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**Report to: Partnership & Performance Committee**

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**Date of Meeting: 13 January 2022**

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**Subject: Financial Performance 2021/22 – 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 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 October 2021. Capital expenditure will be reported to the Audit Committee on 3 February 2022 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 £(0.203)m;
  - the forecast centrally held Corporate Services revenue overspend for the year of £0.533m;
  - the forecast revenue overspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £1.509m, and
  - delivery of planned savings in the year forecasted to achieve 78.4%.

## **3.0 Background**

- 3.1 **Table 1** details the portfolios that are within the remit of the Partnership & 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 £(0.203)m. This is a favourable movement of £(0.503)m since the August Finance update report to this Committee on 28 October 2021.
- 4.2 Corporate services is forecasting an overspend of £0.533m. This is mainly due to centrally held savings that will be realised across Council Services throughout the year.
- 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 Appendix 2. 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 £1.509m 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 £(0.025)m since last reported to Committee on 28 October 2021.
- 5.2 This forecasted overspend should be viewed alongside the overall projected Integrated Joint Board (IJB) overspend on Adult Social Care of £2.477m, with the total integrated budget of the IJB Partnership forecast to overspend by £2.946m. This forecast includes an estimated £2.549m of COVID related expenditure being claimed in the Quarter 2 return to Scottish Government. If these costs are fully met this would reduce the IJB overspend to £0.396m.
- 5.3 This position was set out in the Financial Report to the IJB at its meeting on 24 November 2021 which stated that given the relatively modest overspend, it is assumed that the financial risk could be managed through a number of actions as detailed in the report.

5.4 The key drivers of the projected overspend in the Clackmannanshire element of the budget are detailed within **Appendix 3**.

## **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 £0.524m (78.4%) are forecast to be achieved with the remaining £0.144m (21.6%) 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 two savings that have been identified as Amber. The largest saving relates to homeless income that is not likely to be achieved in full. The factors contributing to the achievement of these savings 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 underspend in Performance of £(0.203)m and an overspend of £0.533m 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 £1.509m.

7.3 Of the associated £0.688m approved savings, £0.524m (78.4%) 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 2021

Appendix 2- Outturn variances at October 2021

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

Appendix 4- Summary Savings by Directorate at October 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)

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### Approved by

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



	<b>Revised Budget 2021/22 £'000</b>	<b>Forecast to March 2022 £'000</b>	<b>Variance Forecast to Budget £'000</b>	<b>Variance as at August £'000</b>	<b>Variance Movement From Previous Forecast £'000</b>
Resource & Governance	6,442	5,948	(494)	(55)	(439)
Strategy & Customer Services	1,743	1,720	(24)	10	(34)
Executive Team	474	465	(10)	(10)	0
Development & Environmental	667	677	9	9	0
Housing & Community Safety	1,921	2,235	315	345	(30)
	<b>11,248</b>	<b>11,045</b>	<b>(203)</b>	<b>300</b>	<b>(503)</b>
Corporate Services	(653)	(191)	462	344	118
Misc Services - Non Distributed Costs	1,100	1,100	(0)	0	(0)
	447	909	462	344	118
<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>
	(858)	(396)	462	344	118
<b>Add Requisitions from Joint Board</b>					
Central Scotland Valuation Joint Board	459	459	0	0	0
<b>Add/Deduct</b>					
Interest on Revenue Balances	(91)	(20)	71	71	(0)
Loans Fund Contribution	4,770	4,770	(0)	0	(0)
Contribution to Bad Debt Provision	200	200	0	0	0
	4,480	5,013	533	415	118
<b>TOTAL</b>	<b>15,728</b>	<b>16,058</b>	<b>330</b>	<b>715</b>	<b>(385)</b>
Health & Social Care Partnership	19,875	21,385	1,509	1,535	(26)

Partnership & Performance	Annual Budget 2021/22 £'000	Forecast to March 2022 £'000	Variance Forecast to Budget at October £'000	Variance due to Covid £'000	Variance due to Non Covid £'000	Variance Forecast to Budget at August £'000	Variance movement August to October £'000	Narrative
Resource & Governance	6,442	5,948	(494)	0	(494)	(55)	(439)	<p><b>Accountancy:</b> £(0.066)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> £0.039m overspend due to the expected costs to be incurred for the upcoming 2022 local elections. Elections in May next year but we will be likely to have £10k for Staff Training costs and £30k Idox costs (Postal votes &amp; Printing costs) before the year end.</p> <p><b>IT:</b> £(0.046)m underspend, £0.023m movement - £(0.098)m underspend due to capitalisation of new VM Ware and cessation of Wi-Fi Spark fees; £(0.020)m underspend, £0.023m movement due to vacancy management; £0.056m overspend on telephones / mobiles.</p> <p><b>HR:</b> £(0.463)m underspend, £(0.412)m movement - £(0.059)m underspend, £(0.004)m movement due to staffing vacancies; £(0.409)m underspend and movement due to refund of employer contributions from Scottish Public Pensions Agency.</p> <p><b>Legal, Democracy &amp; Audit:</b> £(0.005)m underspend, £0.005m movement - £(0.011)m underspend, £0.058m movement due to staffing vacancies; £0.009m overspend due to unachievable income; £(0.013)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	1,743	1,720	(24)	0	(24)	10	(34)	<p>£0.100m external funding 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>Scottish Certificates income - unachieved income target of £0.024m.</p> <p>Shortfalls in income are offset by current staffing underpends of £(0.139)m within the contact centre, receptions, communications team &amp; strategy. This has increased by £(0.023)m from August as staff take up new posts. The costs of advertising have almost doubled recently resulting in a forecast overspend of £0.017m. In addition, £(0.025)m underspend is forecast in other miscellaneous savings a slight increase of £(0.010)m from August for support to other community groups.</p>
Executive Team	474	465	(10)	0	(9)	(10)	0	£(0.009)m underspend within subscriptions and supplies and services.
Development & Environmental	667	677	9	31	(22)	9	0	<p><b>Licensing:</b> £0.031m overspend, £(0.003)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> £(0.005)m underspend, £0.003m movement due to an increase in income from testing.</p>
Housing & Community Safety	1,921	2,235	315	272	43	345	(30)	<p><b>Revenues:</b> underspend of £(0.054)m due to staffing vacancies pending restructure, reduced by £0.012m from August. 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 £0.220m, a decrease of £(0.050)m from August. The cost of external support is forecast to be £0.175m partially offset with a staffing underspend of £(0.043)m, an increase of £(0.019)m. The remaining forecasted overspend relates to payments to individuals £0.086m: Community care grants for Furniture purchases is anticipated to be £0.029m overspent and crisis payments are anticipated to be overspent by £0.057m. A slight decrease of £(0.031)m from previously reported. 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 £0.129m a decrease of £(0.009)m from August 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 over the last two years.</p>
<b>Division Total</b>	<b>11,248</b>	<b>11,045</b>	<b>(203)</b>	<b>303</b>	<b>(505)</b>	<b>300</b>	<b>(503)</b>	
Corporate Services	4,480	5,013	533	0	533	415	118	£0.533m overspend, £0.118m movement - £0.071m overspend due to low interest rates on cash investments; £0.462m overspend and £0.118m movement relates to cross service savings held corporately that are realised within all Council Services and included within Service underspends - Family friendly, Mileage, Vacancy management and credit card rebates.
<b>Corporate Services</b>	<b>4,480</b>	<b>5,013</b>	<b>533</b>	<b>0</b>	<b>533</b>	<b>415</b>	<b>118</b>	

## Variances at 31 October 2021

	Annual Budget 2021/22	Forecast to October 2021	Variance Forecast to Budget at October	Variance due to Covid	Variance due to Non Covid	Variance Forecast to Budget at August	Movement in variance August to October	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Employees</b>								Underspend across a range of services including: Integrated Mental Health £(424k); Disability Day Care £(180k); Assessment & Care Management including Hospital Discharge £(108k) Intermediate Care £(52)k and Reablement £(58)k. There is an overspend at Menstrie House of £220k and Ludgate Respite £68k (Excludes Covid related costs to be charged to NHS Mobilisation Fund) The reduced underspend is the result of recruitment within Reablement and MECS.
	8,716	8,003	(714)	0	(714)	(726)	12	
<b>Long Term Care</b>								
<b>Nursing Homes</b>								Nursing Home places fell by 55 at the start of the year and now sit at around 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 August.
	7,626	8,720	1,094	0	1,094	1,023	71	
<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	3,139	(30)	0	(30)	2	(33)	
<b>Community Based Care</b>								
<b>Care at Home</b>								The forecast reflects the impact of Covid on the delivery of Care at Home. Weekly hours currently stand at around 11,000 compared to pre covid levels of 10,000. Forecast is subject to volatility given uncertainty in both demand and availability of care. The full impact of Covid on service delivery levels is being reviewed to identify potential to charge to the NHS Mobilisation Fund. The positive movement reflects current service commitments.
	8,728	9,441	714	0	714	936	(222)	
<b>Day Care</b>								Day Care for approximately 42 service users of which 19 have complex needs.
	230	244	14	0	14	21	(7)	
<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 August reflects increased number of payments and increased rates.
	953	1,233	280	0	280	219	61	
<b>Housing Aids and Adaptations</b>								Adaptations within private sector homes. The number of adaptations carried out had been 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 care costs have transferred to Care at Home.
	163	111	(53)	0	(53)	(54)	1	
<b>Respite</b>								Costs for respite continue to increase as Respite plans for the year are confirmed.
	129	98	(31)	0	(31)	(40)	9	
<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.
	1,080	1,381	301	0	301	241	60	
<b>Premises Expenditure</b>								The budget covers cleaning materials within operational buildings and includes Covid related costs for cleaning materials.
	11	97	86	0	86	23	63	
<b>Supplies and Services</b>								Includes equipment, house adaptations, food and insurance, postage, printing and administration. Movement reflects an updated forecast for insurance (+£10k) and equipment (£+45k)
	403	431	28	0	28	(26)	55	
<b>Transport Expenditure</b>								Travel costs underspent as a result of Covid
	48	43	(5)	0	(5)	(13)	9	
<b>Income</b>								
<b>Income</b>								This income is largely contributions towards the cost of care. Movement since August reflects increased income for Residential Care and Home Care as services re-open.
	(4,269)	(4,502)	(232)	0	(232)	(129)	(104)	
<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	0	56	56	0	
<b>Total</b>	<b>19,875</b>	<b>21,385</b>	<b>1,509</b>	<b>0</b>	<b>1,509</b>	<b>1,534</b>	<b>(25)</b>	

Detailed Schedule of Savings - Partnership & Performance Division

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			Work progressing however, unlikely that saving will be achieved this financial year.
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	21,000	129,000			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, and is expected to be achieved
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, and is expected to be achieved
<b>Total</b>	<b>Management Efficiencies</b>	<b>665,200</b>	<b>521,200</b>	<b>144,000</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	521,200	144,000	0	0
<b>Policy</b>	3,000	3,000	0	0	0
<b>Total Division</b>	<b>668,200</b>	<b>524,200</b>	<b>144,000</b>	<b>0</b>	<b>0</b>

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78.4% 21.6% 0.0% 0.0%