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## NORTH AYRSHIRE COUNCIL

8 September 2020

### Cabinet

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

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

**Recommendation:** That Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the current financial projection for the Health and Social Care Partnership at 2.7; and (c) 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 first report for 2020/21 and covers the period to the end of June 2020 (Period 3). Projections to the year-end have been made.
- 1.3 At Period 3 the General Fund is forecasting a net in-year overspend of £4.726m (1.3%) after transferring resources to other funds. 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 (£4.493m) (8.9%).

- 1.5 The Health and Social Care Partnership is forecasting an overspend of £0.027m at the end of June 2020. The Council services element of the projected overspend is £0.743m, partly offset by an underspend on the Health services element of (£0.716m). This position excludes any impact presented by Covid-19 which is being monitored in parallel through NHS and the Scottish Government. The return submitted in June indicated a projected additional cost pressure of £7.211m to 31 March, 2021. This includes £5.400m additional costs with the balance represented by the projected impact on savings during the year. To date the IJB has received £3.500m funding from Scottish Government. Based on a recent assessment of the worst-case scenario of any funding shortfall, this could be in the range of £1.3m to £1.9m. If this gap materialises the HSCP would require to mitigate this pressure later in the year as part of a recovery plan. It is recognised however, that the current financial pressure and funding to date presents a risk to the Council.
- 1.6 The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The position presented includes the projected impact of £19.2m of additional net service expenditure, offset by (£14.5m) of funding and other mitigations, which has been projected in line with the assumed timing of the Scottish Government's route map. Any resurgence of the virus over the remainder of 2020/21, resulting in further lockdown or shielding requirements, may result in additional costs or lost income.
- 1.7 A separate report on the proposed financial recovery plans, including details of the pressures, any offsetting savings and setting out recommendations for additional mitigations to achieve financial stability, has been prepared for consideration. The report identifies a number of mitigations in relation to the flexible utilisation of funding received in relation to Education specific grants, including Early Learning and Childcare and Attainment Challenge funding. The utilisation of these funds has been incorporated into the reported net in-year overspend and has been utilised to mitigate the Education related pressures, both within Communities and across other services. The impact of other proposed mitigations in relation further charges to the HRA or use of reserves has not been included in this report.

## **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 an in-year overspend of £4.726m, net of transfers to reserves, is anticipated for the year to 31 March 2021. This represents 1.3% of the Council's total budget.

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	Note
<b>Service Expenditure</b>					
Chief Executives	1	20,466	20,980	514	(i)
Communities	2	143,664	145,894	2,230	(ii)
Place	3	65,605	73,582	7,977	(iii)
Other Corporate Services	4	20,774	14,293	(6,481)	(iv)
Sub Total		250,509	254,749	4,240	
Health and Social Care Partnership	8	98,265	98,265	-	2.9
Balance for Services		348,774	353,014	4,240	
Financing Charges	5	13,493	13,493	-	
Contribution to Loans Fund Reserve	5	3,301	3,301	-	
Total Planned Expenditure		365,568	369,808	4,240	
<b>Planned Income</b>					
Aggregate External Finance	5	(304,701)	(304,701)	-	
Council Tax	5	(59,967)	(59,481)	486	(v)
Use of Earmarked Funds	5	(900)	(900)	-	
Total Planned Income		(365,568)	(365,082)	486	
Net Expenditure/ (Income)		-	4,726	4,726	

2.4 The major risk to the forecast position is the uncertainty around the progress of the Covid-19 pandemic. The position presented includes the projected impact of £19.2m of additional net service expenditure, offset by (£14.5m) of funding and other mitigations., A separate report on the financial recovery plans, including details of the pressures, any offsetting savings and setting out recommendations for additional mitigations to achieve financial stability, has been prepared for consideration. The projections within these reports have been based on recovery in line with the assumed timings set out in the Scottish Government's route map. Officers will continue to monitor the impact of these measures on the services. However, any further lockdown or shielding restrictions during 2020/21 may result in additional costs or lost income.

2.5 The reported Planned Income includes a number of adjustments to Scottish Government funding from that included within the budget approved on 5 March 2020, 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>Approved Budget 5 March 2020</b>	<b>(237,968)</b>	<b>(37,364)</b>	<b>(19,565)</b>	<b>(294,897)</b>
<b>Movements:</b>				
Budget Bill Adjustments	(14,863)	12,347		<b>(2,516)</b>
Criminal Justice Social Work			(22)	<b>(22)</b>
Hardship Fund	(1,324)			<b>(1,324)</b>
scottish Welfare Fund	(785)			<b>(785)</b>
Food Fund	(1,038)			<b>(1,038)</b>
Barnett Consequentials	(4,104)			<b>(4,104)</b>
Registration	(15)			<b>(15)</b>
<b>Revised Planned Income</b>	<b>(260,097)</b>	<b>(25,017)</b>	<b>(19,587)</b>	<b>(304,701)</b>

## 2.6 Commentary on Significant Movements from the Revised Budget

The Council's overall financial forecast against the revised budget is an overspend of £4.726m. A brief explanation of the significant movements from the revised budget is outlined below:

(i) **Chief Executives – overspend of £0.514m**

The projected overspend is primarily related to centrally reported expenditure on Personal Protective Equipment in response to the Covid-19 pandemic, £0.375m, and an under recovery of Housing Benefit Overpayments and Licensing Income arising from the recent lockdown, £0.268m. This has been partly offset by vacancy management savings across services (£0.154m).

(ii) **Communities – overspend of £2.230m**

The projected overspend is primarily related to net costs in relation to Covid-19. The report identifies a number of mitigations in relation to the flexible utilisation of funding received in relation to Education specific grants, including Early Learning and Childcare and Attainment Challenge funding, and additional Scottish Government funding in relation to additional staffing and digital support. These funds have been utilised to offset Education related Covid-19 pressures of £4.423m within Communities and across other Services.

The primary over and underspends across Communities' services include:

- Within Early Years underspends of (£1.823m) reflect the revised implementation plan for the delivery of 1140hrs, which is currently being developed. The Scottish Government has announced a relaxation of the normal ringfencing arrangements to allow these funds to be utilised to address the impact of Covid-19;
- Across the services, additional staffing pressures of £0.798m have been projected, after the application of additional Scottish Government specific grant funding;
- Reduced non staffing expenditure across schools of (£0.391m) is related to reduced expenditure on Supplies & Services and School Lets during lockdown, partly offset by reduced letting income;
- Within ASN an underspend have been projected in relation to reduced level of external day placements (£0.226m) and an over recovery of income from other local authorities placing children in North Ayrshire establishments (0.152m);
- The importance of cleaning is recognised and additional cleaning arrangements have been put in place across all establishments. Additional costs have been incurred and work is ongoing to capture further cleaning expenditure projected across the Council, noting that additional Scottish Government funding will help mitigate the costs;
- Additional expenditure has been incurred in relation to the provision of digital support and equipment for pupils, £0.725m, partly offset by additional Scottish Government funding of (£0.551m);
- In line with Scottish Government guidance on the flexible utilisation of ringfenced funding, (£0.200m) of Attainment Challenge funding has been identified to address Covid-19 pressures across the services;

- Additional payments to KA Leisure of £2.743m have been projected in relation to lost income as a result of the Covid-19 lockdown measures. Officers will continue to work with KA Leisure throughout 2020/21 to address and mitigate the ongoing financial impact; and
- Within Connected Communities a net overspend of £0.681m has been projected, primarily related to an under recovery of income from across the service as a result of the lockdown, £0.564m, and additional community childcare provision costs, £0.411m, partly offset by reduced expenditure on staffing across the service (£0.243m) and reduced expenditure on property costs related to the lockdown (£0.081m).

**(iii) Place – overspend of £7.977m**

The projected overspend is primarily related to net costs in relation to Covid-19 which have been partly offset by additional funding in relation to Other Housing. The primary over and underspends across services include:

- Building Services, the projected overspend of £3.914m reflects an under recovery of income from revenue and capital works as a result of lockdown requirements, £4.406m, partly offset by reduced expenditure on materials (£0.786m). It is noted that approximately £1.127m of this net overspend relates to HRA work which has been delayed until future years;
- Within Property Management and Investment and Housing Assets and Investment, the projected overspend, £0.710m, is primarily related to the under recovery of income related to significant slippage in the Capital Programme during the lockdown;
- Within Property Running Costs an overspend of £0.275m is projected in relation to the delayed achievement of property rationalisation savings and under recovery of commercial property income;
- Within Facilities Management the projected overspend is £2.556m. There have been delays in the achievement of savings in relation to the provision of 1140 hours in Early Years and the review of Facilities Management provision within schools as a result of the Covid-19 pandemic, £0.259m. In addition, the service has incurred additional net expenditure of £1.052m related to the provision of meals services, including Free School Meals and Community Meals, and the provision of additional cleaning and building security services. An under recovery of income, £1.245m, has been projected in relation to commercial and school meals charges;
- Within Other Housing an underspend of (£0.628m) is projected in relation to additional Mitigation Funding (£0.220m), vacancy management (£0.192m) and increased income in relation to additional temporary accommodation provision and CCTV recharges (£0.846m), partly offset by the costs of the increased provision, £0.631m;
- Within Roads a projected overspend, £0.155m, is primarily related to the purchase of hand sanitiser for all services across the Council, £0.092m, and the delay in achievement of Street Lighting savings, £0.038m;
- Within Streetscene, the costs of contingency bereavement services have been partly offset by reduced overtime during lockdown, with many staff redeployed to support the provision of waste collection services;
- An underspend of (£0.463m) has been projected within Internal Transport, primarily as a result of reduced expenditure on school transport and reduced fuel consumption during lockdown;

- Within Waste Services, the overspend of £1.414m is primarily related to the impact of Covid-19 and includes additional employee costs, £0.240m, vehicle hire costs, £0.130m, increased waste arisings, partly offset by savings from the temporary closure of the Household Waste Recycling Centres, £0.445m and reduced income from commercial waste collection, special uplifts and skip hire, £0.598m;
- Within Planning and Protective Services, the underspend of (£0.160m) is related to vacancy management across the service; and
- Within Economic Development an overspend of £0.121m is primarily related to costs arising from the agreed extension of modern apprentice and skills for life placements, £0.138m. A separate report to Cabinet details the ongoing work concerning the potential recovery of all outstanding funding in relation to the Better Off North Ayrshire Programme. Further income has not been assumed at this time, however the position will continue to be monitored.

(iv) **Other Corporate Items – underspend of £6.481m**

The underspend relates to additional Scottish Government general grant funding received in relation to the Covid-19 pandemic.

(v) **Council Tax – under recovery of £0.486m**

Council Tax income is forecasting to under recover by £1.085m, primarily related to increased Council Tax Reduction expenditure resulting from the Covid-19 pandemic, £0.598m, and additional provision for bad debts due to the impact on the debt recovery position, £0.441m. It is anticipated that additional Scottish Government funding will be allocated in relation to the increased Council Tax Reduction expenditure.

## **Health and Social Care Partnership**

- 2.7 A copy of the HSCP financial performance report as at the end of June 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:

- Projected overspend of £0.027m, £0.743m of which relates to services delegated to the Council, partly offset by an underspend on the Health services element of (£0.716m);
- 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;
- This position excludes any impact presented by Covid-19 which is being monitored in parallel through NHS and the Scottish Government. The report highlights additional projected costs in relation to Covid-19 of £7.211m. From recent analysis this position includes £5.400m additional costs with the balance represented by the projected impact on savings during the year. To date the IJB has received £3.500m funding from Scottish Government.

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. The current assessment of the worst-case scenario of any funding shortfall could be in the range of £1.3m to £1.9m. If this gap materialises the HSCP would require to mitigate this pressure later in the year as part of a recovery plan.

## **Savings Update**

2.8 The 2020/21 General Services Revenue Estimates included targets for savings of £4.439m across all services. At 30 June 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 shortfall 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 and Education Psychology services and the implementation of increased charging for Arran Waste Services and capital programme design work.

In support of the ongoing work to address the financial impact caused by the specific areas of savings unlikely to be achieved in the year, each service will continue to identify further areas of saving which include but are not limited to:

- a. Energy / utility savings;
- b. Travel expenses / transport;
- c. Supplies and services;
- d. Vacancy management for non-priority services;
- e. Restrictions on non-essential spend; and
- f. Review of non-priority operational budgets

## Housing Revenue Account

- 2.9 The Housing Revenue Account budgeted for a breakeven position in 2020/21 and an in-year underspend of (£4.493m) is currently anticipated for the year to 31 March 2021. This is summarised in the following table with further details provided in Appendix 6.

	Annual Budget	Projection to 31 March 2021	Projected Variance for year (Fav)/Adv	Note
	£000's	£000's	£000's	
Employee Costs	4,775	4,775	-	
Property Costs	18,970	15,108	(3,862)	(i)
Supplies and Services	269	276	7	
Transport and Plant Costs	27	37	10	
Administration Costs	1,855	2,044	189	(ii)
Third Party Payments	2,453	2,437	(16)	
Transfer Payments	390	50	(340)	(iii)
Other Expenditure	455	1,076	621	(iv)
Capital Financing	21,369	20,411	(958)	(v)
Gross Expenditure	50,563	46,214	(4,349)	
Income	(50,563)	(50,707)	(144)	(vi)
Net Expenditure	-	(4,493)	(4,493)	

## 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 revised budget is outlined below.

### (i) Property Costs – underspend of (£3.862m)

The underspend is primarily related to reduced numbers of repairs, both Void and Responsive, reductions in Planned and Cyclical Maintenance and reductions in the requests for Aids and Adaptations, all resulting from the impact of Covid-19. In all categories and void repairs and electrical testing, partly offset by additional planned works. It is noted that (£0.449m) relates to work which has been delayed until future years;

### (ii) Administration Costs - overspend of £0.189m

The overspend reflects revised central support recharges additional recharges which were not available when the budget was approved.

### (iii) Transfer Payments – underspend of (£0.340m)

The underspend reflects reduced disturbance allowance payments linked to the reduction in repairs noted above. This expenditure has been delayed until future years;

### (iv) Other Expenditure - overspend of £0.621m

The overspend reflects increased provision for bad debts reflecting increased rent arrears in relation to the impact of Covid-19;



(v) **Capital Financing – underspend of (£0.958m)**

The underspend reflects reduced levels of expenditure in relation to the HRA Capital programme as a result of the Covid-19 lockdown measures;

(vi) **Income – over recovery of (£0.144m)**

The over recovery of income is primarily related to an increase in the number of tenanted properties.

### **3. Proposals**

- 3.1 It is proposed that Cabinet agrees to (a) note the information and financial projections outlined in the report; (b) note the current financial projection for the Health and Social Care Partnership at 2.7; and (c) 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 June 2020 is an overspend for the year of £4.726m.

**Housing Revenue Account**

The net projection for the year as at 30 June 2020 is an underspend for the year of £4.493m.

#### **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 Service (Finance)

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

### **Background Papers**

General Services Revenue Estimates 2020/21 to 2022/23 - Council 5 March 2020  
Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and  
Rent Levels for 2020/21 – Council 18 December 2019

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Financial &amp; Customer Services</b>					
FACS Directorate	36	46	10	28%	
Head of Service	133	133	-	0%	
Change Programme	61	61	-	0%	
Audit, Fraud, Safety & Insurance	552	552	-	0%	
Business Support	1,131	1,098	(33)	(3%)	
Corporate Procurement	707	1,082	375	53%	1
Customer Services	5,713	5,854	141	2%	1
Financial Services	1,162	1,176	14	1%	
Revenues	(572)	(572)	-	0%	
<b>Total for Financial &amp; Customer Services</b>	<b>8,923</b>	<b>9,430</b>	<b>507</b>	<b>6%</b>	
<b>People &amp; ICT</b>					
Head of Service	117	117	-	0%	
Employee Services	1,084	1,084	-	0%	
HR & Organisational Development	800	800	-	0%	
ICT	4,873	4,764	(109)	(2%)	2
<b>Total for People &amp; ICT</b>	<b>6,874</b>	<b>6,765</b>	<b>(109)</b>	<b>(2%)</b>	
<b>Recovery &amp; Renewal</b>					
Head of Service	53	53	-	0%	
Transformation	650	642	(8)	(1%)	
<b>Total for Recovery &amp; Renewal</b>	<b>703</b>	<b>695</b>	<b>(8)</b>	<b>(0)</b>	
<b>Democratic Services</b>					
Chief Executive	191	199	8	4%	
Head of Service	114	119	5	4%	
Legal & Licensing	496	645	149	30%	3
Policy, Performance & Elections	513	509	(4)	(1%)	
Communications	456	459	3	1%	
Civil Contingencies	61	61	-	0%	
Committee Services	598	599	1	0%	
Member Services	1,134	1,134	-	0%	
Information Governance	403	365	(38)	(9%)	
<b>Total for Democratic Services</b>	<b>3,966</b>	<b>4,090</b>	<b>124</b>	<b>3%</b>	
<b>Totals</b>	<b>20,466</b>	<b>20,980</b>	<b>514</b>	<b>3%</b>	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,008	15,854	(154)	(1%)
Property Costs	68	82	14	21%
Supplies and Services	2,882	3,260	378	13%
Transport and Plant Costs	44	33	(11)	(25%)
Administration Costs	1,483	1,483	-	0%
Other Agencies & Bodies	1,953	1,953	-	0%
Transfer Payments	49,167	49,169	2	0%
Other Expenditure	200	203	3	2%
Capital Financing	-	-	-	-
Gross Expenditure	71,805	72,037	232	0%
Income	(51,339)	(51,057)	282	(1%)
<b>Net Expenditure</b>	<b>20,466</b>	<b>20,980</b>	<b>514</b>	<b>3%</b>

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

REPORT FOR THE 3 MONTHS TO 30 JUNE 2020

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Financial &amp; Customer Services - Corporate Procurement / Customer Services</b>
			There is a projected overspend of £0.514m mainly due to the purchase of PPE and the under recovery of Housing Benefit Overpayments
12	375	3125%	Supplies & Services - There is a projected overspend of £0.375m due to COVID-19, purchase of PPE and Working from Home expenses
(411)	139	-34%	Income - There is a projected underrecovery of £0.139m due to limited debt recovery activity in relation to Housing Benefit Overpayments
<b>514</b>			
<b>Note 2</b>			<b>People &amp; ICT - ICT</b>
			There is a projected underspend of £0.109m mainly due to vacancy management
2,910	(100)	-3%	Employee Costs - There is a projected underspend of £0.100m due to vacancy management
13	(9)	-69%	Transport Costs - There is a projected underspend of £0.009m due to staff fares/mileage
<b>(109)</b>			
<b>Note 3</b>			<b>Democratic Services - Legal &amp; Licensing</b>
			There is a projected overspend of £0.149m mainly due to reduced Licensing Income
1,126	21	2%	Employee Costs - There is a projected overspend of £0.021m due to turnover
(717)	129	-18%	Income - There is a projected under-recovery of £0.129m due to a reduction within Licensing Income
(1)			Other minor variances
<b>149</b>			

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,700	19,877	(1,823)	-8.4%	1
Primary Education	36,845	37,095	250	0.7%	2
Secondary Education	49,865	49,705	(160)	-0.3%	3
Additional Support Needs	16,050	15,687	(363)	-2.3%	4
Education - Other	3,297	4,417	1,120	34.0%	5
Attainment Challenge	101	(99)	(200)	-198.0%	6
Pupil Equity Fund	4,314	4,314	-	0.0%	
Connected Communities	11,492	14,898	3,406	29.6%	7
<b>Net Total</b>	<b>143,664</b>	<b>145,894</b>	<b>2,230</b>	<b>1.6%</b>	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	115,483	116,064	581	1%
Property Costs	374	293	(81)	(22%)
Supplies and Services	17,789	16,845	(944)	(5%)
Transport and Plant Costs	174	173	(1)	(1%)
Administration Costs	736	647	(89)	(12%)
Other Agencies & Bodies	12,764	14,499	1,735	14%
Transfer Payments	580	580	-	0%
Other Expenditure	-	411	411	
Capital Financing	61	61	-	0%
Gross Expenditure	147,961	149,573	1,612	1%
Income	(4,297)	(3,679)	618	-14%
<b>Net Expenditure</b>	<b>143,664</b>	<b>145,894</b>	<b>2,230</b>	<b>2%</b>

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
1,702	(250)	-15%	Supplies and Services: A projected underspend in Educational supplies due to Covid-19
106	(50)	-47%	Admin costs: A projected underspend in staff training course fees due to Covid-19
4,519	(400)	-9%	Third Party Payments: A projected underspend in payment to private providers due to Covid-19. Private providers have been fully supported during the lockdown period.
	(1,123)		As yet 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. A revised implementation plan is under development.
	<b>(1,823)</b>		
<b>Note 2</b>			<b>Primary Education</b>
34,738	414	1%	Employee Costs: an expected overspend of £0.414m based on recent projections of staff costs against available budgets.
1,482	(143)	-10%	Supplies and Services : a contribution from uncommitted funds of £0.115m towards the Covid-19 Education recovery plan. Also includes a £0.028m underspend in PPP costs due to reduced RPI and utility costs.
144	(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>250</b>		
<b>Note 3</b>			<b>Secondary Education</b>
37,230	67	0%	Employee Costs: an expected overspend of £0.067m based on recent projections of staff costs against available budgets.
11,971	(193)	-2%	Supplies and Services : a contribution from uncommitted funds of £0.035m towards the Covid-19 Education recovery plan. Also includes a £0.158m underspend in PPP costs due to reduced RPI and utility costs.
182	(97)	-53%	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>(160)</b>		
<b>Note 4</b>			<b>ASN</b>
1,010	(226)	-22%	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.
(264)	(152)	58%	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.
	15		Other minor movements across various budget lines
	<b>(363)</b>		
<b>Note 5</b>			<b>Education Other</b>
3,313	317	10%	Employee costs: Covid-19 Education recovery Plan requires additional teachers that are estimated to cost £0.313m after application of the Scottish Government grant. This includes an overspend of £0.035m in Music service due to unachieved savings
93	719	773%	Supplies and Services Costs : Anticipated level of overspend is currently projected at £0.719m, however this continues to be assessed and includes additional cleaning costs in relation to Covid19, additional sanitising products for schools and IT costs as part of the Education re-start and recovery plan. A further examination of school cleaning expenditure is underway. Costs could be further offset depending on the availability of funding from the Scottish Government
(312)	84	-27%	Income : PPP penalty deductions is estimated to exceed budget by £0.102m. Music charges are expected to under recover by £0.079m and the school let income in regard to PPP schools will under recover by £0.107m
	<b>1,120</b>		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Attainment Challenge</b>
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.
	(200)		
<b>Note 7</b>			<b>Connected Communities</b>
7,009	-243	-3%	Employee Costs: projected overspends of £0.108m within Community Development for increased sessional staff to combat Covid-19, offset against projected underspends of £0.302m in Libraries/Community Facilities/Country Parks, which is mainly due to staff costs being reduced due to Covid-19. Projected underspends in CPP of £0.018m and £0.008m in Community Justice.
231	-81	-35%	Property Costs: projected underspends of £0.055m in Libraries, £0.018m in Country Parks and £0.008m in Community Facilities
967	46	5%	Supplies & Services: underspends across all lines of £0.290m, as expenditure has been reduced to partly offset Covid-19 related overspends across various budget lines of £0.336m, the bulk of which £0.307m is relating to supporting the Covid-19 community food hubs
4,495	2,725	61%	Third Party Payments: anticipated increase in subsidy support for NALL of £2.735m due to Covid-19
	411		Other Expenditure: projected costs of Education Recovery Plan for childcare provision due to Covid-19
	564		Income: under recovery in income of £0.564m of which £0.281m in Community Facilities, £0.171m in Arran Outdoor Centre, £0.054m in Libraries and £0.051m in Arts, all due to Covid-19
	(16)		Other minor movements across various budget lines
<b>3,406</b>			

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	208	217	9	4%	
<b>Physical Environment</b>					
Head Of Physical Environment	114	114	-	0%	
Building Services	(2,510)	1,404	3,914	(156%)	1
Property Governance	(50)	(50)	-	0%	
Property Management & Investment	1,408	1,790	382	27%	2
Housing Assets & Investment	-	328	328	0%	3
Property Maintenance	3,616	3,652	36	1%	
Property Running Costs	5,146	5,421	275	5%	4
Energy and Sustainability	4,250	4,270	20	0%	
Facilities Management	13,990	16,546	2,556	18%	5
Other Housing	3,955	3,327	(628)	(16%)	6
<b>Total for Physical Environment</b>	<b>29,919</b>	<b>36,802</b>	<b>6,883</b>	<b>23%</b>	
<b>Commercial Services</b>					
Head Of Commercial Services	201	200	(1)	(0%)	
Roads	6,677	6,832	155	2%	7
Streetscene	4,644	4,661	17	0%	8
Internal Transport	9,816	9,353	(463)	(5%)	9
Waste Resources	7,871	9,285	1,414	18%	10
<b>Total for Commercial Services</b>	<b>29,209</b>	<b>30,331</b>	<b>1,122</b>	<b>4%</b>	
<b>Economic Growth and Regeneration</b>					
Management	253	255	2	0%	
Planning & Protective Services	1,572	1,412	(160)	(10%)	11
Economic Development	4,444	4,565	121	3%	12
<b>Total for Economic Growth and Regeneration</b>	<b>6,269</b>	<b>6,232</b>	<b>(37)</b>	<b>(1%)</b>	
<b>Net Total</b>	<b>65,605</b>	<b>73,582</b>	<b>7,977</b>	<b>12%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	54,402	54,802	400	1%
Property Costs	21,008	21,690	682	3%
Supplies and Services	12,802	12,892	90	1%
Transport and Plant Costs	7,327	7,224	(103)	(1%)
Administration Costs	1,274	1,295	21	2%
Other Agencies & Bodies	18,283	18,872	589	3%
Transfer Payments	966	966	-	0%
Other Expenditure	361	498	137	38%
Capital Financing	-	-	-	
<b>Gross Expenditure</b>	<b>116,423</b>	<b>118,239</b>	<b>1,816</b>	<b>2%</b>
<b>Income</b>	<b>(50,818)</b>	<b>(44,657)</b>	<b>6,161</b>	<b>(12%)</b>
<b>Net Expenditure</b>	<b>65,605</b>	<b>73,582</b>	<b>7,977</b>	<b>12%</b>



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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
7,881	90	1%	Employee costs: A projected overspend due to additional labour required in the second half of the year
4,595	(786)	(17%)	Supplies & Services: A projected underspend of £0.786m in materials due to a reduced workload as a result of Covid-19. Of this total underspend it is expected that £0.540m is related to expenditure delayed until future years.
2,841	230	8%	Third Party Payments: A projected overspend in Agency costs of £0.439m partially offset by an underspend in payments to contractors of £0.209m due to Covid-19.
(19,048)	4,406	(23%)	Income: There is a projected under recovery of income across various income streams due to Covid-19. £1.667m of this is income delayed until future years.
	(26)		Other minor movements
	3,914		
<b>Note 2</b>			<b>Property Management and Investment</b>
61	30	49%	Supplies & Services: There is a projected overspend of £0.030m for additional IT equipment due to the Covid-19.
51	4	8%	Admin Costs: There is a projected overspend of £0.004m for additional mobile phones for staff due to the Covid-19.
(1,364)	348	(26%)	Income: There is a projected under-recovery of income totalling £0.348m consisting of a £0.295m reduction in normal staff activities due to the lockdown which will not now be recharged to capital. A further £0.048m under-achievement in factoring income is due to a delay in implementing the new charging policy.
	382		
<b>Note 3</b>			<b>Housing Assets and Investments</b>
1,951	300	15%	Income: due to Covid-19 there is an element of income that will be non recoverable from the HRA Capital budget
	28		Other minor movements
	328		
<b>Note 4</b>			<b>Property Running Costs</b>
6,706	168	3%	Net Property Costs - There is a projected overspend of £0.204m which is mainly due to under-achievement of previously approved savings of £0.166m in relation to rationalisation of properties. A further £0.010m relates to legal fees for the new ASN school due to Covid-19
(1,721)	107	(6%)	Income : There is a projected under-recovery of income totalling £0.107m due to a reduction in rental income from commercial properties (£0.084m) and service charges (£0.023m) due to Covid-19
	275		
<b>Note 5</b>			<b>Facilities Management</b>
			Within FM an underspend in the Early Years budget is likely as a result of the delayed rollout of 1140 hours. The FM budget includes a targeted saving of £0.259m which was to be achieved through a review of catering alongside the early years expansion. Projections will be provided in future reports following a review of the new service delivery models and related budgets.
12,084	704	6%	Employee Costs - £0.376m 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. £0.224m of the overspend is due to increased day cleaner presence when schools and other buildings start to re-open; this cost will be offset by additional income from Education and Housing. £0.067m is due to increased security at Trindlemoss and Kyle Road PPE store; this cost will be offset by additional income from HSCP. £0.033m 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 £0.269m underspend due to the reduction in the requirement for overtime during lock-down.
4,868	607	12%	Supplies and services - £1.708m of the overspend relates to the increase in food due to the Covid-19 response through Free School Meal Hubs, Community Hubs and meals for Key Worker's children. This food overspend is offset by the saving of £1.278m in food from reduced commercial catering and school meals. £0.067m of the overspend relates to spend on equipment, primarily the purchase of touch screen pre order kiosks for all secondary schools and the purchase of plastic screens for till points in all schools. £0.059m of the overspend relates to vehicle charges for School Meal hub and Community Hub deliveries. £0.026m of the overspend relates to the cost of disposables and £0.025m of the overspend relates to supplies recharged from Building Services, primarily surgical masks.
-4,045	1,245	(31%)	Income - There is a £1.550m under-recovery in commercial and school catering income due to the closure of schools and other buildings. This is offset against additional income of £0.224m from Education and Housing for the increased day cleaner presence and £0.067m from the HSCP for increased security at Trindlemoss and Kyle Road PPE.
	2,556		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Other Housing</b>
4,343	(412)	(9%)	Employee Costs – The projected underspend is mainly due to the Mitigation Funds of £0.220m, which as yet are uncommitted, as well as vacancies across the service
1,688	491	29%	Property Costs – Budgets were based on 170 temporary accommodation units, which has increased to 267 in response to Covid-19. The additional units increases rent charges, cleaning, maintenance, repair 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 in response to Covid-19 for the CCTV Service. This is offset by the additional income to CCTV
150	96	64%	Other Expenditure - The variance relates to Covid-19 expenditure, £0.090m of which is 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
(4,704)	(846)	18%	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. This is due to a review of charges to the HRA for the CCTV service, and PPE required in response to Covid-19
	(1)		Other minor movements
	(628)		
<b>Note 7</b>			<b>Roads</b>
4,059	(169)	(4%)	Employee Costs - due to Covid-19, recruitment of various posts has been delayed until later this year.
2,020	130	6%	Supplies and Services - Overspend all due to Covid-19. £0.092m for corporate supplies of hand sanitiser and £0.038m in Lighting as a previously agreed saving which has been delayed due to Covid-19.
1,526	160	10%	Third Party Payments - Overspend all due to Covid-19. £0.120m due to upgrade, patching and drainage work which would otherwise have been completed prior to 19/20 year-end. £0.040m gully cleaning work due for completion in March 2020 but also had to be delayed due to Covid-19.
(1,193)	34	(3%)	Income – Under-recovery of income £0.034m all due to Covid-19.
	155		
<b>Note 8</b>			<b>Streetscene</b>
6,446	(69)	(1%)	Employee Costs: Underspend all due to Covid-19. Reduced staff overtime during lock-down and a reduction in Streetscene activities e.g. reduced Garden Tidy Scheme, reduction in public events. 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.
182	(46)	(25%)	Property Costs: £0.017m projected underspend in plants and planting due to reduced number of public events. £0.021m underspend in Ground Maintenance which relates to reactive works. £0.018m underspend in street furniture purchases and repairs. These are all Covid-19 related.
129	28	22%	Transport Costs: Overspend all due to Covid-19, including £0.024m in additional vehicle hire costs.
340	91	27%	Supplies and Services: Overspend primarily relates to the Covid-19 contingency arrangements within the Bereavements Service totalling £0.085m. £0.060m of this relates to investment in a joint Ayrshire temporary mortuary facility in Prestwick.
(2,638)	20	(1%)	Income: Under-recovery of income all due to Covid-19 – cancellation of public events, reduced Garden Tidy income etc.
	(7)		Other minor movements.
	17		
<b>Note 9</b>			<b>Internal Transport</b>
4,334	(332)	(8%)	Transport Provision Costs - Underspend all due to Covid-19 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.
1,700	(106)	(6%)	Fuel Costs — Underspend all due to Covid-19 and associated decrease in fuel usage during the lockdown.
	(25)		Other minor movements
	(463)		
<b>Note 10</b>			<b>Waste Services</b>
4,560	240	5%	Employee Costs - Overspend of £0.240m of which £0.091m is due to Covid-19. The remainder (i.e. £0.149m) is a reduction of £0.200m from the 2019/20 employee costs outturn position and further measures will be implemented to reduce the overspend during the recovery period of the pandemic.
185	130	70%	Transport Costs- Overspend primarily due to additional vehicles required to deal with the increased waste requirements during Covid-19 (£0.115m).
5,477	445	8%	Third Party Payments – Overspend primarily due to Covid-19 (£0.323m). 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 £0.151m). The remaining overspend is a result of an ongoing downturn (pre-Covid) in the recycle market, increasing our processing costs.
(2,912)	598	(21%)	Income - Overspend due to Covid-19. Under-recovery of income including– commercial waste £0.400m, Special Uplifts £0.105m as part of our strategy to suspend the uplift charge and increase capacity as a result of HWRC closures. A further £0.093m of lost income can be attributed to a reduction in skip hire and other general recycling sales.
545	1	0%	Other Minor Movements
	1,414		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 11</b>			<b>Planning and Protective Services</b>
2,433	(134)	(6%)	Employee Costs - underspends due to vacancy management in Planning £0.016m and Protective Services £0.118m
	(26)		Other Minor Movements
	(160)		
<b>Note 12</b>			<b>Economic Development</b>
876	138	16%	Employee costs - agreed extensions to Modern Apprentices and skill for life trainees due to Covid-19
	(17)		Other Minor Movements
	121		

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,300	2,300	-	0%	
SPT Concessionary Fares	294	294	-	0%	
Ayrshire Joint Valuation Board	824	824	-	0%	
<b>Other Corporate Costs</b>					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	86	86	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	15,356	8,875	(6,481)	(42%)	1
Insurance Account	19	19	-	0%	
<b>Net Total</b>	<b>20,774</b>	<b>14,293</b>	<b>(6,481)</b>	<b>(31%)</b>	

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

REPORT FOR THE 3 MONTHS TO 30 JUNE 2020

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Other Corporate Items
15,356	(6,481)	-42%	An underspend of £6.481m is projected in relation to additional Scottish Government non-specific Covid-19 funding which partially offsets the additional expenditure and reduced income reported across other services.
(6,481)			

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	13,493	13,493	-	-	
Contribution to Loans Fund Reserve	3,301	3,301	-	-	
Scottish Government Funding	(304,701)	(304,701)	-	-	
Council Tax	(59,967)	(59,481)	486	(1%)	
Use of Earmarked Funds	(900)	(900)	-	-	
Net Total	(348,774)	(348,288)	486	(0%)	

**Note 1 Council Tax**

Income from Council Tax is forecasting to under recover by £1.085m. This is primarily related to increased Council Tax Reduction expenditure resulting from the Covid-19 pandemic, £0.598m, and additional provision for bad debts due to the impact on the debt recovery position, £0.441m.

Although distribution has not yet been agreed, it is anticipated that additional Scottish Government funding will be allocated in relation to the increased Council Tax Reduction expenditure.

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	4,775	4,775	-	0%	
Property Costs					
Responsive Repairs	4,829	3,817	(1,012)	(21%)	
Void Repairs	3,338	2,278	(1,060)	(32%)	
Planned and Cyclical Maintenance	5,905	4,434	(1,471)	(25%)	
Aids and Adaptions	1,571	1,198	(373)	(24%)	
Other property costs	3,327	3,381	54	2%	
Total for Property Costs	18,970	15,108	(3,862)		1
Supplies & Services	269	276	7	3%	
Transport Costs	27	37	10	37%	
Administration Costs	1,855	2,044	189	10%	2
Third Party Payments	2,453	2,437	(16)	(1%)	
Transfer Payments	390	50	(340)	(87%)	3
Other Expenditure	455	1,076	621	136%	4
Capital Financing Costs	21,369	20,411	(958)	(4%)	5
Gross Expenditure	50,563	46,214	(4,349)	(9%)	
Income					
Council House Rents	(49,600)	(49,727)	(127)	0%	
Other Rents	(315)	(309)	6	(2%)	
Recharges	(378)	(378)	-	0%	
Other Income	(270)	(293)	(23)	9%	
Transfer from HRA Reserves	-	-	-	0%	
Total Income	(50,563)	(50,707)	(144)	0%	6
Net Expenditure	-	(4,493)	(4,493)		

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

**REPORT FOR THE 3 MONTHS TO 30 JUNE 2020**

Budget £000	Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Property Costs</b>
18,970	(3,862)	-20%	There is a projected underspend of £3.862m which is primarily due to £1.012m in Responsive Repairs, £1.060m in Void Repairs and £1.470m 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 £0.449m is related to delayed expenditure and will be required in future years.
<b>(3,862)</b>			
<b>Note 3</b>			<b>Administration Costs</b>
1,855	189	10%	The projected overspend of £0.189m is primarily due to a change in the way Central Support costs are allocated. This change was agreed after the budget was set.
<b>189</b>			
<b>Note 4</b>			<b>Transfer Payments</b>
390	(340)	-87%	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.
<b>(340)</b>			
<b>Note 5</b>			<b>Other Expenditure</b>
455	621	136%	The overspend of £0.621m relates to an increase in the provision of bad debts largely due to Covid-19.
<b>621</b>			
<b>Note 6</b>			<b>Capital Financing</b>
9,902	(958)	-10%	Loan Charges - There is an underspend in capital financing costs of £0.958m. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
<b>(958)</b>			
<b>Note 7</b>			<b>Income</b>
(49,600)	(127)	0%	There is an over recovery of Council House rents due to a higher number of tenanted properties than budgeted at the start of the year. It is anticipated that rent arrears will increase by £0.621m, this has been captured within the Bad Debt Provision.
(270)	(17)	6%	Other minor movements
<b>(144)</b>			

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	-	-	-	(1.000)	0.500
Contingency Balance	1.500	-	-	4.493	-	5.993
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
	<b>10.897</b>	<b>-</b>	<b>(0.110)</b>	<b>4.493</b>	<b>(2.227)</b>	<b>13.053</b>



**Budget Management - 30 June 2020**  
**Virement/Budget Adjustment Requests**

	Perm (P) / Temp(T)	2020/21	
		Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Energy & Sustainability - Carbon Allowances - 3rd Party Payment to Contractor costs	P	-0.349	
Energy & Sustainability - Electricity - Property costs	P	0.278	
Energy & Sustainability - Gas - Property costs	P	0.071	
Facilities Management - Summer Holidays School Meals Grant - Income	T	-0.379	
Facilities Management - Summer Holidays School Meals Grant - Supplies & Services	T	0.379	
			<b>0.000</b>
<b>Communities</b>			
Youth Music Initiative - Creative Scotland Grant - Income	T	-0.164	
Youth Music Initiative - Creative Scotland Grant - Employee Costs	T	0.164	
Sportscotland Grant for Active Schools	T	-0.372	
Active Schools Operational Budget	T	0.372	
Community Justice - South Ayrshire & East Ayrshire - Income	T	-0.100	
Community Justice - South Ayrshire & East Ayrshire - Employee & Project costs	T	0.100	
Communities- Supporting people with food insecurities and other essentials grant - Income	T	-0.498	
Communities - Supporting people with food insecurities and other essentials grant - Supplies and Services	T	0.250	
Communities - Supporting people with food insecurities and other essentials grant - Third Party Payments	T	0.248	
Education - SG grant for recruitment of addt tchr and support staff - Income	T	-0.900	
Education - SG grant for recruitment of addt tchr and support staff - Employee Costs	T	0.900	
			<b>0.000</b>

**Subject:** **2020-21 - Quarter 1 Finance Update**

**Purpose:** To provide an overview of the IJB's financial performance as at Period 3 including an update on the estimated financial impact of the Covid-19 response.

**Recommendation:** It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2020-21 and the overall projected year-end overspend of £0.027m at period 3;
- (b) notes the estimated costs of the Covid mobilisation plan of £7.2m, including savings delays, and the associated funding received to date;
- (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;
- (d) approve the budget changes outlined at section 2.8.

<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 June 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 overspend of £0.027m for 2020-21, it should be noted that this is the first monitoring period and at a point relatively early in the financial year. 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. The South and East partnerships have not reported a period 3 position therefore these recharges are not included in this report, at this point in time we are not aware of any significant issues.</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 projection of effectively a break-even position demonstrates the progress made towards financial balance as part of the 2019-20 recovery plan and other service transformation plans contributing to reduced costs. The position also 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 delayed or impacted 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 on 14 August projects £7.2m of a financial impact, which is split between additional costs of £6.1m 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 we have received a share of £75m nationally (£2m for North Ayrshire) to assist with pressures for social care services, we have not received any funding to date to fund any additional health costs. It is anticipated that further funding will be allocated in the coming weeks and by the end of September to NHS Boards for Health Services.</p>
1.5	<p>Until the funding for Covid-19 is confirmed there is a risk that there may be a shortfall in funding to fully compensate the North Ayrshire IJB for the additional costs. 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;</li> <li>• It is likely that any gap will be clearer towards the end of September when NHS Board funding allocations are expected to be confirmed;</li> <li>• The potential worst-case scenario in terms of any funding shortfall would be in the range of £1.3m and £2.7m, if this gap materialises there are areas we could explore to mitigate later in the year as part of a recovery plan if required;</li> <li>• The most significant area of additional Covid cost is the purchase of PPE for social care, the model for the purchase and supply is currently under review and any options to change from the current model are likely to reduce the future estimated costs;</li> </ul>

	<ul style="list-style-type: none"> <li>The period 3 position projects a balanced financial 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 to estimates for Covid costs. This will include the ongoing consideration of whether a Financial Recovery Plan may be required in the future.</p>
<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 3</b>
2.2	<p>The projected outturn position at period 3 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 £254.208m there is a projected year-end overspend of £0.027m (0.01%). 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 £0.743m in social care services offset by a projected underspend of £0.716m 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 also 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 £69.826m there is an underspend of £1.337m (1.9%). The main variances are:</p>

	<p>a) Care home placements including respite placements (net position after service user contributions) – underspent by £1.397m. 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 quarter of 2020-21 and there are significant vacancies in care homes, the projected underspend includes a steady net increase of 10 placements per month until the year-end.</p> <p>b) Independent Living Services are overspent by £0.300m which is due to an overspend on physical disability care packages within the community and direct payments. There is an expectation that there will be some recovery of funds from Direct Payments where services have ceased, this may improve the projected position. 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 October.</p> <p>c) Care at home is projected to overspent by £0.016m. Significant progress was made during 2019-20 to reduce the overspend as part of the Financial Recovery Plan, the remaining overspend was considered and addressed as part of the budget approved for 2020-21 as part of the overall budget re-alignment, demand pressures and savings included in the budget. This left care at home with resources to grow the service during the year which has assisted with the response to Covid 19. The financial projections assume maintaining the service at the current level until the end of 2020-21 and also account for the increased costs of transferring work from two of the commissioned framework providers to the in-house service.</p> <p>d) Aids and adaptations projected underspend of £0.300m. There have been significant delays with carrying out assessments and also providing equipment and adaptations during lock down. The year to date spend at quarter 1 is less than £0.100m. It is expected that during the year there will be considerable delays with this spend, the level projected currently is in line with the underspend in 2019-20 and it is likely this underspend will be greater, however this cannot be determined at this stage in the year.</p> <p>e) Carers Act Funding is projected to underspend by £0.150m based on the currently committed spend and delays with taking forward developments to support carers. The total uncommitted budget is £0.267m 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.</p>
2.4	<b>Mental Health Services</b>
	<p>Against the full-year budget of £77.542m there is a projected underspend of £0.356m (0.5%). The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £1.623m, included within this is £1.435m in relation to community care packages and £0.176m for residential placements. 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</p>

Adult Community Support Contract are delayed as the full implementation of the CM2000 system has been postponed as the focus has been on the response to COVID-19, the financial benefits of the system are included in the projection later in the year. 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.

b) Community Mental Health services are projected to underspend by £0.208m mainly due to a reduction 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 £1.796m which consists of:

- A projected overspend in Adult Inpatients of £0.271m mainly due to the delay in closing the Lochranza ward on the Ailsa site. This projected overspend has significantly reduced from the position in 2019-20 (£0.549m) as there are firm plans in place to discharge the remaining patients and close the ward during August 2020. Staff re-deployment costs have been included in the projection and the overspend may reduce if alternatives can be identified for displaced staff sooner.
- UNPACS is projected to underspend by £0.187m based on current placements, this is also an improved position from last year.
- A projected underspend of £0.350m 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 (est £0.934m). Staff re-deployment costs have been included in the projection and the underspend may increase if alternatives can be identified for displaced staff sooner.
- A projected underspend in MH Pharmacy of £0.190m 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 £1.4m in 2020-21, further information on this is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2021	£1.608m
Over/(Under) Achievement	£1.208m

There were significant vacancy savings delivered during 2019-20 from lead partnership services and these were brought into the financial position during the year as it became clear that services were not going to be able to recruit to all vacancies. 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 £0.143m</li> <li>• Addictions £0.041m</li> <li>• CAMHS £0.160m</li> <li>• Mental Health Admin £0.266m</li> <li>• Psychiatry £0.508m</li> <li>• Psychology £0.447m</li> <li>• Associate Nurse Director £0.043m</li> </ul>
2.5	<p><b>Children Services &amp; Criminal Justice</b></p>
	<p>Against the full-year budget of £36.001m there is an overspend of £0.559m (1.6%). The main variances are:</p> <p>a) Looked After and Accommodated Children are projected to overspend by £0.699m. 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 £0.721m, as at period 3 there are 18 placements with plans to reduce this by 4 by the end of October and an assumption that there will be no further placements during the year, therefore ending the year with 14 placements. 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 also this has limited the availability of tenancies. However, despite these delays it is positive that there were no children placed into external residential placement during lock down and the numbers did not increase. Children's services are hopeful to further improve the position as we move through the year as starting the 2021-22 financial year with 14 placements will impact on the savings planned for next year.</li> <li>• Fostering placements are projected to overspend by £0.093m 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.</li> </ul>
2.6	<p><b>Turnover/Vacancy Savings</b></p>
	<p>The payroll turnover target has been centralised for 2020-21 as it was noted last year that some service areas have historic targets which cannot be achieved whilst others overachieve, the financial monitoring report was cluttered with over and underspends as a result and a more transparent way to report on progress with the overall achievement of payroll turnover is to manage it centrally. The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.</p>

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	0.869m
Over/(Under) Achievement	0	0.224m

(\*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 vacancies there have been significant vacancy savings to period 3 due to delays with recruitment and a total of £0.643m 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 65% 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 3 £m
Red	-	0.274
Amber	2.801	1.887
Green	1.060	1.700
<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



	<p>as the introduction of the CM2000 system is on hold as providers are focussing on COVID related service and staffing issues;</p> <p>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.</p> <p>Appendix C provides an overview of the savings plan, this highlights that during 2020-21 it is anticipated that a total of £2.746m of savings will be delivered in-year, with £1.115m of savings potentially delayed or reduced. The delays are 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.</p> <p>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 will be 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 has 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 budget gap rolled forward into 2021-22.</p>
2.8	<p><b>Budget Changes</b></p> <p>The Integration Scheme states that <i>“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”</i>.</p> <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 specific reductions the IJB are required to approve are:</p> <ul style="list-style-type: none"> <li>• WAN Circuits Budget Transfer to IT £0.001m</li> <li>• British Sign Language funding to Democratic Services £0.005m</li> <li>• Non-recurring Funding 19/20 £0.388m</li> <li>• Full Year effect of Part Year Reductions £0.054m</li> <li>• Primary Care Prescribing - CRES £0.756m</li> <li>• Funding transfer to Acute (Medical Records) £0.033m</li> <li>• Prescribing Reduction £0.540m</li> <li>• Lochranza Discharges to South HSCP £0.170m</li> </ul> <p>It is recommended that the IJB approve the budget reductions outlined above, some of which relate to changes made and approved during 2019-20.</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 will be the default position at the start of 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. Neither the East or South partnerships have reported a period 3 position therefore there is no impact or information on the position at period 3 including the impact on the North partnership. At this point in time we are not aware of any significant issues which would impact on the North position.</p> <p><u>Set Aside:</u></p> <p>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.</p>
	<p><b>COVID-19 – FINANCE MOBILISATION PLAN IMPACT</b></p>
2.10	<p><b>Summary of position</b></p>
	<p>The IJB were provided with a report on 16 July 2020 which highlighted the potential financial impact of the Covid-19 response and the significant financial risk to the IJB. 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</p>

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. In July the IJB agreed that a follow up report would be presented to the IJB in August outlining the updated 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 Costs

The cost return for North Ayrshire HSCP submitted on 22 June 2020 estimated additional costs of £7.255m for the duration of 2020-21. The costs remain estimates as the situation continually evolves and there have been several iterations of the financial plan. The most recent mobilisation plan cost submission submitted on 14 August 2020 estimates the costs to be £7.211m to March 2021.

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 mobilisation plan submission is included as Appendix E. The main areas of cost together with the change in estimates from June are summarised below:

Service Area	Previous (22 June 2020) £m	Latest (14 Aug 2020) £m	Increase/ Decrease) £m
Payments to Providers	1.648	1.655	0.007
Personal Protective Equipment (PPE)	1.628	2.052	0.424
Savings Delays	1.508	1.115	-0.393
Nursing – Students and Bank Staff	0.848	0.733	-0.115
Care at Home Capacity	0.669	0.416	-0.253
Loss of Income	0.442	0.442	0.000
Staff Cover	0.425	0.425	0.000
Care Home Beds – Delayed Discharges	0.396	0.396	0.000
Fostering Placements	0.000	0.196	0.196
Other costs	0.221	0.311	0.090
Offsetting cost reductions	-0.530	-0.530	0.000
<b>TOTAL</b>	<b>7.255</b>	<b>7.211</b>	<b>-0.044</b>

Further information on the elements of the plan are included in the IJB report from 16 July 2020. There is little movement in the overall estimated cost but there are some significant movements for individual cost elements, the main areas where estimates have been updated are noted below:

- Payments to providers have been re-phased to reflect the extension of the principles to the end of September and the cessation of support thereafter, this

	<p>is currently being reviewed by COSLA and the Scottish Government to determine the best approach to taper down support and also the model of support for ongoing increases in costs beyond the end of September;</p> <ul style="list-style-type: none"> <li>• PPE returns have been updated to include the continuation of the current purchasing arrangements that are currently in place for social care PPE, i.e. being that social care providers (including the HSCP) primarily source and procure their own supplies and use the cluster PPE hubs as a top up and emergency stock. A business case is being developed by the Scottish Government for approval at the end of August, this will determine the future supply of PPE, a change in approach, for example with SG centrally sourced and supplied PPE will change the estimated future costs;</li> <li>• Savings delays have been re-visited based on the P3 position with a more optimistic view of deliverable savings in the year;</li> <li>• Nursing – Students and Bank staff have been reduced in line with updated cost estimated supplied by NHS finance, the previous estimate was based on limited information provided by NES on the posts, the position has been clarified in relation to the individual students;</li> <li>• Care at Home Capacity has been reduced following analysis of the period 3 position, the original estimate was a 5% increase in capacity, in reality the increase has been less as the 2020-21 budget already allowed for an element of growth within the service, the current estimates include maintaining the current capacity levels until March 2021 and for an additional 20 planned posts;</li> <li>• Fostering placements have been added to the updated plan, there are 20 additional short term placements which have been necessary due to Covid-19, these have been facilitated by the Scottish Government permitting foster carers to look after 3 or more children and it has been difficult to reduce these placements with the impact on Children's Hearings. The updated estimates assume half of these placements will remain at the end of September and all will be removed by December.</li> </ul>
2.12	<p><b>Covid-19 Funding Position</b></p> <p>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.</p> <p>On 12 May 2020 we received confirmation of initial funding of £50 million, particularly to support immediate challenges in the social care sector. This interim funding was released to support sustainability across the sector and the ongoing provision of social care, while further work is undertaken to provide the necessary assurance for further allocations of funding to support additional costs.</p> <p>The share of this allocation is £1.339m for North Ayrshire.</p> <p>Following on from this on 3 August it was confirmed that in recognition of challenges for Local Authorities, IJBs and social care providers, and commensurate with data submitted through the local mobilisation plan financial returns, the Scottish Government would provide an additional tranche of funding up to £50 million to meet costs. The full funding will be provided on the basis of appropriate evidence and assurance in respect of actual expenditure and will continue to be considered within the context of the overall package of financial support. On 10 August it was advised</p>

	<p>that £25m of this funding would be released immediately, the North Ayrshire share is £0.669m and has been allocated on an NRAC/GAE basis in line with the original £50m. The remaining up to £25million as not yet been allocated and the distribution of this funding will be reliant on additional information being provided to the Scottish Government to evidence the funding requirement.</p> <p>To date this is the total funding received to date, i.e. £2.008m towards the social care response. No funding has been allocated for the Health delivered services, the NHS Boards were required to submit detailed quarter 1 returns to the Scottish Government on 14 August and these will inform an allocation towards the end of September, this will include the allocation to IJBs for health services.</p> <p>Whilst the allocations of funding for social care are welcomed to support cash flow for Local Government and provides some assurance that funding will be released, this is clearly not sufficient to fund all of our highlighted pressures and there remains a significant gap.</p>
2.13	<p><b>Covid – Financial Risk</b></p>
	<p>There are a number of financial risks related to the Covid-19 response for North Ayrshire IJB, risks include:</p> <ul style="list-style-type: none"> <li>• Delays in funding being confirmed result in the IJB considering balancing the budget based on funding assumptions in the absence of a confirmed funding allocation;</li> <li>• Scottish Government funding is not sufficient to fully fund the response and there is a shortfall in funding when allocated;</li> <li>• Risk that financial position cannot be recovered in-year and the IJB overspend and add to the debt owed to North Ayrshire Council;</li> <li>• If insufficient funding is provided an exercise will be required at a later stage to re-allocate costs and funding to the 3 IJB areas for Lead Partnership services, this could lead to greater costs being aligned to the North IJB particularly for any shortfall in funding for Primary Care including Covid Assessment Hubs;</li> <li>• Further uncertainty of funding for pressures which may continue beyond 2020-21, including for example PPE;</li> <li>• Currently provider Sustainability Payment Principles are due to cease at the end of September with tapering down of support, some elements may be extended beyond that time, there is an ongoing responsibility for HSCPs to ensure the sustainability of the social care sector;</li> <li>• Financial position from 2021-22 onwards and the impact on public sector funding and the future funding of Health and Social Care services.</li> </ul> <p>The table below summarises the overall estimated Covid-19 costs for the North HSCP alongside the funding received to date to highlight the potential gap:</p>

<b>ESTIMATED COVID COSTS</b>	<b>Social Care £m</b>	<b>Health £m</b>	<b>Total £m</b>
Additional Spend	5.414	0.682	6.096
Delayed Savings	1.115	0	1.115
<b>Total Costs</b>	<b>6.529</b>	<b>0.682</b>	<b>7.211</b>
Covid Funding - to date - £75m social care	(2.008)	0	(2.008)
Up to additional £25m	tbc	0	tbc
<b>Estimated Net Spend (Exc Savings)</b>	<b>3.406</b>	<b>0.682</b>	<b>4.088</b>
Actual Spend to 14 August (exc savings delay)	2.937	0.457	3.394
<b>YTD Net Spend (Exc Savings)</b>	<b>0.929</b>	<b>0.457</b>	<b>1.386</b>

- The savings delays impact estimated at £1.115m has been removed from the above net position as these delays have already been factored into the period 3 position, this is a prudent approach on the basis that despite this financial impact being highlighted on mobilisation plan returns there is no agreement in principle re savings delays being financially compensated for;
- The estimated additional costs to March 2021 compared to the funding received to date leaves an estimated balance of £4.088m for which funding has not yet been received or allocated;
- The year to date spend to 14 August is noted in the table and compared to the funding received to date leaves a gap of £1.386m, this reflects the amount of spend to date which has not yet been funded, cash flow information has been provided to the Scottish Government to inform the further allocation of funding for Social Care.

The funding received to date is not the final allocation of funding for IJBs for the Health and Social Care response to Covid-19, we fully expect to receive an allocation for Health services towards the end of September and the initial allocation of up to £100m for social care services has been allocated in response to cash flow issues faced by some Local Authorities and also to provide confidence that funding will flow through the system to allow for sustainability payments to be made to commissioned social care providers.

To two scenarios below illustrate the estimated worst case scenarios where funding may not be sufficient to cover the estimated costs:

	<b>Total Potential Gap £m</b>
<u>Scenario 1</u>	
£100m NRAC/GAE Social Care & Health Fully Funded	<b>2.737</b>
or:	
<u>Scenario 2</u>	
Policy Areas Fully Funded*	<b>1.311</b>

\*policy areas/decisions including PPE, Sustainability Payments, delayed discharge care home beds, Student Nurses

The estimated worst-case scenario funding shortfall is estimated to be between £1.3m and £2.7m based on the two scenarios above. The below illustrates the ways in which this financial risk can be mitigated:



Given the scale of the financial risk at this stage in the year it is not recommended that the IJB consider a formal financial recovery plan at this time.

This recommendation is on the basis that:

- There is increasing confidence that additional costs will be funded based on the recently received and future expected funding allocations;
- It is likely that any gap will be clearer towards the end of September when NHS Board funding allocations are expected to be confirmed;
- The potential worst-case scenario in terms of any funding shortfall would be in the range of £1.3m and £2.7m, if this gap materialises there are areas we could explore to mitigate later in the year as part of a recovery plan if required;
- The most significant area of additional Covid cost is the purchase of PPE for social care, the model for the purchase and supply is currently under review and any options to change from the current model are likely to reduce the future estimated costs;
- The period 3 position projects a balanced financial 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.

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.

<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 also 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 £254.208m there is a projected overspend of £0.027m (0.01%). The report outlines the main variances for individual services.</p> <p>This is an early indication of the projected outturn at the first quarter of the financial year, 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> <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.</p>
<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 and North Ayrshire Council 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 overspend of £0.027m at period 3;</p> <p>(b) notes the estimated costs of the Covid mobilisation plan of £7.3m, including savings delays, and the associated funding received to date;</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> <p>(d) approve the budget changes outlined at section 2.8.</p>

**For more information please contact:**

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# 2020-21 Budget Monitoring Report-Objective Summary as at 30 June 2020

## Appendix A

Partnership Budget - Objective Summary	2020/21 Budget								
	Council			Health			TOTAL		
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>COMMUNITY CARE AND HEALTH</b>	<b>56,074</b>	<b>54,590</b>	<b>(1,484)</b>	<b>13,752</b>	<b>13,899</b>	<b>147</b>	<b>69,826</b>	<b>68,489</b>	<b>(1,337)</b>
: Locality Services	23,630	22,532	(1,098)	4,799	4,799	0	28,429	27,331	(1,098)
: Community Care Service Delivery	28,608	28,622	14	0	0	0	28,608	28,622	14
: Rehabilitation and Reablement	1,985	1,695	(290)	1,902	1,910	8	3,887	3,605	(282)
: Long Term Conditions	1,487	1,363	(124)	4,941	5,100	159	6,428	6,463	35
: Integrated Island Services	364	378	14	2,110	2,090	(20)	2,474	2,468	(6)
<b>MENTAL HEALTH SERVICES</b>	<b>24,794</b>	<b>26,234</b>	<b>1,440</b>	<b>52,748</b>	<b>50,952</b>	<b>(1,796)</b>	<b>77,542</b>	<b>77,186</b>	<b>(356)</b>
: Learning Disabilities	18,572	20,195	1,623	448	448	0	19,020	20,643	1,623
: Community Mental Health	4,739	4,531	(208)	1,635	1,635	0	6,374	6,166	(208)
: Addictions	1,483	1,508	25	1,340	1,340	0	2,823	2,848	25
: Lead Partnership Mental Health NHS Area Wide	0	0	0	49,325	47,529	(1,796)	49,325	47,529	(1,796)
<b>CHILDREN &amp; JUSTICE SERVICES</b>	<b>32,186</b>	<b>32,745</b>	<b>559</b>	<b>3,815</b>	<b>3,815</b>	<b>0</b>	<b>36,001</b>	<b>36,560</b>	<b>559</b>
Irvine, Kilwinning and Three Towns	3,281	3,236	(45)	0	0	0	3,281	3,236	(45)
Garnock Valley, North Coast and Arran	1,256	1,180	(76)	0	0	0	1,256	1,180	(76)
Intervention Services	2,104	2,094	(10)	315	315	0	2,419	2,409	(10)
Looked After and Accommodated Children	17,626	18,325	699	0	0	0	17,626	18,325	699
Quality Improvement	4,310	4,304	(6)	0	0	0	4,310	4,304	(6)
Public Protection	636	634	(2)	0	0	0	636	634	(2)
Justice Services	2,506	2,504	(2)	0	0	0	2,506	2,504	(2)
Universal Early Years	467	468	1	3,090	3,090	0	3,557	3,558	1
: Lead Partnership NHS Children's Services	0	0	0	410	410	0	410	410	0
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,521</b>	<b>52,521</b>	<b>0</b>	<b>52,521</b>	<b>52,521</b>	<b>0</b>
<b>ALLIED HEALTH PROFESSIONALS</b>				<b>5,443</b>	<b>5,443</b>	<b>0</b>	<b>5,443</b>	<b>5,443</b>	<b>0</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>7,975</b>	<b>8,186</b>	<b>211</b>	<b>3,888</b>	<b>3,686</b>	<b>(202)</b>	<b>11,863</b>	<b>11,872</b>	<b>9</b>
<b>CHANGE PROGRAMME</b>	<b>1</b>	<b>18</b>	<b>17</b>	<b>1,011</b>	<b>1,011</b>	<b>0</b>	<b>1,012</b>	<b>1,029</b>	<b>17</b>
<b>OUTTURN ON A MANAGED BASIS</b>	<b>121,030</b>	<b>121,773</b>	<b>743</b>	<b>133,178</b>	<b>131,327</b>	<b>(1,851)</b>	<b>254,208</b>	<b>253,100</b>	<b>(1,108)</b>
Return Hosted Over/Underspends East	0	0	0	0	582	582	0	582	582
Return Hosted Over/Underspends South	0	0	0	0	553	553	0	553	553
<b>OUTTURN ON AN IJB BASIS</b>	<b>121,030</b>	<b>121,773</b>	<b>743</b>	<b>133,178</b>	<b>132,462</b>	<b>(716)</b>	<b>254,208</b>	<b>254,235</b>	<b>27</b>

## 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>69,826</b>	<b>68,489</b>	<b>(1,337)</b>	
Locality Services	28,429	27,331	(1,098)	<b>Older People care homes inc respite</b> - underspend of £1.475m based on 707 placements. Income from Charging Orders - under recovery of £0.078m <b>Independent Living Services :</b> * Direct Payment packages- overspend of £0.115m on 62 packages. * Residential Packages - overspend of £0.055m based on 33 packages. * Community Packages (physical disability) - overspend of £0.130m based on 48 packages
Community Care Service Delivery	28,608	28,622	14	Outwith the threshold for reporting
Rehabilitation and Reablement	3,887	3,605	(282)	<b>Aids and Adaptations</b> - underspend of £0.290m related to the reduced number of OT assessments taking place during COVID 19.
Long Term Conditions	6,428	6,463	35	Outwith the threshold for reporting
Integrated Island Services	2,474	2,468	(6)	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>MENTAL HEALTH SERVICES</b>	<b>77,542</b>	<b>77,186</b>	<b>(357)</b>	
Learning Disabilities	19,020	20,643	1,623	<b>Residential Packages</b> - overspend of £0.176m based on 37 current packages. <b>Community Packages (inc direct payments)</b> - overspend of £1.77m based on 334 current packages. The direct payments projection is based on 41 current packages. Covid 19 community service reductions were approx. £154k for first qtr and a further £97k reduction for Day services not delivered
Community Mental Health	6,374	6,166	(209)	<b>Employee costs</b> - on line with budget <b>Community and Residential Packages</b> - underspend of £0.093m based on 94 community packages and 28 residential placements.
Addictions	2,823	2,848	25	Outwith the threshold for reporting
Lead Partnership (MHS)	49,325	47,529	(1,796)	<b>Adult Community</b> - underspend of £0.143m due to vacancies. <b>Adult Inpatients</b> - overspend of £0.271m due to a delay in closing the Lochranza wards. <b>UNPACs</b> - underspend of £0.187m based on current placements and assumed service level agreement costs. <b>Elderly Inpatients</b> - projected underspend of £0.350m which includes the £0.934m of unallocated funding following the elderly MH review. <b>CAMHS</b> - underspend of £0.160m due to vacancies. <b>MH Admin</b> - underspend of £0.266m due to vacancies.. <b>Psychiatry</b> - underspend of £0.508m due to vacancies. <b>MH Pharmacy</b> - underspend of £0.190m mainly within substitute prescribing. <b>Psychology</b> - underspend of £0.447m due to vacancies.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>CHIDREN'S AND JUSTICE SERVICES</b>	<b>36,001</b>	<b>36,560</b>	<b>559</b>	
Irvine, Kilwinning and Three Towns	3,281	3,236	(45)	Outwith the threshold for reporting
Garnock Valley, North Coast and Arran	1,256	1,180	(76)	<p><b>Employee Costs</b> - Projecting £0.054m 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 0.009m due a reduction in spend in Staff Mileage costs, assumes a 70% spend of all mileage budgets across the service.</p> <p><b>Cornerstone Respite</b> - Projected underspend of £0.013m due to respite services not taking place due to COVID.</p>
Intervention Services	2,419	2,409	(10)	Outwith the threshold for reporting
Looked After and Accommodated Children	17,626	18,325	699	<p><b>Employee Costs</b> - Projected overspend of £0.058m which is due to additional hours/overtime hours being worked within the Children's Houses</p> <p><b><u>Looked After Children placements - projected overspend of £0.090m based on the following:-</u></b></p> <p><b>Kinship</b> - projected underspend of £0.076m. Budget for 359 placements, currently 344 placement but projecting 352 placements by the year end.</p> <p><b>Adoption</b> - projected overspend of £0.026m. Budget for 69 placements, currently 71 placements.</p> <p><b>Fostering</b> - projected overspend of £0.93m. Budget for 129 placements, currently 133 placements and projecting 133 placements by the year end.</p> <p><b>Fostering Xtra</b> - projected underspend of £0.050m. Budget for 32 placements, currently 34 placements but projecting 34 placements by the year end.</p> <p><b>Private fostering</b> - projected overspend of £0.003m. 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 £0.721m, current number of placements is 18,, assumption that 2 will end in September and 2 ending in October and no further new admissions resulting in 14 placements at the year end. No secure placements.</p>
Quality Improvement	4,310	4,304	(6)	Outwith the threshold for reporting
Public Protection	636	634	(2)	Outwith the threshold for reporting
Justice Services	2,506	2,504	(2)	Outwith the threshold for reporting
Universal Early Years	3,557	3,558	1	Outwith the threshold for reporting
: Lead Partnership NHS Children's Services	410	410	0	Outwith the threshold for reporting
PRIMARY CARE	52,521	52,521	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,443	5,443	0	Outwith the threshold for reporting
MANAGEMENT AND SUPPORT	11,863	11,873	10	Outwith the threshold for reporting
CHANGE PROGRAMME & CHALLENGE FUND	1,012	1,029	17	Outwith the threshold for reporting
<b>TOTAL</b>	<b>254,208</b>	<b>253,101</b>	<b>(1,108)</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 3	Saving Delivered @ Month 3 £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	-	0.284	0.299	Currently projecting an overspend. Some plans to move children have been impacted by COVID. Expect to have 14 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 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	Amber	-	-	0.036	Not been able to reduce placements, may progress later in the year.
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.
<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 but will be delayed until January 2021.
8	Trindlemoss	Green	0.150	Amber	0.150	-	-	Fully achieved
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, level of service activity within budget.
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135	Green	-	0.135	-	Expect to fully achieve, level of service activity within budget.
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	Amber	-	-	0.050	New charging policy in place, achieving the saving has been impacted by movement in care home placements.

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
<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	-	0.512	0.126	Implementation of CM2000 was delayed due to Covid, expect to bring system on line for Adult providers from the start of October.
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 September.

<b>TOTAL SOCIAL CARE SAVINGS</b>	<b>3.045</b>	<b>0.489</b>	<b>1.441</b>	<b>1.115</b>
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**Health:**

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £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>
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<b>TOTAL NORTH HSCP SAVINGS</b>	<b>3.861</b>	<b>1.305</b>	<b>1.441</b>	<b>1.115</b>
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## 2020-21 Budget Reconciliation

## Appendix D

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			96,963
Rounding error			5
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)
<b>Budget Reported at Month 3</b>			<b>121,030</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)
Lochranza Discharges to South HSCP	3	P	(170)
<b>Budget Reported at Month 3</b>			<b>133,178</b>
<b>COMBINED BUDGET</b>			<b>254,208</b>

# Appendix E

## COVID-19 Local Mobilisation Plan- Financial Plan- H&SCP

Name of Body	North Ayrshire HSCP
Finance Contact:	Caroline Cameron, Chief
Date of last update	11/08/2020

Delayed Discharge Reduction- Assumptions	Supporting Narrative
Delayed Discharge Reduction- Additional Care Home Beds	32 placements from March to date where funding accelerated or agreed to reduce DD in hospital and expediate discharge, further DD in hospital but not all will require care home placement
Delayed Discharge Reduction- other measures	Anam Cara Respite in-house respite facility being used temporarily for step down

	Revenue												Revenue	Capital	Body incurring cost (NHS or LA)	Supporting Narrative
H&SCP 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		
Delayed Discharge Reduction- Additional Care Home Beds	82,102	78,564	78,564	78,564	78,564								396,358		LA	Only requested funding to August on the basis that interim funding is to facilitate discharge and HSCP would have to fund placements in the longer term. This is to fund 32 specific placements, not assuming there will be additional funding for any new discharges to maintain DD performance.
Delayed Discharge Reduction- other measures	5,453	4,362	4,362	4,362	4,362	4,362							27,263		LA	Anam Cara Respite facility being used temporarily for step down - cost is only in relation to lost income from respite charging, existing staff group delivering care
Delayed Discharge Reduction- other measures	60,151												60,151		LA	Adaptations and equipment purchased to get social care surge sites ready for use, would likely to be further costs if sites are required to be brought into use in the future.
Personal protection equipment	259,469	263,477	249,157	142,248	142,248	142,248	142,248	142,248	142,248	142,248	142,248	142,248	2,052,335		NHS/LA	Sourcing majority of PPE for social care locally. Currently sourcing about 85%-95% (range depending on items) of social care PPE supply by HSCP with the rest coming from NSS top up supply. Orders placed totalling £912k as at 18th June. Assumption that from October onwards (linked to MoU for PPE Hub) NSS supply will potentially increase to provide 50% of requirement, however there remains a risk that costs will continue to rise and this depends on arrangement for national distribution.
Deep cleans		224	971										1,195		NHS	
Estates & Facilities cost		4,790	3,549										8,339		NHS	
Additional staff Overtime and Enhancements	70,596	43,682	47,882	50,000	50,000	50,000	25,000	25,000	25,000	12,500	12,500	12,500	424,660		LA	Cost of additional staff hours to cover absence, mainly in Care at Home Services and residential Children's Houses
Additional temporary staff spend - Student Nurses & AHP		227,159	142,067	142,067	142,067	79,704							733,063		NHS	Actual spend to June for student nurses and other nursing and AHP additional hours, from July onwards based on student costs plus £50k estimate of ongoing additional bank hours.
Additional temporary staff spend - Health and Support Care Workers			40,958										40,958		NHS	
Additional costs for externally provided services	220,798	278,694	314,548	264,036	264,036	188,268	25,000	25,000	25,000	25,000	25,000	-	1,655,380			Provision per month for additional payments to providers primarily for PPE and sickness absence, position statement shared with providers in line with COSLA commissioning guidance. Additional provision for occupancy payments to care homes from April to September and assuming tapered reduction in Sept. Included provision for 5% increase in costs for community support services (care at home and adults) from April to September, not included at 25% as not seen requests at that level, this may increase as sickness policy is implemented. Included small provision for support after Sept with PPE and infection control costs. Additional GP sessions for Arran for the hospital and to support local team in co-ordinating planning and response
Additional FHS Payments- GP Practices	13,527	6,203	7,000	7,000	7,000								40,730		NHS	
Loss of income	88,500	88,500	88,500	88,500	88,500								442,500		LA	Ceased provision of day services and respite, also suspended charges for community supports on basis of rapid changes to care, capacity to ensure accurate financially assessed charges and also financial hardship.
Additional Travel Costs		1,304	4,553										5,857			
IT & Telephony Costs		937											937			
Equipment & Sundries		75,584											75,584		NHS/LA	Thermometers moved here from PPE
Children and Family Services	6,952	12,166	20,856	34,760	34,760	34,760	17,380	17,380	17,380				196,394			Additional Fostering Placements, 20 increased placements from April to now which are Covid related temporary placements, delay in children's hearings and housing has led to a delay in moving children on from foster care. Cost of 20 placements as they came on line from April, assume 10 will leave care by Sept and a further 10 between October and December.
Other- Security Costs PPE Store	8,000	8,000	8,000	8,000	8,000	8,000							48,000		LA	
Other- Additional Care at Home Capacity	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		LA	Additional costs for in-house service to ensure service can facilitate hospital discharge and put in place care packages despite operating at high absence levels. Demands for this service have increased with more individuals and families choosing to be cared for at home.
Offsetting cost reductions - HSCP	(108,007)	(108,007)	(108,007)	(68,583)	(68,583)	(68,583)							(529,770)		NHS/LA	
<b>Total</b>	<b>746,386</b>	<b>1,024,484</b>	<b>941,805</b>	<b>789,799</b>	<b>789,799</b>	<b>470,408</b>	<b>241,277</b>	<b>241,277</b>	<b>241,277</b>	<b>211,397</b>	<b>211,397</b>	<b>196,397</b>	<b>6,095,703</b>	<b>-</b>		
<b>Subtotal</b>														<b>6,095,703</b>		
Expected underachievement of savings (HSCP)	139,375	139,375	139,375	139,375	139,375	139,375	46,458	46,458	46,458	46,458	46,458	46,458	1,115,000		NHS/LA	
<b>Total</b>	<b>885,761</b>	<b>1,163,859</b>	<b>1,081,180</b>	<b>929,174</b>	<b>929,174</b>	<b>609,783</b>	<b>287,735</b>	<b>287,735</b>	<b>287,735</b>	<b>257,855</b>	<b>257,855</b>	<b>232,855</b>	<b>7,210,703</b>	<b>-</b>		
<b>Total</b>														<b>7,210,703</b>		

Cash Flow Analysis	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Local Authority- Actual Spend	535,748	831,861	1,050,255	858,028	358,372							
Local Authority- Accrual	904,830	970,158	928,998	787,599	787,599	537,571	287,735	287,735	287,735	257,855	257,855	232,855