesses, communities or the Council. Direct or indirect disruption to Council services and associated reputational and/or legal implications.								
Latest Note	A number of controls are in place to manage our approaches under Serious Organised Crime including completion of a Police Scotland self-assessment, reviewed by the Corporate Risk & Integrity Forum. Learning and development is being provided for Council employees on aspects of Serious Organised Crime, which includes briefings, cascades and information on general security measures around data, Cyber and IT security and personal security around the workplace. We have enhanced our IT/Web systems to protect from external cyber attacks. The rollout of an improvement plan is being overseen by a cross service Risk & Integrity Forum.								
Related Actions	Implement actions and requirements of the National Fraud Initiative		CRR RAG 008	Existing Controls	Serious Organised Crime Delivery Plan				
	Ensure deployment of the corporate Serious Organised Crime delivery plan		SCS 17 15-08		Let Scotland Flourish Strategy				



Low - 9 or below



Medium - 10 to 15



High - 16 or above



Increased score





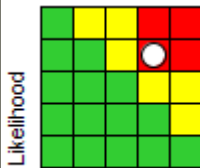
Consistent score



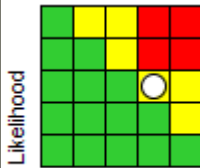




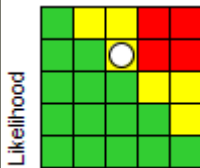
Decreased score



## Approach: Tolerate

Failure of Public Utility Supply			Priority Outcome	4. Our communities are safer; 5. Vulnerable people and families are supported	Status		Change	
Head of Strategy & Customer Services		COU CRR 040			Current Score	16	Existing Controls	
Description	Loss of gas, electricity, water or communications over a significant area due to failure of a provider's infrastructure as a result of a local or national event.						Business Continuity Plans	
Potential Effect	Fatality, injury or health risk caused by escape of gas or loss of electrical supply. Requirement to evacuate areas and find alternative accommodation, including for vulnerable people. The Council has limited capability to reduce the risk of failure or disruption of external provider's infrastructure, other than following best practice in excavation work. Disruption to local agencies and businesses in providing normal services and potentially large costs associated with actions relating to care for people. Failure of telecoms infrastructure preventing contact with health, care and emergency services.						Major Incident Operational Procedures	
					Impact		Emergency Response Plan	

Failure to Prepare for Severe Weather Events			Priority Outcome	1. The area has a positive image and attracts people and businesses; 4. Our communities are safer	Status		Change	
Executive Director		COU CRR 031			Current Score	12	Existing Controls	
Description	Inability to respond to impact of severe weather events on workforce or community due to lack of appropriate planning. This is most likely to include flooding from rainfall or coastal surges, hazardous winter weather or heatwaves (all of which, due to climate change, are likely to become more frequent and severe).						Business Continuity Plans	
Potential Effect	Widespread community dislocation, damage to properties, businesses, roads and utility infrastructure (including telecoms or power loss), or inability of staff to get to workplace. Increased workload in Emergency Planning, Housing, Roads and Customer Services, resulting impact on service delivery, reputation and finances.						Forth Valley Local Resilience Partnership	
					Impact		Winter & Flood Management Plans	

Industrial Unrest			Priority Outcome	9. The Council is efficient, effective and recognised for excellence	Status		Change	
Head of Resources & Governance		COU CRR 023			Current Score	12	Existing Controls	
Description	Industrial action by Council staff, partners or suppliers arises, normally in relation to local or national budget-related changes to terms and conditions, or restructuring.						Trade Union Communications Protocol	
Potential Effect	Impact on staff morale and productivity with associated impact on service delivery, costs and reputation, as well as impact on customers dependent on services. In the case of partner or supplier strike action, we may decide not to complete all aspects of normal service delivery during strike action. Business Continuity & Resilience planning mitigate the impact of strike action to a tolerable level.						Business Continuity Plans	
					Impact		Forth Valley Local Resilience Partnership	



Low - 9 or below



Medium - 10 to 15



High - 16 or above

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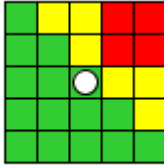
Increased score



Consistent score



Decreased score

Public Health Emergency			Priority Outcome	7. Health is improving and health inequalities are reducing; 9. The Council is efficient, effective and recognised for excellence	Status		Change			
Head of Strategy & Customer Services		COU CRR 022			Current Score	9	Existing Controls			
Description	Significant numbers of Council staff and customers become ill due to the occurrence of a public health emergency, such as a flu pandemic.				<div><div>Likelihood</div><div></div><div>Impact</div></div>	Major Incident Operational Procedures				
Potential Effect	Depending on the nature of the health emergency, potentially short- and long-term health implications for members of the public and staff absence if either ill themselves or caring for family and/or friends. Substantial disruption to back-office support functions and front-line service provision, including to customer groups already considered vulnerable.					Business Continuity Plans				
						Pandemic Flu Plan				



Low - 9 or below



Medium - 10 to 15



High - 16 or above



Increased score



Consistent score







Decreased score

## Appendix B – External Audit Actions

Accuracy of Asset Register			Chief Accountant			COU EXA 601	
Observation	During our audit testing we noted differences between the revaluation reserve values recorded in the Council's fixed asset register and the corresponding values recorded in its financial ledger. The individual differences are not material and the net book values for each category of asset have been correctly recorded in the financial statements. It is important that the Council maintains an accurate record of its assets to ensure it correctly accounts for these in future years.						
Risk	Assets are incorrectly accounted for in future financial statements						
Recommendation	The Council should review its fixed asset register and take corrective action to ensure individual asset values are accurately recorded.						
Progress	<div><div>100%</div></div>	Status		Expected Outcome		Due Date	30-Jun-2018
The asset register is reconciled annually and this will continue to be done at least annually. The differences referred to arose at the time of the migration from a spreadsheet asset register to the Real Asset Management System in 2013.							

Capital Programme		Executive Director			COU EXA 602		
Observation	There was significant underspending in the Council's capital programme of £11.107 million (52%). This continues the trend of capital underspends in recent years.						
Risk	Recurring underspending could lead to slippage in the capital programme which in turn could adversely affect service delivery and the achievement of the Council's strategic priorities						
Recommendation	The Council should review its arrangements for managing the capital programme to ensure they are effective.						
Progress	<div><div>50%</div></div>	Status		Expected Outcome		Due Date	31-Mar-2018
Accountancy hold monthly meetings with budget holders to discuss Capital Projects, spend to date, anticipated spend, legal issues, achievability and any potential re-phasing of the project. Reforecasting is carried out as soon as any variances are known, and the aim is to ensure that bids are completed for all capital works. Potential timescales of procurement/tender processes are highlighted and engagement with the Procurement Manager promoted. This year's process was felt to be beneficial and informative, and the aim is to include this in the bid assessment process. The timing of organisational redesign and staffing changes may, however, also impact the Capital Programme.							

National Fraud Initiative		Head of Resources & Governance			COU EXA 603		
Observation	The Council has made limited progress in investigating NFI matches with only 2% of matches reviewed as of August 2017.						
Risk	The Council does not identify fraudulent activity or errors resulting in financial loss						
Recommendation	The Council should work to complete its review of priority NFI matches and ensure it identified suitable resource to carry out this work.						
Progress	<div><div>54%</div></div>	Status		Expected Outcome		Due Date	31-Mar-2018
A report went to Audit & Finance Committee in December 2017 on NFI progress. It was reported to the committee that 54% of matches have been completed and action is on track to complete by February. The low level of matches reported by External Audit was a consequence of staff changes and the new arrangements for Internal Audit services with Falkirk and more robust planning to complete matches will be undertaken for future exercises.							

Financial Planning		Deputy Chief Executive			COU EXA 604		
Observation	The Council's budget strategy is aligned with the aims of its change programme, Making Clackmannanshire Better. Further work is required to ensure there is a clearer link between all budget decisions and the priorities outlines in the Council's Corporate Plan. The Council is planning to work to ensure savings plans and financial projections reflect the objectives, priorities and structures required to ensure achievement of its ambitions. This is an important exercise, particularly as the Council is refreshing its corporate plan, Taking Clackmannanshire Forward.						
Risk	Budget decisions do not support the Council's priorities						
Recommendation	The Council should work to ensure savings plans and financial projections are aligned with its refreshed priorities.						
Progress	<div><div>50%</div></div>	Status		Expected Outcome		Due Date	31-Mar-2018
Work is in hand to present the new Corporate Plan linked to the Local Outcome Improvement Plan to Council in February 2018. Financial plans will then be reviewed to ensure they remain aligned with the delivery of the stated corporate priorities.							

Savings Plans			Deputy Chief Executive; Chief Executive			COU EXA 605	
Observation	The Council has identified substantial funding gaps in each of the next three years. It has recognised that it cannot continue to use reserves to meet budget gaps. The Council plans to make significant savings from a new strategic model. It has yet to identify the savings achievable from redesigning how it delivers services.						
Risk	The Council is unable to deliver priority services						
Recommendation	The Council should work to develop savings plans to address funding gaps. This should include identification of the savings it expects to achieve from its new strategic model.						
Progress	<div><div></div><div>25%</div></div>	Status	<div></div>	Expected Outcome	<div></div>	Due Date	31-Mar-2018
The Council has a continuous cycle of review to identify potential savings from efficiencies, policy change and redesign activities. This will continue. Work to develop the corporate redesign is progressing and any savings identified will contribute towards closing future years' forecast funding gap alongside other measures to maximise efficiency and income and minimise expenditure.							

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**Report to: Audit and Finance Committee**

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**Date of Meeting: 18 January 2018**

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**Subject: Internal Audit Progress Report 2017/18**

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**Report by: Internal Audit Manager**

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**1.0 Purpose**

- 1.1. The purpose of this report is to provide an update on progress with completing the 2017/18 Internal Audit Plan.

**2.0 Recommendations**

- 2.1. The Committee is asked to note progress being made with completing the 2017/18 Internal Audit Plan.

**3.0 Progress With Completing 2017/18 Internal Audit Plan**

- 3.1. The Plan was agreed by Audit and Finance Committee on 16 March 2017. It set out sixteen assignments to be completed by the team during the year.
- 3.2. An additional review, on the validation of the Council's submission in relation to the Public Body Duties set out in the Climate Change (Scotland) Act 2009, was requested by Development and Environmental Services. This work is now complete, and we were able to provide Substantial Assurance on reporting arrangements and the accuracy of the information in the report.
- 3.3. A second additional review, on Vehicle Management and Usage (within Waste Services and Property Services), Bulky Uplifts, and Garden Aid has been added to the Plan at the request of the Executive Director. We have issued a draft report, and are in the process of agreeing an action plan with the Executive Director and the recently appointed Fleet Supervisor.
- 3.4. Our Plan for 2017/18 includes a review of Procurement and Contract Monitoring. We have issued two separate draft reports to the Head of Resources and Governance. The first of these focusses on procurement governance arrangements, including strategies, policies, guidance, accountability, and risk management. The second focusses on the contract management arrangements established across a sample of contracts.

- 3.5. The findings arising from these, and other, assignments which are in progress or at draft report stage will be included in future progress reports to Committee, once action plans have been agreed with relevant Officers.
- 3.6. To accommodate the assignments added to this year's Plan, I propose deferring the review of Public Protection Governance (Children and Adults) into the early part of our work programme for 2018/19.
- 3.7. A summary of the status of this year's work is attached at Appendix 1. Fourteen assignments have been started or completed, three have yet to start and, as above, one will be deferred into 2018/19. Definitions of the assurance categories used by Internal Audit are set out at Appendix 2.
- 3.8. As per the Joint Working Agreement between Clackmannanshire and Falkirk Councils, Internal Audit measures performance against the following Key Performance Indicators (KPI).

Key Performance Indicator	2017/18 to date
Complete <b>85%</b> of main audit programme	<b>60%</b>
Have <b>90%</b> of recommendations accepted	<b>100%</b>
Issue <b>75%</b> of draft reports within 3 weeks of completion of fieldwork	<b>100%</b>
Complete (to issue of final report) <b>75%</b> of main audits within budget	<b>80%</b>

- 3.9. Performance is as expected, and I am confident that Internal Audit will meet, or exceed, target for each of the KPIs.

## 4.0 Conclusions

- 4.1. The team continues to make good progress with completing 2017/18 Internal Audit work. This will contribute to a balanced and evidenced based year end opinion on arrangements for risk management, governance, and control. Performance against the agreed KPIs is as expected.

## 5.0 Sustainability Implications

- 5.1. None noted

## 6.0 Resource Implications

### 6.1. Financial Details

- 6.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes ☐

- 6.3. Finance have been consulted and have agreed the financial implications as set out in the report.

Yes ☐

#### 6.4. *Staffing*

### 7.0 Exempt Reports

7.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☐

### 7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

The area has a positive image and attracts people and businesses	<input type="checkbox"/>
Our communities are more cohesive and inclusive	<input type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input type="checkbox"/>

(2) **Council Policies** (Please detail)

### 8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes ☐ No ☐

### 9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☐

### 10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- **Appendix 1:** Internal Audit Plan 2017/18 – Progress at December 2017
- **Appendix 2:** Definition of Internal Audit Assurance Categories

## 11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☐

### Author(s)

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Gordon O'Connor	Internal Audit Manager	07872 048 030

### Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	Head of Resources and Governance	Signed : S Coulter
Nikki Bridle	Depute Chief Executive	Signed : N Bridle



## Internal Audit Plan 2017/18 – Progress at December 2017

Planned Assignments (as per 2017/18 Internal Audit Plan)			
	Service	Assignment	Status
1.	All Services	Pensions Transactional Testing	Scheduled for Quarter 4
2.	Resources and Governance / All Services	Payroll Transactional Testing	Scheduled for Quarter 4
3.	Resources and Governance / All Services	Recruitment and Selection	<b>FINAL REPORT ISSUED</b> (Limited / Substantial Assurance)
4.	Housing and Community Safety / All Services	Sundry Debtors	<b>FINAL REPORT ISSUED</b> (Substantial Assurance)
5.	Resources and Governance / All Services	Procurement Governance / Contract Monitoring	<b>Draft Reports Issued</b>
6.	Resources and Governance	Cyber Security	Work In Progress
7.	Social Services	Public Protection (Children and Adults) - Governance	<b>Defer into 2018/19 Plan</b>
8.	Social Services / Education Services	Social Care and Education Transport	Work In Progress
9.	All Services	Cash and Income Collection	<b>FINAL REPORTS ISSUED</b> (Speirs Centre, St Mungo's PS, Park PS)
10.	Education Services	Pupil Equity Fund	Scheduled for Quarter 4
11.	All Services	Follow Up of Internal Audit Recommendations	Work In Progress and Ongoing
12.	All Services	Ad Hoc / Consultancy Work	Work In Progress and Ongoing
13.	All Services	National Fraud Initiative	Work In Progress and Ongoing
14.	All Services	Continuous Auditing	<b>FINAL REPORT ISSUED</b> (Duplicate Creditors payments of £116k identified – April 2016 to present)
15.	Clacks and Stirling IJB	Financial Projections	Work In Progress
16.	Central Scotland VJB	IT Control Environment / General Electoral Roll Registration Process	Work In Progress
Additional Assignments			
	Service	Assignment	Status
1.	Development and Environmental	Validation of Climate Change (Scotland) Act 2009 Return	<b>FINAL REPORT ISSUED</b> (Substantial Assurance)
2.	Development and Environmental / Housing and Community Safety	Vehicle Management and Usage, Bulky Uplifts, and Garden Aid	<b>Draft Report Issued</b>



### Definition of Internal Audit Assurance Categories

Level of Assurance	Definition
<b>Substantial assurance</b>	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or abuse.
<b>Limited assurance</b>	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or abuse.
<b>No assurance</b>	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

