
NORTH AYRSHIRE COUNCIL

30 November 2021

Cabinet

Title: **Revenue Budget 2021/22 : Financial Performance to 30 September 2021**

Purpose: To advise Cabinet of the financial performance for the Council at 30 September 2021.

Recommendation: That Cabinet agrees to:

- (a) note the information and financial projections outlined in the report;
- (b) note the current financial projection for the Health and Social Care Partnership at 2.6;
- (c) note the current projected deficit position of KA Leisure;
- (d) note that the balance of renewal investment funds have been released; and
- (e) approve the virements detailed in Appendix 7.

1. Executive Summary

- 1.1 The General Services Revenue Estimates for 2021/22 were approved by Council on 4 March 2021. The Housing Revenue Account (HRA) Revenue Budget for 2021/22 was approved by Council on 16 December 2020.
- 1.2 As part of the monitoring procedures to keep the Cabinet informed of the financial performance of the Council, financial performance reports are presented on a regular basis. This is the second report for 2021/22 and covers the period to the end of September 2021 (Period 6). Projections have been made to the year-end.
- 1.3 At Period 6 the General Fund is forecasting a net underspend of (£0.314m), 0.1%, for the year after transferring resources to other funds, a movement of (£0.367m) from the previously reported overspend. The majority of approved savings are on track for delivery by 31 March 2022.
- 1.4 The Housing Revenue Account is forecasting a net in-year underspend of (£3.125m), (6.0%), a movement of (£2.278m) from that reported at Period 4.
- 1.5 The Health and Social Care Partnership is projecting a year-end underspend of (£0.258m), 0.1%, for 2021/22, an improvement of (£1.111m) from the previously reported overspend. The Council services element is reporting a projected overspend is £0.514m, an improvement of (£0.809m) over the same period. This has been partly offset by a projected underspend on the Health services element of (£0.772m), which represents an improvement of (£0.302m).

- 1.6 KA Leisure has indicated a projected trading deficit of £1.016m for 2021/22, an improvement of (£0.055m). Any additional financial support to KA Leisure will be drawn from previously approved earmarked funds.
- 1.7 A risk to the forecast position continues to be presented by the uncertainty around the progress of, and recovery from, the Covid-19 pandemic. The position presented includes the projected impact of Council resources and Scottish Government funding which has been allocated to support recovery and renewal activity across the Council.
- 1.8 On 15 June 2021 Cabinet approved renewal investment of up to £14.744m across a range of renewal themes. An initial £10.000m of this funding was been released to allow Services to progress their investment activity with the balance of funding, £4.744m, to be released subject to a projected balanced outturn position for 2021/22. Following the confirmation of the projected outturn position noted in this report, it has been confirmed that the full £4.744m will be released to support the approved range of investments detailed in Appendix 9.

2. Background

General Fund

- 2.1 The Council set a breakeven budget for 2021/22. In addition to the budget approved on 4 March 2021, earmarked funds of £28.135m were carried forward from 2020/21 for service expenditure in 2021/22 and are reflected in the figures within the 2021/22 financial performance reports as they are drawn down.
- 2.2 Current financial projections indicate that a net underspend of (£0.314m), net of transfers to reserves, is anticipated for the year to 31 March 2022.

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

	Appendix No	Annual Budget £000's	Projection to 31 March 2022 £000's	Projected Variance for year (Fav)/Adv £000's	Projected Variance @ Period 4 (Fav)/Adv £000's	Movement £000's	Note
Service Expenditure							
Chief Executives	1	23,272	22,886	(386)	(67)	(319)	(i)
Communities	2	150,268	148,868	(1,400)	(1,470)	70	(ii)
Place	3	67,702	68,144	442	1,193	(751)	(iii)
Other Corporate Services	4	30,231	29,861	(370)	(1,073)	703	(iv)
Sub Total		271,473	269,759	(1,714)	(1,417)	(297)	
Health and Social Care Partnership	7	100,736	100,736	-	-	-	2.6
Balance for Services		372,209	370,495	(1,714)	(1,417)	(297)	
Financing Charges	5	11,795	11,795	-	-	-	
Contribution to Loans Fund Reserve	5	2,898	2,898	-	-	-	
Total Planned Expenditure		386,902	385,188	(1,714)	(1,417)	(297)	
Planned Income							
Aggregate External Finance	5	(324,145)	(324,145)	-	-	-	
Council Tax	5	(59,766)	(59,766)	-	-	-	(v)
Use of Earmarked Funds	5	(2,991)	(2,991)	-	-	-	
Total Planned Income		(386,902)	(386,902)	-	-	-	
Net Expenditure/ (Income)		-	(1,714)	(1,714)	(1,417)	(297)	
Carried Forward Funds		-	1,400	1,400	1,470	(70)	
Revised Net Expenditure/(Income)		-	(314)	(314)	53	(367)	

2.4 The reported Planned Income includes a number of adjustments to Scottish Government funding from that reported at Period 4, as detailed in the following table:

	Revenue Support Grant £000's	Non Domestic Rates £000's	Specific Grants £000's	TOTAL AEF £000's
Planned Income				
Revised Budget 31 July 2021	(270,099)	(28,350)	(21,919)	(320,368)
Movements:				
Education Additional Staffing	(1,292)			(1,292)
Discretionary Housing Payments	(912)			(912)
Business Grant Administration	(56)			(56)
Scottish Child Payment - Bridging	(855)			(855)
Scottish Child Payment Administration	(13)			(13)
Early Learning and Childcare Adjustment			66	66
Pupil Equity Fund Brought Forward			(715)	(715)
				-
Revised Planned Income	(273,227)	(28,350)	(22,568)	(324,145)

2.5 Commentary on Significant Movements from the Revised Budget

The Council's overall financial forecast against the revised budget is a net underspend of (£0.314m), 0.1%. This is a movement of (£0.367m), from the previously reported position. A brief explanation of the significant movements from the previous forecasts are outlined as follows:

(i) **Chief Executives – underspend of (£0.386m), an increase of (£0.319m) from the previously reported underspend**

The movement is primarily related to vacancy management across services, (£0.234m), and reduced software licences expenditure, (£0.070m).

(ii) **Communities – underspend of (£1.400m), a reduction of £0.070m from the previously reported underspend**

The movement is primarily related to increased expenditure on external day and residential placements, £0.110m, partly offset by vacancy management savings across the service, (£0.032m).

It is requested that the £1.470m which was previously earmarked for use in future years in relation to the implementation of the ELC expansion to 1140 hours is reduced to £1.400m to reflect the current reported underspend.

In addition, the latest financial forecast from KA Leisure indicates a projected trading deficit of £1.016m in 2021/22, an improvement of (£0.055m) from Period 4. Additional financial support to KA Leisure will be drawn from existing earmarked funds and the financial position and progress against the recovery and renewal plan will continue to be monitored throughout 2021/22.

(iii) **Place – overspend of £0.442m, a reduction of (£0.751m) from the previously reported overspend**

The movement since Period 4 is primarily related to :

- Lower than anticipated Non Domestic Rates costs resulting from additional reliefs and a reduction in the poundage rate, (£0.448m);
- Improved income recovery, including commercial catering income, temporary accommodation income and commercial waste income, (£0.213m); and
- Additional external funding within Employability and Skills, (£0.100m).

These have been partly offset by additional employee costs within Streetscene related to ongoing Covid measures and increased domestic tourism, £0.084m.

(iv) **Other Corporate Items – underspend of (£0.370m), a reduction of £0.703m from the previously reported underspend**

The movement is primarily related to the planned drawdown of (£0.700m) from earmarked reserves to offset the ongoing impact of the Covid pandemic on income recovery levels across services, which is now no longer required.

(v) **Council Tax**

Council Tax recovery rates have continued to improve since Period 4 with a (£0.215m) reduction in the projected under-recovery. The revised projected under recovery of £0.225m has been offset by the utilisation of earmarked reserves brought forward from 2020/21. The service continues to support North Ayrshire residents through flexible payment arrangements and enhanced joint referral processes with local debt advice partner agencies.

Health and Social Care Partnership

- 2.6 A copy of the HSCP financial performance report as at the end of September 2021 is attached at Appendix 8. The report highlights the key challenges and variances for the Partnership.

The key points for Cabinet to note are summarised below:

- The projected outturn is a year-end underspend of (£0.258m) for 2021/22 and assumes that all Covid-19 related costs, including unachieved savings, are fully funded. This is a movement of (£1.111m) from the previous reporting period.
- The projected overspend on the Council Services element is £0.514m, an improvement of £0.809m over the same period. This is partly offset by a projected underspend on the Health Services element of (£0.772m), a movement of (£0.302m);
- The main areas of pressure are reported as learning disability care packages, residential placements for children and unplanned activity placements within the lead partnership for mental health.
- The latest position in terms of the mobilisation plan for Covid-19 projects a financial impact for 2021/22 of £8.367m, including additional costs of £7.749, loss of income of £0.480m and anticipated savings delays of £0.138m. It is anticipated that these costs will be fully met from Scottish Government funding;
- Risks remain in relation to the projected year end position. However, this is being closely monitored;

The revised position highlights the progress towards financial balance essential to minimise further financial risk to the Council within the context of the current debt of £3.807m.

Savings Update

2.7 The 2021/22 General Services Revenue Estimates included targets for savings of £2.842m across all services. At 30 September 2021 the majority of savings are on target for delivery by 31 March 2022. A number of savings have been identified as not being fully achieved during 2021/22, including:

- Reduction in external residential placements for children. The planned reduction has been impacted by the pandemic. Work is ongoing between Communities and the HSCP to address the current position; and
- Other minor shortfalls in the delivery of planned savings resulting from the impact of the Covid-19 pandemic.

The delayed savings have been offset by other underspends across the services.

Housing Revenue Account

2.8 The Housing Revenue Account budgeted for a breakeven position in 2021/22 and an in-year underspend of (£3.125m), (6.0%), is currently anticipated for the year to 31 March 2022, a movement of (£2.278m) from that previously reported. This is summarised in the following table with further details provided in Appendix 6.

	Annual Budget	Projection to 31 March 2022	Projected Variance for year (Fav)/Adv	Previous Variance @ Period 4 (Fav)/Adv	Movement	Note
	£000's	£000's	£000's	£000's	£000's	
Employee Costs	5,187	5,187	-	-	-	
Property Costs	20,900	18,721	(2,179)	(169)	(2,010)	(i)
Supplies and Services	305	341	36	15	21	
Transport and Plant Costs	40	40	-	6	(6)	
Administration Costs	2,052	2,055	3	-	3	
Third Party Payments	2,485	2,447	(38)	(39)	1	
Transfer Payments	309	209	(100)	-	(100)	(ii)
Other Expenditure	378	423	45	45	-	
Capital Financing	20,778	20,101	(677)	(509)	(168)	(iii)
Gross Expenditure	52,434	49,524	(2,910)	(651)	(2,259)	
Income	(52,434)	(52,649)	(215)	(196)	(19)	
Net Expenditure	-	(3,125)	(3,125)	(847)	(2,278)	

2.9 Commentary Significant Movements from the Revised Budget

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

(i) **Property Costs – underspend of (£2.179m), an increase of (£2.010m) from the previously reported underspend**

The movement is primarily related to reprofiled expenditure on Sustainability capital works, (£2.500m), partly offset by increased expenditure on Responsive Repairs, £0.508m.

(ii) **Transfer Payments – underspend of (£0.100m), an increase of (£0.100m) from the previous breakeven position**

The underspend reflects reduced levels of disturbance payments as a result of the reduction in planned maintenance works.

(iii) **Capital Financing Costs – underspend of (£0.677m), an increase of (£0.168m) from the previously reported underspend**

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

3. Proposals

3.1 It is proposed that Cabinet agrees to:

- (a) note the information and financial projections outlined in the report;
- (b) note the current financial projection for the Health and Social Care Partnership at 2.6;
- (c) note the current projected deficit position of KA Leisure;
- (d) note that the balance of renewal investment funds have been released; and
- (e) approve the virements detailed in Appendix 7.

4. Implications/Socio-economic Duty

Financial

4.1 General Services

The net projection for the year as at 30 September 2021 is a net underspend of (£0.314m) for the year.

Housing Revenue Account

The net projection for the year as at 30 September 2021 is a net underspend of (£3.125m) for the year.

Human Resources

4.2 None.

Legal

4.3 None.

Equality/Socio-economic

4.4 None.

Environmental and Sustainability

4.5 None.

Key Priorities

4.6 This report directly supports the Council Plan 2019 to 2024 by maximising resources and providing value for money to support financially sustainable delivery models.

Community Wealth Building

4.7 None.

5. Consultation

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

Mark Boyd
Head of Service (Finance)

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

Background Papers

Revenue Budget 2021/22 : Financial Performance to 31 July 2021 - Cabinet 28 September 2021

CHIEF EXECUTIVES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
Chief Executive	£000	£000	£000		
Chief Executive	270	277	7	3%	
Total for Chief Executive	270	277	7	3%	
Financial Services					
Change Programme	43	43	-	0%	
Audit, Fraud, Safety & Insurance	537	534	(3)	(1%)	
Corporate Procurement	950	794	(156)	(16%)	1
Financial Services	1,276	1,256	(20)	(2%)	
Revenues	1,768	1,758	(10)	(1%)	
Total for Financial & Customer Services	4,574	4,385	(189)	(4%)	
People & ICT					
Employee Services	1,064	1,080	16	2%	
HR & Organisational Development	810	810	-	0%	
ICT	5,206	5,025	(181)	(3%)	2
Business Support	1,134	1,080	(54)	(5%)	3
Customer Services	5,536	5,561	25	0%	
Total for People & ICT	13,750	13,556	(194)	(1%)	
Recovery & Renewal					
Transformation	753	753	-	0%	
Total for Recovery & Renewal	753	753	-	-	
Democratic Services					
Legal & Licensing	485	491	6	1%	
Policy, Performance & Elections	669	676	7	1%	
Communications	460	460	-	0%	
Civil Contingencies	61	61	-	0%	
Committee Services	362	364	2	1%	
Member Services	1,285	1,303	18	1%	
Information Governance	403	360	(43)	(11%)	
Total for Democratic Services	3,725	3,715	(10)	(0%)	
Growth & Investment					
Tourism	200	200	-	0%	
Total for Growth & Investment	200	200	-	-	
Totals	23,272	22,886	(386)	(2%)	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,318	16,013	(305)	(2%)
Property Costs	68	68	-	0%
Supplies and Services	3,030	2,922	(108)	(4%)
Transport and Plant Costs	43	28	(15)	(35%)
Administration Costs	1,498	1,501	3	0%
Other Agencies & Bodies	6,088	6,088	-	0%
Transfer Payments	813	813	-	0%
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	27,858	27,433	(425)	(2%)
Income	(4,586)	(4,547)	39	(1%)
Net Expenditure	23,272	22,886	(386)	(2%)

CHIEF EXECUTIVES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Finance - Corporate Procurement
			Movement - There has been a favourable movement of £0.155m due to a decrease in employee costs.
939	(155)	-17%	Employee Costs - There is a projected underspend of £0.155m due to vacancy management.
	(155)		
Note 2			People & ICT - ICT
			Movement - There has been a favourable movement of £0.181m. This is due to a decrease in employee costs of £0.061m together with a reduction in both equipment and software licence costs of £0.112m.
3,131	(61)	-2%	Employee Costs - There is a projected underspend of £0.023m due to vacancy management and £0.038m due to lower than anticipated pension costs.
13	(9)	-67%	Transport Costs - There is a projected underspend of £0.009m due to lower than usual staff fares/mileage.
2,283	(112)	-5%	Supplies & Services - There is a projected underspend of £0.040m in WAN due to delays in equipment deliveries resulting from global chip shortages, £0.070m in Software Licences for O365 due to removal of temporary staffing costs and reduction in consultancy costs and other minor variances of £0.002m.
	(181)		
Note 3			People & ICT - Business Support
			Movement - There has been a favourable movement of £0.018m due to a decrease in employee costs.
1,134	(55)	-5%	Employee Costs - There is a projected underspend of £0.055m due to vacancy management and maternity leave.
	(55)		

COMMUNITIES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,435	19,735	(1,700)	-7.9%	1
Primary Education	41,771	41,747	(24)	-0.1%	2
Secondary Education	52,762	52,447	(315)	-0.6%	3
Additional Support Needs	10,869	10,839	(30)	-0.3%	4
Education - Other	4,824	5,493	669	13.9%	5
Pupil Equity Fund	5,870	5,870	-	0.0%	
Connected Communities	12,737	12,737	-	0.0%	6
Net Total	150,268	148,868	(1,400)	-0.9%	
Less Proposed Carry Forwards	-	1,400	1,400		
Net Total	150,268	150,268	-		

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	124,462	123,193	(1,269)	-1%
Property Costs	555	567	12	2%
Supplies and Services	19,135	18,903	(232)	(1%)
Transport and Plant Costs	167	165	(2)	(1%)
Administration Costs	905	868	(37)	(4%)
Other Agencies & Bodies	13,691	13,332	(359)	-3%
Transfer Payments	580	580	-	0%
Other Expenditure	1	1	-	
Capital Financing	78	78	-	0%
Gross Expenditure	159,574	157,687	(1,887)	-1%
Income	(9,306)	(8,819)	487	-5%
Net Expenditure	150,268	148,868	(1,400)	-1%

COMMUNITIES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Early Years Education
			Movement: There has been no movement since P4.
16,192	(1,400)	-9%	Employee costs: An underspend due to the future opening of Marress House and Montgomerie Park establishments and additional vacancies.
4,782	(300)	-6%	Third Party Payments: An underspend in payments to funded providers. The uptake has been less than originally anticipated as part of the 1140 hours rollout.
			It is proposed to reduce the earmarked funds from £1.470m at P4 to £1.400m to be used towards the revised implementation of the 1140 hours programme.
	(1,700)		
Note 2			Primary Education
			Movement: There has been a favourable movement of £0.036m since P4. This is due to further underspends in both teaching and non-teaching employee costs due to vacancies.
39,569	1	0%	Employee Costs : projected underspend of £0.216m in Teachers costs across all primary schools. £0.071m underspend in non teaching staff costs across all primaries. Transferred to offset turnover target at centre of £287K
1,958	(3)	0%	Supplies and Services : underspend in PPP costs due to reduced RPI and utility costs.
143	(77)	-54%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(69)	55	-80%	Income: due to the schools being closed there was no school let income.
	(24)		
Note 3			Secondary Education
			Movement: There has been an unfavourable movement of £0.056m since P4. This is due to non teaching employee costs.
39,903	-	0%	Employee Costs : £0.104m underspend in non teaching costs and £0.501m underspend in teaching costs across all secondary schools. Transferred to offset turnover target at centre of £0.605m.
12,602	(281)	-2%	Supplies and Services : underspend in PPP costs due to reduced RPI and utility costs.
197	(97)	-49%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(74)	63	-85%	Income: due to the schools being closed there will be no school let income.
	(315)		
Note 4			ASN
			Movement: There has been an unfavourable movement of £0.058m since P4. This is due to £0.110m increase in placement fee costs, mainly due to additional children and additional support charges, which was slightly offset by further underspends in employee costs of £0.052m due to vacancies.
9,160	(76)	-1%	Employee costs: underspend primarily in non teaching costs across ASN school and bases provision.
1,010	(333)	-33%	There is an underspend on external day placements as a result of the screening process currently in place. This enables the children to remain in mainstream establishments or in-authority ASN establishments.
365	463	127%	An overspend on external specialist residential placements due to the ongoing high number of children in residential education. Currently there are 8 children in accommodation. Joint working is ongoing with HSCP to improve positive outcomes for these children.
(264)	(84)	32%	Other Local Authorities income - other Local Authorities that choose to place children in NAC establishments. The underspend relates to an over recovery due to an increase in demand.
	(30)		
Note 5			Education Other
			Movement: There has been a minor favourable movement of £0.008m since P4.
3,416	681	20%	Employee costs: variances are managed within the context of the Covid-19 Education recovery Plan and available Scottish Government funding. Includes a projected overspend of £0.051m due to backfilling of Director and HoS post.
	(12)		Other minor movements across various budget lines
	669		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 6			Connected Communities
			Movement: There has been no movement since P4.
7,095	(473)	-7%	Employee Costs: Underspends of £0.214m in Libraries, £0.186m in Community Facilities, £0.036m in Arran Outdoor and £0.024m in Arts, all mainly due to staff costs being reduced due to Covid-19 and staff being redeployed to Facilities Management. £0.011m overspend in Community Development
4,688	(18)	0%	Third Party Payments: Increased subsidy support for NALL projected currently at £1.016m due to the impact of Covid-19 restrictions and the impact on customer base. Additional support from the Council will be from the use of previously earmarked funds totalling £1.486m which will be used to support the trading deficit position and the renewal programme within NALL. This position will continue to be monitored throughout the year. £0.015m underspend in Community Facilities for royalty payments to Performing Rights Society
(1,545)	442	-29%	Income: Under recovery of income relates mainly to £0.206m in Community Facilities, £0.161m in Arran Outdoor Centre, £0.052m in Libraries and £0.048m in Arts, all due to Covid-19. Over recovery of £0.022m in Community Development for Fire and Rescue income from a staff secondment.
	49		Other minor movements across various budget lines
	-		

PLACE
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
Directorate and Support	£000 235	£000 235	£000 -	0%	
Physical Environment					
Building Services	(2,510)	(2,510)	-	0%	1
Property Governance	(50)	(50)	-	0%	
Property Management & Investment	1,470	1,492	22	1%	2
Property Maintenance	3,576	3,576	-	0%	
Property Running Costs	4,974	4,623	(351)	(7%)	3
Energy and Sustainability	4,671	4,466	(205)	(4%)	4
Facilities Management	16,112	16,602	490	3%	5
Other Housing	3,184	2,800	(384)	(12%)	6
Total for Physical Environment	31,427	30,999	(428)	(1%)	
Commercial Services					
Roads	6,678	6,678	-	0%	7
Streetscene	4,641	4,882	241	5%	8
Internal Transport	9,688	9,688	-	0%	9
Waste Resources	9,102	9,866	764	8%	10
Total for Commercial Services	30,109	31,114	1,005	3%	
Economic Growth and Regeneration					
Economic Growth	223	201	(22)	100%	
Planning & Protective Services	1,606	1,594	(12)	200%	11
Economic Development	4,102	4,001	(101)	300%	12
Total for Economic Development and Regeneration	5,931	5,796	(135)	(2%)	
Net Total	67,702	68,144	442	1%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	55,843	54,831	(1,012)	(2%)
Property Costs	22,000	21,436	(564)	(3%)
Supplies and Services	13,509	12,382	(1,127)	(8%)
Transport and Plant Costs	9,593	9,717	124	1%
Administration Costs	1,278	1,259	(19)	(1%)
Other Agencies & Bodies	19,343	19,598	255	1%
Transfer Payments	526	531	5	1%
Other Expenditure	472	472	-	0%
Gross Expenditure	122,564	120,226	(2,338)	(2%)
Income	(54,862)	(52,082)	2,780	(5%)
Net Expenditure	67,702	68,144	442	1%

PLACE
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Building Services
			Movement - There has been a favourable movement of £0.105m since Period 4. This is primarily due to an increased underspend in supplies & services of £0.072m and a reduced shortfall in income of £0.408m, partially offset by an increase in overspend of £0.359m in relation to Third Party Payments. Due to the favourable movement the use of earmarked reserves (£0.105m) would no longer be required at this time.
9,189	(1,230)	(13%)	Employee Costs: An underspend of £1.230m due to vacancy management and additional labour no longer required for the door renewal programme.
4,637	(836)	(18%)	Supplies & Services: An underspend of £0.819m in materials due to a change in the composition in the works programme. This underspend is offset against the reduction in income shown below.
3,002	434	14%	Third Party Payments: An overspend of £0.434m comprised of £0.405m in increased subcontractor payments for Response Repairs and £0.029m of additional costs in completing the smoke alarm installation works due to be completed by February 2022
(20,673)	1,647	(8%)	Income: There is an under recovery of income of £1.647m. This is primarily due to the delay in the door renewal and kitchen programmes.
	(15)		Other minor movements
	-		
Note 2			Property Management and Investment
			Movement - There has been a favourable movement of £0.016m since period 4 due to vacancy management.
2,427	(97)	(4%)	Employee Costs: An underspend of £0.097m due to vacancy management.
(1,397)	119	(9%)	Income: There is an under-recovery of £0.119m in factoring income due to a delay (now scheduled for Sept 2022) in implementing the new charging policy as a result of Covid-19.
	22		
Note 3			Property Running Costs
			Movement - There has been a favourable movement of £0.429m mainly due to a projected decrease in NDR charges.
6,541	(533)	(8%)	Property Costs: The underspend is due to previous refund of 18/19 to 20/21 NDR charges on Shewalton landfill amounting to £0.093m. There is a projected underspend in NDR charges of £0.448m (of which £0.084m is due to NDR poundage decrease which is permanent, the remainder is made up of various other reliefs, of which £0.258m is RHL relief).
(1,763)	169	(10%)	Income: There is an under-recovery of income totalling £0.169m due to a reduction in rental income from commercial properties (£0.135m), a reduction in service charges (£0.014m) and a reduction in insurance premiums of £0.020m due to a previous efficiency to reduce premium amount but income was not adjusted accordingly.
	13		Other Minor Movements
	(351)		
Note 4			Energy and Sustainability
			Movement - There has been a favourable movement of £0.021m since P4 mainly due to a larger underspend in Gas
4,571	(205)	(4%)	Property Costs: There are underspends of £0.305m in Electricity and £0.048m in Gas due to reduced volume of usage in relation to lower occupancy in the council buildings. These savings are offset by water costs of £0.122m and £0.028m of additional Biomass costs due to contractor price increases.
	(205)		
Note 5			Facilities Management
			Movement - There has been a favourable movement of £0.067m which is primarily related to the increase in commercial catering sales during the summer, partially offset by an increase in waste refuse costs. In addition, HSCP requested for security at Redrose House to be extended until the start of October.
12,217	(233)	(2%)	Employee Costs: Projected underspend of £0.297m due to reduced commercial catering overtime and reduced casual staff being used, together with vacancy management. There are additional employee costs of £0.064m for providing security at the new Lockhart School and Redrose House; this cost is offset by additional income.
6,624	(380)	(6%)	Supplies and services: There is a projected saving of £0.380m in food and kitchen equipment due to reduced commercial catering.
841	79	9%	Property Costs: Projected overspend of £0.79m due to additional waste costs from enhanced cleaning as a result of Covid-19.
(3,896)	1,034	(27%)	Income: There is a projected under-recovery in commercial catering income of £1.124m due to the closure of buildings and Covid-19 restrictions. This is offset by £0.090m of additional income for providing security at the new Lockhart School and Redrose House.
	(10)		Other minor movements
	490		

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 6			Other Housing
			Movement - There has been a favourable movement of £0.096m. This can be attributed to increased income, as additional temporary furnished accommodation units remain in use. This is partly offset with an increase in property rent costs and void rent loss in Ardrossan Hostel, while the Hostel undergoes a refurbishment. Employee costs have also decreased.
4,217	(234)	(6%)	Employee Costs: The underspend is due to vacancy management.
2,374	103	4%	Property Costs: Additional levels of temporary furnished accommodation units as a result of Covid-19 and Hostel closure, has resulted in increased property rental charges and void rent loss. This is offset by the additional rental income generated.
(5,877)	(258)	4%	Income: The over recovery of income relates mainly to the increase in temporary accommodation units in use. The budget was set for 230 units and up to 250 units have been in use at any time.
5			Other minor movements.
(384)			
Note 7			Roads
			Movement - There has been no net movement since period 4.
2,240	70	3%	Supplies and Services: Projected overspend includes software investment costs, winter salt and grit replenishment costs and an energy saving in Lighting which will not be achieved in full, as the required upgrade work was delayed due to Covid-19.
(1,809)	(58)	3%	Income: Over recovery of income is mainly in Roads Network, for Construction Consent Income.
(12)			Other minor movements.
			A budget virement for £0.484m to increase Income, Third Party Payments and Supplies and Services budgets has been included in appendix 7. The virement is due to an increase in income generating work for other Council Services, including footway widening for Active Travel Routes, cemetery footway and carriageway works, and other access improvements, which results in increased costs.
0			
Note 8			Streetscene
			Movement - There has been an adverse movement of £0.084m. This is primarily attributed to the increased employee costs due to the unprecedented demand for street cleaning.
6,450	129	2%	Employee Costs: Overspend is Covid related due to the increase in domestic tourism as a result of the pandemic. The service has experienced unprecedented demand which has required increased resourcing for street cleaning and other duties. Cover has also been required for staff shielding and other Covid-19 absences.
129	88	68%	Transport Costs: Projected overspend is Covid related, with £0.048m for additional vehicle hire and £0.017m for the associated fuel costs primarily due to social distancing restrictions. There is also a projected overspend in skip hire of £0.019m due to increased waste arising from more visitors.
-	24		Other minor movements.
241			
Note 9			Internal Transport
			Movement - There has been a favourable movement of £0.033m, mainly due to a reduction in fuel usage.
1,627	23	1%	Employee Costs: There is a projected overspend of £0.023m due to reduced staff turnover.
1,669	(88)	(5%)	Fuel Costs: Projected underspend of £0.088m due to a decrease in fuel usage.
467	72	15%	External Hires: Projected overspend of £0.072m primarily due to additional hire vehicles as a result of accommodating social distancing measures in vehicles.
(7)			Other minor movements
-			
Note 10			Waste Services
			Movement - There has been a favourable movement of £0.050m due to a reduction in the projected loss of commercial Income.
4,562	682	15%	Employee Costs: Overspend of £0.682m, the majority of which is Covid related, due to the requirement for significant additional temporary labour and use of overtime to mitigate self-isolation absence, provide Covid support crews and cover unused annual leave in order to maintain essential services.
186	31	17%	Transport Costs: Overspend of £0.031m is Covid related as additional vehicles have been required to support service delivery.
6,441	(65)	(1%)	Third Party Payments: Underspend of £0.147m largely a result of reduction in the contamination in our waste streams following sustained 'right stuff, right bin' campaigns to improve the quality of our recycle and £0.028m in Organic waste, offset by overspends in Amenity waste £0.047m, Clyde Valley £0.014m and £0.049m overspend in internal diverted waste which is offset by an increase in internal recharge income.
(2,920)	133	(5%)	Income: Under-recovery of income due to a reduction in commercial waste of £0.166m due to Covid-19; less gas extracted from the landfill site of £0.063m and £0.023m less income from special uplifts. This is offset slightly by additional income in sale of scrap of £0.020m.
(17)			Other minor movements.
764			

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 11			Planning & Protective Services
			Movement - There has been a favourable movement of £0.012m due to £0.057m underspend in employee costs partially offset by an anticipated £0.045m under-recovery in income.
1,750	(57)	(3%)	Employee Costs: Underspend of £0.057m due to vacancy management.
(715)	45	(6%)	Income: Under-recovery in Building warrants £0.035m and Pest control £0.010m.
	(12)		
Note 12			Economic Development
			Movement - There has been a favourable movement of £0.089m which is primarily related to receiving external funding.
	(100)		Third Party Payments: Underspend of £0.100m is due to Employability and Skills receiving external funding in 2021/22.
	(1)		Other minor movements
	(101)		

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,308	2,225	(83)	(4%)	
SPT Concessionary Fares	294	287	(7)	(2%)	
Ayrshire Joint Valuation Board	824	824	-	0%	
	3,426	3,336	(90)	(3%)	1
Other Corporate Costs					
Pension Costs	1,895	1,895	-	0%	
Central Telephones	86	76	(10)	(12%)	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	22,126	21,867	(259)	(1%)	2
Insurance Account	-	-	-	-	
Housing Benefits	2,698	2,687	(11)	(0%)	3
	30,231	29,861	(370)	(1%)	

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Joint Boards
			There is movement of £0.016m from Period 4 due revised SPT payments
3,426	(90)	-3%	Annual requisitions confirmed at less than current budget.
	(90)		
Note 2			Other Corporate Items
			There is movement of £0.700m from Period 4 as the drawdown of earmarked reserves in relation to income levels across the services is no longer required.
22,126	(259)	-1%	Projected underspend primarily related to centrally held utility cost budgets which are not expected to be fully utilised in year.
	(259)		
Note 3			Housing Benefits
			There is movement of £0.062 from Period 4 due to the level of Housing Benefit Overpayments.
1,643	(11)	-1%	Increased net income related to the recovery of Housing Benefit overpayments
	(11)		

MISCELLANEOUS ITEMS
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	11,795	11,795	-	-	1
Contribution to Loans Fund Reserve	2,898	2,898	-	-	
Scottish Government Funding	(324,145)	(324,145)	-	-	
Council Tax	(59,766)	(59,766)	-	-	
Use of Earmarked Funds	(2,991)	(2,991)	-	-	
Net Total	(372,209)	(372,209)	-	-	

Note 1 Council Tax

Income from Council Tax is forecasting to under recover by £0.225m. This is an improvement of £0.215m since Period 4 and is primarily related to additional provision for bad debts due to the impact on the debt recovery position and reduced income from prior years. This has been offset by the utilisation of £0.225m of Scottish Government funding brought forward from 2020/21.

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,187	5,187	-	0%	
Property Costs					
Responsive Repairs	5,245	5,799	554	11%	
Void Repairs	3,126	2,937	(189)	(6%)	
Planned and Cyclical Maintenance	4,837	4,764	(73)	(2%)	
Aids and Adaptions	1,603	1,603	-	0%	
Other property costs	6,089	3,618	(2,471)	(41%)	
Total for Property Costs	20,900	18,721	(2,179)		1
Supplies & Services	305	341	36	12%	
Transport Costs	40	40	-	0%	
Administration Costs	2,052	2,055	3	0%	
Third Party Payments	2,485	2,447	(38)	(2%)	
Transfer Payments	309	209	(100)	(32%)	2
Other Expenditure	378	423	45	12%	
Capital Financing Costs	20,778	20,101	(677)	(3%)	3
Gross Expenditure	52,434	49,524	(2,910)	(6%)	
Income					
Council House Rents	(51,526)	(51,526)	-	0%	
Other Rents	(317)	(317)	-	0%	
Recharges	(470)	(630)	(160)	34%	
Other Income	(121)	(176)	(55)	45%	
Transfer from HRA Reserves	-	-	-	0%	
Total Income	(52,434)	(52,649)	(215)	0%	4
Net Expenditure	-	(3,125)	(3,125)		

HRA
BUDGETARY CONTROL 2021/22

REPORT FOR THE 6 MONTHS TO 30 SEPTEMBER 2021

Budget £000	Variance £000	Variance as % of budget	Section
Note 1			Property Costs
			Movement - there has been a favourable movement of £2.010m since Period 4. This is primarily due to a review of the profiling of £2.500m contribution towards the £5m sustainability works, partially offset by an increase in Responsive Repairs of £0.508m.
20,900	(2,179)	-10%	There is a projected underspend in property costs of £2.179m. This is mainly due to a review of the profiling of a £2.500m contribution towards the £5m sustainability works, an underspend in Void Repairs of £0.190m, due to a reduction in the number of void properties received to date than originally anticipated and a further underspend £0.073m in Planned and Cyclical Maintenance. This is partially offset by an overspend of £0.554m in Responsive Repairs.
(2,179)			
Note 2			Transfer Payments
309	(100)	-32%	There is a projected underspend in transfer payments of £0.100m. This underspend is in relation to disturbance allowance payments as a result of a reduction in planned maintenance works.
(100)			
Note 3			Capital Financing Costs
			Movement - there has been a favourable movement of £0.167m since P4.
20,778	(677)	-3%	There is an underspend in capital financing costs of £0.677m due to reduced loan charges. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
(677)			
Note 3			Income
			Movement - there has been a favourable movement of £0.019m
(52,434)	(215)	0%	An over recovery of income in recharges of £0.161m and other income of £0.055m.
(215)			

HRA reserves and balances	B/fwd from 2020/21	Transfer to / from Reserves	Use of Earmarked sums	Earmarking of in year surplus	Funding of Capital Projects	Balance at 31/03/22
	£m	£m	£m	£m	£m	£m
Council House Building Fund	5.580	-	-	-	-	5.580
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	3.174	-	-	1.826	-	5.000
Voids - non programmed works	-	-	-	1.029	-	1.029
Contingency Balance	1.500	-	-	-	-	1.500
Infrastructure Improvements	0.305	-	-	-	-	0.305
Major Refurbishment Works	0.052	-	-	-	-	0.052
Tenant led balance	0.520	-	-	-	-	0.520
Additional CFCR	1.000	-	-	-	-	1.000
Cyclical Planned Maintenance	0.055	-	-	-	-	0.055
Disturbance Allowance	0.385	-	-	-	-	0.385
Responsive Repairs	0.150	-	-	-	-	0.150
Electrical Testing	-	-	-	0.270	-	0.270
	14.221	-	-	3.125	-	17.346

Budget Management - 30 September 2021

Virement/Budget Adjustment Requests

	Perm (P) / Temp(T)	2021/22	
		Virement £m	Directorate Total £m
1) Budget Virements			
Place			
Roads Third Party Payments	T	0.313	
Roads Supplies & Services	T	0.171	
Roads Third Party Payments	T	0.100	
Roads Income From Other NAC Departments	T	-0.484	0.100



Integration Joint Board 18 November 2021

Subject:	2021-22 – Month 6 Financial Performance
Purpose:	To provide an overview of the IJB's financial performance as at Month 6 including an update on the estimated financial impact of the Covid-19 response.
Recommendation:	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> (a) notes the overall integrated financial performance report for the financial year 2021-22, the current overall projected year-end underspend of £0.258m; (b) notes the progress with delivery of agreed savings; and (c) notes the remaining financial risks for 2021-22, including the impact of remaining Covid-19 estimates and costs.

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

1.	EXECUTIVE SUMMARY
1.1	The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. It should be noted that although this report refers to the position at the September period end that further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	The projected outturn, before the impact of Covid-19, is a year-end underspend of £0.258m for 2021-22 which is a favourable movement of £1.111m since Month 4.

1.3	From the core projections, overall, the main areas of pressure are learning disability care packages, residential placements for children and Unplanned Activities (UnPACs) within the lead partnership for mental health.
1.4	The follow up focus sessions that took place during August and October with LD services and Children's Services agreed a range of action points and these will be followed up at the next sessions in January. A session will also be held with Community Care and Health once the impact of the recently announced funding is known. These sessions look at ways to reduce future spend to try and ensure future service provision can be contained within current resources.
2.	CURRENT POSITION
2.1	<p>The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances, an update on progress in terms of savings delivery and plans to work towards financial balance.</p> <p>The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.</p>
	FINANCIAL PERFORMANCE – AT PERIOD 6
2.2	<p>At period 6 against the full-year budget of £265.536m there is a projected year-end underspend of £0.258m (0.1%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £0.514m in social care services and a projected underspend of £0.772m 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 with detailed analysis provided in Appendix B.</p>
2.3	Health and Community Care Services
	<p>Against the full-year budget of £76.842m there is a projected overspend of £0.007m (0%) 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 £0.178m after applying £0.170m of covid funding which is an adverse movement of £0.122m. The budgeted number of permanent placements is 790 and at month 6 there are 788 placements. The projection assumes an increase of 10 in October taking the total to 798 placements. The occupancy in care homes has increased steadily following the reduction during 2020-21. Within the projection there is an assumption that recent placements that do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed with 50% of the cases at the current average cost of a placement and 50% at the gross or interim funded rate. Previous assumptions assumed that all of the cases were costed at the average cost. This was reviewed as it is likely that there will still be</p>

	<p>some cases being gross or interim funded at the year end. Their actual cost will not be known until the FA1 financial assessment is completed.</p> <p>The level of income recovered from charging orders was under recovered during 2020-21 due to the impact the pandemic had on house sales but for 2021-22 it is assumed to be £0.200m under recovered and this will continue to be reviewed during the year. This is included in the overall projected underspend of £0.178m above.</p> <p>b) Care at home is projecting an overspend of £0.344m after applying £1.682m of funding for additional capacity for Covid and Winter Planning. Bank staff are being offered contracts, the service is recruiting additional staff for the in-house service and also engaging with new and existing providers for additional commissioned services. The capacity for care at home will continue to grow during 2021-22 to meet the increase in demand for the service, this will be part of the Covid funding requirements and our longer-term ambition to shift the balance of care. The remaining overspend relates to non-recovered caveat charges for CM2000 £0.068m and an overspend on option 2 care packages of £0.276m.</p> <p>c) Care at Home Charging Income is projected to under recover by £0.173m (adverse movement of £0.004m) due to the ongoing shift towards personal care which is non chargeable.</p> <p>d) Direct Payments are projected to overspend by £0.136m which is an adverse movement of £0.032m due to the waiting list for services being reduced during 2020-21 and further additional care packages being agreed in 2021-22.</p> <p>e) Residential Placements are projected to overspend by £0.256m which is an adverse movement of £0.057m. The overspend is due to placements transferring from adult to older people services, new packages and increases to existing packages.</p> <p>f) Carers Act funding is projected to underspend by £0.661m which is a favourable movement of £0.161m. This projected position assumes charges for respite are waived per the IJB 2021-22 budget paper recommendation and a contribution is made to the increased capacity for children's respite.</p>
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £82.957m there is a projected underspend of £0.116m (0.1%). The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £0.528m (£0.457m favourable movement). The main variances are:</p> <ul style="list-style-type: none"> Care Packages (inc residential and direct payments) - projected overspend of £0.523m in community care packages (£0.173m adverse movement), £0.386m in direct payments (£0.097m favourable movement) and £0.143m for residential placements (£0.031m favourable movement). <p>Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The spend was reviewed against the planned care and this has resulted in the projection being</p>

increased from month 4. This is partly due to the impact of services still remobilising in the earlier part of the year and also the impact of the roll out of the CM2000 call monitoring system. The data from CM2000 will be reported back to the service to allow them to see where care has deviated from the planned level and focus reviews to those areas.

- Purchased LD Day Care is projected to underspend by £0.303m (£0.215m favourable movement) as day care services have not fully remobilised.
- In house day care is projected to underspend by £0.295m (favourable movement of £0.050m) due to vacancies not being filled whilst the service is not operating.

b) Community Mental Health services are projected to underspend by £0.357m (adverse movement of £0.106m) and included within this are underspends of £0.255m in community packages (inc direct payments) and £0.019m for residential placements. The adverse movement relates an increase in the number of packages across all service areas.

c) Supported Accommodation - there are potentially additional costs in relation to the upcoming supported accommodation developments. This is in relation to security, energy cost and void rent loss during the period between the builds being completed and the service users moving in. These costs will be met by non-recurring slippage from transition care packages.

d) The Lead Partnership for Mental Health is projecting to be £0.264m underspent and the main variances are as follows:

- A projected overspend in Adult Inpatients of £0.344m mainly due to staff in redeployment (no movement) following the closure of the Lochranza ward. There is also reduced bed sale income of £0.130m but this is included in the quarter 2 LMP return and will be covered by Covid-19 funding.
- UNPACS is projected to overspend by £0.683m (£0.180m favourable movement) this is based on current number of placements which has reduced since month 4. 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. This can necessitate an UNPlanned Activities (UNPACs) placement with a specialist provider which can be out-of-area. 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 underspend in MH Pharmacy of £0.160m (no movement) due to continued lower substitute prescribing costs.
- Learning Disability Services are projected to overspend by £0.429m (£0.105m adverse movement). This is mainly due to high usage of supplementary staffing, cross-charging for a LD patient whose discharge has been delayed and redeployment staffing costs. Supplementary staffing costs relate to backfill for sickness, increase and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis however, due to the individuals being acutely unwell at present, this level of enhanced observations has been maintained for a lengthy period of time.

- The 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 £1.452m in 2021-22, further information is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2022	£1.852m
Over/(Under) Achievement	£1.452m

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

- Adult Community Health services £0.090m
- Elderly Inpatients £0.407m
- CAMHS £0.463m
- Mental Health Admin £0.210m
- Psychiatry £0.340m
- Psychology £0.300m
- Associate Nurse Director £0.042m

2.5 Children & Justice Services

Against the full-year budget of £37.063m there is a projected overspend of £0.943m (2.5%). The main variances are:

a) Care Experienced Children and Young People is projected to overspend by £1.069m (£0.605m favourable movement). The main areas within this are noted below:

- Children's residential placements are projected to overspend by £1.915m (£0.414m adverse movement) prior to covid funding and projected to overspend by £1.183m (£0.318m favourable movement) after £0.732m of Covid funding. We started 21/22 with 17 placements which included 1 in Secure but this increased to 21 by month 4. At month 6 this figure has been maintained as two discharges and two new placements were made. One place also changed from residential to secure which is an increased cost. Of these placements three are assumed to be discharged in December and the assumed discharge dates for another five placements have been extended from December to March 2022. This will take placement numbers to 18 by the end of year. Progress with plans to move children from residential placements have been impacted by Covid-19 as there has been an impact on Children's Hearings and this has limited the availability of tenancies. The impact on Children's Hearings is improving but still not back to 'normal'.
- Fostering placements are projected to underspend by £0.186m (£0.063m favourable movement) based on the budget for 131 places and 121 actual placements (of which 6 are Covid related and are funded through the Covid-19 mobilisation plan) since the start of the year. The recent focus session discussed the need to continue to recruit increased numbers of foster carers, both to limit the requirement for external foster placements and reduce

	<p>pressures elsewhere on the service, and the team are looking at the best way to approach this.</p> <ul style="list-style-type: none"> • Fostering Xtra placements are projected to be £0.135m underspent (£0.018m adverse movement) based on the budget for 33 placements and 27 actual placements since the start of the year. • Private Fostering placements are projected to be £0.150m overspent (£0.063m adverse movement due to two new placements) based on the budget for 10 placements and 13 actual placements since the start of the year. • Kinship placements are projected to overspend by £0.050m (£0.022m favourable movement) based on the budget for 353 places and 356 actual placements since the start of the year. • Adoption placements are projected to overspend by £0.094m (£0.003m favourable movement) based on the budget for 57 places and 70 actual placements since the start of the year. <p>b) Children with disabilities – residential placements are projected to underspend by £0.081m (£0.229m adverse movement) based on 7 placements which are expected to continue until the end of the year. The adverse movement relates to costs for one child before they transitioned to adult services. The previous projection assumed this transition would be earlier.</p> <p>c) Residential respite – placements are projected to overspend by £0.190m (adverse movement of £0.143m) due to six new short-term placements since P4. These short-term placements are used to prevent an admission to full residential care.</p> <p>d) Transport costs – projected underspend of £0.048m (£0.002m adverse movement) due to less mileage being incurred.</p>
2.6	ALLIED HEALTH PROFESSIONALS (AHP)
	AHP services are projected to underspend by £0.139m due to underspends in non-employee costs.
2.7	MANAGEMENT AND SUPPORT
	Management and Support Services are projected to underspend by £0.571m (£0.260m favourable movement) of which £0.353m relates to funding set aside for unscheduled care. £0.277m of this funding is uncommitted and £0.076m relates to the enhanced hospital social work team only incurring part year costs. There is also a £0.200m projected over-recovery of payroll turnover for social care as outlined in para 2.8 below.
2.8	Turnover/Vacancy Savings
	The turnover targets and projected achievement for the financial year for Health and Social Care services out with the Lead Partnership is noted below:

	Social Care	Health Services
Vacancy Savings Target	*(2.014m)	(0.655m)
Projected to March 2022	2.214m	0.782m
Over/(Under) Achievement	0.200m	0.127m

(*the target for social care services has been increased on a non-recurring basis for 2021-22 only by £0.110m to offset the saving for the roll out of Multi-Disciplinary Teams, as no permanent reductions to the structure can be identified at this time but will be by the service from 2022-23 onwards).

The position in the table above reflects the assumption in the current financial projections. For social care a total of £1.321m (66% of annual target) has been achieved to date. It is anticipated that the level of vacancies will continue at this rate to the financial year-end, the full annual target will over recover by £0.200m.

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

The main areas contributing to the health and social care vacancy savings are spread across a wide range of services with vacancy savings being achieved in most areas. There have been no intentional plans during the pandemic to pause or delay recruitment and services have actively continued to recruit, in some areas this 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 2021-22 budget included £2.528m of savings.

BRAG Status	Position at Budget Approval £m	Position at Period 6 £m
Red	-	0.640
Amber	0.204	0.819
Green	2.324	0.727
Blue	-	0.342
TOTAL	2.528	2.528

b) The main areas to note are:

- i) Red savings of £0.450m relating to reducing children's residential placements, £0.066m adoption allowances and £0.036m external fostering placements, all of which are projected to overspend.
- ii) Whilst all savings remain on the plan to be delivered there are delays with some savings with delays in implementation due to Covid-19, for example the savings in relation to day care for adults. These savings of £0.088m are noted as red and are not included in the projected position as it is assumed they will be funded by Covid funding.

	<p>iii) The confidence with some savings has reduced since the budget was set due to the ongoing impact of Covid-19, for example Care at Home related savings.</p> <p>Appendix C (i) shows the full Transformation Plan for 2021/22 which has been agreed by the Transformation Board; the Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track.</p> <p>Not all the service changes on the Transformation Plan have savings attached to them but there is an expectation that they will lead to service improvements. The Plan is critical to the ongoing sustainability and safety of service delivery and to supporting the delivery of financial balance in future.</p> <p>Appendix C (ii) 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.</p> <p>The unachieved savings due to Covid-19 have not been reflected in the overall projected outturn position as it is assumed the savings delays would be compensated with additional funding. The delays were included in the mobilisation plan return to the Scottish Government.</p>
2.10	<p>Budget Changes</p>
	<p>The Integration Scheme states that <i>“either party may increase it’s in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis....without the express consent of the Integration Joint Board”</i>.</p> <p>Appendix D highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p>Reductions Requiring Approval:</p> <ol style="list-style-type: none"> 1) Computer Lines (WAN) transferred to IT services £0.002m 2) £500 Thank You payment to non HSCP services £0.054m 3) Primary Care Rebate Scheme CRES allocation £0.044m 4) Community Store Funding £0.017m to South
2.11	<p>NHS – Further Developments/Pan Ayrshire Services</p>
	<p><u>Lead Partnerships:</u></p> <p>The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. During 2020-21 agreement was reached with the other two Ayrshire partnerships that in the absence of any service activity information and alternative agreed risk sharing arrangements that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC basis. This position is currently the default for</p>

2021-22 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 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 6 the MH lead partnership is projected to underspend by £0.264m (£0.086m NRAC share for East and £0.081m for South).

East HSCP – projected underspend of £1.546m (£0.557m NRAC share for NA IJB - £0.169m favourable movement). The main areas of variance are:

- a) Primary Care and Out of Hours Services- there is a projected underspend of £1.270m. The projected underspend includes savings in Dental Services £0.614m due to reduced service provision, including staffing savings, with an anticipated increase in staffing costs going forward. There are reduced projected costs in Ayrshire Urgent Care Services (AUCS) £0.343m with work being undertaken to cross charge costs related to the Covid-19 pandemic against the Local Mobilisation Plan (Community Clinical Hub). The projected underspend on AUCS assumes a similar level of cross charging (to month 6) for the remainder of the financial year, with further consideration of the Covid-19 position at that stage. Continued uncertainty around the level of GP activity is likely the result in further changes to projected costs over the course of the financial year with this area of the budget being closely monitored going forward. As at month 6, savings in Primary Care contract administration totalling £0.411m (including staffing savings) are also contributing to the projected underspend. Reduced expenditure in the headings highlighted is partially offset by additional PMS costs £0.098m. The Primary Care budget continues to be fluid and will continue to be closely monitored with movements in the projected outturn position highlighted in future reports to the three Ayrshire IJBs.

As at month 6, it is anticipated that the Primary Care Improvement Fund will outturn on budget. The sum of £1.272m has been brought-forward as an earmarked balance within the IJB Reserve and will be used to meet initial East Ayrshire spending plans and priorities being taken forward to meet agreed outcomes. Sums of £0.935m and £0.732m have been brought-forward from 2020/21 by North and South Ayrshire IJBs respectively to meet their own priorities and outcomes.

- b) Prison and Police Healthcare - £0.288m projected underspend largely due to net staffing savings. This represents a favourable movement on the month 4 projected underspend £0.238m, due to posts becoming vacant. It is anticipated that posts will be recruited to in the second half of 2021/22. In addition, the medical contracts at both Prison and Police have reduced and is contributing to the projected underspend.

South HSCP – projected overspend of £0.021m – no movement (£0.008m NRAC share for NAHSCP). The overspend is mainly due to an overspend in the community store and continence service offset by vacancies in the Family Nurse Partnership.

	<p><u>Set Aside:</u></p> <p>The budget for set aside resources for 2021-22 is assumed to be in line with the amount for 2020/21 (£33.054m) inflated by the 2.8% baseline uplift. The 2020/21 value was based on 2019/20 activity as 2020/21 was not considered representative.</p> <p>At the time of setting the IJB budget it was noted that this may require to be updated following the further work being undertaken by the Ayrshire Finance Leads to establish the baseline resources for each partnership and how this compares to the Fair Share of resources. It was anticipated that 2020-21 would be used as a shadow year for these arrangements, however this work was been delayed due to the Covid-19 response. A draft Q2 set aside update for 2021/22 has been issued to IJBs. A method of capturing up to date local activity and pricing it for set aside calculations is now in place, subject to IJB review and refinement.</p> <p>The annual budget for Acute Services is £374.3m. The directorate is overspent by £0.650m, caused by overspends on agency medical and nursing staff, as well as overtime and bank usage. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland at present.</p> <p>There is a material underlying deficit caused by:</p> <ul style="list-style-type: none"> • Unachieved efficiency savings • High expenditure on medical and nursing agency staff, high rates of absence and vacancy causing service pressure • High numbers of delayed discharges <p>The IJBs and the Health Board have submitted Remobilisation Plan 4 outlining further measures to maintain service and improve performance.</p>
	COVID-19 – FINANCE MOBILISATION PLAN IMPACT
2.12	Summary of position
	<p>From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns were submitted to the Scottish Government on a regular basis during 2020-21, on the premise that any additional costs aligned to mobilisation plans would be fully funded. This process has continued during 2021-22. There is a risk that if the full cost of the Covid-19 response is not funded that the IJB may require to recover any overspend in-year.</p>
2.13	Mobilisation Plan
	<p>The initial 2021-22 mobilisation plan cost submission was submitted in February and estimated the costs to be £5.481m to March 2022. The quarter 1 return updated these costs to £8.279m and the quarter 2 return increased the costs marginally to £8.367m. The costs remain estimates as the situation continually evolves and there will be updates submitted each quarter.</p>

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

Service Area	Initial 2021-22 Return £m	Quarter 1 Update £m	Quarter 2 Update £m	Change £m
Payments to Providers	0.750	2.421	2.119	(0.302)
PPE	2.000	2.000	0.581	(1.419)
Additional Staff	1.459	1.901	3.704	1.803
Mental Health	1.172	1.172	0.000	(1.172)
Loss of Income	0.100	0.430	0.480	0.050
Unachieved Savings	-	0.138	0.138	-
Children & Families	-	-	0.949	0.949
Other Areas	-	0.217	0.396	0.179
TOTAL	5.481	8.279	8.367	0.088

The most recent changes to estimated costs are in relation to:

- Reduced sustainability payments to providers following a review of the occupancy payments;
- Reduced PPE costs as more PPE is being sourced from the national hub at no cost;
- Increased staff costs including the extension of care at home capacity from six months to twelve months of costs, continued cover costs including cover relating to long covid;
- Children's services costs for additional residential and foster placements;
- Further loss of income from charging for services as not all services have restarted; and
- Removal of the Mental Health costs which are now covered by the Mental Health Recovery and Renewal Funding.

2.14 **Covid-19 Funding Position**

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

The Scottish Government are continuing to work with Health Boards and IJBs to review and further revise financial estimates. This will allow identification of the necessary additional support required with an expectation that an allocation to bring funding up to 100% will be provided. On this basis the overall financial risk to the IJB for 21-22 is minimised. The main risk remaining being if costs increase significantly by the year-end, this is being closely monitored.

2.15

Provider Sustainability Payments and Care Home Occupancy Payments

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

Care Home Occupancy Payments - we have engaged with older people's care homes in relation to care home occupancy payments and make regular monthly payments to care home providers with emergency faster payments being made if required. The Scottish Government ceased these payments at the end of October 2021. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.

Sustainability payments - providers are responsible for submitting a claim for additional support to the Partnership for sustainability payments and this is assessed as to what support is required on a case-by-case basis based on the supporting evidence provided. Each case is assessed by the same group to ensure equity and consistency across providers.

In general, all payment terms have been reduced and once any payment is agreed it is being paid quicker to assist the cash flow position of providers. The assessment of some claims has been difficult due to delays with additional information and supporting evidence being submitted to support claims, hence there are a number of claims that are in process.

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

Providers in North Ayrshire are not all strictly adhering to these timescales and we are still receiving backdated claims, the commissioning team are working with providers to support them to submit claims. The tables below show the support provided to date and the outstanding claims as at the end of September.

PROVIDER SUMMARY	NCHC Care Homes	Other	Total
Total Number of Providers	17	49	66
Number contacting NAC	17	15	32
Providers Supported to date	17	15	32

OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total
Total Number of Claims	22	6	28
Value of Claims	745,830	125,759	871,589

SUPPORT PROVIDED	NCHC Care Homes	Other Services	TOTAL
	£	£	£
Occupancy Payments (up to July)	1,090,354	0	1,090,354
Staffing	171,147	12,799	183,946
PPE, Infection Control	174,699	61,893	236,591
Other	43,771	8,794	52,564
TOTAL	1,479,970	83,485	1,563,456

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

The key principles of this ongoing support include:

- Understanding the reasons why care cannot be delivered, only Covid related impacts can be funded through sustainability payments;
- The 'planned care' approach of continuing to pay for undelivered care has been removed and providers and HSCPs will be required to explore opportunities for creatively delivering services in a different way, temporarily re-deploy staff into other HSCP services (voluntarily), where this is not possible providers will be required to access national supports in the first place, including the potential to furlough staff;
- Where payment for undelivered care is agreed as the only option this will be at a reduced level depending on the type of service, for example for care homes subject to the NCHC occupancy payments will be made at 80% of the rate for all vacancies, this is dependent on care homes continuing to admit new residents where it is clinically safe to do so;
- The Social Care Staff Support Fund will remain in place to ensure all staff receive their full pay during a Covid related absence; and
- Additional reasonable costs that are incurred as a result of Covid which cannot be covered from other funding sources will be reimbursed, including for example PPE, infection prevention control and additional staffing costs.

The current financial sustainability principles (excluding care home occupancy payments), guidance and criteria have now been extended until 31 March 2022, these were previously agreed to 30 September 2021.

2.16 **RESERVES**

The IJB reserves position is outlined in the table below.

The 'free' general fund balance of £4.151m is held as a contingency balance, this equates to around 1.6% of the IJB budget for 2021-22 so remains short of the target of 2% but does demonstrate significant progress towards establishing a contingency reserve.

£1.486m is held by the Council to support a further repayment of debt in 21-22 and this is not reflected in the financial projection. This position will continue in future years until the debt is cleared.

	General Fund Reserves		Earmarked Reserves		Total
	Debt to NAC £m	Free GF £m	SG Funding £m	HSCP £m	
					£m
Opening Balance - 1 April 2021	(3.807)	4.151	5.487	0.681	6.512
Prior Year Adjustment	-	-	1.245	-	1.245
Revised Opening Balance	(3.807)	4.151	6.732	0.681	7.757
Earmarked as follows:					
: Primary Care Improvement Fund			0.935		
: Mental Health Action 15			0.224		
: Alcohol and Drugs Partnership			0.336		
: Community Living Change Fund			0.513		
: Covid Funding			4.724		
: Challenge Fund				0.500	
: 2021-22 Budget Gap				0.181	

A prior-year adjustment has been made to the Covid funding carried forward. It has been identified that the £500 'thank you' payments to commissioned providers were charged against Covid funding in 2020-21 in error; this is an accounting adjustment and will be reflected in the annual accounts for 2021-22.

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 2021-22 from within the available resource, thereby limiting the financial risk to the funding partners.

The estimated costs and funding in relation to the Covid-19 response also require to be closely monitored to ensure that the IJB can plan for the impact of this and to ensure that the IJB is in the position to re-claim funding to compensate for the additional costs.

3.2 Measuring Impact

Ongoing updates to the financial position will be reported to the IJB throughout 2021-22.

4.	IMPLICATIONS
Financial:	The financial implications are as outlined in the report. Against the full-year budget of £263.486m there is a projected underspend of £0.258m (0.1%). The report outlines the main variances for individual services.
Human Resources:	The report highlights vacancy or turnover savings achieved to date. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing service change and reviews as per agreement with the IJB, there is no intention to sustain this level of staffing capacity reduction on a recurring or planned basis.
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None
Risk Implications:	<p>Within the projected outturn there are various over and underspends including the non-achievement of savings.</p> <p>The revenue plan approved by the NHS Board in May 2021 included £0.77 million for a 1% pay uplift for Medical and Dental staff. They are anticipating £1.540 million additional funding to meet the cost of the Medical and Dental 3% pay award but this is not yet confirmed. This represents a risk to the IJB financial position.</p>
Community Benefits:	None

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

5.	CONSULTATION
5.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.</p>
6.	CONCLUSION
6.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2021-22, the overall projected year-end underspend of £0.258m;</p> <p>(b) notes the progress with delivery of agreed savings; and</p> <p>(c) note the remaining financial risks for 2021-22, including the impact of remaining Covid-19 estimates and costs.</p>

For more information please contact:

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2021-22 Budget Monitoring Report–Objective Summary as at 30th September 2021

Appendix A

Partnership Budget - Objective Summary	2021/22 Budget									Over/ (Under) Spend Variance at Period 4 £'000	Movement in projected variance from Period 4 £'000
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITY CARE AND HEALTH	59,098	58,885	(213)	17,744	17,964	220	76,842	76,849	7	(130)	137
: Locality Services	24,406	24,643	237	5,249	5,399	150	29,655	30,042	387	144	243
: Community Care Service Delivery	30,128	30,183	55	0	0	0	30,128	30,183	55	(36)	91
: Rehabilitation and Reablement	1,798	1,886	88	1,471	1,451	(20)	3,269	3,337	68	11	57
: Long Term Conditions	2,333	1,787	(546)	8,830	9,087	257	11,163	10,874	(289)	(151)	(138)
: Integrated Island Services	433	386	(47)	2,194	2,027	(167)	2,627	2,413	(214)	(98)	(116)
MENTAL HEALTH SERVICES	25,405	25,633	228	57,552	57,208	(344)	82,957	82,841	(116)	524	(640)
: Learning Disabilities	19,417	19,945	528	474	474	0	19,891	20,419	528	985	(457)
: Community Mental Health	5,062	4,755	(307)	1,622	1,572	(50)	6,684	6,327	(357)	(463)	106
: Addictions	926	933	7	1,445	1,415	(30)	2,371	2,348	(23)	2	(25)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	54,011	53,747	(264)	54,011	53,747	(264)	0	(264)
CHILDREN & JUSTICE SERVICES	33,030	33,973	943	4,033	4,033	0	37,063	38,006	943	1,275	(332)
: Irvine, Kilwinning and Three Towns	3,676	3,603	(73)	0	0	0	3,676	3,603	(73)	(10)	(63)
: Garnock Valley, North Coast and Arran	2,043	1,982	(61)	367	367	0	2,410	2,349	(61)	(44)	(17)
: Intervention Services	1,705	1,698	(7)	0	0	0	1,705	1,698	(7)	(3)	(4)
: Care Experienced Children & Young people	21,647	22,716	1,069	0	0	0	21,647	22,716	1,069	1,674	(605)
: Quality Improvement	1,250	1,263	13	0	0	0	1,250	1,263	13	85	(72)
: Public Protection	0	0	0	0	0	0	0	0	0	(429)	429
: Justice Services	2,427	2,427	0	0	0	0	2,427	2,427	0	0	0
: Universal Early Years	282	284	2	3,240	3,240	0	3,522	3,524	2	2	0
: Lead Partnership NHS Children's Services	0	0	0	426	426	0	426	426	0	0	0
PRIMARY CARE	0	0	0	49,510	49,510	0	49,510	49,510	0	0	0
ALLIED HEALTH PROFESSIONALS			0	6,971	6,832	(139)	6,971	6,832	(139)	(125)	(14)
COVID NHS	0	0	0	1,103	1,103	0	1,103	1,103	0	0	0
MANAGEMENT AND SUPPORT COSTS	4,285	3,841	(444)	6,805	6,678	(127)	11,090	10,519	(571)	(311)	(260)
OUTTURN ON A MANAGED BASIS	121,818	122,332	514	143,718	143,328	(390)	265,536	265,660	124	1,233	(1,109)
Return Hosted Over/Underspends East	0	0	0	0	86	86	0	86	86	0	86
Return Hosted Over/Underspends South	0	0	0	0	81	81	0	81	81	0	81
Receive Hosted Over/Underspends South	0	0	0	0	8	8	0	8	8	8	0
Receive Hosted Over/Underspends East	0	0	0	0	(557)	(557)	0	(557)	(557)	(388)	(169)
OUTTURN ON AN IJB BASIS	121,818	122,332	514	143,718	142,946	(772)	265,536	265,278	(258)	853	(1,111)

Detailed Variance Analysis on a Managed Basis

Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	76,842	76,849	7	
Locality Services	29,655	30,042	387	<p>Older People care homes inc respite and charging order income - net underspend of £0.178m based on 788 permanent placements and a projection of a further 10 places to budget level of 790 places with average cost applied to 50% of Gross & Interim funded places & full cost applied to the remainder. No current plans for return to use of Care Home Respite.</p> <p>Independent Living Services :</p> <p>* Direct Payment packages- overspend of £0.136m an adverse movement of £32k from P4 on 88 current packages.</p> <p>* Residential Packages - overspend of £0.256m an adverse movement of £56k from P4 based on 43 packages.</p> <p>* Community Packages (physical disability) - overspend of £0.025m a favourable movement of £56k from P4 based on 37 packages .</p> <p>District Nursing - overspend of £0.130m largely due to additional supplies.</p>
Community Care Service Delivery	30,128	30,183	55	Care at Home (inhouse & purchased ex Arran) - overspend of £0.276m in relation to Option2 ; under recovery of Caveat charges at £0.0068m and CAH projected overspend by £1.682m with £1.217m funded by Covid & £0.465m funded by Winter Pressures.
Rehabilitation and Reablement	3,269	3,337	68	Adaptations budget projected overspend of £0.059m.
Long Term Conditions	11,163	10,874	(289)	Carers Centre - underspend of £0.661m a favourable movement of £0.161m from P4 Anam Cara - overspend £0.130m
Integrated Island Services	2,627	2,413	(214)	GP Services - projected underspend of £0.167m due to a refunded charge made in March 2021 in error.
MENTAL HEALTH SERVICES	82,957	82,841	(116)	
Learning Disabilities	19,891	20,419	528	<p>Residential Packages- overspend of £0.143m based on 35 current packages.</p> <p>Community Packages (inc direct payments) - overspend of £0.909m based on 351 current packages.</p>
Community Mental Health	6,684	6,327	(357)	Community Packages (inc direct payments) and Residential Packages - underspend of £0.274m based on 100 community packages, 11 Direct Payments and 26 residential placements.
Addictions	2,371	2,348	(23)	Outwith the threshold for reporting
Lead Partnership (MHS)	54,011	53,747	(264)	Net underspend on lead partnership activities.
CHIDREN'S AND JUSTICE SERVICES	37,063	38,006	943	
Irvine, Kilwinning and Three Towns	3,676	3,603	(73)	<p>Transport Costs - Projected underspend £0.014m</p> <p>Cornerstone Respite - Projected underspend £0.058m, favourable movement of £0.058m from P4</p>
Garnock Valley, North Coast and Arran	2,043	1,982	(61)	<p>Employee Costs - Projected underspend £0.043m, favourable movement of £0.002m from P4</p> <p>Cornerstone Respite - Projected Underspend £0.013m, favourable movement of £0.013m from P4</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Intervention Services	2,072	2,065	(7)	Outwith the threshold for reporting
Care Experienced Children & Young People	21,647	22,716	1,069	<p>Looked After Children placements - Overall Projected underspend of £0.044m which is a £0.078m favourable movement from P4 which is made up of the following:-</p> <p>Kinship - Projected overspend of £0.050m, which is a favourable movement of £0.022m from P4 .Budget for 353 placements, actual no of placements is 356.</p> <p>Adoption - Projected overspend of £0.094m, which is a favourable movment of £0.003m from P4. Budget for 57 Placements, actual no of placements is 70.</p> <p>Fostering - Projected underspend of £0.186m, which is a favourable movement of £0.062m from P4 Budget for 131 placements, actual no of placements is 121</p> <p>Fostering Xtra - Projected underspend £0.135m, adverse movement of £0.018m from P4 Budget for 33 placements, actual no of placements is 27.</p> <p>Fostering Respite - Projected underspend of £0.029m, favourable movement of £0.029m since P4</p> <p>Private fostering - Projected overspend of £0.150m, which is an adverse movement of £0.063m from P4 Budget for 10 placements, current no of placements is 13</p> <p>CDIS Community Packages - Projected underspend of £0.021m, which is a favourable movement of £0.013m from P4, current no of packages is 91</p> <p>CDIS Direct Payments- Projected underspend of £0.035m, which is a favourable movement of £0.002m from P4, current no of packages is 37</p> <p>Residential School placements - Projecting overspend £1.915m, however 2 Placements costing £0.732m will be funded from COVID Monies resulting in a Projected overspend of £1.183m which is an Adverse movement of £0.417m (before Covid Funding) & Favourable movement of £0.314m (after COVID funding) from P4 Current no of placements is 21. (Which includes 2 Secure Placements)</p> <p>Childrens Residential Respite - Projected overspend of £0.190m, which is an adverse movement of £0.143m from P4</p> <p>CDIS Residential Placements - Projected underspend of £0.081m which is an adverse movement of £0.229m from P4, current no of placements is 7</p>
Head of Service - Children & Families	1,250	1,263	13	Outwith the threshold for reporting
Quality Improvement	0	0	0	<p>Employee Costs - Projected online</p> <p>Transports costs - Projected underspend of £0.008m, No movement from P4</p> <p>Community Packages - Projected underspend of £0.007m, no movement from P4. Currently 90 Community Packages on establishment list</p> <p>Direct Payments - Projected underspend £0.033m, which is a favourable movement of £0.003m from P4 Current no of packages is 37</p> <p>Children's Residential Placements - Projected underspend £0.310m, No movement from P4. Currently 7 Residential Placements.</p>
Justice Services	2,427	2,427	0	Outwith the threshold for reporting
Universal Early Years	3,522	3,524	2	Outwith the threshold for reporting
Lead Partnership NHS Children's Services	426	426	0	Outwith the threshold for reporting
PRIMARY CARE	49,510	49,510	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	6,971	6,832	(139)	Underspend on non employee costs
MANAGEMENT AND SUPPORT	11,090	10,519	(571)	Underspend in relation to the unscheduled care funding and an over recovery of payroll turnover.
TOTAL OUTTURN ON A MANAGED BASIS	264,433	264,557	124	

Threshold for reporting is + or - £50,000

2021/22 Transformation Plan

North Ayrshire Health and Social Care Partnership

2021/22 Savings

Appendix C(i)

Savings reference number	#	Description	Approved Saving 2021/22 £
Children, Families and Justice Services			
SP/HSCP/20/1	1	Children and Young People - External Residential Placements	450,000
SP/HSCP/20/4	2	Adoption Allowances	66,000
SP/HSCP/20/19	3	Fostering - reduce external placements.	36,000
SP/HSCP/20/5	4	Community Support - Children's Care Packages	8,000
TBC A	5	Locality Based teams	
TBC B	6	Childrens RosayIn House	
NACSTA4030	7	Fostering Short Breaks	
TBC C	8	Unaccompanied asylum children - to be confirmed	
TBC D	9	The Promise	
Mental Health			
TBC E	10	Integration of LD/MH Teams	50,000
SP-HSCP-20-9	11	Learning Disability Day Services	88,000
SP-HSCP-20-14	12	Mental Health - Flexible Intervention Service	8,000
TBC F	13	Rehab Model/ Stepdown from woodland view	
TBC G	14	Perinatal Mental Health model	
TBC H	15	Unschedule Care hub	
TBC I	16	LD Adult Respite Delivery at Red Rose House	
TBC J	17	Community MDT Model	
TBC K	18	ACORN busines model	
NAC/4168	19	Self Harm Project	
NAC/4185	20	Peer Support	
NAC/4257	21	IPA (Employment)	
TBC L	22	Elderly Mental Health Phase 3	
Health and Community Care			
TBC M	23	Care Homes	500,000
TBC N	24	TEC Solutions	150,000
SP/HSCP/20/17	25	Care at Home - Reablement Investment	300,000
TBC O	26	Care at Home - Review	135,000
SP/HSCP/20/20	27	Day Centres - Older People	50,000
SP/HSCP/20/21	28	Charging Policy - Montrose House	50,000
TBC P	29	Community elderly MH Team Model	
TBC Q	30	NHS Beds Complex Care MH Beds	
TBC R	31	Pallative care and EOL business case	
TBC S	32	develop care at home minimum dataset	
TBC T	33	Occupational Therapy Review	
TBC U	34	Analogue to digital	
Partnership Wide			
TBC V	35	Supported acc models - NAC housing/ Sleepover/ outreach model	204,000
TBC W	36	Complex Care Model - Independent living change fund	
TBC X	37	Adult Complex care model - CM2000	
TBC Y	38	Payroll Turnover Inflation	57,000
TBC Z	39	Review of Admisinistrative Systems and Processes	150,000
SP/HSCP/20/22	40	Transport	50,000
TBC AA	41	Charging Policy - Inflationary Increase	50,000
TBC AB	42	North Payroll Turnover Inflation	10,000
TBC AC	43	North Elderly Mental Health inpatients (lead partnership)	116,000
TBC AD	44	HSCP Challenge Fund - invest to save	
TBC AE	45	Transitions	
TBC AF	46	Caring for Ayrshire prioritisation list	
TBC AG	47	SDS/ Carers Review	
TBC AH	48	Adult Review of Social Care	

Total

2,528,000

2021-22 Savings Tracker

Appendix C (ii)

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 6	Saving Delivered @ Month 6 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
Children, Families & Criminal Justice								
1	Children and Young People - External Residential Placements	Green	0.450	Red	-	-	0.450	Currently projecting an overspend. Focus session arranged.
2	Adoption Allowances	Green	0.066	Red	-	-	0.066	Currently projecting an overspend.
3	Fostering - Reduce external placements	Green	0.036	Red	-	-	0.036	Currently projecting an overspend.
4	Community Support - Children's Care Packages	Green	0.008	Blue	0.008	-	-	Achieved
Mental Health and LD Services								
5	Integration of LD/ MH Teams	Green	0.050	Blue	0.050	-	-	Achieved
6	Learning Disability Day Services	Green	0.088	Red	-	-	0.088	Delayed due to Covid-19
7	Mental Health - Flexible Intervention Service	Green	0.008	Blue	0.008	-	-	Achieved
Health and Community Care								
8	Care Homes	Green	0.500	Green	0.250	0.250	-	Small overspend projected - covid funding re delayed discharges.
9	TEC Solutions	Green	0.150	Amber	-	0.150	-	Ability to make savings in this area whilst responding to the pandemic are limited.
10	Care at Home - Reablement Investment	Green	0.300	Amber	-	0.300	-	
11	Care at Home - Review	Green	0.135	Amber	-	0.135	-	
12	Day Centres - Older People	Green	0.050	Blue	0.050	-	-	Delayed due to Covid-19 but will be achieved due to vacant posts
13	Charging Policy - Montrose House	Green	0.050	Green	0.025	0.025	-	Will be achieved.
Whole System								
14	Payroll Turnover Inflation	Green	0.057	Green	0.029	0.028	-	Assumes month 4 - 12 matches the month 1 - 3 average.
15	Business Support Review	Green	0.150	Amber	0.120	-	0.030	Small shortfall but work continuing to identify further savings.
16	Supported Accommodation	Amber	0.204	Amber	-	0.204	-	Projected to be achieved but depends on the completion date and subsequent move in date.
17	Transport	Green	0.050	Blue	0.050	-	-	Achieved
18	Charging Policy - Inflationary Increase	Green	0.050	Blue	0.050	-	-	Achieved
TOTAL SOCIAL CARE SAVINGS			2.402		0.640	1.092	0.670	

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 6	Saving Delivered @ Month 6 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
19	Payroll Turnover Inflation	Green	0.010	Blue	0.010	0	0	Achieved
20	Elderly Mental Health inpatients (lead partnership)	Green	0.116	Blue	0.116	0	0	Achieved
TOTAL HEALTH SAVINGS			0.126		0.126	0.000	0.000	
TOTAL NORTH HSCP SAVINGS			2.528		0.766	1.092	0.670	

2021-22 Budget Reconciliation

Appendix D

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			100.065
Base budget adjustments	1		(0.053)
Resource Transfer	1	P	21.086
BSL Budget Correction	2	P	(0.005)
941 x CAH O365 Licences (6 months)	2	P	(0.017)
Summer Play Funding	4	T	0.042
Education Contribution - Roslin House	5	T	0.311
MH Investment – EM Funds	5	T	0.445
Computer Lines Budget Transfer WAN	6	P	(0.002)
£500 Payment reimburse other departments	6	T	(0.054)
Budget Reported at Month 6			121.818
HEALTH	Period	Permanent or Temporary	£'m
Initial Approved Budget			154.659
Resource Transfer			(21.086)
Month 10-12 Adjustments			18.437
Adjust for Non-recurring funding			(20.435)
Full Year effect of Part Year Reductions			(0.057)
RX Return to reserves (should have been non-recurring last year)			1.027
Additional 1.3% Uplift			1.324
RX Cres			(0.828)
REVISED 21-21 BUDGET			133.041
Anticipate Trauma Funding	3	P	0.375
Anticipate Vet 1st Point - North HSCP	3	T	0.105
Anticipate Nsais Funding	3	P	0.634
Podiatry Re-align	3	P	0.678
RX Uplift 21.22	3	P	0.756
RX Uplift 21.22 NR	3	P	0.396
DOAC REVERSAL DRUG-NORTH	3	P	0.100
Funding transfer to Acute (Medical Records)	3	P	(0.034)
Specialist Pharmacist in Substance Misuse	3	P	0.012
Public Health Outcomes Bundle	3	P	0.242
Training Grade Funding	3	P	(0.044)
District Nursing Funding	3	P	0.119
Respiratory Rapid Response	3	P	(0.078)
Hd56 Action 15 Tranche 1	3	P	1.180

Hd69 Mat & Neo Psychol Interv	3	P	0.123
Hd70 Perinatal & Infant MH	3	P	0.303
Hd7 MH Recovery and Renewal	3	T	2.393
Hd8 MH Support for Hosp Covid	3	T	0.103
North HSCP Covid Rmp3 M1-3	3	T	0.158
North HSCP Covid M1-3	3	T	0.034
Diabetes Prevention	4	T	0.040
Iona/Lewis Patient	4	T	(0.046)
North TEC contribution	4	T	(0.053)
ANP Allocation - MIN	4	T	0.020
Long Covid Funding	4	T	0.400
Covid-19 Service Funding North	4	T	0.283
Veterans 1st Point	4	T	0.028
Training Grade Funding	5	P	0.029
PCRS CRES	5	P	(0.044)
ADP Funding -Recurring	5	P	0.366
ADP Funding -Non-Recurring	5	T	0.744
Covid-19 Service Funding North	5	T	0.147
Training Grade Funding	6	P	0.001
Hd301-camhs Improve-ipcu	6	P	0.122
Hd302-camhs Improve-ihtt	6	P	0.148
Hd303-camhs Improve-ld, F & S	6	P	0.052
Hd304-camhs Improve-ooH U/care	6	P	0.086
Hd305-camhs Improve-liaison	6	P	0.129
Hd306-camhs Improve-neuro	6	P	0.226
Non-Fatal O'dose Fr East	6	T	0.053
Hd264-emerg Covid-eat Disorders	6	T	0.328
Community Store Funding to Sth	6	P	(0.017)
Covid-19 Service Funding North	6	T	0.082
Roundings	6	T	(0.002)
Budget Reported at Month 6			143.718
COMBINED BUDGET			265.536

Mobilisation Submission – Quarter 2

Quarterly Covid/Remobilisation Cost Analysis	Please Insert HSCP Name		North Ayrshire HSCP							input cells						
Total Covid-19 Costs																
£000s	April	May	June	July	August	September	October	November	December	January	February	March	Revenue Total	Non-recurring	Recurring	
Additional PPE	167	167	167	0	0	0	0	12	12	12	12	12	562	0	562	
Additional Capacity in Community	81	81	139	182	149	149	144	237	237	237	237	237	2,112	2,112	0	
Additional Equipment and Maintenance	0	0	0	0	0	19	0	0	0	0	0	0	19	19	0	
Additional Staff Costs	40	42	154	172	131	146	151	151	151	151	151	151	1,592	1,592	0	
Additional FHS Contractor Costs	6	9	8	7	7	10	10	10	10	10	10	10	108	108	0	
Social Care Provider Sustainability Payments	422	422	422	163	143	157	165	45	45	45	45	45	2,119	2,119	0	
Children and Family Services	18	18	18	18	18	18	445	79	79	79	79	79	949	949	0	
Loss of Income	61	61	61	44	44	44	44	44	44	11	11	11	480	480	0	
Other	0	0	0	25	6	49	6	6	6	6	6	6	118	118	0	
Total Covid-19 Costs	800	801	972	611	489	592	965	584	584	551	551	551	8,059	7,497	562	
Unachievable Savings	23	23	23	23	23	23	0	0	0	0	0	0	138	138	0	
Offsetting Cost Reductions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Covid-19 Costs - HSCP - NHS	823	824	995	634	512	615	965	584	584	551	551	551	8,197	7,635	562	
	-	-	-	-	-	-	-	-	-	-	-	-	8	7	1	
Total Remobilisation Costs																
£000s	April	May	June	July	August	September	October	November	December	January	February	March	Revenue Total	Non-recurring	Recurring	
Adult Social Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Reducing Delayed Discharge	0	0	0	19	19	19	19	19	19	19	19	19	170	170	0	
Total Remobilisation Costs	0	0	0	19	19	19	19	19	19	19	19	19	170	170	0	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total HSCP Costs	823	824	995	653	531	634	984	603	603	570	570	570	8,367	7,805	562	

North Ayrshire Council Recovery and Renewal Fund Investments

Investment Priority Areas	Total Investment £m	Priority 1 £m	Priority 2 £m	Total £m	Other Funding Source £m
<i>Support to Vulnerable Families, Citizens and Communities</i>	4.705	2.705	2.000	4.705	
Community Asset Transfer Start Up Fund	1.000	1.000	-	1.000	
Community Investment Fund (CIF)	3.000	1.000	2.000	3.000	
Financial Insecurity Investment Fund	0.705	0.705	-	0.705	
<i>Environmental Initiatives to Support a Green Recovery</i>	5.630	1.966	2.264	4.230	1.400
Shewalton Solar Photovoltaic Farm Development	5.280	1.866	2.014	3.880	1.400
Participatory Budgeting – Crowd Funding Environmental Works	0.350	0.100	0.250	0.350	
<i>Investment in Physical Infrastructure and Open Spaces</i>	31.345	3.884	0.150	4.034	27.311
Coastal Playpark Improvements	0.500	0.500	-	0.500	
Parks Improvement Works	0.150	0.150	-	0.150	
Street Furniture Improvement Programme	0.250	0.100	0.150	0.250	
Tourism Infrastructure Investment *	0.445	0.134	-	0.134	0.311
Levelling Up Fund – 10% Match **	30.000	3.000	-	3.000	27.000
<i>Investment to Support the Economic Recovery</i>	1.330	1.000	0.330	1.330	
Stimulating Start Up and Early Stage Business Growth	1.000	1.000	-	1.000	
Intermediate Labour Market Scheme	0.330	-	0.330	0.330	
<i>Investment in Mental Health and Wellbeing</i>	0.454	0.445	-	0.445	0.009
Delivery of a range of Community Based Mental Health and Wellbeing Supports	0.454	0.445	-	0.445	0.009
Investment Summary	43.464	10.000	4.744	14.744	28.720

* The application to the Rural Tourism Infrastructure Fund has been unsuccessful. These funds will be utilised towards investment in Parks Infrastructure and Street Furniture.

** Investment of up to £3.000m to support the successful B714 application to the Levelling Up Fund.