
Report to: Partnerships & Performance Committee

Date of Meeting: 29 October 2020

Subject: Financial Performance 2020/21 – August Outturn

Report by: Chief Finance Officer

1.0 Purpose

- 1.1. This paper provides an update on the financial performance for the Partnerships and Performance Division of the Council in respect of revenue spend for the current financial year 2020/21. This is based on forecast information as at August 2020. Capital expenditure will be reported to the Audit Committee on 3 December 2020 as part of the overall Council's financial performance report.

2.0 Recommendations

- 2.1 The Committee is asked to note the report, commenting and challenging as appropriate on:
- the forecast General Fund revenue overspend relating to the Partnership and Performance Division for the year of £0.074m;
 - the forecast centrally held Corporate Services revenue underspend for the year of £(0.496)m;
 - the forecast revenue underspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £(0.091)m, and
 - delivery of planned savings in the year forecasted to achieve 80.5%.

3.0 Background

- 3.1 **Table 1** details the portfolios that are within the remit of the Partnerships & Performance Division:

Table1

PARTNERSHIP & PERFORMANCE
FINANCE & REVENUES
LEGAL & GOVERNANCE
HR & WORKFORCE DEVELOPMENT
PARTNERSHIP & TRANSFORMATION

Source: Organisational Redesign: Update June 2019

4.0 General Fund Revenue

- 4.1 The Division's net service expenditure forecast before Corporate Services is reporting an overspend of £0.074m. This is an favourable movement of £0.050m since the finance update report to Council on 24 September 2020.
- 4.2 Corporate services is forecasting an underspend of £(0.496)m. There remains an overspend relating to the corporate redesign deferred saving due to the delay in implementation of the People Structure, this is offset by centrally held budgets recorded as underspends reported within the Services and unallocated funding received post budget setting awaiting further information.
- 4.3 **Appendix 1** provides an overview of the financial outturn position within each Service Expenditure area.
- 4.4 **Appendix 2** sets out the main variances and movement since last reported to Council on 24 September 2020.

5.0 Clackmannanshire & Stirling Health and Social Care Partnership (HSCP)

- 5.1 The Clackmannanshire Locality of the Health and Social Care Partnership is forecast to underspend by £0.091m. This is an adverse movement of £ 0.387m since last reported to Council on 24 September 2020.

This forecast is subject to a significant degree of uncertainty owing to Covid19. Whilst the forecast is based on current commitments and activity levels, these are subject to change depending on the future course of the pandemic and the future configuration and design of services aligned to the partnerships strategic priorities.

The forecast assumes that service volumes will continue at their current levels but any further increases in activity levels will directly impact forecast expenditure. In addition the forecast does not include support payments to care providers and other exceptional costs relating to Covid19 that are being managed centrally through the Partnership and charged to the Local Mobilisation Plan (LMP) Funding being received from Scottish Government.

The key issue for the Partnership will be to what extent the additional funding provided through the Mobilisation Fund will fully meet the additional costs associated with Covid19 including the impact on the Transforming Care

Programme and associated savings delivery. Clarity on this point continues to be sought from the Scottish Government.

5.2 **Appendix 3** sets out the main variances and movement since last reported to Council on 24 September 2020.

5.3 It is proposed that the HSCP budget is re-aligned more closely reflect service delivery and expenditure patterns, align to strategic priorities and direct resources to the areas of demand. This exercise is being overseen by the HSCP Senior Management Team.

5.4 The projection for the Clackmannanshire locality should also be viewed in the context of the overall financial position of the partnership.

6.0 2019/20 Savings Progress

6.1 The 2020/21 budget incorporated approved savings of £3.343m. Of this total, £0.810m is attributable to the Partnership & Performance Division.

6.2 Based on analysis to date, savings of £0.653m (80.5%) are forecast to be achieved with £0.158m (19.5%) being forecast as at risk or unachievable in 2020/21. This position of savings achieved has increased from 78.8% since last reported to Council on 24 September 2020.

6.3 **Appendix 4** provides details of budgeted 2020/21 savings progress and shows details of the savings that have been identified as either Amber or Red. These mainly relate to the timing of savings realisation. Services supported by the accountancy team will continue to work together to achieve the approved savings or identify compensatory savings by the end of the financial year.

7.0 Conclusions

7.1 The Partnership & Performance Division revenue spend is anticipating an overspend in Performance of £0.074m and an underspend in Corporate Services of £ (0.496) m.

7.2 The Clackmannanshire & Stirling, Health & Social Care Partnership (HSCP) is forecasting a revenue underspend for the year of £ (0.091) m.

7.3 Of the associated £0.810m approved savings, £0.653m (80.5%) is forecast to be achieved by the year end.

8.0 Sustainability Implications

8.1 None

9.0 Resource Implications

9.1 *Financial Details*

9.2 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

9.3 Finance has been consulted and has agreed the financial implications as set out in the report. Yes

9.4 *Staffing*

9.5 None

10.0 Exempt Reports

10.1 Is this report exempt? No

11.0 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)

12.0 Equalities Impact

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

13.0 Legality

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

14.0 Appendices

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

Appendix 1- Financial Outturn position at August 2020

Appendix 2- Outturn variance and variance movement at August 2020

Appendix 3- HSCP Outturn variance and variance movement at August 2020

Appendix 4- 2020/21 Savings progress at August 2020

15.0 Background Papers

15.1 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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Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	

Partnership & Performance Summary 2020/21

Appendix 1

	<i>Annual Budget 2020/21 £'000</i>	<i>Forecast to March 2021 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Resource & Governance	6,156	6,190	33
Strategy & Customer Services	1,689	1,741	52
Executive Team	2,870	2,894	23
Development & Environmental	739	742	3
Housing & Community Safety	8,311	8,273	(39)
Division Expenditure	19,766	19,840	74
Corporate Services	616	(29)	(645)
Misc Services - Non Distributed Costs	1,312	1,312	0
	1,928	1,283	(645)
less allocated to non general fund	(1,305)	(1,305)	0
	623	(22)	(645)
Add requisitions from joint boards			
Central Scotland Valuation Joint Board	454	454	0
Add/Deduct			
Interest on Revenue Balance	(91)	(10)	81
Loans Fund Contribution	5,770	5,838	68
Contribution to Bad Debt Provision	200	200	0
Total Corporate Services	6,956	6,460	(496)
Health & Social Care Partnership	19,041	18,950	(91)

Partnerships & Performance Directorate
Variances at 31st August 2020

Appendix 2

Partnership & Performance	Annual Budget 2020/21	Forecast to March 2021	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Variance movement June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resource & Governance	6,156	6,190	33	4	29	46	(13)	<p>Accountancy: Underspend of £(0.041)m, movement of £(0.018)m. £(0.035)m underspend and £(0.018)m movement is due to staffing. £(0.006)m underspend in postage, stationery and subscriptions.</p> <p>Corporate training: Underspend of £(0.016)m, due to a delay of courses as a result of Covid lock down restrictions.</p> <p>Elections: Underspend of £(0.058)m, due to only 1 by-election being planned in November 2020.</p> <p>IT: Overspend of £0.114m, movement of £(0.004)m. £0.010m overspend in staffing due to unachievable TVR which is partially being offset by vacancy management, £0.020m overspend related to delayed MFD contract saving which has been delayed due to norovirus and Covid outbreak, £0.047m overspend on telephones / mobiles, £0.058m software maintenance mainly due to VMWARE, cyber security and back up services, £(0.018) in hardware purchases. Movement of £(0.004)m from various small underspends.</p> <p>HR: Underspend of £(0.017), movement of £0.009m due to staffing.</p> <p>Legal, Democracy & Audit: Overspend of £0.006m due to unachievable income.</p> <p>Head of Service: Overspend of £0.046m relating to a legacy unachievable saving on staffing from 17/18.</p>
Strategy & Customer Services	1,688	1,741	52	27	26	56	(4)	The Registrar's service lack of income is now forecast to overspend by £0.091m of which £0.027m can be attributed to Covid with the balance remaining continuing to be for Scottish Certificates. This is an improvement of (£0.009m) from June. The £0.100m external funding budget is anticipating a shortfall of £0.050m. This is offset by current staffing savings within the contact centre, communications and members helping to offset the overspend by £(0.088)m. This has reduced by £0.006m as a result of enabling staff to work from home. This leaves the forecast at August 2020 as an overspend of £0.053m.
Executive Team	2,870	2,894	23	0	23	21	2	Period when Strategic Director of Partnership & Performance was Acting Chief Executive.
Development & Environmental	739	742	3	69	(66)	(5)	8	<p>Licencing: Overspent by £0.055m, movement of £(0.001)m. Overspend due to decrease in alcohol and civil licence income as a result of Covid. Movement due to various small underspends.</p> <p>Trading Standards: Underspent by £(0.052)m, movement of £(0.004). Underspend and movement due to a reduction in service cost with Stirling Council.</p> <p>Environmental Health: No variance, movement of £0.014m. Movement is due to reduced income as a result of Covid.</p>
Housing & Community Safety	8,311	8,273	(39)	90	(129)	5	(44)	There is at present a forecast that expenditure on staffing within Revenues will be an underspend of £(0.138)m. This is an increase of £(0.039)m from June. There are currently adverts out to fill some posts. In the Rent Allowances part of Housing Benefit it is currently forecast that there will be no income from Housing Benefits Overpayments this year as none has currently been received giving shortfall of £0.090m, a reduction of £(0.014)m from June. The Scottish Welfare Fund is forecast £0.005m over awaiting on additional funding from the Scottish Government.
Division Total	19,765	19,840	74	190	(116)	123	(50)	
Corporate Services	6,956	6,460	(496)		(496)	(580)	84	Underspend due to additional grant funding allocated post budget setting held corporately offset by organisational restructure saving within People Directorate and other small corporate savings held centrally. There is a forecast overspend within Loans Fund and interest receivable, this is due to a combination of very low interest rates on working balances investments and the anticipated redemption of investments held.
Corporate Services	6,956	6,460	(496)	0	(496)	(580)	84	

Annual Budget 2020/21	Annual Budget 2020/21	Forecast to March 2021	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Variance movement June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Employees								Underspend across a range of services: including: Integrated Mental Health £(414k); Disability Day Care £(198k); Assessment & Care Management £(210k); Business Support £(145k). There is a forecast overspend at Menstrie House of £100k A proposal to re-align budgets and direct resources to those areas under pressure is to be brought forward.
	8,501	7,634	(867)	0	(867)	(842)	(25)	
Long Term Care								
Nursing Homes								Nursing Home places fell by 30 at the start of the year but have now started to rise and now stand at around 160 as homes have re-opened to admissions. Savings will be offset by Relief Payments to Providers through the Mobilisation Fund.
	7,594	6,855	(740)	(740)	0	(1,034)	294	
Residential Homes	3,594	3,593	(1)	0	(1)	18	(19)	Overall numbers remain stable at around 60.
Community Based Care								
Care at Home								Current commitments have increased by 400 hours/week since the start of the year to stand at 10,700 hours/week.
	7,176	8,674	1,498	0	1,498	1,316	182	
Day Care	230	268	39	0	39	67	(28)	Day Care for approximately 42 service users of which 19 have complex needs.
Direct Payments	953	954	2	0	2	58	(56)	Numbers are stable with 70 service users receiving a direct payment.
Housing Aids and Adaptations	159	164	5	0	5	5	0	Demand driven adaptations within private sector homes.
Housing with Care	163	278	115	0	115	115	(0)	This budget is for Supported Accommodation provided by external organisations
Respite	129	87	(42)	0	(42)	(76)	34	Costs for respite have increased since June as Respite plans for the year are confirmed.
Misc. Third Party Payments								This heading covers various payments to other agencies including other local authorities, registration fees and payments to voluntary organisations. The underspend relates to growth funding awarded in the 2020/21 budget that is to be allocated. A report will go to IJB to realign budgets
	1,771	1,160	(610)	0	(610)	(610)	(0)	
Supplies and Services								
Supplies and Services								This heading includes equipment, house adaptations, food and insurance, postage, printing and administration. The forecast over spend relates to increased levels of spend on equipment servicing and maintenance £(17k) Insurance, £(18k) and Office Costs £(26k).
	372	433	61	0	61	61	0	
Premises Expenditure	11	25	13	0	13	13	0	The budget covers cleaning materials within operational buildings.
Transport Expenditure	48	43	(5)	(5)	0	(5)	(0)	Travel costs are forecast to underspend as a result of reduced amounts of travel in the first quarter.
Income								
Income								Income forecast is less than budget this year as a result of a reduced level of client contributions. This is as a result of less people being in long term care (Covid related).
	(4,390)	(3,958)	432	432	0	427	5	
Resource Transfer (Health)	(7,271)	(7,262)	9	0	9	9	0	Includes Income from NHS, integration funding and contributions for complex care.
Total	19,040	18,950	(91)	(312)	222	(478)	387	

Management Efficiencies

Service Reference	Description of Saving	2020/21 £	Achieved/ Likely to be achieved £	Amber £	Red £	Service Updates
P&PF&R6	Move to rolling Asset Valuation	66,000	66,000			Saving achieved
P&PHMHB1	Rent Rebates Rent Allowances - reduce current budget provision in conjunction with Homeless CASH	266,000	176,000	90,000		Current data suggests saving partially achievable
P&PHMHB1	Rent Rebates Rent Allowances - reduce current budget provision in conjunction with Homeless	250,000	250,000			Current data suggests saving achievable
P&PHR1	Reduce Corporate Training Budget	23,800	23,800			Saving achieved
P&PHR2	HR- Supplies and Services budget reduction	4,125	4,125			Saving achieved
P&PHR3	HR- Reduction in Admin Support - Vacancy	27,159	27,159			Saving achieved
P&PLE1	Legal-Supplies and Services budget reduction	498	498			Saving achieved
P&PF&R1	Finance- Reduction in Postages Budget	5,000	5,000			Saving achieved
P&PF&R3	Credit Card Rebate	10,000	2,000	8,000		Work not able to progress on this due to COVID priorities.
P&PS&P1	Partnerships-Budget Realignment	10,000	10,000			Saving achieved
P&PS&P6	Newspaper Copyright	1,500	1,500			Saving achieved
P&PF&R4	Treasury Contract price reduction	3,000	3,000			Saving achieved
P&PLE2	Legal & Democracy Efficiencies	6,592	6,592			Saving achieved
P&PF&R5	Finance & Revenues Efficiencies	30,000	30,000			Saving achieved
P&PS&P7	Research & Information Officer Vacancy - CASH for 2 years	37,000	37,000			Saving achieved
P&PHR4	Shared Cost/Salary Sacrifice Additional Voluntary Contribution (SCAVC) Scheme - savings on Tax & NI contributions	20,000	10,000	10,000		Transferred to new AVC scheme in August 2020
Total	Management Efficiencies	760,674	652,674	108,000	0	

Prior Years

Service Reference	Description of Saving	2020/21 £	Achieved/ Likely to be achieved £	Amber £	Red £	Service Updates
	Income generation through new Funding Officer post	50,000		50,000		A small number of funding bids have been submitted to external funding bodies, however progress on these has been delayed due to Covid.
Total	Prior Years	50,000	0	50,000	0	

Summary By Type	2020/21 £	Achieved/ Likely to be achieved £	Amber £	Red £
Management Efficiencies	760,674	652,674	108,000	0
Policy	0	0	0	0
Prior Years	50,000	0	50,000	0
Total Division	810,674	652,674	158,000	0

check

80.5% 19.5% 0.0%