
Report to: Partnership & Performance Committee

Date of Meeting: 10 March 2022

Subject: Financial Performance 2021/22 – December Outturn

Report by: Chief Finance Officer

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 December 2021. Capital expenditure will be reported to the Audit Committee on 28 April 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 £(0.275)m;
 - the forecast centrally held Corporate Services revenue overspend for the year of £0.592m;
 - the forecast revenue overspend of the Clackmannanshire & Stirling Health & Social Care Partnership (HSCP) for the year of £1.677m, and
 - delivery of planned savings in the year forecasted to achieve 83.4%.

3.0 Background

- 3.1 **Table 1** details the portfolios that are within the remit of the Partnership & 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 an underspend of £(0.275)m. This is a favourable movement of £(0.071)m since the October Finance update report to this Committee on 13 January 2022.
- 4.2 Corporate services is forecasting an overspend of £0.592m. 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 £1.677m for the financial year based on financial performance for quarter 3 and care commitments recorded in the social care management information service (CCIS) forecast for the remainder of the year. This is an adverse movement of £0.168m since last reported to Committee on 13 January 2022.
- 5.2 This forecast overspend should be viewed in the context of the overall projected overspend of the Integration Joint Board (IJB) Integrated Budget of £0.374m as reported to the January IJB meeting. This projected overspend is contingent on receipt of £2.419m of Scottish Government funding support relating to exceptional Covid related demand costs. Furthermore, additional non-recurrent funding support from Scottish Government to bring the IJB Integrated Budget into a balance for 2021/22 financial year is also anticipated subject to certain conditions including Board level scrutiny of progress on achieving planned savings and efficiency programmes.

5.3 Subject to receipt of anticipated funding from Scottish Government as detailed above the IJBs financial position will not pose an additional financial risk to partners in the current financial year.

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 £0.557m (83.4%) are forecast to be achieved with the remaining £0.111m (16.6%) 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 throughout the remainder of the year.

7.0 Conclusions

7.1 The Partnership & Performance Division revenue spend is anticipating an underspend in Performance of £(0.275)m and an overspend of £0.592m 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 £1.677m.

7.3 Of the associated £0.688m approved savings, £0.557m (83.4%) 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 December 2021

Appendix 2- Outturn variances at December 2021

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

Appendix 4- Summary Savings by Directorate at December 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)

| NAME | DESIGNATION | TEL NO / EXTENSION |
|--------------------|---------------------------------------|--------------------|
| Elizabeth Hutcheon | Management Accountancy Team Leader | 6214 |

Approved by

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

Partnership & Performance Summary 2021/22

Appendix 1

As at December 2021

| | <i>Annual Budget 2021/22</i> | <i>Forecast to March 2022 as at December</i> | <i>Variance Forecast to Budget</i> | <i>Variance as at October</i> | <i>Variance Movement From Previous Forecast</i> |
|---|----------------------------------|--|--|-----------------------------------|---|
| | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> | <i>£'000</i> |
| Resource & Governance | 6,448 | 5,996 | (452) | (494) | 42 |
| Strategy & Customer Services | 1,743 | 1,684 | (59) | (24) | (35) |
| Executive Team | 495 | 483 | (12) | (10) | (2) |
| Development & Environmental | 667 | 669 | 2 | 9 | (7) |
| Housing & Community Safety | 1,935 | 2,181 | 246 | 315 | (69) |
| | 11,289 | 11,013 | (275) | (204) | (71) |
| Corporate Services | (653) | (191) | 462 | 462 | 0 |
| Misc Services - Non Distributed Costs | 1,100 | 1,100 | (0) | 0 | (0) |
| | 447 | 909 | 462 | 462 | 0 |
| less allocated to non general fund | (1,305) | (1,305) | 0 | 0 | 0 |
| | (858) | (396) | 462 | 462 | 0 |
| Add Requisitions from Joint Board | | | | | |
| Central Scotland Valuation | 459 | 459 | 0 | 0 | 0 |
| Add/Deduct | | | | | |
| Interest on Revenue Balances | (91) | (20) | 71 | 71 | (0) |
| Loans Fund Contribution | 4,770 | 4,829 | 59 | 0 | 59 |
| Contribution to Bad Debt Provision | 200 | 200 | 0 | 0 | 0 |
| | 4,480 | 5,072 | 592 | 533 | 59 |
| TOTAL | 15,769 | 16,086 | 317 | 329 | (12) |
| Health & Social Care Partnership | 19,875 | 21,552 | 1,677 | 1,509 | 168 |

| Partnership & Performance | Annual Budget 2021/22 £'000 | Forecast to March 2022 £'000 | Variance Forecast to Budget at December £'000 | Variance due to Covid £'000 | Variance due to Non Covid £'000 | Variance Forecast to Budget at October £'000 | Variance movement August to December £'000 | Narrative |
|------------------------------|--------------------------------|---------------------------------|--|--------------------------------|------------------------------------|---|---|--|
| Resource & Governance | 6,448 | 5,996 | (452) | 0 | (452) | (494) | 42 | <p>Accountancy: £(0.069)m underspend, £0.002m movement due to vacancies and difficulty in recruiting.</p> <p>Corporate training: £(0.006)m underspend and movement due to a delay of courses as a result of covid lockdown restrictions.</p> <p>Elections: £(0.052)m underspend, £(0.092)m movement due to an adjustment for a final claim for Elections.</p> <p>IT: £0.014m overspend, £0.060m movement - £0.002m overspend, £0.100m movement due to software costs, in particular variable costs of M365; £(0.013)m underspend, £(0.009)m movement due to vacancy management; £0.030m overspend, £(0.026)m movement on telephones / mobiles due to new procurement; £(0.020)m underspend and movement on computer hardware due to decreased purchases; £0.015m overspend and movement on subscription to digital office and improvement services.</p> <p>HR: £(0.384)m underspend, £0.080m movement - £(0.045)m underspend, £0.005m movement due to staffing vacancies; £(0.339)m underspend, £0.075m movement due to refund of employer contributions from Scottish Public Pensions Agency, £0.075 movement due to IT's element for irent payroll.</p> <p>Legal, Democracy & Audit: £(0.003)m underspend, £0.003m movement - £(0.008)m underspend, £0.003m movement due to vacancy management; £0.009m overspend due to unachievable income; £(0.004)m various small underspends.</p> <p>Head of Service: £0.047m overspend relating to a legacy unachievable saving on a staffing restructure.</p> |
| Strategy & Customer Services | 1,743 | 1,684 | (59) | 0 | (59) | (24) | (35) | <p>This underspend and the increase of £(0.036)m from October are as a result of reduced employee expenditure. There has been a delay in filling vacancies as the service looks to mitigate the shortfall in income from the registrars, scottish certificates and grant funding. Employee expenditure is forecast to underspend by £(0.180)m an increase of £(0.041)m. This is a combination of retrials, vacancies and secondments. Advertising costs are expected to overspend by £0.010m which is £(0.007)m less than before. The shortfall in income is forecast at £0.091m an increase of £0.016m from October with a drop in Registrars and scottish certificates fee income. Other various variances account for an overspend of £0.020m an improvement of £(0.004)m</p> |
| Executive Team | 495 | 483 | (12) | 0 | (9) | (10) | (2) | £(0.012)m underspend within subscriptions and supplies and services. Service reducing expenditure to minimum. |
| Development & Environmental | 667 | 669 | 2 | 22 | (20) | 9 | (7) | <p>Licensing: £0.022m overspend, £(0.009)m movement due to under achievement of alcohol and civil licence income as a result of Covid.</p> <p>Trading Standards: £(0.017)m underspend due to decreased contractor costs.</p> <p>Environmental Health: £(0.003)m underspend, £0.001m. Underspend due to an increase in income from testing; movement due to purchase of equipment.</p> |
| Housing & Community Safety | 1,935 | 2,181 | 246 | 272 | (26) | 315 | (69) | <p>Revenues: underspend of £(0.072)m due to staffing vacancies pending restructure, increased by £(0.018)m from October. The staffing underspend is partially offsetting the cost of external support required to administer the Scottish Welfare Fund.</p> <p>Scottish Welfare Fund is forecast to overspend by £0.222m, a small increase of £0.002m from October. The cost of external support is forecast to be £0.175m partially offset with a staffing underspend of £(0.043)m. The remaining forecasted overspend relates to payments to individuals £0.086m: Community care grants for Furniture purchases is anticipated to be £0.029m overspend and crisis payments are anticipated to be overspent by £0.057m. High demand for the service continues, with requests for assistance as the economic impacts of Covid continue. Earmarked covid funds will be allocated to offset overspend on grant payments.</p> <p>Housing Benefits is forecast to overspend by £0.096m (a decrease of £(0.033)m from October) 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> |
| Division Total | 11,288 | 11,013 | (275) | 294 | (566) | (203) | (72) | |
| Corporate Services | 4,480 | 5,072 | 592 | 0 | 592 | 533 | 59 | £0.592m overspend, £0.059m movement - £0.071m overspend due to low interest rates on cash investments; £0.462m overspend and £0.118m movement relates to unachieved People redesign savings and cross service savings held corporately that are realised within all Council Services and included within Service underspends - Family friendly, Mileage and Vacancy management. |
| Corporate Services | 4,480 | 5,072 | 592 | 0 | 592 | 533 | 59 | |

| | Annual Budget 2021/22 | Forecast to December 2021 | Variance Forecast to Budget at December | Variance Forecast to Budget at October | Movement in variance October to December | Narrative |
|-------------------------------------|--------------------------|------------------------------|--|--|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Employees | | | | | | Underspend across a range of services: including: Integrated Mental Health £(424k); Disability Day Care £(183k); Assessment & Care Management including Hospital Discharge £(143k) Intermediate Care (£(52) and Reablement £(46). There are overspends at Menstrie House of £221k and Ludgate Respite £77k (Excludes Covid related costs to be charged to NHS Mobilisation Fund) The increased underspend is the result of slippage in recruitment. |
| | 8,716 | 8,010 | (706) | (714) | 8 | |
| Long Term Care | | | | | | |
| Nursing Homes | | | | | | Nursing Home places are now at 210, equal to pre-covid levels having fallen by 55 at the start of the year. This forecast is potentially subject to significant volatility depending on the future course of the pandemic. The movement reflects an increase of 3 placements since October. |
| | 7,626 | 8,742 | 1,116 | 1,094 | 22 | |
| Residential Homes | | | | | | Overall numbers remain stable at around 53. The movement is the result of some care packages being transferred to Home Care . |
| | 3,169 | 3,247 | 78 | (30) | 108 | |
| Community Based Care | | | | | | |
| 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 any potential to charge to the NHS Mobilisation Fund. The positive movement reflects a updating of service commitments. |
| | 8,728 | 9,569 | 841 | 714 | 127 | |
| Day Care | | | | | | Day Care for approximately 42 service users of which 19 have complex needs. |
| | 230 | 247 | 17 | 14 | 3 | |
| Direct Payments | | | | | | The numbers of people receiving a direct payment has increased by 1 to 67 since October. The movement since October reflects increased number of payments and increased rates. |
| | 953 | 1,194 | 241 | 280 | (39) | |
| Housing Aids and Adaptations | | | | | | Demand driven adaptations within private sector homes. The number of adaptations was significantly impacted by Covid, but are now progressing. |
| | 159 | 160 | 1 | 1 | 0 | |
| Housing with Care | | | | | | This budget is for Supported Accommodation provided by external organisations. Expenditure is less than budget as a of some care transferring to Care at Home. |
| | 163 | 112 | (51) | (53) | 2 | |
| Respite | | | | | | Costs for respite continue to increase as Respite plans for the year are confirmed. |
| | 129 | 103 | (26) | (31) | 5 | |
| | | | | | | |
| | | | | | | |
| Misc. Third Party Payments | | | | | | 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 | 301 | (0) | |
| | | | | | | |
| Premises Expenditure | | | | | | The budget covers cleaning materials within operational buildings. This heading includes Covid related costs for cleaning materials. |
| | 11 | 99 | 88 | 86 | 2 | |
| Supplies and Services | | | | | | Includes equipment, house adaptations, food and insurance, postage, printing and administration. |
| | 403 | 431 | 28 | 28 | (0) | |
| Transport Expenditure | | | | | | Travel costs underspent as a result of Covid but expenditure is now picking up. |
| | 48 | 46 | (2) | (5) | 3 | |
| Income | | | | | | |
| Income | | | | | | This income is largely contributions towards the cost of care. Movement reflects increased income for Residential Care and Home Care as services re-open. |
| | (4,269) | (4,515) | (246) | (232) | (14) | |
| Resource Transfer (Health) | | | | | | 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) | (7,274) | (3) | 56 | (59) | |
| | | | | | | |
| Total | 19,875 | 21,552 | 1,677 | 1,509 | 168 | |

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 is progressing, however, unlikely to 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 | 54,000 | 96,000 | | | Indications are that the grant percentage anticipated will not be sufficient to cover the full saving. |
| P&PMGT6 | Vacancy management based on turnover levels | 290,000 | 290,000 | | | | This is returned within the services and is expected to be achieved |
| P&PMGT9 | Triennial valuations of pensions | 162,000 | 162,000 | | | | Saving is achieved |
| P&PMGT11 | Budget Realignment - postages & stationery | 2,000 | 2,000 | | | | Saving is achieved |
| P&PMGT12 | Mileage - CASH | 30,000 | 30,000 | | | | This is returned within the services, and is expected to be achieved |
| | | | | | | | |
| | | | | | | | |
| Total | Management Efficiencies | 665,200 | 554,200 | 111,000 | 0 | 0 | |

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. |
| | | | | | | | |
| | | 3,000 | 3,000 | 0 | 0 | 0 | |

| Summary By Type | | 2021/22 £ | Likely to be achieved £ | Amber £ | Red £ | Unachieved due to Covid £ |
|--------------------------------|--|----------------|-------------------------|----------------|----------|---------------------------|
| Management Efficiencies | | 665,200 | 554,200 | 111,000 | 0 | 0 |
| Policy | | 3,000 | 3,000 | 0 | 0 | 0 |
| Total Division | | 668,200 | 557,200 | 111,000 | 0 | 0 |

check

83.4% 16.6% 0.0% 0.0%