

---

# NORTH AYRSHIRE COUNCIL

7 November 2023

## Cabinet

---

**Title:** Revenue Budget 2023/24 : Financial Performance to 31 August 2023

**Purpose:** To advise Cabinet of the financial performance for the Council at 31 August 2023.

**Recommendation:** That Cabinet agrees to:

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

---

## 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2023/24 were approved by Council on 1 March 2023. The Housing Revenue Account (HRA) Revenue Budget for 2023/24 was approved by Council on 15 February 2023.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the second report for 2023/24 and covers the period to the end of August 2023 (Period 5). Projections have been made to the year-end.
- 1.3 At Period 5 the General Fund is forecasting a net in-year overspend of £0.424m, (0.1%), after transferring resources to/from earmarked reserves.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£5.414m), (9.3%).
- 1.5 At the end of July 2023, the Health and Social Care Partnership is projecting a year-end overspend of £3.859m, (1.2%), for 2023/24, a reduction of (£0.717m) from the previously reported position. The Council services element is reporting a projected overspend of £3.507m, which is an improvement of (£0.330m) from the previously reported underspend, and the Health services element is reporting a projected overspend of £0.352m, which is an improvement of (£0.387m) over the same period.

1.6 Significant risks to the reported position have been identified arising from ongoing inflationary pressures across services, linked to the higher than anticipated Consumer Price Index, and the potential impact of the ongoing 2023/24 non teacher pay negotiations. However, it is anticipated that any additional costs arising from these negotiations will be matched by additional Scottish Government grant funding. The financial projections do not include any short term reductions resulting from the industrial action taken by non-teaching staff on 26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> September 2023. The full impact of this will be quantified and incorporated into future reports.

## 2. Background

### General Fund

- 2.1 The Council set a breakeven budget for 2023/24. In addition to the budget approved on 1 March 2023, earmarked funds of £26.697m were carried forward from 2022/23 for service expenditure in 2023/24 and are reflected in the figures within the 2023/24 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net in-year overspend of £0.424m, (0.1%), net of transfers to/from reserves, is anticipated for the year to 31 March 2024.
- 2.3 Details of the current financial projections are summarised in the following table:

	Appendix No	Annual Budget £000's	Projection to 31 March 2024 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 3 (Fav)/Adv £000's	Movement £000's	Note
<b>Service Expenditure</b>							
Chief Executives	1	19,931	19,663	(268)	(58)	(210)	(i)
Communities	2	183,813	184,203	390	-	390	(ii)
Place	3	55,308	56,316	1,008	1,691	(683)	(iii)
Other Corporate Services	4	20,717	20,011	(706)	(831)	125	(iv)
Sub Total		279,769	280,193	424	802	(378)	
Health and Social Care Partnership	8	121,744	121,744	-	-	-	2.6
Balance for Services		401,513	401,937	424	802	(378)	
Financing Charges	5	11,408	11,408	-	-	-	
Contribution to Loans Fund Reserve	5	6,132	6,132	-	-	-	
Total Planned Expenditure		419,053	419,477	424	802	(378)	
<b>Planned Income</b>							
Aggregate External Finance	5	(347,490)	(347,490)	-	-	-	
Council Tax	5	(65,397)	(65,397)	-	-	-	
Use of Earmarked Funds	5	(6,166)	(6,166)	-	-	-	
Total Planned Income		(419,053)	(419,053)	-	-	-	
Net Expenditure/ (Income)		-	424	424	802	(378)	

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

	General Revenue Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	TOTAL AEF £000's
<b>Planned Income</b>				
<b>Revised Budget 30 June 2023</b>	<b>(281,872)</b>	<b>(40,982)</b>	<b>(19,930)</b>	<b>(342,784)</b>
<b>Movements:</b>				
SNCT Pay 22-23 / 23-24	(4,110)			(4,110)
Ukrainian Resettlement	(70)			(70)
Summer Activities	(132)			(132)
Employability Staffing	(394)			(394)
<b>Revised Planned Income</b>	<b>(286,578)</b>	<b>(40,982)</b>	<b>(19,930)</b>	<b>(347,490)</b>

## 2.5 Commentary on Significant Movements from the Approved Budget

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

A brief explanation of the significant movements for each service since Period 3 is outlined as follows:

(i) **Chief Executive's – underspend of (£0.268m), an increase of (£0.210m) from the previously reported underspend**

The movement since Period 3 is primarily related to lower than forecast contract renewal costs within ICT.

(ii) **Communities – overspend of £0.390m, an increase from the previously reported breakeven position**

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

- Additional employee costs associated with maintaining teacher numbers in line with Scottish Government policy and absence cover arrangements, £1.014m; and
- Additional net costs in relation to the PPP contract due to NDR revaluations and higher than anticipated contract inflation, £0.160m.

These have been partly offset by:

- Vacancy management across services, including Early Learning and Childcare and non-teaching costs within schools combined with a targeted reduction in overtime and casual staff costs, (£0.623m); and
- Lower than anticipated demand for placements with ELC funded providers, (£0.199m).

Significant cost pressures continue to be experienced in relation to :

- Increased residential childcare placements, £0.905m; and
- Significant costs pressures arising from the demand for Classroom Assistants, £0.874m.

These are currently being offset on an interim basis through the utilisation of earmarked reserves. However, it is recognised that this is not a sustainable solution and will require to be addressed through ongoing discussions with the Scottish Government, management action and as part of the 2024-25 budget process.

**(iii) Place – overspend of £1.008m, a reduction of (£0.683m) from the previously reported overspend**

The movement since Period 3 reflects updated income and cost forecasts across services, including:

- Additional income from kerbside recycling contracts, (£0.333m);
- Additional rent income linked to increased demand for Temporary Furnished Accommodation, (£0.081m); and
- Reduced Property Management and Investment expenditure linked to a forecast reduction in internal recharges, (£0.069m).

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

**(iv) Other Corporate Items – underspend of (£0.706m), a reduction of £0.125m from the previously reported underspend**

The movement since Period 3 is primarily related to additional drawdown from centrally held inflationary cost provisions to support pressures within services, £0.249m, partly offset by revised Housing Benefit Overpayment Recovery projections, (£0.100m).

## **Health and Social Care Partnership**

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

The key points for Cabinet to note are summarised as:

- The projected outturn is a year-end overspend of £3.859m for 2023/24, a reduction of (£0.717m) from the previously period.
- The projected overspend on the Council Services element is £3.507m, a reduction of (£0.330m), with a projected overspend on the Health Services element of £0.352m, a reduction of (£0.387m);

- The most significant areas of overspend include residential placements for children, supplementary staff in wards and complex residential care packages within the lead partnership for mental health. Further detail is included in the report at Appendix 8.

The main areas of risk identified in the report include:

- Current high levels of inflation which impact on costs incurred directly by the Partnership and on our partner providers;
- High risk areas of low volume / high-cost services areas e.g. Children's residential placements, Learning Disability care packages and complex care packages;
- Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this;
- Ongoing implementation costs of the Scottish Government policy directives;
- Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs;
- The impact on Lead Partnership and acute services from decisions taken by other Ayrshire areas;
- The Covid recovery process including the ability to change and improve services following learning from the Covid response;
- Continuing risks associated with provider sustainability;
- The Local Government pay award is not settled for 2023-24 and negotiations are ongoing, any increase above the budgeted 3% will impact on the financial position unless additional funding is forthcoming.

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

## **Risks**

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

Negotiations in relation to the 2023/24 pay settlement for non-teaching staff are currently ongoing. It is anticipated that any additional costs arising from these negotiations will be matched by additional Scottish Government grant funding, however, the final impact of any award in excess of available funding may require the utilisation of Council reserves, with a knock-on effect on future budget gaps. These pressures are likely to be offset in the short term by reductions resulting from the industrial action taken by non-teaching staff on 26th, 27th and 28th September 2023. However, the full impact cannot be quantified at this time. The net risks arising from any settlement will continue to be monitored and reported to Cabinet as appropriate.

## Housing Revenue Account

2.8 The Housing Revenue Account budgeted for a breakeven position in 2023/24 and an in-year underspend of (£5.414m), (9.3%), is currently anticipated for the year to 31 March 2024. The projected position is summarised in the following table with further details provided in Appendix 6.

	Annual Budget £000's	Projection to 31 March 2024 £000's	Projected Variance for year (Fav)/Adv £000's	Previous Variance @ Period 3 (Fav)/Adv £000's	Movement £000's	Note
Employee Costs	5,504	5,209	(295)	-	(295)	(i)
Property Costs	22,717	23,755	1,038	-	1,038	(ii)
Supplies and Services	672	656	(16)	-	(16)	
Transport and Plant Costs	28	28	-	-	-	
Administration Costs	1,892	1,908	16	-	16	
Third Party Payments	3,519	3,519	-	-	-	
Transfer Payments	172	172	-	-	-	
Other Expenditure	380	380	-	-	-	
Capital Financing	23,309	16,182	(7,127)	(6,363)	(764)	(iii)
Gross Expenditure	58,193	51,809	(6,384)	(6,363)	(21)	
Income	(58,193)	(57,223)	970	-	970	(iv)
Net Expenditure	-	(5,414)	(5,414)	(6,363)	949	

## 2.9 Commentary on Significant Movements from the Approved Budget

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

- (i) **Employee Costs – underspend of (£0.295m), a reduction from the previously reported breakeven position**  
The movement is primarily related to vacancy management across the service.
- (ii) **Property Costs – overspend of £1.038m, an increase from the previously reported breakeven position**  
The movement is primarily related to a projected overspend on Void repairs, £1.007m, resulting from an increase in the volume and scope of works.
- (iii) **Capital Financing Costs – underspend of (£7.127m), an increase of (£0.764m) from the previously reported underspend**  
The movement is primarily related to reduced loan charges, reflecting the utilisation on internal funds rather than borrowing, and further rephasing within the HRA capital programme.
- (v) **Income – underrecovery of £0.970m, an increase from the previously reported breakeven position**  
The movement is primarily related to a projected underrecovery of rental income, £0.958m, resulting from long term voids.

### **3. Proposals**

3.1 It is proposed that Cabinet agrees to:

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

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

#### **Financial**

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

The net projection for the year as at 31 August 2023 is a net overspend of £0.424m.

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

The net projection for the year as at 31 August 2023 is a net underspend of (£5.414m).

#### **Human Resources**

4.2 None.

#### **Legal**

4.3 None.

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

4.4 None.

#### **Environmental and Sustainability**

4.5 None.

#### **Key Priorities**

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

#### **Community Wealth Building**

4.7 None.

## **5. Consultation**

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

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

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

### **Background Papers**

Revenue Budget 2023/24 : Financial Performance to 30 June 2023 – Cabinet 29 August 2023



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

**REPORT FOR THE 5 MONTHS TO 31 August 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Chief Executive</b>					
Chief Executive	144	149	5	3%	
Total for Chief Executive	144	149	5	3%	
<b>Financial Services</b>					
Change Programme	81	81	-	0%	
Audit, Fraud, Safety & Insurance	699	716	17	2%	
Corporate Procurement	974	939	(35)	(4%)	
Financial Services	1,450	1,450	-	0%	
Revenues	(500)	(500)	-	0%	
Transformation	740	740	-	0%	
Total for Financial Services	3,444	3,426	(18)	(1%)	
<b>People &amp; ICT</b>					
Employee Services	900	917	17	2%	
HR & Organisational Development	1,072	1,084	12	1%	
ICT	5,311	5,116	(195)	(4%)	1
Business Support	1,258	1,258	-	0%	
Customer Services	3,981	3,981	-	0%	
Total for People & ICT	12,522	12,356	(166)	(1%)	
<b>Democratic Services</b>					
Legal & Licensing	496	486	(10)	(2%)	
Policy, Performance & Elections	468	401	(67)	(14%)	2
Communications	469	472	3	1%	
Civil Contingencies	60	60	-	0%	
Committee Services	541	528	(13)	(2%)	
Member Services	1,320	1,320	-	0%	
Ayrshire Support Service	410	416	6	1%	
Information Governance	57	49	(8)	(14%)	
Total for Democratic Services	3,821	3,732	(89)	(2%)	
<b>Totals</b>	<b>19,931</b>	<b>19,663</b>	<b>(268)</b>	<b>(1%)</b>	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,985	16,921	(64)	(0%)
Property Costs	67	69	2	3%
Supplies and Services	3,081	2,888	(193)	(6%)
Transport and Plant Costs	24	24	-	0%
Administration Costs	1,361	1,359	(2)	(0%)
Other Agencies & Bodies	2,336	2,333	(3)	(0%)
Transfer Payments	853	852	(1)	(0%)
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	24,707	24,446	(261)	(1%)
Income	(4,776)	(4,783)	(7)	0%
<b>Net Expenditure</b>	<b>19,931</b>	<b>19,663</b>	<b>(268)</b>	<b>(1%)</b>

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

REPORT FOR THE 5 MONTHS TO 31 August 2023

Budget £000	Projected Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>People &amp; ICT - ICT</b>
			Movement - There has been a favourable movement of £0.195m due to lower than forecast contract renewal costs.
2,248	(195)	-9%	Supplies & Services - £0.152m underspend in Software Licenses and support due to contracts ending and renewing at a lower cost. However it is anticipated that the cost of Office 365 licensing will increase by 20% in 2024/25 requiring this years underspend to be earmarked to cover some of this increase. £0.043m underspend in WAN due to the upgrade project although reinvestment of this budget is required to improve network bandwidths at a number of council sites.
	<b>(195)</b>		
	<b>Note 2</b>		<b>Democratic Services - Policy, Performance &amp; Elections</b>
			Movement - There is a favourable movement of £0.010m in employee costs, this is due to slippage in vacancies
447	(67)	-15%	Employee Costs - There is an underspend of £0.067m due to vacancy management.
	<b>(67)</b>		

**COMMUNITIES****BUDGETARY CONTROL 2023/24****REPORT FOR THE 5 MONTHS TO 31 August 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	20,747	20,271	(476)	(2%)	1
Primary Education	48,366	48,036	(330)	(1%)	2
Secondary Education	61,492	61,415	(77)	(0%)	3
Additional Support Needs	13,730	14,312	582	4%	4
Education - Other	4,368	5,524	1,156	26%	5
Pupil Equity Fund	4,604	4,604	-	0%	
Facilities Management	17,705	17,240	(465)	(3%)	6
Connected Communities	12,801	12,801	-	0%	7
<b>Net Total</b>	<b>183,813</b>	<b>184,203</b>	<b>390</b>	<b>0%</b>	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs - Teachers	95,964	97,427	1,463	2%
Employee Costs - Non Teachers	57,629	55,915	(1,714)	(3%)
Property Costs	1,418	1,449	31	2%
Supplies and Services	24,744	24,387	(357)	(1%)
Transport and Plant Costs	156	159	3	2%
Administration Costs	562	560	(2)	(0%)
Other Agencies & Bodies	13,798	14,418	620	4%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	71	63	(8)	(11%)
Gross Expenditure	194,922	194,958	36	0%
Income	(11,109)	(10,755)	354	(3%)
<b>Net Expenditure</b>	<b>183,813</b>	<b>184,203</b>	<b>390</b>	<b>0%</b>

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

REPORT FOR THE 5 MONTHS TO 31 August 2023

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Early Years Education</b>
			Movement : There has been a favourable movement of £0.478m compared to P3. This is primarily due to vacancy management and changes in Funded Provider projections.
15,854	(274)	-2%	Employee Costs: Projected underspend of £0.515m in Early Years establishments due to vacancy management which is offset against a projected overall Early Years budget shortfall of £0.242m.
4,672	(199)	-4%	Third Party Payments: There is a projected underspend of £0.199m within payments to Funded Providers as a result of a reduction in the number of NAC children accessing early years placements.
246	(3)	-1%	Other minor movements
			A reduction to the budget of £1.198m in 23/24 has necessitated a drawdown from Education earmarked funds pending permanent savings to be implemented for 24/25. Service redesign proposals are being developed.
	(476)		
<b>Note 2</b>			<b>Primary Education</b>
			Movement : There has been an unfavourable movement of £0.065m compared to P3. This is due to NDR re-evaluations and increased RPI utility costs within the PPP Unitary Charge. This will be monitored over the coming months and will be dependent on potential further PPP deductions income to offset the overspend.
45,985	(381)	-1%	Employee Costs : projected underspend in non teaching costs across all Primary Schools
2,222	62	3%	Supplies & Services: projected overspend in the PPP unitary charge mainly due to NDR and utility increases
	(11)		Other minor movements
	(330)		
<b>Note 3</b>			<b>Secondary Education</b>
			Movement : There has been a favourable movement of £0.031m compared to P3. This is mainly due to continuing recruitment gaps and vacancy management (£0.148m) and additional costs of £0.118m in NDR re-evaluations and increased RPI utility costs within the PPP Unitary Charge.
46,742	(198)	0%	Employee Costs : projected underspend in non teaching costs across all Secondary Schools
14,584	118	1%	Supplies & Services: projected overspend in the PPP unitary charge mainly due to NDR and utility increases. All PPP costs and income will be monitored over the coming months and the final outturn will be dependent on potential further penalty deductions to offset the overspend.
	3		Other minor movements
	(77)		
<b>Note 4</b>			<b>ASN</b>
			Movement: There has been a favourable movement of £0.054m compared to P3. This is mainly due to movements in staff costs.
11,830	(284)	-2%	Employee costs: Projected underspend of £0.284m in non teaching staff costs across all ASN school and bases provision. The increased cost pressure for Classroom Assistants of £0.874m is managed this year by drawing down a temporary amount from earmarked funds. This position will be addressed as part of the ongoing discussion with the Scottish Government and as part of the 24/25 budget process.
355	(76)	-21%	There is a forecasted underspend of £0.076m on payments to Other Local Authorities due to a reduction in the number of NAC children accessing placements in their establishments.
1,003	49	5%	There is a projected overspend of £0.049m on external day placements as a result of additional children requiring this level of support and an increase in rates from these establishments.
499	905	181%	There is a projected overspend of £0.905m on external specialist residential placements. Currently there are 10 children in accommodation with an additional 2 expected in the near future; 2 children have left education provision in June 2023. Increased pressures on internal care settings as well as changing needs of children and young people have resulted in an increase in the need for external residential settings. Joint working is ongoing with HSCP to ensure that all options are fully explored to ensure that all options are considered to retain young people within their local community where possible. Where this is not possible, a forum has been set up to further discuss those young people who will require care and education provision to support them appropriately.
			Any future additional children who enter Residential Accommodation will increase the future projected overspend.
-	(12)		Other minor movements.
	582		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Education Other</b>
			Movement :There has been an unfavourable movement of £0.990m compared to P3. This is mainly due to a projected increase in teacher costs.
3,091	1,362	44%	Employee costs: Additional costs associated with Teachers as a result of Scottish Government's requirement to maintain the same numbers as in the previous year. Expenditure is influenced by many factors including Teachers absence where there has been an increase of approx 38% from previous years.
1,121	(201)	-18%	Income: PPP insurance rebate £0.087m, PPP deductions of £0.093m in excess of budget, £0.017m salaries received from capital
	(5)		Other minor movements.
<b>1,156</b>			
<b>Note 6</b>			<b>Facilities Management</b>
			Movement: There has been a favourable movement of £0.102m compared to P3 mainly due to vacancy management
13,285	(329)	-2%	Employee Costs: There is an underspend of £0.329m due to recruitment challenges and a targeted reduction of overtime and casual costs.
6,403	(639)	-10%	Supplies and services: There is a saving of £0.054m in food due to reduced commercial catering and a further food savings of £0.347m due to reduced school meal uptake. In addition, there is an underspend within Early Years of £0.257m which has arisen due to a lower attendance rate than originally anticipated.
3,053	476	16%	Income: There is an under-recovery in commercial catering income of £0.382m due to a reduction in commercial events and cost/income challenges within commercial venues, and an under-recovery of school meal income of £0.166m. This is partially offset by an over-recovery of cleaning and janitorial income of £0.072m.
	27		Other minor movements.
<b>(465)</b>			
<b>Note 7</b>			<b>Connected Communities</b>
			Movement: There has been no change since period 3.
8,052	(148)	-2%	Employee Costs: Underspends in Community Facilities, Libraries, Country Parks and Community Development due to vacancy management.
240	60	25%	Property Costs: £0.033m overspend in Libraries on Furniture and Fittings and £0.025m overspend in Country Parks on various property works and removal of trees affected by ash dieback.
1,102	48	4%	Supplies and Services: Small overspends across a number of budget lines.
(2,140)	40		Income: £0.080m under recovery in Community Facilities as income has not returned to pre-covid levels and projected over-recovery of £0.038m in Arran Outdoor Education Centre.
	-		

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

**REPORT FOR THE 5 MONTHS TO 31 August 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	194	194	-	0%	
<b>Housing and Public Protection</b>					
Building Services	(2,543)	(2,543)	-	0%	1
Property Governance	(7)	(7)	-	0%	
Planning Services	322	301	(21)	(7%)	
Protective Services	1,736	1,736	-	0%	
Other Housing	2,675	2,537	(138)	(5%)	2
<b>Total for Housing and Public Protection</b>	<b>2,183</b>	<b>2,024</b>	<b>(159)</b>	<b>(7%)</b>	
<b>Commercial Services</b>					
Roads	8,504	8,504	-	0%	
Streetscene	5,188	5,188	-	0%	
Waste Resources	9,599	10,261	662	7%	3
<b>Total for Commercial Services</b>	<b>23,291</b>	<b>23,953</b>	<b>662</b>	<b>3%</b>	
<b>Economic Development, Growth and Regeneration</b>					
Economic Policy	229	196	(33)	(14%)	
Employability & Skills	1,955	1,955	-	0%	
Regeneration	1,221	1,192	(29)	(2%)	
Business	954	954	-	0%	
Growth & Investment	216	216	-	0%	
<b>Total for Economic Development, Growth and Regeneration</b>	<b>4,575</b>	<b>4,513</b>	<b>(62)</b>	<b>(1%)</b>	
<b>Sustainability, Transport and Corporate Property</b>					
Property Management & Investment	1,565	1,586	21	1%	4
Housing Assets & Investment	(1)	(1)	-	0%	
Property Maintenance	3,494	3,519	25	1%	
Property Running Costs	4,664	4,775	111	2%	5
Energy and Sustainability	5,172	5,275	103	2%	6
Internal Transport	10,171	10,478	307	3%	7
<b>Total for Sustainability, Transport and Corporate Property</b>	<b>25,065</b>	<b>25,632</b>	<b>567</b>	<b>2%</b>	
<b>Net Total</b>	<b>55,308</b>	<b>56,316</b>	<b>1,008</b>	<b>2%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	47,361	47,887	526	1%
Property Costs	21,394	21,641	247	1%
Supplies and Services	10,214	10,320	106	1%
Transport and Plant Costs	7,662	8,364	702	9%
Administration Costs	793	795	2	0%
Other Agencies & Bodies	20,643	21,181	538	3%
Transfer Payments	-	-	-	0%
Other Expenditure	182	166	(16)	(9%)
Capital Financing	-	-	-	
Gross Expenditure	108,249	110,354	2,105	2%
Income	(52,941)	(54,038)	(1,097)	2%
<b>Net Expenditure</b>	<b>55,308</b>	<b>56,316</b>	<b>1,008</b>	<b>2%</b>



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

**REPORT FOR THE 5 MONTHS TO 31 August 2023**

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 1</b>			<b>Building Services</b>
			Movement: There has been no movement since P3 however the service are currently managing significant financial challenges to achieve a break-even position..
5,345	111	2%	Supplies & Services: An overspend of £0.111m in supplies and services. This is due to an overspend in materials as a result of a change in the volume and composition of the works programme.
579	142	25%	Transport costs: An overspend of £0.142m in transport costs. This is due to an overspend of £0.078m in scaffolding and £0.064m in skip hire costs.
2,833	569	20%	Third Party Payments: An overspend of £0.569m in third party payments is largely in relation to an increase in the volume of void and damp work.
(21,515)	(822)	4%	Income: There is a projected over recovery in income of £0.822m largely in relation to the volume and scope of void works.
	-		
<b>Note 2</b>			<b>Other Housing</b>
			Movement: There has been a favourable movement of £0.085m since P3 which is primarily due to increased rents arising from demand for Temporary Furnished Accommodation.
3,839	(89)	(2%)	Employee Costs: projected underspend of £0.089m due to vacancy management.
2,395	20	1%	Property Costs: projected overspend primarily due to £0.012m additional costs in property rents and £0.012m in void rent losses.
(5,862)	(78)	1%	Income: favourable variance of £0.081m due to demand for Temporary Furnished Accommodation.
	9		Other minor movements
	(138)		
<b>Note 3</b>			<b>Waste Services</b>
			Movement: There has been a favourable movement since P3 of £0.416m mostly due to movements in the recyclates markets.
5,132	756	15%	Employee Costs: The overspend includes temporary additional resources required to deal with new builds and to cover a significant, and challenging, sickness absence rate. The statutory nature of the service requires additional resources to cover unforeseen absences. A robust absence monitoring process is in place and an overall review of the Waste service in light of legislative changes and current service demands is ongoing. This will also take account of waste compositional analysis.
482	20	4%	Supplies & Services: Forecast overspend on Trade effluent £0.023m.
160	223	139%	Transport costs: Additional vehicles are temporarily in place to deal with pressures from new homes and seasonal demands in Garden Waste, however a reduction of 3 vehicles has been implemented from 1st October 2023.
(2,925)	(348)	12%	Income: Additional income from the renewal of kerbside recycle contracts of £0.333m.
	11		Other minor movements
	662		
<b>Note 4</b>			<b>Property Management and Investment</b>
			Movement : There has been a favourable movement since P3 of £0.053m largely due to a reduction in internal recharges.
2,582	(29)	(1%)	Employee Costs: A projected underspend of £0.029m due to vacancy management.
139	(69)	(50%)	Supplies & Services: Projected underspend due to reduction in internal recharges.
(1,263)	119	(9%)	Income: There is a projected under-recovery in fee income of £0.119m.
	21		
<b>Note 5</b>			<b>Property Running Costs</b>
			Movement : There has been a favourable movement since P3 of £0.011m.
6,349	112	2%	Property Costs: There is a projected £0.112m overspend due to associated costs for community hubs within SHUs. Discussions are ongoing regarding potential increased costs.
	(1)		Other minor movements
	111		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 6</b>			<b>Energy and Sustainability</b>
			Movement : There has been an adverse movement of £0.029m since P3 due to increased projected utility costs.
8,262	103	1%	Property Costs: Due to the current energy crisis and after drawing down the maximum available £3.048m from contingencies and earmarked funds there is a projected overspend in property costs of £0.103m due to increased utility cost charges.  A number of workstreams are ongoing to reduce consumption to reduce the above tariff related increases and as part of our overall sustainability strategy.
	103		
<b>Note 7</b>			<b>Internal Transport</b>
			Movement - There has been a favourable movement of £0.013m since P3. This is mainly due to a projected underspend in Fuel of £0.017m.
1,796	9	1%	Employee Costs: Projected overspend of £0.009m due to lower than anticipated staff turnover.
4,668	169	4%	Transport Provision Costs: Projected overspend of £0.168m due to an increase in contractors operating and running costs which has resulted in higher contract pricing.
1,779	(17)	(1%)	Fuel: Projected underspend of £0.017m due to lower cost price.
385	76	20%	External Hires: Projected overspend of £0.076m which is mainly due to additional hire of vehicles, due to pending delivery of replacement vehicles.
1,117	70	6%	Repairs & Maintenance: Projected overspend of £0.070m in repairs and maintenance which is due to price increases and maximising the life of assets due to the increased lead time for replacement vehicles.
	307		

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

**REPORT FOR THE 5 MONTHS TO 31 August 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,257	2,251	(6)	(0%)	
SPT Concessionary Fares	286	291	5	2%	
Ayrshire Joint Valuation Board	965	932	(33)	(3%)	
	3,508	3,474	(34)	(1%)	
<b>Other Corporate Costs</b>					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	350	350	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	12,377	11,805	(572)	(5%)	1
Housing Benefits	2,587	2,487	(100)	-4%	2
	20,717	20,011	(706)	(3%)	

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

REPORT FOR THE 5 MONTHS TO 31 August 2023

Budget £000	Projected Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>Other Corporate Items</b>
			There has been an adverse movement of £0.249 since Period 3 primarily due to a revised drawdown of centrally held inflation provision to support pressures within services.
12,377	(572)	-5%	The projected underspend is primarily related to centrally held inflationary cost provisions which are being applied to offset pressures reported across other services. The impact of inflation will continue to be monitored throughout the year.
	<b>(572)</b>		
	<b>Note 2</b>		<b>Housing Benefit</b>
			There has been a favourable movement of £0.133m from Period 3 due to the revised Housing Benefit overpayment recoveries.
2,587	(100)	-4%	Projected underspend of £0.100m due to the provision of Housing Benefits and overpayment recovery.
	<b>(100)</b>		

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

**REPORT FOR THE 5 MONTHS TO 31 August 2023**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	12,729	12,729	-	-	
Contribution to Loans Fund Reserve	4,811	4,811	-	-	
Scottish Government Funding	(347,490)	(347,490)	-	-	
Council Tax	(65,397)	(65,397)	-	-	1
Use of Earmarked Funds	(6,166)	(6,166)	-	-	
Net Total	(401,513)	(401,513)	-	-	

**Note 1 Council Tax**

There has been a significant increase in the value of CTR claims received to date, £0.379m. This has been offset by reduced bad debt provision and the utilisation of centrally held cost of living provisions.

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

**REPORT FOR THE 5 MONTHS TO 31 August 2023**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,504	5,209	(295)	(5%)	1
Property Costs					
Responsive Repairs	7,189	7,173	(16)	(0%)	
Void Repairs	3,577	4,584	1,007	28%	
Planned and Cyclical Maintenance	4,920	4,906	(14)	(0%)	
Aids and Adaptions	1,617	1,617	-	0%	
Other property costs	5,414	5,475	61	1%	
Total for Property Costs	22,717	23,755	1,038	5%	2
Supplies & Services	672	656	(16)	(2%)	
Transport Costs	28	28	-	0%	
Administration Costs	1,892	1,908	16	1%	
Third Party Payments	3,519	3,519	-	0%	
Transfer Payments	172	172	-	0%	
Other Expenditure	380	380	-	0%	
Capital Financing Costs	23,309	16,182	(7,127)	(31%)	3
Gross Expenditure	58,193	51,809	(6,384)	(11%)	
Income					
Council House Rents	(56,803)	(55,845)	958	(2%)	
Other Rents	(332)	(332)	-	0%	
Recharges	(828)	(828)	-	0%	
Other Income	(230)	(218)	12	(5%)	
Total Income	(58,193)	(57,223)	970	(2%)	4
Net Expenditure	-	(5,414)	(5,414)		

**HRA****BUDGETARY CONTROL 2023/24****REPORT FOR THE 5 MONTHS TO 31 August 2023**

Budget £000	Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>Employee costs</b>
			Movement - there has been a favourable movement of £0.295m since Period 3 due to vacancy management.
5,504	(295)	-5%	An underspend in employee costs of £0.295m. This is due to vacancy management.
	<b>(295)</b>		
	<b>Note 2</b>		<b>Property Costs</b>
			Movement - there has been an adverse movement of £1.038m since Period 3.
22,717	1,038	5%	A projected overspend of £1.038m in Property Costs. This is largely due to a projected overspend of £1.007m in Void Repairs as a result of an increase in the volume and scope of the works. Work is being undertaken to identify efficiencies and reduce void costs.
	<b>1,038</b>		
	<b>Note 3</b>		<b>Capital Financing Costs</b>
			Movement: There has been a favourable movement of £0.765m since P3 as a result a projected under-borrowed
23,309	(7,127)	-31%	There is a projected underspend in capital financing costs of £7.127m due to lower than anticipated loan charges. This is due to the profiling within the HRA Capital budget and the continued under borrowed position as the council utilises internal funds in line with the Treasury Management and Investment Strategy. The underspend will be reflected in the Business Plan which is currently being reviewed.
	<b>(7,127)</b>		
	<b>Note 4</b>		<b>Income</b>
			Movement - There has been an adverse movement of £0.970m since period 3 as a result of reduced income in Council House Rents of £0.958m.
(58,193)	970	-2%	There is a projected under recovery of income of £0.970m. Rental Income is projected to be under recovered by £0.958m as a result of protracted and Long term voids.
	<b>970</b>		

HRA reserves and balances	B/fwd from 2021/22	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Projected Balance at 31/03/23
	£m	£m	£m	£m	£m	£m
Council House Building Fund	4.709	-	-	5.414	(2.648)	7.475
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	5.000	-	-	-	(1.417)	3.583
Voids - non programmed works	0.198	-	-	-	-	0.198
Software Licences	0.123	-	-	-	-	0.123
Contingency Balance	0.781	-	-	-	-	0.781
Infrastructure Improvements	0.416	-	-	-	-	0.416
Major Refurbishment Works	0.052	-	-	-	-	0.052
Tenant led balance	0.636	-	-	-	-	0.636
Electrical Testing	0.270	-	-	-	-	0.270
	<b>13.685</b>	-	-	<b>5.414</b>	<b>(4.065)</b>	<b>15.034</b>

**Budget Management - 31 August 2023**  
**Virement/Budget Adjustment Requests**

	Perm (P) / Temp(T)	2023/24	
		Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Roads - Supplies and Services	T	0.177	
Roads - Third Party Payments	T	0.073	
Roads - Income	T	-0.250	
			<b>0.000</b>



## Integration Joint Board 12<sup>th</sup> October 2023

<b>Subject :</b>	<b>2023-24 – Month 4 Financial Performance</b>
<b>Purpose :</b>	To provide an overview of the IJB's financial performance as at month 4 (July).
<b>Recommendation :</b>	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2023-24 and the current overall projected year-end overspend of £3.859m;</p> <p>(b) notes the progress with delivery of agreed savings;</p> <p>(c) notes the actions which are being taken to progress financial recovery;</p> <p>(d) notes the remaining financial risks for 2023-24; and</p> <p>(e) approves the budget reductions which are detailed at paragraph 2.10.</p>

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

<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
BRAG	Blue, Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit Committee
MARAC	Multi Agency Risk Assessment Conference

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

	the position at the end of July, further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	The projected outturn is a year-end overspend of £3.859m (1.2%) for 2023-24. This includes the financial impact of the NHS pay award but excludes the Council pay award.
1.3	From the core projections, overall, the main areas of pressure are residential placements for children, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.
<b>2.</b>	<b>CURRENT POSITION</b>
2.1	The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances and an update on progress in terms of savings delivery.
2.2	<b>FINANCIAL PERFORMANCE – AT MONTH 4</b>
	<p>At month 4 against the full-year budget of £310.286m there is a projected year-end overspend of £3.859m (1.2%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £3.507m in social care services and a projected overspend of £0.352m in health services.</p> <p>Appendix A provides the financial overview of the Partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets.</p> <p>The projections for some areas will be subject to fluctuations as they depend on recruitment plans for new funding and also the capacity of providers to take on work.</p>
2.3	<b>Health and Community Care Services</b>
	<p>Against the full-year budget of £89.932m there is a projected overspend of £0.240m (0.3%) and the main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions and charging order income) are projected to underspend by £0.430m (£0.259m favourable movement). The projected costs reflect the recently agreed National Care Home Contract (NCHC) rates.</p>

The budgeted number of permanent placements is 780 and at month 4 there are 774 placements. The projection assumes that the current number of placements will continue to increase to 780 placements by the end of the year. Within the projection there is an assumption that recent placements which do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed with 50% of the cases at the current average cost of a placement and 50% at the gross or interim funded rate. It is likely that there will still be some cases being gross or interim funded at the year end. Their actual cost will not be known until the financial assessment is completed and this can impact on the final position.

The level of income recovered from charging orders is included in the projection above and is assumed to be £0.100m over recovered based on the income received to date. This income is not easy to project as it depends on the length of the legal process and time taken to sell the property that the charging order is registered to.

- b) Care at home (in house and purchased) is projected to be £0.749m underspent (£0.112m favourable). The position is made up of an underspend in in-house services of £1.242m as there are vacant posts, but some of the current capacity is being met by existing staff working additional hours and casual staff. Bank staff are being offered contracts and additional staff are being recruited which will replace the need for existing staff to work additional hours. This is partly offset by an overspend in purchased services of £0.493m following a budget reduction reflecting the transfer of services in-house.
- c) Reablement services are projected to be £0.125m (£0.004m favourable) underspent due to vacancies.
- d) Care at Home Charging Income is projected to under recover by £0.080m (no change) due to an ongoing shift towards personal care which is non chargeable.
- e) Physical Disability Care Packages (including residential and direct payments) - projected underspend of £0.169m (£0.017m favourable) in community care packages, £0.366m underspend (£0.074m favourable) in direct payments and £0.565m overspend (£0.046m favourable) for residential placements. There is also an under-recovery of income of £0.133m (£0.002m favourable).
- f) Anam Cara is projected to overspend by £0.089m (£0.088m favourable) due to covering vacancies and sickness absence (£0.033m) and under-recovered income (£0.056m). The improvement in the projection is following a review of the staff costs and some costs have been appropriately recoded to other areas of the service.
- g) Integrated Island Services is projected to be £0.136m overspent (£0.119m adverse movement). This is mainly due to a projected underspend in care at home costs of £0.169m (£0.029m adverse movement). There is also an overspend at Montrose

	<p>House of £0.157m (adverse movement of £0.061m) which relates to supplies and cleaning costs and an under-recovery of charging income. The SLA for Scottish Ambulance service projected to overspend by £0.033m. Arran medical services are projecting to overspend by £0.045m and the remaining £0.049m projected overspend is due to supplies costs increasing. There are staffing vacancies which are included within the payroll turnover savings figures below which offset the use of agency and bank staff.</p> <p>h) District Nursing is projected to overspend by £0.247m (£0.022m adverse movement) due to an overspend on bank nursing costs and supplies.</p>
	<p>i) Rehab wards are projected to overspend by £0.258m which is an £0.008m favourable movement (Redburn ward £0.211m overspent and Douglas Grant £0.047m overspent). The overspend is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support.</p> <p>j) Wards 1 and 2 are projected to overspend by £0.750m due to increased use of supplementary staffing.</p> <p>k) Cumbrae Lodge Continuing Care beds are projected to underspend by £0.150m (no change) due to a reduced charge to reflect the reduction in beds used during the transition to the new service.</p>
2.4	<b>Mental Health Services</b>
	<p>Against the full-year budget of £102.479m there is a projected overspend of £1.556m (1.5%) prior to the reallocation of the Lead Partnership overspend to East and South HSCP. This also excludes any potential variance on the Mental Health Recovery and Renewal Funding where any underspend will be earmarked at the year-end for use in 2024-25. The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £0.695m (£0.004m adverse) and the main variances are:</p> <ul style="list-style-type: none"> <li>• Care Packages (including residential and direct payments) - projected underspend of £0.264m in community care packages and projected overspends of £0.204m in direct payments and £0.579m for residential placements.</li> <li>• Trindlemoss non-employee costs are projected to underspend by £0.075m.</li> </ul> <p>b) Community Mental Health services are projected to underspend by £0.044m (£0.159m adverse movement) which is mainly due to an underspend of £0.207m in community packages (including direct payments) and an overspend in residential placements of £0.268m. The adverse movement is due to an increase in the number of residential placements.</p>

c) The Lead Partnership for Mental Health is projecting to be £1.029m overspent (£0.381m favourable movement) and the main variances are as follows:

- A projected overspend in Adult Inpatients of £0.667m (£0.067m adverse movement) due to overspends in supplementary staff, staff in redeployment, staff cover due to sickness (inc covid outbreak) and reduced bed sale income.
- The UNPACS (Unplanned Activities) budget is projected to overspend by £1.106m (£0.039m adverse movement) based on current number of placements and enhanced costs remaining until the year end. These placements are for individuals with very specific needs that require a higher level of security and/or care from a staff group with a particular skill set/competence. There are no local NHS secure facilities for women, people with a learning disability or people with neurodevelopmental disorder. This can necessitate an UNPACS placement with a specialist provider which can be out-of-area. The nature of mental health UNPACS spend is that it is almost exclusively on medium or long term complex secure residential placements which are very expensive so a small increase in placements can have a high budgetary impact. Due to the complexity and risk involved, transitions between units or levels of security can take many months. Applications to approve a placement are made to the Associate Medical Director for Mental Health who needs to be satisfied that the placement is appropriate and unavoidable prior to this being agreed.
- A projected overspend in MH Pharmacy of £0.024m (£0.094m favourable) due to an increase in substitute prescribing costs. The favourable movement is due to a review of the pharmacy cost centres with each now being allocated to specific wards.
- Learning Disability Services are projected to overspend by £0.419m (£0.007m favourable movement) due to high usage of supplementary staffing, a number of out of area patients being cared for, cross-charging for a LD patient whose discharge has been delayed and redeployment staffing costs. Supplementary staffing costs relate to backfill for sickness, increased and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis.
- Elderly Inpatients are projected to overspend by £0.257m (£0.017m adverse) due to the use of supplementary staffing.
- The Innovation Fund is projected to underspend by £0.278m (£0.049m favourable) due to slippage within some of the projects and not all of the funding was allocated.
- Addictions in-patients are projected to overspend by £0.045m (£0.105m favourable) due to the use of supplementary staffing. The favourable movement relates to the Scottish Govt funding for 2023/24 being finalised.
- The turnover target for vacancy savings for the Lead Partnership is held within the Lead Partnership as this is a Pan-Ayrshire target. There is a projected over-recovery of the vacancy savings target of £1.233m (£0.198m favourable) in 2023-24, further information is included in the table below:

Vacancy Savings Target	(£0.873m)
Projected to March 2024	£2.106m
Over/(Under) Achievement	£1.233m

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

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

- CAMHS £0.592m
- Mental Health Admin £0.358m
- Psychiatry £0.374m
- Psychology £0.683m
- Associate Nurse Director £0.099m

**2.5 Children and Justice Services**

**Children's Services**

Against the full-year budget of £39.037m there is a projected overspend of £5.600m (14.3%) (£0.015m favourable) and the main variances are:

a) Care Experienced Children and Young People is projected to overspend by £5.308m (£0.304m favourable). The main areas within this are noted below:

- Children's residential placements are projected to overspend by £5.648m (£0.320m favourable). We started 2023/24 with 32 external placements and there are currently 34 placements (month 3 was 36 placements) which are assumed to continue until the end of the year. Within the £5.648m there is £0.145m relating to enhanced costs for two placements. Despite the number of placements reducing there has been an increase in the rates where 2:1 support is required and part of these costs were also backdated. There are a number of factors leading to this challenging position:
  - We have 32 places available in our internal children's houses, due to demand these have been operating at 100%+ occupancy for some time, leading to increased use of external placements where residential care is required.
  - The requirement to support Unaccompanied Asylum-Seeking Children (UASC) under the National Transfer Scheme and to support Trafficked young people located in North Ayrshire.
  - A number of young people in residential care have requested Continuing Care, whereby a young person can remain in their placement until age 21.
  - Where appropriate young people are placed to meet their educational needs, the cost of Residential School Placements the most cases is shared 50/50 with Education services.

	<p>Children's Services are continuing to work with other services including Education and Housing to address the challenges. A change programme is being developed to respond to the pressures of residential care, further detail of the scope and plan around this work will be presented to a future IJB.</p> <ul style="list-style-type: none"> <li>• Looked after and Accommodated Children (fostering, adoption, kinship etc) is projected to be £0.411m underspent (£0.050m favourable) based on the current number of placements.</li> </ul> <p>b) Children with disabilities – residential placements are projected to overspend by £0.238m (£0.006m favourable). This is based on 8 current placements and 2 further placements which are expected to commence during September. Direct payments are projected to underspend by £0.143m (£0.004m favourable). Community packages are projected to underspend by £0.099m (£0.099m favourable) based on 78 current number of packages and assumptions around further packages until the year end.</p>
	<p>c) Residential respite – placements are projected to overspend by £0.049m (no movement). These short-term placements are used to prevent an admission to full residential care. There is one short term placement, but this could vary throughout the year and have an impact on the projection.</p> <p>d) Children's Houses Employee Costs – are projected to overspend by £0.100m due to additional overtime costs.</p> <p>e) Head of Service – is projected to overspend by £0.321m (£0.016m adverse) which is mainly due to the saving of £0.233m in relation to the staff reconfiguration in the children's houses which is not expected to be fully achieved in 23-24. There are also projected costs of £0.092m for the JII (Joint Investigative Interview) project which is not funded.</p> <p>f) Universal Early Years – is projected overspend by £0.130m (£0.027m favourable) and is mainly due to a projected overspend in care packages of £0.080m.</p>
2.6	<b>ALLIED HEALTH PROFESSIONALS (AHP)</b>
	The non-employee costs element of the AHP services are projected to be on-line. All underspends in employee costs have contributed to the payroll turnover target.
2.7	<b>CHIEF SOCIAL WORK OFFICER</b>
	There is a projected underspend of £0.389m (£0.010m favourable) mainly due to a projected underspend in the Carers Strategy funding.

**2.8 MANAGEMENT AND SUPPORT**

Management and Support Services are projected to underspend by £2.313m (£0.354m favourable) and the main areas of underspend are:

- An over-recovery of payroll turnover of £0.723m for social care services and an over-recovery of payroll turnover of £0.553m for health services as outlined in the table below.
- The Band 2 to Band 3 regrading costs are still being finalised but there is £0.700m set aside to cover this as part of the agreed 23/24 budget paper. This is included as an underspend as the overspends have been included in the services above. An update on the adequacy of this provision will be provided in future reports.
- There is projected slippage on the LD and MH transition funding of £0.468m due to delays in children transitioning into adult services.

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

	<b>Social Care</b>	<b>Health Services</b>
Vacancy Savings Target	(3.014m)	(1.433m)
Projected to March 2024	3.737m	1.986m
<b>Over/(Under) Achievement</b>	<b>0.723m</b>	<b>0.553m</b>

The position in the table above reflects the assumption in the current financial projections. For social care, a total of £1.286m (42.7% of annual target) has been achieved to date.

The health vacancy projection to the year-end is based on the month 4 position and is informed by the recruitment plans and confidence in recruitment to posts for the remainder of the year.

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

The main areas at month 4 are:

- Children and Families £0.417m
- Learning Disability £0.029m
- Management and Support £0.120m
- Community Care Service Delivery £0.124m
- Rehab and Reablement £0.115m
- Locality Services £0.144m
- Integrated Island Services £0.167m
- Community Mental Health £0.073m



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

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

## 2.9 Savings Progress

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

<b>BRAG Status</b>	<b>Position at Budget Approval £m</b>	<b>Position at Month 4 £m</b>
<b>Red</b>	-	0.273
<b>Amber</b>	2.245	0.322
<b>Green</b>	2.718	4.368
<b>Blue</b>	-	-
<b>TOTAL</b>	<b>4.963</b>	<b>4.963</b>

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

Work is ongoing to refresh the Transformation Plan to focus on the financial challenges which the Partnership expects to face in 2024/25 and 2025/26. The plan is critical to the ongoing sustainability of service delivery. This will be brought to the IJB for approval alongside the budget plans for 2024/25. The Transformation Board also has responsibility for overseeing the delivery of the plan and for ensuring that projects remain on track.

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

2.10	<b>Budget Changes</b>																								
	<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 C highlights the movement in the budget position following the initial approved budget.</p> <p><b>Reductions Requiring Approval:</b></p> <table border="1" data-bbox="233 752 1342 1279"> <thead> <tr> <th>Ref</th> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Budget transfer to pharmacy for 2 X Band 8a post – Cardiology &amp; Endocrinology</td> <td>£0.054m</td> </tr> <tr> <td>2</td> <td>Multi-Disciplinary Team funds to Arran Medical Group</td> <td>£0.033m</td> </tr> <tr> <td>3</td> <td>Training grade adjustment – reduction in line with the number of training posts.</td> <td>£0.035m</td> </tr> <tr> <td>4</td> <td>Transfer budget for 5 hours per week for Band 2 Domestic to ACH Domestic for Ward 3</td> <td>£0.004m</td> </tr> <tr> <td>5</td> <td>Transfer of a Band 6 post to Unscheduled Care</td> <td>£0.061m</td> </tr> <tr> <td>6</td> <td>Transfer budget for additional Band 2 domestic hours for the Dunure ward per HIS recommendation</td> <td>£0.010m</td> </tr> <tr> <td>7</td> <td>Lymphoedema top slice – N/E/S Contributions from prescribing</td> <td>£0.029m</td> </tr> </tbody> </table>	Ref	Description	Amount	1	Budget transfer to pharmacy for 2 X Band 8a post – Cardiology & Endocrinology	£0.054m	2	Multi-Disciplinary Team funds to Arran Medical Group	£0.033m	3	Training grade adjustment – reduction in line with the number of training posts.	£0.035m	4	Transfer budget for 5 hours per week for Band 2 Domestic to ACH Domestic for Ward 3	£0.004m	5	Transfer of a Band 6 post to Unscheduled Care	£0.061m	6	Transfer budget for additional Band 2 domestic hours for the Dunure ward per HIS recommendation	£0.010m	7	Lymphoedema top slice – N/E/S Contributions from prescribing	£0.029m
Ref	Description	Amount																							
1	Budget transfer to pharmacy for 2 X Band 8a post – Cardiology & Endocrinology	£0.054m																							
2	Multi-Disciplinary Team funds to Arran Medical Group	£0.033m																							
3	Training grade adjustment – reduction in line with the number of training posts.	£0.035m																							
4	Transfer budget for 5 hours per week for Band 2 Domestic to ACH Domestic for Ward 3	£0.004m																							
5	Transfer of a Band 6 post to Unscheduled Care	£0.061m																							
6	Transfer budget for additional Band 2 domestic hours for the Dunure ward per HIS recommendation	£0.010m																							
7	Lymphoedema top slice – N/E/S Contributions from prescribing	£0.029m																							
2.11	<b>Pan Ayrshire Lead Partnership services and Large Hospital Set Aside</b>																								
	<p>Lead Partnerships: - The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. The outturn for all Lead Partnership services is shared across the 3 Partnerships on an NRAC basis; this position is currently the default pending further work to develop a framework to report the financial position and risk sharing across the 3 Partnerships in relation to hosted or lead service arrangements, which has been delayed by the requirement to focus efforts on the Covid response.</p> <p>The final outturn in relation to North Lead Partnership services would not be fully attributed to the North IJB as a share would be allocated to East and South Partnerships; similarly, the impact of the outturn on East and South led services will require to be shared with North. At Month 4 the MH lead partnership is projected to overspend by £1.029m (£0.337m NRAC share for East and £0.294m for South).</p> <p><b>South HSCP</b> – projected overspend of £0.440m of which £0.163m will be allocated to North. The overspend is mainly due to an overspend of £0.208m in the community store, £0.153m in the continence service and £0.078m in the Family Nurse Partnership.</p>																								

**East HSCP** – projected underspend of £0.141m of which £0.052m will be allocated to North. The overspend is mainly due to:

Primary Care and Out of Hours Services

There is a projected underspend of £0.189m on the Primary Care Lead Partnership budget and includes a projected underspend in Dental services totalling £0.267m, where staffing numbers are running at less than establishment. In addition, there are projected reduced costs within Primary Care contracting and support £0.343m, largely due to staff turnover. These reduced costs are partially offset by additional costs in the GP element of Out of Hours services, as well as additional costs in the overnight nursing service, totalling £0.469m, as well as a small overspend on projected staff costs in Primary Medical Services £0.057m. Work is ongoing to address the Out of Hours increased costs as far as possible over the course of the 2023/24 financial year. This projected outturn position assumes funding will be allocated to fully offset Urgent Care Pathway projected costs £1.254m, as well as Covid-19 Therapeutics projected costs £0.240m

Prison and Police Healthcare

The £0.048m projected overspend at month 4 is largely due to increased costs associated with the new national medical contract.

**Set Aside:** - preparatory work is well underway with NHS Ayrshire and Arran and the other Ayrshire partnerships to progress and develop the set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Joint Commissioning Plans and overall progression towards fair share allocations of resources. The North budget for set aside resources for 2023-24 is £35.547m. This is based on the 2023-23 figure of £34.850m inflated by the 2023-24 uplift of 2%.

The annual budget for Acute Services is £409.7m. The directorate is overspent by £9.5m after 4 months. This is caused by increasing overspends on agency medical and nursing staff, together with increasing drug expenditure. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland. Several unfunded wards are open across both main hospital sites.

There is a material underlying deficit caused by:

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

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

**2.12 FOSTER AND KINSHIP CARER ALLOWANCES**

On 29<sup>th</sup> August, COSLA and the Scottish Government announced the agreement of a new standard national allowance for foster and kinship carers across the country. In the past, each area would set their own allowances but for the first time a national minimum level has been agreed. This will be supported by £16m of new Scottish Government funding. It is anticipated that the share for North Ayrshire will be in the region of £0.475m and this will be confirmed in October. An initial assessment is that the funding approximately aligns with the additional estimated cost in North Ayrshire.

North Ayrshire already pays in excess of the new national rates for all age bandings except 16+. Where we already pay a higher rate, this will remain unchanged.

The rates are detailed in the table below:

Age Banding	Existing NA rate	New national rate	New NA rate
0-4	£200.00	£168.31	£200.00
5-10	£200.00	£195.81	£200.00
11-15	£200.00	£195.81	£200.00
16+	£200.00	£268.41	£268.41

The new rates will be backdated to 1<sup>st</sup> April 2023. Further consideration will be required re any future year uplifts to the new national minimum rate.

**2.13 FINANCIAL RECOVERY PROGRESS**

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

Heads of Service have closely reviewed expenditure and have implemented actions which have demonstrated a significant impact on the position, the projected year-end position has improved by £0.736m since Month 3. The main contributors to this are noted in the table below:

Payroll turnover	292,000
Anam Cara staffing	88,000
Care Experienced Young People	304,000
Looked After Children	50,000
Care at Home	112,000
Transitions funding	60,000
MH Lead Partnership (NA share)	147,000

Work is ongoing to further improve the projected position and an updated plan will be included in the Month 6 report which will be brought to the November IJB.

This ongoing work is built on the following general principles:

- Minimise impact on delayed discharges or patient flow during Winter
- Exercising professional judgement around the use of waiting lists where this may have an impact elsewhere in the system
- Reviewing the need for more active management of non-frontline vacant posts
- The non-recurring use of reserves
- Working with East and South on lead partnership projections and impact on North Ayrshire
- The potential for a freeze on non-essential spend
- Escalating levels of spend authorisation within the HSCP.

As a contingency there is provision of £2m non-recurring funding set aside in the reserves (appendix D) to contribute towards the 2023-24 position. This would reduce the current projected overspend to £1.859m.

The IJB also holds a General Fund reserve balance of £6.448m of unallocated funds, this would underwrite the risk of the remainder of the projected overspend if it cannot be managed downwards in the coming months. This would be a last resort as this funding is non-recurring and it does not resolve the areas underlying the projected overspend.

**2.14 FINANCIAL RISKS**

There are a number of ongoing financial risk areas that may impact on the 2023-24 budget during the year, these include:

- Current high levels of inflation which impact on costs incurred directly by the Partnership and on our partner providers
- High risk areas of low volume / high-cost services areas e.g. Children's residential placements, Learning Disability care packages and complex care packages;
- Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this.
- Ongoing implementation costs of the Scottish Government policy directives
- Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs.
- The impact on Lead Partnership and acute services from decisions taken by other Ayrshire areas.
- The Covid recovery process including the ability to change and improve services following learning from the Covid response.
- Continuing risks associated with provider sustainability.
- The Local Government pay award is not settled for 2023-24 and negotiations are ongoing; any increase above the budgeted 3% will impact on the financial position unless additional funding is forthcoming.

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

## 2.15 RESERVES

The IJB reserves position is summarised in the table below.

The 'free' general fund balance of £6.448m is held as a contingency balance, this equates to around 2.3% of the initial approved IJB budget for 2023-24 which is within, but towards the lower end, of the target range of 2%-4%.

	General Fund Reserves		Earmarked Reserves		Total
	Debt to NAC	Free GF	External Funding	HSCP	
	£m	£m	£m	£m	£m
Opening Balance - 1 April 2023	-	6.448	6.997	4.219	<b>17.664</b>
2023-24 Draw Per the Budget Paper	-	-	(1.252)	-	<b>(1.252)</b>
Current Reserve balances	-	6.448	5.745	4.219	<b>16.412</b>

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

## 3. PROPOSALS

### 3.1 Anticipated Outcomes

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

### 3.3 Measuring Impact

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

## 4. IMPLICATIONS

### 4.1 Financial

The financial implications are as outlined in the report. Against the full-year budget of £310.286m there is a projected overspend of £3.859m. The report outlines the main variances for individual services.

4.2	<p><u>Human Resources</u></p> <p>The report highlights vacancy or turnover savings achieved to date. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing service change and reviews as per agreement with the IJB, there is no intention to sustain the staffing capacity reduction on a recurring or planned basis.</p>
4.3	<p><u>Legal</u></p> <p>None.</p>
4.4	<p><u>Equality/Socio-Economic</u></p> <p>None.</p>
4.5	<p><u>Risk</u></p> <p>Para 2.12 highlights the financial risks.</p> <p>The report falls in line with the agreed risk appetite statement which is a <b>low</b>-risk appetite in respect to adherence to standing financial instructions, financial controls and financial statutory duties and a <b>high</b>-risk appetite in relation to finance and value for money.</p>
4.6	<p><u>Community Wealth Building</u></p> <p>None.</p>
4.7	<p><u>Key Priorities</u></p> <p>None.</p>
<b>5.</b>	<b>CONSULTATION</b>
5.1	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.
5.2	The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.

**Caroline Cameron, Director**  
**Author – Paul Doak, Head of Finance and Transformation**  
**Eleanor Currie, Principal Manager Finance**  
 [pdoak@north-ayrshire.gov.uk/eleanorcurrie@north-ayrshire.gov.uk]

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

## Appendix A

Partnership Budget - Objective Summary	2023/24 Budget									Over/ (Under) Spend Variance at Period 3 £'000	Movement in projected variance from Period 3 £'000
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
<b>COMMUNITY CARE AND HEALTH</b>	<b>70,681</b>	<b>69,703</b>	<b>(978)</b>	<b>19,251</b>	<b>20,469</b>	<b>1,218</b>	<b>89,932</b>	<b>90,172</b>	<b>240</b>	<b>616</b>	<b>(376)</b>
: Locality Services	28,207	27,999	(208)	5,332	5,578	246	33,539	33,577	38	306	(268)
: Community Care Service Delivery	36,717	35,938	(779)	0	0	0	36,717	35,938	(779)	(728)	(51)
: Rehabilitation and Reablement	2,190	2,188	(2)	0	0	0	2,190	2,188	(2)	1	(3)
: Long Term Conditions	944	1,024	80	10,244	11,020	776	11,188	12,044	856	1,029	(173)
: Community Link Workers	197	188	(9)	0	0	0	197	188	(9)	(9)	0
: Integrated Island Services	2,426	2,366	(60)	3,675	3,871	196	6,101	6,237	136	17	119
<b>MENTAL HEALTH SERVICES</b>	<b>29,726</b>	<b>30,252</b>	<b>526</b>	<b>72,753</b>	<b>73,783</b>	<b>1,030</b>	<b>102,479</b>	<b>104,035</b>	<b>1,556</b>	<b>1,898</b>	<b>(342)</b>
: Learning Disabilities	22,971	23,665	694	545	546	1	23,516	24,211	695	691	4
: Community Mental Health	5,869	5,825	(44)	1,782	1,782	0	7,651	7,607	(44)	(203)	159
: Addictions	886	762	(124)	1,784	1,784	0	2,670	2,546	(124)	0	(124)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	68,642	69,671	1,029	68,642	69,671	1,029	1,410	(381)
<b>CHILDREN &amp; JUSTICE SERVICES</b>	<b>34,484</b>	<b>39,941</b>	<b>5,457</b>	<b>4,553</b>	<b>4,696</b>	<b>143</b>	<b>39,037</b>	<b>44,637</b>	<b>5,600</b>	<b>5,615</b>	<b>(15)</b>
: Irvine, Kilwinning and Three Towns	3,151	2,986	(165)	0	0	0	3,151	2,986	(165)	(83)	(82)
: Garnock Valley, North Coast and Arran	3,139	3,072	(67)	0	0	0	3,139	3,072	(67)	(175)	108
: Intervention Services	1,868	1,883	15	437	438	1	2,305	2,321	16	(84)	100
: Care Experienced Children & Young people	22,618	27,926	5,308	0	0	0	22,618	27,926	5,308	5,628	(320)
: Head of Service - Children & Families	1,071	1,474	403	0	0	0	1,071	1,474	403	305	98
: Justice Services	2,412	2,396	(16)	0	0	0	2,412	2,396	(16)	(133)	117
: Universal Early Years	225	204	(21)	3,698	3,840	142	3,923	4,044	121	157	(36)
: Lead Partnership NHS Children's Services	0	0	0	418	418	0	418	418	0	0	0
<b>CHIEF SOCIAL WORK OFFICER</b>	<b>1,852</b>	<b>1,463</b>	<b>(389)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,852</b>	<b>1,463</b>	<b>(389)</b>	<b>(379)</b>	<b>(10)</b>
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,378</b>	<b>53,337</b>	<b>(41)</b>	<b>53,378</b>	<b>53,337</b>	<b>(41)</b>	<b>(56)</b>	<b>15</b>
<b>ALLIED HEALTH PROFESSIONALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,291</b>	<b>10,291</b>	<b>0</b>	<b>10,291</b>	<b>10,291</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COVID NHS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(274)</b>	<b>(274)</b>	<b>0</b>	<b>(274)</b>	<b>(274)</b>	<b>(275)</b>	<b>1</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>7,192</b>	<b>6,083</b>	<b>(1,109)</b>	<b>4,787</b>	<b>3,583</b>	<b>(1,204)</b>	<b>11,979</b>	<b>9,666</b>	<b>(2,313)</b>	<b>(1,959)</b>	<b>(354)</b>
<b>NATIONAL COMMISSIONED SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINANCIAL INCLUSION</b>	<b>1,335</b>	<b>1,335</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,335</b>	<b>1,335</b>	<b>0</b>	<b>(19)</b>	<b>0</b>
<b>OUTTURN ON A MANAGED BASIS</b>	<b>145,270</b>	<b>148,777</b>	<b>3,507</b>	<b>165,016</b>	<b>165,888</b>	<b>872</b>	<b>310,286</b>	<b>314,665</b>	<b>4,379</b>	<b>5,441</b>	<b>(1,081)</b>
Return Hosted Over/Underspends East	0	0	0	0	(337)	(337)	0	(337)	(337)	(462)	125
Return Hosted Over/Underspends South	0	0	0	0	(294)	(294)	0	(294)	(294)	(403)	109
Receive Hosted Over/Underspends South	0	0	0	0	163	163	0	163	163	0	163
Receive Hosted Over/Underspends East	0	0	0	0	(52)	(52)	0	(52)	(52)	0	(52)
<b>OUTTURN ON AN IJB BASIS</b>	<b>145,270</b>	<b>148,777</b>	<b>3,507</b>	<b>165,016</b>	<b>165,368</b>	<b>352</b>	<b>310,286</b>	<b>314,145</b>	<b>3,859</b>	<b>4,576</b>	<b>(736)</b>



## 2023-24 Savings Tracker

## Appendix B

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 4	2023/24 Saving	Description of the Saving
<b>Children, Families &amp; Criminal Justice</b>					
1	Staffing reconfiguration - children & families	Amber	Red	273,000	Review staffing provision within children's houses with the saving phased over 2023/24 and 2024/25 – 50/50
<b>Community Care &amp; Health</b>					
2	Deliver the Strategic Plan objectives for Older People's Residential Services - Reduction in Care Home Places	Amber	Green	1,000,000	Month 10 placements are 762 and are projected to rise to 770 by the year end. The budget for 23/24 would fund an average 780 places at the current split of nursing/residential (60/40). This reflects reduced demand and investment in CAH to support more people at home. Implications – possible use of waiting list to manage numbers.
3	Care Home Respite	Amber	Green	560,000	All respite care to be provided in-house at Anam Cara and Montrose House and any use of other respite provision funded via Carers budget. Implications – reduction in use of other care homes for respite places
4	Montrose House Capacity	Green	Amber	210,000	Amend registration from 30 beds to 20 beds across 2 staffed wings. This will be supported by introduction of intermediate care beds at Arran War Memorial Hospital.
5	Reconfigure respite provision at Anam Cara	Amber	Amber	112,000	The service is currently relocated to Taigh Mor (8 beds) on a temporary basis and this proposal would reduce capacity from 14 beds to 9 beds in one wing when it reverts to Anam Cara.
<b>Mental Health</b>					
6	Trindlemoss pool running costs	Green	Green	85,000	Trindlemoss Pool has never opened due to ongoing maintenance issues. The historic budgeted running costs are £0.085m but it is expected actual costs would be much higher. The pool will not open and alternative therapies will be provided e.g. bounce therapy.
7	Trindlemoss Day Care	Green	Green	168,932	Trindlemoss day opportunities staffing was restructured during 2021/22 and 2022/23. This saving has already been achieved and will remove the additional staffing budget.
8	Intermediate Placement Scheme - cessation of service	Green	Green	30,000	The contract has ceased and will not be renewed.
<b>Other Areas</b>					
9	Carers Act Funding - Substitution of Spend	Green	Green	500,000	There is a plan in place to invest across carer service contract, preparation of carer plans, short breaks and other support to carers. This proposal will invest £0.500m in contributions to Red Rose House, Roslin House, Anam Cara, waiving of charges and day services.

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 4	2023/24 Saving	Description of the Saving
<b>Other Areas</b>					
10	Payroll Turnover - increase to target (social care)	Green	Green	1,000,000	22/23 Month 10 – projecting turnover savings £4.414m v target £2.014m resulting in a projected overachievement of target in 22/23 of £2.4m. Saving based on less than 50% of this year's overachievement
11	Income Generation - 5% Increase to fees and charges	Green	Green	46,600	Implement a 5% increase to fees and charges and a 5% increase to the maximum charge. The impact will be limited where service users are already paying the maximum charge. Social care charges are means-tested with the exception of community alarms
13	Review the contingency funds	Green	Green		
12	Staffing Reconfiguration - Finance and Transformation	Green	Green	35,091	Saving released through management and admin structure change
<b>TOTAL SOCIAL CARE SAVINGS</b>				<b>4,020,623</b>	

**Health:**

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 4	Approved Saving 2023/24 £m	Description of the Saving
13	Payroll Turnover - Health Lead Partnership	Green	Green	392,245	22/23 Month 10 – projecting turnover savings £2.182m v target £0.481m resulting in a projected overachievement of target in 22/23 of £1.701m. The saving is based on less than 25% of this year's overachievement
14	Payroll Turnover - Health Non Lead Partnership	Green	Green	250,000	22/23 Month 10 – projecting turnover savings £1.789m v target £1.183m resulting in a projected overachievement of target in 22/23 of £0.606m. The saving is less than 50% of this year's overachievement.
15	Reprovisioning of Continuing Care beds	Amber	Amber	300,000	Currently provided through Cumbrae Lodge Care Home in Irvine but the provider does not want to continue to provide the service. Plans are being developed to relocate the service to Taigh Mor in Beith with an anticipated saving of £0.3m.
21	Inflationary increase to East HSCP re Woodland View beds	Green	Green	-	
<b>TOTAL HEALTH SAVINGS</b>				<b>942,245</b>	

**TOTAL NORTH HSCP SAVINGS**

**4,962,868**

## 2023-24 Budget Reconciliation

## Appendix C

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			121.408
Less Living Wage Fund not yet allocated			(2.826)
<b>Revised Budget</b>			<b>118.582</b>
Resource Transfer	1-3	P	23.597
HSCP Fin Circ 3	1-3	T	0.013
Living Wage - final allocation	1-3	P	2.808
ICT Licences Various	1-3	P	(0.012)
Island Funds	1-3	T	0.015
Facilities Management Costs - Montrose House	1-3	P	0.387
West Road - Capital funded from Revenue	1-3	T	(0.300)
Care at Home – Draw from reserves	4	T	0.173
Roundings		T	0.007
<b>Social Care Budget Reported at Month 4</b>			<b>145.270</b>
HEALTH	Period	Permanent or Temporary	£'m
<b>Initial Baseline Budget</b>			<b>164.500</b>
Month 10-12 Adjustments			2.473
MDT funding			0.828
Adjust for full year impact of part year amounts			0.052
<b>Revised Baseline</b>			<b>167.853</b>
Baseline Funding Increase			2.164
Adjust for recurring funding			7.629
Adjust for non-recurring			2.434
Resource Transfer			(23.597)
<b>2023/24 Opening Position</b>			<b>156.483</b>
Net impact of Pan Ayrshire Pressures	1	P	0.028
Top Slicing Posts 2022-23	2		(0.054)
MDT Funds to Arran Medical Group	3		(0.033)
Training Grade Adjustments	3		(0.035)
Ward 3 Band 2 Domestic	3		(0.004)
V2 B6 to AHM233	3		(0.061)
Virement 12 Band 2 Domestic	4		(0.010)

Virement 18 Band 3 budget trf	4		0.019
Lymphoedema Top Slice RX	4		(0.029)
HD Ref 51 Band 2-4	4		0.054
Roundings	4		(0.001)
Anticipated budgets included in the report but not yet in the ledger	4		8.659
<b>Health Budget Reported at Month 4</b>			<b>165.016</b>

<b>TOTAL COMBINED BUDGET</b>			<b>310.286</b>
------------------------------	--	--	----------------