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## NORTH AYRSHIRE COUNCIL

26 January 2021

### Cabinet

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**Title:** Revenue Budget 2020/21 : Financial Performance to 30 November 2020

**Purpose:** To advise Cabinet of the financial performance for the Council at 30 November 2020.

**Recommendation:** That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the earmarking of £2.888m identified at 2.6 to meet future year commitments; (c) note the current financial projection for the Health and Social Care Partnership at 2.7; and (d) approve the virements detailed in Appendix 7.

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### 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2020/21 were approved by Council on 5 March 2020. The Housing Revenue Account (HRA) Revenue Budget for 2020/21 was approved by Council on 18 December 2019.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the third report for 2020/21 and covers the period to the end of November 2020 (Period 8). Projections to the year-end have been made.
- 1.3 At Period 8 the General Fund is forecasting a net breakeven position for the year after transferring resources to other funds, an improvement of £0.842m from that reported at Period 5. Although the majority of savings are on track for delivery by 31 March 2021, a number of services are reporting implementation delays due to the impact of the Covid-19 pandemic.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£2.939m) (5.8%), an increase of (£0.247m) from that reported at Period 5.
- 1.5 The Health and Social Care Partnership is forecasting an underspend of (£0.807m) at the end of November 2020, an improvement of (£0.816m) from that reported in August. The Council Services element is a projected overspend of £0.371m, a reduction of (£0.384m), and this is offset by an underspend on the Health Services element of (£1.178m), an increase of (£0.432m).

- 1.6 This position excludes any impact presented by Covid-19 which is being monitored in parallel through NHS and the Scottish Government. The estimated additional Mobilisation Plan costs to March 2021 are £8.508m. This includes net additional costs of £7.376m and anticipated savings delays of £1.132m. The impact of the savings delays has been included in the core financial projection noted at paragraph 1.5, on the basis that there is less confidence that funding will be provided to compensate for this. In relation to the net additional costs of £7.376m, the IJB has yet to receive confirmation of the full funding allocation. At November 2020 additional funding of £6.266m has been allocated, resulting in a potential shortfall of £1.110m. However, further allocations are expected in January 2021.
- 1.7 The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The recent imposition of Tier 4 restrictions and ongoing impact of any future restrictions are expected to result in more constrained working environments, resulting in additional cost and income pressures throughout the remainder of the current financial year. Further grant support is anticipated in relation to specific cost pressures. However, it is currently anticipated that any additional grant funding in relation to income loss recovery received during 2020/21 will be required to support the legacy impact of Covid-19 on income streams in the next financial year.
- 1.8 Local authorities continue to engage with COSLA and the Scottish Government around additional support measures including a range of financial flexibilities which may be applied to address the financial impact of the pandemic on both the revenue and capital accounts. However, based on the draft guidance issued by the Scottish Government, the medium term benefits to North Ayrshire are limited. It is currently envisaged that these measures may be more effectively utilised to offset the potential legacy cost and income pressures of the pandemic in the next financial year.

## **2. Background**

### **General Fund**

- 2.1 The Council has set a breakeven budget for 2020/21. In addition to the budget approved on 5 March 2020, earmarked funds of £8.968m have been carried forward from 2019/20 for service expenditure in 2020/21 and are reflected in the figures within the 2020/21 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net breakeven position, net of transfers to reserves, is anticipated for the year to 31 March 2021.

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

	Appendix No	Annual Budget £000's	Projection to 31 March 2021 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 5 (Fav)/Adv £000's	Movement £000's	Note
<b>Service Expenditure</b>							
Chief Executives	1	21,854	22,187	333	(77)	410	(i)
Communities	2	145,200	144,990	(210)	1,118	(1,328)	(ii)
Place	3	66,265	68,586	2,321	3,729	(1,408)	(iii)
Other Corporate Services	4	20,314	12,355	(7,959)	(6,587)	(1,372)	(iv)
Sub Total		253,633	248,118	(5,515)	(1,817)	(3,698)	
Health and Social Care Partnership	8	98,265	98,265	-	-	-	2.7
Balance for Services		351,898	346,383	(5,515)	(1,817)	(3,698)	
Financing Charges	5	13,644	13,644	-	-	-	
Contribution to Loans Fund Reserve	5	3,641	3,641	-	-	-	
Total Planned Expenditure		369,183	363,668	(5,515)	(1,817)	(3,698)	
<b>Planned Income</b>							
Aggregate External Finance	5	(307,561)	(307,561)	-	-	-	
Council Tax	5	(59,447)	(58,540)	907	939	(32)	
Use of Earmarked Funds	5	(2,175)	(2,175)	-	-	-	
Total Planned Income		(369,183)	(368,276)	907	939	(32)	
Net Expenditure/ (Income)		-	(4,608)	(4,608)	(878)	(3,730)	
Carried Forward Funds		-	4,608	4,608	1,720	2,888	
Revised Net Expenditure/(Income)		-	-	-	842	(842)	

2.4 A major degree of uncertainty remains in relation to the forecast position in relation to the ongoing restrictions associated with the Covid-19 pandemic. Within Building Services, the Tier 4 restrictions announced prior to the Christmas break are expected to result in a more constrained working environment than previously anticipated. This will have an impact on the current operating model and will result in increased costs for the remainder of the financial year. Within Communities, an increased level of support for KA Leisure has been estimated with significant cost pressures likely to continue into 2021/22. Although additional grant funding in relation to income loss recovery is anticipated during 2020/21, it is projected that this will be required to support legacy impact of Covid-19 on income streams during 2021-22 and possibly beyond.

2.5 The reported Planned Income includes one adjustment to Scottish Government funding from that reported at Period 5, as detailed in the following table:

	Revenue Support Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	TOTAL AEF £000's
<b>Planned Income</b>				
<b>Revised Budget 31 August 2020</b>	<b>(262,264)</b>	<b>(24,847)</b>	<b>(19,973)</b>	<b>(307,084)</b>
<b>Movements:</b>				
Education Recovery Funding	(497)			(497)
<b>Revised Planned Income</b>	<b>(262,761)</b>	<b>(24,847)</b>	<b>(19,973)</b>	<b>(307,581)</b>

## 2.6 Commentary on Significant Movements from the Revised Budget

The Council's overall financial forecast against the revised budget is a net breakeven position. A brief explanation of the significant movements from the previous forecasts is outlined as follows:

**(i) Chief Executives – overspend of £0.333m, a movement from the previously reported underspend of £0.410m**

The movement is primarily related to:

- Updated projections in relation to Housing Benefits, including reduced debt recovery in relation to Housing Benefit Overpayments, £0.455m;
- Unavoidable IT upgrade costs in relation to Lagan, £0.067m;
- Reduced income projections in relation to the Registration Service, (£0.053m); and
- A reduction in the previously reported underspend related to the postponement of the Making Waves festival, £0.020m. As a result, the amount previously approved for earmarking in relation to the festival has been reduced to £0.030m.

These have been partly offset by vacancy management underspends across services, (£0.118m).

**(ii) Communities – underspend of (£0.210m), a movement from the previously reported overspend of (£1.328m).**

The movement is primarily related to reduced expenditure in relation to the revised implementation plan for the expansion of Early Learning and Childcare, (£1.389m).

It is requested that £1.612m is earmarked for use in future years in relation to £1.547m ringfenced Early Learning and Childcare funding to support the delivery of the programme in future years and £0.065m within Connected Communities to support the IT replacement programme within Libraries.

**(iii) Place – overspend of £2.321m, a reduction in overspend of (£1.408m)**

The reduced overspend is primarily related to :

- A reduction in Facilities Management costs linked to the revised implementation plan for the expansion of Early Learning and Childcare, (£0.556m);
- Additional specific grant funding in relation to Education Recovery and Free School Meals, (£0.583m);
- Reduced overtime costs within Facilities Management, £0.226m;
- Reduced fuel costs across the fleet, (£0.172m); and
- Lower than anticipated in year costs related to the delayed start of the Modern Apprentice and Skills for Life programmes due to Covid-19 restrictions, (£0.306m).

These have been partly offset by:

- Additional Energy and Sustainability costs resulting from the Covid-19 operational practices, £0.099m;
- Additional Transport fleet and external hires costs, £0.187m; and
- Additional costs within Waste Services linked to Covid-19 related employee costs, additional third party payments in relation to recycling and organic waste contracts and reduced income from gas extraction and commercial waste services, £0.383m.

In order to mitigate any additional impact on the 2021/22 budget, it is requested that £0.546m is earmarked for use in future years in relation to a range of pressures as a result of delayed expenditure during 2020/21 as a consequence of the pandemic. This includes £0.090m to offset future year shortfalls in the Housing First budget; a further £0.062m in relation to the introduction of Cashless Catering; £0.056m to support the critical traffic sign replacement scheme; £0.033m in relation to Economic Development and Regeneration future staff costs; £0.070m in relation to the delayed start to the Skills for Life programme; £0.201m in relation to the delayed start to the Modern Apprentice programme and £0.034m to support the Community Wealth Building Programme following recruitment delays.

**(iv) Other Corporate Items – underspend of (£7.959m), an increase in underspend of (£1.372m)**

The increased underspend relates to (£0.785m) of additional Scottish Government funding in relation to Covid-19 which offsets significant demand led pressures in relation to reduced Council Tax collection rates, additional Council Tax Reduction claims and reduced Housing Benefit overpayment recoveries within the Chief Executive's service; and (£0.827m) of centrally held payroll and utility pressure budgets which are not anticipated to be drawn down during 2020/21.

These have been partly offset by the additional virement of £0.240m in relation to Scottish Government funding transferred to other services to offset non-service Covid-19 costs.

It is requested that £0.750m is earmarked to the support the 2021/22 – 2023/24 Medium Term Financial Plan.

## **Health and Social Care Partnership**

- 2.7 A copy of the HSCP financial performance report as at the end of November 2020 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 (£0.807m) for 2020-21, which is a favourable movement of (£0.816m) from the previous reporting period. The projected overspend on the Council Services element is £0.371m, an improvement of (£0.384m) over the same period. This is offset by a projected underspend on Health Services of (£1.178m), a favourable movement of (£0.432m);
- The main areas of pressure continue to be learning disability care packages, looked after children and adult in-patients within the lead partnership. However, there has been significant progress to reduce the pressures in these areas;

- The most up to date position in terms of the mobilisation plan for Covid-19 based on the return to the Scottish Government in November projects £8.508m of a financial impact, which is split between additional costs of £7.376m and anticipated savings delays of £1.132m. The impact of savings delays has been built into the core financial projection above on the basis that there is less confidence that funding will be provided to compensate for this. There are financial risks associated with Covid-19 as the IJB has yet to receive confirmation of the full funding allocation. To date North Ayrshire have been allocated funding totalling £6.266m;
- There is a risk that there may be a shortfall to fully compensate the North Ayrshire IJB for the additional costs of £1.110m. However, there is no recommendation at this time to implement a Financial Recovery Plan on the basis that
  - There is increasing confidence that additional costs will be funded with further allocations expected in January 2021;
  - Offsetting reductions of (£0.530m) have not been included in the overall funding allocation; and
  - The most significant area of additional Covid costs are the purchase of PPE for social care and sustainability payments for commissioned social care providers (£3.801m in total). Both areas have been implemented with an assurance that the actual costs will be fully reimbursed.

Continued progress towards financial balance together with confirmation of funding in relation to Covid-19 mobilisation costs is essential to minimise further financial risk to the Council within the context of the current debt of £5.293m.

## **Savings Update**

2.8 The 2020/21 General Services Revenue Estimates included targets for savings of £4.439m across all services. At 30 November 2020 the majority of savings are on target for delivery by 31 March 2021 with the primary exceptions being those impacted by the Covid-19 pandemic. These include:

- Planned savings from the review of Facilities Management provision across Educational Establishments which are unlikely to be fully achieved due to the additional requirements arising from the Covid-19 pandemic and delays in the implementation of 1140 hours provision within Early Learning and Childcare;
- Planned savings linked to Property Rationalisation which have been delayed due to delays in the review of operational properties and additional service requirements linked to the Covid-19 pandemic;
- Delays in realising savings from the review external residential placements which will not be fully implemented during 2020/21; and
- Other minor shortfalls in the delivery of planned savings linked to the revisions required by the Covid-19 pandemic in relation to reviews of the Additional Support Needs, Music and Education Psychology services and capital programme design work.

## Housing Revenue Account

2.9 The Housing Revenue Account budgeted for a breakeven position in 2020/21 and an in-year underspend of (£2.939m) is currently anticipated for the year to 31 March 2021, an increase of (£0.247m) from that previously reported. This is summarised in the following table with further details provided in Appendix 6.

	Annual Budget £000's	Projection to 31 March 2021 £000's	Projected Variance for year (Fav)/Adv £000's	Previous Variance @ Period 5 (Fav)/Adv £000's	Movement £000's	Note
Employee Costs	4,818	4,717	(101)	-	(101)	(i)
Property Costs	18,927	16,545	(2,382)	(2,342)	(40)	
Supplies and Services	269	230	(39)	(15)	(24)	
Transport and Plant Costs	26	11	(15)	14	(29)	
Administration Costs	1,856	1,887	31	190	(159)	(ii)
Third Party Payments	2,453	2,405	(48)	(42)	(6)	
Transfer Payments	390	30	(360)	(360)	-	
Other Expenditure	455	1,394	939	937	2	
Capital Financing	21,369	20,316	(1,053)	(958)	(95)	(iii)
Gross Expenditure	50,563	47,535	(3,028)	(2,576)	(452)	
Income	(50,563)	(50,474)	89	(116)	205	(iv)
Net Expenditure	-	(2,939)	(2,939)	(2,692)	(247)	

## 2.10 Commentary Significant Movements from the Revised Budget

The projected underspend is primarily related to net costs in relation to Covid-19 which have been partly offset by additional income following an increase in tenanted properties. A brief explanation of the significant movements from the previous forecasts is outlined as follows:

**(i) Employee Costs – underspend of (£0.101m), an increase for the previously reported breakeven position**

The underspend relates to vacancy management across the service.

**(ii) Administration Costs - overspend of £0.031m, a decrease in overspend of (£0.159m)**

The movement is primarily related to reduced legal expenses resulting from lower than anticipated debt recovery activity.

**(iii) Capital Financing – underspend of (£1.053m), an increase in underspend of (£0.095m)**

The increased underspend reflects lower levels of borrowing and ongoing lower interest payments in support of the HRA capital programme.

**(iv) Income – an under recovery of £0.089m, a movement of £0.205m from the previously reported over recovery**

The movement is primarily related to revised rent income forecasts and reduced recovery of court costs linked to the lower legal expenses noted above.

## **Financial Flexibilities**

2.11 The Scottish Government has released draft guidance in relation to a suite of financial flexibility measures which can be used to offset the additional cost and income pressures resulting from the Covid-19 pandemic, including:

- Capital Grant/Borrowing - flexibility to use Capital Grant to offset pressures or undertake additional borrowing for Revenue purposes. It is noted that this option would require the agreement of the UK Treasury and availability is not currently confirmed.
- Capital Receipts – flexible use receipts to offset revenue in either 2020/21 or 2021/22. Within North Ayrshire all forecast capital receipts are currently allocated to support the 10 year capital investment programme. As such, there are no current plans to make use of this option.
- Credit Arrangements – changes to the accounting requirements for PPP contracts to extend General Fund charges to match the expected life of the assets. Discussions are ongoing between COSLA and the Scottish Government in relation to the draft guidance. However, based on the information available, the current proposals would not present any budget saving opportunities for North Ayrshire Council.
- Loans Fund Principal Holiday – draft guidance issued by the Scottish Government provides options for the principal repayments due in either 2020/21 or 2021/22 to be rephased over a period of up to 20 years. This option could present medium term savings in the region of £2.7m. Based on current projections, there are no proposals to take advantage of this option during the current financial year. However, it is proposed that this option is retained for potential utilisation during 2021/22 to offset any legacy costs arising from the ongoing impact of the Covid-19 pandemic.

## **3. Proposals**

- 3.1 It is proposed that Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) approve the earmarking of £2.888m identified at 2.6 to meet future year commitments; (c) note the current financial projection for the Health and Social Care Partnership at 2.7; and (d) approve the virements detailed in Appendix 7.

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

### **Financial**

#### **4.1 General Services**

The net projection for the year as at 30 November 2020 is a net breakeven position for the year.

#### **Housing Revenue Account**

The net projection for the year as at 30 November 2020 is an underspend for the year of (£2.939m).



## **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 Executive Directors have been consulted as part of the review of financial performance and have approved the projected variances contained in this report.

Mark Boyd  
Head of Finance

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

## **Background Papers**

Revenue Budget 2020/21: Financial Performance to 31 August 2020 - Cabinet – 10 November 2020

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
Objective Summary	£000	£000	£000		
<b>Financial &amp; Customer Services</b>					
FACS Directorate	36	46	10	28%	
Head of Service	133	133	-	0%	
Change Programme	180	180	-	0%	
Audit, Fraud, Safety & Insurance	552	552	-	0%	
Corporate Procurement	1,381	1,381	-	0%	
Financial Services	1,162	1,162	-	0%	
Revenues	1,885	2,459	574	30%	1
<b>Total for Financial &amp; Customer Services</b>	<b>5,329</b>	<b>5,913</b>	<b>584</b>	<b>11%</b>	
<b>People &amp; ICT</b>					
Head of Service	117	117	-	0%	
Employee Services	1,099	1,065	(34)	(3%)	2
HR & Organisational Development	800	775	(25)	(3%)	
ICT	5,027	4,935	(92)	(2%)	3
Business Support	1,134	1,031	(103)	(9%)	4
Customer Services	3,458	3,444	(14)	(0%)	5
<b>Total for People &amp; ICT</b>	<b>11,635</b>	<b>11,367</b>	<b>(268)</b>	<b>(2%)</b>	
<b>Recovery &amp; Renewal</b>					
Head of Service	53	53	-	0%	
Transformation	646	614	(32)	(5%)	
<b>Total for Recovery &amp; Renewal</b>	<b>699</b>	<b>667</b>	<b>(32)</b>	<b>(0%)</b>	
<b>Democratic Services</b>					
Chief Executive	191	201	10	5%	
Head of Service	114	119	5	4%	
Legal & Licensing	497	666	169	34%	6
Policy, Performance & Elections	749	738	(11)	(1%)	
Communications	456	455	(1)	(0%)	
Civil Contingencies	61	61	-	0%	
Committee Services	362	369	7	2%	
Member Services	1,134	1,098	(36)	(3%)	
Information Governance	404	340	(64)	(16%)	7
<b>Total for Democratic Services</b>	<b>3,968</b>	<b>4,047</b>	<b>79</b>	<b>2%</b>	
<b>Growth &amp; Investment</b>					
Tourism	223	193	(30)	(13%)	8
<b>Total for Growth &amp; Investment</b>	<b>223</b>	<b>193</b>	<b>(30)</b>	<b>(0%)</b>	
<b>Totals</b>	<b>21,854</b>	<b>22,187</b>	<b>333</b>	<b>2%</b>	
Less Proposed Carry Forwards		30	30		
<b>Net Total</b>	<b>21,854</b>	<b>22,217</b>	<b>363</b>	<b>2%</b>	

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
Subjective Summary	£000	£000	£000	
Employee Costs	15,957	15,830	(127)	(1%)
Property Costs	68	68	-	0%
Supplies and Services	3,707	3,701	(6)	(0%)
Transport and Plant Costs	44	24	(20)	(45%)
Administration Costs	1,456	1,355	(101)	(7%)
Other Agencies & Bodies	2,302	2,285	(17)	(1%)
Transfer Payments	49,363	49,617	254	1%
Other Expenditure	200	203	3	2%
Capital Financing	-	-	-	-
Gross Expenditure	73,097	73,083	(14)	(0%)
Income	(51,243)	(50,896)	347	(1%)
<b>Net Expenditure</b>	<b>21,854</b>	<b>22,187</b>	<b>333</b>	<b>2%</b>

**CHIEF EXECUTIVES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Finance - Revenues</b>
			There is movement of £0.455m due to limited activity for Housing Benefit Overpayments and Rent Rebates/Rent Allowance expenditure
395	(10)	-3%	Employee Costs - There is a projected underspend of £0.010m due to vacancy management
48,762	250	1%	Transfer Payments - There is a projected overspend of £0.250m due to expenditure for Rent Rebates/Allowances
(47,742)	334	-1%	Income - There is a projected underrecovery of £0.334m within Housing Benefit Overpayments due to limited debt recovery activity during the COVID19 pandemic
<b>574</b>			
<b>Note 2</b>			<b>People &amp; ICT - Employee Services</b>
			There is a movement of (£0.034m) mainly due to vacancy management
1,022	(34)	-3%	Employee Costs - There is a projected underspend of £0.034m due to vacancy management.
<b>(34)</b>			
<b>Note 3</b>			<b>People &amp; ICT - ICT</b>
			There is movement of £0.067m due to unavoidable lagan upgrade costs
2,910	(83)	-3%	Employee Costs - There is a projected underspend of £0.083m due to vacancy management
13	(9)	-71%	Transport Costs - There is a projected underspend of £0.009m due to staff fares/mileage
<b>(92)</b>			
<b>Note 4</b>			<b>People &amp; ICT - Business Support</b>
			There is a movement of (£0.074m) mainly due to vacancy management.
1,296	(90)	-7%	Employee Costs - There is a projected underspend of £0.090m due to vacancy management
17	(7)	-42%	Admin Costs - There is a projected underspend of £0.007m due to staff training.
(185)	(6)	3%	Income - There is a projected over recovery of £0.006m in occ health recharge income.
<b>(103)</b>			
<b>Note 5</b>			<b>People &amp; ICT - Customer Services</b>
			There is movement of £0.053m mainly due to an under recovery in registration income.
2,238	(26)	-1%	Employee Costs - There is a projected underspend of £0.026m mainly due to vacancy management.
96	(24)	-25%	Admin Costs - There is a projected underspend of £0.024m due to postages/printing.
(924)	32	-3%	Income - There is a projected under recovery of £0.032m due to £0.100m under recovery of registration income offset by £0.068m over recovery of benefit admin subsidy.
	4		Other minor variances
<b>(14)</b>			
<b>Note 6</b>			<b>Democratic Services - Legal &amp; Licensing</b>
			There is movement of (£0.002m) due to minor variances within admin costs
1,126	15	1%	Employee Costs - There is a projected overspend of £0.015m due to turnover
(717)	163		Income - There is a projected under-recovery of £0.163m due to a reduction within Licensing Income
	(9)		Other minor variances
<b>169</b>			
<b>Note 7</b>			<b>Democratic Services - Information Governance</b>
			There is movement of (£0.010m) due to vacancy management
417	(64)	-15%	Employee Costs - There is a projected underspend of £0.064m due to vacancy management
<b>(64)</b>			
<b>Note 7</b>			<b>Growth &amp; Investment - Tourism</b>
			There is movement of £0.020m in relation to Tourism spend
343	(30)	-9%	Other Agencies & Bodies - there is a projected underspend of £0.030m due to postponement of events
			It is requested the previously earmarked funding towards the Making Waves festival, which has been postponed due to COVID-19 restrictions , is reduced from £0.050m to £0.030m.
<b>(30)</b>			

**COMMUNITIES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,402	18,190	(3,212)	-15.0%	1
Primary Education	40,721	40,672	(49)	-0.1%	2
Secondary Education	51,308	51,115	(193)	-0.4%	3
Additional Support Needs	12,606	12,184	(422)	-3.3%	4
Education - Other	2,720	3,971	1,251	46.0%	5
Attainment Challenge	129	(71)	(200)	-155.0%	6
Pupil Equity Fund	4,712	4,650	(62)	-1.3%	7
Connected Communities	11,602	14,279	2,677	23.1%	8
<b>Net Total</b>	<b>145,200</b>	<b>144,990</b>	<b>(210)</b>	<b>-0.1%</b>	
Less Proposed Carry Forwards	-	1,612	1,612		
<b>Net Total</b>	<b>145,200</b>	<b>146,602</b>	<b>1,402</b>		

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	120,879	120,193	(686)	-1%
Property Costs	440	436	(4)	(1%)
Supplies and Services	19,562	18,187	(1,375)	(7%)
Transport and Plant Costs	199	182	(17)	(9%)
Administration Costs	987	909	(78)	(8%)
Other Agencies & Bodies	14,063	15,549	1,486	11%
Transfer Payments	580	580	-	0%
Other Expenditure	18	19	1	
Capital Financing	75	75	-	0%
Gross Expenditure	156,803	156,130	(673)	0%
Income	(11,603)	(11,140)	463	-4%
<b>Net Expenditure</b>	<b>145,200</b>	<b>144,990</b>	<b>(210)</b>	<b>0%</b>

**COMMUNITIES**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement: There has been a favourable movement of £1.389m since P5. This is due to an increase in underspend of £0.600m in 3rd party payments and a further increase in unallocated funding of £0.789m.
15,252	(800)	-5%	Employee costs: A projected underspend primarily due to vacancies and posts relating to the expansion programme that have not been created due to COVID.
1,702	(250)	-15%	Supplies and Services: A projected underspend in Educational supplies due to Covid-19
106	(40)	-38%	Admin costs: A projected underspend in staff training course fees due to Covid-19
4,519	(1,000)	-22%	Third Party Payments: A projected underspend in payment to private providers due to Covid-19. The level of private provision uptake has been significantly less than originally anticipated as part of the 1140 hours rollout. Private providers have however been fully supported during the lockdown period.
	(1,122)		Unallocated budget: The Government has recently relaxed the ring fencing arrangements of this funding which allows it to be used to offset other unexpected costs within the service. Budgets that have been allocated are in place to allow the service to meet existing commitments. The unallocated funding element is now fully declared and a revised implementation plan is under development for next year.
			It is requested that an element of the projected underspend (£1.547m) is carried forward into next financial year to be used towards the revised implementation of the 1140 hours programme.
<b>(3,212)</b>			
<b>Note 2</b>			<b>Primary Education</b>
			Movement : There has been no movement since P5
1,903	(28)	-1%	Supplies and Services : £0.028m underspend in PPP costs due to reduced RPI and utility costs.
146	(77)	-53%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(56)	56	-100%	Income: due to the schools being closed there will be no school let income.
<b>(49)</b>			
<b>Note 3</b>			<b>Secondary Education</b>
			Movement : There has been no movement since P5
12,365	(159)	-1%	Supplies and Services : £0.159m underspend in PPP costs due to reduced RPI and utility costs.
204	(97)	-48%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(65)	63	-97%	Income: due to the schools being closed there will be no school let income.
<b>(193)</b>			
<b>Note 4</b>			<b>ASN</b>
			Movement: there has been an unfavourable movement of £0.033m since P5. This is due to £0.105m increase in placement fee costs, mainly due to additional children and an increase in charges, which was slightly offset by further underspends in employee costs due to vacancies.
2,118	(189)	-9%	Employee costs: A projected underspend primarily due to vacancies.
1,010	(202)	-20%	There is an underspend on external day placements as a result of the screening process currently in place. This enables the children to remain in mainstream establishments or in-authority ASN establishments.
355	85	24%	Other Local Authorities payments - the projections indicate an overspend due to additional NAC children being placed in other local authority establishments.
(264)	(137)	52%	Other Local Authorities income - other Local Authorities that choose to place children in NAC establishments. The projections indicate an over recovery due to an increase in demand.
	21		Other minor movements across various budget lines
<b>(422)</b>			

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Education Other</b>
			Movement: The overspend has decreased by £0.035m.
3,302	969	29%	Employee costs: Projected variances continue to be managed within the context of the Covid-19 Education recovery Plan and available Scottish Government funding. Costs include COVID related retention payments to teaching and support staff. The variance also includes an overspend of £0.080m in the Music service due to unachieved savings offset by underspends within HQ employee costs of £0.064m
450	359	80%	Supplies and Services Costs : Included here are additional IT costs of £0.260m and £0.048m of PPE costs as part of the Education re-start and recovery plan. Increased software licence costs of £0.045m.
(3,174)	(80)	3%	Income : PPP penalty deductions is estimated to exceed budget by £0.060m. PPP insurance rebate expected of £0.099m. Music charges are expected to under recover by £0.079m
	3		Other minor movements across various budget lines
	<b>1,251</b>		
<b>Note 6</b>			<b>Attainment Challenge</b>
			Movement: there has been no movement
5,918	(200)	-3%	Expected contribution towards the Education Recovery Plan. Government flexibility allows uncommitted budgets to be used to offset other unexpected costs within the service.
	<b>(200)</b>		
<b>Note 7</b>			<b>Pupil Equity Fund</b>
			Movement: There has been no movement
	(62)		Expected contribution towards the Education Recovery Plan. Government flexibility allows uncommitted budgets to be used to offset other unexpected costs within the service.
	<b>(62)</b>		
<b>Note 8</b>			<b>Connected Communities</b>
			Movement: There is an unfavourable movement of £0.063m since P5.
7,011	(404)	-6%	Employee Costs: Projected overspends of £0.032m within Community Development mainly due to inflated payroll turnover budget and £0.014m for contribution towards NA foodbank co-ordinator post. These are offset against projected underspends of £0.352m in Libraries/Community Facilities/Country Parks/Arts, which is mainly due to staff costs being reduced due to Covid-19 and staff being redeployed to Facilities Management. Further Projected underspend in Arran Outdoor of £0.099m mainly due to staff being redeployed to Facilities Management
239	(4)	-2%	Property Costs: Projected overspend of £0.062m in Community Development for Covid-19 related expenditure on foodbank and packaging provision. Offset with projected underspends of £0.056m in Libraries, £0.003m in Country Parks and £0.008m in Community Facilities
1,459	(187)	-13%	Supplies & Services: Underspends across all lines as expenditure has been reduced due to Covid-19
168	(32)	-19%	Admin Costs: Underspends across various budget lines as expenditure has been reduced due to Covid-19
4,824	2,745	57%	Third Party Payments: Anticipated increased subsidy support for NALL of £2.735m due to the impact of Covid-19 restrictions on and and to support the renewal programme within NALL. However this sector is still subject to severe volatility depending on government advice. Projected overspends of £0.015m in Community Development for food and fuel costs related to Covid-19, £0.009m in Country Parks for payments to Clyde Muirshiel Park and £0.004m in grants for a payment to Millport Town Hall. Underspend of £0.019m in Community Facilities for payments for music royalties
-2,165	559	-26%	Income: Under recovery of £0.559m of which £0.280m is in Community Facilities, £0.171m in Arran Outdoor Centre, £0.054m in Libraries and £0.051m in Arts, all due to Covid-19
			It is proposed to earmark £0.065m for digital access for the public in community hubs
	<b>2,677</b>		

**PLACE**  
**BUDGETARY CONTROL 2019/20**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	235	235	-	0%	
<b>Physical Environment</b>					
Head Of Physical Environment	114	114	-	0%	
Building Services	(2,509)	(320)	2,189	(87%)	1
Property Governance	(54)	(54)	-	0%	
Property Management & Investment	1,771	1,828	57	3%	2
Housing Assets & Investment	300	322	22	0%	
Property Maintenance	3,603	3,364	(239)	(7%)	3
Property Running Costs	5,132	4,649	(483)	(9%)	4
Energy and Sustainability	4,411	4,231	(180)	(4%)	5
Facilities Management	14,273	15,912	1,639	11%	6
Other Housing	3,723	2,894	(829)	(22%)	7
<b>Total for Physical Environment</b>	<b>30,764</b>	<b>32,940</b>	<b>2,176</b>	<b>7%</b>	
<b>Commercial Services</b>					
Head Of Commercial Services	201	201	-	0%	
Roads	6,870	6,870	-	0%	8
Streetscene	4,682	4,704	22	0%	9
Internal Transport	9,791	9,121	(670)	(7%)	10
Waste Resources	7,781	9,578	1,797	23%	11
<b>Total for Commercial Services</b>	<b>29,325</b>	<b>30,474</b>	<b>1,149</b>	<b>4%</b>	
<b>Economic Growth and Regeneration</b>					
Management	302	269	(33)	0%	
Planning & Protective Services	1,572	1,356	(216)	(14%)	12
Economic Development	4,067	3,312	(755)	(19%)	13
<b>Total for Economic Growth and Regeneration</b>	<b>5,941</b>	<b>4,937</b>	<b>(1,004)</b>	<b>(17%)</b>	
<b>Net Total</b>	<b>66,265</b>	<b>68,586</b>	<b>2,321</b>	<b>4%</b>	
Transfer to Earmarked Reserves		2,216	2,216		
<b>Net Total</b>	<b>66,265</b>	<b>70,802</b>	<b>4,537</b>		

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	54,295	54,163	(132)	(0%)
Property Costs	21,563	21,145	(418)	(2%)
Supplies and Services	12,850	11,420	(1,430)	(11%)
Transport and Plant Costs	9,593	9,288	(305)	(3%)
Administration Costs	1,303	1,264	(39)	(3%)
Other Agencies & Bodies	18,468	18,836	368	2%
Transfer Payments	966	898	(68)	(7%)
Other Expenditure	438	846	408	93%
Capital Financing	-	-	-	
Gross Expenditure	119,476	117,860	(1,616)	(1%)
Income	(53,211)	(49,274)	3,937	(7%)
<b>Net Expenditure</b>	<b>66,265</b>	<b>68,586</b>	<b>2,321</b>	<b>4%</b>

**PLACE**  
**FINANCIAL PERFORMANCE 2018/19**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			Movement - There has been no movement since period 5.
7,881	(24)	(0%)	Employee Costs: A projected underspend due to a reduction in additional labour required in the second half of the year
4,595	(1,341)	(29%)	Supplies & Services: A projected underspend of £1.341m in materials due to a reduced workload as a result of Covid-19.
2,841	(87)	(3%)	Third Party Payments: A projected overspend in Agency costs of £0.439m offset by an underspend in payments to contractors of £0.526m due to Covid-19.
(19,048)	3,667	(19%)	Income: There is a projected under recovery of income across various income streams due to Covid-19. This includes an estimated contribution from HRA to support the Repairs and Maintenance Service of £1.900m. This charge is under constant review and may be subject to future change.
	(26)		Other minor movements
			Further reductions in costs and additional income had been anticipated since Period 5 but due to the recent tier 4 announcements a more restricted working environment will be required for the immediate future. This will have an impact on current operating model and will result in increased costs. Therefore the projected variance remains at the previously reported level and will be kept under constant review.
	2,189		
<b>Note 2</b>			<b>Property Management and Investment</b>
			Movement - There has been a favourable movement of £0.005m since P5.
2,422	(113)	(5%)	Employee Costs: A projected underspend of £0.113m due to vacancy management.
(1,103)	135	(12%)	Income: There is a projected under-recovery of income totalling £0.135m mainly consisting of £0.119m under-achievement in factoring income is due to a delay in implementing the new charging policy and £0.009m in sales, fees and charge due to reduction in leases being agreed/renewed.
	35		Other minor movements
	57		
<b>Note 3</b>			<b>Property Maintenance</b>
			Movement - There has been no movement since P5.
6,940	(239)	(3%)	Property Costs: Projected underspends of £0.239m due to planned works not taking place due to COVID situation, with underspends in Health & Safety budgets due to properties being non operational of £0.024m and underspends in infrastructure improvements of £0.284m due to no-access issues offsetting overspends of £0.069m for property alterations/additional measurements due to COVID. Further work will be carried out throughout 2020/21 to determine any potential impact on future year programmes.
	(239)		
<b>Note 4</b>			<b>Property Running Costs</b>
			Movement - There has been no movement since P5.
6,665	(661)	(10%)	Net Property Costs - There is a projected underspend of £0.661m which is due to underspends in NDR charges due to Retail, Hospitality and Leisure sector relief (£0.202m) and revaluations on various properties (£0.245m) along with delays in early years establishments (£0.138m). Refunds due on Shewalton landfill and the former Garnock Academy sites amounted to £0.234m. Also the under-achievement of previously approved savings of £0.160m in relation to rationalisation of properties. A further £0.035m relates to shortfall in lease charges and underspends of £0.008m across various budget lines.
(1,742)	168	(10%)	Income : There is a projected under-recovery of income totalling £0.168m due to a reduction in rental income from commercial properties due to lease terminations and refunds/rent free periods granted mainly within Bridgegate Units (£0.148m) and service charges (£0.015m) due to Covid-19 and a shortfall of tenant's insurance income of £0.013m.
	10		Other minor movements
	(483)		
<b>Note 5</b>			<b>Energy and Sustainability</b>
			Movement - There has been an unfavourable movement of £0.099m since P5, attributable to refreshed property running costs projections due to covid stipulated regulations.
353	(59)	(17%)	Employee costs - A projected underspend of £0.059m due to vacancy management
4,354	(124)	(3%)	Property Costs - There is a projected underspend of £0.124m due to saving in Electricity usage of £0.324m offset by overspends in Water & Sewage £0.101m, Biomass £0.077m and Gas £0.022m.
	3		Other minor movements
	(180)		



Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Facilities Management</b>
			Movement - There is a favourable movement of £1.459m from period 5. This is due to the Catering underspend of £0.556m due to the delayed implementation of the Early Years 1140 hrs programme that was agreed by the Scottish Government. The Cleaning element of this delayed roll out is currently under review. In addition, £0.200m of budget has been drawn down to account for a grant received to help cover the additional cleaning costs within schools. The full costs of providing food vouchers to families eligible for free school meals during the school holidays will now be fully covered by grant reducing the overspend by £0.383m. There is also a further reduction in staff overtime of £0.226m due to utilising commercial catering staff in schools.
12,083	249	2%	Employee Costs - £0.363m of the overspend is due to recharges from Building Services, HRA and Other Housing for the staff who helped with the Free School Meal Hubs and Communities Hub. £0.259m of the overspend relates to savings which are now unachievable and not going to be realised due to the delay in implementation of the 1140 hours expansion in Early Years. £0.118m is due to increased security at Trindlemoss and Kyle Road PPE store; this cost will be offset by additional income from HSCP. £0.031m of the overspend relates to the obligation to pay casual staff their historic average weekly hours during lock-down. All these overspends are offset against a £0.534m underspend due to the reduction in the requirement for overtime during lock-down and utilising commercial catering staff in schools.
936	112	12%	Property Costs: Overspend is in relation to purchasing cleaning materials e.g. hand sanitiser and anti-bacterial wipes in response to COVID 19. The majority of this cost relates to the cleaning of schools as part of the Education Recovery Plan. However this continues to be assessed and costs could be further offset depending on the availability of funding from the Scottish Government.
5,247	(89)	(2%)	Supplies and services - Underspend of £0.556m in Early Years Catering due to the delayed rollout of the 1140 hours. In addition, there is a saving of £1.242m in food due to reduced commercial catering and school meals. This is offset by an overspend of £1.626m for the increase in food due to the Covid-19 response through Free School Meal Hubs, Community Hubs and meals for Key Worker's children. There are overspends of £0.059m for the vehicle charges for School Meal Hub and Community Hub deliveries and £0.024m for the supplies recharged from Building Services, primarily surgical masks.
-4,424	1,367	(31%)	Income - There is a £1.499m under-recovery in commercial and school catering income due to the closure of schools and other buildings. This is offset against additional income of £0.118m from the HSCP for increased security at Trindlemoss and Kyle Road PPE.
			It is proposed to earmark a further £0.062m for the implementation of the Cashless Catering systems.
	1,639		
<b>Note 7</b>			<b>Other Housing</b>
			Movement - There has been an adverse movement of £0.020m since P5. This is mainly due to an increase in bad debt provision following the most recent calculations, which is partly offset with lower employee costs due to a restructure of the Housing First model, reduced payments to HSCP and Cunninghame Housing Association and increased income from additional Temporary Accommodation units being in use longer than projected at P5
4,030	(315)	(8%)	Employee Costs - The projected underspend is due to vacancies across the service and a restructure of the Housing First model
1,768	560	32%	Property Costs - Budgets were based on 170 temporary accommodation units and there are currently 254 units in use in response to Covid-19. The additional units increases rent charges, cleaning, maintenance, repairs and void rent loss. This is offset by the additional rental income generated
125	44	35%	Supplies and Services - The projected overspend is in relation to supplies and PPE required across the service in response to Covid-19
2,233	(109)	(5%)	Third Party Payments - £0.068m of the underspend relates to payments made to Cunninghame Housing Association, as the contract is not being renewed beyond January. A further £0.040m of the underspend relates to payments made to HSCP, following a revision of the HSCP services required
150	387	258%	Other Expenditure - £0.200m of the variance relates to Covid-19 expenditure, for costs such as furniture and fittings which were required to set up additional temporary accommodation units. This has been offset by the additional income generated from the units. A further £0.181m of the variance relates to an increase in bad debt provision
(4,704)	(1,394)	30%	Income - The projected over recovery of income relates mainly to the increase in temporary accommodation units and additional income projected for CCTV from the HRA, which is due to a review of charges to the HRA for the CCTV service
	(2)		Other minor movements
			It is proposed to earmark £0.090m of this underspend to offset a shortfall in the Housing First budget in future years
	(829)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 8</b>			<b>Roads</b>
			Movement - There has been no net movement since P5
3,861	(61)	(2%)	Employee Costs - Due to Covid-19, recruitment of various posts has been delayed until later this year
2,143	(58)	(3%)	Supplies and Services - Various underspends across the service
1,726	169	10%	Third Party Payments - £0.050m overspend in Structures for emergency landslip repairs. £0.104m overspend in Network, as work due for completion in March 2020 was delayed due to Covid-19 and a delay in recruitment has also contributed to increased contractor costs. These overspends will be offset by underspends in other budget lines across the service
(1,125)	(49)	4%	Income - Over recovery of income in Network for work for other Council Services, partly offset with under recovery of external income across the service, which can in part be attributed to Covid-19
	(1)		Other Minor Movements
			A proposed budget virement of £0.100m in Network from Employee Costs to Third Party Payments has been included in Appendix 8
			It is proposed to earmark £0.056m for the Critical Traffic Sign Replacement scheme
0			
<b>Note 9</b>			<b>Streetscene</b>
			Movement - There has been a favourable movement of £0.025m. This is primarily due to a decrease in employee costs due to a number of casual staff in Streetscene being transferred into temporary positions in Waste from November 2020 to March 2021.
6,419	51	1%	Employee Costs: Overspend is related to additional staff required to undertake income generating work. In addition, as part of the response to the pandemic a significant number of Streetscene colleagues were redeployed to Waste Services to ensure uninterrupted operation of our domestic kerbside waste collection service. These overspends are partially offset by underspends due to reduced staff overtime during lock-down and a reduction in Streetscene activities e.g. reduced Garden Tidy Scheme and reduction in public events.
182	(39)	(21%)	Property Costs: £0.010m projected underspend in plants and planting due to reduced number of public events. £0.021m underspend in ground maintenance which relates to reactive works. £0.014m underspend in street furniture purchases and repairs. This is offset against an overspend of £0.07m in washroom and cleaning supplies.
129	38	29%	Transport Costs: Overspend of £0.015m for additional vehicle hire due to COVID 19 social distance restrictions. In addition, overspends in hire costs of £0.022m expected as a result of the pandemic
405	25	6%	Supplies and Services: £0.020m of the overspend is a result of the projected running costs of the Ayrshire temporary mortuary facility in Prestwick. The remainder is due to Covid-19 expenditure on signage and cleaning supplies.
(2,638)	(37)	1%	Income: An over-recovery of income from Council services has been achieved, offset by an under-recovery of income due to Covid-19 e.g. cancellation of public events, reduced income from memorial permits, reduced Garden Tidy income and cancellation of various works.
	(16)		Other minor movements.
22			
<b>Note 10</b>			<b>Internal Transport</b>
			Movement - There has been a favourable movement of £0.015m since P5 due to increased underspends of £0.172m in fuel offset by a decrease in the transport provision underspend of £0.090m and a £0.097m increase in external hires overspend.
4,317	(320)	(7%)	Transport Provision Costs - Underspend due to Covid-19 and closure of schools. It was agreed that current contracts would be paid 75% from April until the end of term in June 2020, in line with the approach taken by most other local authorities.
1,718	(395)	(23%)	Fuel Costs - Underspend due to Covid-19 and associated decrease in fuel usage and price.
472	79	17%	External Hires - overspend primarily due to external plant hire, including hire of an additional Roads Gully Wagon as part of drainage maintenance in response to weather response.
	(34)		Other minor movements
(670)			

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 11</b>			<b>Waste Services</b>
			Movement - There has been an adverse movement of £0.383m since P5, due to increased employee costs in relation to Covid of £0.163m, other employee costs £0.017m, £0.114m movement in loss of Income, due to Waste Gas extraction £0.081m and Commercial Waste of £0.045m (ongoing pandemic impact on businesses). £0.065m movement in 3rd Party costs of which £0.028m is due to recycling contracts and £0.026m organic waste contract.
4,603	470	10%	Employee Costs - Overspend of £0.470m, the majority of which is related to increased staffing costs in relation to delivery of the waste service during the pandemic as part of our planned Covid response to deliver an uninterrupted waste service. This has increased by £0.163m from the last reporting period, as additional staff will now be required to support workplace virus control measures until the end of the financial year (previously projected to end of December). This includes staff moving from other departments.
185	135	73%	Transport Costs- Overspend due to additional vehicles required to deal with the increased waste requirements during Covid-19 (£0.100m).
5,477	570	10%	Third Party Payments – Overspend in part due to Covid-19 (£0.393m). Waste arisings increased significantly due to people staying at home during lockdown. This has been off-set to a degree by savings in disposal costs arising from HWRC closures (underspend of £0.100m). The remaining overspend is a result of an ongoing downturn (pre-Covid) in the recycle market, increasing our processing costs.
(3,040)	662	(22%)	Income - Due to Covid-19 there is an under-recovery of income including– Commercial Waste £0.445m and Special Uplifts £0.048m as part of our strategy to temporarily waive the uplift charge and increase capacity earlier in the year to mitigate the impact of HWRC closures. A further £0.180m of lost income can be attributed to reduced gas extraction and a reduction in skip hire.
	(40)		Other Minor Movements
	1,797		
<b>Note 12</b>			<b>Economic Development and Regeneration - Management</b>
			Movement - There has been a favourable movement of £0.033m since P5, which is due to an underspend in research due to timing.
83	(33)	(40%)	Third Party Payments - underspend due to timing of planned research £0.033m
			It is proposed to earmark this underspend towards future years pressures in Economic Development and Regeneration
	(33)		
<b>Note 13</b>			<b>Planning and Protective Services</b>
			Movement - There has been a favourable movement of £0.039m since P5, which is due mainly to an increase in vacancy management savings of £0.034m
2,433	(207)	(9%)	Employee Costs - underspends due to vacancy management in Planning £0.023m and Protective Services £0.184m
	(9)		Other Minor Movements
	(216)		
<b>Note 14</b>			<b>Economic Development</b>
			Movement - There has been a favourable movement of £0.326m. This is partly due to the inclusion of the final BONA income claim which is £0.040m better than expected. There has been a favourable movement of £0.060m in Regeneration, due to the reallocation of budgets to cover overspends reported previously in Irvine Enterprise Area and payroll costs. There has been a favourable movement of £0.216m within Employability and Skills as the previous overspend relating to the extension of the Modern Apprentices contracts in response to COVID 19 can now be offset against the savings generated from the delayed starting of the 20/21 Modern Apprentice intake. In addition, Employability and Skills have further savings due to Skills for Life programme not re-starting in October due to COVID 19 restrictions.
3,674	(124)	(3%)	Employee costs - an underspend of £0.090m in Employability and Skills due to the Skills for Life programme not re-starting. This is an office based programme and therefore it has not been able to commence in October due to the COVID 19 restrictions. Included is a £0.034m underspend due to the delay in recruiting for the Community Wealth Building post, as such the employee contract now spans over 20/21 and 21/22.
0	(625)		Income - Final net receipt for BONA - £0.645m. This is offset by an under-recovery of grant income of £0.020m in Employability and Skills due to the Skills for Life Programme not re-starting in October due to COVID 19 restrictions.
	(6)		Other Minor Movements
			It is proposed to earmark the Skills for Life £0.070m underspend as they will be trying to catch-up on their EU programme spend over the next two years to ensure that they use their full allocation. However, in order to do this they require sufficient match funding to be in place.
			It is proposed to earmark the Community Wealth Building underspend of £0.034m as there was a delay in recruiting for the CWB post so the contract now spans over 20/21 and 21/22.
			It is proposed to earmark £0.201m towards future costs in respect of the Modern Apprenticeships Programme
	(755)		

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,222	2,222	-	0%	
SPT Concessionary Fares	285	285	-	0%	
Ayrshire Joint Valuation Board	824	824	-	0%	
<b>Other Corporate Costs</b>					
Pension Costs	1,855	1,855	-	0%	
Central Telephones	86	86	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	15,023	7,064	(7,959)	(53%)	1
Insurance Account	19	19	-	0%	
	20,314	12,355	(7,959)	(39%)	
Less Proposed Carry Forwards		750	750		
<b>Net Total</b>	<b>20,314</b>	<b>13,105</b>	<b>(7,209)</b>	<b>(35%)</b>	

**OTHER CORPORATE ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			<b>Other Corporate Items</b>
			Movement - There has been a favourable movement of £1.372m since P5, which is primarily related to £0.785m Scottish Government funding in relation to Covid-19, which offsets the variances reported in relation to Housing Benefit Overpayments recoveries, Council Tax and Council Tax Reduction, and £0.827m of centrally held payroll and utility pressure budgets which are not expected to be drawn down during 2020/21. These have been partly offset by the transfer of £0.240m of funding to services in relation to non-service Covid-19 costs.
15,023	(7,959)	-53%	An underspend of £7.959m is projected. This is primarily in relation to additional Scottish Government non-specific Covid-19 funding, which partially offsets the additional expenditure and reduced income reported across other services, £7.118m, and centrally held payroll and utility pressure budgets which are not expected to be drawn down during 2020/21, £0.827m.
			It is requested that £0.750m of this underspend is earmarked to support the 2021/22 to 2023/24 Medium Term Financial Plan.
	<b>(7,959)</b>		

**MISCELLANEOUS ITEMS**  
**BUDGETARY CONTROL 2020/21**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	13,644	13,644	-	-	
Contribution to Loans Fund Reserve	3,641	3,641	-	-	
Scottish Government Funding	(307,561)	(307,561)	-	-	
Council Tax	(59,447)	(58,540)	907	(2%)	1
Use of Earmarked Funds	(2,175)	(2,175)	-	-	
Net Total	(351,898)	(350,991)	907	(0%)	

**Note 1 Council Tax**

Income from Council Tax is forecasting to under recover by £0.907m. This is primarily related to additional provision for bad debts due to the impact on the debt recovery position and additional Council Tax Replacement expenditure.

**HOUSING REVENUE ACCOUNT**  
**BUDGETARY CONTROL 2019/20**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	4,818	4,717	(101)	(2%)	1
Property Costs					
Responsive Repairs	4,829	4,055	(774)	(16%)	
Void Repairs	3,338	2,351	(987)	(30%)	
Planned and Cyclical Maintenance	5,862	3,762	(2,100)	(36%)	
Aids and Adaptions	1,571	1,198	(373)	(24%)	
Other property costs	3,327	5,179	1,852	56%	
Total for Property Costs	18,927	16,545	(2,382)		2
Supplies & Services	269	230	(39)	(14%)	
Transport Costs	26	11	(15)	(58%)	
Administration Costs	1,856	1,887	31	2%	3
Third Party Payments	2,453	2,405	(48)	(2%)	
Transfer Payments	390	30	(360)	(92%)	4
Other Expenditure	455	1,394	939	206%	5
Capital Financing Costs	21,369	20,316	(1,053)	(5%)	6
Gross Expenditure	50,563	47,535	(3,028)	(6%)	
Income					
Council House Rents	(49,601)	(49,580)	21	(0%)	
Other Rents	(315)	(315)	-	0%	
Recharges	(377)	(379)	(2)	1%	
Other Income	(160)	(90)	70	(44%)	
Transfer from HRA Reserves	(110)	(110)	-	0%	
Total Income	(50,563)	(50,474)	89	(0%)	7
Net Expenditure	-	(2,939)	(2,939)		

**HRA**  
**BUDGETARY CONTROL 2019/20**

**REPORT FOR THE 8 MONTHS TO 30 NOVEMBER 2020**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Employee Costs</b>
			Movement - there is now a projected underspend of £0.101m due to vacancy management.
4,818	(101)	-2%	A projected underspend in employee costs of £0.101m due to vacancies and posts being filled later than originally anticipated.
(101)			
<b>Note 2</b>			<b>Property Costs</b>
			Movement - there is a favourable movement of £0.040m in projected property costs since Period 5. This is due to an increase in projected spend within Responsive Repairs of £0.319m, Void Repairs £0.184m, offset by a reduction in Planned and Cyclical Maintenance of £0.466m and other Property costs of £0.076m
18,927	(2,382)	-13%	There is a projected underspend of £2.470m which is primarily due to £0.773m in Responsive Repairs, £0.987m in Void Repairs and £2.100m in Planned and Cyclical Maintenance. A further underspend of £0.374m is expected for Aids & Adaptations - this is due to fewer requests from the HSCP for adaptations, further impacted by COVID-19. Of this total underspend it is expected that £0.438m is related to delayed expenditure and will be required in future years. Included is a £1.900m contribution towards the Repairs and Maintenance Service.
(2,382)			
<b>Note 3</b>			<b>Administration Costs</b>
			There has been a favourable movement of £0.159m since Period 5 primarily due to a reduction in legal expenses of £0.130m
1,855	31	2%	A projected overspend of £0.190m as a result of a change in the way Central Support costs are allocated. This change was agreed after the budget was set. This is partially offset by a reduction in legal fees of £0.130m.
31			
<b>Note 4</b>			<b>Transfer Payments</b>
			There has been no movement since Period 5.
390	(360)	-92%	The underspend relates to the reduction in payment of disturbance allowances as a result of COVID-19. This is due to a reduction in the number of repairs which can be carried out this year. This is delayed expenditure and will be incurred in future years.
(360)			
<b>Note 5</b>			<b>Other Expenditure</b>
			There has been no significant movement since Period 5.
455	939	206%	£0.918m of the overspend relates to an increase in the provision of bad debts largely due to COVID-19.
939			
<b>Note 6</b>			<b>Capital Financing</b>
			There has been a favourable movement of £0.095m since Period 5.
9,902	(1,053)	-11%	Loan Charges - There is an underspend in capital financing costs of £1.053m. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
(1,053)			
<b>Note 7</b>			<b>Income</b>
			There has been an adverse movement of £0.205m since Period 5 mainly due to a reduction in court recovery costs.
(160)	70	-44%	A projected shortfall in other income primarily due to a reduction in the projected recovery of court costs due to COVID-19
(963)	19	-2%	Other minor movements
89			

HRA reserves and balances	B/fwd from 2019/20	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/20
	£m	£m	£m	£m	£m	£m
Council House Building Fund	6.372	-	-	-	(1.227)	5.145
Welfare Reform	1.500	-	-	-	-	1.500
Contingency Balance	1.500	-	-	2.446	-	3.946
Infrastructure Improvements	0.305	-	-	-	-	0.305
Major Refurbishment Works	0.052	-	-	-	-	0.052
Aids and Adaptations	0.058	-	-	-	-	0.058
Sheltered Housing Works	0.110	-	(0.110)	-	-	-
Additional CFCR	1.000	-	-	-	(1.000)	-
Guttering	-	-	-	0.106	-	0.106
Cyclical Planned Maintenance	-	-	-	0.220	-	0.220
Fencing Programme	-	-	-	0.167	-	0.167
	<b>10.897</b>	<b>-</b>	<b>(0.110)</b>	<b>2.939</b>	<b>(2.227)</b>	<b>11.499</b>



## Budget Management - 30 November 2020

## Virement/Budget Adjustment Requests

	2020/21		
	Perm (P) / Temp(T)	Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Roads - Network - Third Party Payments (This is in addition to the £0.105m budget virement requested at P5. The cumulative figure is £0.205m)	T	0.100	
Roads - Network - Employee Costs	T	-0.100	
FM - Scottish Attainment Challenge - Education Recovery - Additional cleaning materials	T	0.200	
FM - Scottish Attainment Challenge - Education Recovery - Grant Income	T	-0.200	
			<b>0.000</b>
<b>Communities</b>			
Educ - Scottish Attainment Challenge - Education Recovery - additional cleaning	T	0.297	
Educ - Scottish Attainment Challenge - Education Recovery - additional cleaning	T	-0.297	
			<b>0.000</b>



## Integration Joint Board 17 December 2020

<b>Subject:</b>	<b>2020-21 – Month 7 Financial Performance</b>
<b>Purpose:</b>	To provide an overview of the IJB's financial performance as at Period 7 including an update on the estimated financial impact of the Covid-19 response.
<b>Recommendation:</b>	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> <li>(a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end underspend of £0.807m at period 7;</li> <li>(b) notes the updated estimated costs of the Covid mobilisation plan of £8.5m, including savings delays, and the associated funding received to date; and</li> <li>(c) note the financial risks for 2020-21, including the impact of Covid 19, and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.</li> </ul>

<b>Glossary of Terms</b>	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
RAG	Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit Committee

<b>1.</b>	<b>EXECUTIVE SUMMARY</b>
1.1	The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. It should be noted that although this report refers to the position at the October period end that 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	<p>The projected outturn, before the impact of Covid-19, is a year-end underspend of £0.807m for 2020-21 which is a favourable movement of £0.430m. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in relation to funding and the achievement of savings. The position has been adjusted to reflect the potential impact of Lead Partnership services. In the absence of any alternative risk sharing agreement for lead partnership services an NRAC share of the projected position has been assumed as this would be in line with the allocation in previous years.</p>
1.3	<p>From the core projections, overall the main areas of pressure are learning disability care packages, looked after children and adult in-patients within the lead partnership. However, there has been significant progress to reduce the pressures in these areas. The financial position demonstrates that the work started before the pandemic to ensure the IJB moved into the new financial year in a financially sustainable position has not been reversed by the Covid-19 response. If this position can be sustained as we move through the year, and assuming all Covid-19 costs are fully funded, the IJB will secure financial balance and repay £1.5m of the debt to North Ayrshire Council as planned.</p>
1.4	<p>The most up to date position in terms of the mobilisation plan for Covid-19 based on the return to the Scottish Government in November projects £8.5m of a financial impact, which is split between additional costs of £7.4m and anticipated savings delays of £1.1m. The impact of savings delays has been built into the core financial projection above on the basis that there is less confidence that funding will be provided to compensate for this. There are financial risks associated with Covid-19 as the IJB has yet to receive confirmation of the full funding allocation. To date North Ayrshire have been allocated funding totalling £6.3m.</p>
1.5	<p>Pending full funding for Covid-19 being confirmed there is a risk that there may be a shortfall to fully compensate the North Ayrshire IJB for the additional costs. Currently there is a balance of £1.1m of estimated costs for which funding has not yet been allocated. However, there is no recommendation at this time to implement a Financial Recovery Plan on the basis that:</p> <ul style="list-style-type: none"> <li>• There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations, for both health and social care costs only 70% of estimated costs to March have been funded to date, further allocations are expected in January;</li> <li>• Offsetting reductions of £0.5m have not been included in the overall funding allocation and also have not been factored into the HSCP financial projections, therefore at this stage these would potentially remain available for North to re-direct to any funding shortfall;</li> <li>• The most significant area of additional Covid costs are the purchase of PPE for social care and sustainability payments for commissioned social care providers (£3.8m in total). Both areas have been implemented with an assurance that the actual costs will be fully reimbursed;</li> <li>• The period 7 position projects an underspend position (excluding Covid) and this does not include any assumption re the £1.5m held by the Council towards the IJB debt, this position assumes the debt repayment is made as planned, this position also incorporates estimated delays with savings delivery.</li> </ul> <p>The financial position will continue to be reported to the IJB at each meeting, these reports will outline the monthly financial projections and the updated position in relation</p>

	to estimates for Covid costs. This will include the ongoing consideration of whether a Financial Recovery Plan may be required in the future.
<b>2.</b>	<b>CURRENT POSITION</b>
2.1	<p>The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and plans to work towards financial balance.</p> <p>The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.</p>
	<b>FINANCIAL PERFORMANCE – AT PERIOD 7</b>
2.2	<p>The projected outturn position at period 7 reflects the cost of core service delivery and does not include the costs of the Covid 19 response as these costs are considered separately alongside the funding implications.</p> <p>Against the full-year budget of £257.502m there is a projected year-end underspend of £0.807 (0.3%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £0.371m in social care services offset by a projected underspend of £1.178m in health services.</p> <p>As highlighted at the end of last year the payroll turnover target was to be centralised for future years as the approach in previous years left some service areas with unachievable targets whilst other areas were able to overachieve, it was agreed that a more transparent approach would be to manage the payroll turnover and vacancy savings centrally. This approach has been adopted for 2020-21, this has helped to de-clutter the financial report and to make it more transparent re the overall turnover target and the progress towards achieving this across the partnership. Section 2.6 highlights progress with the partnership vacancy target.</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 with detailed analysis provided in Appendix B.</p>
2.3	<b>Health and Community Care Services</b>
	<p>Against the full-year budget of £69.373m there is an underspend of £0.939m (1.35%) which is an adverse movement of £0.034m. The main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions) – underspent by £0.510m (adverse movement of £0.138m). The care home budget moved into a sustainable position towards the end of 2019-20 and the opening position for the budget for 2020-21 was expected to be an underspend position as at that time we set the budget at a level to fund 810 places and we were funding 782. The occupancy in care homes has fallen further in the first half of 2020-21 and as at 4<sup>th</sup> November we were funding 746 placements. Therefore, there are significant vacancies in care homes, the projected underspend includes a steady net increase of 10 placements per month until the year-end. The main reason</p>

	<p>for the adverse movement is the impact of catching up with funding of placements under the improved funding process implemented by the service partly offset by a reduction in respite spend.</p> <p>b) Independent Living Services are overspent by £0.261m (adverse movement £0.041m) which is due to an overspend on physical disability care packages within the community and direct payments. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and will ensure payment only for the actual hours of care delivered. The roll out of the CM2000 system for Adult services was postponed towards the year-end due to the Covid response and will be implemented early in the new year.</p> <p>c) Care at home are reporting a balanced position, whilst there is a projected overspend on the budget due to additional capacity for Covid this remains below the costs included in the Covid funding plan and the additional monies received for winter capacity. Bank staff are being offered contracts, the service are recruiting additional staff for the in-house service and also engaging with new providers to bring them onto the framework for commissioned services. The cost of these plans remains in line with the level of Covid resources requested.</p> <p>d) Aids and adaptations projected underspend of £0.150m (£0.075m adverse movement). There have been significant delays with carrying out assessments and providing equipment and adaptations during lock down. The final outturn depends on the level of assessments that can be undertaken in the coming months however this cannot be determined at this stage in the year. The service are actively working on plans to re-mobilise these services and address the waits for assessment and delivery of equipment and adaptations.</p> <p>e) Carers Act Funding is projected to underspend by £0.443m (no movement) based on the currently committed spend and delays with taking forward new developments to support carers. The total uncommitted budget is £0.560m so this projected position assumes there will be carers' support plans undertaken and a level of demand/services identified from these plans to be delivered later in the year. The service plan to undertaken positive promotion of the services available to carers and are currently reviewing the process for a carers assessment to make this more accessible to individuals requiring support.</p>
2.4	<p><b>Mental Health Services</b></p>
	<p>Against the full-year budget of £77.927m there is a projected overspend of £0.586m (0.75%) which is a favourable movement of £0.158m. The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £1.796m (favourable movement of £0.524m), included within this is £1.249m (£0.071m favourable movement) in relation reviews undertaken for community care packages and £0.285m for residential placements (£0.271m favourable movement) due to a placement returning to children's services. The 2020-21 budget for all adult care packages (LD, PD and MH) were realigned with any projected underspends in other areas being used to reduce the LD projected overspend. 2020-21 savings relating to the implementation of the Adult Community Support Contract are delayed as the full implementation of the CM2000 system has been postponed as the focus for providers has been on the response to COVID-19. This will commence with a</p>

phased roll out from January 2021, the financial benefits of the system are included in the projection later in the year but at a reduced level. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The current projection assumes the current level of commissioned support will continue for the year, there are opportunities to reduce this commitment as a significant number of these care packages were reduced or suspended during lock down, these will be reviewed when services are re-started to ensure support is re-started at the appropriate level, this may potentially reduce the year-end projected position and the opening projections for next year which are currently being collated to inform budget planning for 2021-22.

- b) Community Mental Health services are projected to underspend by £0.182m (£0.057m adverse movement) mainly due to an increase in care packages. There has been a reduction in the number of care packages since the start of the year and there have been some temporary reductions to care packages during lock-down, currently these are assumed to be temporary reductions, these will also be reviewed when brought back online.
- c) The Lead Partnership for Mental Health has an overall projected underspend of £1.039m (adverse movement of £0.309m) which consists of:
- A projected overspend in Adult Inpatients of £0.583m (no movement). The overspend is mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ward closed during August 2020 but there remain staff to be re-deployed, the overspend may reduce if alternatives can be identified for displaced staff sooner.
  - UNPACS is projected to overspend by £0.069m (£0.109m adverse movement) based on current placements. The adverse movement is due to a further new placement being made.
  - Learning Disabilities are projected to overspend by £0.050m which is an adverse movement due to continued increased use of supplementary staffing for enhanced observations.
  - A projected underspend of £0.050m (£0.150m adverse movement) in Elderly Inpatients due to the completion of the work to reconfigure the Elderly Mental wards, this represents the part-year saving with the full financial benefit being available in 2021-22. The part year reduction for 2020-21 has been reduced due to staffing levels for wards, the workforce tool for the wards is being run which will determine the final staffing.
  - A projected underspend in MH Pharmacy of £0.220m (no movement) due to continued lower substitute prescribing costs.
  - The target for turnover or 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 £1.268m in 2020-21, further information is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2021	£1.668m
Over/(Under) Achievement	£1.268m

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.

	<p>The main areas contributing to this position are noted below:</p> <ul style="list-style-type: none"> <li>• Adult Community Health services £0.133m</li> <li>• Addictions £0.020m</li> <li>• CAMHS £0.295m</li> <li>• Mental Health Admin £0.330m</li> <li>• Psychiatry £0.440m</li> <li>• Psychology £0.383m</li> <li>• Associate Nurse Director £0.067m</li> </ul>
2.5	<p><b>Children Services &amp; Criminal Justice</b></p>
	<p>Against the full-year budget of £36.003m there is a projected overspend of £0.255m (0.7%) which is an adverse movement of £0.336m. The main variances are:</p> <p>a) Looked After and Accommodated Children are projected to overspend by £0.474m (adverse movement of £0.017m). The main areas within this are noted below:</p> <ul style="list-style-type: none"> <li>• Children's residential placements are projected to overspend by £0.736m (adverse movement of £0.074m due to extended end dates of placement and contract inflation above the budgeted level). At period 7 there are 15 placements with plans to reduce this by 2 by mid-January and an assumption that there will be no further placements during the year. Budget plans for 2020-21 were based on starting the year with 18, reducing to 14 by the end of Q1 and to 10 places by the end of Q2 and for the remainder of the year. Progress with plans to move children from residential placements have been impacted by Covid-19 as there has been an impact on Children's Hearings and this has limited the availability of tenancies. Children's services are working towards further improving the position as we move through the year as starting the 2021-22 financial year with 13 placements will impact on the savings planned for next year.</li> <li>• Fostering placements are projected to overspend by £0.112m (£0.017m adverse movement) based on the budget for 129 places and 133 actual placements since the start of the year. The fostering service is an area we are trying to grow, and a recruitment campaign was undertaken early in the new year to attract more in-house foster carers to limit the ongoing requirement for external foster placements. There are a number of additional fostering placements attributed to Covid-19 which are out with these numbers as the costs have been included on the Covid-19 mobilisation plan. Respite foster placements is projected to underspend by £0.073m (£0.013m favourable movement) as placements have not taken place due to Covid-19 restrictions.</li> <li>• Kinship placements are projected to underspend by £0.166m (adverse movement of £0.017m) based on the budget for 370 places and 343 actual placements since the start of the year.</li> </ul> <p>b) Children with disabilities – residential placements are projected to overspend by £0.091m (£0.287m adverse movement due to a child returning from adult services as they are placed under continuing care legislation). Community packages (inc direct payments) are projected to underspend by £0.106m</p>

(£0.019m adverse movement) based on current placements and an assumed increase in direct payment cases.

c) Respite is projected to underspend by £0.098m (£0.009m adverse movement) due to respite not taking place due to COVID.

d) Transport costs – projected underspend of £0.119m (favourable movement of £0.038m) due to reduced mileage costs.

## 2.6 Turnover/Vacancy Savings

The payroll turnover target has been centralised for 2020-21. The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.

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	*(£1.957m)	(0.645m)
Projected to March 2021	£1.957m	1.044m
Over/(Under) Achievement	0	0.399m

(\*the target for social care services has been increased on a non-recurring basis for 2020-21 only by £0.110m to offset the saving for the roll out of Multi-Disciplinary Teams, as no permanent reductions to the structure can be identified at this time but will be by the service from 2021-22 onwards)

The position in the table above reflects the assumption in the current financial projections. For social care there have been significant vacancy savings to period 7 due to delays with recruitment and a total of £1.289m has been achieved to date. It is not anticipated that the level of vacancies will continue at this rate to the financial year-end, the full annual target is expected to be achieved on the basis that there will vacancies sustained at around 72% of that level. We may potentially exceed the target, as was the case in previous years, but the likelihood of this will not be known with confidence until services and recruitment re-starts fully over the coming months.

The Health vacancy projection to the year-end is informed by the recruitment plans and confidence in recruitment to posts for the remainder of the year.

The main 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 most notable in terms of value being social worker posts (across all services), the Community Mental Health Teams and Allied Health Professionals.



2.7

Savings Progress

a) The approved 2020-21 budget included £3.861m of savings.

RAG Status	Position at Budget Approval £m	Position at Period 6 £m
Red	-	0.274
Amber	2.801	1.801
Green	1.060	1.786
<b>TOTAL</b>	<b>3.861</b>	<b>3.861</b>

b) The main areas to note are:

i) Red savings of £0.274m relating to reducing LD sleepovers and the review of Adoption Allowances, both of which have been impacted by Covid-19, the delays in these savings have been included in the overall projected outturn position;

ii) Whilst all savings remain on the plan to be delivered there are delays with some savings with delays in implementation due to Covid-19, for example the implementation of the Adult Community Support Framework as the introduction of the CM2000 system is delayed as providers were focussing on COVID related service and staffing issues and further internal implementation work is required;

iii) The confidence with some savings has increased since the budget was set due to the progress made towards the end of 2019-20, for example with freeing up additional capacity for Care at Home services by reducing care home placements.

Appendix C provides an overview of the savings plan, this highlights that during 2020-21 it is anticipated that a total of £2.483m of savings will be delivered in-year, with £1.378m of savings potentially delayed or reduced. The delays are mainly due to Covid-19 and have been included in the mobilisation plan return to the Scottish Government, but at this stage they have also been reflected in the overall projected outturn position as there is less confidence that the impact of savings delays will be compensated with additional funding.

The Transformation 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. Whilst some of our plans were put on hold due to Covid, the transformation plans are being re-mobilised at pace to ensure we taken any opportunities to join up the re-design services as they come back online. The Transformation Board re-started in July and there will be a concerted effort to ensure the maximum savings delivery can be achieved in-year, to assist with the current year position and to ensure there is no recurring impact moving into 2021-22.

2.8

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”.

	<p>Appendix D highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p><b><i>Reductions Requiring Approval:</i></b></p> <p>The are no specific reductions to the overall budget that the IJB are required to approve.</p> <p>The IJB are asked to note a transfer of £0.5m of funding from health to social care resources. This reflects the previously approved investment in unscheduled care being allocated for 2020-21 only to assist with social care costs incurred which have contributed to the sustained reduction in delayed discharges.</p> <p><b>Future Planned Changes:</b></p> <p>An area due to be transferred in the future are the Douglas Grant and Redburn rehab wards from acute services to the North HSCP. The operational management of these wards has already transferred to the partnership, but the due diligence undertaken on the budget has highlighted a funding shortfall. It has been agreed with NHS Ayrshire and Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and plans are well progressed to reduce the projected overspend prior to any transfer.</p>
2.9	<p><b>NHS – Further Developments/Pan Ayrshire Services</b></p>
	<p><u>Lead Partnerships:</u></p> <p>The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. During 2019-20 agreement was reached with the other two Ayrshire partnerships that in the absence of any service activity information and alternative agreed risk sharing arrangements that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC basis. This position is currently the default for 2020-21 as the further work taken forward to develop a framework to report the financial position and risk sharing across the 3 partnerships in relation to hosted or lead service arrangements has been delayed by the requirement to focus efforts on the Covid response.</p> <p>The underspend in relation to North Lead Partnership services is not fully attributed to the North IJB as a share has been allocated to East and South partnerships, similarly the impact of the outturn on East and South led services will require to be shared with North. At month 7 the impact on NA IJB is a £0.338m underspend (£0.353m underspend for East and £0.015m overspend for South). There is no movement from month 6 as neither East nor South report at month 7. The information below is a recap of the month 6 variances.</p> <p><b>East HSCP</b> – projected underspend of £0.981m (£0.353m NRAC share for NA IJB). The main areas of variance are:</p> <p>a) Primary Care and Out of Hours Services (Lead Partnership) - there is a projected underspend of £0.741m (favourable movement of £0.656m). This reflects detailed work undertaken to analyse year-to-date costs and anticipated activity over the remainder of the financial year. This includes reduced projected costs on Dental Services where there have been a number of services cancelled for</p>

the year-to-date. These services are expected to restart in the final quarter of the 2020 calendar year, with an anticipated increase in staffing costs going forward. In addition, work has been undertaken to update cross charging against for Ayrshire Urgent Care Services (AUCS) costs related to the Covid-19 pandemic. It is anticipated that the current level of Covid-related GP activity will continue until the end of December at this stage. In addition, increased staff turnover savings are projected for AUCS, with posts to be recruited to in the final quarter of the financial year. It is anticipated at this stage that the Primary Care Improvement Fund will outturn on budget. The Primary Care budget has increased from £79m at month 4 to £86m at month 6 and is due to confirmation of funding allocations from the Scottish Government, including Primary Care Transformation Funding, Family Health Services Covid-19 funding, Dental funding and an increase to the global sum.

- b) Prison and Police Healthcare (Lead Partnership) - £0.233m projected underspend (favourable movement of £0.279m). This relates to drugs costs which were previously charged to the prison have correctly now been charged against Covid-19 and additional staffing savings.

**South HSCP** – projected overspend of £0.041m (£0.015m NRAC share for NAHSCP). The overspend is mainly due to an overspend in the community store.

**Set Aside:**

The budget for set aside resources for 2020-21 is assumed to be in line with the amount for 2019-20 (£30.094m) inflated by the 3% baseline uplift, this value was used in the absence of any updated information on the share of resources and is £30.997m.

At the time of setting the IJB budget it was noted that this may require to be updated following the further work being undertaken by the Ayrshire Finance Leads to establish the baseline resources for each partnership and how this compares to the Fair Share of resources. It was anticipated that 2020-21 would be used as a shadow year for these arrangements, however this work has been delayed due to the Covid-19 response. A further update will be provided to IJBs as this work progresses.

The annual budget for Acute Services is £355.1m. The directorate is underspent by £5.4m following allocation of the COVID-19 funds received from Scottish Government.

The year to date underspend of £5.4m is a result of:

- £7.9m of “offset savings”. These are the underspends resulting from low outpatient and elective activity in the year to date.
- £2.5m of unachieved savings.

The IJBs and the Health Board have submitted a remobilisation plan outlining how activity will return to normal as far as is possible and are working together to ensure patients are looked after in the most suitable environment.

## COVID-19 – FINANCE MOBILISATION PLAN IMPACT

### 2.10 Summary of position

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 have been submitted to the Scottish Government on a regular basis, on the premise that any additional costs aligned to mobilisation plans would be fully funded. There is a risk that if the full cost of the Covid-19 response is not funded that the IJB may require to recover any overspend in-year.

The IJB were updated in November outlining the cost estimates, the financial year-end projections and any potential funding gap based on scenarios re Covid-19 funding. The IJB also need to consider any action required to recover the financial position in-year.

### 2.11 Mobilisation Plan Cost

The most recent mobilisation plan cost submission submitted in November estimates the costs to be £8.508m to March 2021. The costs remain estimates as the situation continually evolves and there have been several iterations of the financial plan. The financial returns are submitted alongside the Health Board financial returns to the Scottish Government, this was to move to a quarterly basis but has been kept under review to ensure timely updates can be made to ensure funding allocations can be made.

The majority of the additional costs for the HSCP relate to the provision of social care services and the most significant areas are PPE, additional staff costs for staff absence and student nurses, loss of income due to closed services, additional care home placements, payments to commissioned care providers to ensure future sustainability and the impact on our approved savings programme.

The local finance mobilisation plan submission is included as Appendix E. The main areas of cost together with the movement over the period are summarised below:

Service Area	August Return £m	October Return £m	November Return £m	Change
Payments to Providers	1.655	1.683	2.103	0.420
Personal Protective Equipment (PPE)	2.052	1.693	1.698	0.005
Savings Delays	1.115	1.132	1.132	0.000
Nursing – Students and Bank Staff	0.733	0.685	0.714	0.029
Care at Home Capacity	0.416	0.416	0.416	0.000
Loss of Income	0.442	0.531	0.576	0.044
Staff Cover	0.425	0.401	0.477	0.076
Care Home Beds – Delayed Discharges	0.396	0.396	0.396	0.000
Fostering Placements	0.196	0.196	0.285	0.089
Delayed Discharges - Other Measures	0.000	0.087	0.114	0.027
Other staff costs	0.000	0.615	0.685	0.070
Winter Planning	0.000	0.118	0.000	(0.118)
Other costs	0.311	0.233	0.442	0.209
Offsetting cost reductions	(0.530)	(0.530)	(0.530)	0.000
<b>TOTAL</b>	<b>7.211</b>	<b>7.656</b>	<b>8.508</b>	<b>0.852</b>

Further information on the elements of the plan are included in previous IJB reports. The most recent changes to estimated costs are in relation to:

- Increased sustainability payments to providers based on more accurate information on the level of claims being made by providers and the extension of transitional arrangements for support to November,
- Winter planning funding being allocated separately outwith the mobilisation plan process; and
- Further information on the costs for care at home capacity over winter to increase capacity and cover Covid related absence.

The next submission is expected to be due in January 2021.

## 2.12 Covid-19 Funding Position

At the outset of the pandemic there was an assurance that subject to any additional expenditure being fully aligned to local mobilisation plans, including the IJB responses, reasonable funding requirements will be supported. This was on the basis that a process would be developed for these to be accurately and immediately recorded and shared with the Scottish Government. The basis of this reporting was drawn up and agreed with COSLA and Health and Social Care Partnerships.

Previous finance reports to IJB have outlined the chronology of funding through the year and the period 6 finance report outlined that £5.491m of funding was agreed at that time to be allocated for North Ayrshire delegated services. Following this there was a commitment to review the social care allocations in December following the change to the support through provider sustainability payments and also to pick up any potential shortfalls as there had initially been a 50% allocation for social care services due to greater uncertainty over costs (70% of estimated costs for health services were previously funded). In addition, the Health allocations for Primary Care and Mental Health Services were re-visited for HSCPs to remove the NRAC cap on allocations for these two areas, alongside this the North HSCP requested additional resources for capacity in Community Mental Health services and this has also been funded.

The funding allocations are noted below:

	<b>Social Care £000</b>	<b>Health £000</b>	<b>Total North £000</b>
Q1 Allocation	2,579	431	3,010
Q2-Q4 Allocation	1,869	612	2,481
<b>Total allocation by November 2020</b>	<b>4,448</b>	<b>1,043</b>	<b>5,491</b>
Additional Funding December 2020	796	(21)	775
<b>TOTAL FUNDING TO DATE</b>	<b>5,244</b>	<b>1,022</b>	<b>6,266</b>

The Adult Social Care Winter plan outlines a further £112m of investment in the sector to support over winter, including:

- £50 million to support the additional costs of restricting staff movement across care settings;
- £50 million for the Social Care Staff Support Fund and winter sustainability funding, through to the end of March 2021;
- up to £5 million for additional oversight and administration costs associated with responding to the pandemic and outbreak management;
- enhanced infection prevention and control, with £7 million for Health Boards to invest in Nurse Director teams;
- up to £500,000 will be available to all care homes to provide access to digital devices, connectivity and support to help manage conditions from home or connect those receiving care with their loved ones.

A further funding allocation for this additional investment is anticipated during December, it is expected that the full amount will not be allocated as elements of these costs are already included in the mobilisation plan funding requests.

The Scottish Government are continuing to work with Health Boards and IJBs to review and further revise financial assessments and intend to make a further substantive funding allocation in January. This will allow identification of the necessary additional support required, and realignment of funding in line with actual spend incurred with an expectation that an allocation to bring funding up to 100% will be provided.

## 2.13 Covid – Financial Risk

Overall at this time the financial risk to the IJB has been reduced significantly by the recent funding announcement and subsequent allocation.

The table below summarises the overall estimated Covid-19 costs for the North HSCP alongside the funding received to highlight the potential gap:

	£m
Mobilisation Plan Costs (at November)	8.508
<b>FUNDING TOTAL</b>	<b>(6.266)</b>
Shortfall	2.242
<b>Shortfall (excluding savings)</b>	<b>1.110</b>

The estimated additional costs to March 2021 compared to the funding received to date leaves an estimated balance of £1.110m for which funding has not yet been received or allocated.

In terms of the overall risk of currently unfunded elements of the plan:

- There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations, for both health and social care costs only 70% of estimated costs to March have been funded to date, further allocations are expected in January;

	<ul style="list-style-type: none"> <li>• we have assumed through our core budget monitoring projections that the delays in savings will not be funded and these are included in financial projections, as noted in this report we are projecting breakeven on that basis;</li> <li>• Offsetting reductions of £0.5m have not been included in the overall funding allocation and also have not been factored into the HSCP financial projections, therefore at this stage these would potentially remain available for North to re-direct to any funding shortfall;</li> <li>• The most significant area of additional Covid costs are the purchase of PPE for social care and sustainability payments for commissioned social care providers (£3.8m in total). Both areas have been implemented with an assurance that the actual costs will be fully reimbursed;</li> <li>• The period 7 position projects an underspend of £0.8m (excluding Covid) and this does not include any assumption re the £1.5m held by the Council towards the IJB debt, this position assumes the debt repayment is made as planned, this position also incorporates estimated delays with savings delivery.</li> </ul> <p>The financial position will continue to be reported to the IJB at each meeting, these reports will outline the monthly financial projections and the updated position in relation to estimates for Covid costs. This will include the ongoing consideration of whether a Financial Recovery Plan may be required in the future, at this stage this is not recommended to be considered.</p>
2.14	<b>Provider Sustainability Payments and Care Home Occupancy Payments</b>
	<p>COSLA Leaders and Scottish Government have agreed an approach to supporting the social care sector to ensure that reasonable additional costs will be met.</p> <p>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.</p> <p><b>Care Home Occupancy Payments</b> - we have engaged with older people's care homes in relation to care home occupancy payments and make regular monthly payments to care home providers with emergency faster payments being made if required. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.</p> <p><b>Sustainability payments</b> - providers are responsible for submitting a claim for additional support to the Partnership for sustainability payments and this is assessed as to what support is required on a case by case basis based on the supporting evidence provided. Each case is assessed by the same group to ensure equity and consistency across providers.</p> <p>In general, all payment terms have been reduced and once any payment is agreed it is being paid quicker to assist the cash flow position of providers. The assessment of some claims has been difficult due to delays with additional information and supporting evidence being submitted to support claims, hence there are a number of claims that are in process.</p> <p>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.</p>

Providers in North Ayrshire are not all strictly adhering to these timescales and we are still receiving claims dating back to the start of the pandemic, the commissioning team are working with providers to support them to submit claims.

The tables below show the support provided to date and the outstanding claims as at the end of October.

<b>PROVIDER SUMMARY</b>	<b>NCHC Care Homes</b>	<b>Other</b>	<b>Total</b>
Total Number of Providers	17	48	65
Number in contact for support	16	27	43
Providers Supported to date	11	21	32

<b>OUTSTANDING CLAIMS</b>	<b>NCHC Care Homes</b>	<b>Other</b>	<b>Total</b>
Total Number of Claims	5	6	11
Value of Claims	£477,887	£95,853	£573,740

<b>SUPPORT PROVIDED</b>	<b>NCHC Care Homes £</b>	<b>Other Services £</b>	<b>TOTAL £</b>
Occupancy Payments *	£1,203,196	n/a	£1,203,196
Staffing	£61,769	£50,860	£112,629
PPE, Infection Control	£92,795	£31,390	£124,185
Other	£11,600	£273	£11,873
<b>TOTAL</b>	<b>£1,369,360</b>	<b>£82,284</b>	<b>£1,451,883</b>

*\* payments to end of October*

A significant level of financial support has been provided to our commissioned providers, in particular older people's care homes.

Due to concerns re the sustainability of the social care sector the Scottish Government agreed to sustain the levels of support in November at the same level as October, i.e. for care homes paying for 50% of vacancies during the month and to continue with a planned care approach. This was agreed on the basis that a review of transitional arrangements was required to provide more targeted support to the sector, this work was undertaken with stakeholders to consider the evidence for a new arrangement from December. The group of stakeholders focussed on three main areas: overall aim of funding support for the sector during the pandemic; clarity around additional costs that may be met; and streamlining the mechanism of payments and ensuring consistency in approach across the country.

Arrangements for support have been agreed alongside guidance which sets out the criteria that need to be met for financial support, the approach for payment for care that can not be delivered, the categories of additional costs which may be met, the approach to evidencing additional costs and key principles for requesting and making payments.

The key principles of this ongoing support include:



	<ul style="list-style-type: none"> <li>• Understanding the reasons why care cannot be delivered, only Covid related impacts can be funded through sustainability payments;</li> <li>• The 'planned care' approach of continuing to pay for undelivered care has been removed and providers and HSCPs will be required to explore opportunities for creatively delivering services in a different way, temporarily re-deploy staff into other HSCP services (voluntarily), where this is not possible providers will be required to access national supports in the first place, including the potential to furlough staff;</li> <li>• Where payment for undelivered care is agreed as the only option this will be at a reduced level depending on the type of service, for example for care homes subject to the NCHC occupancy payments will be made at 80% of the rate for all vacancies, this is dependant on care homes continuing to admit new residents where it is clinically safe to do so;</li> <li>• The Social Care Staff Support Fund will remain in place to ensure all staff receive their full pay during a Covid related absence; and</li> <li>• Additional reasonable costs that are incurred as a result of Covid which cannot be covered from other funding sources will be reimbursed, including for example PPE, infection prevention control and additional staffing costs.</li> </ul>
<b>3.</b>	<b>PROPOSALS</b>
<b>3.1</b>	<b><u>Anticipated Outcomes</u></b>
	<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 2020-21 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.</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>
<b>3.2</b>	<b><u>Measuring Impact</u></b>
	Ongoing updates to the financial position will be reported to the IJB throughout 2020-21.
<b>4.</b>	<b>IMPLICATIONS</b>
<b>Financial:</b>	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £257.502m there is a projected underspend of £0.807m (0.3%). The report outlines the main variances for individual services.</p> <p>There are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported.</p>

	One of the main areas of risk is the additional costs related to the Covid-19 response and these are detailed in the report together with an updated position in relation to funding.
<b>Human Resources:</b>	None
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Children and Young People</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	None
<b>Risk Implications:</b>	Within the projected outturn there are various over and underspends including the non-achievement of savings. The greatest financial risk for 2020-21 is the additional costs in relation to Covid-19.
<b>Community Benefits:</b>	None

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

<b>4.</b>	<b>CONSULTATION</b>
4.1	<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>
<b>5.</b>	<b>CONCLUSION</b>
5.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end underspend of £0.807m at period 7;</p> <p>(b) notes the updated estimated costs of the Covid mobilisation plan of £8.5m, including savings delays, and the associated funding received to date; and</p> <p>(c) note the financial risks for 2020-21, including the impact of Covid 19, and that there is no recommendation at this time to implement a formal Financial Recovery Plan for the IJB.</p>

**For more information please contact:**

**Caroline Cameron, Chief Finance & Transformation Officer** on 01294 324954 or [carolinecameron@north-ayrshire.gov.uk](mailto:carolinecameron@north-ayrshire.gov.uk)

**Eleanor Currie, Principal Manager – Finance** on 01294 317814 or [eleanorcurrie@north-ayrshire.gov.uk](mailto:eleanorcurrie@north-ayrshire.gov.uk)

# 2020-21 Budget Monitoring Report–Objective Summary as at 31<sup>st</sup> October

# Appendix A

Partnership Budget - Objective Summary	2020/21 Budget									Appendix 1	
	Council			Health			TOTAL			Over/ (Under) Spend Variance at Period 6 £'000	Movement in projected variance from Period 6 £'000
	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	55,891	54,808	(1,083)	13,482	13,626	144	69,373	68,434	(939)	(973)	34
: Locality Services	23,264	22,842	(422)	4,724	4,794	70	27,988	27,636	(352)	(310)	(42)
: Community Care Service Delivery	27,508	27,289	(219)	0	0	0	27,508	27,289	(219)	(95)	(124)
: Rehabilitation and Reablement	1,958	1,833	(125)	1,555	1,538	(17)	3,513	3,371	(142)	(256)	114
: Long Term Conditions	1,763	1,360	(403)	5,098	5,189	91	6,861	6,549	(312)	(324)	12
: Integrated Island Services	1,398	1,484	86	2,105	2,105	0	3,503	3,589	86	12	74
MENTAL HEALTH SERVICES	24,793	26,461	1,668	53,134	52,052	(1,082)	77,927	78,513	586	744	(158)
: Learning Disabilities	18,639	20,433	1,794	446	448	2	19,085	20,881	1,796	2,320	(524)
: Community Mental Health	4,689	4,552	(137)	1,681	1,636	(45)	6,370	6,188	(182)	(239)	57
: Addictions	1,465	1,476	11	1,351	1,351	0	2,816	2,827	11	11	0
: Lead Partnership Mental Health NHS Area Wide	0	0	0	49,656	48,617	(1,039)	49,656	48,617	(1,039)	(1,348)	309
CHILDREN & JUSTICE SERVICES	32,178	32,433	255	3,825	3,825	0	36,003	36,258	255	(81)	336
: Irvine, Kilwinning and Three Towns	3,184	3,036	(148)	0	0	0	3,184	3,036	(148)	(157)	9
: Garnock Valley, North Coast and Arran	1,268	1,155	(113)	0	0	0	1,268	1,155	(113)	(116)	3
: Intervention Services	2,035	2,019	(16)	315	315	0	2,350	2,334	(16)	(19)	3
: Looked After and Accommodated Children	17,768	18,242	474	0	0	0	17,768	18,242	474	457	17
: Quality Improvement	4,311	4,375	64	0	0	0	4,311	4,375	64	(237)	301
: Public Protection	651	648	(3)	0	0	0	651	648	(3)	(6)	3
: Justice Services	2,508	2,508	0	0	0	0	2,508	2,508	0	0	0
: Universal Early Years	453	450	(3)	3,120	3,120	0	3,573	3,570	(3)	(3)	0
: Lead Partnership NHS Children's Services	0	0	0	390	390	0	390	390	0	0	0
PRIMARY CARE	0	0	0	51,024	51,024	0	51,024	51,024	0	0	0
ALLIED HEALTH PROFESSIONALS			0	5,577	5,502	(75)	5,577	5,502	(75)	(75)	0
MANAGEMENT AND SUPPORT COSTS	13,116	12,647	(469)	2,427	1,943	(484)	15,543	14,590	(953)	(508)	(445)
COVID - NHS				1,043	1,043	0	1,043	1,043	0	0	0
CHANGE PROGRAMME	1	1	0	1,011	1,011	0	1,012	1,012	0	0	0
OUTTURN ON A MANAGED BASIS	125,979	126,350	371	131,523	130,026	(1,497)	257,502	256,376	(1,126)	(893)	(233)
Return Hosted Over/Underspends East	0	0	0	0	337	337	0	337	337	442	(105)
Return Hosted Over/Underspends South	0	0	0	0	320	320	0	320	320	412	(92)
Receive Hosted Over/Underspends South	0	0	0	0	15	15	0	15	15	15	0
Receive Hosted Over/Underspends East	0	0	0	0	(353)	(353)	0	(353)	(353)	(353)	0
OUTTURN ON AN IJB BASIS	125,979	126,350	371	131,523	130,345	(1,178)	257,502	256,695	(807)	(377)	(430)

## 2020-21 Budget Monitoring Report – Detailed Variance Analysis

## Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>COMMUNITY CARE AND HEALTH</b>	<b>69,373</b>	<b>68,434</b>	<b>(939)</b>	
Locality Services	27,988	27,636	(352)	<b>Older People care homes inc respite</b> - underspend of £0.510m based on 746 placements and including an under recovery of income from Charging Orders of £250k. <b>Independent Living Services :</b> * Direct Payment packages- overspend of £0.079m on 62 packages. * Residential Packages - underspend of £0.029m based on 37 packages. * Community Packages (physical disability) - overspend of £0.153m based on 49 packages .
Community Care Service Delivery	27,508	27,289	(219)	<b>Care at Home</b> (inhouse & purchased) - projected to overspend by £0.086m due to increased demand in Inhouse services (projected overspend £302k) which has been funded by an allocation of Covid funding. <b>Direct Payments</b> - underspend £0.135m to year end on 30 packages, including some spend to work towards clearing current waiting list.
Rehabilitation and Reablement	3,513	3,371	(142)	<b>Aids and Adaptations</b> - underspend of £0.150m an adverse movement from P6 of £0.105m based on ability to enter service user's homes to begin assessments and carry out works.
Long Term Conditions	6,861	6,549	(312)	<b>Carers Centre</b> - projected underspend of £0.443m <b>Anam Cara</b> - projected overspend in employee costs of £0.050m due to pilot of temporary post with a view to making longer term savings in bank & casual hours.
Integrated Island Services	3,503	3,589	86	<b>Employee Costs - Montrose House</b> now reported under Arran Servcies with a projected overspend of £0.063m.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>MENTAL HEALTH SERVICES</b>	<b>77,927</b>	<b>78,513</b>	<b>586</b>	
Learning Disabilities	19,085	20,881	1,796	<b>Residential Packages-</b> overspend of £0.285m based on 41 current packages. <b>Community Packages (inc direct payments)</b> - overspend of £0.870m based on 32 current packages.
Community Mental Health	6,370	6,188	(182)	<b>Community Packages ( inc direct payments) and Residential Packages</b> - underspend of £0.101m based on 96 community packages, 12 Direct Payments and 29 residential placements.
Addictions	2,816	2,827	11	Outwith the threshold for reporting
Lead Partnership (MHS)	49,656	48,617	(1,039)	<b>Adult Community</b> - underspend of £0.143m due to vacancies. <b>Adult Inpatients-</b> overspend of £0.583m due to a delay in closing the Lochranza wards, revised assumptions on redeployed staff and an under recovery of bed sale income. <b>UNPACs</b> - overspend of £0.069m based on current placements and assumed service level agreement costs. <b>Elderly Inpatients</b> - underspend of £0.050m which includes the part year impact of thr £0.934m of unallocated funding following the elderly MH review. <b>CAMHS</b> - underspend of £0.305m due to vacancies. <b>MH Admin</b> - underspend of £0.390m due to vacancies. <b>Psychiatry</b> - underspend of £0.490m due to vacancies. <b>MH Pharmacy</b> - underspend of £0.220m mainly within substitute prescribing. <b>Psychology-</b> underspend of £0.450m due to vacancies.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>CHIDREN'S AND JUSTICE SERVICES</b>	<b>36,003</b>	<b>36,258</b>	<b>255</b>	
Irvine, Kilwinning and Three Towns	3,184	3,036	(148)	<p><b>Transports costs</b> - Projected underspend of £0.038m due a reduction in spend in Staff Mileage costs</p> <p><b>Cornerstone Respite</b> - Projected underspend of £0.065m due to respite services not taking place due to COVID</p>
Garnock Valley, North Coast and Arran	1,268	1,155	(113)	<p><b>Employee Costs</b> - Projecting £0.059m underspend due to a substantive post being vacant . This will be offsetting an overspend in employee Costs within Quality Improvement.</p> <p><b>Transports costs</b> - Projected underspend of 0.008m due a reduction in spend in Staff Mileage costs.</p> <p><b>Cornerstone Respite</b> - Projected underspend of £0.033m due to respite services not taking place due to COVID.</p>
Intervention Services	2,350	2,334	(16)	Outwith the threshold for reporting
Looked After and Accommodated Children	17,768	18,242	474	<p><b>Looked After Children placements - Projected underspend of £0.129m, favourable movement of £0.006m which is made up of the following:-</b></p> <p><b>Kinship</b> - projected underspend of £0.166m. Budget for 370 placements, currently 343 placement but projecting 347 placements by the year end.</p> <p><b>Adoption</b> - projected overspend of £0.045m. Budget for 69 placements, currently 73 placements.</p> <p><b>Fostering</b> - projected overspend of £0.112m. Budget for 129 placements, currently 133 placements and projecting 137 placements by the year end. -</p> <p><b>Fostering Xtra</b> - projected online. Budget for 32 placements, currently 29 placements but projecting 28 placements by the year end.</p> <p><b>Fostering Respite</b> - Projected underspend of £0.110m which is due to respite services not taking place due to COVID</p> <p><b>Private fostering</b> - projected underspend of £0.018m. Budget for 10 placements, currently 10 placements.</p> <p><b>IMPACCT carers</b> - projected online Budget for 2 placements, currently 2 placements.</p> <p><b>Residential School placements</b> - Projected overspend £0.736m, current number of placements is 15, assumption that 2 ending in January and no further new admissions resulting in 13 placements at the year end. No secure placements</p>
Quality Improvement	4,311	4,375	64	<p><b>Employee Costs</b> - Projected Overspend £0.114m of which £0.070m relates to employee acting up to Senior Manager which will being offset with her vacant post within the Irvine Locality.</p> <p><b>Transports costs</b> - Projected underspend of £0.012m due a reduction in spend in Staff Mileage costs, now basing mileage projection on actual spend this year.</p> <p><b>Community Packages</b> - Projected underspend of £0.074m, 108 Community Packages on establishment list.</p> <p><b>Direct Payments</b> - Projected Underspend £0.032m Current number of packages in place is 42 and projecting an increase of further 3 packages until end of the year.</p> <p><b>Children's Residential Placements</b> - Projected underspend of £0.0196m. Currently 10 Residential Placements</p>
Public Protection	651	648	(3)	Outwith the threshold for reporting
Justice Services	2,508	2,508	0	Outwith the threshold for reporting
Universal Early Years	3,573	3,570	(3)	Outwith the threshold for reporting
: Lead Partnership NHS Children's Services	390	390	0	Outwith the threshold for reporting
PRIMARY CARE	51,024	51,024	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,577	5,502	(75)	Projected underspend in supplies.
MANAGEMENT AND SUPPORT	15,543	14,590	(953)	Over recovery of payroll turnover on health services and the allocation of unscheduled care funding.
CHANGE PROGRAMME & CHALLENGE FUND	1,012	1,012	0	Outwith the threshold for reporting
<b>TOTAL</b>	<b>256,459</b>	<b>255,333</b>	<b>(1,126)</b>	

Threshold for reporting is + or - £50,000

## 2020-21 Savings Tracker

## Appendix C

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 6	Saving Delivered @ Month 6 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
<b>Children, Families &amp; Criminal Justice</b>								
1	Children and Young People - External Residential Placements	Amber	0.583	Amber	-	0.297	0.286	Currently projecting an overspend. Some plans to move children have been impacted by COVID. Expect to have 13 places at the year-end when the original plan was to have 10 places, will impact on savings for 2021-22.
2	Adoption Allowances	Amber	0.074	Red	-	-	0.074	Current projected overspend but outcome of the adoption review still to be implemented
3	Children's Services - Early Intervention and Prevention	Amber	0.050	Green	0.050	-	-	Fully achieved, met through efficiencies across Children's services
4	Fostering - Reduce external placements	Green	0.036	Green	0.036	-	-	An underspend is projected at month 6.
5	Community Support - Children's Care Packages	Amber	0.008	Green	0.008	-	-	Tender delayed, saving can be met through budget underspend for 2020-21. Tender due to be implemented February 2022.
<b>Mental Health and LD Services</b>								
6	LD - Reduction to Sleepover Provision	Amber	0.200	Red	-	-	0.200	Cluster sleepover models centred around core supported accommodation are being considered but will be delayed. The supported accommodation build timescales have slipped due to COVID.
7	Learning Disability Day Services	Amber	0.279	Amber	-	0.050	0.229	The provision of day care is being reviewed to ensure it can be delivered safely. This will include a review of the staffing, a new staffing structure has been planned which will deliver the full year saving in future years but will be delayed until January 2021.
8	Trindlemoss	Green	0.150	Amber	0.150	-	-	Fully achieved but two tenancies still to take up their place and the final tenancy has to be decided.
9	Mental Health - Flexible Intervention Service	Green	0.008	Green	0.008	-	-	Fully achieved, slightly over-delivered (£10k)
<b>Health and Community Care</b>								
10	Roll out of multidisciplinary teams - Community Care and Health	Amber	0.110	Green	-	0.110	-	For 2020-21 only this saving has been added to the vacancy savings target to be met non-recurringly. There are a number of vacancies across Community Care and Health but at this stage the service can not identify posts to be removed on a permanent basis, will be formalised and removed from establishment from 2021-22.
11	Carers Act Funding - Respite in Care Homes	Green	0.273	Green	0.273	-	-	Fully achieved
12	Care at Home - Reablement Investment	Amber	0.300	Green	-	0.300	-	Expect to fully achieve but there is a projected overspend due to additional TUPE costs and an increased level of service.
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135	Green	-	0.135	-	Expect to fully achieve but there is a projected overspend due to additional TUPE costs and an increased level of service.
14	Day Centres - Older People	Amber	0.038	Amber	-	-	0.038	Day centres are currently closed and staff have been re-deployed, will look for opportunities to release savings when the services re-open.
15	Charging Policy - Montrose House	Amber	0.050	Green	0.025	0.025	-	New charging policy in place and additional income projected to be achieved.
<b>Whole System</b>								
16	Adults - New Supported Accommodation Models	Amber	0.063	Amber	-	0.025	0.038	Project has slipped. Expected completion date is early 2021. Saving was based on 5mths, Assume only 2mths are achieved
17	Adult Community Support - Commissioning of Services	Amber	0.638	Amber	-	0.150	0.488	Implementation of CM2000 was delayed due to Covid, expect to bring system on line for Adult providers from mid February 2021.
18	Charging Policy - Inflationary Increase	Green	0.050	Amber	-	0.025	0.025	Charging has been suspended during COVID 19, with the exception of care homes and community alarms, expect to bring back on line in October.
<b>TOTAL SOCIAL CARE SAVINGS</b>			<b>3.045</b>		<b>0.550</b>	<b>1.117</b>	<b>1.378</b>	

Health:

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 6	Saving Delivered @ Month 6 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
19	Trindlemoss	Green	0.120	Green	0.120	-	-	Fully achieved
20	Packages of care	Green	0.100	Green	0.100	-	-	Fully achieved
21	Elderly Mental Health inpatients (lead partnership)	Green	0.216	Green	0.216	-	-	Fully achieved
22	MH Payroll Turnover (lead partnership)	Green	0.100	Green	0.100	-	-	Fully achieved
23	North Payroll Turnover	Green	0.280	Green	0.280	-	-	Fully achieved
<b>TOTAL HEALTH SAVINGS</b>			<b>0.816</b>		<b>0.816</b>	<b>0.000</b>	<b>0</b>	
<b>TOTAL NORTH HSCP SAVINGS</b>			<b>3.861</b>		<b>1.366</b>	<b>1.117</b>	<b>1.378</b>	

# 2020-21 Budget Reconciliation

# Appendix D

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			96,963
Rounding error			4
Error in budget			1,299
Resource Transfer			22,769
WAN Circuits Budget Transfer - Kyle Road - New data Connection (Store Costs)	1	P	(1)
British Sign Language funding transferred to Democratic Services	3	P	(5)
Child Abuse Enquiry costs - Budget from Corporate	5	T	58
Corporate Procurement Posts 313490 & 313106	6	P	(76)
COVID funding	7	T	4,448
Unscheduled Care Allocation	7	T	500
Commercial Waste Virement	7	P	20
<b>Budget Reported at Month 7</b>			<b>125,979</b>
HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget			149,830
Resource Transfer			(22,769)
Adjustment to base budget	1	P	(90)
2019/20 Month 10-12 budget adjustments	1	P	3,999
Non recurring Funding 19/20	3	T	(298)
Full Year effect of Part Year Reductions	3	P	(54)
Additional COVID funding	3	T	1,339
Additional living wage funding	3	P	186
V1P Funding 20/21	3	T	105
Primary Care Prescribing - Uplift	3	P	2,060
Primary Care Prescribing - CRES	3	P	(756)
Outcomes Framework - Breast Feeding	3	T	33
South HSCP V1P contribution	3	T	20
ANP Allocation - MIN	3	T	20
Training Grade Funding	3	P	49
Funding transfer to Acute (Medical Records)	3	T	(33)
Public Health Outcomes Bundle	3	T	235
Specialist Pharmacist in Substance Misuse	3	T	12
Prescribing Reduction - COVID	3	T	(540)
Lochransa Discharges to South HSCP	3	P	(170)
Prescribing Reduction	4	P	(1,497)
Training Grade Funding	4	T	36
TEC Contribution	4	T	(53)
Admin posts from South HSCP	4	P	54
Uplift Adjustment	4	P	21
Additional COVID funding	5	T	2,170
Training Grade Funding	5	P	6
Lochransa Discharges to South/East HSCP	5	P	(232)
Arrol Park Discharges to South HSCP	5	P	(107)
Trindlemoss resource transfer adjustment	5	P	(248)
Training Grade Funding	6	P	9
Diabetes Prevention Psychologist Post NR	6	T	11
Re-parent Parkinson Nurse Nth to Sth	6	P	(109)
Arrol Park Discharges to South HSCP	6	P	(24)
Medical Pay Award - Junior Doctors	6	P	31
COVID funding	7	T	(4,448)
Training Grade Funding	7	P	19
Tranche 4 Social Care Covid	7	T	939
ADP Funding 20/21	7	T	212
Trauma Network Funding	7	P	263
NMAHP Clinical Lead	7	T	16
Anticipated Action 15 increase	7	T	414
Perinatal Funding 20/21	7	T	196
Multiple Sclerosis Nrs fr Acute	7	P	123
Unscheduled care allocation	7	T	(500)
COVID funding - NHS	7	P	1,043
<b>Budget Reported at Month 7</b>			<b>131,523</b>
<b>COMBINED BUDGET</b>			<b>257,502</b>



## Appendix E

### Mobilisation Submission – November 2020

	Revenue												Revenue	Capital
Consolidated HSCP costs	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	2020/21	2020/21
Additional Hospital Bed Capacity/Costs - Maintaining Surge Capacity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delayed Discharge Reduction- Additional Care Home Beds	82,102	78,564	78,564	78,564	78,564	-	-	-	-	-	-	-	396,358	-
Delayed Discharge Reduction- Additional Care at Home Packages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delayed Discharge Reduction- Other measures	65,604	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	4,362	113,586	-
Personal protective equipment	185,330	185,330	199,650	173,716	204,565	188,626	97,704	92,665	92,665	92,665	92,665	92,665	1,698,247	-
Deep cleans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COVID-19 screening and testing for virus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estates & Facilities cost including impact of physical distancing measures	-	-	8,339	391	132	392	9,497	-	-	-	-	-	18,750	-
Additional staff Overtime and Enhancements	70,596	43,682	47,882	19,489	57,510	34,153	37,027	33,269	33,269	33,269	33,269	33,269	476,684	-
Additional temporary staff spend - Student Nurses & AHP	-	-	369,226	101,111	139,650	74,733	29,395	-	-	-	-	-	714,114	-
Additional temporary staff spend - Health and Support Care Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional temporary staff spend - All Other	-	-	41,206	45,673	253,332	35,198	59,693	50,000	50,000	50,000	50,000	50,000	685,103	-
Social Care Provider Sustainability Payments	-	-	265,244	223,944	314,525	313,608	288,857	247,300	112,500	112,500	112,500	112,500	2,103,478	-
Social Care Support Fund- Costs for Children & Families Services (where delegated to HSCP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other external provider costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional costs to support carers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mental Health Services	-	-	-	-	-	-	-	-	40,328	40,328	40,328	40,329	161,313	-
Additional payments to FHS contractors	-	-	-	28,370	4,820	-	6,742	5,000	5,000	5,000	5,000	5,000	64,932	-
Additional FHS Prescribing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Hubs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other community care costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss of income	88,500	88,500	88,500	88,500	88,500	88,500	44,250	-	-	-	-	-	575,250	-
Staff Accommodation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Travel Costs	-	-	5,857	1,755	1,567	1,028	1,019	-	-	-	-	-	11,226	-
Digital, IT & Telephony Costs	-	-	937	(877)	16,810	6	6	-	-	-	-	-	16,882	-
Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment & Sundries	-	59,055	16,479	22,141	(10,294)	1,033	3,290	-	-	-	-	-	91,704	-
Homelessness and Criminal Justice Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Children and Family Services	6,952	12,166	20,856	34,760	34,760	34,760	29,546	29,546	29,546	17,380	17,380	17,380	285,032	-
Prison Healthcare Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospice - Loss of income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staffing support, including training & staff wellbeing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resumption & redesign of primary care/contractor services to support access to urgent care in hours and OOH	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs associated with new ways of working- collaborative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Winter Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	38,845	38,845	38,845	38,845	38,845	31,649	31,649	31,649	31,649	31,649	31,649	31,649	415,768	-
Other - Please update narrative	-	13,555	7,673	7,673	7,673	7,673	-	-	-	-	-	-	44,247	-
Other - Please update narrative	-	-	-	-	-	-	-	6,600	6,600	6,600	6,600	6,600	33,000	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Please update narrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Offsetting cost reductions - HSCP	(108,007)	(108,007)	(108,007)	(68,583)	(68,583)	(68,583)	-	-	-	-	-	-	(529,770)	-
<b>Total</b>	<b>429,922</b>	<b>416,052</b>	<b>1,085,613</b>	<b>799,832</b>	<b>1,166,738</b>	<b>747,138</b>	<b>643,037</b>	<b>500,391</b>	<b>405,919</b>	<b>393,753</b>	<b>393,753</b>	<b>393,754</b>	<b>7,375,903</b>	-
<b>Subtotal</b>													<b>7,375,903</b>	
Expected underachievement of savings (HSCP)	141,500	141,500	141,500	141,500	141,500	141,500	47,167	47,167	47,167	47,167	47,167	47,167	1,132,000	-
<b>Total</b>	<b>571,422</b>	<b>557,552</b>	<b>1,227,113</b>	<b>941,332</b>	<b>1,308,238</b>	<b>888,638</b>	<b>690,204</b>	<b>547,558</b>	<b>453,086</b>	<b>440,920</b>	<b>440,920</b>	<b>440,921</b>	<b>8,507,903</b>	-
<b>Total</b>													<b>8,507,903</b>	