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# NORTH AYRSHIRE COUNCIL

19 March 2024

## Cabinet

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**Title:** Revenue Budget 2023/24 : Financial Performance to 31 January 2024

**Purpose:** To advise Cabinet of the financial performance for the Council at 31 January 2024.

**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.

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## 1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2023/24 were approved by Council on 1 March 2023. The Housing Revenue Account (HRA) Revenue Budget for 2023/24 was approved by Council on 15 February 2023.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the fourth report for 2023/24 and covers the period to the end of January 2024 (Period 10). Projections have been made to the year-end.
- 1.3 At Period 10 the General Fund is forecasting a net in-year overspend of £0.146m, (0.0%), after transferring resources to/from earmarked reserves.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£6.170m), (10.6%).
- 1.5 At the end of January 2024, the Health and Social Care Partnership is projecting a year-end overspend of £4.171m, (1.3%), for 2023/24. This is an increase of £0.313m from the previously reported position. The Council services element is reporting a projected overspend of £3.353m, an increase of £0.853m, and the Health services element reported a projected overspend of £0.818m, a reduction of £0.540m from the previously reported position.

1.6 Ongoing risks to the reported position have been identified arising from inflationary pressures across services, linked to the higher than anticipated Consumer Price Index with particular issues identified in relation to external residential childcare placements and teacher absence cover costs.

## 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 £0.146m, (0.0%), 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 8 (Fav)/Adv £000's	Movement £000's	Note
<b>Service Expenditure</b>							
Chief Executives	1	21,776	20,912	(864)	(684)	(180)	(i)
Communities	2	189,773	190,460	687	820	(133)	(ii)
Place	3	58,886	60,390	1,504	1,150	354	(iii)
Other Corporate Services	4	15,613	14,385	(1,228)	(1,053)	(175)	(iv)
Sub Total		286,048	286,147	99	233	(134)	
Health and Social Care Partnership	8	123,862	123,862	-	-	-	2.6
Balance for Services		409,910	410,009	99	233	(134)	
Financing Charges	5	12,947	12,947	-	-	-	
Contribution to Loans Fund Reserve	5	5,699	5,699	-	-	-	
Total Planned Expenditure		428,556	428,655	99	233	(134)	
<b>Planned Income</b>							
Aggregate External Finance	5	(353,004)	(353,004)	-	-	-	
Council Tax	5	(65,382)	(65,335)	47	31	16	
Use of Earmarked Funds	5	(10,170)	(10,170)	-	-	-	
Total Planned Income		(428,556)	(428,509)	47	31	16	
Net Expenditure/ (Income)		-	146	146	264	(118)	

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 November 2023</b>	<b>(287,858)</b>	<b>(40,982)</b>	<b>(19,940)</b>	<b>(348,780)</b>
<b>Movements:</b>				
SJC Pay Settlement 23-24	(4,136)			<b>(4,136)</b>
Teacher Induction Scheme	(80)			<b>(80)</b>
Self Directed Support	(5)			<b>(5)</b>
Climate Intelligence Adjustment	10			<b>10</b>
Education Psychologist	(15)			<b>(15)</b>
Rounding Adjustment	2			<b>2</b>
<b>Revised Planned Income</b>	<b>(292,082)</b>	<b>(40,982)</b>	<b>(19,940)</b>	<b>(353,004)</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 8 is outlined as follows:

(i) **Chief Executive's – underspend of (£0.864m), an increase of (£0.180m) from the previously reported underspend**

The movement since Period 8 is primarily related to:

- Vacancy management across services, (£0.101m); and
- Lower than forecast contract renewal costs within ICT, (£0.073m).

(ii) **Communities – overspend of £0.687m, a reduction of (£0.133m) from the previously reported overspend**

The movement since Period 8 reflects updated cost pressures across services, including:

- Vacancy management across services, including increased teacher turnover, (£0.846m); and
- Additional income in relation to children from other local authorities accessing placements, (£0.083m).

These have been partly offset by:

- Additional teacher cost overspend within Primary Schools, £0.685m; and
- Increased PPP utility expenditure, £0.116m.

**(iii) Place – overspend of £1.504m, an increase of £0.354m from the previously reported overspend**

The movement since Period 8 reflects updated income and cost forecasts across services, including:

- Additional property costs associated with essential statutory compliance works and contract inflation, £0.394m; and
- Lower than anticipated income from property rents and advertising, £0.112m.

These have been partly offset by a rebate on Community Hub recharges, (£0.087m).

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

**(iv) Other Corporate Items – underspend of (£1.228m), an increase of (£0.175m) from the previously reported underspend**

The movement since Period 8 is primarily related to lower than anticipated drawdowns from centrally held inflationary cost provisions to support pressures within services, (£0.191m).

## **Health and Social Care Partnership**

2.6 A copy of the HSCP financial performance report as at the end of January 2024 is attached at Appendix 8. The HSCP 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 £4.171m for 2023/24.
- The projected overspend on the Council Services element is £3.353m, with a projected overspend on the Health Services element of £0.818m;
- The projected overspend for 2023/24 will be funded by IJB reserve balances - £2m has been earmarked to support the 23/24 financial position and any overspend above this level will be met from the unearmarked balance. This will contain the financial risk within the IJB but is likely to reduce the unearmarked balance below the recommended level of 2%;
- The most significant areas of overspend include residential placements for children, supplementary staff in wards and unplanned activities within the lead partnership for mental health. A substantial programme of work is being progressed by the HSCP in partnership with colleagues in Education and Housing, to develop a plan to reduce the number of Children's Residential Placements. Further detail is included in the report at Appendix 8.

The main areas of risk identified in the report included:

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

These risks will continue to be monitored during the remainder of the financial year.

## **Risks**

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

## **Housing Revenue Account**

- 2.8 The Housing Revenue Account budgeted for a breakeven position in 2023/24 and an in-year underspend of (£6.170m), (10.6%), 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	Projection to 31 March 2024	Projected Variance for year (Fav)/Adv	Previous Variance @ Period 8 (Fav)/Adv	Movement	Note
	£000's	£000's	£000's	£000's	£000's	
Employee Costs	5,504	5,041	(463)	(295)	(168)	(i)
Property Costs	22,718	24,156	1,438	1,592	(154)	(ii)
Supplies and Services	671	691	20	14	6	
Transport and Plant Costs	28	28	-	-	-	
Administration Costs	1,892	1,918	26	7	19	
Third Party Payments	3,519	3,343	(176)	(180)	4	
Transfer Payments	172	172	-	-	-	
Other Expenditure	380	380	-	-	-	
Capital Financing	23,309	16,250	(7,059)	(7,127)	68	(iii)
Gross Expenditure	58,193	51,979	(6,214)	(5,989)	(225)	
Income	(58,193)	(58,149)	44	547	(503)	(iv)
Net Expenditure	-	(6,170)	(6,170)	(5,442)	(728)	

## 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 (£0.463m), an increase from the previously reported underspend of (£0.168m)**  
The movement is primarily related to vacancy management across the service.
- (ii) **Property Costs – overspend of £1.438m, a reduction from the previously reported overspend of (£0.154m)**  
The movement is primarily related to reduced expenditure on Planned & Cyclical Maintenance, (£0.173m), and Responsive Repairs, (£0.113m), partly offset by increased expenditure on Void Repairs, £0.061m, and Other Property Costs, £0.117m.
- (iii) **Capital Financing Costs – underspend of (£7.059m), a reduction from the previously reported underspend of £0.068m**  
The movement is related to revised capital charges reflecting movements in the HRA Capital Programme.
- (iv) **Income – underrecovery of £0.044m, a reduction from the previously reported underrecovery of (£0.503m)**  
The movement is primarily related to updated income from temporary accommodation rents and service charges, (£0.538m).

### **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
- (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 31 January 2024 is a net overspend of £0.146m.

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

The net projection for the year as at 31 January 2024 is a net underspend of (£6.170m).

#### **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 the 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 November 2023 – Cabinet 24  
January 2024



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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Chief Executive</b>					
Chief Executive	159	163	4	3%	
Total for Chief Executive	159	163	4	3%	
<b>Financial Services</b>					
Change Programme	294	294	-	0%	
Audit, Fraud, Safety & Insurance	1,062	1,073	11	1%	
Corporate Procurement	1,040	987	(53)	(5%)	1
Financial Services	1,541	1,511	(30)	(2%)	2
Revenues	(462)	(609)	(147)	32%	3
Transformation	786	761	(25)	(3%)	4
Total for Financial Services	4,261	4,017	(244)	(6%)	
<b>People &amp; ICT</b>					
Employee Services	980	980	-	0%	
HR & Organisational Development	1,115	1,113	(2)	(0%)	
ICT	5,550	5,177	(373)	(7%)	5
Business Support	1,373	1,373	-	0%	
Customer Services	4,195	4,189	(6)	(0%)	
Total for People & ICT	13,213	12,832	(381)	(3%)	
<b>Democratic Services</b>					
Legal & Licensing	604	510	(94)	(16%)	6
Policy, Performance & Elections	530	411	(119)	(22%)	7
Communications	498	502	4	1%	
Civil Contingencies	60	60	-	0%	
Committee Services	569	564	(5)	(1%)	
Member Services	1,340	1,339	(1)	(0%)	
Ayrshire Support Service	484	464	(20)	(4%)	8
Information Governance	58	50	(8)	(14%)	
Total for Democratic Services	4,143	3,900	(243)	(6%)	
<b>Totals</b>	<b>21,776</b>	<b>20,912</b>	<b>(864)</b>	<b>(4%)</b>	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	18,502	18,185	(317)	(2%)
Property Costs	68	85	17	25%
Supplies and Services	3,419	3,099	(320)	(9%)
Transport and Plant Costs	23	19	(4)	(17%)
Administration Costs	1,356	1,330	(26)	(2%)
Other Agencies & Bodies	2,342	2,340	(2)	(0%)
Transfer Payments	852	853	1	0%
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	26,562	25,911	(651)	(2%)
Income	(4,786)	(4,999)	(213)	4%
<b>Net Expenditure</b>	<b>21,776</b>	<b>20,912</b>	<b>(864)</b>	<b>(4%)</b>

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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

Budget £000	Projected Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>Finance - Corporate Procurement</b>
			Movement - There has been a favourable movement of £0.019m since P8 due to vacancy management.
1,070	(60)	-6%	Employee costs - There is a projected underspend of £0.061m due to vacancy management.
	7		Other minor movements
	<b>(53)</b>		
	<b>Note 2</b>		<b>Finance - Financial Services</b>
			Movement - There has been a favourable movement of £0.030m since P8 due to vacancy management.
1,518	(30)	-2%	Employee costs - There is a projected underspend of £0.030m due to vacancy management.
	<b>(30)</b>		
	<b>Note 3</b>		<b>Finance - Revenues</b>
			Movement - There has been no movement from P8.
(1,289)	(147)	11%	Income - There is a projected over recovery in Council Tax Statutory Additions of £0.077m and agreed revised Scottish Water income resulting in a £0.070m over recovery.
	<b>(147)</b>		
	<b>Note 4</b>		<b>Finance - Transformation</b>
			Movement - There has been a favourable movement of £0.025m from P8 due to external funding.
691	(25)	-4%	Employee Costs - There is a projected underspend of £0.025m due to salaries being paid by external funding in the year.
	<b>(25)</b>		
	<b>Note 5</b>		<b>People &amp; ICT - ICT</b>
			Movement - There has been a favourable movement of £0.125m from P8 due to lower than forecasted contract renewal costs and various management vacancies.
3,513	(52)	-1%	Employee Costs - Projected underspend of £0.052m due to various management vacancies.
2,248	(321)	-14%	Supplies & Services - There is a £0.239m underspend in software licenses and support due to contracts ending and renewing at a lower cost. There is also a £0.045m underspend in WAN due to the upgrade project and £0.036m underspend in LAN due to lower costs than anticipated.
	<b>(373)</b>		
	<b>Note 6</b>		<b>Democratic Services - Legal &amp; Licensing</b>
			Movement - There is an adverse movement of £0.032m from P8, this is primarily due to a decrease in projected Licence income.
1,185	(34)	-3%	Employee Costs - There is a projected underspend of £0.034m due to vacancy management.
(735)	(73)	10%	Income - There is a projected over-recovery of £0.089m in Licensing income mainly due to new licence income for Short Term Lets, which is partially offset with an under recovery of £0.017m in Recovery of Legal Costs.
	13		Other minor movements
	<b>(94)</b>		
	<b>Note 7</b>		<b>Democratic Services - Policy, Performance &amp; Elections</b>
			Movement - There is an adverse movement of £0.031m from P8 due to revised payroll projections.
512	(123)	-24%	Employee Costs - There is a projected underspend of £0.123m due to vacancy management.
	4		Other minor movements
	<b>(119)</b>		
	<b>Note 8</b>		<b>Democratic Services - Information Governance</b>
			Movement - There is a favourable movement of £0.031m since P8 due to revised payroll projections.
499	(23)	-5%	Employee Costs - There is a projected underspend of £0.023m due to vacancy management.
	3		Other minor movements
	<b>(20)</b>		

**COMMUNITIES****BUDGETARY CONTROL 2023/24****REPORT FOR THE 10 MONTHS TO 31 January 2024**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,837	21,178	(659)	(3%)	1
Primary Education	50,042	50,333	291	1%	2
Secondary Education	63,152	63,124	(28)	(0%)	3
Additional Support Needs	14,137	14,833	696	5%	4
Education - Other	2,105	3,339	1,234	59%	5
Pupil Equity Fund	4,614	4,614	-	0%	
Facilities Management	19,181	18,334	(847)	(4%)	6
Connected Communities	14,705	14,705	-	0%	7
<b>Net Total</b>	<b>189,773</b>	<b>190,460</b>	<b>687</b>	<b>0%</b>	

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs - Teachers	96,479	98,702	2,223	2%
Employee Costs - Non Teachers	61,711	59,676	(2,035)	(3%)
Property Costs	1,802	1,938	136	8%
Supplies and Services	24,929	24,577	(352)	(1%)
Transport and Plant Costs	152	166	14	9%
Administration Costs	597	561	(36)	(6%)
Other Agencies & Bodies	15,004	15,909	905	6%
Transfer Payments	580	580	-	0%
Other Expenditure	-	-	-	
Capital Financing	71	71	-	0%
Gross Expenditure	201,325	202,180	855	0%
Income	(11,552)	(11,720)	(168)	1%
<b>Net Expenditure</b>	<b>189,773</b>	<b>190,460</b>	<b>687</b>	<b>0%</b>

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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

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 £0.132m compared to P8. This is primarily due to turnover and vacancy management.
16,917	(449)	-3%	Employee Costs: Projected underspend of £0.449m in establishments due to vacancy management.
4,672	(168)	-4%	Third Party Payments: There are forecasted underspends of £0.304m in payments to funded providers and £0.028m in payments to other bodies for current registered children. Payments to other Local Authorities is projected to be an overspend of £0.154m as more children are expected to take up Early Years places outwith North Ayrshire than children coming into NAC Early Years establishments.
248	(42)	-17%	Other minor movements
			A reduction to the budget of £1.198m in 23/24 has necessitated a drawdown from Education earmarked funds pending permanent savings to be implemented for 24/25. Service redesign proposals are being developed.
	<b>(659)</b>		
	<b>Note 2</b>		<b>Primary Education</b>
			Movement : There has been a unfavourable movement of £0.685m compared to P8 primarily due to increased employee costs
47,666	261	1%	Employee Costs : projected overspend in teacher costs of £0.705m offset against underspend in non teaching costs across all Primary Schools of £0.444m
2,183	41	2%	Supplies & Services: projected overspend in the PPP unitary charge mainly due to NDR and utility increases
	(11)		Other minor movements
	<b>291</b>		
	<b>Note 3</b>		<b>Secondary Education</b>
			Movement : There has been a unfavourable movement of £0.116m compared to P8 mainly due to an increase in the reported PPP costs
48,396	(229)	0%	Employee Costs : projected underspend in non teaching costs across all Secondary Schools
14,590	193	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.
	8		Other minor movements
	<b>(28)</b>		
	<b>Note 4</b>		<b>ASN</b>
			Movement: There has been a favourable movement of £0.125m compared to P8. This is mainly due to a £0.037m increase in employee costs underspends and a projected increase of £0.083m in Other Local Authority section 23 income due to increased rates being applied for the 2023/24 session and an additional out of authority child accessing a place in NAC.
12,442	(334)	-3%	Employee costs: Projected underspend of £0.273m in non teaching staff costs across all ASN school and bases provision and £0.061m forecasted underspend in teaching costs. The increased cost pressure for Classroom Assistants of £0.874m is managed this year by drawing down a temporary amount from earmarked funds. This position will be addressed as part of the ongoing discussion with the Scottish Government and as part of the 24/25 budget process.
355	(65)	-18%	There is a forecasted underspend of £0.065m on payments to Other Local Authorities due to a reduction in the number of NAC children accessing placements in their establishments.
1,003	135	13%	There is a projected overspend of £0.135m on external day placements as a result of additional children requiring this level of support and an increase in rates from these establishments.
499	1,048	210%	There is a projected overspend of £1.048m on external specialist residential placements. Currently there are 15 children in, or expected in, accommodation. Increased pressures on internal care settings as well as changing needs of children and young people have resulted in an increase in the need for external residential settings. Joint working is ongoing with HSCP to ensure that all options are fully explored to ensure that all options are considered to retain young people within their local community where possible. Where this is not possible, a forum has been set up to further discuss those young people who will require care and education provision to support them appropriately. Any future additional children who enter Residential Accommodation will increase the future projected overspend.
(264)	(100)		There is a projected over recovery of £0.100m in Other Local Authorities income due to the number of other authority children accessing a place in NAC establishments and increased rates being applied for the 2023/24 session.
-	12		Other minor movements.
	<b>684</b>		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Education Other</b>
			Movement :There has been a favourable movement of £0.596m compared to P8. This is mainly due to a projected increase in teacher turnover.
977	1,497	153%	Employee costs: mainly as a result of significant increase in costs associated with mandatory cover for teacher absence. Absence levels are subject to regular review across the service and appropriate actions are taken to maximise attendance
(1,184)	(271)	23%	Income: PPP insurance rebate £0.098m, PPP deductions of £0.148m in excess of budget, £0.024m salaries received from capital
	8		Other minor movements.
	<b>1,234</b>		
<b>Note 6</b>			<b>Facilities Management</b>
			Movement: There has been a favourable movement of £0.081m compared with P8 mainly due to vacancy management.
15,750	(372)	-2%	Employee Costs: There is an underspend of £0.372m primarily due to recruitment challenges and a targeted reduction of overtime and casual costs.
5,116	(701)	-14%	Supplies and services: There is a saving of £0.257m due to lower school meal uptake. In addition, there is an underspend within Early Years of £0.463m which has arisen due to lower attendance rate than anticipated.
(2,798)	177	-6%	Income: There is an under-recovery in commercial catering income of £0.258m due to a reduction in commercial events and cost/income challenges within commercial venues. This is partially offset by an over-recovery of cleaning and janitorial income of £0.100m.
	48		Other minor movements
	<b>(847)</b>		
<b>Note 7</b>			<b>Connected Communities</b>
			Movement: There has been no change since period 8.
8,649	(185)	-2%	Employee Costs: Underspends in Community Facilities, Libraries, Country Parks, Community Development and Arran Outdoor due to vacancy management.
500	87	17%	Property Costs: £0.033m overspend in Libraries, £0.030m overspend in Country Parks on various property works and removal of trees affected by ash dieback, £0.019m overspend in Community Facilities, which is partly on cleaning materials, and £5k overspend in Arts.
1,154	109	9%	Supplies and Services: Overspend in Arts events costs, which is offset by an over-recovery of income, and small overspends in a number of budget lines across the service.
(2,204)	(17)	1%	Income: £0.018m under recovery in Community Facilities as income has not returned to pre-covid levels and projected over-recovery of £0.007m in Arran Outdoor Education Centre, £0.004m in Country Parks and £0.021m in Arts.
	6		Other minor movements.
	-		
			<b>General</b>
			Due to the industrial action taken by various staff there is a underspend of approximately £200k across all sectors. This underspend is included in all non teaching employee budget lines across the entire Communities budget monitoring report. A further £20k of underspend was made against grant funded services SEF and PEF.

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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
<b>Directorate and Support</b>	206	206	-	0%	
<b>Housing and Public Protection</b>					
Building Services	(2,542)	(2,542)	-	0%	1
Property Governance	(7)	(7)	-	0%	
Planning Services	371	217	(154)	(42%)	2
Protective Services	1,912	1,800	(112)	(6%)	3
Other Housing	3,236	3,196	(40)	(1%)	4
<b>Total for Housing and Public Protection</b>	<b>2,970</b>	<b>2,664</b>	<b>(306)</b>	<b>(10%)</b>	
<b>Neighbourhood Services</b>					
Roads	6,968	6,968	-	0%	
Streetscene	5,834	5,866	32	1%	5
Waste Resources	10,125	10,720	595	6%	6
Municipalisation Advertising	(123)	(21)	102	(83%)	7
<b>Total for Neighbourhood Services</b>	<b>22,804</b>	<b>23,533</b>	<b>729</b>	<b>3%</b>	
<b>Economic Development, Growth and Investment</b>					
Economic Policy	213	149	(64)	(30%)	8
Employability & Skills	2,484	2,512	28	1%	
Regeneration	1,271	1,271	-	0%	
Business	1,064	1,064	-	0%	
Growth & Investment	258	258	-	0%	
<b>Total for Economic Development, Growth and Investment</b>	<b>5,290</b>	<b>5,254</b>	<b>(36)</b>	<b>(1%)</b>	
<b>Sustainability, Transport and Corporate Property</b>					
Property Management & Investment	1,737	1,758	21	1%	
Housing Assets & Investment	(1)	(1)	-	0%	
Property Maintenance	3,602	4,292	690	19%	9
Property Running Costs	4,675	4,761	86	2%	10
Energy and Sustainability	7,537	7,537	-	0%	11
Internal Transport	10,066	10,386	320	3%	12
<b>Total for Sustainability, Transport and Corporate Property</b>	<b>27,616</b>	<b>28,733</b>	<b>1,117</b>	<b>4%</b>	
<b>Net Total</b>	<b>58,886</b>	<b>60,390</b>	<b>1,504</b>	<b>3%</b>	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	50,717	50,804	87	0%
Property Costs	23,859	24,632	773	3%
Supplies and Services	9,717	9,937	220	2%
Transport and Plant Costs	9,635	10,423	788	8%
Administration Costs	818	822	4	0%
Other Agencies & Bodies	21,163	21,115	(48)	(0%)
Transfer Payments	-	-	-	0%
Other Expenditure	182	263	81	45%
Capital Financing	-	-	-	
Gross Expenditure	116,091	117,996	1,905	2%
Income	(57,205)	(57,606)	(401)	1%
<b>Net Expenditure</b>	<b>58,886</b>	<b>60,390</b>	<b>1,504</b>	<b>3%</b>



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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

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 P8 however the service are currently managing significant financial challenges to achieve a break-even position.
5,345	216	4%	Supplies & Services: An overspend of £0.216m in supplies and services. This is due to an overspend of £0.061m in relation to the purchase of PDA's to monitor hand vibrations, £0.019m in employee clothing, £0.038m in tools and implements and £0.097m in materials which relates to the increase in volume and scope of void and damp works.
579	181	31%	Transport costs: An overspend of £0.181m in transport costs. This is due to an overspend of £0.055m in scaffolding which relates to factoring works, £0.064m in skip hire costs and £0.062m in other transport costs.
2,833	316	11%	Third Party Payments: An overspend of £0.316m in third party payments is largely in relation to an increase in the volume of void and damp work.
(21,515)	(759)	4%	Income: There is a projected over recovery in income of £0.759m largely in relation to the volume and scope of void and damp works and other increased costs.
	46		Other minor movements
	-		
<b>Note 2</b>			<b>Planning Services</b>
			Movement: There has been a favourable movement of £0.041m since P8 mainly due to a projected increase in planning fee income.
775	(28)	(4%)	Employee Costs: Projected underspend of £0.028m due to vacancy management.
(609)	(121)	20%	Income: Forecasted over recovery of £0.072m due to additional planning fee application income.
	(5)		Other minor movements
	(154)		
<b>Note 3</b>			<b>Protective Services</b>
			Movement: There has been a favourable movement of £0.017m since P8 which is primarily due to £0.040m of further employee costs underspends due to vacancy management within the Out of Hours team, partially offset by projected dangerous buildings costs of £0.017m.
2,494	(97)	(4%)	Employee Costs: projected underspend of £0.097m due to vacancy management.
	(15)		Other minor movements
	(112)		
<b>Note 4</b>			<b>Other Housing</b>
			Movement: There has been no overall significant movement from P8.
3,839	(249)	(6%)	Employee Costs: projected underspend of £0.249m due to vacancy management. This underspend includes vacant posts being held due to the Housing Service review, new employees taking up posts at the bottom of the pay scale and a number of staff not part of the Local Government Pension Scheme. £0.046m of the underspend relates to the Rapid Rehousing Transition Plan (RRTP).
2,395	67	3%	Property Costs: projected overspend due to £0.065m in furnished tenancy grant costs, a review of the charging structure is to be undertaken; and £0.015m additional costs in property rents. This is partially offset by a £0.010m expected underspend in window cleaning costs.
104	97	93%	Other Expenditure: there is a projected overspend of £0.061m in arrears write offs and a forecasted additional bad debt provision of £0.025m.
(5,862)	29	(0%)	Income: projected under recovery of £0.015m due to backdated rent adjustment in Temporary Furnished Accommodation, along with a forecasted reduction in HRA contribution of £0.011m.
	16		Other minor movements
	(40)		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 5</b>			<b>Streetscene</b>
			Movement: There has been an adverse movement of £0.032m since period 8, which is mainly in employee costs.
7,157	(18)	(0%)	Employee Costs: £0.018m underspend due to vacancy management.
	50		Other minor movements.
	32		
<b>Note 6</b>			<b>Waste Services</b>
			Movement: There has been a favourable movement of £0.026m since P8.
5,132	730	14%	Employee Costs: The overspend includes temporary additional resources required to deal with new builds and to cover a significant, and challenging, sickness absence rate. The statutory nature of the service requires additional resources to cover unforeseen absences. A robust absence monitoring process is in place and an overall review of the Waste service in light of legislative changes and current service demands is ongoing. This will also take account of waste compositional analysis.
572	126	22%	Supplies & Services: Forecast overspend on Compactors £0.047m, Tools and Implements £0.042m and Trade effluent £0.034m.
160	213	133%	Transport Costs: Additional vehicles were temporarily in place earlier in the year to deal with pressures from new builds and seasonal demands in Garden Waste, however a reduction of 3 vehicles has been implemented since 1st October 2023. One additional vehicle is still required and 2024/25 budget provision is being reviewed for this vehicle.
6,418	(69)	(1%)	Third Party Payments: An underspend of £0.048m is largely in relation to the Clyde Valley contract.
(3,110)	(370)	12%	Income: Additional income from the renewal of kerbside recycle contracts of £0.325m and £0.029m from sale of scrap.
	(35)		Other minor movements
	595		
<b>Note 7</b>			<b>Municipalisation Advertising</b>
			Movement: There has been an unfavourable movement of £0.062m from P8 due to a further projected under recovery of advertising income.
(123)	102	(83%)	Income: A projected under recovery of £0.102m primarily due to lead in time delays in vehicle advertising and unfavourable market conditions. This was a high end/stretched target and the market rates when tendered were not as favourable as forecast. However, the team continue to robustly progress this initiative with 7 companies now signed up and we are currently in negotiations with a further 10 companies.
	102		
<b>Note 8</b>			<b>Economic Policy</b>
			Movement: There has been a favourable movement of £0.027m from P8 due to an increase in employee costs underspends.
221	(65)	(29%)	Employee Costs: A projected underspend of £0.065m due to vacancy management and funding received for work completed in house.
	1		Other minor movements.
	(64)		
<b>Note 9</b>			<b>Property Maintenance Costs</b>
			Movement: There has been adverse movement of £0.394m since P8 largely due to essential re-profiling of backlog statutory compliance works, and increased contract costs.
6,855	680	10%	Property costs: There is a projected £0.278m overspend related to unforeseen RAAC mitigation works (£0.178m) and other essential reactive maintenance works. In addition, there is a projected overspend of £0.459m in Statutory Compliance due to essential re-profiling of backlog electrical compliance work. This has been offset by a £0.077m underspend in PMB projects due to reprioritisation to mitigate the above overspend position.
	10		Other minor movements
	690		
<b>Note 10</b>			<b>Property Running Costs</b>
			Movement: There has been favourable movement of £0.029m since P8 due to a rebate of £0.087m in relation to Community hub charges. This has been partially offset by a £0.050m under recovery in property rental income.
6,349	32	1%	Property Costs: There is a projected £0.032m overspend due to associated costs for community hubs within SHUs. Discussions are ongoing between HSCP, Housing and Communities to resolve the matter.
1,784	50	3%	Income: There is a projected under recovery in property rental income.
	4		Other minor movements
	86		

Budget £000	Projected Variance £000	Variance as % of budget	Section
<b>Note 11</b>			<b>Energy and Sustainability</b>
			Movement: There has been a favourable movement of £0.025m since P8 due to decreased projected utility costs.
7,968	-	-	Property Costs: Due to the current energy crisis and after drawing down £2.754m from contingencies and earmarked funds there is no projected overspend in property costs. A number of workstreams are ongoing to reduce the above tariff related increases and as part of our overall sustainability strategy.
	-		
<b>Note 12</b>			<b>Internal Transport</b>
			Movement: There has been a small favourable net movement of £0.002m since P8.
1,796	(115)	(6%)	Employee Costs: Projected underspend of £0.115m due to vacancy management.
4,441	323	7%	Transport Provision Costs: Projected overspend of £0.323m due to an increase in the number of pupils requiring transport for 2023/24, along with increases in contract costs due to inflation.
1,769	(49)	(3%)	Fuel: Projected underspend in Fuel of £0.049m due to lower than projected usage
476	128	27%	External Hires: Projected overspend of £0.128m for the additional hire of vehicles. This is due to a combination of increased rental costs from suppliers, the prolonged lead delivery times for replacement vehicles and the increase in downtime of fleet vehicles due to age and the availability of parts.
1,117	160	14%	Repairs & Maintenance: Projected overspend of £0.160m in repairs and maintenance as a result of price increases and maximising the life of assets due to replacement vehicle lead times.
(3,081)	(93)	3%	Income: Projected over recovery of £0.093m, mainly due to over recovery of £0.140m in bus transport income and hire of pool vehicles, which is partially offset by a projected under recovery of £0.050m in the pool car scheme.
	(34)		Other minor movements
	320		

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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,257	2,234	(23)	(1%)	
SPT Concessionary Fares	286	291	5	2%	
Ayrshire Joint Valuation Board	965	932	(33)	(3%)	
	3,508	3,457	(51)	(1%)	1
<b>Other Corporate Costs</b>					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	350	350	-	0%	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	7,273	6,196	(1,077)	(15%)	2
Housing Benefits	2,587	2,487	(100)	-4%	3
	15,613	14,385	(1,228)	(8%)	

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

REPORT FOR THE 10 MONTHS TO 31 January 2024

Budget £000	Projected Variance £000	Variance as % of budget	Section
	<b>Note 1</b>		<b>Joint Boards</b>
			There has been no significant movement since Period 8
3,508	(51)	-1%	Projected underspend of £0.051m due confirmation of annual requisitions and applicable refunds.
	<b>(51)</b>		
	<b>Note 2</b>		<b>Other Corporate Items</b>
			There has been a favourable movement of £0.165m since Period 8 primarily due to a revised drawdown of centrally held inflation provision to support pressures within services.
7,273	(1,077)	-15%	The projected underspend is primarily related to centrally held inflationary cost provisions, which are being applied to offset pressures reported across other services, and additional income from employee benefit schemes. The impact of inflation will continue to be monitored throughout the year.
	<b>(1,077)</b>		
	<b>Note 3</b>		<b>Housing Benefit</b>
			There has been a £0.010 favourable movement since Period 8
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 10 MONTHS TO 31 January 2024**

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	12,947	12,947	-	-	
Contribution to Loans Fund Reserve	5,699	5,699	-	-	
Scottish Government Funding	(353,004)	(353,004)	-	-	
Council Tax	(65,382)	(65,335)	47	(0%)	1
Use of Earmarked Funds	(10,170)	(10,170)	-	-	
Net Total	(409,910)	(409,863)	47	(0%)	

**Note 1 Council Tax**

There has been a significant increase in the value of CTR claims received to date, £0.496m. 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 10 MONTHS TO 31 January 2024**

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,504	5,041	(463)	(8%)	1
Property Costs					
Responsive Repairs	7,189	6,998	(191)	(3%)	
Void Repairs	3,577	4,320	743	21%	
Planned and Cyclical Maintenance	4,834	5,230	396	8%	
Aids and Adaptions	1,667	1,667	-	0%	
Other property costs	5,451	5,941	490	9%	
Total for Property Costs	22,718	24,156	1,438	6%	2
Supplies & Services	671	691	20	3%	
Transport Costs	28	28	-	0%	
Administration Costs	1,892	1,918	26	1%	
Third Party Payments	3,519	3,343	(176)	(5%)	3
Transfer Payments	172	172	-	0%	
Other Expenditure	380	380	-	0%	
Capital Financing Costs	23,309	16,250	(7,059)	(30%)	4
Gross Expenditure	58,193	51,979	(6,214)	(11%)	
Income					
Council House Rents	(56,803)	(56,383)	420	(1%)	
Other Rents	(332)	(399)	(67)	20%	
Recharges	(828)	(1,032)	(204)	25%	
Other Income	(230)	(335)	(105)	46%	
Total Income	(58,193)	(58,149)	44	(0%)	5
Net Expenditure	-	(6,170)	(6,170)		

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

**REPORT FOR THE 10 MONTHS TO 31 January 2024**

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 £0.168m since Period 8 due to vacancy management.
5,504	(463)	-8%	An underspend in employee costs of £0.463m. This is due to vacancy management.
	(463)		
			<b>Note 2</b>
			<b>Property Costs</b>
			Movement - there has been a favourable movement of £0.154m since Period 8. This is due to a favourable movement of £0.113m in Responsive Repairs, £0.173m in Planned and Cyclical Maintenance and £0.046m in Aids & Adaptations. This has been partially offset by an adverse movement of £0.061m in Void Repairs and £0.117m in other property costs.
22,718	1,438	6%	A projected overspend of £1.438m in Property Costs. This is due to a projected overspend of £0.743m in Void Repairs, £0.395m in Planned and Cyclical, including increased costs in relation to timber and damp works. Maintenance and £0.490m in other property costs. This is partially offset by a projected underspend of £0.190m in Responsive Repairs.
	1,438		
			<b>Note 3</b>
			<b>Third Party Payments</b>
			Movement - there has been an adverse movement of £0.004m since Period 8.
3,519	(176)	-5%	A projected underspend of £0.176m in third party payments primarily due to an anticipated reduction in the ASB contribution.
	(176)		
			<b>Note 3</b>
			<b>Capital Financing Costs</b>
			Movement: There has been an adverse movement of £0.068m since P8.
23,309	(7,059)	-30%	There is a projected underspend in capital financing costs of £7.059m due to lower than anticipated loan charges. This is due to the profiling within the HRA Capital budget and the continued under borrowed position as the council utilises internal funds in line with the Treasury Management and Investment Strategy. The underspend will be reflected in the Business Plan which is currently being reviewed.
	(7,059)		
			<b>Note 4</b>
			<b>Income</b>
			Movement - There has been a favourable movement of £0.503m since Period 8. This is due to an increase in Council House Rents of £0.538m and other rents of £0.002m, partially offset by adverse movements of £0.033m in recharges and £0.004m in other income.
(58,193)	44	0%	There is a projected under recovery of income of £0.044m. Rental Income is projected to be under recovered by £0.420m as a result of protracted and Long term voids. This is partially offset by an over recovery of £0.067m other rents, £0.204m in recharges and £0.105m in other income.
	44		

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	-	-	6.170	(2.648)	8.231
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>6.170</b>	<b>(4.065)</b>	<b>15.790</b>



**Budget Management - 31 January 2024**  
**Virement/Budget Adjustment Requests**

	Perm (P) / Temp(T)	2023/24	
		Virement £m	Directorate Total £m
<b>1) Budget Virements</b>			
<b>Place</b>			
Roads - Third Party Payments	T	0.060	
Roads - Supplies and Services	T	0.066	
Roads - Employee Costs	T	-0.038	
Roads - Income	T	-0.088	
Employability - Third Party Payments	T	0.650	
Employability - Employee Costs	T	-0.425	
Employability - Supplies and Services	T	-0.004	
Employability - Income	T	-0.221	
			<b>0.000</b>
			<b>0.000</b>

## Integration Joint Board 14<sup>th</sup> March 2024

<b>Subject :</b>	<b>2023-24 – Month 10 Financial Performance</b>
<b>Purpose :</b>	To provide an overview of the IJB's financial performance as at month 10 (January).
<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 £4.171m;</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 January, 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 £4.171m (1.3%) for 2023-24 which is an adverse movement of £0.313m from month 7.
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 10</b>
	<p>At month 10 against the full-year budget of £312.972m there is a projected year-end overspend of £4.171m (1.3%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £3.353m (£0.853m adverse) in social care services and a projected overspend of £0.818m (£0.540m favourable) in health services.</p> <p>Appendix A provides the financial overview of the Partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets.</p> <p>The projections for some areas will be subject to fluctuations as they depend on recruitment plans for new funding and also the capacity of providers to take on work.</p>
2.3	<b>Health and Community Care Services</b>
	<p>Against the full-year budget of £92.978m there is a projected overspend of £0.690m (0.7%) 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 £0.547m (£0.049m favourable movement).</p> <p>The budgeted number of permanent placements is 780 and at month 10 there are 784 placements. The projection assumes that the current number of placements will continue to the end of the year. Within the projection there is an assumption</p>

that recent placements which do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed with 25% of the cases at the current average cost of a placement and 75% 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 £0.599m over recovered (£0.395m favourable) based on the income received to date. This income is not easy to project as it depends on the length of the legal process and time taken to sell the property that the charging order is registered to.

- b) Interim care beds are projected to underspend by £0.400m (£0.150m favourable) based on the usage to date and projected usage until the year end.
- c) Care at home (in house and purchased) is projected to be £0.156m overspent (£0.574m adverse). The position includes an underspend in in-house services of £0.362m (£0.557m adverse) as there are vacant posts, but some of the current capacity is being met by existing staff working additional hours and casual staff. Bank staff are being offered contracts and additional staff are being recruited which will replace the need for existing staff to work additional hours. The adverse movement is due to covering high levels of absence during December and January. This is partly offset by an overspend in purchased services of £0.518m (£0.018m adverse) as the budget was reduced to reflect the additional costs of bringing some services in-house after the provider withdrew from the contract. There is also a projected underspend of £0.093m (£0.093m favourable) in supplies.
- d) Reablement services are projected to be £0.185m (£0.060m favourable) underspent due to vacancies.
- e) Care at Home Charging Income is projected to under recover by £0.050m (£0.010m favourable) due to an ongoing shift towards personal care which is non chargeable.
- f) Physical Disability Services - projected underspend of £0.269m (£0.019m favourable) in community care packages, £0.442m underspend (£0.007m adverse) in direct payments and £0.532m overspend (£0.074m adverse) for residential placements. There is also an under-recovery of income of £0.126m (£0.007 favourable).
- g) Anam Cara is projected to overspend by £0.073m (no movement) due to covering vacancies and sickness absence (£0.017m) and under-recovered income (£0.056m).

	<p>h) Integrated Island Services is projected to be £0.308m overspent (£0.041m adverse movement). There is an overspend at Montrose House of £0.264m (adverse movement of £0.022m) which relates to employee costs (the net cost of agency staff versus vacancies). There is also an overspend of £0.050m due to Band 6 nurses receiving back-dated recruitment and retention premium this financial year. Arran medical services are projecting to overspend by £0.032m and the remaining projected overspend is due to supplies costs increasing. The overspends are partially offset by a projected underspend in care at home costs of £0.018m (£0.068m adverse movement). There are staffing vacancies which are included within the payroll turnover savings figures below which offset the use of agency and bank staff.</p> <p>i) District Nursing is projected to overspend by £0.201m (£0.006m adverse movement) due to an overspend on bank nursing costs and supplies.</p>
	<p>j) Rehab wards are projected to overspend by £0.140m which is an £0.062m favourable movement (Redburn ward £0.202m overspent and Douglas Grant £0.062m underspent). The overspend is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support.</p> <p>k) Wards 1 and 2 are projected to overspend by £1.004m (£0.079m adverse movement) due to increased use of supplementary staffing.</p> <p>l) Cumbrae Lodge Continuing Care beds are projected to underspend by £0.260m (£0.110m favourable) due to a reduced charge to reflect the reduction in beds used.</p>
2.4	<b>Mental Health Services</b>
	<p>Against the full-year budget of £102.727m there is a projected overspend of £0.882m (0.9%) 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 £0.859m (£0.189m adverse) and the main variances are:</p> <ul style="list-style-type: none"> <li>• Care Packages (including residential and direct payments) - projected underspend of £0.183m in community care packages (£0.026m favourable), projected overspend of £0.310m in direct payments (£0.074m favourable) and £0.451m for residential placements (£0.005m adverse). The LD community packages are being reviewed based on the quarter 3 actual costs to date. This could lead to a variation between the current projection and the actual outturn</li> </ul>

- Void costs for Supported Accommodation are projected to overspend by £0.124m. This will reduce into 2024-25 as the developments are now operational.
  - Trindlemoss non-employee costs are projected to overspend by £0.088m. This is due to increased energy charges.
- b) Community Mental Health services are projected to underspend by £0.437m (£0.192m favourable movement) which is mainly due to an underspend of £0.443m in community packages (including direct payments) and an overspend in residential placements of £0.275m. The MH community packages are being reviewed based on the quarter 3 actual costs to date. This could lead to a variation between the current projection and the actual outturn.
- c) The Lead Partnership for Mental Health is projecting to be £0.456m overspent (£0.732m favourable movement) and the main variances are as follows:
- A projected overspend in Adult Inpatients of £0.530m (£0.010m adverse movement) due to overspends in supplementary staff for enhanced observations, staff cover due to sickness (inc. covid outbreak) and reduced bed sale income.
  - The UNPACS (Unplanned Activities) budget is projected to overspend by £1.168m (£0.242m favourable movement) based on current number of placements and enhanced costs remaining until the year end. The favourable movement is due to one placement moving from an external provider to on-house care at Woodland View. 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 £0.086m (£0.002m adverse) due to an increase in substitute prescribing costs.
  - Learning Disability Services are projected to underspend by £0.311m (£0.633m favourable movement). There is a high usage of supplementary staffing due to backfill for sickness, increased and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis. The favourable movement is due to additional recharge income for two out of authority placements.

- Elderly Inpatients are projected to overspend by £0.169m (£0.004m favourable) due to the use of supplementary staffing.
- The Innovation Fund is projected to underspend by £0.234m (£0.002m adverse) due to slippage within some of the projects and not all of the funding was allocated.
- Addictions in patients are projected to overspend by £0.003m (no movement) due to the use of supplementary staffing.
- The Directorate cost centre is projected to overspend by £0.095m (no movement) mainly due and overspend of £0.049m on supplies and £0.012m of legal fees.
- Action 15 – is reported as on-line as any underspend will be carried forward and earmarked for use in 2024-25. The current projected underspend is £0.278m but this is not included in the overall projected outturn.
- 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 £1.115m (£0.139m adverse) in 2023-24, further information is included in the table below:

Vacancy Savings Target	(£0.873m)
Projected to March 2024	£1.988m
Over/(Under) Achievement	£1.115m

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

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

- Adult Community MH £0.029m
- CAMHS £0.592m
- Mental Health Admin £0.354m
- Psychiatry £0.267m
- Psychology £0.683m
- Associate Nurse Director £0.063m

## 2.5 **Children and Justice Services**

### **Children's Services**

Against the full-year budget of £40.313m there is a projected overspend of £5.325m (13.2%) (£0.056m adverse) and the main variances are:

- a) Care Experienced Children and Young People is projected to overspend by £4.863m (£0.065m favourable). The main areas within this are noted below:



	<ul style="list-style-type: none"> <li>• Children’s residential placements are projected to overspend by £5.445m (£0.040m favourable). We started 2023/24 with 32 external placements and there are currently 37 placements (month 7 was 35 placements) which are assumed to continue until the end of the year. Within the £5.445m there is £0.232m relating to enhanced costs for four placements. One placement has also moved from being 100% funded with HSCP to 50/50 (from Jan 24). There are a number of factors leading to this challenging position: <ul style="list-style-type: none"> <li>• We have 32 places available in our internal children’s houses, due to demand these have been operating at 100%+ occupancy for some time, leading to increased use of external placements where residential care is required.</li> <li>• The requirement to support Unaccompanied Asylum-Seeking Children (UASC) under the National Transfer Scheme and to support trafficked young people who have been identified in North Ayrshire.</li> <li>• A number of young people in residential care have requested Continuing Care, whereby a young person can remain in their placement until age 21.</li> <li>• Where appropriate young people are placed to meet their educational needs, the cost of Residential School Placements in the most cases is shared 50/50 with Education services.</li> </ul> <p>Children’s Services are continuing to work with other services including Education and Housing to address the challenges. A change programme is being developed to respond to the pressures of residential care, this forms part of the Transformation Plan which seeks IJB approval elsewhere on the agenda for this meeting.</p> </li> <li>• Looked After and Accommodated Children (fostering, adoption, kinship etc) is projected to be £0.623m underspent (£0.094m favourable); this is based on the current number of placements and reflects additional monies received to support the uplift in rates for fostering and kinship placements (16+year olds) and the costs associated with this.</li> <li>• Children with disabilities – residential placements are projected to overspend by £0.272m (£0.033m favourable). This is based on 10 current placements. Direct payments are projected to underspend by £0.219m (£0.021m adverse). Community packages are projected to underspend by £0.124m (£0.005m favourable) based on 62 current number of packages and one further package until the year end.</li> </ul>
	<ul style="list-style-type: none"> <li>• Residential respite – placements are projected to overspend by £0.054m (£0.005m adverse 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.</li> </ul>



	<p>b) Head of Service – is projected to overspend by £0.336m (£0.030m adverse). The overspend is mainly due to the planned saving of £0.233m in relation to the staff reconfiguration in the children’s houses which will not be 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>c) Justice Services – is projected as being spent in full. There was no additional grant funding to mitigate the impact of the 23/24 pay award but this is being funded non-recurringly in 23-24 by savings from vacant posts.</p>
2.6	<b>ALLIED HEALTH PROFESSIONALS (AHP)</b>
	The non-employee costs element of the AHP services are projected to be on-line. All underspends in employee costs have been taken as payroll turnover.
2.7	<b>CHIEF SOCIAL WORK OFFICER</b>
	There is a projected underspend of £0.514m (£0.049m favourable) mainly due to a projected underspend in the Carers Strategy funding.
2.8	<b>MANAGEMENT AND SUPPORT</b>
	<p>Management and Support Services are projected to underspend by £1.745m (£0.042m favourable) and the main areas of underspend are:</p> <ul style="list-style-type: none"> <li>• There is projected slippage on the LD and MH transition funding of £0.954m (£0.260m favourable) due to delays in children transitioning into adult services.</li> <li>• The agreed local government pay award was not fully funded. The total cost of the pay award was £4.826m against the budgeted increase of £1.982m. The additional cost of £2.844m will be partially met by additional recurring Scottish Government funding of £2.577m and the gap of £0.267m is an in-year overspend. Additional funding is expected to be included in the 24/25 budget which will cover the remaining gap.</li> <li>• An over-recovery of payroll turnover of £0.655m (£0.068m adverse) for social care services and an over-recovery of payroll turnover of £0.546m (£0.240m favourable) for health services as outlined in the table below.</li> </ul> <p>The turnover targets and projected achievement for the financial year for Health and Social Care services outwith the Lead Partnership is noted below:</p>

	<b>Social Care</b>	<b>Health Services</b>
Vacancy Savings Target	(3.014m)	(1.433m)
Projected to March 2024	3.669m	1.979m
<b>Over/(Under) Achievement</b>	<b>0.655m</b>	<b>0.546m</b>

The position in the table above reflects the assumption in the current financial projections. For social care, a total of £3.069m (102% of annual target) has been achieved to date.

The health vacancy projection to the year-end is based on the month 9 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 service areas are:

- Children and Families £0.838m
- Learning Disability £0.096m
- Management and Support £0.399m
- Community Care Service Delivery £0.260m
- Rehab and Reablement £0.234m
- Locality Services £0.288m
- Integrated Island Services £0.312m
- Community Mental Health £0.049m

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 10 £m</b>
<b>Red</b>	-	0.273
<b>Amber</b>	2.245	0.322
<b>Green</b>	2.718	0.560
<b>Blue</b>	-	3.808
<b>TOTAL</b>	<b>4.963</b>	<b>4.963</b>

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

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

## 2.10 **Budget Changes**

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

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

### **Reductions Requiring Approval:**

Ref	Description	Amount
1	Training Grade Adjustment – November	(21,000)

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

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

The final outturn in relation to North Lead Partnership services would not be fully attributed to the North IJB as a share would be allocated to East and South Partnerships; similarly, the impact of the outturn on East and South led services will require to be shared with North. At Month 10 the MH lead partnership is projected to overspend by £0.456m (£0.149m NRAC share for East and £0.130m for South).

**South HSCP (month 9 information)** – projected overspend of £0.564m (£0.204m adverse) of which £0.209m will be allocated to North. The overspend is mainly due to an overspend of £0.432m in the community store to replace obsolete equipment, which will reduce maintenance costs in the medium term and mattress replacement,

£0.171m in the continence service and an underspend £0.039m in the Family Nurse Partnership.

**East HSCP (month 9 information)** – projected underspend of £0.143m (£0.006m favourable) of which £0.053m will be allocated to North. The underspend is mainly due to:

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

There is a projected overspend of £0.118m on the Primary Care Lead Partnership budget and includes a projected underspend in Dental services totalling £0.309m, where staffing numbers are running at less than establishment. Recruitment over the remainder of the financial year has the potential to impact further on the projected outturn position at month 9. In addition, there are projected reduced costs within Primary Care contracting and support £0.127m, largely due to staff turnover. These reduced costs are partially offset by additional Primary Medical Services costs £0.425m, as well as additional costs in Out of Hours services £0.129m, with work ongoing to mitigate increased costs as far as possible over the course of the 2023/24 financial year and going forward into 2024/25. The projected outturn position assumes funding will be allocated to fully offset Urgent Care Pathway projected costs £1.170m, as well as Covid-19 Therapeutics projected costs £0.226m

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

The £0.118m projected overspend at month 9 is largely due to increased costs associated with the new national medical contract.

**Allied Health Professions (Lead Partnership)**

Work has been undertaken to analyse Allied Health Professions services which are hosted by East Ayrshire IJB on a Lead Partnership basis. There is a projected underspend of £0.369m for the current year which mainly relates to staffing savings in Physiotherapy / MSK and Podiatry services and is partially offset by increased Orthotics costs.

**Set Aside:** - Work has been undertaken with partnerships to progress and develop 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 assumed North budget for set aside resources for 2023-24 was £35.547m. This was based on the 2022-23 figure of £34.850m inflated by the 2023-24 uplift of 2%. Ayrshire Finance Leads have now agreed a baseline methodology for set aside budgets which involves using the four full years prior to the pandemic, 2016/17 – 2019/20 inclusive. This was included in a Q3 update for Ayrshire Finance Leads on 23/01/24. This changes the set aside budget to £35.453m, being the baseline activity at 2023/24 prices.

The annual budget for Acute Services is £424.8m. The directorate is overspent by £25.5m after 10 months and are forecast to be £30.5m over by year end. This is caused by increasing overspends on agency medical and nursing staff, together with drug expenditure. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland. Around 180 additional beds were open across both main hospital sites during January.

There is a material underlying deficit caused by:

- Unachieved efficiency savings
- Length of Stay (LoS) in NHS Ayrshire and Arran acute hospitals is above the Scottish average
- High expenditure on medical and nursing agency staff, high rates of absence and vacancies causing service pressure.
- Delayed transfers of care and high acuity of patients.

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

**2.12 FINANCIAL RECOVERY PLAN**

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

Heads of Service have closely reviewed expenditure and have implemented actions which have reduced some areas of overspend as outlined in the table below. The projected year-end position has improved by a net £0.405m since Month 3.

	<b>Favourable Movement since Month 3</b>
Payroll Turnover – Health (non-Lead)	285,000
Anam Cara staffing	104,000
Care Experienced Young People	324,000
Looked After Children	262,000
Transitions funding	574,000
Care Homes	216,000
Physical Disabilities (Community Packages, Direct Payments and Residential)	346,000
Interim Care Beds	400,000
Mental Health Care Packages	82,000
Mental Health Lead Partnership – North element	368,000
Children with a disability	177,000
Carers Funding	135,000
District Nursing	24,000
Rehab Wards	124,000

	<p>These areas of improvement have been partially offset by adverse movements in Care at Home, Integrated Island Services, Wards 1 and 2 at Woodland View, UNPACS and intervention services.</p> <p>Work is ongoing to further improve the projected position and minimise the overspends continuing into 2024-25. This work is built on the following general principles:</p> <ul style="list-style-type: none"> <li>• No adverse impact on delayed discharges or patient flow during Winter</li> <li>• Exercising professional judgement around the use of waiting lists where this may have an impact elsewhere in the system</li> <li>• Reviewing the need for more active management of non-frontline vacant posts</li> <li>• The non-recurring use of reserves</li> <li>• Working with East and South on lead partnership projections</li> </ul> <p>As a contingency there is provision of £2m non-recurring funding set aside in the reserves (appendix D) to contribute towards the 2023-24 position. This would reduce the current projected overspend to £2.171m.</p> <p>The IJB also holds a General Fund reserve balance of £5.821m of unallocated funds, this would underwrite the risk of the remainder of the projected overspend. This is not a sustainable position as this funding is non-recurring and it does not resolve the areas underlying the projected overspend.</p>
2.13	<b>FINANCIAL RISKS</b>
	<p>There are a number of ongoing financial risk areas that may impact on the 2023-24 budget during the year, these include:</p> <ul style="list-style-type: none"> <li>• Current high levels of inflation which impact on costs incurred directly by the Partnership and on our partner providers</li> <li>• High risk areas of low volume / high-cost services areas e.g. Children's residential placements, Learning Disability care packages and complex care packages;</li> <li>• Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this.</li> <li>• Ongoing implementation costs of the Scottish Government policy directives</li> <li>• Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs.</li> <li>• The impact on Lead Partnership and acute services from decisions taken by other Ayrshire areas.</li> <li>• The use of supplementary staffing for enhanced observations across a number of service areas.</li> <li>• The use of high-cost agency staff to support frontline service delivery in areas where there are recruitment challenges.</li> <li>• Continuing risks associated with provider sustainability.</li> </ul>



- The NHS Ayrshire and Arran Health Board financial deficit and the risks around further escalation in the national framework for financial escalation. North Ayrshire IJB have already discussed our position in relation to the request for payment for delayed discharges.

These risks will continue to be monitored during the remainder of 2023-24.

## 2.14 RESERVES

The IJB reserves position is summarised in the table below.

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

	General Fund Reserve	Earmarked Reserves		Total £m
	Unearmarked	External Funding	HSCP	
	£m	£m	£m	
<b>Opening Balance - 1 April 2023</b>	<b>6.448</b>	<b>6.997</b>	<b>4.219</b>	<b>17.664</b>
Audit Adjustment	(0.627)	(0.309)	-	(0.936)
<b>Corrected Opening Balance</b>	<b>5.821</b>	<b>6.688</b>	<b>4.219</b>	<b>16.728</b>
2023-24 Draw Per the Budget Paper	-	(1.252)	-	(1.252)
<b>Current Reserve balances</b>	<b>5.821</b>	<b>5.436</b>	<b>4.219</b>	<b>15.476</b>
Estimated 2023-24 Draws	(2.171)	(3.159)	(2.365)	(7.695)
<b>Projected Balance – 31 March 2024</b>	<b>3.650</b>	<b>2.277</b>	<b>1.854</b>	<b>7.781</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 £2.000m which was agreed to support the financial position during 2023-24.

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

## 3. PROPOSALS

### 3.1 Anticipated Outcomes

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

3.3	<u>Measuring Impact</u>
	The final outturn for 2023-24 will be reported to the IJB in June 2024.
<b>4.</b>	<b>IMPLICATIONS</b>
4.1	<u>Financial</u> The financial implications are as outlined in the report. Against the full-year budget of £312.972m there is a projected overspend of £4.171m. The report outlines the main variances for individual services.
4.2	<u>Human Resources</u> The report highlights vacancy or turnover savings achieved to date. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing service change and reviews as per agreement with the IJB, there is no intention to sustain the staffing capacity reduction on a recurring or planned basis.
4.3	<u>Legal</u> None.
4.4	<u>Equality/Socio-Economic</u> None.
4.5	<u>Risk</u> Para 2.13 highlights the financial risks. The report falls in line with the agreed risk appetite statement which is a <b>low</b> -risk appetite in respect to adherence to standing financial instructions, financial controls and financial statutory duties and a <b>high</b> -risk appetite in relation to finance and value for money.
4.6	<u>Community Wealth Building</u> None.
4.7	<u>Key Priorities</u> None.
<b>5.</b>	<b>CONSULTATION</b>
5.1	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.
5.2	The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.





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2023-24 Budget Monitoring Report–Objective Summary as at 31<sup>st</sup> January 2024

## Appendix A

Partnership Budget - Objective Summary	2023/24 Budget									(Under) Spend Variance at Period 7	Movement in projected variance from Period 7
	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>73,444</b>	<b>72,846</b>	<b>(598)</b>	<b>19,534</b>	<b>20,822</b>	<b>1,288</b>	<b>92,978</b>	<b>93,668</b>	<b>690</b>	<b>132</b>	<b>558</b>
: Locality Services	28,920	27,990	(930)	5,356	5,636	280	34,276	33,626	(650)	(652)	2
: Community Care Service Delivery	38,711	38,690	(21)	0	0	0	38,711	38,690	(21)	(612)	591
: Rehabilitation and Reablement	2,162	2,167	5	0	0	0	2,162	2,167	5	5	0
: Long Term Conditions	1,000	1,062	62	10,463	11,352	889	11,463	12,414	951	1,090	(139)
: Community Link Workers	191	187	(4)	0	0	0	191	187	(4)	(7)	3
: Integrated Island Services	2,460	2,750	290	3,715	3,834	119	6,175	6,584	409	308	101
<b>MENTAL HEALTH SERVICES</b>	<b>30,170</b>	<b>30,596</b>	<b>426</b>	<b>72,557</b>	<b>73,013</b>	<b>456</b>	<b>102,727</b>	<b>103,609</b>	<b>882</b>	<b>1,618</b>	<b>(736)</b>
: Learning Disabilities	23,125	23,984	859	471	471	0	23,596	24,455	859	670	189
: Community Mental Health	6,055	5,618	(437)	1,743	1,743	0	7,798	7,361	(437)	(245)	(192)
: Addictions	990	994	4	1,868	1,868	0	2,858	2,862	4	5	(1)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	68,475	68,931	456	68,475	68,931	456	1,188	(732)
<b>CHILDREN &amp; JUSTICE SERVICES</b>	<b>35,431</b>	<b>40,653</b>	<b>5,222</b>	<b>4,882</b>	<b>4,985</b>	<b>103</b>	<b>40,313</b>	<b>45,638</b>	<b>5,325</b>	<b>5,269</b>	<b>56</b>
: Irvine, Kilwinning and Three Towns	3,339	3,352	13	0	0	0	3,339	3,352	13	(31)	44
: Garnock Valley, North Coast and Arran	3,126	3,137	11	0	0	0	3,126	3,137	11	(65)	76
: Intervention Services	1,908	1,908	0	8	8	0	1,916	1,916	0	(21)	21
: Care Experienced Children & Young people	23,326	28,189	4,863	0	0	0	23,326	28,189	4,863	4,928	(65)
: Head of Service - Children & Families	1,098	1,434	336	0	0	0	1,098	1,434	336	306	30
: Justice Services	2,413	2,413	0	0	0	0	2,413	2,413	0	(1)	1
: Universal Early Years	221	220	(1)	4,211	4,314	103	4,432	4,534	102	153	(51)
: Lead Partnership NHS Children's Services	0	0	0	663	663	0	663	663	0	0	0
<b>CHIEF SOCIAL WORK OFFICER</b>	<b>1,858</b>	<b>1,349</b>	<b>(509)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,858</b>	<b>1,349</b>	<b>(509)</b>	<b>(465)</b>	<b>(44)</b>
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,998</b>	<b>52,932</b>	<b>(66)</b>	<b>52,998</b>	<b>52,932</b>	<b>(66)</b>	<b>(66)</b>	<b>0</b>
<b>ALLIED HEALTH PROFESSIONALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,014</b>	<b>10,014</b>	<b>0</b>	<b>10,014</b>	<b>10,014</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>(275)</b>	<b>(275)</b>	<b>0</b>	<b>(275)</b>	<b>(275)</b>	<b>(274)</b>	<b>(1)</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>6,898</b>	<b>5,718</b>	<b>(1,180)</b>	<b>3,716</b>	<b>3,151</b>	<b>(565)</b>	<b>10,614</b>	<b>8,869</b>	<b>(1,745)</b>	<b>(1,703)</b>	<b>(42)</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>1,467</b>	<b>1,459</b>	<b>(8)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,467</b>	<b>1,459</b>	<b>(8)</b>	<b>(2)</b>	<b>(6)</b>
<b>OUTTURN ON A MANAGED BASIS</b>	<b>149,268</b>	<b>152,621</b>	<b>3,353</b>	<b>163,704</b>	<b>164,645</b>	<b>941</b>	<b>312,972</b>	<b>317,266</b>	<b>4,294</b>	<b>4,509</b>	<b>(215)</b>
Return Hosted Over/Underspends East	0	0	0	0	0	(149)	0	0	(149)	(389)	240
Return Hosted Over/Underspends South	0	0	0	0	0	(130)	0	0	(130)	(340)	210
Receive Hosted Over/Underspends South	0	0	0	0	0	209	0	0	209	133	76
Receive Hosted Over/Underspends East	0	0	0	0	0	(53)	0	0	(53)	(55)	2
<b>OUTTURN ON AN IJB BASIS</b>	<b>149,268</b>	<b>152,621</b>	<b>3,353</b>	<b>163,704</b>	<b>164,645</b>	<b>818</b>	<b>312,972</b>	<b>317,266</b>	<b>4,171</b>	<b>3,858</b>	<b>313</b>

## 2023-24 Savings Tracker

North Ayrshire Health and Social Care Partnership  
2023/24 Savings

## Appendix B

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

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

**TOTAL SOCIAL CARE SAVINGS**

**4,020,623**

**Health:**

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 10	Approved Saving 2023/24 £m	Description of the Saving
13	Payroll Turnover - Health Lead Partnership	Green	Blue	392,245	The saving is based on less than 25% of the 2022/23 overachievement
14	Payroll Turnover - Health Non Lead Partnership	Green	Blue	250,000	The saving is based on less than 50% of the 2022/23 overachievement
15	Reprovisioning of Continuing Care beds	Amber	Blue	300,000	Currently provided through Cumbrae Lodge Care Home in Irvine but the provider does not want to continue to provide the service. Plans are being developed to relocate the service to Taigh Mor in Beith with an anticipated saving of £0.3m.

**TOTAL HEALTH SAVINGS**

**942,245**

**TOTAL NORTH HSCP SAVINGS**

**4,962,868**

## 2023-24 Budget Reconciliation

## Appendix C

<b>COUNCIL</b>	<b>Period</b>	<b>Permanent or Temporary</b>	<b>£'m</b>
Initial Approved Budget			121.408
Less Living Wage Fund not yet allocated			(2.826)
<b>Revised Budget</b>			<b>118.582</b>
Resource Transfer	1-6	P	24.640
HSCP Fin Circ 3	1-3	P	0.013
Living Wage - final allocation	1-3	P	2.808
ICT Licences Various	1-3	P	(0.012)
Island Funds	1-3	T	0.015
Facilities Management Costs - Montrose House	1-3	P	0.387
West Road - Capital funded from Revenue	1-3	T	(0.300)
Care at Home – Draw from reserves	4	T	0.173
Transport (taxi) budget transferred to HSCP	6	P	0.247
Curator fees budget transferred from Legal Services	6	P	0.004
Fostering and Kinship – additional SG funding re increased rates.	6	P	0.486
Commercial Waste	7	P	0.005
Pay Award Funding	8	P	1.603
Interim Care	8	T	0.610
ICT Licences	8	P	0.002
Roundings	9		0.005
<b>Social Care Budget Reported at Month 10</b>			<b>149.268</b>
<b>HEALTH</b>	<b>Period</b>	<b>Permanent or Temporary</b>	<b>£'m</b>
<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>P</b>	<b>167.853</b>
Baseline Funding Increase		<b>P</b>	2.164
Adjust for recurring funding		<b>P</b>	7.629
Adjust for non-recurring		<b>T</b>	2.434
Resource Transfer		<b>P</b>	(24.640)

<b>2023/24 Opening Position</b>			<b>155.440</b>
Net impact of Pan Ayrshire Pressures	1	P	0.028
Top Slicing Posts 2022-23	2	P	(0.054)
MDT Funds to Arran Medical Group	3	T	(0.033)
Training Grade Adjustments	3	P	(0.035)
Ward 3 Band 2 Domestic	3	P	(0.004)
V2 B6 to AHM233	3	P	(0.061)
Virement 12 Band 2 Domestic	4	P	(0.010)
Virement 18 Band 3 budget transfer - J Baird	4	P	0.019
Lymphoedema Top Slice RX	4	P	(0.029)
HD Ref 51 Band 2-4	4	P	0.054
District Nursing Anticipated	5	P	0.032
HD REF 110 Multi-Disciplinary Teams	5	P	0.120
Post (EB) transferred to Medical Records	5	T	(0.037)
Integrated Infant Feeding (South)	5	P	0.057
Integrated Infant Feeding (SG)	5	T	0.050
2023-24 RX Budget	6	P	(0.908)
Training Grade ADJ - August	6	P	0.270
PFG LOCAL IMPROVEMENT	6	P	0.457
ADP National Mission	6	T	0.207
ADP Residential Rehab	6	T	0.094
ADP AFC Pay Uplift	6	T	0.091
ADP Lived & Living Experience	6	T	0.009
ADP Drug Prevalence	6	T	0.059
ADP Whole Family Approach	6	T	0.066
ADP MAT 70%	6	T	0.175
HD126: MENTAL HEALTH AFTER COVID HOSPITALISATION SERVICE 23-24	6	T	0.039
REMOVE Anticipate MACH (Mental Health After Covid)	6	T	(0.102)
<b>HD185: MENTAL HEALTH OUTCOMES FRAMEWORK</b>	6	P	2.178
<b>HD227: DELIVERY OF VETERAN SPECIFIC MENTAL HEALTH SUPPORT</b>	6	T	0.105
<b>HD229: DIGITAL THERAPY POSTS</b>	6	P	0.059
COMMUNITY PHLEBOTOMY - NORTH SHARE	6	P	(0.039)
SOUTH ADP WARD 5 W/VIEW PAY UPLIFT	6	T	0.003
SOUTH ADP ORT PAY UPLIFT	6	T	0.005
SOUTH ADP PREV&SERVICES SUPPORT PAY UPLIFT	6	T	0.004
Apprenticeship Levy	6	P	0.225
Training Grade ADJ - September	6	P	(0.007)
ADP PSST Support - South	6	T	0.008
South Naloxone kits	6	T	0.002

South MAT Funding - Psychiatry	6	T	0.029
ADP Pay Uplift	6	T	0.003
Drug Tarif Anticipate 2023-24	6	P	0.525
North HSCP Medical Pay Award 23/24	6	P	0.532
LDS Shortfall - Alloway Place	7	P	(0.008)
TEC (North) to CSS	7	P	(0.075)
Budget adj for Buvidal use NADARS	7	T	(0.002)
MH Strategy Action 15 Workforce 23-24	7	P	0.879
CAMHS IMP - IPCU	7	P	0.243
CAMHS IMP - INT HOME TREATMENT TEAMS	7	P	0.221
CAMHS IMP - OOH UNSCHEDULED CARE	7	P	0.148
CAMHS IMP - LD FORENSIC AND SECURE	7	P	0.089
HD305: SPECIALIST COM PERINATAL MH, INFANT MH & NEONATAL PSYCHOLOGY INTERVENTION	7	T	0.373
ANTICIPATE TRANCHE 2: SPECIALIST COM PERINATAL MH, INFANT MH & NEONATAL PSYCHOLOGY INTERVENTION	7	T	0.215
DE-ESCALATION ROOMS TO RESOURCE	7	T	(0.025)
Hd254 Pharmacy tariff reduction to reflect historic NRAC share.	7	P	(0.015)
Hd256 Increase to the pharmacy tariff to match the actuals on the national allocation letter.	7	P	0.018
Blood Borne Virus Outcomes Framework	8	T	0.277
Injection Equipment Provision (IEP)	8	T	0.014
Funding for an Assistant Nursing Practitioner from the Maternal & Infant Nutrition bundle	8	T	0.020
Training Grade Adj - November	8	P	(0.021)
HD383: Post Diagnostic Support - Dementia 23/24	9	T	0.094
Roundings	9	T	0.004
Anticipated budgets included in the report but not in the ledger	10	T and P	1.629
<b>Health Budget Reported at Month 10</b>			<b>163.704</b>
<b>TOTAL COMBINED BUDGET</b>			<b>312.972</b>