

---

**Report to: Partnership & Performance Committee**

---

**Date of Meeting: 28 October 2021**

---

**Subject: Financial Performance 2021/22 – August 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 31 August 2021. Capital expenditure will be reported to the Audit Committee on 25 November 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 £0.300m;
  - the forecast centrally held Corporate Services revenue overspend for the year of £0.415m;
  - the forecast revenue overspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £1.535m, and
  - delivery of planned savings in the year forecasted to achieve 79.3%.

## **3.0 Background**

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

**Table1**

<b>PARTNERSHIP &amp; PERFORMANCE</b>
<b>FINANCE &amp; REVENUES</b>
<b>LEGAL &amp; GOVERNANCE</b>
<b>HR &amp; WORKFORCE DEVELOPMENT</b>
<b>PARTNERSHIP &amp; TRANSFORMATION</b>

*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 £0.300m. This is a favourable movement of £(0.028)m since the June Finance update report to this Committee on 26 August 2021.
- 4.2 Corporate services is forecasting an overspend of £0.415m. This is mainly due to centrally held savings that will be realised across Council 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 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 £1.535m for the financial year based on financial performance for quarter 2 and care commitments recorded in the social care management information service (CCIS) forecast for the remainder of the year. This is a favourable movement of £(0.138)m since last reported to Committee on 26 August 2021.
- 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 £2.585m. This position was reported to the Integration Joint Board Finance and Performance Committee on 22 September 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 31 August 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 £0.530m (79.3%) are forecast to be achieved with the remaining £0.138m (20.7%) 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 saving that has been identified as Amber. This relates to homeless income not likely to be achieved. The factors contributing to the achievement of this saving will be monitored through the year and updates provided through these reports.

## **7.0 Conclusions**

- 7.1 The Partnership & Performance Division revenue spend is anticipating an overspend in Performance of £0.300m and an overspend of £0.415m 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 £1.535m.
- 7.3 Of the associated £0.688m approved savings, £0.530m (79.3%) 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 2021

Appendix 2- Outturn variances at August 2021

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

Appendix 4- Summary Savings by Directorate at August 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)

NAME	DESIGNATION	TEL NO / EXTENSION
Elizabeth Hutcheon	Management Accountancy Team Leader	6214

### Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Strategic Director Partnership & Performance	



	<i>Annual Budget 2021/22 £'000</i>	<i>Forecast to March 2022 £'000</i>	<i>Variance Forecast to Budget £'000</i>	<i>Variance as at June 2021 £'000</i>	<i>Variance Movement From Previous Forecast £'000</i>
Resource & Governance	6,440	6,385	(55)	(4)	(51)
Strategy & Customer Services	1,748	1,759	10	42	(32)
Executive Team	250	241	(10)	(8)	(2)
Development & Environmental	640	650	9	21	(12)
Housing & Community Safety	1,937	2,281	345	277	68
	<b>11,015</b>	<b>11,315</b>	<b>300</b>	<b>328</b>	<b>(28)</b>
Corporate Services	(374)	(30)	344	130	214
Misc Services - Non Distributed Costs	1,100	1,100	(0)	0	(0)
	726	1,070	344	130	0
<b>less allocated to non general fund</b>	<b>(1,305)</b>	<b>(1,305)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	(579)	(235)	344	130	0
<b>Add Requisitions from Joint Board</b>					
Central Scotland Valuation	459	459	0	0	0
<b>Add/Deduct</b>					
Interest on Revenue Balances	(91)	(20)	71	0	71
Loans Fund Contribution	4,829	4,829	0	0	0
Contribution to Bad Debt Provision	200	200	0	0	0
	4,818	5,233	415	130	285
<b>TOTAL</b>	<b>15,834</b>	<b>16,548</b>	<b>715</b>	<b>458</b>	<b>257</b>
<b>Health &amp; Social Care Partnership</b>	<b>19,875</b>	<b>21,410</b>	<b>1,535</b>	<b>1,673</b>	<b>(138)</b>

Partnership & Performance Directorate  
Variances as at 31 August 2021

Appendix 2

Partnership & Performance	Annual Budget 2021/22	Forecast to March 2022	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	6,440	6,385	(55)	0	(55)	(4)	(51)	<p><b>Accountancy:</b> £(0.014)m underspend due to vacancies and difficulty in recruiting.</p> <p><b>Corporate training:</b> Forecast on budget with no variance.</p> <p><b>Elections:</b> £0.040m overspend, £0.015m movement due to the expected costs to be incurred for the upcoming 2022 local elections.</p> <p><b>IT:</b> £(0.066)m underspend, £(0.054)m movement - £(0.089)m underspend, £(0.053)m movement on capitalisation for new VM Ware and removal of Wi-Fi Spark fees; £(0.025)m underspend, £(0.004) movement due to vacancy management; £0.056m overspend, £(0.005)m movement on telephones / mobiles.</p> <p><b>HR:</b> £(0.051)m underspend, £(0.007)m movement - £(0.043)m underspend, £(0.002)m movement due to staffing vacancies; £(0.008)m underspend, £(0.005)m movement due to various small underspends.</p> <p><b>Legal, Democracy &amp; Audit:</b> £(0.010)m underspend, £0.010m movement - £(0.016)m underspend, £0.010m movement due to staffing vacancies; £0.010m overspend due to unachievable income; £(0.004)m various small underspends.</p> <p><b>Head of Service:</b> £0.047m overspend relating to a legacy unachievable saving on a staffing restructure.</p>
Strategy & Customer Services	1,748	1,759	10	0	10	42	(32)	<p>The £0.100m <b>external funding</b> 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.</p> <p><b>Scottish Certificates income</b> - There has been a consistent high level of income that is expected to continue. This has reduced the overspend by £(0.023)m leaving a forecast overspend of £0.024m.</p> <p>Shortfalls in income are offset by current staffing underpends of £(0.116)m within the <b>contact centre, receptions &amp; communications team</b>. This has increased by £(0.028)m from June as staff retire and replacements are delayed. The costs of <b>advertising</b> have almost doubled recently resulting in a forecast overspend of £0.017m. In addition, £(0.015)m is forecast by recharging members time and other miscellaneous savings a slight decrease of £0.002m from June.</p>
Executive Team	250	241	(10)	0	(8)	(8)	(2)	£(0.010)m underspend, movement of £(0.002)m within subscriptions and supplies and services.
Development & Environmental	640	650	9	34	(25)	21	(12)	<p><b>Licensing:</b> £0.034m overspend, £(0.006)m movement due to underachievement of alcohol and civil licence income as a result of Covid.</p> <p><b>Trading Standards:</b> £(0.017)m underspend due to decreased contractor costs.</p> <p><b>Environmental Health:</b> £(0.008)m underspend, £(0.006)m movement due to an increase in income from testing.</p>
Housing & Community Safety	1,937	2,281	345	272	73	277	68	<p><b>Revenues:</b> underspend of £(0.066)m due to staffing vacancies pending restructure this has reduced by £0.036m from June. The staffing underspend is partially offsetting the cost of external support required to administer the Scottish Welfare Fund.</p> <p><b>Scottish Welfare Fund</b> is forecast to overspend by £0.272m a small increase of £0.011m from June. The cost of external support from our software provider is forecast to be £0.175m partially offset with a staffing underspend of £(0.024)m. Community care grants for Furniture purchases is anticipated to be £0.081m overspend and crisis payments are anticipated to be overspend by £0.041m. High demand for the service continues, with requests for assistance as the economic impacts of Covid continue.</p> <p><b>Housing Benefits</b> is forecast to overspend by £0.138m an increase of £0.020m from June 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.</p>
<b>Division Total</b>	<b>11,015</b>	<b>11,315</b>	<b>300</b>	<b>306</b>	<b>(5)</b>	<b>328</b>	<b>(28)</b>	
Corporate Services	4,818	5,233	415	0	415	130	285	£0.415m overspend, £0.285m movement - £0.071 overspend and movement due to lower interest expected on deposits due to low interest rates; £0.344m overspend and £0.214m movement relates to savings held corporately but realised within all Council Services and included within Service underspends - Family friendly saving, Mileage, Vacancy management and credit card rebates. This will be reviewed as the year progresses.
<b>Corporate Services</b>	<b>4,818</b>	<b>5,233</b>	<b>415</b>	<b>0</b>	<b>415</b>	<b>130</b>	<b>285</b>	



## Variances at 31 August 2021

Appendix 3

	Annual Budget 2021/22	Forecast to August 2021	Variance Forecast to Budget at August	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at June	Movement in variance June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Employees</b>								Underspend across a range of services: including: Integrated Mental Health £(410k); Disability Day Care £(183k); Assessment & Care Management including Hospital Discharge £(105k) Intermediate Care £(52k) and Reablement £(58k). There is an overspend at Menstrie House of £252k and Ludgate Respite £88k (Excludes Covid related costs to be charged to NHS Mobilisation Fund) The increased underspend is the result of slippage in recruitment.
	8,716	7,991	(726)		(726)	(613)	(113)	
<b>Long Term Care</b>								
<b>Nursing Homes</b>								Nursing Home places fell by 55 at the start of the year but have now risen to 210 as homes have re-opened to admissions. This forecast is potentially subject to significant volatility depending on the future course of the pandemic. The movement reflects the increase in placements since June.
	7,626	8,649	1,023		1,023	851	172	
<b>Residential Homes</b>								Overall numbers remain stable at around 60. The movement is due to a realignment of budgets following the allocation of growth funds.
	3,169	3,171	2	0	2	(598)	600	
<b>Community Based Care</b>								
<b>Care at Home</b>								The forecast reflects the impact of Covid on the delivery of Care at Home with weekly hours currently standing at 12,000 compared to pre covid levels of 10,000. The full impact of Covid on service delivery is being reviewed to identify potential to charge costs to the NHS Mobilisation Fund. The positive movement since June is the result of the allocation of growth funding.
	8,728	9,664	936		936	2,102	(1,166)	
<b>Day Care</b>								Day Care for approximately 42 service users of which 19 have complex needs.
	230	250	21		21	22	(1)	
<b>Direct Payments</b>								Numbers have increased from 70 to 73 service users receiving a direct payment. The forecast has been revised to reflect actual pattern of payments to date. The movement since June reflects the increased number of payments.
	953	1,172	219	0	219	114	105	
<b>Housing Aids and Adaptations</b>								Demand driven adaptations within private sector homes. The number of adaptations was significantly impacted by Covid, but are now progressing.
	159	160	1	0	1	1	0	
<b>Housing with Care</b>								This budget is for Supported Accommodation provided by external organisations. Expenditure is less than budget as some of the care has transferred to Care at Home.
	163	110	(54)	0	(54)	(54)	1	
<b>Respite</b>								Costs for respite continue to increase as Respite plans for the year are confirmed.
	129	89	(40)	0	(40)	(29)	(12)	
<b>Misc. Third Party Payments</b>								This heading covers various payments to other agencies including other local authorities, registration fees and payments to voluntary organisations. The overspend is on payments for complex care and third sector organisations. The movement reflects the allocation of growth funds to address service pressures.
	1,080	1,321	241	0	241	(213)	454	
<b>Premises Expenditure</b>								The budget covers cleaning materials within operational buildings. This heading includes Covid related costs for cleaning materials.
	11	34	23		23	23	0	
<b>Supplies and Services</b>								Includes equipment, house adaptations, food and insurance, postage, printing and administration.
	403	377	(26)		(26)	(26)	(0)	
<b>Transport Expenditure</b>								Travel costs underspent as a result of Covid
	48	35	(13)		(13)	(8)	(5)	
<b>Income</b>								
<b>Income</b>								This income is largely contributions towards the cost of care. Movement since June reflects increased income for Residential Rare and Home Care as services re-open.
	(4,269)	(4,398)	(129)		(129)	127	(256)	
<b>Resource Transfer (Health)</b>								Includes Income from NHS, integration funding and contributions for complex care as well as forecast contributions from the NHS Mobilisation fund for Covid.
	(7,271)	(7,215)	56		56	(26)	82	
<b>Total</b>	<b>19,875</b>	<b>21,410</b>	<b>1,534</b>	<b>0</b>	<b>1,534</b>	<b>1,673</b>	<b>(138)</b>	

**Management Efficiencies**

Service Reference	Description of Saving	2021/22 £	Achieved/ Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £	Service Updates
P&PMGT1	Reduction in Corporate Training Budget	12,000	12,000				Saving is achieved
P&PMGT2	To consolidate various approaches around cash handling	15,000	15,000				Initial data being gathered to enable procurement to proceed
P&PMGT3	Reduction in Various Budget Lines	1,200	1,200				Saving is achieved
P&PMGT4	Budget realignment in Strategy and Performance (across mileage, supplies and subscriptions).	3,000	3,000				Saving is achieved
P&PMGT5	Homeless Income - CASH	150,000	12,000	138,000			Early indications are that the grant percentage received last year will not be sufficient to cover the full saving.
P&PMGT6	Vacancy management based on turnover levels	290,000	290,000				This is outturned within the services.
P&PMGT9	Triennial valuations of pensions	162,000	162,000				
P&PMGT11	Budget Realignment - postages & stationery	2,000	2,000				Saving is achieved
P&PMGT12	Mileage - CASH	30,000	30,000				This is outturned within the services.
<b>Total</b>	<b>Management Efficiencies</b>	<b>665,200</b>	<b>527,200</b>	<b>138,000</b>	<b>0</b>	<b>0</b>	

**Policy**

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

Summary By Type	2021/22 £	Likely to be achieved £	Amber £	Red £	Unachieved due to Covid £
<b>Management Efficiencies</b>	665,200	527,200	138,000	0	0
<b>Policy</b>	3,000	3,000	0	0	0
<b>Total Division</b>	<b>668,200</b>	<b>530,200</b>	<b>138,000</b>	<b>0</b>	<b>0</b>

79.3%      20.7%      0.0%      0.0%