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**Report to: Partnerships & Performance Committee**

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**Date of Meeting: 16 January 2020**

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**Subject: Financial Performance 2019/20 – October Outturn**

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**Report by: Chief Finance Officer**

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## **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 October 2019. Capital expenditure will be reported to the Audit Committee on 6 February 2020 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 £(0.047)m;
  - the forecast centrally held Corporate Services revenue overspend for the year of £0.379m;
  - the forecast revenue overspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £1.630m, and
  - delivery of planned savings in the year forecasted to achieve 80.1%.

## **3.0 Background**

- 3.1 The following portfolios 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 underspend of £(0.047)m. This is an adverse movement of £0.072m since August.
- 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 reported as underspends within the relevant 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 at its meeting in October.

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

- 5.1 The HSCP is forecasting an overspend of £1.630m. This includes £0.672m for 5 ordinarily resident cases that are in dispute.

Overall the forecast overspend has fallen by £0.077m since August. This is as a result of a reduced forecast on employee costs and grants to voluntary organisations, offset by an increased forecast spend on commissioned care.

- 5.2 **Appendix 3** sets out the main variances and movement since last reported to Audit Committee on 5 December 2019.

#### **6.0 2019/20 Savings Progress**

- 6.1 The 2019/20 budget incorporated approved savings of £4.810m. Of this total, £2.622m is attributable to the Partnership & Performance Division.
- 6.2 Based on analysis to date, savings of £2.101m (80.1%) are forecast to be achieved with £0.521m being forecast as at risk or unachievable in 2019/20.

6.3 **Appendix 4** 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.

6.4 Achievement of the savings has reduced by £0.006m relating to;

0014E2 Corp – MFD contract 2, this is due to the delay in full implementation previously forecast to be in October but now pushed back to January 2020.

## 7.0 Conclusions

7.1 The Partnership & Performance Division revenue spend is anticipating an underspend in Performance of £(0.047)m and an overspend in Corporate of £0.379m. The net position being an overspend of £0.332m.

7.2 Of the associated £2.622m approved savings, £2.101m 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 October 2019

Appendix 2- Outturn variance and variance movement

Appendix 3- HSCP Outturn variance and variance movement

Appendix 4- 2019/20 Savings progress at October 2019

**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**

<b>NAME</b>	<b>DESIGNATION</b>	<b>SIGNATURE</b>
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Strategic Director Partnership & Performance	



	<b>Annual Budget 2019/20 £'000</b>	<b>Forecast to March 2020 £'000</b>	<b>Variance Forecast to Budget £'000</b>	<b>Previous Variance to Budget £'000</b>	<b>Variance Movement £'000</b>
Resource & Governance	6,006	6,131	125	126	(2)
Strategy & Customer Services	1,902	1,923	21	11	10
Executive Team	263	255	(8)	(8)	0
Development & Environmental	733	719	(13)	(15)	2
Housing & Community Safety	2,075	1,904	(171)	(233)	62
<b>Total Division Expenditure</b>	<b>10,979</b>	<b>10,932</b>	<b>(47)</b>	<b>(119)</b>	<b>72</b>
			<b>Underspend</b>	<b>Underspend</b>	
<b>Corporate Services</b>					
Corporate Services	(296)	82	379	379	0
Misc Services - Non Distributed Costs	1,312	1,312	(0)	(0)	0
	1,016	1,394	379	379	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>
	(289)	89	379	379	0
Add requisitions from joint boards:					
Central Scotland Valuation Joint Board	395	395	0	0	0
Add/Deduct:					
Interest on Revenue Balance	(91)	(91)	0	0	0
Loans Fund Contribution	8,773	8,773	0	0	0
Contribution to Bad Debt Provision	200	200	0	0	0
<b>Total Corporate Services</b>	<b>8,988</b>	<b>9,366</b>	<b>379</b>	<b>379</b>	<b>0</b>
			<b>Overspend</b>	<b>Overspend</b>	
<b>Net Position</b>			<b>332</b>	<b>260</b>	<b>72</b>
			<b>Overspend</b>	<b>Overspend</b>	

Partnership & Performance	Annual Budget 2019/20	Forecast to March 2020	Variance Forecast to Budget at October	Variance Forecast to Budget at August	Variance movement August to October	Narrative
	£'000	£'000	£'000	£'000	£'000	
Resource & Governance	6,006	6,131	125	126	(2)	Accountancy are underspent by £(0.046)m, £(0.032)m is due to a vacancy, £(0.008)m in audit fees and £(0.006)m in postages. This is a movement of £0.006m since last reported. Corporate training is underspent by £(0.050)m due to timing of training. Elections are underspent by £(0.090)m as no planned local elections 2019/20. IT overspend of £0.130m due to unachievable TVR £0.062m, delayed MFD contract saving £0.010m, software maintenance £0.092m and telephones & mobile costs £0.057m. These overspends are partly mitigated by underspends in staffing £(0.071)m and hardware costs of £(0.020)m. HR are overspent by £0.015m a movement of £0.0012m. These relate to £0.030m increased costs for apprenticeship levy, £0.008m for payments to contractors for payroll reporting, £(0.003)m movement and £0.017m in unachieved TVR. These are partially offset by staffing underspends £(0.043)m, H&S underspends £(0.009)m and £(0.003)m various small underspends. Legal, Democracy & Audit are underspent by £(0.011)m, an adverse movement of £0.001m since last reported. The underspend and the movement relate to vacancy management which offset underachieved income of £0.010m. Head of Service is reporting an overspend of £0.187m relating to a legacy unachievable saving on staffing.
Strategy & Customer Services	1,902	1,923	21	11	10	There is underachieved income within Registrar's of £0.066m and underachieved income generation from funding officer post £0.050m. These are offset by vacancies within the service £(0.069)m, reduced expenditure on third party payments and supplies and services of £(0.010)m each and APSE recharge income for elected members of £(0.007)m. The movement of £0.010m relates to the delay in appointing the funding officer, previously hoped to have been in October but now forecast as January.
Executive Team	263	255	(8)	(8)	0	Variance due to underspend on subscriptions £(0.008)m shown within HR.
Development & Environmental	733	719	(13)	(15)	2	Licensing are overspent by £0.001m, £(0.008)m movement, due to increase in civil licences income. Trading standards are underspent by £(0.025)m due to a reduction in service cost with Stirling Council. Environmental Health are overspent by £0.011m, £0.005m overspend due to Bandeath costs, £0.006m overspend and £0.010m movement due to staffing costs covering sickness.
Housing & Community Safety	2,075	1,904	(171)	(233)	62	Housing Benefit is forecasting an underspend of £(0.079)m, this is an adverse movement of £0.100m. The movement is as a result of a reforecast of expected income. Revenues Service staffing underspend £(0.044)m due to a vacant post. There is an unachieved saving of £0.013m relating to procurement efficiencies, which is likely to be achieved in future years. Other income is forecast to achieve £(0.060)m more than budget, £(0.045)m movement on previous forecast as more paid costs are forecast along with additional government funding. Scottish welfare fund is now forecasting to overspend by £0.017m an increase of £0.009m. There are small various underspends of £(0.018)m.
Corporate Services	8,988	9,366	379	379	0	Overspend of £0.379m, £0.363m is due to deferred corporate saving for organisational redesign within People Services, underachievement of the family friendly saving due to reduced holiday buy back £0.015m and £0.001m other small variances.
<b>Division Movement</b>	<b>19,967</b>	<b>20,299</b>	<b>332</b>	<b>259</b>	<b>72</b>	



<i>Health &amp; Social Care Partnership</i>	<i>Annual Budget 2019/20</i>	<i>Forecast to March 2020</i>	<i>Variance Forecast to Budget at October</i>	<i>Variance Forecast to Budget at August</i>	<i>Movement in variance August to October</i>	<i>Narrative</i>
	<i>£'000's</i>	<i>£'000's</i>	<i>£'000's</i>	<i>£'000's</i>	<i>£'000's</i>	
<b>Employees</b>						
Employee Expenditure	7,820	6,938	(882)	(807)	(75)	Underspend due to vacancies as a result of service reductions (does not include impact of Management & Support Services restructure at this time). Movement due to recruitment in Disability daycare, Learning Disability assessment & care and Locality management. Position has improved since August owing to delays in recruitment.
<b>Long Term Care</b>						
Nursing Homes	7,453	7,872	419	755	(336)	Numbers are stable at around 190 places being purchased. Budget overspend represents 10 unfunded places. Favourable movement reflects allocation of growth funding included in 19/20 budgets and re-alignment of income budgets.
Residential Homes	3,729	4,316	587	1,056	(469)	64 places being purchased, an increase of 5 since the start of the year. This overspend also includes indicative costs for five ordinary residence cases currently in dispute at a cost of £0.672m for 2019/20. Favourable movement reflects allocation of growth funding included in 19/20 budgets and re-alignment of income budgets.
<b>Community Based Care</b>						
Care at Home	7,700	8,422	722	1,697	(975)	Current commitments are stable with around 10,500 hours of care per week. The overspend is equivalent to 800 hours per week over and above budget. This position is consistent with no major swings in provision of service. Favourable movement reflects allocation of growth funding included in 19/20 budgets and re-alignment of income budgets.
Day Care	269	397	128	108	20	Day care for approximately 40 service users of which 25 have complex needs. The adverse movement reflects increased costs of care packages following a review.
Direct Payments	450	546	95	88	7	There are approximately 32 direct payments to service users. This is a demand led provision
Housing Aids and Adaptations	159	166	7	7	0	Demand driven within private sector homes.
Housing with Care	163	273	110	109	1	This budget is for Supported Accommodation that is paid to external providers, there have been additional placements this financial year in excess of the budget.
Respite	175	176	1	(43)	44	Forecast costs for respite have increased as additional respite care has been allocated.

<i>Health &amp; Social Care Partnership</i>	<i>Annual Budget 2019/20</i>	<i>Forecast to March 2020</i>	<i>Variance Forecast to Budget at October</i>	<i>Variance Forecast to Budget at August</i>	<i>Movement in variance August to October</i>	<i>Narrative</i>
	<i>£'000's</i>	<i>£'000's</i>	<i>£'000's</i>	<i>£'000's</i>	<i>£'000's</i>	
<b>Misc Third Party Payments</b>						
Misc Third Party Payments	398	746	348	(729)	1,077	Growth budget of £1.152m has been reallocated over Long term Care and Care at Home. The forecast overspend relates to payments to voluntary organisations and provision for an uplift in rates.
<b>Supplies and Services</b>						
Premises Expenditure	11	73	62	62	0	Overspend due to 17/18 unachieved saving within disability day care
Supplies and Services	371	398	27	27	0	Increased spend on equipment and household adaptations as well as statutory safety inspections on equipment
Transport Expenditure	48	54	6	6	0	Overspend on staff travel mainly on Re-ablement Team in the community
<b>Income</b>						
Income	(4,391)	(4,390)	0	(439)	439	Client income for contributions towards Residential Care and Care at Home. Budget realigned with Long term care and Care at home provision.
Resource Transfer (Health)	(7,271)	(7,271)	0	(190)	190	Includes Income from NHS, integration funding and contributions for complex care. Income budget has been aligned with expenditure to reflect inflationary uplift.
<b>Total</b>	<b>17,085</b>	<b>18,715</b>	<b>1,630</b>	<b>1,707</b>	<b>(77)</b>	

Management Efficiencies

Service Reference	Division	Description of Saving	2019/20 £	Achieved/ Likely to be achieved £	Amber £	Red £	October outturn Accountancy comments
0001E	P&P	Residual budget Clackmannanshire Healthier Lives	20,000	20,000			Achieved
0002E	P&P	Stop Communications Team Subscription	1,200	1,200			Achieved
0003E	P&P	Reduce Service x 2 flexible retirements	19,000	19,000			Achieved
0004E	P&P	Reduce corporate photocopying and printing budget	1,200	1,200			Achieved
0005E	P&P	Reduce Service - remove vacancy	21,000	21,000			Achieved
0007E	P&P	Reduce revenue staffing	35,000	35,000			Achieved
0008E 1	P&P	Rent Rebates Saving - Budget alignment	400,000	400,000			Achieved
0008E 2	P&P	Rent Allowance Saving - one off <b>Cash saving</b>	250,000	250,000			Achieved
0013E	P&P	Reduce HR Admin - remove 0.6FTE vacancy	20,000	20,000			Achieved
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	4,000		16,000	Saving has reduced by £6k from last reported as not fully implemented until Jan 2020
0014E3 corp	P&P	GIS contract	20,000	20,000			Achieved
0015E	P&P	Remove surplus staff budget	8,965	8,965			Achieved
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			Achieved
0018E	P&P	Reduce Audit Fee budget	8,000	8,000			Achieved
0019E	P&P	Loans Fund Review	1,000,000	1,000,000			Achieved
<b>Total</b>		<b>Management Efficiencies</b>	<b>1,980,965</b>	<b>1,889,865</b>	<b>0</b>	<b>91,100</b>	

0

Policy

Service Reference	Division	Description of Saving	2019/20 £	Likely to be achieved £	Amber £	Red £	October 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			Achieved
new	P&P	Income generation through new Funding Officer post	50,000		10,000	40,000	Post filled from January 2020 so saving that may be achievable reduced by £15k to £10k
<b>Total</b>		<b>Policy</b>	<b>153,000</b>	<b>86,044</b>	<b>10,000</b>	<b>56,956</b>	

43<sup>0</sup>

Prior Years

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

0

Summary By Type		2019/20 £	Likely to be achieved £	Amber £	Red £
<b>Management Efficiencies</b>		1,980,965	1,889,865	0	91,100
<b>Policy</b>		153,000	86,044	10,000	56,956
<b>Prior Years</b>		487,766	124,766	0	363,000
<b>Total Division</b>		<b>2,621,731</b>	<b>2,100,675</b>	<b>10,000</b>	<b>511,056</b>

80.1%      0.4%      19.5%