
Report to: Partnerships & Performance Committee

Date of Meeting: 22 November 2018

Subject: Financial Performance 2018/19 – August Outturn

Report by: Chief Accountant (Interim)

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, 2018/19.

2.0 Recommendations

2.1 It is recommended that Committee notes the report, commenting and challenging as appropriate:

- The forecast General Fund revenue underspend relating to the Partnership and Performance Division for the year of £(0.336)m
- The forecast centrally held Corporate Services revenue overspend for the year of £0.671m.
- The forecast revenue overspend of the Integration Joint Board (IJB) for the year of £1.542m.
- Progress on delivering planned savings in the year.

3.0 Background

3.1 The following themes are within the remit of the Partnerships & Performance Division:

Table1

PARTNERSHIP & PERFORMANCE
RESOURCES
STRATEGIC SUPPORT
RISK & GOVERNANCE
PARTNERSHIPS

Source: General Services Revenue & Capital Budget 2018-19

4.0 General Fund Revenue

- 4.1 The Division's net service expenditure before corporate services is a £0.336m underspend. If corporate services is included, the forecast is an overspend of £0.335m for the year. The Integration Joint Board is also forecasting an overspend of £1.542m for the year ended 31st March 2019.
- 4.2 Table 2 below provides an overview of the financial outturn position within each Service Expenditure area.

Table 2: Summary of Service Budget Variances

	<i>Annual Budget 2018/19 £'000</i>	<i>Forecast to March 2018 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Resource & Governance	5,786	5,819	34
Strategy & Customer Services	3,468	3,441	(27)
Executive Team	235	225	(9)
Development & Environmental	655	618	(37)
Housing & Community Safety	2,272	1,976	(296)
Division Expenditure	12,416	12,080	(336)
			Underspend
Corporate Services			
Corporate Services	(891)	(220)	671
Misc Services - Non Distributed Costs	1,312	1,312	0
	421	1,092	671
less allocated to non general fund	(1,305)	(1,305)	0
	(884)	(213)	671
Add Requisitions from Joint Boards			
Central Scotland Valuation	381	381	0
Add/Deduct			
Interest on Revenue Balances	(91)	(91)	0
Loans Fund Contribution	9,773	9,773	0
Contribution to Bad Debt Provision	200	200	0
	9,379	10,050	671
			Overspend
Health & Social Care Partnership	16,041	17,583	1,542
			Overspend

- 4.3 The table below sets out the main variances:

Table 4 - variance

Service	Over/ (underspend) £000s	Total	Narrative
Resource & Governance			
Employee costs	46		Vacancy management across Accountancy, IT & Legal underspend £(142)k, restructure savings not likely to be achieved £188k, resulting in an overspend
Supplies and Services	(12)		Elections
		34	Overspend
Strategy & Customer Services			
Employee costs	(112)		Vacancy management, business support and contact centre staffing underspends
Income	85		Under achieved income Scottish Certificates
		(27)	Underspend
Exec Team			
Supplies & Services	(9)		Recruitment expenses underspend and other small underspend
		(9)	Underspend
Development & Environmental			
Payment to other LA's	(20)		Reduced costs incurred in trading standards provided by another Local Authority
Income	(3)		Additional income from pest control
Employee costs	(6)		Staffing underspend
Various	(8)		Various small underspends
		(37)	Underspend
Housing & Community Safety			
Housing benefit	(107)		Revised underspend based on current claimants
Employee costs	(93)		Vacancies
Income	(110)		Subsidy income £(78k) higher than budget agency and other income £(32)K
Others	14		Various non material overspends
		(296)	Underspend
Division Total		(336)	Underspend
Corporate Services			
Corporate savings	335		Savings assumed not achieved due to slippage in implementation: £0.150m T&C's (assumed from Dec 18), £0.185m Corporate redesign, previously outturned as achieved
Service savings held corporately	336		These savings will be reflected in services, therefore savings will be allocated out to services in October
		671	Overspend

Service	Over/ (underspend) £000s	Total	Narrative
Health & Social Care Partnership			
Staffing	(472)		This equates to 6% of the budget and reflects the implementation of the new structure
Supplies & services	185		Demand led minor adaptations and equipment overspend
Transport & Property costs	48		Various small overspends
Misc Third party payments	116		Payments to other agencies including other authorities, voluntary organisations and registration fees
Community based care	713		Transfer payments £93k overspend , Respite care £66k overspend, Care at home £1.020m overspend , day care overspend £76k, offset by income received £(542)k
Long term placements	976		Demand for nursing home placements £501k overspend (200 clients in nursing homes), residential homes £440k (61 clients in residential homes). There are 19 service users waiting for nursing home places
Resource transfer income	(25)		Complex care income exceeding budget
HSCP total		1,542	Overspend

4.4 The table above is now shown below by the 4 themes within the Partnership & Performance division of: Resources, Strategic Support, Risk & Governance and Partnerships.

Service	Over/ (underspend) £000s	Total	Narrative
Resources			
Employee costs R&G	46		Vacancy management across Accountancy, IT & Legal underspend £(142)k, restructure savings not likely to be achieved £188k, resulting in an overspend
S&CS	(112)		Vacancy management, business support and contact centre staffing underspends
H&CS	(93)		Vacancies
Supplies and Services	(12)		Elections
Income S&Cs	85		Underachieved income Scottish Certificates
H&CS	(110)		Subsidy income £(78k) higher than budget agency and other income £(32)K
Housing benefit	(107)		Revised underspend based on current claimants
Others	14		Various non material overspends
Resources Total		(289)	Underspend
Strategic Support			
Supplies & Services	(9)		Various small underspends in Exec team

Service	Over/ (underspend) £000s	Total	Narrative
Strategic Support Total		(9)	Underspend
Risk & Governance			
Payment to other LA's	(20)		Reduced costs incurred in trading standards provided by another Local Authority
Income	(3)		Additional income from pest control
Employee costs	(6)		Staffing underspend in D&E
Various	(8)		Various small underspends in D&E
Corporate savings	415		Savings assumed not achieved due to slippage in implementation. £0.150m T&C's, £0.265m Corporate redesign, previously outturned as achieved
Service savings held corporately	256		These savings will be reflected in services, therefore savings will be allocated out to services in October
Risk & Governance Total		634	Overspend
Performance Total		336	Overspend
Partnerships			
Health & Social Care Partnership			
Staffing	(472)		This equates to 6% of the budget and reflects the implementation of the new structure
Supplies & Services	185		Demand led minor adaptations and equipment overspend
Transport & Property costs	48		Various small overspends
Misc Third party payments	116		Payments to other agencies including other authorities, voluntary organisations and registration fees
Community based care	713		Transfer payments £93k overspend , Respite care £66k overspend, Care at home £1.020m overspend, day care overspend £76k, offset by income received £(542)k
Long term placements	976		Demand for nursing home placements £501k overspend (200 clients in nursing homes), residential homes £440k (61 clients in residential homes). There are 19 service users waiting for nursing home places
Resource transfer income	(25)		Complex care income exceeding budget
Partnerships Total		1,542	Overspend

5.0 2018/19 Savings Progress

5.1 The 2018/19 budget incorporated approved savings of £7.376m. Of this total, £1.964m is attributable to the Partnership & Performance Division. Based on

analysis to date, savings of £1.609 m (81.9%) are forecast to be achieved, with up to a further £0.189m (9.6%) likely to be achieved in the year. Table 5 below sets out the position for each of the savings categories.

Table 5: Budgeted 2018/19 savings progress

<i>Savings Category</i>	<i>Savings full year</i>			
	<i>18/19 £000</i>	<i>Green £000</i>	<i>Amber £000</i>	<i>Red £000</i>
Policy Savings	519	364	5	150
Management Efficiencies	441	425	0	16
Service Redesign	3	3	0	0
Corporate Redesign	289	105	184	0
17-18 cash savings year 2	47	47	0	0
18-19 cash savings	665	665	0	0
Total	1,964	1,609	189	166
		<i>81.9%</i>	<i>9.6%</i>	<i>8.5%</i>

5.2 Of the above savings £0.166m (8.5%) are being forecast as possibly unachievable, this relates to project RGP02 staff T&Cs and RGME01 which is a VS saving that will be realised in 2019/20. The forecast assumes that the T&Cs will be implemented from early January and so the full ££0.2m will not be realised during the year.

5.3 Appendices A to E provide further detail of the progress on delivering savings within each service.

6.0 Conclusions

6.1 The Partnership & Performance Division revenue spend is anticipated to record an underspend in Performance of £(0.336m), an overspend in Corporate of £0.671 and an overspend in Partnerships of £1.542m.

6.2 Of the associated approved savings of £1.964m, £1.609m (81.9%) is forecast to be achieved and up to a further £0.189m is likely to be achieved in the year.

6.3 Services and the accountancy team are working to ensure the full savings are achieved by the end of the financial year.

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 has been consulted and has 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? 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)

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)

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-F Savings Position: Partnership & Performance Division

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)

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Approved by

NAME	DESIGNATION	SIGNATURE
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Stuart Crickmar	Director of Partnership & Performance	

Schedules of Savings							
Management Efficiencies							APPENDIX A
Service Reference		Description of Saving	2018/19	Achieved	Likely to be achieved	Amber	Red
RGME01	PERF	Release Fraud manager on VR. Backfill governance officer vacancy with fraud skilled officer at G6	52,643	36,067			16,576
RGME02	PERF	Release 1XICT CSO (G6)	34,954	34,954			
RGME03	PERF	Release 2XG6 (ICT Technical Support Officers) and create 1XFTE Project Support Officer (G7)	35,449	35,449			
RGME04	PERF	Release Committee Service officer post (G6) on retirement of post holder	31,345	31,345			
RGME05	PERF	Release unused budget from governance manager post that is not required to fund new L&DSM	10,859	10,859			
RGME07	PERF	NEW Procurement Income	2,000		2,000		
SCSME01	PERF	Reduce Emergency Planning Budget	18,000	18,000			
CORPME02	PERF	Mileage and Expenses efficiencies	78,000		78,000		
CORPME03	PERF	no increase in superann contri 2018/19	178,000		178,000		
TOTAL			441,250	166,674	258,000	-	16,576

Schedules of Savings

Policy

APPENDIX B

Service Reference		Description of Saving	2018/19	Achieved	Likely to be achieved	Amber	Red
RGP01	PERF	Charge for legal services when advice or work done on behalf of third parties	5,000	-		5,000	
RGP02	PERF	Removal/reduction of terms and conditions not prescribed by national agreements	200,000	-	50,000		150,000
RGSR01	PERF	Cancel mobile phone insurance.	13,894	-	13,894		
RGSR02	PERF	Reduce corporate training budget	25,000	25,000	-		
DEP04	PERF	Reduce subsidy to Bandeath stray dog shelter	5,000		5,000		
SCSSR01	PERF	Move to Online - Stop Community Newsletter/Leaflets	4,000	4,000	-		
SCSSR02	PERF	Stop Clacks 1000	8,000	-	8,000		
SCSSR04	PERF	Reduce Business Support Services - Residual/Vacancies	101,033	101,033			
SCSSR05	PERF	Stop Purchase of Corporate Gifts	1,600	1,600	-		
SCSSR06	PERF	Reduce Printing & Photocopying	500	500	-		
SCSSR07	PERF	Reduce Stationary	2,000	2,000	-		
SCSSR08	PERF	Reduce PA Support by 3 FTE	44,143	44,143			
SCSSR09	PERF	Reduce Business Sup in Education by 1.0 FTE	10,000	10,000			
SCSSR10	PERF	Reduce Business Sup in Adult Care by 1.0 FTE	15,000	11,583	3,417		
SCSSR11	PERF	Reduce Contact Centre staffing by 1.8 FTE	49,179	49,179			
SCSSR13	PERF	Remove Community Engagement Budget	9,000	9,000			
SCSSR14	PERF	Stop - Decommission Coalsnaughton Café Society	9,910	9910			
SCSSR17	PERF	Stop - Decommission Sauchie Active 8	16,000	16000			
TOTAL			519,259	283,948	80,311	5,000	150,000

Schedules of Savings

Redesign

APPENDIX C

Service Reference		0	2018/19	Achieved	Likely to be achieved	Amber	Red
SCSR01	PERFORMANC E	Redesign Member Services Support	3,150	3150			
TOTAL			3,150	3,150	0	0	0

Schedules of Savings

Cash savings 2018/19

APPENDIX D

Reference		Saving description	2018/19 saving	Achieved	Likely to be achieved	Amber	Red
CASH	PERFORMANCE	Housing budget realignment	650,000		650,000		
CASH	PERFORMANCE	External Audit Fee	4,000	4,000			
CASH	PERFORMANCE	Strategy and Customer Services vacancy management	11,242	-	11,242		
TOTAL			665,242	4,000	661,242	-	-

Schedules of Savings

Year 2 savings (2018/19 savings agreed in 2017/18)

APPENDIX E

Reference		Saving description	2018/19 saving	Achieved	Likely to be achieved	Amber	Red
Managed contraction R&G	PERFORMANCE		46,843		46,843		
TOTAL			46,843	0	46,843	0	0

Schedules of Savings

Corporate Redesign

APPENDIX F

Reference		Saving description	2018/19 saving	Achieved	Likely to be achieved	Amber	Red
Appendix A1- Budget paper	PERFORMANCE	Corporate redesign	289,000	105,000		184000	
TOTAL			289,000	105,000	0	184,000	0