

Report to: Partnership & Performance Committee

Date of Meeting: 31 October 2019

Subject: Financial Performance 2019/20 – 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 2019/20. This is based on forecast information as at August 2019. Capital expenditure will be reported to the Audit Committee on 5 December 2019 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 £(0.119)m;
- the forecast centrally held Corporate Services revenue overspend for the year of £0.379m; and
- delivery of planned savings in the year forecasted to achieve 80.4%.

3.0 Background

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

Table1

PARTNERSHIP & PERFORMANCE
FINANCE & REVENUES
LEGAL & GOVERNANCE
HR & WORKFORCE
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 underspend of £(0.119)m.
- 4.2 Corporate services is forecasting an overspend of £0.379m, of which £0.363m relates to the Corporate Redesign deferred saving relating to the delay in implementation of the People Structure. The balance of £0.016m is due to the corporately held family friendly saving recorded as underspends reported within the 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 this Committee in August.

5.0 2019/20 Savings Progress

- 5.1 The 2019/20 budget incorporated approved savings of £4.810m. Of this total, £2.622m is attributable to the Partnership & Performance Division.
- 5.2 Based on analysis to date, savings of £2.107m (80.4%) are forecast to be achieved with £0.515m being forecast as at risk or unachievable in 2019/20.
- 5.3 **Appendix 3** provides details of budgeted 2019/20 savings progress and shows further detail of the savings that have been identified as either Amber or Red. These mainly relate to the timing of savings realisation, unachieved TVR's and deferred savings on redesign. Services supported by the accountancy team will work to achieve the approved savings or identify compensatory savings by the end of the financial year.

6.0 Conclusions

- 6.1 The Partnership & Performance Division revenue spend is anticipating an underspend in Performance of £(0.119)m and an overspend in Corporate of £0.379m. The net position being an overspend of £0.260m.
- 6.2 Of the associated £2.622m approved savings, £2.107m is forecast to be achieved by the year end.

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 1- Financial Outturn position at August 2019

Appendix 2- Outturn variance and variance movement

Appendix 3- 2019/20 Savings progress at August 2019

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

Partnership & Performance Division
Financial Outturn as at 31st August 2019

Appendix 1

	<i>Annual Budget 2019/20 £'000</i>	<i>Forecast to March 2020 £'000</i>	<i>Variance Forecast to Budget £'000</i>
Resource & Governance	6,006	6,132	126
Strategy & Customer Services	1,872	1,883	11
Executive Team	243	235	(8)
Development & Environmental	733	717	(15)
Housing & Community Safety	2,075	1,842	(233)
Total Division Expenditure	10,930	10,810	(119)
			Underspend
Corporate Services			
Corporate Services	(296)	82	379
Misc Services - Non Distributed Costs	1,312	1,312	(0)
	1,016	1,394	379
less allocated to non general fund	(1,305)	(1,305)	0
	(289)	89	379
Add requisitions from joint boards			
Central Scotland Valuation	395	395	0
Add/Deduct			
Interrest on Revenue Balance	(91)	(91)	0
Loans Fund Contribution	8,773	8,773	0
Contribution to Bad Debt Provision	200	200	0
Total Corporate Services	8,988	9,366	379
			Overspend
Net Position			260
			Overspend

Variations and movement at 31st August 2019

Appendix 2

Partnership & Performance	Annual Budget 2019/20	Forecast to March 2020	Variance Forecast to Budget at August	Variance Forecast to Budget at June	Variance movement June to August	Narrative
	£'000	£'000	£'000	£'000	£'000	
Resource & Governance	6,006	6,132	126	88	38	Accountancy are underspent by £(0.052)m, £(0.038)m is due to a vacancy, £(0.008)m in audit fees and £(0.006)m in postages. This is a movement of £(0.052)m since last reported. Corporate training is underspent by £(0.030)m due to timing of training. Elections are underspent by £(0.090)m as no planned local elections 2019/20. IT overspend of £0.131m due to unachievable TVR £0.062m, delayed MFD contract saving £0.010m, software maintenance £0.086m, telephones & mobile costs £0.049m. These overspends are partly mitigated by underspends in staffing £(0.056)m and hardware costs of £(0.020)m. HR are overspent by £0.002m a movement of £0.005m. These relate to £0.030m increased costs for apprenticeship levy and accounts for the movement of £0.005m, £0.011m for payments to contractors for payroll reporting and £0.017m in unachieved TVR. These are partially offset by staffing underspends £(0.036)m, H&S underspends £(0.011)m and £(0.009)m various small underspends. Legal, Democracy & Audit are underspent by £(0.022)m a favourable movement of £(0.018)m since last reported. The underspend and the movement relate to vacancy management which offset underachieved income of £0.010m.
Strategy & Customer Services	1,872	1,883	11	19	(8)	Head of Service is reporting an overspend of £0.187m and a movement of £0.103m. The overspend relates to a legacy unachievable saving on staffing. The movement is due to the budget being transferred to corporate as part of the corporate redesign. This vacancy had previously been offsetting the overspend.

Executive Team	243	235	(8)	(9)	1	Variance due to underspend on subscriptions £(0.008)m
Development & Environmental	733	717	(15)	(5)	(10)	Licencing are overspent by £0.009m due to a reduction in civic licences income, this is a movement of £0.009m. Trading standards are underspent by £(0.026)m, this is in relation to a reduction in service cost with Stirling Council, This is a movement of £(0.025)m.
Housing & Community Safety	2,075	1,842	(233)	(556)	323	Housing Benefit is forecast an underspend of £(0.179)m, this is an adverse movement of £0.344m. The movement is as a result of the mid year estimate from DWP which highlights the volatility of claims. Revenues Service staffing underspend £(0.044)m due to a vacant post, this is an adverse movement of £0.046m as a post and previous reported underspend has moved to another Directorate. There is an unachieved saving of £0.013m relating to procurement efficiencies, which is likely to be achieved in future years, there is a movement of £(0.053)m in savings realisation as the service have realigned budgets to meet a previously unachieved saving. Agency income is forecast to achieve £(0.015)m more than budget, no movement on previous forecast. There are small various underspends of £(0.008)m which is a movement is £(0.014)m since last reported.
Corporate Services	8,988	9,366	379	380	(1)	£0.363m due to deferred corporate saving for organisational redesign (People Services), unachievable family friendly saving due to reduced holiday buy back £0.015, £0.001m other small variances.
Division Movement	19,917	20,177	259	(83)	342	

Management Efficiencies

Service Reference	Division	Description of Saving	2019/20 £	Achieved/ Likely to be achieved £	Amber £	Red £	August outturn Accountancy comments
0001E	P&P	Residual budget Clackmannanshire Healthier Lives	20,000	20,000			
0002E	P&P	Stop Communications Team Subscription	1,200	1,200			
0003E	P&P	Reduce Service x 2 flexible retirements	19,000	19,000			
0004E	P&P	Reduce corporate photocopying and printing budget	1,200	1,200			
0005E	P&P	Reduce Service - remove vacancy	21,000	21,000			
0007E	P&P	Reduce revenue staffing	35,000	35,000			
0008E 1	P&P	Rent Rebates Saving - Budget alignment	400,000	400,000			
0008E 2	P&P	Rent Allowance Saving - one off Cash saving	250,000	250,000			
0013E	P&P	Reduce HR Admin - remove 0.6FTE vacancy	20,000	20,000			
0014E1 corp	P&P	Procurement Efficiencies	20,000	6,500		13,500	This is a corporate saving, work progressing to deliver saving, however may not be achieved in full in the current year.
0014E2 corp	P&P	MFD contract 2	20,000	10,000		10,000	The replacement devices will be in place from October 2019. Full saving achievable in 2020/21
0014E3 corp	P&P	GIS contract	20,000	20,000			
0015E	P&P	Remove surplus staff budget	8,965	8,965			
0016E	P&P	IT residual TVR budget	61,600			61,600	1FTE TVR not achieved
0017E	P&P	HRA Recharge for P&P	75,000	75,000			
0018E	P&P	Reduce Audit Fee budget	8,000	8,000			
0019E	P&P	Loans Fund Review	1,000,000	1,000,000			
Total		Management Efficiencies	1,980,965	1,895,865	0	85,100	

0

Policy

Service Reference	Division	Description of Saving	2019/20 £	Likely to be achieved £	Amber £	Red £	August outturn Accountancy comments
0006P	P&P	Restructure HR	23,000	6,044		16,956	0.9 FTE TVR not achieved
0007P	P&P	Restructure Finance	80,000	80,000			
new	P&P	Income generation through new Funding Officer post	50,000		25,000	25,000	Recruitment process underway. Savings to be identified once post has been appointed to. £25k shown as red from amber in previous report due to later recruitment than anticipated.
Total		Policy	153,000	86,044	25,000	41,956	

0

Prior Years

Service Reference	Division	Description of Saving	2019/20 £	Likely to be achieved £	Amber £	Red £	August outturn Accountancy comments
SCSR01	P&P	Redesign Member Services Support	11,766	11,766			
	P&P	Corporate redesign	476,000	113,000		363,000	People Division restructure deferred to 2020/21
Total		Prior Years	487,766	124,766	0	363,000	

0

Summary By Type	2019/20 £	Likely to be achieved £	Amber £	Red £
Management Efficiencies	1,980,965	1,895,865	0	85,100
Policy	153,000	86,044	25,000	41,956
Prior Years	487,766	124,766	0	363,000
Total Division	2,621,731	2,106,675	25,000	490,056

80.4% 1.0% 18.7%

