
Report to: Partnerships & Performance Committee

Date of Meeting: 11 March 2021

Subject: Financial Performance 2020/21 – December 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 December 2020. Capital expenditure will be reported to the Audit Committee on 29 April 2021 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 underspend relating to the Partnership and Performance Division for the year of £(0.201)m;
 - the forecast centrally held Corporate Services revenue underspend for the year of £(0.911)m;
 - the forecast revenue underspend of the Clackmannanshire element of the Clackmannanshire & Stirling Health & Social Care Partnership (H&SCP) for the year of £(1.045)m, and
 - delivery of planned savings in the year forecasted to achieve 84.8%.

3.0 Background

- 3.1 **Table 1** details the portfolios that are within the remit of the Partnership & 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 forecasting an underspend of £(0.201)m. This is a favourable movement of £(0.204)m from the October forecast reported to Audit Committee on 4 February 2021.
- 4.2 Corporate services is forecasting an underspend of £(0.911)m. Within this underspend 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 additional funding received post budget setting. There is also centrally held income relating to lost income due to Covid_19, offsetting unachieved income across all services.
- 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 the Audit Committee on 4 February 2021.
- 4.5 The Covid19 pandemic has had a significant impact on the financial position across the Council. Appendix 2 shows the overspend identified as a result of Covid for each service area within the Partnership and Performance Directorate. Income levels have been particularly affected with the majority of the £0.294m net impact due to loss of income.

5.0 Clackmannanshire & Stirling Health and Social Care Partnership (H&SCP)

- 5.1 The Clackmannanshire Locality of the Health and Social Care Partnership is forecast to underspend by £(1.045)m. This is an improved position of £(0.955)m since the last report to Audit Committee on 4 February 2021. Of the £(0.955)m movement, £(0.656)m relates to Care at home with delivery of the service being impacted by Covid 19.

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 of services.

Relief Payments to Providers as a result of Covid19 are being channelled through the Integrated Joint Board (IJB) and the costs are not included in the above forecast. In addition the forecast does not include support payments to care providers relating to Covid19 that are being managed centrally through the Partnership and charged to the Mobilisation Fund.

The forecast for the Clackmannanshire locality should also be viewed in the context of the overall financial position of the partnership. The latest forecast reported to the Integration Joint Board in January 2021 for the Health & Social Care Partnership as a whole is an overspend of £1.7m including the set aside budget.

A key issue for the Partnership will be to what extent the additional funding provided through the Mobilisation Fund will fully meet all the additional costs associated with Covid19. Clarity on this point continues to be sought from the Scottish Government and as such these costs are excluded from the forecasted Partnership overspend.

5.2 **Appendix 3** sets out the main variances and movement since last reported to Audit Committee on 4 February 2021.

6.0 2020/21 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 £0.688m (84.8%) are forecast to be achieved with £0.123m (15.2%) being forecast as at risk or unachievable in 2020/21. £0.113m of these unachievable savings are as a result of the pandemic. This is an improved position of 1.2% since last reported to Audit Committee on 4 February 2021.

6.3 **Appendix 4** provides details progress on the budgeted 2020/21 savings and shows details of those 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 look 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 underspend in Performance of £(0.201)m and an underspend in Corporate Services of £(0.911)m.

7.2 The Clackmannanshire locality of the Clackmannanshire & Stirling, Health & Social Care Partnership (H&SCP) is forecasting a revenue underspend for the year of £(1.045)m.

7.3 Of the associated £0.810m approved savings, £0.688m (84.8%) 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.

(15) **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 December 2020

Appendix 2- Outturn variance and variance movement at December 2020

Appendix 3- H&SCP Outturn variance and variance movement at December 2020

Appendix 4- 2020/21 Savings progress at December 2020

15.0 Background Papers

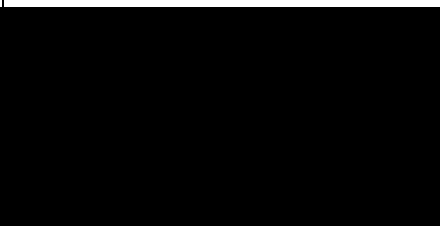
- 15.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	
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	<i>Annual Budget 2020/21 £'000</i>	<i>Forecast to March 2021 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Resource & Governance	6,215	6,064	(151)
Strategy & Customer Services	1,627	1,675	48
Executive Team	3,636	3,653	17
Development & Environmental	758	712	(46)
Housing & Community Safety	8,311	8,243	(68)
	20,548	20,347	(201)
Corporate Services	586	(474)	(1,060)
Misc Services - Non Distributed Costs	1,312	1,312	0
	1,898	838	(1,060)
less allocated to non general fund	(1,305)	(1,305)	0
	593	(467)	(1,060)
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	6,926	6,015	(911)
Health & Social Care Partnership	19,041	17,995	(1,045)

Partnership & Performance	Annual Budget 2020/21 £'000	Forecast to March 2021 £'000	Variance Forecast to Budget at December £'000	Variance due to Covid £'000	Variance due to Non Covid £'000	Variance Forecast to Budget at October £'000	Variance movement October to December £'000	Narrative
Resource & Governance	6,215	6,064	(151)	(41)	(110)	(42)	(109)	<p>Accountancy: Underspend of £(0.035)m, movement of £0.007m. £(0.034)m underspend due to staffing, movement of £0.002m. £(0.001)m underspend, movement of £0.005m on various small spend.</p> <p>Corporate training: Underspend of £(0.103)m, movement of £(0.033)m due to a delay of courses as a result of Covid lock down restrictions.</p> <p>Elections: Underspend of £(0.050)m. Due to only one by-election in November 2020. There are no more planned by-elections.</p> <p>IT: Underspend of £(0.008)m, movement of £(0.081)m. £0.059m overspend on telephones / mobiles, underspend of £(0.028)m on software, movement of £(0.078)m on software as a result of delays pushing into 21/22. £0.020m overspend related to delayed MFD contract saving this was delayed due to norovirus and Covid outbreak, cyber security and back up services. £(0.035) underspend in staffing which is partially offset by a unachieved TVR. £(0.024) underspend, movement of £(0.003)m in hardware purchases, due to removal of Goss consultancy that is no longer required this year.</p> <p>HR: Overspend of £0.002m, movement of £(0.002)m. The overspend is due to a corporate saving for voluntary contributions which will be realigned throughout the directorates to reflect where the saving is. Movement is various small underspends.</p> <p>Legal, Democracy & Audit: Underspend of £(0.003)m due to reductions in supplies and services and a delay in recruitment.</p> <p>Head of Service: Overspend of £0.046m relating to a legacy unachievable saving on staffing from 17/18.</p>
Strategy & Customer Services	1,627	1,675	48	132	(84)	58	(10)	The Registrar's service has incurred a loss of income, resulting in an overspend by £0.083m, an increase of £0.008m from October. The £0.100m external funding income budget will not be achieved. Covid has impacted on the ability of the service to achieve the expected levels of income but the shortfall in income is offset by current staffing savings within the contact centre, director and members services offsetting the overspend by £(0.090)m. Additional government funding of £(0.025)m to help prepare for brexit has helped compensate this. In addition to staffing savings an extra £(0.008)m is forecast by recharging members time to other bodies. The Service has curtailed expenditure on supplies & services by (£0.012)m to offset the overspend. This has reduced by £0.006m from October to allow staff to work safely.
Executive Team	3,636	3,653	17	0	17	25	(8)	Period when Strategic Director of Partnership & Performance was Acting Chief Executive.
Development & Environmental	758	712	(46)	56	(102)	(18)	(28)	<p>Licensing: Overspend by £0.025m, movement of £(0.012)m. Overspend due to decrease in alcohol and civil licence income as a result of Covid. Movement due to an increase in alcohol licences than was expected.</p> <p>Trading Standards: Underspend by £(0.052)m, no movement. Underspend due to a reduction in service cost with Stirling Council.</p> <p>Environmental Health: Underspend and movement of £(0.023)m, movement of £(0.003)m due to staffing. Offsetting this is a £0.014m overspend from a reduction in income due to Covid.</p>
Housing & Community Safety	8,311	8,243	(68)	146	(214)	(21)	(47)	<p>Revenues: underspend of £(0.099)m due to staffing vacancies, a movement of £0.011m from October due to increased postages. The Scottish Welfare Fund is forecast to underspend by £(0.025)m a movement of £(0.050)m as the most up to date data has been used to forecast. Housing Benefits is forecast to overspend by £0.055m a movement of £(0.010)m. This is as a consequence of lost income from Housing Benefit Overpayments of £0.146m as Covid resulted in this service being suspended. This is offset by a reduction in the net cost of housing benefit for rent rebates of £(0.091)m. The movement is due to a forecasted decrease in the benefit payments made.</p>
Division Total	20,548	20,347	(201)	294	(493)	3	(204)	
Corporate Services	6,926	6,015	(911)	(378)	(451)	(829)	(82)	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 also funding of £0.378m relating to lost income due to Covid_19 for Q1 & 2, this is being held centrally to offset unachieved income within the services. Loans Fund and interest receivable are forecast to overspend, this is due to a combination of very low interest rates on working balances, investments and the anticipated redemption of investments held.
Corporate Services	6,926	6,015	(911)	(378)	(451)	(829)	(82)	

Annual Budget 2020/21	Annual Budget 2020/21	Forecast to March 2021	Variance Forecast to Budget at December	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at October	Variance movement October to December	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Employees	8,501	7,558	(942)	0	(942)	(937)	(6)	Underspend across a range of services: including: Integrated Mental Health £(400k); Disability Day Care £(200k); Assessment & Care Management £(165k) There is a forecast overspend at Menstrie House of £136k and Ludgate Respite £30k The favourable movement represents the impact of staff turnover since October. A proposal to re-align budgets and direct resources to those areas under pressure is being considered
Long Term Care								
Nursing Homes	7,594	7,019	(576)	(576)	0	(545)	(31)	Nursing Home places fell by 55 at the start of the year but have now started to rise and now stand at around 185 as homes have re-opened to admissions. This forecast is potentially subject to significant volatility depending on the future course of the pandemic. Savings will be offset by Relief Payments to Providers through the Mobilisation Fund.
Residential Homes	3,594	3,383	(211)	0	(211)	(265)	54	Overall numbers remain stable at around 60.
Community Based Care								
Care at Home	7,885	8,403	517	300	217	1,173	(656)	The forecast reflects the impact of Covid on the delivery of Care at Home. The revised forecast reflects evidence of service delivery being interrupted by the pandemic with actual expenditure lagging behind the level of commitments. The actual service delivery is subject to significant volatility, savings from reduced service delivery will be offset by Relief Payments to Providers through the Mobilisation Fund.
Day Care	230	187	(43)	(43)	0	25	(68)	Day Care for approximately 42 service users of which 19 have complex needs. The movement in the forecast reflects the reduced level of activity due to Covid. Savings will be matched by support payments to providers through the Mobilisation Fund managed by the IJB.
Direct Payments	953	896	(57)	0	(57)	(51)	(6)	Numbers are stable with 0 service users receiving a direct payment. The forecast has been revised to reflect actual pattern of payments to date.
Housing Aids and Adaptations	159	164	5	0	5	5	0	Demand driven adaptations within private sector homes.
Housing with Care	163	188	24	0	24	11	13	This budget is for Supported Accommodation provided by external organisations. The commitment has continued to fall as a result of service changes within Learning disability and Physical Disability with some care transferring to Care at Home.
Respite	129	65	(64)	0	(64)	14	(78)	Costs for respite continue to increase as Respite plans for the year are confirmed.
Misc. Third Party Payments	910	1,110	201	0	201	209	(8)	This heading covers various payments to other agencies including other local authorities, registration fees and payments to voluntary organisations.
Premises Expenditure	11	22	10		10	13	(3)	The budget covers cleaning materials within operational buildings.
Supplies and Services	403	401	(2)		(2)	22	(24)	Includes equipment, house adaptations, food and insurance, postage, printing and administration. The favourable movement reflects charging of costs to the Covid Mobilisation Fund.
Transport Expenditure	48	25	(23)		(23)	4	(27)	Travel costs are forecast to overspend, with cost having picked up in the second quarter.
Income								
Income	(4,269)	(4,102)	167	300	(133)	221	(54)	Income forecast is less than budget this year as a result of a reduced level of client contributions due to less clients being in long term care (Covid related).
Resource Transfer (Health)	(7,271)	(7,325)	(54)	0	(54)	9	(63)	Includes Income from NHS, integration funding and contributions for complex care.
Total	19,041	17,995	(1,045)	(19)	(1,027)	(90)	(955)	

Management Efficiencies

Service Reference	Division	Description of Saving	2020/21 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
P&PF&R6	P&P	Move to rolling Asset Valuation	66,000	66,000				Saving achieved
P&PHMHB1	P&P	Rent Rebates Rent Allowances - reduce current budget provision in conjunction with Homeless CASH	266,000	211,000	55,000		55,000	Current data suggests saving partially achievable
P&PHMHB1	P&P	Rent Rebates Rent Allowances - reduce current budget provision in conjunction with Homeless	250,000	250,000			-	Current data suggests saving achievable
P&PHR1	P&P	Reduce Corporate Training Budget	23,800	23,800			-	Saving achieved
P&PHR2	P&P	HR- Supplies and Services budget reduction	4,125	4,125			-	Saving achieved
P&PHR3	P&P	HR- Reduction in Admin Support - Vacancy	27,159	27,159			-	Saving achieved
P&PLE1	P&P	Legal-Supplies and Services budget reduction	498	498			-	Saving achieved
P&PF&R1	P&P	Finance- Reduction in Postages Budget	5,000	5,000			-	Saving achieved
P&PF&R3	P&P	Credit Card Rebate	10,000	2,000		8,000	8,000	Work not able to progress on this due to COVID priorities.
P&PS&P1	P&P	Partnerships-Budget Realignment	10,000	10,000			-	Saving achieved
P&PS&P6	P&P	Newspaper Copyright	1,500	1,500			-	Saving achieved
P&PF&R4	P&P	Treasury Contract price reduction	3,000	3,000			-	Saving achieved
P&PLE2	P&P	Legal & Democracy Efficiencies	6,592	6,592			-	Saving achieved
P&PF&R5	P&P	Finance & Revenues Efficiencies	30,000	30,000			-	Saving achieved
P&PS&P7	P&P	Research & Information Officer Vacancy - CASH for 2 years	37,000	37,000			-	Saving achieved
P&PHR4	P&P	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, timing delay
Total		Management Efficiencies	760,674	687,674	55,000	18,000	63,000	

Prior Years

Service Reference	Division	Description of Saving	2020/21 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
	P&P	Income generation through new Funding Officer post	50,000			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	0	50,000	50,000	

Summary By Type	2020/21 £	Achieved/Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £
Management Efficiencies	760,674	687,674	55,000	18,000	63,000
Policy	-	-	-	-	-
Prior Years	50,000	-	-	50,000	50,000
Total Division	810,674	687,674	55,000	68,000	113,000

check

84.8% 6.8% 8.4% 16.4%