THIS PAPER RELATES TO ITEM 4

ON THE AGENDA

CLACKMANNANSHIRE COUNCIL

Report to: Partnership & Performance Committee

Date of Meeting: 26 August 2021

Subject: Financial Performance 2021/22 – June Outturn

Report by: Chief Finance Officer

1.0 Purpose

1.1. This paper provides an update on the financial performance for the Partnership and Performance Division of the Council in respect of revenue spend for the current financial year 2021/22. This is based on forecast information as at 30 June 2021. Capital expenditure will be reported to the Audit Committee on 30 September 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 overspend relating to the Partnership and Performance Division for the year of £0.329m;
- the forecast centrally held Corporate Services revenue overspend for the year of £0.130m;
- the forecast revenue overspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £1.673m, and
- delivery of planned savings in the year forecasted to achieve 82.5%.

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 an overspend of £0.329m.

4.2 Corporate services is forecasting an overspend of £0.130m. This is due to centrally held savings that will be realised across Services throughout the year. It is too early to determine whether these will be achieved in full so prudence has been applied to calculate an early possible outcome.

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.

4.5 Covid19 continues to impact the delivery of Services as we move through the Recovery phase of the pandemic. Elements of the variances attributable to Covid19 are shown within the appendix. The Council received funding during 2020/21 and 2021/22 and will look to allocate this funding to cover overspends relating to Covid19 as appropriate.

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

5.1 The Clackmannanshire element of the Health and Social Care Partnership is projecting an overspend of £1.673m for the financial year based on financial performance for quarter 1 and care commitments recorded in the social care management information service (CCIS) forecast for the remainder of the year.

5.2 This forecasted overspend should be viewed alongside the overall projected overspend on the Integrated Budget of the Health and Social Care Partnership for delegated Health and Social Care Services of £2.942m. This position will be reported to the Integration Joint Board Finance and Performance Committee on 18 August 2021.

5.3 The key drivers of the projected overspend in the Clackmannanshire element of the budget are detailed within appendix 3

5.4 There still appears to be a Covid related impact on the levels of additional demands being observed to both maintain citizens care in their own homes in their communities and support discharge from acute hospital and other residential care. Therefore some additional funding support is being sought from Scottish Government via the quarterly Covid financial return. The Quarter

1 return was submitted to government on 30 July and will be subject of review and consideration. Therefore any potential additional Scottish Government support is not assumed at this point. No Scottish Government support for unachieved savings is assumed in the current financial year as was provided in 2020/21 financial year.

5.5 The Integration Scheme requires a budget recovery plan to be prepared and it is envisaged the issues detailed above and detailed within the variances in Appendix 3 would form the basis of such a recovery plan.

5.6 **Appendix 3** sets out the main forecast variances for the year compared to budget as at 30 June 2021.

6.0 2021/22 Savings Progress

6.1 The 2021/22 budget incorporated approved savings of £2.126m. Of this total, £0.668m is attributable to the Partnership & Performance Division.

6.2 Based on analysis to date, savings of £0.471m (82.5%) are forecast to be achieved with the remaining £0.197m (17.5%) being forecast as at risk (Amber) in 2021/22.

6.3 **Appendix 4** provides details of progress towards achieving the approved 2021/22 savings and shows further details of the savings that have been identified as Amber. These relate to homeless income not looking likely to be achieved and corporately held savings that will become more evident as the year progresses. A prudent approach has been taken in this outturn on what is achievable but this will be reviewed throughout the year. Services supported by the accountancy team will work 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 £0.329m and an overspend of £0.130m in Corporate Services.

7.2 The Clackmannanshire element of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) is forecasting a revenue overspend for the year of £1.673m.

7.3 Of the associated £0.688m approved savings, £0.471m (70.5%) 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 June 2021

Appendix 2- Outturn variance at June 2021

Appendix 3- Clackmannanshire element of the HSCP - Outturn variance at June 2021

Appendix 4- 2021/22 Savings progress at June 2021

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

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Partnership & Performance Summary 2021/22
at 30 June 2021

Appendix 1

	Annual Budget 2021/22 £'000	*Forecast to March 2022 £'000*	*Variance Forecast to Budget £'000*
Resource & Governance	6,440	6,436	(4)
Strategy & Customer Services	1,748	1,790	42
Executive Team	250	243	(8)
Development & Environmental	640	661	21
Housing & Community Safety	1,937	2,214	277
	11,015	**11,344**	**329**
Corporate Services	(374)	(244)	130
Misc Services - Non Distributed Costs	1,100	1,100	(0)
	726	856	130
less allocated to non general fund	(1,305)	(1,305)	0
	(579)	(449)	130
Add Requisitions from Joint Board			
Central Scotland Valuation	459	459	0
Add/Deduct			
Interest on Revenue Balances	(91)	(91)	0
Loans Fund Contribution	4,829	4,829	(0)
Contribution to Bad Debt Provision	200	200	(0)
	4,818	4,948	130
TOTAL	**15,834**	**16,292**	**458**
Health & Social Care Partnership	**19,875**	**21,548**	**1,673**

Partnership & Performance Directorate
Variances at 30 June 2021

Appendix 2

Partnership & Performance	*Annual Budget 2021/22*	*Forecast to March 2022*	*Variance Forecast to Budget at June*	*Variance due to Covid*	*Variance due to Non Covid*	*Narrative*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	
Resource & Governance	6,440	6,436	(4)	0	(4)	**Accountancy:** Forecast on budget. **Corporate training**: Forecast on budget with no variance. **Elections**: Overspend of £0.024m forecasted. This is due to the expected costs to be incurred for the upcoming 2022 local elections. **IT**: Underspend of £(0.012)m. £0.062m overspend on telephones / mobiles offset byforecasted underspend of £(0.053)m on software and £(0.021)m in staffing due to vacancies. **HR**: Underspend of £(0.043)m. £(0.041)m due to staffing vacancies and £(0.002)m due to various small underspends. **Legal, Democracy & Audit**: Underspend of £(0.019)m. £(0.025)m underspend due to staffing vacancies, £0.010m overspend due to unachievable income and £(0.004)m various small underspends. **Head of Service**: Overspend of £0.046m relating to a legacy unachievable saving on a staffing restructure.
Strategy & Customer Services	1,748	1,790	42	0	42	**Forecast overspend of £0.042m.** The £0.100m external funding income budget will not be achieved. The budget has been based on the expectation that additional funding would be achieved to offset the revenue budget. This has proved not to be the case, although substantial funding has been secured, this has primarily had an impact on capital projects. Scottish Certificates income - The budget has been based on an expected surplus of £0.039m. Recently this has proved unachievable and net expenditure of £0.008m is forecast leaving an overspend of £0.047m. Shortfalls in income are offset by current staffing underpends of £(0.088)m within the contact centre, receptions & communications team. In addition, £(0.017)m is forecast by recharging members time and other miscellaneous savings.
Executive Team	250	243	(8)	0	(8)	£(0.008)m underspend forecast as Myjob Scotland subscription transferred to HR.
Development & Environmental	640	661	21	40	(19)	**Forecast overspend of £0.021m.** **Licencing:** £0.040m underachievement of alcohol and civil licence income as a result of Covid. **Trading Standards:** Underspend of £(0.017)m, due to decreased contractor costs. **Environmental Health:** Underspend of £(0.002)m, due to an increase in income.
Housing & Community Safety	1,937	2,214	277	147	130	**Revenues:** underspend of £(0.094)m due to staffing vacancies pending restructure.The staffing underspend is partially offsetting the cost of external support required to administer the Scottish Welfare Fund. **Scottish Welfare Fund** is forecast to overspend by £0.261m. The cost of external support from our software provider is forecast to be £0.175m partially offset with a staffing underspend of £(0.062)m. Community care grants for Furniture purchases is anticipated to be £0.122m overspent and crisis payments are anticipated to be overspent by £0.025m. High demand for the service continues, with requests for assistance as the economic impacts of Covid continue. **Housing Benefits** is forecast to overspend by £0.117m as the full saving of £0.150m is not expected to be met. The continued use of Homeless units has impacted on the eligible grant that can be reclaimed against the award. The net cost of the service has increased by £0.323m in two years. However, there is a corresponding underspend of £(0.133)m within the Place Directorate. These budgets will be reviewed and realigned if appropriate.
Division Total	**11,016**	**11,344**	**329**	**187**	**142**	
Corporate Services	4,818	4,948	130	0	130	Overspend relates to savings held corporately but realised within the Services. It is too early to determine whether full savings will be achieved on, Family friendly saving, Mileage, Vacancy management and credit card rebates , this will be reviewed throughout the year.
Corporate Services	**4,818**	**4,948**	**130**	**0**	**130**	

Clackmannanshire element of the Clackmannanshire & Stirling Health & Social Care Partnership
Variances at 30 June 2021

APPENDIX 3

Annual Budget 2020/21	*Annual Budget 2021/22*	*Forecast to June 2021*	*Variance Forecast to Budget at June*	*Variance due to Covid*	*Variance due to Non Covid*	*Narrative*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	
Employees	8,716	8,104	-613	0	-613	Underspend across a range of services: including: Integrated Mental Health £(395k); Disability Day Care £(213k); Assessment & Care Management £(168k), Reablement £(153k) There is a forecast overspend at Menstrie House of £260k.
Long Term Care						
Nursing Homes	7,594	8,445	851	-1	852	Nursing Home places fell by 55 during the height of the pandemic, but have since risen to 204 compared to 185 at December 2020. This forecast is potentially subject to significant volatility depending on the future course of the pandemic.
Residential Homes	3,594	2,996	-598	0	-598	Overall numbers are currently stable at 50, numbers have fallen by 9 since Decemebr 2020 as a result of the transfer for Learning Disability and Mental Health placements to a care at home model of care.
Community Based Care						
Care at Home	7,885	9,987	2,102	0	2,102	Service volumes were not signiifcantly imapcted by the pandemic and have continued to grow from a base of 10,0000 hours per week in July 2020 to 12,000 hours per week at the current time. There have been increases across all client groups but particularly Learning Disability and Older People. The forecast includes the imapct of the uplift in the hourly ratesby 2.2% as well as the adoption of the Scotland Excel framework.
Day Care	230	251	22	-0	22	There are 23 service users receiving day care mainly within Learning Disability (16) and Older People (7)
Direct Payments	953	1,067	114	0	114	85 service users receive a direct payment with 42 of those categorised as those with a Learning Disability and 24 Older people.
Housing Aids and Adaptations	159	160	1	0	1	This budget funds adaptations in private houses. Numbers of completions were signiifcantly impacted by Covid in 2020-21 but it is hoped to address the backlog in the year ahead.
Housing with Care	163	109	-54	0	-54	This budget is for Supported Accommodation provided by external organisations
Respite	129	100	-29	0	-29	Forecast based on current respite packages but this is subject to change as packages end and new packages are approved during the year.
Misc. Third Party Payments	1,529	1,316	-213	0	-213	This heading covers various payments to other agencies including other local authorities, registration fees and payments to voluntary organisations. This heading also hold the growth funding allocated wihtin the 2021-22 budget.
Premises Expenditure	11	34	23		23	The budget covers cleaning materials within operational buildings.
Supplies and Services	403	377	-26		-26	This heading includes equipment, house adaptations, food and insurance, postage, printing and administration.
Transport Expenditure	48	40	-8		-8	Travel costs are forecast to under spend due to reduced travel during the pandemic. This forecast is subject to impacts from the future course of the pandemic.
Income	-4,269	-4,142	127	0	127	Income forecast is less than budget this year as a result of the reduced charging base following the extension of free personal care.
Resource Transfer (Health)	-7,271	-7,297	-26	0	-26	Includes Income from NHS, integration funding and contributions for complex care.
Total	**19,875**	**21,548**	**1,673**	**-0**	**1,673**	

Detailed Schedule of Savings - Partnership & Performance Division

Management Efficiencies

Service Reference	Division	Description of Saving	2021/22 £	Achieved/ Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
P&PMGT1	P&P	Reduction in Corporate Training Budget	12,000	12,000				Saving is achieved
P&PMGT2	P&P	To consolidate various approaches around cash handling	15,000	15,000				Initial data being gathered to enable procurement to proceed
P&PMGT3	P&P	Reduction in Various Budget Lines	1,200	1,200				Saving is achieved
P&PMGT4	P&P	Budget realignment in Strategy and Performance (across mileage, supplies and subscriptions).	3,000	3,000				Saving is achieved
P&PMGT5	P&P	Homeless Income - CASH	150,000	33,000	117,000			Early indications are that the grant percentage received last year will not be sufficient to cover the full saving.
P&PMGT6	P&P	Vacancy management based on turnover levels	290,000	290,000				This is outurned within the services, will review before August outturn
P&PMGT9	P&P	Triennial valuations of pensions	162,000	162,000				
P&PMGT11	P&P	Budget Realignment - postages & stationery	2,000	2,000				Saving is achieved
P&PMGT12	P&P	Mileage - CASH	30,000	30,000				This is outurned within the services, will review before August outturn
Total		**Management Efficiencies**	**665,200**	**548,200**	**117,000**	**0**	**0**	

Policy

Service Reference			2021/22 £	Achieved/ Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
P&PPOL3	P&P	To remove the residual budget remaining to conduct a citizens survey previously titled Clacks 1000.	3,000	3,000				Saving achieved.
			3,000	**3,000**	**0**	**0**	**0**	

Summary By Type			2021/22 £	Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £
Management Efficiencies			665,200	548,200	117,000	0	0
Policy			3,000	3,000	0	0	0
Transformation			0	0	0	0	0
Total Division			**668,200**	**551,200**	**117,000**	**0**	0
		check					
				82.5%	17.5%	0.0%	