
Report to: Partnerships & Performance Committee

Date of Meeting: 12 March 2020

Subject: Financial Performance 2019/20 – December 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 December 2019. Capital expenditure will be reported to the Audit Committee on 2 April 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 £(0.130)m;
- the forecast centrally held Corporate Services revenue overspend for the year of £0.233m;
- the forecast revenue underspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £(0.265)m, and
- delivery of planned savings in the year forecasted to achieve 80.1%.

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 a underspend of £(0.130)m. This is a favourable movement of £(0.083)m since last reported to this Committee in January 2020.
- 4.2 Corporate services is forecasting an overspend of £0.233m. There remains an overspend of £0.363m relating to the Corporate Redesign deferred saving due to the delay in implementation of the People Structure and an additional £0.015m relating to the corporately held family friendly saving recorded as underspends reported within the Services. This is partially offset by an underspend of £0.146m relating to grant funded ELCC posts previously budgeted for and now held corporately.
- 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 January 2020.

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

- 5.1 The HSCP is forecasting an underspend of £(0.265)m. This is a favourable movement of £(1.895)m since last reported in to this Committee in January 2020. Within this movement is a reduction of £(1.498)m due to the removal of a provision of £(0.826)m for a potential liability for ordinarily resident cases that are no longer being pursued and the related potential in year cost of £(0.672)m previously forecast for 2019/20. The remaining £0.397m is mainly due to a reduced nursing care forecast and additional income for residential care and care at home.
- 5.2 **Appendix 3** sets out the main variances and movement since last reported to Audit Committee on 6 February 2020.

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 £2.094m (80.1%) are forecast to be achieved with £0.527m (19.9%) being forecast as at risk or unachievable in

2019/20. This position has not changed since last reported to this Committee in January 2020.

- 6.3 **Appendix 4** provides details of budgeted 2019/20 savings progress and shows further details 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.

7.0 Conclusions

- 7.1 The Partnership & Performance Division revenue spend is anticipating an underspend in Performance of £(0.130)m and an overspend in Corporate Services of £0.233m.
- 7.2 The Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) is forecasting a revenue underspend for the year of £(0.265)m.
- 7.3 Of the associated £2.622m approved savings, £2.101m (80.1%) 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 December 2019

Appendix 2- Outturn variance and variance movement at December 2019

Appendix 3- HSCP Outturn variance and variance movement at December 2019

Appendix 4- 2019/20 Savings progress at December 2019

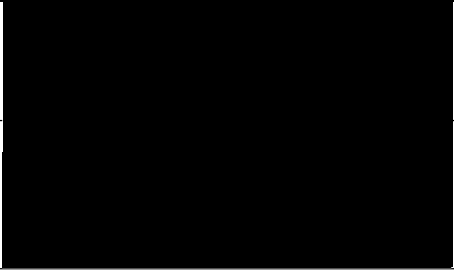
15.0 Background Papers

- 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

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

	<i>Annual Budget 2019/20 £'000</i>	<i>Forecast to March 2020 £'000</i>	<i>Variance Forecast to Budget £'000</i>	<i>Previous Variance to Budget £'000</i>	<i>Variance Movement £'000</i>
Resource & Governance	6,006	6,082	76	125	(49)
Strategy & Customer Services	1,906	1,939	34	21	13
Executive Team	288	281	(8)	(8)	0
Development & Environmental	733	679	(54)	(13)	(40)
Housing & Community Safety	2,075	1,897	(178)	(171)	(7)
Total Division Expenditure	11,008	10,878	(130)	(47)	(83)
			Underspend	Underspend	
Corporate Services					
Corporate Services	(150)	82	233	379	(146)
Misc Services - Non Distributed Costs	1,312	1,312	0	0	0
	1,162	1,394	233	379	(146)
less allocated to non general fund	(1,305)	(1,305)	0	0	0
	(143)	89	233	379	(146)
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
Total Corporate Services	9,134	9,366	233	379	(146)
			Overspend	Overspend	
Total			103	332	(229)
			Overspend	Overspend	
Health & Social Care Partnership	17,085	16,819	(265)	1,630	1,895
			Overspend	Overspend	

Variations and movement at 31st December 2019

Appendix 2

Partnership & Performance	Annual Budget 2019/20 £000's	Forecast to March 2020 £000's	Variance Forecast to Budget at December £000's	Variance Forecast to Budget at October £000's	Variance movement October to December £000's	Narrative
Resource & Governance	6,006	6,082	76	125	(49)	<p>Accountancy: Underspend of £(0.076)m, favourable movement of £(0.030)m. £(0.036)m is due to vacancy management, a favourable movement of £(0.004)m. £(0.004)m underspend in audit fees, an adverse movement of £0.004m and £(0.006)m underspend in postages. £(0.030)m underspend and movement due to Asset Valuation as HRA are absorbing 50% of the cost.</p> <p>Corporate training: Underspend of £(0.042)m, adverse movement of £0.008m. Due to timing of training.</p> <p>Elections: Underspend of £(0.062)m, adverse movement of £0.028m due to expected by-election</p> <p>IT: Overspend of £0.089m, favourable movement of £(0.041)m. £0.062m overspend in staffing due to unachievable TVR, £0.010m overspend related to delayed MFD contract saving, £0.069m overspend due to software maintenance, favourable movement of £(0.023)m due to reprofiling of commitments. £0.057m overspend of telephones & mobile costs, partly mitigated by £(0.093)m underspend in staffing, resulting in a favourable £(0.022)m movement due to vacancy management. £(0.016)m underspend of hardware costs and £0.005m adverse movement due to the extension of guest WiFi.</p> <p>HR: Overspend of £0.001m, favourable movement of £(0.014)m. £0.025m overspend due to increased costs for apprenticeship levy resulting in a £(0.005)m favourable movement, £0.008m overspend for payments to contractors for monthly pension return, £0.015m overspend for disclosures, £0.009m overspend for H&S agency spend to deal with back log of forms resulting in a £0.005m adverse movement as this has been extended to March. £0.017m overspend due to a unachieved TVR. These are partially offset by £(0.046)m staffing underspends due to vacancy management resulting in a favourable £(0.008)m movement, £(0.009)m underspend on equipment in H&S, £(0.014)m underspend of legal fees for VS/TVR settlement fees, which is a favourable £(0.006)m movement. £(0.004)m various small underspends.</p> <p>Legal, Democracy & Audit: Underspend of £(0.021)m. The underspend and the movement relate to vacancy management which has offset underachieved income of £0.010m.</p> <p>Head of Service: Overspend of £0.187m relating to a legacy unachievable saving on staffing.</p>

Variations and movement at 31st December 2019

Appendix 2

Partnership & Performance	Annual Budget 2019/20 £000's	Forecast to March 2020 £000's	Variance Forecast to Budget at December £000's	Variance Forecast to Budget at October £000's	Variance movement October to December £000's	Narrative
Strategy & Customer Services	1,906	1,939	34	21	13	There is underachieved income within Registrar's of £0.080m an increase of £0.014m from October, underachieved income generation from funding officer post £0.050m not filled until January 2020. 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 elected members of £(0.009)m an increase of £(0.002)m.
Executive Team	288	281	(7)	(8)	1	Variance due to underspend on subscriptions £(0.008)m
Development & Environmental	733	679	(54)	(13)	(40)	Licencing are underspent by £(0.003)m, favourable movement of £(0.004)m due to increase in civil licences income. Trading standards are underspent by £(0.029)m, £(0.003)m favourable movement, due to a reduction in service cost with Stirling Council. Environmental Health are underspent by £(0.022)m, £(0.033)m favourable movement. £0.005m overspend due to Banded costs, £(0.010)m underspend due to vacancy management, £(0.019)m movement due to vacancy management. £(0.017)m underspend due to increased income from pest control and Kerry, movement of £(0.013)m.
Housing & Community Safety	2,075	1,897	(178)	(171)	(7)	Housing Benefit is forecast an underspend of £(0.110)m, this is a favourable movement of £(0.031)m as a result of a reforecast of expected income based on current claims. Revenues Service staffing underspend £(0.037)m due to a vacant post an adverse movement of £0.007m. Income is forecast to achieve £(0.045)m more than budget, an adverse movement of £0.016m movement as paid costs income has reduced. Scottish welfare fund is forecasting to overspend by £0.017m. There are small various underspends of £(0.003)m an adverse movement of £0.002m.
Division Total	11,008	10,878	(130)	(47)	(83)	
Corporate Services	(150)	82	233	379	(146)	Overspend of £0.233m is due to deferred corporate saving for organisational redesign (People Services £0.363m) and an underachievement of the family friendly saving due to reduced holiday buy back £0.015. this is partially offset by an underspend of £0.146m relating to grant funded ELCC posts previously budgeted for and now held corporately.
Corporate Services	(150)	82	233	379	(146)	

**Health & Social Care Partnership
Variances and movement at 31st December 2019**

Appendix 3

<i>Health & Social Care Partnership</i>	<i>Annual Budget 2019/20 £000's</i>	<i>Forecast to March 2019 £000's</i>	<i>Variance Forecast to Budget at December £000's</i>	<i>Variance Forecast to Budget at October £000's</i>	<i>Movement in variance October to December £000's</i>	<i>Narrative</i>
Employees						
Employee Expenditure	7,820	6,858	(961)	(882)	(79)	Underspend due to vacancies as a result of service reductions. Favourable movement due to delayed recruitment in Disability Daycare, Learning Disability and Assessment & Care Management.
Long Term Care						
Nursing Homes	7,594	7,779	185	419	(234)	Numbers are stable with around 190 places being purchased. Budget overspend represents 5 unfunded places Favourable movement reflects allocation of growth funding included in 19/20 budgets and re-alignment of income budgets.
Residential Homes	3,594	2,746	(848)	587	(1,435)	This forecast has been reduced to remove the indicative costs for five ordinary residence cases at a cost of £0.672m for 2019/20 as well as the provision of £0.826m from previous years after confirmation of no liability. Overall numbers remain stable at around 60 with an underlying over commitment of £650k which is equivalent to approximately 10 places.
Community Based Care					0	
Care at Home	7,168	7,978	810	722	88	Current commitments are stable with around 10,600 hours of care per week. The overspend is equivalent to 900 hours per week over and above budget .
Day Care	230	316	86	128	(42)	Day care for approximately 42 service users of which 19 have complex needs, the forecast is stable at this time. This position is consistent with no major swings in provision of service. The favourable movement reflects reduced costs following a review of care packages.
Direct Payments	953	1,055	103	95	8	There are approximately 32 direct payments to service users plus 49 receiving payments under Option 2 (where the Council processes payments on behalf of service user). 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	109	109	0	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	129	94	(35)	0	(35)	Forecast costs for respite have fallen as a result of service changes and service users moving to long term care.
Misc Third Party Payments						

Misc Third Party Payments	505	760	255	349	(94)	This heading covers various payments to other agencies including other local authorities, registration fees, payments to voluntary organisations. The favourable movement follows a review of payments and the actual impact of provider rates being lower than anticipated.
Supplies and Services						
Premises Expenditure	11	78	67	62	5	Overspend due to 17/18 unachieved saving within disability day care. The movement realates to insurance costs.
Supplies and Services	371	440	70	28	42	Includes spend on aids and statutory safety inspections of equipment. The adverse movement reflects updated information on servicing and inspection costs.
Transport Expenditure	48	56	8	6	2	Overspend on staff travel mainly on Re-ablement Team in the community
Income						
Income	(4,390)	(4,509)	(119)	0	(119)	Client income for contributions towards Residential Care and Care at Home. Favourable movement reflects up to date information on actual income received.
Resource Transfer (Health)	(7,271)	(7,271)	0	0	0	Includes Income from NHS, integration funding and contributions for complex care. Includes inflationary uplift. Surplus income has been re-aligned to address budget pressures.
Total	17,085	16,819	(265)	1,630	(1,895)	

Detailed Schedule of Savings - Performance & Partnerships Division
Savings progress at 31st December 2019

Management Efficiencies

Service Reference	Division	Description of Saving	2019/20 £	Achieved/ Likely to be achieved £	Amber £	Red £	December 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 Cash saving	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. Delayed implementation
0014E2 corp	P&P	MFD contract 2	20,000	4,000		16,000	Partially unachieved due to delayed implementation. Devices now in place.
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
Total		Management Efficiencies	1,980,965	1,889,865	0	91,100	

0

Policy

Service Reference	Division	Description of Saving	2019/20 £	Likely to be achieved £	Amber £	Red £	December 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			50,000	Delay in recruitment process. Individual is now in post and saving will be achieved 20/21.
Total		Policy	153,000	86,044	0	66,956	

0

Prior Years

Service Reference	Division	Description of Saving	2019/20 £	Likely to be achieved £	Amber £	Red £	December 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
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	1,889,865	0	91,100
Policy		153,000	86,044	0	66,956
Prior Years		487,766	124,766	0	363,000
Total Division		2,621,731	2,100,675	0	521,056

80.1% 0.0% 19.9%

