
NORTH AYRSHIRE COUNCIL

29 November 2022

Cabinet

Title: Revenue Budget 2022/23 : Financial Performance to 30 September 2022

Purpose: To advise Cabinet of the financial performance for the Council at 30 September 2022.

Recommendation: That Cabinet agrees to:

- (a) note the information and financial projections outlined in the report;
- (b) approve the earmarking of £1.792m identified at 2.5 to meet future year commitments;
- (c) note the latest financial projection for the Health and Social Care Partnership highlighted at 2.6;
- (d) note the current projected deficit position of KA Leisure; and
- (e) approve the virements detailed in Appendix 7.

1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2022/23 were approved by Council on 2 March 2022. The Housing Revenue Account (HRA) Revenue Budget for 2022/23 was approved by Council on 16 February 2022.
- 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 second report for 2022/23 and covers the period to the end of September 2022 (Period 6). Projections have been made to the year-end.
- 1.3 At Period 6 the General Fund is forecasting a net breakeven position after transferring resources to/from earmarked reserves.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£0.944m), (1.7%).

- 1.5 At the end of September 2022, the Health and Social Care Partnership is projecting a year-end underspend of (£0.051m), (0.0%), for 2022/23, a reduction of £0.338m from the previously reported position. The Council services element is reporting a projected underspend of (£0.292m), a reduction of £0.369m, which is partly offset by a projected overspend in relation to the Health services element of £0.241m, which is an improvement of (£0.031m) over the same period.
- 1.6 KA Leisure has indicated a projected trading deficit of £0.279m for 2022/23. It is anticipated that the additional financial support to KA Leisure will be drawn from previously approved earmarked funds.
- 1.7 Significant risks to the reported position have been identified arising from inflationary pressures in relation to energy costs and essential commodities, including food and vehicle fuel. In addition, ongoing negotiations in relation to 2022/23 pay settlement for teachers may result in cost pressures in excess of current provisions. The impact of these in terms of the utilisation of Council reserves and knock on effect on future budget gaps will continue to be monitored and reported to Cabinet as appropriate.

2. Background

General Fund

- 2.1 The Council set a breakeven budget for 2022/23. In addition to the budget approved on 2 March 2022, earmarked funds of £31.875m were carried forward from 2021/22 for service expenditure in 2022/23 and are reflected in the figures within the 2022/23 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net breakeven position, net of transfers to/from reserves, is anticipated for the year to 31 March 2023.

2.3 Details of the current financial projections are summarised in the following table:

	Appendix No	Annual Budget £000's	Projection to 31 March 2023 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 4 (Fav)/Adv £000's	Movement £000's	Note
Service Expenditure							
Chief Executives	1	19,631	19,582	(49)	(5)	(44)	
Communities	2	154,835	153,586	(1,249)	-	(1,249)	(i)
Place	3	67,953	69,940	1,987	1,809	178	(ii)
Other Corporate Services	4	33,713	30,683	(3,030)	(2,251)	(779)	(iii)
Sub Total		276,132	273,791	(2,341)	(447)	(1,894)	
Health and Social Care Partnership	8	115,936	115,936	-	-	-	2.6
Balance for Services		392,068	389,727	(2,341)	(447)	(1,894)	
Financing Charges	5	12,413	12,413	-	-	-	
Contribution to Loans Fund Reserve	5	3,502	3,502	-	-	-	
Total Planned Expenditure		407,983	405,642	(2,341)	(447)	(1,894)	
Planned Income							
Aggregate External Finance	5	(341,296)	(341,296)	-	-	-	
Council Tax	5	(62,210)	(62,147)	63	(39)	102	(iv)
Use of Earmarked Funds	5	(4,477)	(4,477)	-	-	-	
Total Planned Income		(407,983)	(407,920)	63	(39)	102	
Net Expenditure/ (Income)		-	(2,278)	(2,278)	(486)	(1,792)	
Carried Forward Funds		-	2,278	2,278	486	1,792	
Revised Net Expenditure/(Income)		-	-	-	-	-	

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
Planned Income				
Approved Budget 31 July 2022	(281,497)	(37,575)	(21,259)	(340,331)
Movements:				
21/22 SNCT Pay Award	(890)			(890)
Heat & Energy Efficiency Strategy	(75)			(75)
Revised Planned Income	(282,462)	(37,575)	(21,259)	(341,296)

2.5 Commentary on Significant Movements from the Approved Budget

The Council's overall financial forecast against the revised budget is a net breakeven position. Although this is consistent with the previously reported position, it includes a number of movements at a service level. A brief explanation of the significant movements from the previous forecasts are outlined as follows:

(i) Communities – underspend of (£1.249m), an increase of (£1.249m) from the previously reported breakeven position.

The movement since Period 4 is primarily related to confirmation of school staffing levels for the new academic year and vacancy management across non-teaching posts, including :

- Confirmation of teacher staffing projections incorporating teacher turnover, (£0.903m);
- Vacancy management across various non-teaching posts, (£0.214m);
- Reduced projected overspend on external specialist residential placements, (£0.062m); and
- Increased income, (£0.100m), related to PPP contractor penalty charges.

It is requested that £0.600m of the reported underspend is earmarked to support the Medium Term Financial Plan and help address ongoing resource pressures across the service throughout 2023/24.

Virements in relation to the recognition of additional grant income for the Youth Music Initiative, Active Schools and Community Justice have been included within Appendix 7. In addition, a virement has been proposed to transfer the additional teacher turnover savings to support the teacher cover budget.

(ii) Place – overspend of £1.987m, an increase of £0.178m from the previously reported overspend.

The net movement since Period 4 is primarily related to:

- Increased operational costs within Waste Services arising from trade effluent charges, £0.070m, contractual charges, £0.055m, and transport costs, £0.070m;
- Lower than anticipated property income, £0.119m; and
- Increased fleet costs related to fuel charges and repairs and maintenance price inflation, £0.136m.

These have been partly offset by:

- Lower than anticipated net expenditure across Facilities Management linked to reduced levels of commercial catering and school meal activity, (£0.125m);
- Revised energy cost inflation projections following the utilisation of inflationary pressure contingencies, (£0.104m); and
- Vacancy management across services, (£0.060m).

It is requested that a further £0.233m is earmarked to support anticipated additional expenditure during 2023/24, including:

- £0.060m for Facilities Management provision within Moorpark Primary School;
- £0.139m for the running costs of Lochshore café over the first 2 financial years; and
- £0.053m in relation to the Rapid Rehousing Transition Plan.

These requests are partly offset by a reduction in the previously approved earmarking in relation to the expansion of ELC provision, (£0.019m) to reflect updated cost projections.

Virements in relation to the realignment of school meals budgets within Facilities Management and a reduction in the income from other services budget within Roads, reflecting revised projections, have been included within Appendix 7.

(iii) Other Corporate Items – underspend of (£3.030m), an increase of (£0.779m) from the previously reported underspend.

The movement since Period 4 is primarily related to the release of previously earmarked funds and increased projected income, including:

- The release of (£0.552m) of reserves previously earmarked towards the 2022/23 pay settlement
- Additional income following the introduction of shared AVCs and Annual Leave purchase scheme for employees, (£0.125m);
- Release of corporate contingencies in relation to Non Domestic Rates inflation, (£0.091m); and
- Revised projections for Housing Benefit Overpayment Recoveries and Subsidy provision following completion of the mid-year estimates exercise, (£0.131m).

These have been partly offset by the transfer of £0.164m to CFCR to support the buy back of gas extraction equipment under the Shewalton landfill contract. A proposed virement in relation to this has been included within Appendix 7.

It is requested that £0.959m of the reported underspend is earmarked to support anticipated additional expenditure during 2023/24, including:

- £0.125m for the upgrading of the chambers' webcasting equipment to support the Council's core governance arrangements; and
- £0.834m in relation to acceleration of HSCP debt repayments to support the Medium Term Financial Plan.

The resultant net underspend has been applied to offset the net overspend reported within Place.

(iv) Council Tax – underrecovery of £0.063m, a movement of £0.102m from the previously reported overrecovery.

The movement since Period 4 is primarily related to lower than anticipated income in relation to prior years and increased Council Tax Reduction expenditure due to additional eligible claims.

Health and Social Care Partnership

- 2.6 A copy of the HSCP financial performance report as at the end of September 2022 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 below:

- The projected outturn is a year-end underspend of (£0.051m) for 2022/23.
- The projected underspend on the Council Services element is (£0.292m) over the same period. This is partly offset by a projected overspend on the Health Services element of £0.241m;
- The main areas of risk identified include:
 - Low volume / high cost service areas, including Learning disability care packages, children's residential placements and complex care packages;
 - Progress to develop set aside arrangements and the risk sharing arrangements agreed as part of this;
 - Implementation of Scottish Government policies;
 - Lead / hosted service arrangements;
 - The impact on Lead Partnership and acute services of decisions taken by other Ayrshire areas;
 - Covid recovery and re-mobilisation of services;
 - Implementation of the National Care Service;
 - NHS pay award for 2022/23;
 - Inflationary pressures;
 - Review of the Care at Home service; and
 - Adequacy of funding for new Supported Accommodation developments.

The projected position highlights the progress towards financial balance essential to minimise further financial risk to the Council within the context of the current debt of £2.320m. Proposals for the accelerated repayment of this debt during 2022/23 have been included in the Council's Medium Term Financial Plan. Further information will be presented to Cabinet during the course of the year.

Risks

- 2.7 Significant risks to the reported position have been identified arising from inflationary pressures in relation to energy costs and essential commodities, including food and vehicle fuel. A total of £1.666m has been drawn down from earmarked reserves to offset the additional inflationary pressures identified across services to 30 September 2022. In June 2022, Cabinet agreed to earmark £1.888m from the 2021/22 underspend to address unbudgeted inflationary pressures arising from the current cost of living crisis. Any further increases beyond current budget provision may impact on future service provision.

Following conclusion of the negotiations in relation to the 2022/23 Local Government pay settlement, it is anticipated that the pay arrears will be processed during December 2022. It is currently forecast that the increased costs will be met from existing provision combined with additional funding allocated by the Scottish Government and the utilisation of earmarked reserves. However, negotiations in relation to the 2022/23 Teachers' pay settlement are ongoing. Any award in excess of that agreed by local government workers may require the utilisation of Council reserves, with a knock on effect on future budget gaps. The risks arising from these negotiations will continue to be monitored and reported to Cabinet as appropriate.

Housing Revenue Account

2.8 The Housing Revenue Account budgeted for a breakeven position in 2022/23 and an in-year underspend of (£0.944m), (1.7%), is currently anticipated for the year to 31 March 2023. This is summarised in the following table with further details provided in Appendix 6.

	Annual Budget £000's	Projection to 31 March 2023 £000's	Projected Variance for year (Fav)/Adv £000's	Previous Variance @ Period 4 (Fav)/Adv £000's	Movement £000's	Note
Employee Costs	5,300	5,502	202	202	-	
Property Costs	18,748	19,469	721	68	653	(i)
Supplies and Services	451	316	(135)	(11)	(124)	(ii)
Transport and Plant Costs	34	25	(9)	-	(9)	
Administration Costs	1,881	1,770	(111)	(11)	(100)	(iii)
Third Party Payments	2,550	2,780	230	129	101	(iv)
Transfer Payments	155	155	-	-	-	
Other Expenditure	368	368	-	-	-	
Capital Financing	24,692	22,689	(2,003)	(1,830)	(173)	(v)
Gross Expenditure	54,179	53,074	(1,105)	(1,453)	348	
Income	(54,179)	(54,018)	161	234	(73)	(vi)
Net Expenditure	-	(944)	(944)	(1,219)	275	

2.9 Commentary Significant Movements from the Revised Budget

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

- (i) **Property Costs – overspend of £0.721m, an increase of £0.653m from the previously reported overspend**
The movement is primarily related to increased expenditure on Responsive Repairs, £0.445m, Void Repairs, £0.101m, and Other Property Costs, £0.075m.
- (ii) **Supplies and Services – underspend of (£0.135m), an increase of (£0.124m) from the previously reported underspend**
The movement is primarily related to lower than anticipated expenditure on IT equipment and software licences.

- (iii) **Administration Costs – underspend of (£0.111m), an increase of (£0.100m) from the previously reported underspend**
The movement is primarily related to lower than anticipated legal fees.
- (iv) **Third Party Payments – overspend of £0.230m, an increase of £0.101m from the previously reported overspend**
The movement is primarily related to increased recharges arising from Housing Asset and Investment.
- (iv) **Capital Financing Costs – underspend of (£2.003m), an increase of (£0.173m) from the previously reported underspend**
The underspend is primarily related to reduced loan charges, reflecting rephasing within the HRA capital programme.
- (v) **Income – underrecovery of £0.161m, a reduction of (£0.073m) from the previously reported underrecovery**
The movement is primarily increased income from recharges and other income, partly offset by reduction in the previously reported Other Rents income.

3. Proposals

3.1 It is proposed that Cabinet agrees to:

- (c) note the information and financial projections outlined in the report;
- (d) approve the earmarking of £1.792m identified at 2.5 to meet future year commitments;
- (c) note the latest financial projection for the Health and Social Care Partnership highlighted at 2.6;
- (d) note the current projected deficit position of KA Leisure; and
- (e) 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 September 2022 is a net breakeven position.

Housing Revenue Account

The net projection for the year as at 30 September 2022 is a net underspend of (£0.944m).

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 2019 to 2024 by maximising resources and providing value for money to support financially sustainable delivery models.

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 2022/23 : Financial Performance to 30 September 2022 - Cabinet 27 September 2022

CHIEF EXECUTIVES
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Chief Executive					
Chief Executive	193	198	5	3%	
Total for Chief Executive	193	198	5	3%	
Financial Services					
Change Programme	51	51	-	0%	
Audit, Fraud, Safety & Insurance	645	655	10	2%	
Corporate Procurement	972	871	(101)	(10%)	1
Financial Services	1,309	1,309	-	0%	
Revenues	(538)	(548)	(10)	2%	
Transformation	697	707	10	1%	
Total for Financial & Customer Services	3,136	3,045	(91)	(3%)	
People & ICT					
Employee Services	898	898	-	0%	
HR & Organisational Development	1,096	1,096	-	0%	
ICT	5,288	5,297	9	0%	
Business Support	1,261	1,261	-	0%	
Customer Services	3,746	3,746	-	0%	
Total for People & ICT	12,289	12,298	9	0%	
Democratic Services					
Legal & Licensing	463	516	53	11%	2
Policy, Performance & Elections	473	459	(14)	(3%)	
Communications	464	464	-	0%	
Civil Contingencies	60	60	-	0%	
Committee Services	554	554	-	0%	
Member Services	1,329	1,340	11	1%	
Ayrshire Support Service	54	54	-	0%	
Information Governance	404	382	(22)	(5%)	
Total for Democratic Services	3,801	3,829	28	1%	
Growth & Investment					
Growth & Investment	10	10	-	0%	
Total for Growth & Investment	212	212	-	-	
Net Total	19,631	19,582	(49)	(0%)	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,445	16,328	(117)	(1%)
Property Costs	68	68	-	0%
Supplies and Services	3,062	3,055	(7)	(0%)
Transport and Plant Costs	27	28	1	4%
Administration Costs	1,372	1,384	12	1%
Other Agencies & Bodies	2,030	2,030	-	0%
Transfer Payments	817	817	-	0%
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	23,821	23,710	(111)	(0%)
Income	(4,190)	(4,128)	62	(1%)
Net Expenditure	19,631	19,582	(49)	(0%)

CHIEF EXECUTIVES
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Finance - Corporate Procurement
			Movement : There has been a favourable movement of £0.023m since P4 primarily due to a reduction in projected Business Continuity costs
957	(113)	-12%	Employee Costs - An underspend of £0.113m due to vacancy management.
-	12		Other minor variances
	(101)		
Note 2			Democratic Services - Legal and Licensing
			Movement : There has been an adverse movement of £0.029m since P4 mainly due to reduced Licensing income.
(717)	62	-9%	Income : Projected under-recovery of £0.062m due to under-recovery in Licensing income based on current and prior year trends.
-	(9)		Other minor variances
	53		

COMMUNITIES
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	19,738	19,713	(25)	(0%)	
Primary Education	44,329	43,891	(438)	(1%)	1
Secondary Education	55,992	55,967	(25)	(0%)	2
Additional Support Needs	12,484	12,167	(317)	(3%)	3
Education - Other	4,723	4,279	(444)	(9%)	4
Pupil Equity Fund	5,414	5,414	-	0%	
Connected Communities	12,155	12,155	-	0%	5
Net Total	154,835	153,586	(1,249)	(1%)	
Less Proposed Carry Forwards	-	600	600		
Net Total	154,835	154,186	(649)	(0%)	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	130,622	129,180	(1,442)	(1%)
Property Costs	576	582	6	1%
Supplies and Services	18,086	18,450	364	2%
Transport and Plant Costs	150	151	1	1%
Administration Costs	538	536	(2)	(0%)
Other Agencies & Bodies	13,218	13,087	(131)	(1%)
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	78	78	-	0%
Gross Expenditure	163,848	162,644	(1,204)	(1%)
Income	(9,013)	(9,058)	(45)	0%
Net Expenditure	154,835	153,586	(1,249)	(1%)

COMMUNITIES
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Primary Education
			Movement : There has been a favourable movement of £0.413m compared to P4. This is mainly due to employee projections following confirmed staffing levels for the new academic year.
42,205	(477)	-1%	Employee Costs : £0.477m underspend in non teaching staff costs. £0.270m is due to a part year saving for Dining Hall Supervisors who were appointed at the start of this academic year. The remainder is due to recruitment gaps and vacancy management across all other categories of non teaching staff.
2,002	22	1%	Supplies and Services : £0.022m overspend in PPP costs due to pass through utility costs subject to same inflationary pressures as other schools.
79	(28)	-35%	Third Party Payments: an underspend of £0.028m as less overtime required due to streamlined processes
(73)	45	-62%	Income: under recovery of school let income due to school lets not fully operational
(438)			
Note 2			Secondary Education
			Movement : There has been a favourable movement of £0.047m compared to P4. This is mainly due to employee projections following confirmed staffing levels for the new academic year.
42,654	(218)	-1%	Employee Costs : £0.218m underspends in non teaching staff costs due to recruitment gaps and vacancy management across all types of staff.
13,141	178	1%	Supplies and Services : £0.178m overspend in PPP costs due to pass through utility costs subject to same inflationary pressures as other schools.
136	(30)	-22%	Third Party Payments: an underspend of £0.030m as less overtime required due to streamlined processes
(78)	45	-58%	Income: under recovery of school let income due to school lets not fully operational
(25)			
Note 3			ASN
			Movement: There has been a favourable movement of £0.272m compared to P4, mainly due to vacancy management of £0.207m and a decrease in the residential placements forecasted overspend of £0.062m.
9,966	(221)	-2%	Employee costs: £0.022m overspend in teaching costs. This is offset by £0.242m underspend in non teaching staff costs across all ASN school and bases provision from recruitment gaps and vacancy management across all categories of non teaching staff. This projection takes no account of the outcome of the ongoing Supporting Needs review.
1,010	(328)	-32%	There is a projected underspend of £0.328m on external day placements as a result of the assessment process currently in place. This enables the children to remain in mainstream establishments or in-authority ASN establishments.
499	213	43%	There is a projected overspend of £0.213m on external specialist residential placements due to the wider impact of the pandemic on the ongoing number of children in residential education. Currently there are 7 children in accommodation. Joint working is ongoing with HSCP to continually assess the care setting for these children in delivering positive outcomes.
-	19		Other minor movements across various budget lines
(317)			
Note 4			Education Other
			Movement :There has been a favourable movement of £0.524m since P4. This is due to increased teacher turnover transferred from Primary and Secondary.
4,846	(215)	-4%	Employee costs: £0.064m underspends across central HQ staff and a projected excess of £0.151m in teachers turnover.
1,415	28	2%	Third Party Payments - small overspends across various subscriptions/licences
(1,666)	(275)	17%	Income - PPP insurance rebate £0.075m and deductions of £0.200m in excess of budget.
-	18		Other minor movements across various budget lines
(444)			
Note 5			Connected Communities
			Movement: No change since period 4.
7,319	(284)	-4%	Employee Costs: underspends across all sectors due to vacancy management.
1,055	146	14%	Supplies and Services: anticipated inflationary increase in costs.
4,795	(7)	0%	Third Party Payments: additional support of £0.279m will be required for NALL from the Council. This will come from the use of previously earmarked funds totalling £0.365m which will be used to support the trading deficit position and the renewal programme within NALL.
(1,458)	143	-10%	Income: projected £0.173m under recovery across various sectors as income has not returned to pre covid levels, offset by projected over recovery in Arran Outdoor of £0.030m.
-	2		Other minor movements across various budget lines.
-			

PLACE
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate and Support	186	186	-	0%	
Housing and Public Protection					
Building Services	(2,542)	(2,542)	-	0%	1
Property Governance	(7)	(7)	-	0%	
Protective Services	1,315	1,246	(69)	(5%)	
Facilities Management	15,319	14,653	(666)	(4%)	2
Other Housing	2,987	2,696	(291)	(10%)	3
Total for Housing and Public Protection	17,072	16,046	(1,026)	(6%)	
Commercial Services					
Roads	6,719	7,098	379	6%	4
Streetscene	4,788	5,010	222	5%	5
Waste Resources	9,420	9,779	359	4%	6
Total for Commercial Services	20,927	21,887	960	5%	
Economic Growth and Regeneration					
Planning Services	290	290	-	0%	
Economic Development	4,387	4,387	-	0%	
Total for Economic Growth and Regeneration	4,677	4,677	-	0%	
Sustainability, Transport and Corporate Property					
Property Management & Investment	1,449	1,531	82	6%	7
Housing Assets & Investment	(2)	(2)	-	0%	
Property Maintenance	3,372	3,372	-	0%	
Property Running Costs	4,909	4,918	9	0%	
Energy and Sustainability	5,346	6,511	1,165	22%	8
Internal Transport	10,017	10,814	797	8%	9
Total for Sustainability, Transport and Corporate Property	25,091	27,144	2,053	8%	
Net Total	67,953	69,940	1,987	3%	
Transfer to Earmarked Reserves		719	719		
Net Total	67,953	70,659	2,706		

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	58,726	58,728	2	0%
Property Costs	22,508	23,797	1,289	6%
Supplies and Services	13,847	12,110	(1,737)	(13%)
Transport and Plant Costs	9,687	10,872	1,185	12%
Administration Costs	1,008	1,007	(1)	(0%)
Other Agencies & Bodies	19,262	19,281	19	0%
Transfer Payments	-	-	-	0%
Other Expenditure	182	192	10	5%
Gross Expenditure	125,220	125,987	767	1%
Income	(57,267)	(56,047)	1,220	(2%)
Net Expenditure	67,953	69,940	1,987	3%

PLACE
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Building Services
			Movement: There has been no movement since P4 however the service are currently managing significant financial challenges to achieve a break-even position..
5,624	(997)	(18%)	Supplies & Services: An underspend of £0.997m in supplies and services. This is due to an underspend in materials as a result of a change in the composition of the works programme. This underspend is offset against the reduction in income shown below.
2,152	730	34%	Third Party Payments: An overspend in third party payments of £0.730m. This is due to an overspend of £0.740m in payment to contractors partially offset by an underspend of £0.009m in Agency costs.
(20,153)	291	(1%)	Income: There is an under recovery of income of £0.291m. This is primarily due to the delay in the door renewal, detection equipment and kitchen programmes.
	(24)		Other minor movements
	-		
Note 2			Protective Services
			Movement : There has been a favourable movement of £0.069m since the last reporting period due to vacancies within the service.
1,749	(69)	(4%)	Employee Costs: An underspend of £0.069m in staffing costs due to vacancies during the year.
	(69)		
Note 3			Facilities Management
			Movement: There has been a favourable movement of £0.152m since period 4 which is primarily in relation to increased cleaning and janitorial income and the delayed opening of the new Moorpark Primary School.
13,577	(466)	(3%)	Employee Costs: Underspend of £0.119m is due to reduced commercial catering activity. There is an underspend of £0.195m due to the reduced uptake of school meals. Both these underspends relate to the under recovery of income highlighted below. In addition, there is an underspend of £0.132m due to recruitment issues and reduced overtime and casual costs..
962	104	11%	Property Costs: Overspend is primarily in relation to purchasing cleaning materials in response to Covid-19.
3,965	(1,001)	(25%)	Supplies and services: There is a saving of £0.134m in food due to reduced commercial catering. There are further food savings of £0.348m due to reduced school meal uptake. In addition, there is an underspend within Early Years of £0.467m which has arisen due to a lower attendance rate than originally anticipated. There is also a saving of £0.067m within tools and implements due to delayed opening of Moorpark Primary and reduced commercial catering activity.
(3,442)	662	(19%)	Income: There is an under-recovery in commercial catering income of £0.645m due to the closure of buildings and Covid-19 restrictions. There is also an under-recovery of school meal income of £0.072m. This is offset against an over-recovery of cleaning and janitorial income of £0.055m.
			A marketing campaign is being rolled out to encourage the uptake of school meals across the school estate.
-	35		Other minor movements
			The Early years expansion is linked to specific grant funding provided by the Scottish Government. It is proposed to reduce the £0.486m earmarked at period 4 by £0.019m to £0.467m. This is to match the current projected underspend to the earmark request.
			It is proposed to earmark the Moorpark Primary underspend of £0.060m as the new school opening has been delayed until 2023/24.
			It is proposed to earmark the core budget underspend of £0.139m to help cover the running costs of Lochshore Café for the next two years.
			A proposed budget virement for £0.119m has been included in Appendix 7 to realign school meal budgets.
	(666)		
Note 4			Other Housing
			Movement: There has been a favourable movement of £0.036m since period 4. This is mainly due to a decrease in employee costs across the service and Temporary Accommodation property rents. This is partly offset by an increase in bad debt provision for Ardrrossan Hostel and Temporary Accommodation and a small decrease in other income.
4,466	(314)	(7%)	Employee Costs: Underspend due to vacancy management.
-	23		Other minor movements
			It is requested to earmark £0.053m of the vacancy underspend that relates to the Rapid Rehousing Transition Plan.
	(291)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 5			Roads
			Movement: There has been an adverse movement of £0.033m since period 4. The main increases are in coated roadstone and Artificial Intelligence software costs.
2,560	96	4%	Supplies and Services: The overspend relates mainly to coated roadstone costs, which have been adversely affected by inflation. This is partly offset by an underspend in the stock issues budget.
1,892	(45)	(2%)	Third Party Payments: Due to Covid-19 related delays in implementing the Car Parking Charges and Decriminalised Parking Enforcement, the £0.125m budget allocated will not be used. The roads maintenance budget has been adversely affected by inflationary pressures and the service is managing the programme taking account of this. However there remains a small overspend in unavoidable contractor costs. In addition to this, there is an overspend of £0.025m on Artificial Intelligence software costs related to Asset Management.
(2,293)	320	(14%)	Income: £0.346m under recovery of income relating to Car Parking Charges and Decriminalised Parking Enforcement, which will not be achieved this year due to delays in the transfer of these powers. The remaining variance mainly relates to an over recovery in fees and charges, partly offset with an under recovery in salaries recovered from capital.
-	8		Other minor movements.
			A proposed budget virement for £0.100m has been included in Appendix 7. This is to decrease the income and related expenditure budgets for work carried out for other Council Services. These budgets were increased by £0.784m at period 4 and a revised estimate has been put on the value of work to be carried out this year.
	379		
Note 6			Streetscene
			Movement : There has been no significant movement since P4
129	146	113%	Transport Costs: Extra vehicles are on hire due to Seasonal work (two of which go off hire soon), HAVS operator and useage of vehicles by Waste to deal with bin deliveries due to legacy issues from Covid. There is also an overspend in skip hire of £0.045m, which is historical, and levels of waste have stayed at comparable levels from 2021/22 to 2022/23 due the continuation of staycations.
327	62	19%	Supplies and Services: Overspend is due to essential material inflationary pressures.
-	14		Other minor movements
	222		
Note 7			Waste Services
			Movement : There has been an adverse movement of £0.190m since P4 due to; £0.070m on transport hires, £0.055m on trade effluent due to a faulty meter now corrected and £0.042m on the Clyde Valley contract.
4,763	826	17%	Employee Costs: Additional temporary labour remains in place within Waste Operations as the service recovers from the pandemic. Work to review beats taking account of post pandemic waste composition analysis and to balance the burden of new builds is ongoing with Trade Union colleagues resulting in support arrangements being required. In addition there is a high volume of annual leave not taken due to COVID, requiring holiday cover.
409	81	20%	Supplies & Services: Overspend on Trade effluent £0.070m.
6,441	(644)	(10%)	Third Party Payments: Underspend in Payment to contractors of £0.741m largely a result of improved quality of our recycle streams following sustained 'right stuff, right bin' campaigns alongside more competitive recycle prices within our disposal contracts. This is offset by an overspend in Clyde Valley waste of £0.107m which will be funded from reserves.
160	201	126%	Transport Costs: Overspend of £0.201m due to the new way of working requiring 2 additional hire vehicles plus a long term hire. This is being reviewed in line with the post pandemic review of beats.
(2,780)	(76)	3%	Income: Over-recovery of income due to the recycles market for glass, cans, plastics and paper being favourable to provide income rather than a cost to the council £0.153m. This is offset by an under recovery of gas extraction income £0.060m.
-	(29)		Other minor movements.
	359		
Note 8			Property Management and Investment
			Movement : There has been an adverse movement of £0.110m since P4 due to income under recovery.
2,350	(52)	(2%)	Employee Costs: An underspend of £0.052m due to vacancy management.
(8,653)	119	(1%)	Income: There is an under-recovery of £0.119m in fee income.
-	15		Other minor movements
	82		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 9			Energy and Sustainability
			Movement : There has been a favourable movement of £0.104m since P4 due to corporate provision brought in to offset the overspend in energy price increases. Water and Sewage has adversely moved by £0.079m and Electricity favourably by £0.063m.
5,374	1,160	22%	Property Costs: Due to the current energy crisis and after drawing down £0.658m from contingencies there is an overspend in property costs of £1.160m due to increased utility cost charges. Electricity is forecast to be £0.070m overspent, gas £0.981m over and biomass £0.109m over. The reported overspends are after the inclusion of budgeted inflation contingencies. The remaining overspend will be offset against the additional inflationary provisions agreed by Council which have been reported within the Other Corporate Items appendix. A review is underway to confirm options available to reduce consumption across our estate further to help mitigate the inflationary pressure. This will be considered in the context of a need for sufficient ventilation in buildings and will also be contingent on temperatures experienced during the winter season
-	5		Other minor movements
	1,165		
Note 9			Internal Transport
			Movement : There has been an unfavourable movement of £0.147m due to a £0.062m increase in fuel costs as a result of a rise in the pence per litre; £0.050m projected overspend in repairs and maintenance costs; and £0.037m forecasted overspend in employee costs.
1,682	37	2%	Employee Costs: There is a forecasted overspend of £0.037m due to reduced staff turnover.
4,201	456	11%	Transport Provision Costs: Projected overspend of £0.456m is largely due to direct fuel cost increases and indirect fuel and labour cost increases through our school transport contracts.
1,823	225	12%	Fuel Costs: This projected overspend of £0.225m is due to the increase in fuel prices and the legislative changes restricting the use of rebated gas oil (or 'red diesel' as it is commonly referred to).
467	55	12%	External Hires: Projected overspend of £0.055m due to additional hire vehicles as a result of increased lead time for replacement vehicles.
1,123	50	4%	Repairs & Maintenance: Projected overspend of £0.050m in repairs and maintenance due to price increases and maximising the life of assets due to the increased lead time for replacement vehicles and the shortage of available rental alternatives.
-	(26)		Other minor movements
			The reported overspends are after the inclusion of budgeted inflation contingencies. The remaining overspend will be offset against the additional inflationary provisions agreed by Council which have been reported within the Other Corporate Items appendix.
	797		

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,212	2,188	(24)	(1%)	
SPT Concessionary Fares	286	286	-	0%	
Ayrshire Joint Valuation Board	954	932	(22)	(2%)	
	3,452	3,406	(46)	(1%)	
Other Corporate Costs					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	310	310	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	25,634	22,788	(2,846)	(11%)	1
Housing Benefits	2,422	2,284	(138)	-6%	2
	33,713	30,683	(3,030)	(9%)	
Less Proposed Carry Forwards			959		
Net Total	33,713	30,683	(2,071)	(6%)	

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Other Corporate Items
			There has been movement of £0.788m from Period 4 due the release of £0.552m of reserves previously earmarked towards the 2022/23 pay settlement, which are no longer required; additional income from shared AVC and the purchase of additional annual leave; and revised projected drawdowns from central inflationary contingencies.
25,634	(3,010)	-12%	The projected underspend is primarily related to the drawdown of £1.666m earmarked funds in relation to additional contractual and non contractual energy and fuel costs reported across the services, linked to significant unbudgeted inflationary pressures and the release of £0.552m of earmarked funds in relation to the 2022/23 pay settlement. In addition, centrally held funds of £0.676m are not expected to be fully utilised in year, including lower than anticipated costs in relation to the Council Tax Reduction regulatory changes and additional Scottish Government funding in relation to Core Curriculum Charges, changes to DHP distributions and the administration of grants. Additional corporate income of £0.116m is anticipated in relation to the shared AVC scheme and the purchase of additional annual leave. These funds have been applied to offset the overspend reported within Place at Appendix 3.
			It is requested that £0.959m of the reported underspend is earmarked to support identified expenditure pressures in relation to :- Chambers web casting equipment - Upgrade to support the Council's core governance arrangements - £0.125m; and Acceleration of HSCP debt repayment - To support the Medium Term Financial Plan - £0.834m.
			A proposed budget virement for £0.164m has been included in Appendix 7. This is to allocate addition Capital form Current Revenue (CFCR) in relation to the required buy back of equipment under the Shewalton landfill gas extraction contract.
	(3,010)		
Note 2			Housing Benefit
			There has been movement of £0.131m from Period 4 due to the revised Housing Benefit Subsidy estimate.
2,422	(138)	-6%	Projected underspend of £0.138m due to the provision of Housing Benefits and overpayment recovery.
	(138)		

MISCELLANEOUS ITEMS
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	12,249	12,249	-	-	
Contribution to Loans Fund Reserve	3,502	3,502	-	-	
Scottish Government Funding	(341,296)	(341,296)	-	-	
Council Tax	(62,210)	(62,147)	63	(0%)	1
Use of Earmarked Funds	(3,925)	(3,925)	-	-	
Net Total	(391,680)	(391,617)	63	(0%)	

Note 1 Council Tax

Movement: There has been an adverse movement of £0.102m since period 4. This is mainly due lower than anticipated income in relation to prior years and increased Council Tax Reduction expenditure due to additional eligible claims.

In year Council Tax collection performance has continued to return towards pre pandemic levels. However, net collections for prior years is £0.099m lower than anticipated at this point in the financial year.

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,300	5,502	202	4%	1
Property Costs					
Responsive Repairs	5,678	6,585	907	16%	
Void Repairs	3,147	3,139	(8)	(0%)	
Planned and Cyclical Maintenance	4,862	4,776	(86)	(2%)	
Aids and Adaptions	1,617	1,617	-	0%	
Other property costs	3,444	3,352	(92)	(3%)	
Total for Property Costs	18,748	19,469	721		2
Supplies & Services	451	316	(135)	(30%)	3
Transport Costs	34	25	(9)	(26%)	
Administration Costs	1,881	1,770	(111)	(6%)	4
Third Party Payments	2,550	2,780	230	9%	5
Transfer Payments	155	155	-	0%	
Other Expenditure	368	368	-	0%	
Capital Financing Costs	24,692	22,689	(2,003)	(8%)	6
Gross Expenditure	54,179	53,074	(1,105)	(2%)	
Income					
Council House Rents	(53,310)	(52,966)	344	(1%)	
Other Rents	(326)	(388)	(62)	19%	
Recharges	(397)	(441)	(44)	11%	
Other Income	(146)	(223)	(77)	53%	
Transfer from HRA Reserves	-	-	-	0%	
Total Income	(54,179)	(54,018)	161	(0%)	7
Net Expenditure	-	(944)	(944)		

HRA
BUDGETARY CONTROL 2022/23

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2022

Budget £000	Variance £000	Variance as % of budget	Section
Note 1			Employee costs
			Movement - There has been no movement since Period 4.
5,300	202	4%	An overspend in employee costs of £0.202m. This is due to an increased projection in the salary uplift.
202			
Note 2			Property Costs
			Movement - an adverse movement of £0.652m since Period 4. This is due to an increase of £0.445m in Responsive Repairs, £0.101m in Void Repairs, £0.031m in Planned and Cyclical Maintenance and £0.075m in Other Property Costs.
18,748	721	4%	An overspend in property costs of £0.721m. This is due to an overspend of £0.908m in Responsive Repairs, partially related to construction inflation, offset by underspends of £0.008m in Voids Repairs, £0.087m in Planned and Cyclical Maintenance, and £0.092m in other property costs.
721			
Note 3			Supplies & Services
			Movement - a favourable movement of £0.124m since Period 4 due to the underspends in computer equipment and software licences.
451	(135)	-30%	An underspend in supplies and services of £0.135m. This is primarily due to underspends of £0.080m in computer equipment and £0.033m in software licences.
(135)			
Note 4			Administration Costs
			Movement - a favourable movement of £0.100m since Period 4.
1,881	(111)	-6%	An underspend in administration costs of £0.111m. This is primarily due to an underspend of £0.105m in legal fees.
(111)			
Note 5			Third Party Payments
			Movement - an adverse movement of £0.101m since Period 4 due to increased Housing Asset and Investment recharges.
2,550	230	9%	An overspend in third party payments of £0.230m. This is due to an overspend of £0.256m in relation to the Housing Asset and Investment recharges partially offset by an underspend of £0.026m in ASB and Tenant Support charge.
230			
Note 6			Capital Financing Costs
			Movement - a favourable movement of £0.173m since P4 due to further slippage in the capital programme.
24,692	(2,003)	-8%	There is an underspend in capital financing costs of £2.003m due to reduced loan charges. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
(2,003)			
Note 7			Income
			Movement - a favourable movement of £0.073m since Period 4. This is due to an increase of £0.175m in recharges and £0.046m in other income partially offset by a reduction of £0.148m in other rents.
(54,179)	161	0%	An under recovery in income of £0.161m. This is due to an under recovery in Council House Rents of £0.342m partially offset by an over recovery of £0.061m in Other Rents, £0.044m in Recharges and £0.076m in Other Income.
161			

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	5.280	-	-	-	(1.151)	4.129
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	5.000	-	-	-	-	5.000
Voids - non programmed works	1.558	-	-	-	-	1.558
Software Licences	0.123	-	-	-	-	0.123
Contingency Balance	0.781	-	-	0.944	-	1.725
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
	15.616	-	-	0.944	(1.151)	15.409

Budget Management - 30 September 2022

Virement/Budget Adjustment Requests

	Perm (P) / Temp(T)	2022/23	
		Virement £m	Directorate Total £m
1) Budget Virements			
Place			
Roads Network - Third Party Payments	T	-0.050	
Roads Network - Supplies and Services	T	-0.050	
Roads Network - Income	T	0.100	
Facilities Management - Supplies and Services	P	-0.119	
Facilities Management - Income	P	0.119	
			0.000
Communities			
Youth Music Initiative - Creative Scotland Grant - Income	T	-0.190	
Youth Music Initiative - Creative Scotland Grant - Employee Costs	T	0.190	
Sportscotland Grant for Active Schools	T	-0.444	
Active Schools Operational Budget	T	0.444	
Community Justice - South Ayrshire & East Ayrshire - Income	T	-0.125	
Community Justice - South Ayrshire & East Ayrshire - Employee & Project costs	T	0.125	
Teacher Payroll Turnover - overachieved	T	-0.280	
Teacher HQ Cover	T	0.280	
			0.000
Other Corporate Items			
Transfer from Corporate Contingency Budget following release of Earmarked Funds	T	-0.164	
CFCR contribution to Capital for Shewalton landfill gas extraction contract	T	0.164	
			0.000



Integration Joint Board 17th November 2022

Subject: **2022-23 – Month 6 Financial Performance**

Purpose: To provide an overview of the IJB's financial performance as at Month 6 (September) including an update on the estimated financial impact of the Covid-19 response.

Recommendation: It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2022-23 and the current overall projected year-end underspend of £0.051m;
- (b) notes the progress with delivery of agreed savings;
- (c) notes the remaining financial risks for 2022-23, including the impact of remaining Covid-19 estimates and costs; and
- (d) approves the budget reductions which are detailed at paragraph 2.12.

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

1.	EXECUTIVE SUMMARY
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 September, 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 underspend of £0.051m (0%) for 2022-23. This includes the financial impact of the recently agreed local authority pay award but

	excludes the NHS pay award which has still to be agreed so this is still an unquantified risk.
1.3	From the core projections, overall, the main areas of pressure are learning disability care packages, residential placements for children, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.
2.	CURRENT POSITION
2.1	<p>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.</p> <p>The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.</p>
	FINANCIAL PERFORMANCE – AT MONTH 6
2.2	<p>At Month 6 against the full-year budget of £280.943m there is a projected year-end underspend of £0.051m (0%). 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 underspend of £0.292m in social care services and a projected overspend of £0.241m 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	Health and Community Care Services
	<p>Against the full-year budget of £80.827m there is a projected overspend of £0.330m (0.4%) which is an adverse swing of £1.087m 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 £0.923m which is an adverse movement of £0.147m.</p> <p>The budgeted number of permanent placements is 778 and at month 6 there are 779 placements. The projection assumes that the current number of placements will continue to increase to 799 placements by 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 FA1 financial assessment is completed.</p>

	<p>The level of income recovered from charging orders was under recovered in 2021-22 but an online position is assumed at month 6 as the income received to date is in line with the target.</p> <p>b) Care at home (in house and purchased) is projected to be £0.100m overspent which is an adverse movement of £0.651m. The position is made up of an underspend in purchased care at home as providers are not always able to accept referrals due to staffing / recruitment issues and an overspend in the in-house service. As there are vacant posts 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.</p> <p>c) Community alarms are projected to be £0.086m underspent which is an adverse movement of £0.119m as vacancies have been actively recruited to.</p> <p>d) Reablement services are projected to be £0.177m underspent which is an adverse movement of £0.024m due to vacancies which are being actively recruited to.</p> <p>e) Care at Home Charging Income is projected to under recover by £0.084m which is an adverse movement of £0.003m due to an ongoing shift towards personal care which is non chargeable. This is after applying £0.076m of covid funding.</p> <p>f) Physical Disability Care Packages (including residential and direct payments) - projected overspend of £0.144m in community care packages, £0.157m in direct payments and £0.267m for residential placements. This is an overall adverse movement of £0.007m.</p> <p>g) Adaptations are projected to be online based on spend to date.</p> <p>h) Anam Cara is projected to overspend by £0.155m which is an adverse movement of £0.028m due to an overspend on employee costs relating to covering vacancies and sickness.</p> <p>i) Integrated Island Services is projected to be £0.117m overspent which is a £0.047m favourable movement. The overspend is mainly due to additional accommodation costs for mainland staff working at Montrose House due to local recruitment challenges.</p> <p>j) District Nursing is projected to overspend by £0.029m due to an overspend on supplies.</p> <p>k) Rehab wards are projected to overspend by £0.212m (Redburn ward £0.310m overspent and Douglas Grant £0.098m underspent) which is an adverse movement of £0.024m. The overspend at Redburn is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support.</p>
2.4	Mental Health Services
	Against the full-year budget of £87.970m there is a projected overspend of £1.001m (1.1%). This 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 2023-24. The main variances are:

- a) Learning Disabilities are projected to overspend by £1.325m which is an adverse movement of £0.208m and the main variances are:
 - Care Packages (including residential and direct payments) - projected overspend of £0.360m in community care packages, £0.200m in direct payments and £0.595m for residential placements. This is an overall favourable movement of £0.007m.
Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The data from CM2000 will be reported back to the service to allow them to see where care has deviated from the planned level and focus reviews to those areas.
 - Residential Respite is projected to overspend by £0.148m which is an adverse movement of £0.057m due to increased energy costs. The overall overspend is This overspend reflects funding the new facility (Roslin House) to full capacity (£0.091m) and increased energy costs (£0.057m).
 - Agency staffing is projected to overspend by £0.088m due to the use of agency staff during the period of recruiting to full establishment.
- b) Community Mental Health services are projected to underspend by £0.518m which is a favourable movement of £0.067m and included within this are an underspend of £0.650m in community packages (including direct payments) and an overspend of £0.188m for residential placements.
- c) The Lead Partnership for Mental Health is projecting to be £0.252m overspent which is an adverse swing of £0.162m and the main variances are as follows:
 - A projected underspend in Adult Inpatients of £0.036m which is an adverse swing of £0.190m. This is mainly due to overspends in supplementary staff, staff in redeployment and reduced bed sale income which are offset by £0.306m of income in relation to the firestop works. The adverse swing is due to a reduction in the projected level of bed sale income due to a discharge.
 - The UNPACS (Unplanned Activities) budget is projected to overspend by £1.200m based on current number of placements remaining until the year end. 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 £0.100m due to an increase in substitute prescribing costs.
- Learning Disability Services are projected to overspend by £0.250m which is an adverse movement of £0.044m. This is mainly due to high usage of supplementary staffing, cross-charging for a LD patient whose discharge has been delayed and redeployment staffing costs. Supplementary staffing costs relate to backfill for sickness, increase and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis however, due to the individuals being acutely unwell at present, this level of enhanced observations has been maintained for a lengthy period of time. The projection assumes that we begin cross charging another HSCP for the ongoing costs of the person detailed above where, despite having extensive time to identify an alternative placement there has, as yet been no solution identified.
- Elderly Inpatients are projected to overspend by £0.164m which is an adverse movement of £0.020m mainly due to the use of supplementary staffing.
- 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 £1.187m in 2022-23, further information is included in the table below:

Vacancy Savings Target	(£0.481m)
Projected to March 2023	£1.668m
Over/(Under) Achievement	£1.187m

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 Health services £0.192m
- CAMHS £0.546m
- Mental Health Admin £0.270m
- Psychiatry £0.100m
- Psychology £0.540m
- Associate Nurse Director £0.020m

2.5

Children and Justice Services

Children's Services

Against the full-year budget of £36.432m there is a projected overspend of £1.950m which is an adverse movement of £0.047m (5.4%). The main variances are:

- a) Care Experienced Children and Young People is projected to overspend by £1.992m which is an adverse movement of £0.078m. The main areas within this are noted below:
 - Children's residential placements are projected to overspend by £2.911m prior to Covid funding and projected to overspend by £1.835m after £1.076m of Covid funding. This is an adverse movement of £0.131m. We started 22/23 with 23 placements and there are currently 26 placements. Of these

	<p>placements one is assumed to be discharged October and two in December taking the placement numbers to 23 by the end of the year.</p> <ul style="list-style-type: none"> Fostering placements are projected to underspend by £0.176m which is a £0.023m favourable movement. This is based on the budget for 115 places and 110 actual placements (of which 6 are Covid related and are funded through the Covid-19 funding) since the start of the year. Recruitment of foster carers is an active priority for the team, both to limit the requirement for external foster placements and reduce pressures elsewhere on the service. This is promoted through regular targeted recruitment campaigns, community awareness raising and daily presence on various social media platforms. Our active recruitment strategy is gaining some interest and we are actively pursuing a number of enquiries as a result. Fostering Xtra placements are projected to be on-line after applying £0.086m of Covid funding. The projection is based on the budget for 30 placements and 33 actual placements since the start of the year. Private Fostering placements are projected to be £0.047m underspent which is a £0.009m adverse movement based on the budget for 17 placements and 15 actual placements since the start of the year. Kinship placements are projected to underspend by £0.150m which is an adverse movement of £0.012m and this is based on the budget for 376 places and 354 actual placements since the start of the year. Adoption placements are projected to overspend by £0.072m which is a favourable movement of £0.026m. This is based on the budget for 53 places and 62 actual placements. <p>b) Children with disabilities – residential placements are projected to underspend by £0.073m which is an adverse movement of £0.021m. This is based on 8 placements which are expected to continue until the end of the year.</p> <p>c) Residential respite – placements are projected to overspend by £0.335m which is a favourable movement of £0.059m. These short-term placements are used to prevent an admission to full residential care. There were 4 placements at month 4 but these have all been discharged.</p>
2.6	ALLIED HEALTH PROFESSIONALS (AHP)
	AHP services are projected to underspend by £0.124m due to underspends in non-employee costs.
2.7	CHIEF SOCIAL WORK OFFICER
	There is a projected underspend of £0.986m due to a projected underspend in the Carers Strategy funding. This is a favourable movement of £0.286m.
2.8	MANAGEMENT AND SUPPORT
	<p>Management and Support Services are projected to underspend by £2.333m which is a favourable movement of £1.113m. The main areas of underspend are:</p> <ul style="list-style-type: none"> An over-recovery of payroll turnover of £2.072m for social care services as outlined in para 2.9 below. This is a favourable movement of £1.100m. An over-recovery of payroll turnover of £0.356m for health services as outlined in para 2.9 below.

- The 2022-23 budget included a budgeted surplus on the social care side offset by a budgeted deficit on the health side of the budget. The net impact is neutral but Appendix A will show this position for each element.

2.9 LOCAL AUTHORITY PAY AWARD SHORTFALL

The recently agreed local government pay award was not fully funded. The total cost of the pay award was £4.384m against the budgeted increase of £2.077m. The additional cost of £2.307m will be partially met by additional recurring Scottish Government funding of £1.866m and the gap of £0.441m will be an in-year overspend with the recurring cost being factored into the 23/24 budget.

2.10 Turnover/Vacancy Savings

The turnover targets and projected achievement for the financial year for Health and Social Care services out with the Lead Partnership is noted below:

	Social Care	Health Services
Vacancy Savings Target	(2.014m)	(1.183m)
Projected to March 2023	4.086m	1.539m
Over/(Under) Achievement	2.072m	0.356m

The position in the table above reflects the assumption in the current financial projections. For social care, a total of £2.441m (121% of annual target) has been achieved to date. The turnover achieved to date is higher than usual as the 22/23 budget included investment in various areas of staffing and these posts are not fully recruited to yet. The underspend in day care for older people has also been included as payroll turnover in 2022/23 which is a change from 2021/22 when the underspend was held to offset additional care at home costs.

The health vacancy projection to the year-end is based on the month 6 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 are month 6 are:

- Learning Disability £0.401m
- Management and Support £0.325m
- Community Care Service Delivery £0.387m
- Rehab and Reablement £0.251m
- Locality Services £0.229m
- Integrated Island Services £0.236m
- Community Mental Health £0.200m

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.

2.11

Savings Progress

a) The approved 2022-23 budget included £0.683m of savings.

BRAG Status	Position at Budget Approval £m	Position at Month 6 £m
Red	-	-
Amber	0.060	0.060
Green	0.623	-
Blue	-	0.623
TOTAL	0.683	0.683

b) The main area to note is that amber savings of £0.060m relating to adoption allowances are assumed to be achieved in the projected outturn but final plans to deliver this have still to be agreed.

Appendix B shows the full Transformation Plan for 2022/23 which has been agreed by the Transformation Board; the Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track.

Not all the service changes on the Transformation Plan have savings attached to them but there is an expectation that they will lead to service improvements. The Plan is critical to the ongoing sustainability and safety of service delivery and to supporting the delivery of financial balance in future.

Appendix C 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.

2.12

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 D highlights the movement in the overall budget position for the Partnership following the initial approved budget.

Reductions Requiring Approval:

- 1) Software license transfer to IT £0.006m
- 2) Insurance – transfer to corporate £0.075m
- 3) Top Slicing from Pharmacy to fund a post £0.008m
- 4) Contribution to a Dysphagia Post £0.021m
- 5) CAMHS Liaison Funding transferred to Women and Children’s Service in Acute £0.350m
- 6) GP Office 365 Upgrade – contribution to a Pan Ayrshire pressure £0.137m.

2.13	NHS – Further Developments/Pan Ayrshire Services
	<p><u>Lead Partnerships:</u></p> <p>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.</p> <p>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 6 the MH lead partnership is projected to overspend by £0.252m (£0.082m NRAC share for East and £0.078m for South).</p> <p>East HSCP – the East information is the same as the month 4 report as they are not reporting month 6 until December. The month 4 position was a projected £0.604m underspend of which £0.223m (37%) is attributable to North. The main variances were:</p> <p>Primary Care - there are reduced costs within Dental Services, where there is a projected underspend of £0.277m. This is largely due to Childsmile and the Dental Management Team both running with a number of vacancies. In addition, there are reduced costs within Primary Care Contracting and Support £0.297m, largely due to vacant posts, as well as projected savings in Diabetic Retinopathy and within East Ayrshire Community Hospital Medical and General Pharmaceutical. These reduced costs are partially offset by additional salary costs of the GP element of Out of Hours Services, as well as additional costs of the overnight nursing service. Projected overspend of £0.374m, with work ongoing to address and bring into line as far as possible over the course of 2022/23.</p> <p>Prison and Police Healthcare - there is a projected underspend of £0.303m due to reduced new contracts. however there is a review of the prison service currently being undertaken/ It is expected that these funds will go towards improving the staff levels within the prison however an underspend of £0.303m is projected at this early stage of the financial year.</p> <p>South HSCP – projected overspend of £0.143m which is a favourable movement of £0.028m (£0.053m NRAC share for NAHSCP). The overspend is mainly due to an overspend in the community store and continence service offset by vacancies in the Family Nurse Partnership.</p> <p>Set Aside: - an approach has yet to be decided on for 22/23, which may be used as a “shadow year” for using current year activity. This will depend on how representative the activity is felt to be. By default, inflation will be applied to the 2021/22 budget. The annual budget for Acute Services is £379.6m. The directorate is overspent by £7.3m, caused by increasing overspends on agency medical and nursing staff, together with increasing drug expenditure. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland at present.</p>

	<p>There is a material underlying deficit caused by:</p> <ul style="list-style-type: none"> • Unachieved efficiency savings • High expenditure on medical and nursing agency staff, high rates of absence and vacancy causing service pressure • High numbers of delayed discharges and high acuity of patients. <p>The IJBs and the Health Board work closely in partnership to maintain service and improve performance.</p>
2.14	FINANCIAL RISKS
	<p>There are a number of ongoing financial risk areas that may impact on the 2022-23 budget during the year, these include:</p> <ul style="list-style-type: none"> • High risk areas of low volume / high-cost services areas e.g. Learning Disability care packages, children's residential placements 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 Covid recovery process and re-mobilisation of services, including the ability to change and improve services following learning from the Covid response • The impact and implementation of the National Care Service. • The NHS pay award is not settled for 2022-23 and negotiations are ongoing. • The current very high levels of inflation • The review of the Care at Home service which commenced in Spring 2022 • Supported Accommodation - funding has been included in the budget for the new developments but the adequacy of the funding will only be known when the final occupants are agreed. <p>These risks will be monitored during 2022-23 and the financial impact reported through the budget monitoring report.</p>
2.15	COVID-19 – FINANCE MOBILISATION PLAN IMPACT
	Summary of position
	<p>From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns were submitted to the Scottish Government on a regular basis during 2020-21 and 2021-22, on the premise that any additional costs aligned to mobilisation plans would be fully funded. This process will continue during 2022-23 with returns moving from quarterly to monthly. Covid funding of £13.321m was carried forward from 2021-22 for use in services delegated to the Partnership during 2022-23 and the costs outlined below will be met from this funding. Any unused funding, based on the projected spend in the</p>

month 6 return, will be reclaimed by the Scottish Government and redistributed to Health Boards for Covid-related costs in non-delegated services.

2.16 Mobilisation Plan and Funding Position

The initial month 3 mobilisation plan cost submission was submitted in July and estimated the costs to be £4.067m to March 2023. The changes since month 3 are summarised in the table below with the main area being payments to providers to reflect the payments made to date and the extension of part of the scheme to 31st March 2023. The costs remain estimates as the situation continually evolves there will be a further update submitted each month.

The local finance mobilisation plan submission is included as Appendix E. The main areas of cost are summarised below:

Service Area	Initial Month 3 2022-23 Return £m	Month 4 2022-23 Return £m	Month 5 2022-23 Return £m	Month 6 2022-23 Return £m
Payments to Providers	1.100	1.100	1.953	2.143
PPE	0.418	0.418	0.419	0.326
Additional Staff	1.317	1.317	1.315	1.318
Loss of Income	0.246	0.246	0.246	0.210
Children & Families	0.957	0.957	0.957	1.107
Other Areas	0.029	0.029	0.015	0.015
TOTAL	4.067	4.067	4.905	5.119

Based on the projected spend, it is anticipated that £8.202m will be reclaimed by Scottish Government. IJBs have been advised by Government that a year-end reconciliation and balancing adjustment will be carried out in the event that too much or too little funding has been retained by IJBs.

2.17 Provider Sustainability Payments and Care Home Occupancy Payments

COSLA Leaders and Scottish Government have agreed an approach to supporting the social care sector to ensure that reasonable additional costs will be met. We have been making payments to commissioned social care providers in line with the agreed national principles for sustainability and remobilisation payments to social care providers during COVID 19.

Care Home Occupancy Payments - The Scottish Government ceased these payments at the end of October 2021 but exceptions were made following the Omicron outbreak and limited payments were made to eligible care homes. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.

Sustainability payments – the most recent guidance issued on 22nd June reduces the scope of what providers can claim for. The main costs that can be claimed relate to testing and vaccination and this is extended to 31st March 2023. The Social Care Staff Support Fund was also extended to 31st March 2023 (previously to 30th September 2022).

The sustainability payments are estimated to be a significant cost in our mobilisation plan and the timely submission and assessment of claims is key to ensuring we can accurately estimate the financial cost and ensure the costs are reclaimed from the Scottish Government.

The breakdown of payments made in 2022-23 up to 30th September 2022 are shown in the tables below:

PROVIDER SUMMARY	NCHC Care Homes	Other	Total
Total Number of Providers	17	49	66
Number contacting NAC	16	11	27
Providers Supported to date	16	11	27

OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total
Total Number of Claims	12	7	19
Value of Claims	205,802	184,984	390,786

SUPPORT PROVIDED	NCHC Care Homes £	Other Services £	TOTAL £
Occupancy Payments up to 31 st July 2022	81,650	0	81,650
Staffing	578,725	144,165	722,890
PPE, Infection Control	176,795	45,349	222,144
Other	71,004	7,894	78,898
TOTAL	908,174	197,408	1,105,582

2.18 RESERVES

The IJB reserves position is summarised in the table below with full detail given in Appendix F.

The 'free' general fund balance of £7.248m is held as a contingency balance, this equates to around 2.5% of the IJB budget for 2021-22 which is above the lower target level of 2% and does demonstrate significant progress towards establishing a contingency reserve of between 2% and 4%.

£1.486m is held by the Council to support a further repayment of debt at the end of 2022-23 and this is not reflected in the financial projection. The Council and Partnership are currently exploring options to clear the full debt by the end of the current financial year.

		General Fund Reserves		Earmarked Reserves			Total
		Debt to NAC	Free GF	SG Funding	Non-SG Funding £m	HSCP	
		£m	£m	£m	£m	£m	£m
	Opening Balance - 1 April 2022	(2.321)	7.248	23.106	0.699	0.500	29.232
3.	PROPOSALS						
3.1	<u>Anticipated Outcomes</u>						
	<p>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 2022-23 from within the available resource, thereby limiting the financial risk to the funding partners.</p> <p>The estimated costs and funding in relation to the Covid-19 response also require to be closely monitored to ensure that the IJB can plan for the impact of this and to ensure that the IJB is in the position to re-claim funding to compensate for the additional costs.</p>						
3.2	<u>Measuring Impact</u>						
	Ongoing updates to the financial position will be reported to the IJB throughout 2022-23.						
4.	IMPLICATIONS						
Financial:		The financial implications are as outlined in the report. Against the full-year budget of £280.943m there is a projected underspend of £0.051m. The report outlines the main variances for individual services.					
Human Resources:		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 this level of staffing capacity reduction on a recurring or planned basis.					
Legal:		None					
Equality:		None					
Children and Young People		None					
Environmental & Sustainability:		None					
Key Priorities:		None					
Risk Implications:		<p>Para 2.13 highlights the financial risks.</p> <p>The report falls in line with the agreed risk appetite statement which is a low-risk appetite in respect to adherence to standing financial instructions, financial</p>					

	controls and financial statutory duties and a high -risk appetite in relation to finance and value for money.
Community Benefits:	None

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

5.	CONSULTATION
5.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>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.</p>
6.	CONCLUSION
6.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2022-23, the overall projected year-end underspend of £0.051m;</p> <p>(b) notes the progress with delivery of agreed savings;</p> <p>(c) notes the remaining financial risks for 2022-23;</p> <p>(d) approves the budget reductions which are detailed at para 2.12.</p>

For more information please contact:

Paul Doak, Head of Finance and Transformation at pdoak@north-ayrshire.gov.uk or Eleanor Currie, Principal Manager – Finance at eleanorcurrie@north-ayrshire.gov.uk

2022-23 Budget Monitoring Report–Objective Summary as at 30th September 2022

Appendix A

Partnership Budget - Objective Summary	2022/23 Budget									Over/ (Under) Spend Variance at Period 4 £'000	Movement in projected variance from Period 4 £'000
	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	64,383	64,263	(120)	16,444	16,894	450	80,827	81,157	330	(757)	1,087
: Locality Services	27,792	27,489	(303)	5,250	5,350	100	33,042	32,839	(203)	(352)	149
: Community Care Service Delivery	31,477	31,380	(97)	0	0	0	31,477	31,380	(97)	(1,029)	932
: Rehabilitation and Reablement	1,896	1,889	(7)	0	0	0	1,896	1,889	(7)	(5)	(2)
: Long Term Conditions	926	1,098	172	9,083	9,433	350	10,009	10,531	522	464	58
: Community Link Workers	182	180	(2)	0	0	0	182	180	(2)	1	(3)
: Integrated Island Services	2,110	2,227	117	2,111	2,111	0	4,221	4,338	117	164	(47)
MENTAL HEALTH SERVICES	31,103	31,997	894	56,867	56,974	107	87,970	88,971	1,001	726	275
: Learning Disabilities	21,638	22,963	1,325	482	482	0	22,120	23,445	1,325	1,117	208
: Community Mental Health	5,757	5,326	(431)	1,676	1,589	(87)	7,433	6,915	(518)	(451)	(67)
: Addictions	3,708	3,708	0	1,686	1,628	(58)	5,394	5,336	(58)	(30)	(28)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	53,023	53,275	252	53,023	53,275	252	90	162
CHILDREN & JUSTICE SERVICES	32,407	34,357	1,950	4,025	4,025	0	36,432	38,382	1,950	1,903	47
: Irvine, Kilwinning and Three Towns	3,099	3,106	7	0	0	0	3,099	3,106	7	(1)	8
: Garnock Valley, North Coast and Arran	2,110	2,077	(33)	0	0	0	2,110	2,077	(33)	0	(33)
: Intervention Services	1,767	1,748	(19)	340	340	0	2,107	2,088	(19)	(10)	(9)
: Care Experienced Children & Young people	21,695	23,687	1,992	0	0	0	21,695	23,687	1,992	1,914	78
: Head of Service - Children & Families	1,191	1,200	9	0	0	0	1,191	1,200	9	0	9
: Justice Services	2,381	2,378	(3)	0	0	0	2,381	2,378	(3)	0	(3)
: Universal Early Years	164	161	(3)	3,250	3,250	0	3,414	3,411	(3)	0	(3)
: Lead Partnership NHS Children's Services	0	0	0	435	435	0	435	435	0	0	0
CHIEF SOCIAL WORK OFFICER	2,564	1,578	(986)	0	0	0	2,564	1,578	(986)	(700)	(286)
PRIMARY CARE	0	0	0	49,650	49,650	0	49,650	49,650	0	0	0
ALLIED HEALTH PROFESSIONALS			0	8,852	8,728	(124)	8,852	8,728	(124)	(124)	0
COVID NHS	0	0	0	733	733	0	733	733	0	0	0
MANAGEMENT AND SUPPORT COSTS	11,705	9,234	(2,471)	2,210	2,348	138	13,915	11,582	(2,333)	(1,220)	(1,113)
LOCAL AUTHORITY PAY AWARD SHORTFALL	0	441	441	0	0	0	0	441	441	0	441
OUTTURN ON A MANAGED BASIS	142,162	141,870	(292)	138,781	139,352	571	280,943	281,222	279	(172)	451
Return Hosted Over/Underspends East	0	0	0	0	(82)	(82)	0	(82)	(82)	(29)	(53)
Return Hosted Over/Underspends South	0	0	0	0	(78)	(78)	0	(78)	(78)	(28)	(50)
Receive Hosted Over/Underspends South	0	0	0	0	53	53	0	53	53	63	(10)
Receive Hosted Over/Underspends East	0	0	0	0	(223)	(223)	0	(223)	(223)	(223)	0
OUTTURN ON AN IJB BASIS	142,162	141,870	(292)	138,781	139,022	241	280,943	280,892	(51)	(389)	338

2022-23 Transformation Plan

Appendix B

Savings reference number	Project	Project Description	Deliverability Status	Saving/ Investment	Approved Saving 2022/23 £	Investment	Saving Delivered at Month 6 £	Projected Saving	Projected Shortfall 22/23 £
Children, Families and Justice Services									
SP/HSCP/20/1	Children and Young People - External Residential Placements	Monitor and review all placements with a view to reducing the overspend.	Amber	Saving			-	-	
SP/HSCP/20/4	Adoption Allowances	Monitor Adoption Allowances. With a view to reduce the overspend	Red	Saving	59,535		-	59,535	
SP/HSCP/20/19	Fostering - reduce external placements.	Monitor Fostering Placements with a view to reduce the overspend	Red	Saving			-	-	
	Transport review	Review of costs relating to taxi utilisation and implementation of new electronic form. Aim to reduce transport budget in council. Links in with David Hammonds Transformation Project.	Red	Saving					
	Grow internal fostering capacity	Review capacity of existing foster carers with a view of increasing existing capacity	Amber	Cost neutral					
NACSTA4030	Fostering Short Breaks	Develop an inhouse short break service to replace the commissioned service provided by Cornerstone.	Amber	Saving			-	-	-
Mental Health and LD									
	Transformation of CAMHS - CAMHS Specification	CAMHS have reviewed and updated referral guidance to align with the CAMHS National Specification. Some risks identified in order to facilitate the continued changes are accommodation, and recruitment of clinical staff.	Amber	Investment		1,091,463			
	Transformation of CAMHS - CAMHS Age 25	CAMHS are developing specific pathways to provide care and support up to the age of 25 where appropriate e.g. Eating Disorders, Neuro, Personality Disorders, Early Psychosis.	Amber	Investment		623,402			
	Transformation of CAMHS - CAMHS Waiting List	Two external providers have been procured to support Neuro waiting for assessment (Purple House	Amber	Investment		311,701			

Savings reference number	Project	Project Description	Deliverability Status	Saving/ Investment	Approved Saving 2022/23 £	Investment	Saving Delivered at Month 6 £	Projected Saving	Projected Shortfall 22/23 £
	Transformation of CAMHS - CAMHS Psyc Waiting List	Clinical Director & Senior Manager agreed plan in order to reduce access to Psychiatry. In addition to this, 3 non-medical prescribers have been trained and are prescribing for ADHD clinics.	Amber	Investment		366,707			
	Transformation of CAMHS - Out of Hours Unscheduled Care	Recruitment and implementation of a new service to provide support to children and young people on an unscheduled basis. CAMHS are being commissioned by Paediatrics to deliver this service via Scottish Government funds.	Amber	Investment		86,294			
	Transformation of CAMHS - CAMHS Intensive Home Treatment	Recruitment is ongoing. Accommodation required to house team together. Ongoing development of policies and procedures for team in alignment with partners agencies	Amber	Investment		14,752			
	Transformation of CAMHS - CAMHS Liaison		Amber	Investment		129,073			
	Primary Care Mental Health investment	Creation of a business case to deliver Mental Health to Primary Care over the next 4 years. Allocation of funds will be incrementally increased over the duration of the next four years. North leading for Ayrshire.	Green	Investment		261,159			
	Continued review of models of care at Woodland View	A particular focus on rehabilitation models of care for MH building on learning from Warrix Avenue. Development of a business case for ARBD is also underway. A test of change for ward 7B will be reported through this workstream.	Amber						
	Implementation of MAT standards	Programme of work to set up the systems required to report on Medical Assisted Treatment standards for Addictions. The programme will be run on a pan ayrshire basis led by North. The national direction was for this to be led by Public Health but they have not started any recruitment so North will take forward in the meantime.	Green	Investment					
	Complex Care Model - Independent living change fund	Recruit the Intensive Support Team agreed through this fund and monitor progress of assessments of out of area placements. A dynamic register should be developed and maintained which will feed into national data.	Amber	Investment		513,000			
	ACORN business model	Mental Health Rehabilitation service needing help to transition to a social enterprise. Now incorporated within Caring for Ayrshire.	Red	Saving	-		-	-	-
	Implementation of Trakcare Patient Management System in Community Services	Implementation of new information recording system for NHS to report on 18 weeks RTT. This will include development of new processes and transfer of data from current system to the new one. This will allow for better recording of clinical activity and inform future DCAQ work. Adult community mental health will go live first followed by other community teams currently utilising Access databases. A Pan	Green	Cost neutral					
	Implementation of Unscheduled Care	Part of the national redesign of urgent care work. The aim of the mental health project is to deliver an integrated system to support mental health and wellbeing by utilising existing mental health services and enhancing their pathways for unscheduled mental health presentations.	Green	Investment					

Savings reference number	Project	Project Description	Deliverability Status	Saving/ Investment	Approved Saving 2022/23 £	Investment	Saving Delivered at Month 6 £	Projected Saving	Projected Shortfall 22/23 £
Health and Community Care									
	TEC Solutions	To appoint a temporary 'Project Manager' post, who will oversee the procurement and installation of	Green	Investment		50,000		-	-
	Analogue to Digital	Funding received for a Project Manager to manage the process of moving all services users from analogue to digital technology.	Amber	Investment		996,000			
SP/HSCP/20/17	Care at Home - Service Review	This project will incorporate the review of the care at home job role and any implications for service as a	Amber	Investment				-	-
	Hospital Team Model		Green						
	Arran Integrated Services model	Continue to work towards an Integrated Hub on Arran building on the frailty work and developing a single point of contact for all health and social care services. It is anticipated there will be a substantial amount of investment required and a business case will be developed.	Green						
	Primary Care Investment Fund	Remodel how we deliver primary care locally, ensuring that multi-disciplinary teams are available in each medical practice across North Ayrshire. This will help ensure that when needed local people will get the right care and support they need	Green	Investment					
	HSCP MDT - Community Health & Care	Implement HSCP MDTs across each of the localities to support GP practices and HSCP service coordinate care for those with the most complex needs. This approach will replace Older People Local Operational Teams.'							
	Develop Care at Home - Minimum data set	Scope all current recording processes for data and look to consolidate a dataset that can be used for all reporting needs.		Cost neutral					
	AHP Whole System redesign	exercise; to better understand the distribution and contribution of AHPs in health and care in North Ayrshire, to support future workforce planning that maximises this contribution for the benefit of the people of North	Amber						
	Interim Beds	To utilise a one-off lump sum, provided by the Scottish Government, to provide interim beds, for a maximum of 6 weeks, for clients who will have an onward move to permanent care.	Green						

Savings reference number	Project	Project Description	Deliverability Status	Saving/ Investment	Approved Saving 2022/23 £	Investment	Saving Delivered at Month 6 £	Projected Saving	Projected Shortfall 22/23 £
Partnership Wide									
	Supported acc models - NAC housing/ Sleepover/ outreach model	Continue working with third sector providers to implement supported accommodation models in the	Green	Saving				-	-
	SDS Review	Engage with all stakeholders to look at how we encourage a more innovative and person centred approach to SDS. Implement an SDS Review Learning Board to help progress.							
	Carers Review	Develop a resource release model for allocation of funds for carers as well as implement a short break service.	Amber	Saving			-	-	-
	Adult Complex Care Model - Call Monitoring	Review of call monitoring system for provision of adult community supports. This will include evaluation of current provision and development of a specification for future tender as the current contract is due to expire.							
	Implementation of Eclipse information system	Implementation of new information recording system for social care to replace Care First. This will include development of new protocols and transfer of data from current system to the new one.							
	Money matters and GP Practice Welfare Rights service	Facilitate the introduction of a money advise service available within GP practices.		Investment		78,000			
	Payroll Turnover Inflation	Monitor slippage through staff turnover with a view to meeting the savings target.		Saving	301,201		301,201	-	-
	Business Support Review (linked to Care at home review)	Scope and review the remit of the business support unit and how it could be adapted to the benefit of all HSCP teams.							
	North Elderly Mental Health inpatients (lead partnership)	Agree the spend going forward for the recurring savings achieved through bed retraction from Ailsa.		Saving	321,000		321,000	-	-
	HSCP Challenge Fund - invest to save	Monitoring of all projects approved through the Challenge Fund with a focus on invest to save ideas.							
	Transitions	Improve transition pathways from Childrens to Adult services as well as into older adults in order to improve outcomes for service users.							
	Caring for Ayrshire	The focus for Caring for Ayrshire is to bring a greater proportion of health provision into local communities. The Caring for Ayrshire work will ensure local GP practices are fit for purpose and have the capacity to host multi-disciplinary teams and meet local health and care needs.		Investment					
	Advocacy Strategy	Refresh of Advocacy strategy with a view to incorporating both adult and childrens services.		Cost neutral					

2022-23 Savings Tracker

Appendix C

North Ayrshire Health and Social Care Partnership
2022/23 Savings

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 6	Saving Delivered @ Month 6 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
1	Adoption Allowances	Amber	0.060	Amber	-	0.060	-	Currently projecting an overspend.
TOTAL SOCIAL CARE SAVINGS			0.060		0.000	0.060	0.000	

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 6	Saving Delivered @ Month 6 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
2	Payroll Turnover Inflation	Green	0.302	Blue	0.302		-	Achieved
3	Elderly Mental Health inpatients (lead partnership)	Green	0.321	Blue	0.321	-	-	Achieved
TOTAL HEALTH SAVINGS			0.623		0.623	0.000	0.000	
TOTAL NORTH HSCP SAVINGS			0.683		0.623	0.060	0.000	

2022-23 Budget Reconciliation

Appendix D

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			116.017
Base budget adjustments	1		(0.046)
Uploaded Budget			115.971
Resource Transfer	1	P	26.228
Software Licences transfer to IT	3	P	(0.002)
Montrose Cleaning Post to Facilities Management	3	P	(0.014)
Software Licences transfer to IT	4	P	(0.003)
Summer of Play Funding from Education	5	T	0.056
Insurance – transfer to corporate	6	P	(0.075)
Software Licences transfer to IT	6	P	(0.006)
MARAC funding	6	T	0.009
Roundings			(0.002)
Budget Reported at Month 6			142.162

HEALTH	Period	Permanent or Temporary	£'m
Initial Approved Budget			163.988
Resource Transfer			(26.228)
Month 10-12 Adjustments			22.401
Adjust for Non-recurring funding			(22.408)
Full Year effect of Part Year Reductions			0.128
REVISED 22-23 BUDGET			137.881
Training Grade Adj - April	1	P	(0.064)
Vire No 2 - East to North CAMHS Admin	1	P	0.099
Band 2-4 SG Funding reduction	1	P	(0.007)
AHP Clinical Admin Budget Transfer	2	P	0.048
Dean Funding to Partnerships	2	P	0.085
Prescribing Uplift	2	P	1.631
Prescribing Cres	2	P	(0.715)
Prescribing out non schedule 5	2	P	(0.429)
Scottish Huntington's Post	3	P	0.014
Daldorch Income Shortfall	3	P	0.045
Community Store Contributions	3	P	(0.006)
Iona/Lewis Patient to South	3	T	(0.046)
Marie Curie contract uplift	3	P	(0.004)
Trakcare/Huntington's/ Daldorch	3	P	0.086
Staff Wellbeing Posts from OH&RD	4	P	0.193
Top Slicing Posts- Prescribing	4	P	(0.071)
Admin Post transferred to Medical Records	4	T	(0.034)
Naloxone for Police Scotland	4	T	0.026

Dean Funding	5	P	0.095
Rx Top Slicing to Pharmacy	5	P	(0.008)
Uplift DOAC (Direct Oral Anticoagulant) Rebate	5	P	0.06
Uplift CRES to Primary Care Rebate Scheme	5	P	0.068
Dysphagia Post	5	P	(0.021)
ADP PSST Support	5	T	0.008
CAMHS Liaison Funding	5	T	(0.350)
Specialist Pharmacist in Substance Misuse	6	T	0.012
BBV (Blood Borne Virus) Funding	6	T	0.242
Maternal and Infant Nutrition Allocation	6	T	0.020
Dean Funding Pay Award	6	P	0.061
GP Office 365 Upgrade	6	T	(0.137)
Roundings	6		(0.001)
Budget Reported at Month 6			138.781

COMBINED BUDGET MONTH 6	280.943
-------------------------	---------

Mobilisation Submission – Month 6

Covid-19 Costs - HSCP - All														
Workstream Mapping	£000s	April	May	June	July	August	September	October	November	December	January	February	March	2022-23 Revenue Total
1. Public Health	Scale up of Public Health Measures	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Vaccinations	Flu Vaccination & Covid-19 Vaccination (FVCV)	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Workforce and Capacity	Additional Community Hospital Bed Capacity	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Workforce and Capacity	Additional Staff Costs (Contracted staff)	(17)	0	0	0	0	0	0	0	0	0	0	0	(17)
3. Workforce and Capacity	Additional Staff Costs (Non-contracted staff)	92	93	93	109	109	109	109	109	109	109	109	109	1,260
4. PPE, Equipment and IPC	Additional Equipment and Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0
4. PPE, Equipment and IPC	Additional Infection Prevention and Control Costs	45	45	45	32	32	20	18	18	18	18	18	18	326
4. PPE, Equipment and IPC	Additional PPE	0	0	0	0	0	0	0	0	0	0	0	0	0
4. PPE, Equipment and IPC	PPE Hub Running Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Additional Capacity in Community	21	9	10	(13)	0	(27)	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Additional Care Home Placements	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Adult Social Care	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Children and Family Services	188	79	79	68	68	139	81	81	81	81	81	81	1,107
5. Social Care and Community Capacity	Homelessness and Criminal Justice Services	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Reducing Delayed Discharge	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Covid-19 Financial Support for Adult Social Care Provider	291	291	291	243	243	459	55	55	54	54	54	54	2,143
5. Social Care and Community Capacity	Social Care Support Fund Claims	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Social Care and Community Capacity	Chief Social Work Officer	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Primary Care	Additional FHS Contractor Costs	13	13	13	12	12	12	0	0	0	0	0	0	75
6. Primary Care	Primary Care	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Miscellaneous	Digital & IT costs	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Miscellaneous	Loss of Income	47	41	41	41	41	43	(29)	0	0	0	0	0	225
7. Miscellaneous	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Miscellaneous	Payments to Third Parties	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Miscellaneous	Staff Wellbeing	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Miscellaneous	Patient Transport	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Covid Costs - HSCP - All		680	571	572	492	504	755	234	263	262	262	262	262	5,119

Reserves Position in Detail

Earmarked Funds	
: Alcohol & Drug Partnership	890
: Mental Health Action 15	511
: Primary Care Improvement Fund	1,856
: 21-22 Budget Gap	0
: Challenge Fund	500
: Community Living Change Fund	513
: Covid19 Funding	13,321
: Neighbourhood Networks	145
: Mental Health Officer Development Grant	41
: NAC Recovery and Renewal – Mental Health Element	71
: Joint Equipment	5
: Nethermain's Adaptations	40
: Supported Accommodation	50
: Care at Home Capacity	1,192
: Interim Care	1,046
: Trauma Training	50
: Trauma Trainer	48
: Family Wellbeing Fund	106
: Perinatal MH Nurse	65
: Unaccompanied Asylum-Seeking Children	11
: Multi-Disciplinary Teams	644
: Health Care Support Workers	144
: MH Recovery and Renewal	2,057
: Medical photography	4
: Data Sims	28
: School Nursing	56
: Buvidal	109
: AHP Winter Funding	51
: Perinatal and Infant Mental Health	86
: Cossette Funding	18
: Replacement Mattress Programme	78
: Expansion of Primary Care Estates	55
: GP Premises Improvements - tranches 1 and 2	81
: Mental Health Wellbeing in Primary Care	40
: Dental Practice Improvement	265
: Dental Winter Preparedness	128
Total Earmarked	24,305
Outstanding Debt	(2,321)
Unallocated General Fund	7,248
General Fund	29,232