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## NORTH AYRSHIRE COUNCIL

24 January 2024

### Cabinet

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<b>Title:</b>	<b>Revenue Budget 2023/24 : Financial Performance to 30 November 2023</b>
<b>Purpose:</b>	To advise Cabinet of the financial performance for the Council at 30 November 2023.
<b>Recommendation:</b>	<p>That Cabinet agrees to:</p> <ul style="list-style-type: none"><li>(a) note the information and financial projections outlined in the report;</li><li>(b) note the latest financial projection for the Health and Social Care Partnership highlighted at 2.6; and</li><li>(c) approve the virements detailed in Appendix 7.</li></ul>

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### 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2023/24 were approved by Council on 1 March 2023. The Housing Revenue Account (HRA) Revenue Budget for 2023/24 was approved by Council on 15 February 2023.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the third report for 2023/24 and covers the period to the end of November 2023 (Period 8). Projections have been made to the year-end.
- 1.3 At Period 8 the General Fund is forecasting a net in-year overspend of £0.264m, (0.1%), after transferring resources to/from earmarked reserves.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£5.442m), (9.4%).
- 1.5 At the end of October 2023, the Health and Social Care Partnership is projecting a year-end overspend of £3.858m, (1.2%), for 2023/24, in line with the previously reported position. The Council services element is reporting a projected overspend of £2.500m, which is an improvement of (£1.007m) from the previously reported overspend, and the Health services element is reporting a projected overspend of £1.358m, which is an increase of £1.006m over the same period.

- 1.6 Ongoing risks to the reported position have been identified arising from inflationary pressures across services, linked to the higher than anticipated Consumer Price Index.

## 2. Background

### General Fund

- 2.1 The Council set a breakeven budget for 2023/24. In addition to the budget approved on 1 March 2023, earmarked funds of £26.697m were carried forward from 2022/23 for service expenditure in 2023/24 and are reflected in the figures within the 2023/24 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net in-year overspend of £0.264m, (0.1%), net of transfers to/from reserves, is anticipated for the year to 31 March 2024.
- 2.3 Details of the current financial projections are summarised in the following table:

	Appendix No	Annual Budget £000's	Projection to 31 March 2024 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 5 (Fav)/Adv £000's	Movement £000's	Note
<b>Service Expenditure</b>							
Chief Executives	1	20,340	19,656	(684)	(268)	(416)	(i)
Communities	2	184,711	185,531	820	390	430	(ii)
Place	3	55,507	56,657	1,150	1,008	142	(iii)
Other Corporate Services	4	21,699	20,646	(1,053)	(706)	(347)	(iv)
Sub Total		282,257	282,490	233	424	(191)	
Health and Social Care Partnership	8	122,233	122,233	-	-	-	2.6
Balance for Services		404,490	404,723	233	424	(191)	
Financing Charges	5	11,994	11,994	-	-	-	
Contribution to Loans Fund Reserve	5	5,627	5,627	-	-	-	
Total Planned Expenditure		422,111	422,344	233	424	(191)	
<b>Planned Income</b>							
Aggregate External Finance	5	(348,780)	(348,780)	-	-	-	
Council Tax	5	(65,397)	(65,366)	31	-	31	
Use of Earmarked Funds	5	(7,934)	(7,934)	-	-	-	
Total Planned Income		(422,111)	(422,080)	31	-	31	
Net Expenditure/ (Income)		-	264	264	424	(160)	

- 2.4 The reported Planned Income includes a number of adjustments to Scottish Government funding from that included in the approved budget, as detailed in the following table:

	General Revenue Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	TOTAL AEF £000's
<b>Planned Income</b>				
<b>Revised Budget 31 August 2023</b>	<b>(286,578)</b>	<b>(40,982)</b>	<b>(19,930)</b>	<b>(347,490)</b>
<b>Movements:</b>				
Ukrainian Resettlement	(794)			(794)
Fostering & Kinship Care	(486)			(486)
PEF Adjustment			(10)	(10)
<b>Revised Planned Income</b>	<b>(287,858)</b>	<b>(40,982)</b>	<b>(19,940)</b>	<b>(348,780)</b>

## 2.5 Commentary on Significant Movements from the Approved Budget

The Council's overall financial forecast against the revised budget is a net overspend position. This includes a number of movements at a service level. Detailed explanations of the significant variances in service expenditure compared to the approved budgets are provided in appendices 1 to 5 to this report.

A brief explanation of the significant movements for each service since Period 5 is outlined as follows:

**(i) Chief Executive's – underspend of (£0.684m), an increase of (£0.416m) from the previously reported underspend**

The movement since Period 5 is primarily related to:

- Increased income across services, (£0.273m);
- Vacancy management within Democratic services, (£0.083m); and
- Lower than forecast contract renewal costs within ICT, (£0.053m).

**(ii) Communities – overspend of £0.820m, an increase of £0.430m from the previously reported overspend**

The movement since Period 3 reflects updated cost pressures across services, including:

- Additional employee costs associated with maintaining teacher numbers in line with Scottish Government policy and absence cover arrangements, £0.674m; and
- Additional external residential day placements, £0.255m.

These have been partly offset by:

- Reduced employee costs, including savings from recent industrial action, staff turnover within Early Learning and Childcare and a targeted reduction in overtime and casual staff costs, (£0.243m); and
- Reduced expenditure on food supplies linked to reduced commercial catering and school meal uptake levels, (£0.223m).

Virements in relation to the recognition of additional Community Mental Health income and the realignment of Facilities Management budgets have been included within Appendix 7.

**(iii) Place – overspend of £1.150m, an increase of £0.142m from the previously reported overspend**

The movement since Period 5 reflects updated income and cost forecasts across services, including:

- Additional property costs associated with RAAC surveys, £0.178m;
- Additional vehicle repair and maintenance costs linked to inflationary pressures and the maximisation of asset lives, £0.090m;
- Statutory Compliance costs for portable appliance testing, £0.082m; and
- Increased costs for arrears write-offs within Other Housing, £0.061m.

These have been partly offset by:

- Vacancy management across services, (£0.112m);
- Additional income from planning fees and internal recharges, (£0.109m); and
- Lower than previously projected utility costs linked to reduced energy consumption, (£0.078m).

Virements in relation to the recognition of additional income within Roads and Employability have been included within Appendix 7.

**(iv) Other Corporate Items – underspend of (£1.053m), an increase of (£0.347m) from the previously reported underspend**

The movement since Period 5 is primarily related to lower than anticipated drawdowns from centrally held inflationary cost provisions to support pressures within services, (£0.301m).

## **Health and Social Care Partnership**

- 2.6 A copy of the HSCP financial performance report as at the end of November 2023 is attached at Appendix 8. The report highlights the key challenges and variances for the Partnership.

The key points for Cabinet to note are summarised as:

- The projected outturn is a year-end overspend of £3.858m for 2023/24.
- The projected overspend on the Council Services element is £2.500m, a reduction of (£1.007m), with a projected overspend on the Health Services element of £1.358m, an increase of £1.006m;
- The projected overspend for 2023/24 will be funded by IJB reserve balances - £2m has been earmarked to support the 23/24 financial position and any overspend above this level will be met from the unearmarked balance. This will contain the financial risk within the IJB but is likely to reduce the unearmarked balance below the recommended level of 2%;

- The most significant areas of overspend include residential placements for children, supplementary staff in wards and unplanned activities within the lead partnership for mental health. A substantial programme of work is being progressed by the HSCP in partnership with colleagues in Education and Housing, to develop a plan to reduce the number of Children's Residential Placements. Further detail is included in the report at Appendix 8.

The main areas of risk identified in the report include:

- Current high levels of inflation which impact on costs incurred directly by the Partnership and on our partner providers;
- High risk areas of low volume / high-cost services areas e.g. Children's residential placements, Learning Disability care packages and complex care packages;
- Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this;
- Ongoing implementation costs of the Scottish Government policy directives;
- Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs;
- The impact on Lead Partnership and acute services from decisions taken by other Ayrshire areas;
- The use of supplementary staffing for enhanced observations across a number of service areas;
- The use of high-cost agency staff to support frontline service delivery in areas where there are recruitment challenges;
- Continuing risks associated with provider sustainability;
- The Local Government pay award for 2023-24 has recently been settled and will be paid from December; the increase is in excess of the budgeted 3% and will have an adverse impact on the projected financial position unless sufficient additional funding is forthcoming; and.
- The NHS Ayrshire and Arran Health Board financial deficit and the risks around further escalation in the national framework for financial escalation. North Ayrshire IJB have already discussed our position in relation to the request for payment for delayed discharges.

These risks will be monitored during 2023-24 and any impact reported through the financial monitoring report.

## **Risks**

- 2.7 Significant risks to the reported position have been identified arising from inflationary pressures in relation to essential commodities, including food, and contractor costs. In June 2023, Cabinet agreed to earmark £0.870m from the 2022/23 underspend to address unbudgeted inflationary pressures arising from the ongoing cost of living crisis. Any further increases beyond current budget provision may impact on future service provision.

## Housing Revenue Account

2.8 The Housing Revenue Account budgeted for a breakeven position in 2023/24 and an in-year underspend of (£5.442m), (9.4%), is currently anticipated for the year to 31 March 2024. The projected position is summarised in the following table with further details provided in Appendix 6.

	Annual Budget £000's	Projection to 31 March 2024 £000's	Projected Variance for year (Fav)/Adv £000's	Previous Variance @ Period 5 (Fav)/Adv £000's	Movement £000's	Note
Employee Costs	5,504	5,209	(295)	(295)	-	
Property Costs	22,718	24,310	1,592	1,038	554	(i)
Supplies and Services	671	685	14	(16)	30	
Transport and Plant Costs	28	28	-	-	-	
Administration Costs	1,892	1,899	7	16	(9)	
Third Party Payments	3,519	3,339	(180)	-	(180)	(ii)
Transfer Payments	172	172	-	-	-	
Other Expenditure	380	380	-	-	-	
Capital Financing	23,309	16,182	(7,127)	(7,127)	-	
Gross Expenditure	58,193	52,204	(5,989)	(6,384)	395	
Income	(58,193)	(57,646)	547	970	(423)	(iii)
Net Expenditure	-	(5,442)	(5,442)	(5,414)	(28)	

## 2.9 Commentary on Significant Movements from the Approved Budget

A brief explanation of the significant movements from the previous forecasts is outlined as follows:

**(i) Property Costs – overspend of £1.592m, an increase from the previously reported overspend of £0.554m**

The movement is primarily related to increased expenditure on Planned & Cyclical Maintenance, £0.583m, and Other Property Costs, £0.312m, partly offset by reductions in Void Repairs, (£0.325m), and Responsive Repairs, (£0.061m).

**(ii) Third Party Payments – underspend of (£0.180m), an increase from the previously reported breakeven position**

The movement is related to an anticipated reduction in the contribution to the ASB team, (£0.180m).

**(iii) Income – underrecovery of £0.547m, a reduction from the previously reported underrecovery of (£0.423m)**

The movement is primarily related to increased income from other rents, (£0.065m), recharges, (£0.237m), and other income lines, (£0.122m).

### **3. Proposals**

3.1 It is proposed that Cabinet agrees to:

- (a) note the information and financial projections outlined in the report;
- (b) note the latest financial projection for the Health and Social Care Partnership highlighted at 2.6; and
- (d) approve the virements detailed in Appendix 7.

### **4. Implications/Socio-economic Duty**

#### **Financial**

##### **4.1 General Services**

The net projection for the year as at 30 November 2023 is a net overspend of £0.264m.

##### **Housing Revenue Account**

The net projection for the year as at 30 November 2023 is a net underspend of (£5.442m).

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 None.

#### **Equality/Socio-economic**

4.4 None.

#### **Environmental and Sustainability**

4.5 None.

#### **Key Priorities**

4.6 This report directly supports the Council Plan 2023 to 2028 by maximising financial flexibility to support the delivery of our priorities.

#### **Community Wealth Building**

4.7 None.

## **5. Consultation**

5.1 Progress as outlined in this report has been approved by Executive Directors.

**Mark Boyd**  
**Head of Service (Finance)**

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

### **Background Papers**

Revenue Budget 2023/24 : Financial Performance to 31 August 2023 – Cabinet 7  
November 2023



**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Chief Executive</b>					
Chief Executive	145	149	4	3%	
Total for Chief Executive	145	149	4	3%	
<b>Financial Services</b>					
Change Programme	186	186	-	0%	
Audit, Fraud, Safety & Insurance	973	977	4	0%	
Corporate Procurement	974	940	(34)	(3%)	
Financial Services	1,450	1,450	-	0%	
Revenues	(500)	(647)	(147)	29%	1
Transformation	744	744	-	0%	
Total for Financial Services	3,827	3,650	(177)	(5%)	
<b>People &amp; ICT</b>					
Employee Services	900	900	-	0%	
HR & Organisational Development	1,072	1,084	12	1%	
ICT	5,313	5,065	(248)	(5%)	2
Business Support	1,258	1,258	-	0%	
Customer Services	4,008	4,008	-	0%	
Total for People & ICT	12,551	12,315	(236)	(2%)	
<b>Democratic Services</b>					
Legal & Licensing	496	370	(126)	(25%)	3
Policy, Performance & Elections	468	318	(150)	(32%)	4
Communications	469	473	4	1%	
Civil Contingencies	60	60	-	0%	
Committee Services	541	534	(7)	(1%)	
Member Services	1,320	1,321	1	0%	
Ayrshire Support Service	410	421	11	3%	
Information Governance	53	45	(8)	(15%)	
Total for Democratic Services	3,817	3,542	(275)	(7%)	
<b>Totals</b>	<b>20,340</b>	<b>19,656</b>	<b>(684)</b>	<b>(3%)</b>	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	17,129	16,931	(198)	(1%)
Property Costs	68	85	17	25%
Supplies and Services	3,365	3,124	(241)	(7%)
Transport and Plant Costs	23	22	(1)	(4%)
Administration Costs	1,357	1,350	(7)	(1%)
Other Agencies & Bodies	2,332	2,324	(8)	(0%)
Transfer Payments	852	852	-	0%
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	25,126	24,688	(438)	(2%)
Income	(4,786)	(5,032)	(246)	5%
<b>Net Expenditure</b>	<b>20,340</b>	<b>19,656</b>	<b>(684)</b>	<b>(3%)</b>

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2023/24**

REPORT FOR THE 8 MONTHS TO 30 November 2023

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Finance - Revenues</b>
			Movement - There has been a £0.147m favourable movement from P5 due to a projected over recovery of income.
(1,289)	(147)	11%	Income - There is a projected over recovery in Council Tax Statutory Additions of £0.077m and agreed revised Scottish Water income resulting in a £0.070m over recovery.
	<b>(147)</b>		
<b>Note 2</b>			<b>People &amp; ICT - ICT</b>
			Movement - There has been a favourable movement of £0.053m from P5 due to lower than forecasted contract renewal costs.
2,248	(248)	-11%	Supplies & Services - £0.203m underspend in Software Licenses and support due to contracts ending and renewing at a lower cost. However it is anticipated that the cost of Office 365 licensing will increase by 20% in 2024/25 requiring this years underspend to be earmarked to cover some of this increase. £0.045m underspend in WAN due to the upgrade project although reinvestment of this budget is required to improve network bandwidths at a number of council sites.
	<b>(248)</b>		
<b>Note 3</b>			<b>Democratic Services - Legal &amp; Licensing</b>
			Movement - There is a favourable movement of £0.116m primarily due to projected increase in Licence income mainly due to Short Term Lets of £0.124m.
1,156	(30)	-3%	Employee Costs - There is a projected underspend of £0.030m due to vacancy management.
-	17		Property Costs - There is a projected overspend of £0.017m in Business Continuity Property Costs for NAC's contribution to the temporary mortuary at Prestwick Airport.
(735)	(113)		Income - There is a projected over-recovery of £0.130m in Licensing income mainly due to new licence income for Short Term Lets, which is partially offset with an under recovery of £0.017m in Recovery of Legal Costs.
	<b>(126)</b>		
<b>Note 4</b>			<b>Democratic Services - Policy, Performance &amp; Elections</b>
			Movement - There is a favourable movement of £0.083m due to vacancy management
447	(153)	-34%	Employee Costs - There is a projected underspend of £0.153m due to vacancy management.
	3		Other Minor Variances
	<b>(150)</b>		

**COMMUNITIES****BUDGETARY CONTROL 2023/24****REPORT FOR THE 8 MONTHS TO 30 November 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	20,780	20,253	(527)	(3%)	1
Primary Education	49,373	48,979	(394)	(1%)	2
Secondary Education	62,674	62,530	(144)	(0%)	3
Additional Support Needs	13,752	14,573	821	6%	4
Education - Other	2,286	4,116	1,830	80%	5
Pupil Equity Fund	4,614	4,614	-	0%	
Facilities Management	17,796	17,030	(766)	(4%)	6
Connected Communities	13,436	13,436	-	0%	7
<b>Net Total</b>	<b>184,711</b>	<b>185,531</b>	<b>820</b>	<b>0%</b>	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs - Teachers	96,400	98,430	2,030	2%
Employee Costs - Non Teachers	57,469	55,773	(1,696)	(3%)
Property Costs	1,772	1,912	140	8%
Supplies and Services	24,939	24,395	(544)	(2%)
Transport and Plant Costs	152	165	13	9%
Administration Costs	590	597	7	1%
Other Agencies & Bodies	14,198	15,014	816	6%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	71	63	(8)	(11%)
Gross Expenditure	196,171	196,929	758	0%
Income	(11,460)	(11,398)	62	(1%)
<b>Net Expenditure</b>	<b>184,711</b>	<b>185,531</b>	<b>820</b>	<b>0%</b>

**COMMUNITIES**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement : There has been a favourable movement of £0.051m compared to P5. This is primarily due to turnover and changes in updated Funded Provider phasing projections.
15,859	(245)	-2%	Employee Costs: Projected underspend of £0.506m in Early Years establishments due to turnover which is offset against a projected overall Early Years budget shortfall of £0.260m.
4,672	(250)	-4%	Third Party Payments: There are forecasted underspends of £0.372m in payments to funded providers and updated funded providers phasing and £0.028m in payments to other bodies for current registered children. There is a further intake of children in January which will confirm final numbers for this financial year. Payments to other Local Authorities is projected to be an overspend of £0.150m as more children are expected to take up Early Years places outwith North Ayrshire than children coming into NAC Early Years
249	(32)	-13%	Other minor movements
			A reduction to the budget of £1.198m in 23/24 has necessitated a drawdown from Education earmarked funds pending permanent savings to be implemented for 24/25. Service redesign proposals are being developed.
<b>(527)</b>			
<b>Note 2</b>			<b>Primary Education</b>
			Movement : There has been a favourable movement of £0.064m compared to P5 due to reduced employee costs
47,008	(446)	-1%	Employee Costs : projected underspend in non teaching costs across all Primary Schools.
2,179	61	3%	Supplies & Services: projected overspend in the PPP unitary charge mainly due to NDR and utility increases
	(9)		Other minor movements
<b>(394)</b>			
<b>Note 3</b>			<b>Secondary Education</b>
			Movement : There has been a favourable movement of £0.067m compared to P5 due to reduced employee costs.
47,927	(262)	-1%	Employee Costs : projected underspend in non teaching costs across all Secondary Schools
14,590	115	1%	Supplies & Services: projected overspend in the PPP unitary charge mainly due to NDR and utility increases. All PPP costs and income will be monitored over the coming months and the final outturn will be dependent on potential further penalty deductions to offset the overspend.
	3		Other minor movements
<b>(144)</b>			
<b>Note 4</b>			<b>ASN</b>
			Movement: There has been an unfavourable movement of £0.239m compared to P5. This is mainly due to an increase in placement costs.
12,019	(297)	-2%	Employee costs: Projected underspend of £0.257m in non teaching staff costs across all ASN school and bases provision and £0.040m forecasted underspend in teaching costs. The increased cost pressure for Classroom Assistants of £0.874m is managed this year by drawing down a temporary amount from earmarked funds. This position will be addressed as part of the ongoing discussion with the Scottish Government and as part of the 24/25 budget process.
355	(85)	-24%	There is a forecasted underspend of £0.085m on payments to Other Local Authorities due to a reduction in the number of NAC children accessing placements in their establishments.
1,003	113	11%	There is a projected overspend of £0.113m on external day placements as a result of additional children requiring this level of support and an increase in rates from these establishments.
499	1,096	220%	There is a projected overspend of £1.096m on external specialist residential placements. Currently there are 14 children in accommodation. Increased pressures on internal care settings as well as changing needs of children and young people have resulted in an increase in the need for external residential settings. Joint working is ongoing with HSCP to ensure that all options are fully explored to ensure that all options are considered to retain young people within their local community where possible. Where this is not possible, a forum has been set up to further discuss those young people who will require care and education provision to support them appropriately.
			Any future additional children who enter Residential Accommodation will increase the future projected overspend.
-	(6)		Other minor movements.
<b>821</b>			

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Education Other</b>
			Movement :There has been an unfavourable movement of £0.674m compared to P5. This is mainly due to a projected increase in teacher costs.
1,191	2,004	168%	Employee costs: Additional costs associated with Teachers as a result of Scottish Government's requirement to maintain the same numbers as in the previous year and additionally increased absence rates.
(1,798)	(198)	11%	Income: PPP insurance rebate £0.087m, PPP deductions of £0.089m in excess of budget, £0.022m salaries received from capital
	24		Other minor movements.
<b>1,830</b>			
<b>Note 6</b>			<b>Facilities Management</b>
			Movement: There has been a favourable movement of £0.301m compared to P5 mainly due to vacancy management and food savings within supplies and services.
13,285	(279)	-2%	Employee Costs: There is an underspend of £0.279m primarily due to recruitment challenges and a targeted reduction of overtime and casual costs.
6,403	(817)	-13%	Supplies and services: There is a saving of £0.063m in food due to reduced commercial catering and a further food savings of £0.301m due to reduced school meal uptake. In addition, there is an underspend within Early Years of £0.463m which has arisen due to a lower attendance rate than originally anticipated.
967	60	6%	Property Costs: There is an overspend of £0.060m due to an increase in material and supplies costs. Savings anticipated due to a consultation and trial exercise with alternative products however, amount is unknown at present.
	270		Income: There is an under-recovery in commercial catering income of £0.326m due to a reduction in commercial events and cost/income challenges within commercial venues, and an under-recovery of school meal income of £0.041m. This is partially offset by an over-recovery of cleaning and janitorial income of £0.098m.
<b>(766)</b>			
<b>Note 7</b>			<b>Connected Communities</b>
			Movement: There has been no change since period 5.
8,106	(141)	-2%	Employee Costs: Underspends in Community Facilities, Libraries, Country Parks, Community Development and Arran Outdoor due to vacancy management.
498	80	16%	Property Costs: £0.043m overspend in Libraries, £0.025m overspend in Country Parks on various property works and removal of trees affected by ash dieback and £0.011m overspend in Community Facilities on cleaning materials.
1,190	89	7%	Supplies and Services: £0.033m overspend in Arts events costs, which is offset by an over-recovery of income, and small overspends in a number of budget lines across the service.
(2,193)	(34)	2%	Income: £0.036m under recovery in Community Facilities as income has not returned to pre-covid levels and projected over-recovery of £0.037m in Arran Outdoor Education Centre and £0.026m in Arts.
	6		Other minor movements.
<b>-</b>			
			<b>General</b>
			Due to the industrial action taken by various staff there is a underspend of approximately £200k across all sectors. This underspend is included in all non teaching employee budget lines across the entire Communities budget monitoring report. A further £20k of underspend was made against grant funded services SEF and PEF.

**PLACE**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
<b>Directorate and Support</b>	£000 194	£000 194	£000 -	0%	
<b>Housing and Public Protection</b>					
Building Services	(2,542)	(2,542)	-	0%	1
Property Governance	(7)	(7)	-	0%	
Planning Services	322	209	(113)	(35%)	2
Protective Services	1,736	1,641	(95)	(5%)	3
Other Housing	2,723	2,682	(41)	(2%)	4
Total for Housing and Public Protection	2,232	1,983	(249)	(11%)	
<b>Neighbourhood Services</b>					
Roads	8,443	8,443	-	0%	
Streetscene	5,245	5,245	-	0%	
Waste Resources	9,626	10,247	621	6%	5
Municipalisation Advertising	(123)	(83)	40	(33%)	
Total for Neighbourhood Services	23,191	23,852	661	3%	
<b>Economic Development, Growth and Investment</b>					
Economic Policy	229	192	(37)	(16%)	
Employability & Skills	2,298	2,299	1	0%	
Regeneration	1,270	1,270	-	0%	
Business	1,011	1,006	(5)	(0%)	
Growth & Investment	251	251	-	0%	
Total for Economic Development, Growth and Investment	5,059	5,018	(41)	(1%)	
<b>Sustainability, Transport and Corporate Property</b>					
Property Management & Investment	1,565	1,586	21	1%	6
Housing Assets & Investment	(1)	(1)	-	0%	
Property Maintenance	3,494	3,790	296	8%	7
Property Running Costs	4,675	4,790	115	2%	8
Energy and Sustainability	5,172	5,197	25	0%	9
Internal Transport	9,926	10,248	322	3%	10
Total for Sustainability, Transport and Corporate Property	24,831	25,610	779	3%	
<b>Net Total</b>	<b>55,507</b>	<b>56,657</b>	<b>1,150</b>	<b>2%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	48,339	48,642	303	1%
Property Costs	21,421	21,865	444	2%
Supplies and Services	10,261	10,418	157	2%
Transport and Plant Costs	9,637	10,277	640	7%
Administration Costs	808	813	5	1%
Other Agencies & Bodies	21,456	21,423	(33)	(0%)
Transfer Payments	-	-	-	0%
Other Expenditure	182	226	44	24%
Capital Financing	-	-	-	
Gross Expenditure	112,104	113,664	1,560	1%
Income	(56,597)	(57,007)	(410)	1%
<b>Net Expenditure</b>	<b>55,507</b>	<b>56,657</b>	<b>1,150</b>	<b>2%</b>



**PLACE**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			Movement: There has been no movement since P5 however the service are currently managing significant financial challenges to achieve a break-even position.
5,345	34	1%	Supplies & Services: An overspend of £0.034m in supplies and services. This is due to an overspend of £0.015m in employee clothing and £0.012m in tools and implements.
579	177	31%	Transport costs: An overspend of £0.177m in transport costs. This is due to an overspend of £0.065m in scaffolding, £0.064m in skip hire costs and £0.048m in other transport costs.
2,833	231	8%	Third Party Payments: An overspend of £0.231m in third party payments is largely in relation to an increase in the volume of void and damp work.
(21,515)	(491)	2%	Income: There is a projected over recovery in income of £0.491m largely in relation to the volume and scope of void works and other increased costs.
	49		Other minor movements
	-		
<b>Note 2</b>			<b>Planning Services</b>
			Movement: There has been a favourable movement of £0.092m since P5 mainly due to increased planning fee income.
775	(25)	(3%)	Employee Costs: projected underspend of £0.025m due to vacancy management.
(609)	(88)	14%	Income: Forecasted over recovery of £0.088m due to additional planning fee application Income.
	(113)		
<b>Note 3</b>			<b>Protective Services</b>
			Movement: There has been a favourable movement of £0.095m since P5 which is primarily due to a larger recharge to HRA and vacancy management within the Out of Hours team.
2,494	(57)	(2%)	Employee Costs: projected underspend of £0.057m due to vacancy management.
102	25	25%	Supplies & Services: An overspend of £0.025m due to essential software upgrade requirements within Building Standards.
(1,314)	(69)	5%	Income: There is a projected over recovery in income of £0.069m most of which is in relation to the HRA recharge for CCTV.
	6		Other minor movements
	(95)		
<b>Note 4</b>			<b>Other Housing</b>
			Movement: There has been an unfavourable movement of £0.097m since P5 which is primarily due to a £0.052m reduction in forecasted rents for Temporary Furnished Accommodation and a projected overspend of £0.061m in arrears write offs. This is partially offset by an increase in forecasted employee costs underspend of £0.037m.
3,839	(126)	(3%)	Employee Costs: projected underspend of £0.126m due to vacancy management. This underspend includes vacant posts being held due to the Housing Service review, new employees taking up posts at the bottom of the pay scale and a number of staff not part of the Local Government Pension Scheme.
104	61	59%	Other Expenditure: there is a projected overspend of £0.061m in arrears write offs.
(5,862)	(14)	0%	Income: projected over recovery of £0.029m due to demand for Temporary Furnished Accommodation, partially offset by a forecasted reduction in HRA contribution of £0.011m.
	38		Other minor movements
	(41)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Waste Services</b>
			Movement : There has been no significant movement since P5
5,132	730	14%	Employee Costs: The overspend includes temporary additional resources required to deal with new builds and to cover a significant, and challenging, sickness absence rate. The statutory nature of the service requires additional resources to cover unforeseen absences. A robust absence monitoring process is in place and an overall review of the Waste service in light of legislative changes and current service demands is ongoing. This will also take account of waste compositional analysis.
572	108	19%	Supplies & Services: Forecast overspend on Compactors £0.047m, Tools and Implements £0.036m and Trade effluent £0.023m.
160	223	139%	Transport Costs: Additional vehicles are temporarily in place to deal with pressures from new builds and seasonal demands in Garden Waste, however a reduction of 3 vehicles has been implemented since 1st October 2023.
6,425	(48)	(1%)	Third Party Payments: An underspend of £0.048m is largely in relation to the Clyde Valley contract.
(3,110)	(357)	11%	Income: Additional income from the renewal of kerbside recycle contracts of £0.324m.
	(35)		Other minor movements
	621		
<b>Note 6</b>			<b>Property Management and Investment</b>
			Movement : There has been no movement since P5.
2,582	(29)	(1%)	Employee Costs: A projected underspend of £0.029m due to vacancy management.
139	(69)	(50%)	Supplies & Services: Projected underspend due to reduction in internal recharges.
(1,263)	119	(9%)	Income: There is a projected under-recovery in fee income of £0.119m.
	21		
<b>Note 7</b>			<b>Property Maintenance Costs</b>
			Movement : There has been adverse movement of £0.271m since P5 due to higher costs and unavoidable expenditure on RAAC surveys.
6,855	296	4%	Property costs: There is a projected £0.178m overspend due to ongoing expenditure with RAAC surveys. In addition, there is an £0.082m overspend in Statutory Compliance due to increased costs in relation to portable appliance testing and £0.026m overspend in Largs Campus Unitary Charges due to contract uplift greater than budgeted.
	296		
<b>Note 8</b>			<b>Property Running Costs</b>
			Movement : There has been no significant movement since P5
6,349	112	2%	Property Costs: There is a projected £0.112m overspend due to associated costs for community hubs within SHUs. Discussions are ongoing between HSPC housing and communities to resolve the matter.
	3		Other minor movements
	115		
<b>Note 9</b>			<b>Energy and Sustainability</b>
			Movement : There has been a favourable movement of £0.078m since P5 due to decreased projected utility costs as a result of reduced consumption.
8,262	25	0%	Property Costs: Due to the current energy crisis and after drawing down the maximum available £3.048m from contingencies and earmarked funds there is a projected overspend in property costs of £0.025m due to increased utility cost charges. A number of workstreams are ongoing to reduce consumption to reduce the above tariff related increases and as part of our overall sustainability strategy.
	25		
<b>Note 10</b>			<b>Internal Transport</b>
			Movement - There has been a net adverse movement of £0.015m since P5. This is due to an increase in projected overspend in Repairs and Maintenance of £0.090m, which has been primarily offset by favourable movements in projected Employee costs
1,796	(46)	(3%)	Employee Costs: Projected underspend of £0.046m due to vacancy management.
4,441	160	4%	Transport Provision Costs: Projected overspend of £0.160m due to an increase in contractors operating and running costs which has resulted in higher contract pricing.
476	73	15%	External Hires: Projected overspend of £0.073m which is mainly due to additional hire of vehicles, due to pending delivery of replacement vehicles.
1,117	160	14%	Repairs & Maintenance: Projected overspend of £0.160m in repairs and maintenance which is due to price increases and maximising the life of assets due to replacement vehicles lead times.
	(25)		Other minor movements
	322		

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,257	2,234	(23)	(1%)	
SPT Concessionary Fares	286	291	5	2%	
Ayrshire Joint Valuation Board	965	932	(33)	(3%)	
	3,508	3,457	(51)	(1%)	1
<b>Other Corporate Costs</b>					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	350	350	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	13,359	12,447	(912)	(7%)	2
Housing Benefits	2,587	2,497	(90)	-3%	3
	21,699	20,646	(1,053)	(5%)	

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2023/24**

REPORT FOR THE 8 MONTHS TO 30 November 2023

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Joint Boards</b>
			There has been no significant movement since Period 5
3,508	(51)	-1%	Projected underspend of £0.051m due confirmation of annual requisitions and applicable refunds.
	(51)		
<b>Note 2</b>			<b>Other Corporate Items</b>
			There has been a favourable movement of £0.340m since Period 5 primarily due to a revised drawdown of centrally held inflation provision to support pressures within services.
13,359	(912)	-7%	The projected underspend is primarily related to centrally held inflationary cost provisions, which are being applied to offset pressures reported across other services, and additional income from employee benefit schemes. The impact of inflation will continue to be monitored throughout the year.
	(912)		
<b>Note 3</b>			<b>Housing Benefit</b>
			There has been no significant movement since Period 5
2,587	(90)	-3%	Projected underspend of £0.090m due to the provision of Housing Benefits and overpayment recovery.
	(90)		

**MISCELLANEOUS ITEMS**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	12,810	12,810	-	-	
Contribution to Loans Fund Reserve	4,811	4,811	-	-	
Scottish Government Funding	(348,780)	(348,780)	-	-	
Council Tax	(65,397)	(65,366)	31	(0%)	1
Use of Earmarked Funds	(7,934)	(7,934)	-	-	
Net Total	(404,490)	(404,459)	31	(0%)	

**Note 1 Council Tax**

There has been a significant increase in the value of CTR claims received to date, £0.491m. This has been offset by reduced bad debt provision and the utilisation of centrally held cost of living provisions.

**HOUSING REVENUE ACCOUNT**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,504	5,209	(295)	(5%)	1
Property Costs					
Responsive Repairs	7,189	7,111	(78)	(1%)	
Void Repairs	3,577	4,260	683	19%	
Planned and Cyclical Maintenance	4,885	5,454	569	12%	
Aids and Adoptions	1,617	1,663	46	3%	
Other property costs	5,450	5,822	372	7%	
Total for Property Costs	22,718	24,310	1,592	7%	2
Supplies & Services	671	685	14	2%	
Transport Costs	28	28	-	0%	
Administration Costs	1,892	1,899	7	0%	
Third Party Payments	3,519	3,339	(180)	(5%)	3
Transfer Payments	172	172	-	0%	
Other Expenditure	380	380	-	0%	
Capital Financing Costs	23,309	16,182	(7,127)	(31%)	4
Gross Expenditure	58,193	52,204	(5,989)	(10%)	
Income					
Council House Rents	(56,803)	(55,845)	958	(2%)	
Other Rents	(332)	(397)	(65)	20%	
Recharges	(828)	(1,065)	(237)	29%	
Other Income	(230)	(339)	(109)	47%	
Total Income	(58,193)	(57,646)	547	(1%)	5
Net Expenditure	-	(5,442)	(5,442)		

**HRA**  
**BUDGETARY CONTROL 2023/24**

**REPORT FOR THE 8 MONTHS TO 30 November 2023**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Employee costs</b>
			Movement - there has been no movement since Period 5.
5,504	(295)	-5%	An underspend in employee costs of £0.295m. This is due to vacancy management.
	(295)		
<b>Note 2</b>			<b>Property Costs</b>
			Movement - there has been an adverse movement of £0.555m since Period 5. This is due to an adverse movement of £0.583m in Planned and Cyclical Maintenance, £0.046m in Aids & Adaptations and £0.312m in other property costs. This has been partially offset by a favourable movement of £0.061m in Responsive Repairs and £0.325m in Void Repairs.
22,718	1,592	7%	A projected overspend of £1.593m in Property Costs. This is due to a projected overspend of £0.569m in Planned and Cyclical Maintenance, £0.046m in Aids and Adaptations, £0.682m in Void Repairs as a result of an increase in the volume and scope of the works and £0.373m in other property costs. This is partially offset by a projected underspend of £0.077m in Responsive Repairs.
	1,592		
<b>Note 3</b>			<b>Third Party Payments</b>
			Movement - there has been a favourable movement of £0.180m in the ASB contribution since Period 5.
3,519	(180)	-5%	A projected underspend of £0.180m in third party payments due to an anticipated reduction in the ASB contribution.
	(180)		
<b>Note 3</b>			<b>Capital Financing Costs</b>
			Movement: There has been no movement since Period 5.
23,309	(7,127)	-31%	There is a projected underspend in capital financing costs of £7.127m due to lower than anticipated loan charges. This is due to the profiling within the HRA Capital budget and the continued under borrowed position as the council utilises internal funds in line with the Treasury Management and Investment Strategy. The underspend will be reflected in the Business Plan which is currently being reviewed.
	(7,127)		
<b>Note 4</b>			<b>Income</b>
			Movement - There has been a favourable movement of £0.424m since Period 5. This is due to an increase in other rents of £0.065m, £0.237m in recharges and £0.122m in other income.
(58,193)	547	-1%	There is a projected under recovery of income of £0.546m. Rental Income is projected to be under recovered by £0.958m which is currently being investigated however, it is understood to be mainly as a result of protracted and long term voids. This is partially offset by an over recovery of £0.065m other rents; £0.237m in recharges, some of which relates to increased costs; and £0.110m in other income.
	547		

HRA reserves and balances	B/fwd from 2021/22	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Projected Balance at 31/03/23
	£m	£m	£m	£m	£m	£m
Council House Building Fund	4.709	-	-	5.442	(2.648)	7.503
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	5.000	-	-	-	(1.417)	3.583
Voids - non programmed works	0.198	-	-	-	-	0.198
Software Licences	0.123	-	-	-	-	0.123
Contingency Balance	0.781	-	-	-	-	0.781
Infrastructure Improvements	0.416	-	-	-	-	0.416
Major Refurbishment Works	0.052	-	-	-	-	0.052
Tenant led balance	0.636	-	-	-	-	0.636
Electrical Testing	0.270	-	-	-	-	0.270
	13.685	-	-	5.442	(4.065)	15.062

## Budget Management - 30 November 2023

## Virement/Budget Adjustment Requests

	Perm (P) / Temp(T)	2023/24	
		Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Roads - Third Party Payments	T	1.078	
Roads - Income	T	-1.078	
Employability - Third Party Payments	T	0.117	
Employability - Employee Costs	T	0.042	
Employability - Grant Income	T	-0.159	
			<b>0.000</b>
<b>Communities</b>			
Facilities Management - Income	P	0.156	
Facilities Management - Supplies & Services	P	-0.045	
Facilities Management - Employee Costs	P	-0.111	
Community Mental Health - Employee Costs	T	0.166	
Community Mental Health - Supplies & Services	T	0.004	
Community Mental Health - Administration Costs	T	0.003	
Community Mental Health - Third Party Payments	T	0.086	
Community Mental Health - Grant Income	T	-0.259	
			<b>0.000</b>
			<b>0.000</b>



## Integration Joint Board 14<sup>th</sup> December 2023

<b>Subject :</b>	<b>2023-24 – Month 7 Financial Performance</b>
<b>Purpose :</b>	To provide an overview of the IJB's financial performance as at month 7 (October).
<b>Recommendation :</b>	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> <li>(a) notes the overall integrated financial performance report for the financial year 2023-24 and the current overall projected year-end overspend of £3.858m;</li> <li>(b) notes the progress with delivery of agreed savings;</li> <li>(c) notes the actions which are being taken to progress financial recovery;</li> <li>(d) notes the remaining financial risks for 2023-24; and</li> <li>(e) approves the budget reductions which are detailed at paragraph 2.10.</li> </ul>

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	X
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
BRAG	Blue, Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit Committee
MARAC	Multi Agency Risk Assessment Conference

<b>1.</b>	<b>EXECUTIVE SUMMARY</b>
1.1	The report provides an overview of the financial position for the Partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments; these have been prepared in conjunction with relevant budget holders and services. It should be noted that, although this report



	refers to the position at the end of October, further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	The projected outturn is a year-end overspend of £3.858m (1.2%) for 2023-24 which is a favourable movement of £0.128m from month 6. This includes the financial impact of the NHS pay award, the impact of the Council pay award is still being finalised.
1.3	From the core projections, overall, the main areas of pressure are residential placements for children, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.
<b>2.</b>	<b>CURRENT POSITION</b>
2.1	The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances and an update on progress in terms of savings delivery.
2.2	<b>FINANCIAL PERFORMANCE – AT MONTH 7</b>
	<p>At month 7 against the full-year budget of £311.735m there is a projected year-end overspend of £3.858m (1.2%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £2.500m (£0.079m favourable) in social care services and a projected overspend of £1.358m (£0.049m favourable) in health services.</p> <p>Appendix A provides the financial overview of the Partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets.</p> <p>The projections for some areas will be subject to fluctuations as they depend on recruitment plans for new funding and also the capacity of providers to take on work.</p>
2.3	<b>Health and Community Care Services</b>
	<p>Against the full-year budget of £89.893m there is a projected overspend of £0.382m (0.4%) and the main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions and charging order income) are projected to underspend by £0.488m (£0.017m favourable movement).</p>

The budgeted number of permanent placements is 780 and at month 7 there are 786 placements. The projection assumes that the current number of placements will continue to the end of the year. Within the projection there is an assumption that recent placements which do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed with 50% of the cases at the current average cost of a placement and 50% at the gross or interim funded rate. It is likely that there will still be some cases being gross or interim funded at the year end. Their actual cost will not be known until the financial assessment is completed and this can impact on the final position.

The level of income recovered from charging orders is included in the projection above and is assumed to be £0.204m over recovered (£0.070m favourable) based on the income received to date. This income is not easy to project as it depends on the length of the legal process and time taken to sell the property that the charging order is registered to.

- b) Interim care beds are projected to underspend by £0.250m (£0.250m favourable) based on the usage to date and projected usage until the year end.
- c) Care at home (in house and purchased) is projected to be £0.418m underspent (£0.064m adverse). The position includes an underspend in in-house services of £0.919m (£0.080m adverse) as there are vacant posts, but some of the current capacity is being met by existing staff working additional hours and casual staff. Bank staff are being offered contracts and additional staff are being recruited which will replace the need for existing staff to work additional hours. This is partly offset by an overspend in purchased services of £0.500m (£0.017m favourable) as the budget was reduced to reflect the additional costs of bringing some services in-house after the provider withdrew from the contract.
- d) Reablement services are projected to be £0.125m (£0.002m favourable) underspent due to vacancies.
- e) Care at Home Charging Income is projected to under recover by £0.060m (£0.011m favourable) due to an ongoing shift towards personal care which is non chargeable.
- f) Physical Disability Services - projected underspend of £0.250m (£0.033m favourable) in community care packages, £0.449m underspend (£0.056m favourable) in direct payments and £0.458m overspend (£0.018m favourable) for residential placements. There is also an under-recovery of income of £0.133m (no movement).
- g) Anam Cara is projected to overspend by £0.073m (£0.004m adverse) due to covering vacancies and sickness absence (£0.017m) and under-recovered income (£0.056m).

	<p>h) Integrated Island Services is projected to be £0.308m overspent (£0.041m adverse movement). There is an overspend at Montrose House of £0.241m (adverse movement of £0.046m) which relates to employee costs (the net cost of agency staff versus vacancies), supplies and cleaning costs and an under-recovery of charging income. There is also an overspend of £0.050m due to Band 6 nurses receiving back-dated recruitment and retention premium this financial year. Arran medical services are projecting to overspend by £0.032m and the remaining projected overspend is due to supplies costs increasing. The overspends are partially offset by a projected underspend in care at home costs of £0.086m (£0.049m adverse movement). There are staffing vacancies which are included within the payroll turnover savings figures below which offset the use of agency and bank staff.</p> <p>i) District Nursing is projected to overspend by £0.195m (£0.041m favourable movement) due to an overspend on bank nursing costs and supplies. The favourable movement is due to a reduction in the use of bank staff as posts have been recruited to.</p>
	<p>j) Rehab wards are projected to overspend by £0.202m which is an £0.018m favourable movement (Redburn ward £0.213m overspent and Douglas Grant £0.011m underspent). The overspend is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support.</p> <p>k) Wards 1 and 2 are projected to overspend by £0.925m (£0.075m adverse movement) due to increased use of supplementary staffing.</p> <p>l) Cumbrae Lodge Continuing Care beds are projected to underspend by £0.150m (no change) due to a reduced charge to reflect the reduction in beds used during the transition to the new service.</p>
<b>2.4</b>	<b>Mental Health Services</b>
	<p>Against the full-year budget of £103.504m there is a projected overspend of £1.618m (1.6%) prior to the reallocation of the Lead Partnership overspend to East and South HSCP. This also excludes any potential variance on the Mental Health Recovery and Renewal Funding where any underspend will be earmarked at the year-end for use in 2024-25. The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £0.670m (£0.010m adverse) and the main variances are:</p> <ul style="list-style-type: none"> <li>Care Packages (including residential and direct payments) - projected underspend of £0.109m in community care packages (£0.136m adverse), projected overspend of £0.384m in direct payments (£0.036m adverse) and £0.446m for residential placements (£0.114m favourable).</li> </ul>

- Trindlemoss non-employee costs are projected to underspend by £0.075m.
- b) Community Mental Health services are projected to underspend by £0.245m (£0.021m adverse movement) which is mainly due to an underspend of £0.474m in community packages (including direct payments) and an overspend in residential placements of £0.244m.
- c) The Lead Partnership for Mental Health is projecting to be £1.188m overspent (£0.220m favourable movement) and the main variances are as follows:
- A projected overspend in Adult Inpatients of £0.520m (£0.033m favourable movement) due to overspends in supplementary staff for enhanced observations, staff cover due to sickness (inc. covid outbreak) and reduced bed sale income.
  - The UNPACS (Unplanned Activities) budget is projected to overspend by £1.410m (£0.003m adverse movement) based on current number of placements and enhanced costs remaining until the year end. The adverse movement is due to additional costs for enhanced observations. These placements are for individuals with very specific needs that require a higher level of security and/or care from a staff group with a particular skill set/competence. There are no local NHS secure facilities for women, people with a learning disability or people with neurodevelopmental disorder. This can necessitate an UNPACS placement with a specialist provider which can be out-of-area. The nature of mental health UNPACS spend is that it is almost exclusively on medium or long term complex secure residential placements which are very expensive so a small increase in placements can have a high budgetary impact. Due to the complexity and risk involved, transitions between units or levels of security can take many months. Applications to approve a placement are made to the Associate Medical Director for Mental Health who needs to be satisfied that the placement is appropriate and unavoidable prior to this being agreed.
  - A projected overspend in MH Pharmacy of £0.084m (£0.030m favourable) due to an increase in substitute prescribing costs. The favourable movement is due to revising the projection to reflect updated information from the new prescribing system.
  - Learning Disability Services are projected to overspend by £0.322m (no movement). There is a high usage of supplementary staffing due to backfill for sickness, increased and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis.
  - Elderly Inpatients are projected to overspend by £0.173m (£0.008m favourable) due to the use of supplementary staffing.
  - The Innovation Fund is projected to underspend by £0.232m (£0.043m adverse) due to slippage within some of the projects and not all of the funding was allocated.

- Additions in patients are projected to overspend by £0.003m (£0.011m favourable) due to the use of supplementary staffing.
- The Directorate cost centre is projected to overspend by £0.095m mainly due and overspend of £0.049m on supplies and £0.012m of legal fees.
- The turnover target for vacancy savings for the Lead Partnership is held within the Lead Partnership as this is a Pan-Ayrshire target. There is a projected over-recovery of the vacancy savings target of £1.254m (£0.191m favourable) in 2023-24, further information is included in the table below:

Vacancy Savings Target	(£0.873m)
Projected to March 2024	£2.127m
Over/(Under) Achievement	£1.254m

The current projection to the year-end is informed by the recruitment plans and the confidence in recruitment success and realistic timescales for filling individual vacancies.

The areas contributing to this vacancy savings position are noted below:

- Adult Community MH £0.033m
- CAMHS £0.592m
- Mental Health Admin £0.330m
- Psychiatry £0.377m
- Psychology £0.735m
- Associate Nurse Director £0.060m

## 2.5 **Children and Justice Services**

### **Children's Services**

Against the full-year budget of £39.560m there is a projected overspend of £5.269m (13.3%) (£0.253m adverse) and the main variances are:

- a) Care Experienced Children and Young People is projected to overspend by £4.928m (£0.188m adverse). The main areas within this are noted below:
  - Children's residential placements are projected to overspend by £5.734m (£0.184m adverse). We started 2023/24 with 32 external placements and there are currently 35 placements (month 6 was 34 placements) which are assumed to continue until the end of the year. Within the £5.734m there is £0.145m relating to enhanced costs for two placements. One placement has also moved from being 50/50 funded with Education to 100% HSCP as the placement no longer has an education element. There are a number of factors leading to this challenging position:



	<ul style="list-style-type: none"> <li>• We have 32 places available in our internal children's houses, due to demand these have been operating at 100%+ occupancy for some time, leading to increased use of external placements where residential care is required.</li> <li>• The requirement to support Unaccompanied Asylum-Seeking Children (UASC) under the National Transfer Scheme and to support trafficked young people who have been identified in North Ayrshire.</li> <li>• A number of young people in residential care have requested Continuing Care, whereby a young person can remain in their placement until age 21.</li> <li>• Where appropriate young people are placed to meet their educational needs, the cost of Residential School Placements in the most cases is shared 50/50 with Education services.</li> </ul> <p>Children's Services are continuing to work with other services including Education and Housing to address the challenges. A change programme is being developed to respond to the pressures of residential care, further detail of the scope and plan around this work will be presented to a future IJB.</p> <ul style="list-style-type: none"> <li>• Looked After and Accommodated Children (fostering, adoption, kinship etc) is projected to be £0.486m underspent (£0.013m favourable); this is based on the current number of placements and reflects additional monies received to support the uplift in rates for fostering and kinship placements (16+year olds) and the costs associated with this.</li> </ul> <p>b) Children with disabilities – residential placements are projected to overspend by £0.305m (£0.097m favourable). This is based on 9 current placements and 1 further placement which is expected to commence during December. Direct payments are projected to underspend by £0.240m (£0.051m favourable). Community packages are projected to underspend by £0.119m (£0.015m favourable) based on 73 current number of packages and assumptions around further packages until the year end.</p>
	<p>c) Residential respite – placements are projected to overspend by £0.049m (no movement). These short-term placements are used to prevent an admission to full residential care. There is one short term placement, but this could vary throughout the year and have an impact on the projection.</p> <p>d) Head of Service – is projected to overspend by £0.306m (£0.006m adverse). The overspend is mainly due to the planned saving of £0.233m in relation to the staff reconfiguration in the children's houses which is not expected to be fully achieved in 23-24. There are also projected costs of £0.092m for the JII (Joint Investigative Interview) project which is not funded.</p>

	<p>e) Intervention Services – are projected to underspend by £0.020m (£0.068m adverse). The adverse movement is due to posts being filled sooner than planned and increased transport costs.</p> <p>f) Justice Services – is projected as being spent in full, however, there is a risk the service could go into an overspend if there is no additional grant funding to mitigate the potential impact of the 23/24 pay award.</p>												
2.6	<b>ALLIED HEALTH PROFESSIONALS (AHP)</b>												
	The non-employee costs element of the AHP services are projected to be on-line. All underspends in employee costs have been taken as payroll turnover.												
2.7	<b>CHIEF SOCIAL WORK OFFICER</b>												
	There is a projected underspend of £0.465m (£0.081m favourable) mainly due to a projected underspend in the Carers Strategy funding.												
2.8	<b>MANAGEMENT AND SUPPORT</b>												
	<p>Management and Support Services are projected to underspend by £1.703m (£0.053m adverse) and the main areas of underspend are:</p> <ul style="list-style-type: none"><li>• An over-recovery of payroll turnover of £0.723m for social care services and an over-recovery of payroll turnover of £0.306m for health services as outlined in the table below. This is an adverse movement of £0.111m on the health services element.</li><li>• There is projected slippage on the LD and MH transition funding of £0.694m (£0.141m favourable) due to delays in children transitioning into adult services.</li></ul> <p>The turnover targets and projected achievement for the financial year for Health and Social Care services outwith the Lead Partnership is noted below:</p> <table><tr><th></th><th>Social Care</th><th>Health Services</th></tr><tr><td>Vacancy Savings Target</td><td>(3.014m)</td><td>(1.433m)</td></tr><tr><td>Projected to March 2024</td><td>3.737m</td><td>1.739m</td></tr><tr><td><b>Over/(Under) Achievement</b></td><td><b>0.723m</b></td><td><b>0.306m</b></td></tr></table> <p>The position in the table above reflects the assumption in the current financial projections. For social care, a total of £1.937m (64.3% of annual target) has been achieved to date.</p>		Social Care	Health Services	Vacancy Savings Target	(3.014m)	(1.433m)	Projected to March 2024	3.737m	1.739m	<b>Over/(Under) Achievement</b>	<b>0.723m</b>	<b>0.306m</b>
	Social Care	Health Services											
Vacancy Savings Target	(3.014m)	(1.433m)											
Projected to March 2024	3.737m	1.739m											
<b>Over/(Under) Achievement</b>	<b>0.723m</b>	<b>0.306m</b>											



The health vacancy projection to the year-end is based on the month 7 position and is informed by the recruitment plans and confidence in recruitment to posts for the remainder of the year.

The areas contributing to the health and social care vacancy savings are spread across a wide range of services with vacancy savings being achieved in most areas.

The main areas at month 7 are:

- Children and Families £0.600m
- Learning Disability £0.047m
- Management and Support £0.196m
- Community Care Service Delivery £0.187m
- Rehab and Reablement £0.174m
- Locality Services £0.205m
- Integrated Island Services £0.220m
- Community Mental Health £0.073m

There have been no intentional plans to pause or delay recruitment and services have actively continued to recruit; in some service areas it has proven difficult to fill posts.

The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.

## 2.9 Savings Progress

a) The approved 2023-24 budget included £4.963m of savings.

BRAG Status	Position at Budget Approval £m	Position at Month 7 £m
Red	-	0.273
Amber	2.245	0.322
Green	2.718	0.560
Blue	-	3.808
<b>TOTAL</b>	<b>4.963</b>	<b>4.963</b>

b) The main area to note is that previous amber savings of £0.273m, relating to the reconfiguration of staffing within Children and Families, have been escalated to red. Progress to date suggests that the timescale for this saving will not be met and the full £0.273m will not be achieved in 2023-24 but this is accounted for in the projected outturn.

Work is ongoing to refresh the Transformation Plan to focus on the financial challenges which the Partnership expects to face in 2024/25 and 2025/26. The plan is critical to the ongoing sustainability of service delivery. Once it has been endorsed

by the Transformation Board it will be included within future financial monitoring reports. The Transformation Board also has responsibility for overseeing the delivery of the plan and for ensuring that projects remain on track.

Appendix B provides an overview of those service changes which do have financial savings attached to them and the current BRAG status around the deliverability of each saving.

## 2.10 **Budget Changes**

The Integration Scheme states that *“either party may increase it’s in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis.... without the express consent of the Integration Joint Board.”*

Appendix C highlights the movement in the budget position following the initial approved budget.

### **Reductions Requiring Approval:**

<b>Ref</b>	<b>Description</b>	<b>Amount</b>
1	North Contribution to the TEC team – this contribution has been made since 2020 but this makes the contribution permanent.	0.075
2	Trindlemoss GP input – increased cost of service	0.008
3	Support the ongoing availability of Buvidal – transfer to NADARS	0.002
4	Contribution from CAMHS to Acute for de-escalation rooms	0.025
5	Pharmacy tariff transfer to reflect historic NRAC share.	0.015

## 2.11 **Pan Ayrshire Lead Partnership services and Large Hospital Set Aside**

Lead Partnerships: - The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. The outturn for all Lead Partnership services is shared across the 3 Partnerships on an NRAC basis; this position is currently the default pending further work to develop a framework to report the financial position and risk sharing across the 3 Partnerships in relation to hosted or lead service arrangements, which has been delayed by the requirement to focus efforts on the Covid response.

The final outturn in relation to North Lead Partnership services would not be fully attributed to the North IJB as a share would be allocated to East and South Partnerships; similarly, the impact of the outturn on East and South led services will



require to be shared with North. At Month 7 the MH lead partnership is projected to overspend by £1.188m (£0.389m NRAC share for East and £0.340m for South).

**South HSCP (month 6 information)** – projected overspend of £0.360m (£0.080m favourable) of which £0.133m will be allocated to North. The overspend is mainly due to an overspend of £0.247m in the community store to replace obsolete equipment, which will reduce maintenance costs in the medium term, £0.107m in the continence service and £0.010m in the Family Nurse Partnership.

**East HSCP (month 6 information)** – projected underspend of £0.149m of which £0.055m will be allocated to North. The underspend is mainly due to:

**Primary Care and Out of Hours Services (Lead Partnership)**

There is a projected underspend of £0.198m on the Primary Care Lead Partnership budget and includes a projected underspend in Dental services totalling £0.270m, where staffing numbers are running at less than establishment. Recruitment over the remainder of the financial year has the potential to impact on the projected outturn position at month 6. In addition, there are projected reduced costs within Primary Care contracting and support £0.340m, largely due to staff turnover. These reduced costs are partially offset by additional costs in the GP element of Out of Hours services, as well as additional costs in the overnight nursing service, totalling £0.470m, as well as a small overspend on projected staff costs in Primary Medical Services £0.060m. Work is ongoing to address the Out of Hours increased costs as far as possible over the course of the 2023/24 financial year. This projected outturn position assumes funding will be allocated to fully offset Urgent Care Pathway projected costs £1.198m, as well as Covid-19 Therapeutics projected costs £0.257m

**Prison and Police Healthcare (Lead Partnership)**

The £0.065m projected overspend at month 6 is largely due to increased costs associated with the new national medical contract.

**Set Aside** : - preparatory work is well underway with NHS Ayrshire and Arran and the other Ayrshire partnerships to progress and develop the set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Joint Commissioning Plans and overall progression towards fair share allocations of resources. The North budget for set aside resources for 2023-24 is currently £35.547m. This is based on the 2022-23 figure of £34.850m inflated by the 2023-24 uplift of 2%. Ayrshire Finance Leads have agreed a baseline methodology for set aside budgets which involves using the four full years prior to the pandemic, 2016/17 – 2019/20 inclusive. This will be included in a Q2 update for Ayrshire Finance Leads on 15/12/23.

The annual budget for Acute Services is £421.7m. The directorate is overspent by £16.5m after 7 months. This is caused by increasing overspends on agency medical and nursing staff, together with drug expenditure. These have been required due to the level of operational pressure being experienced, in common with many other

areas in Scotland. Several unfunded wards and beds are open across both main hospital sites.

There is a material underlying deficit caused by:

- Unachieved efficiency savings
- High expenditure on medical and nursing agency staff, high rates of absence and vacancies causing service pressure.
- Delayed transfers of care and high acuity of patients.

The IJBs and the Health Board work closely in partnership to maintain service and improve performance.

## 2.12 **FINANCIAL RECOVERY PLAN**

The Integration Scheme requires the preparation of a recovery plan if an overspend position is being projected to plan to bring overall service delivery back into line with the available resource.

Heads of Service have closely reviewed expenditure and have implemented actions which have seen the projected year-end position improve by a net £0.468m since Month 3. The main contributors to this are noted in the table below:

	<b>TOTAL</b>
Payroll Turnover – Health (non-Lead)	45,000
Anam Cara staffing	104,000
Care Experienced Young People	770,000
Looked After Children	125,000
Transitions funding	286,000
Care Homes	58,000
Physical Disabilities (Community Packages, Direct Payments and Residential)	200,000
Interim Care Beds	250,000
Mental Health Care Packages	201,000
Mental Health Lead Partnership – North element	86,000
Children with a disability	97,000
Carers Funding	81,000
District Nursing	41,000
Rehab Wards	18,000

These areas of improvement have been partially offset by adverse movements in Care at Home, Integrated Island Services, Wards 1 and 2 at Woodland View, UNPACS and intervention services.

Work is ongoing to further improve the projected position and an updated plan will be included in the Month 9 report which will be brought to the February IJB. This work is built on the following general principles:

	<ul style="list-style-type: none"> <li>• No adverse impact on delayed discharges or patient flow during Winter</li> <li>• Exercising professional judgement around the use of waiting lists where this may have an impact elsewhere in the system</li> <li>• Reviewing the need for more active management of non-frontline vacant posts</li> <li>• The non-recurring use of reserves</li> <li>• Working with East and South on lead partnership projections</li> <li>• The potential for a freeze on non-essential spend.</li> </ul> <p>As a contingency there is provision of £2m non-recurring funding set aside in the reserves (appendix D) to contribute towards the 2023-24 position. This would reduce the current projected overspend to £1.858m.</p> <p>The IJB also holds a General Fund reserve balance of £5.821m of unallocated funds, this would underwrite the risk of the remainder of the projected overspend if it cannot be managed downwards in the coming months. This would be a last resort as this funding is non-recurring and it does not resolve the areas underlying the projected overspend.</p>
2.13	<b>FINANCIAL RISKS</b>
	<p>There are a number of ongoing financial risk areas that may impact on the 2023-24 budget during the year, these include:</p> <ul style="list-style-type: none"> <li>• Current high levels of inflation which impact on costs incurred directly by the Partnership and on our partner providers</li> <li>• High risk areas of low volume / high-cost services areas e.g. Children's residential placements, Learning Disability care packages and complex care packages;</li> <li>• Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this.</li> <li>• Ongoing implementation costs of the Scottish Government policy directives</li> <li>• Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs.</li> <li>• The impact on Lead Partnership and acute services from decisions taken by other Ayrshire areas.</li> <li>• The use of supplementary staffing for enhanced observations across a number of service areas.</li> <li>• The use of high-cost agency staff to support frontline service delivery in areas where there are recruitment challenges.</li> <li>• Continuing risks associated with provider sustainability.</li> <li>• The Local Government pay award for 2023-24 has recently been settled and will be paid from December; the increase is in excess of the budgeted 3% and will have an adverse impact on the projected financial position unless sufficient additional funding is forthcoming.</li> <li>• The NHS Ayrshire and Arran Health Board financial deficit and the risks around further escalation in the national framework for financial escalation.</li> </ul>

North Ayrshire IJB have already discussed our position in relation to the request for payment for delayed discharges.

These risks will continue to be monitored during the remainder of 2023-24 and any impact reported through the financial monitoring report.

## 2.14 RESERVES

The IJB reserves position is summarised in the table below.

The 'free' general fund balance of £5.821m is held as a contingency balance; this equates to around 2.1% of the initial approved IJB budget for 2023-24 which is within, but towards the lower end, of the target range of 2%-4%.

	General Fund Reserve	Earmarked Reserves		Total
	Unearmarked	External Funding	HSCP	
	£m	£m	£m	£m
<b>Opening Balance - 1 April 2023</b>	<b>6.448</b>	<b>6.997</b>	<b>4.219</b>	<b>17.664</b>
Audit Adjustment	(0.627)	(0.309)	-	(0.936)
<b>Corrected Opening Balance</b>	<b>5.821</b>	<b>6.688</b>	<b>4.219</b>	<b>16.728</b>
2023-24 Draw Per the Budget Paper	-	(1.252)	-	(1.252)
<b>Current Reserve balances</b>	<b>5.821</b>	<b>5.436</b>	<b>4.219</b>	<b>15.476</b>

The 2023-24 budget approved the use of £1.252m of previously earmarked reserves to support a balanced budget position for 2023-24. The HSCP earmarked reserves also includes a further amount of £2.0m which was agreed to support the financial position during 2023-24.

The reserves above now reflect the adjustment of £0.936m which was identified in the external audit of the 2022/23 accounts and reported to the November IJB. This related to a difference between the total IJB reserves and the balances due to the IJB from partners' audited accounts and has now been reconciled.

## 3. PROPOSALS

### 3.1 Anticipated Outcomes

Continuing to closely monitor the financial position will allow the IJB to take corrective action where required to ensure the Partnership can deliver services in 2023-24 from within the available resource, thereby limiting the financial risk to the funding partners.

### 3.3 Measuring Impact

Ongoing updates to the financial position will be reported to the IJB throughout 2023-24.



<b>4.</b>	<b>IMPLICATIONS</b>
4.1	<u>Financial</u> The financial implications are as outlined in the report. Against the full-year budget of £311.735m there is a projected overspend of £3.858m. The report outlines the main variances for individual services.
4.2	<u>Human Resources</u> The report highlights vacancy or turnover savings achieved to date. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing service change and reviews as per agreement with the IJB, there is no intention to sustain the staffing capacity reduction on a recurring or planned basis.
4.3	<u>Legal</u> None.
4.4	<u>Equality/Socio-Economic</u> None.
4.5	<u>Risk</u> Para 2.13 highlights the financial risks. The report falls in line with the agreed risk appetite statement which is a <b>low</b> -risk appetite in respect to adherence to standing financial instructions, financial controls and financial statutory duties and a <b>high</b> -risk appetite in relation to finance and value for money.
4.6	<u>Community Wealth Building</u> None.
4.7	<u>Key Priorities</u> None.
<b>5.</b>	<b>CONSULTATION</b>
5.1	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.
5.2	The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.

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2023-24 Budget Monitoring Report–Objective Summary as at 31<sup>st</sup> October 2023

## Appendix A

Partnership Budget - Objective Summary	2023/24 Budget									(Under) Spend Variance at Period 6	Movement in projected variance from Period 6
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITY CARE AND HEALTH	70,430	69,219	(1,211)	19,463	20,806	1,343	89,893	90,025	132	366	(234)
: Locality Services	28,193	27,346	(847)	5,354	5,549	195	33,547	32,895	(652)	(229)	(423)
: Community Care Service Delivery	36,607	35,995	(612)	0	0	0	36,607	35,995	(612)	(693)	81
: Rehabilitation and Reablement	2,131	2,136	5	0	0	0	2,131	2,136	5	2	3
: Long Term Conditions	943	1,004	61	10,420	11,449	1,029	11,363	12,453	1,090	1,027	63
: Community Link Workers	181	174	(7)	0	0	0	181	174	(7)	(8)	1
: Integrated Island Services	2,375	2,564	189	3,689	3,808	119	6,064	6,372	308	267	41
MENTAL HEALTH SERVICES	29,804	30,234	430	73,700	74,888	1,188	103,504	105,122	1,618	1,804	(186)
: Learning Disabilities	22,959	23,629	670	478	478	0	23,437	24,107	670	660	10
: Community Mental Health	5,961	5,716	(245)	1,753	1,753	0	7,714	7,469	(245)	(266)	21
: Addictions	884	889	5	1,837	1,837	0	2,721	2,726	5	2	3
: Lead Partnership Mental Health NHS Area Wide	0	0	0	69,632	70,820	1,188	69,632	70,820	1,188	1,408	(220)
CHILDREN & JUSTICE SERVICES	34,714	39,831	5,117	4,846	4,998	152	39,560	44,829	5,269	5,016	253
: Irvine, Kilwinning and Three Towns	3,183	3,152	(31)	0	0	0	3,183	3,152	(31)	3	(34)
: Garnock Valley, North Coast and Arran	3,062	2,997	(65)	0	0	0	3,062	2,997	(65)	(73)	8
: Intervention Services	1,828	1,807	(21)	0	0	0	1,828	1,807	(21)	(88)	67
: Care Experienced Children & Young people	22,941	27,869	4,928	0	0	0	22,941	27,869	4,928	4,740	188
: Head of Service - Children & Families	1,070	1,376	306	0	0	0	1,070	1,376	306	300	6
: Justice Services	2,413	2,412	(1)	0	0	0	2,413	2,412	(1)	0	(1)
: Universal Early Years	217	218	1	4,199	4,351	152	4,416	4,569	153	134	19
: Lead Partnership NHS Children's Services	0	0	0	647	647	0	647	647	0	0	0
CHIEF SOCIAL WORK OFFICER	1,858	1,393	(465)	0	0	0	1,858	1,393	(465)	(384)	(81)
PRIMARY CARE	0	0	0	52,998	52,932	(66)	52,998	52,932	(66)	0	(66)
ALLIED HEALTH PROFESSIONALS				10,200	10,200	0	10,200	10,200	0	0	0
COVID NHS	0	0	0	0	(274)	(274)	0	(274)	(274)	(274)	0
MANAGEMENT AND SUPPORT COSTS	8,908	7,539	(1,369)	3,476	3,142	(334)	12,384	10,681	(1,703)	(1,756)	53
NATIONAL COMMISSIONED SERVICE	0	0	0	3	3	0	3	3	0	0	0
FINANCIAL INCLUSION	1,335	1,333	(2)	0	0	0	1,335	1,333	(2)	(3)	1
OUTTURN ON A MANAGED BASIS	147,049	149,549	2,500	164,686	166,695	2,009	311,735	316,244	4,509	4,769	(260)
Return Hosted Over/Underspends East	0	0	0	0	(389)	(389)	0	(389)	(389)	(461)	72
Return Hosted Over/Underspends South	0	0	0	0	(340)	(340)	0	(340)	(340)	(403)	63
Receive Hosted Over/Underspends South	0	0	0	0	133	133	0	133	133	133	0
Receive Hosted Over/Underspends East	0	0	0	0	(55)	(55)	0	(55)	(55)	(52)	(3)
OUTTURN ON AN IJB BASIS	147,049	149,549	2,500	164,686	166,044	1,358	311,735	315,593	3,858	3,986	(128)



## 2023-24 Savings Tracker

## Appendix B

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 7	2023/24 Saving	Description of the Saving
<b>Children, Families &amp; Criminal Justice</b>					
1	Staffing reconfiguration - children & families	Amber	Red	273,000	Review staffing provision within children's houses with the saving phased over 2023/24 and 2024/25 – 50/50
<b>Community Care &amp; Health</b>					
2	Deliver the Strategic Plan objectives for Older People's Residential Services - Reduction in Care Home Places	Amber	Blue	1,000,000	The budget for 23/24 would fund an average 780 places at the current split of nursing/residential (60/40). This reflects reduced demand and investment in CAH to support more people at home.
3	Care Home Respite	Amber	Green	560,000	All respite care to be provided in-house at Anam Cara and Montrose House and any use of other respite provision funded via Carers budget.
4	Montrose House Capacity	Green	Amber	210,000	Registration amended from 30 beds to 20 beds across 2 staffed wings. This is supported by introduction of intermediate care beds at Arran War Memorial Hospital.
5	Reconfigure respite provision at Anam Cara	Amber	Amber	112,000	The service is currently relocated to Taigh Mor (8 beds) on a temporary basis and this proposal would reduce capacity from 14 beds to 9 beds in one wing when it reverts to Anam Cara.
<b>Mental Health</b>					
6	Trindlemoss pool running costs	Green	Blue	85,000	Trindlemoss Pool has never opened due to ongoing maintenance issues. The historic budgeted running costs are £0.085m but it is expected actual costs would be much higher. The pool will not open and alternative therapies will be provided e.g. bounce
7	Trindlemoss Day Care	Green	Blue	168,932	Trindlemoss day opportunities staffing was restructured during 2021/22 and 2022/23. This saving has already been achieved and will remove the additional staffing budget.
8	Intermediate Placement Scheme - cessation of service	Green	Blue	30,000	The contract has ceased and will not be renewed.
<b>Other Areas</b>					
9	Carers Act Funding - Substitution of Spend	Green	Blue	500,000	There is a plan in place to invest across carer service contract, preparation of carer plans, short breaks and other support to carers. This proposal will invest £0.500m in contributions to Red Rose House, Roslin House, Anam Cara, waiving of charges and day services.

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 7	2023/24 Saving	Description of the Saving
<b>Other Areas</b>					
10	Payroll Turnover - increase to target (social care)	Green	Blue	1,000,000	The saving is based on less than 50% of the 2022/23 overachievement
11	Income Generation - 5% Increase to fees and charges	Green	Blue	46,600	Implement a 5% increase to fees and charges and a 5% increase to the maximum charge. The impact will be limited where service users are already paying the maximum charge.
12	Staffing Reconfiguration - Finance and Transformation	Green	Blue	35,091	Saving released through management and admin structure change

**TOTAL SOCIAL CARE SAVINGS** **4,020,623**

**Health:**

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 7	Approved Saving 2023/24 £m	Description of the Saving
13	Payroll Turnover - Health Lead Partnership	Green	Blue	392,245	The saving is based on less than 25% of the 2022/23 overachievement
14	Payroll Turnover - Health Non Lead Partnership	Green	Blue	250,000	The saving is based on less than 50% of the 2022/23 overachievement
15	Reprovisioning of Continuing Care beds	Amber	Blue	300,000	Currently provided through Cumbrae Lodge Care Home in Irvine but the provider does not want to continue to provide the service. Plans are being developed to relocate the service to Taigh Mor in Beith with an anticipated saving of £0.3m.

**TOTAL HEALTH SAVINGS** **942,245**

**TOTAL NORTH HSCP SAVINGS** **4,962,868**

## 2023-24 Budget Reconciliation

## Appendix C

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			121.408
Less Living Wage Fund not yet allocated			(2.826)
<b>Revised Budget</b>			<b>118.582</b>
Resource Transfer	1-6	P	24.640
HSCP Fin Circ 3	1-3	T	0.013
Living Wage - final allocation	1-3	P	2.808
ICT Licences Various	1-3	P	(0.012)
Island Funds	1-3	T	0.015
Facilities Management Costs - Montrose House	1-3	P	0.387
West Road - Capital funded from Revenue	1-3	T	(0.300)
Care at Home – Draw from reserves	4	T	0.173
Transport (taxi) budget transferred to HSCP	6	P	0.247
Curator fees budget transferred from Legal Services	6	P	0.004
Fostering and Kinship – additional SG funding re increased rates.	6	P	0.486
Commercial Waste	7	P	0.005
Roundings	7		0.001
<b>Social Care Budget Reported at Month 7</b>			<b>147.049</b>
HEALTH	Period	Permanent or Temporary	£'m
<b>Initial Baseline Budget</b>			<b>164.500</b>
Month 10-12 Adjustments			2.473
MDT funding			0.828
Adjust for full year impact of part year amounts			0.052
<b>Revised Baseline</b>			<b>167.853</b>
Baseline Funding Increase			2.164
Adjust for recurring funding			7.629
Adjust for non-recurring			2.434
Resource Transfer			(23.597)
<b>2023/24 Opening Position</b>			<b>156.483</b>
Net impact of Pan Ayrshire Pressures	1	P	0.028

Top Slicing Posts 2022-23	2		(0.054)
MDT Funds to Arran Medical Group	3		(0.033)
Training Grade Adjustments	3		(0.035)
Ward 3 Band 2 Domestic	3		(0.004)
V2 B6 to AHM233	3		(0.061)
Virement 12 Band 2 Domestic	4		(0.010)
Virement 18 Band 3 budget transfer - J Baird	4		0.019
Lymphoedema Top Slice RX	4		(0.029)
HD Ref 51 Band 2-4	4		0.054
District Nursing Anticipated	5		0.032
HD REF 110 Multi-Disciplinary Teams	5		0.120
Post (EB) transferred to Medical Records	5		(0.037)
Integrated Infant Feeding (South)	5		0.057
Integrated Infant Feeding (SG)	5		0.050
2023-24 RX Budget	6		(0.908)
Training Grade ADJ - August	6		0.270
PFG LOCAL IMPROVEMENT	6		0.457
ADP National Mission	6		0.207
ADP Residential Rehab	6		0.094
ADP AFC Pay Uplift	6		0.091
ADP Lived & Living Experience	6		0.009
ADP Drug Prevalence	6		0.059
ADP Whole Family Approach	6		0.066
ADP MAT 70%	6		0.175
HD126: MENTAL HEALTH AFTER COVID HOSPITALISATION SERVICE 23-24	6		0.039
REMOVE Anticipate MACH (Mental Health After Covid)	6		(0.102)
HD185: MENTAL HEALTH OUTCOMES FRAMEWORK	6		2.178
HD227: DELIVERY OF VETERAN SPECIFIC MENTAL HEALTH SUPPORT	6		0.105
HD229: DIGITAL THERAPY POSTS	6		0.059
COMMUNITY PHLEBOTOMY - NORTH SHARE	6		(0.039)
SOUTH ADP WARD 5 W/VIEW PAY UPLIFT	6		0.003
SOUTH ADP ORT PAY UPLIFT	6		0.005
SOUTH ADP PREV&SERVICES SUPPORT PAY UPLIFT	6		0.004
Apprenticeship Levy	6		0.225
Training Grade ADJ - September	6		(0.007)
ADP PSST Support - South	6		0.008

South Naloxone kits	6		0.002
South MAT Funding - Psychiatry	6		0.029
ADP Pay Uplift	6		0.003
Drug Tarif Anticipate 2023-24	6		0.525
North HSCP Medical Pay Award 23/24	6		0.532
LDS Shortfall - Alloway Place	7		(0.008)
TEC (North) to CSS	7		(0.075)
Budget adj for Buvidal use NADARS	7		(0.002)
MH Strategy Action 15 Workforce 23-24	7		0.879
CAMHS IMP - IPCU	7		0.243
CAMHS IMP - INT HOME TREATMENT TEAMS	7		0.221
CAMHS IMP - OOH UNSCHEDULED CARE	7		0.148
CAMHS IMP - LD FORENSIC AND SECURE	7		0.089
HD305: SPECIALIST COM PERINATAL MH, INFANT MH & NEONATAL PSYCHOLOGY INTERVENTION	7		0.373
ANTICIPATE TRANCHE 2: SPECIALIST COM PERINATAL MH, INFANT MH & NEONATAL PSYCHOLOGY INTERVENTION	7		0.215
DE-ESCALATION ROOMS TO RESOURCE	7		(0.025)
Hd254 Pharmacy tariff reduction to reflect historic NRAC share.	7		(0.015)
Hd256 Increase to the pharmacy tariff to match the actuals on the national allocation letter.	7		0.018
Roundings	7		(0.001)
Anticipated budgets included in the report but not in the ledger	7		3.000
<b>Health Budget Reported at Month 7</b>			<b>164.686</b>

<b>TOTAL COMBINED BUDGET</b>	<b>311.735</b>
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