
NORTH AYRSHIRE COUNCIL

28 September 2021

Cabinet

Title: Revenue Budget 2021/22 : Financial Performance to 31 July 2021

Purpose: To advise Cabinet of the financial performance for the Council at 31 July 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; and (d) 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 first report for 2021/22 and covers the period to the end of July 2021 (Period 4). Projections have been made to the year-end.
- 1.3 At Period 4 the General Fund is forecasting a net overspend of £0.053m, 0.0%, for the year after transferring resources to other funds. 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 (£0.847m), (1.6%).
- 1.5 The Health and Social Care Partnership is projecting a year-end overspend of £0.853m for 2021/22. The Council services element of the projected overspend is £1.323m, partly offset by a projected underspend on the Health services element of (£0.470m).
- 1.6 KA Leisure has indicated a projected trading deficit of £1.071m for 2021/22. 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. 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 has been released to allow Services to progress their investment activity. The balance of funding, £4.744m, will be released subject to a projected balanced outturn position for 2021/22 and, in terms of timing, this position will be assessed at the financial performance report due to be presented at Cabinet on 30 November 2021.

2. Background

General Fund

- 2.1 The Council has set a breakeven budget for 2021/22. In addition to the budget approved on 4 March 2021, earmarked funds of £28.135m have been 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 overspend of £0.053m, 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	Note
Service Expenditure					
Chief Executives	1	22,294	22,227	(67)	(i)
Communities	2	147,534	146,064	(1,470)	(ii)
Place	3	67,521	68,714	1,193	(iii)
Other Corporate Services	4	31,703	30,630	(1,073)	(iv)
Sub Total		269,052	267,635	(1,417)	
Health and Social Care Partnership	7	100,035	100,035	-	2.6
Balance for Services		369,087	367,670	(1,417)	
Financing Charges	5	11,915	11,915	-	
Contribution to Loans Fund Reserve	5	2,656	2,656	-	
Total Planned Expenditure		383,658	382,241	(1,417)	
Planned Income					
Aggregate External Finance	5	(320,368)	(320,368)	-	
Council Tax	5	(59,551)	(59,551)	-	(v)
Use of Earmarked Funds	5	(3,739)	(3,739)	-	
Total Planned Income		(383,658)	(383,658)	-	
Net Expenditure/ (Income)		-	(1,417)	(1,417)	
Carried Forward Funds		-	1,470	1,470	
Revised Net Expenditure/(Income)		-	53	53	

2.4 The reported Planned Income includes a number of adjustments to Scottish Government funding from that included within the budget approved on 4 March 2021, 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				
Approved Budget 4 March 2021	(255,113)	(28,350)	(20,980)	(304,443)
Movements:				
Additional PEF Funding			(939)	(939)
Non recurring Covid Funding	(6,731)			(6,731)
Flexible Funding	(1,039)			(1,039)
Self Isolation Support Payments	(136)			(136)
Education Recovery Funding	(1,615)			(1,615)
Summer of Play	(452)			(452)
Holiday FSM Funding	(704)			(704)
P4 / P5 FSM Expansion	(651)			(651)
Low Income Pandemic Payments (LIPP)	(2,254)			(2,254)
LIPP Admin Support	(134)			(134)
Family Pandemic Payments (FPP)	(776)			(776)
FPP Admin Support	(26)			(26)
School Clothing Grants Funding	(185)			(185)
Music Tuition - Cessation of Charging	(129)			(129)
Removal of Curriculum Charges	(154)			(154)
Revised Planned Income	(270,099)	(28,350)	(21,919)	(320,368)

2.5 Commentary on Significant Movements from the Revised Budget

The Council's overall financial forecast against the revised budget is a net overspend of £0.053m, 0.0%. A brief explanation of the significant movements from the previous forecasts is outlined as follows:

(i) Chief Executives – underspend of (£0.067m)

The projected underspend is primarily related to vacancy management across services, partially offset by reduced Registration and Licensing income arising from the ongoing impact of the Covid pandemic.

(ii) Communities – underspend of (£1.470m)

The projected underspend is primarily related to :

- Reduced cost projections within Early Learning and Childcare arising from the revised programme for full implementation of the expansion to 1140 hours (£1.400m);
- Lower than anticipated uptake of enhanced ELC hours across funded providers (£0.300m);
- Lower than anticipated PPP contract costs (£0.285m);
- Reduced costs in relation to school lets (£0.173m), however this is offset by a reduction in letting income;
- Reduced expenditure relating to external day placements (£0.385m); and
- Reduced employee costs across community facilities resulting from Covid related restrictions (£0.403m).

These have been partly offset by:

- Additional teacher related employee costs related to delivery of the Covid-19 Education Recovery Plan within the available additional funding, £0.727m;
- Lower than anticipated income across all establishments resulting from Covid related restrictions, £0.545m; and
- Increased expenditure on external residential placements £0.405m.

It is requested that the £1.470m underspend is earmarked for use in future years in relation to the implementation of the ELC expansion to 1140 hours.

In addition, the latest financial forecast from KA Leisure indicates a projected trading deficit of £1.071m in 2021/22. Following approval by Cabinet during 2020/21, it is noted that additional financial support to KA Leisure will be drawn from existing earmarked funds. The financial position and progress against the recovery and renewal plan will continue to be monitored throughout 2021/22.

(iii) Place – overspend of £1.193m

The projected overspend primarily related to :

- Lower than anticipated income within Building Services linked to changes in the works programme, £2.055m;
- Lower than anticipated income reflecting Covid-19 restrictions, including commercial catering income, factoring income, commercial property rents and commercial waste income, £1.533m;
- Additional employee and transport costs within Waste Services and Streetscene related to ongoing Covid measures, £0.904m; and
- Additional supplies and services and third party payments within Roads related to additional income generating work, £0.378m.

These have been partly offset by:

- Reduced employee and supplies and services costs within Building Services reflecting the changes in the works programme, (£1.990m);
- Lower than anticipated Facilities Management costs linked to reduced commercial catering activity, (£0.658m);
- Additional Roads Network income, (£0.380m)
- Vacancy management across services, (£0.246m);
- Reduced utility costs reflecting lower building occupancy levels, (£0.184m); and
- Reduced waste disposal costs reflecting reduced tonnages, (£0.139m).

(iv) Other Corporate Items – underspend of (£1.073m)

The underspend is primarily related to centrally held utility cost budgets which are not expected to be fully utilised during the year and the utilisation of (£0.700m) of earmarked reserves to offset the ongoing impact of the Covid pandemic on income recovery levels across services.

(v) **Council Tax**

Income from Council Tax is currently forecast to under recover by £0.440m. This is due to a reduction in the level of income for both the current and prior years, which has resulted in an increase in Bad Debt Provision from 3.5% to 4.0% for the current year. The under recovery reflects the impact of the Covid pandemic on recovery rates, which have not yet recovered to previous levels following significant reductions during 2020/21. In order to support North Ayrshire residents, action has been taken to offer more flexible payment arrangements and enhance joint referral processes with local debt advice partner agencies. The projected under recovery has been offset by the utilisation of (£0.440m) of earmarked reserves brought forward from 2020/21.

Health and Social Care Partnership

- 2.6 A copy of the HSCP financial performance report as at the end of July 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 overspend of £0.853m for 2021/22 and assumes that all Covid-19 related costs, including unachieved savings, are fully funded.
- The projected overspend on the Council Services element is £1.323m, partly offset by a projected underspend on the Health Services element of (£0.470m);
- 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. While a recovery plan is not being implemented, there is confidence that that this position can be improved during the year;
- The latest position in terms of the mobilisation plan for Covid-19 projects a financial impact for 2021/22 of £8.279m, including additional costs of £7.711m, loss of income of £0.430m 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 31 July 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 including the delayed completion of the road lighting review, the delayed removal of modular accommodation at James McFarlane School and the delayed review of commercial waste at the Arran Waste Transfer Station.

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 (£0.847m), (1.6%), is currently anticipated for the year to 31 March 2022. This is summarised in the following table with further details provided in Appendix 6.

	Annual Budget £000's	Projection to 31 March 2022 £000's	Projected Variance for year (Fav)/Adv £000's	Note
Employee Costs	5,219	5,219	-	
Property Costs	20,767	20,598	(169)	(i)
Supplies and Services	319	334	15	
Transport and Plant Costs	27	33	6	
Administration Costs	2,052	2,052	-	
Third Party Payments	2,485	2,446	(39)	
Transfer Payments	409	409	-	
Other Expenditure	378	423	45	
Capital Financing	20,778	20,269	(509)	(ii)
Gross Expenditure	52,434	51,783	(651)	
Income	(52,434)	(52,630)	(196)	(iii)
Net Expenditure	-	(847)	(847)	

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 (£0.169m)**

The underspend is primarily related to reduced expenditure on Void Repairs reflecting a reduction in the number of void properties, (£0.199m).

(ii) **Capital Financing Costs – underspend of (£0.509m)**

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

(iii) **Income – an over recovery of (£0.196m)**

The over recovery is primarily related to increased recharges in relation to insurance recoveries.

3. Proposals

- 3.1 It is proposed that Cabinet agrees (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; and (d) approve the virements detailed in Appendix 7.

4. Implications/Socio-economic Duty

Financial

4.1 **General Services**

The net projection for the year as at 31 July 2021 is a net overspend of £0.053m for the year.

Housing Revenue Account

The net projection for the year as at 31 July 2021 is a net underspend of (£0.847m) 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

General Services Revenue Estimates 2021/22 to 2023/24 - Council 4 March 2021
Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2021/22 – Council 16 December 2020

CHIEF EXECUTIVES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Chief Executive					
Chief Executive	271	276	5	2%	
Total for Chief Executive	271	276	5	2%	
Financial Services					
Change Programme	40	40	-	0%	
Audit, Fraud, Safety & Insurance	537	537	-	0%	
Corporate Procurement	950	950	-	0%	
Financial Services	1,414	1,404	(10)	(1%)	
Revenues	1,631	1,621	(10)	(1%)	
Total for Financial & Customer Services	4,572	4,552	(20)	(0%)	
People & ICT					
Employee Services	1,181	1,181	-	0%	
HR & Organisational Development	800	800	-	0%	
ICT	5,189	5,189	-	0%	
Business Support	1,134	1,097	(37)	(3%)	
Customer Services	4,476	4,501	25	1%	
Total for People & ICT	12,780	12,768	(12)	(0%)	
Recovery & Renewal					
Transformation	750	750	-	0%	
Total for Recovery & Renewal	750	750	-	-	
Democratic Services					
Legal & Licensing	599	603	4	1%	
Policy, Performance & Elections	669	672	3	0%	
Communications	456	456	-	0%	
Civil Contingencies	61	61	-	0%	
Committee Services	362	364	2	1%	
Member Services	1,171	1,164	(7)	(1%)	
Information Governance	403	361	(42)	(10%)	
Total for Democratic Services	3,721	3,681	(40)	(1%)	
Growth & Investment					
Tourism	200	200	-	0%	
Total for Growth & Investment	200	200	-	-	
Totals	22,294	22,227	(67)	(0%)	

Subjective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance
	£000	£000	£000	
Employee Costs	16,227	16,104	(123)	(1%)
Property Costs	68	68	-	0%
Supplies and Services	2,998	2,998	-	0%
Transport and Plant Costs	43	43	-	0%
Administration Costs	1,499	1,499	-	0%
Other Agencies & Bodies	5,223	5,223	-	0%
Transfer Payments	813	813	-	0%
Other Expenditure	-	-	-	-
Capital Financing	-	-	-	-
Gross Expenditure	26,871	26,748	(123)	(0%)
Income	(4,577)	(4,521)	56	(1%)
Net Expenditure	22,294	22,227	(67)	(0%)

COMMUNITIES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Early Years Education	21,502	19,802	(1,700)	-7.9%	1
Primary Education	41,583	41,595	12	0.0%	2
Secondary Education	52,738	52,367	(371)	-0.7%	3
Additional Support Needs	11,180	11,092	(88)	-0.8%	4
Education - Other	2,029	2,706	677	33.4%	5
Attainment Challenge	101	101	-	0.0%	6
Pupil Equity Fund	5,931	5,931	-	0.0%	7
Connected Communities	12,470	12,470	-	0.0%	8
Net Total	147,534	146,064	(1,470)	-1.0%	
Less Proposed Carry Forwards	-	1,470	1,470		
Net Total	147,534	147,534	-		

Subjective Summary	Annual Budget	Final Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	121,807	120,666	(1,141)	-1%
Property Costs	524	532	8	2%
Supplies and Services	18,740	18,454	(286)	(2%)
Transport and Plant Costs	174	171	(3)	(2%)
Administration Costs	913	878	(35)	(4%)
Other Agencies & Bodies	13,742	13,268	(474)	-3%
Transfer Payments	580	580	-	0%
Other Expenditure	1	1	-	
Capital Financing	78	78	-	0%
Gross Expenditure	156,559	154,628	(1,931)	-1%
Income	(9,025)	(8,564)	461	-5%
Net Expenditure	147,534	146,064	(1,470)	-1%

COMMUNITIES
BUDGETARY CONTROL 2021/22

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Early Years Education
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 significantly less than originally anticipated as part of the 1140 hours rollout.
			It is requested to earmark £1.470m of this underspend into next financial year to be used towards the revised implementation of the 1140 hours programme.
(1,700)			
Note 2			Primary Education
34,676	36	0%	Employee Costs : projected overspend of £0.069m in Teachers costs across all primary schools. £0.033m underspend in non teaching staff costs across all primaries.
1,482	(3)	0%	Supplies and Services : underspend in PPP costs due to reduced RPI and utility costs.
108	(76)	-70%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(57)	55	-96%	Income: due to the schools being closed there was no school let income.
12			
Note 3			Secondary Education
36,255	(55)	0%	Employee Costs : non teaching costs across all secondary schools.
12,098	(282)	-2%	Supplies and Services : underspend in PPP costs due to reduced RPI and utility costs.
170	(97)	-57%	Third Party Payments: no overtime required due to the schools being closed in relation to school lets
(68)	63	-93%	Income: due to the schools being closed there will be no school let income.
(371)			
Note 4			ASN
8,795	(24)	0%	Employee costs: £0.023m underspend in non teaching costs across ASN school and bases provision.
1,010	(385)	-38%	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	405	111%	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.
(88)			
Note 5			Education Other
818	727	89%	Employee costs: variances are managed within the context of the Covid-19 Education recovery Plan and available Scottish Government funding.
	(50)		Other minor movements across various budget lines
677			
Note 6			Connected Communities
7,090	(403)	-6%	Employee Costs: Underspends of £0.213m in Libraries, £0.162m in Community Facilities and £0.086m in Arran Outdoor, which is mainly due to staff costs being reduced due to Covid-19 and staff being redeployed to Facilities Management. £0.056m overspend in Community Development
4,664	(20)	0%	Third Party Payments: Increased subsidy support for NALL projected currently at £1.071m 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
(1,506)	427	-28%	Income: Under recovery of income relates mainly to £0.200m in Community Facilities, £0.170m in Arran Outdoor Centre, £0.056m in Libraries and £0.048m in Arts, all due to Covid-19. Over recovery of £0.038m in Community Development for Fire and Rescue income from a staff secondment.
-	(4)		Other minor movements across various budget lines
-			

PLACE
BUDGETARY CONTROL 2019/20

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Directorate and Support	235	235	-	0%	
Physical Environment					
Head Of Physical Environment	114	114	-	0%	
Building Services	(2,510)	(2,510)	-	0%	1
Property Governance	(50)	(50)	-	0%	
Property Management & Investment	1,470	1,508	38	3%	2
Housing Assets & Investment	-	-	-	0%	
Property Maintenance	3,575	3,575	-	0%	
Property Running Costs	4,974	5,052	78	2%	3
Energy and Sustainability	4,467	4,283	(184)	(4%)	4
Facilities Management	15,998	16,555	557	3%	5
Other Housing	3,184	2,896	(288)	(9%)	6
Total for Physical Environment	31,222	31,423	201	1%	
Commercial Services					
Head Of Commercial Services	220	220	-	0%	
Roads	6,678	6,678	-	0%	7
Streetscene	4,641	4,798	157	3%	8
Internal Transport	9,721	9,754	33	0%	9
Waste Resources	8,885	9,699	814	9%	10
Total for Commercial Services	30,145	31,149	1,004	3%	
Economic Growth and Regeneration					
Management	172	172	-	0%	
Planning & Protective Services	1,606	1,606	-	0%	
Economic Development	4,141	4,129	(12)	(0%)	
Total for Economic Growth and Regeneration	5,919	5,907	(12)	(0%)	
Net Total	67,521	68,714	1,193	2%	

Subjective Summary	Annual Budget	Projected Year End Outturn	Annual Variance Adverse or (Favourable)	% variance
	£000	£000	£000	
Employee Costs	55,158	54,163	(995)	(2%)
Property Costs	21,709	21,506	(203)	(1%)
Supplies and Services	14,626	13,531	(1,095)	(7%)
Transport and Plant Costs	7,470	7,663	193	3%
Administration Costs	1,290	1,276	(14)	(1%)
Other Agencies & Bodies	18,409	18,704	295	2%
Transfer Payments	526	531	5	1%
Other Expenditure	472	472	-	0%
Capital Financing	-	-	-	
Gross Expenditure	119,660	117,846	(1,814)	(2%)
Income	(52,139)	(49,132)	3,007	(6%)
Net Expenditure	67,521	68,714	1,193	2%

PLACE
FINANCIAL PERFORMANCE 2018/19

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Building Services
9,189	(1,243)	(14%)	Employee Costs: An underspend of £1.243m due to vacancy management and additional labour no longer required for the door renewal programme.
4,637	(747)	(16%)	Supplies & Services: An underspend of £0.747m 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	75	2%	Third Party Payments: An overspend of £0.075m in third party payments. An overspend of £0.029m in payments for smoke alarm installation works due to be completed by February 2022 and £0.046m in payment to contractors.
(20,673)	2,055	(10%)	Income: There is an under recovery of income of £2.055m. This is primarily due to the delay in the door renewal and kitchen programmes.
-	(105)		Use of earmarked reserves to offset projected overspend
-	(35)		Other minor movements
-	-		
Note 2			Property Management and Investment
2,439	(81)	(3%)	Employee Costs: An underspend of £0.081m 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 22) in implementing the new charging policy as a result of Covid-19.
38			
Note 3			Property Running Costs
6,716	(64)	(1%)	Net Property Costs: The underspend is due to less NDR charges on Shewalton landfill amounting to £0.092m. There is a shortfall in the budget provided for Brooksby Centre service charge of £0.016m and an increased rental period for the portacabin located at James McFarlane School due to the delay in Lockhart School opening of £0.012m.
(1,742)	142	(8%)	Income: There is an under-recovery of income totalling £0.142m due to a reduction in rental income from commercial properties due to lease terminations and refunds/rent free periods granted (£0.124m) and reduction in service charges (£0.018m).
78			
Note 4			Energy and Sustainability
4,571	(184)	(4%)	Property Costs: There are underspends of £0.305m in Electricity and £0.017m 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 £0.115m which are similar to last year and £0.025m of additional Biomass costs due to contractor price increases.
(184)			
Note 5			Facilities Management
12,217	(274)	(2%)	Employee Costs: Projected underspend of £0.320m due to reduced commercial catering overtime and reduced casual staff being used, together with vacancy management. There are additional employee costs of £0.047m for providing security at new Lockhart School during the summer holidays; this cost is offset by additional income.
6,624	(384)	(6%)	Supplies and services: There is a projected saving of £0.384m in food due to reduced commercial catering.
(3,896)	1,215	(31%)	Income: There is a projected under-recovery in commercial income of £1.281m due to the closure of buildings and Covid-19 restrictions. This is offset by £0.066m of additional income for providing security at the new Lockhart School during the summer holidays.
557			
Note 6			Other Housing
4,293	(208)	(5%)	Employee Costs: The underspend is due to vacancy management.
2,297	79	3%	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. This is offset by the additional rental income generated.
(5,877)	(173)	3%	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 250 units are currently in use.
-	14		Other minor movements
(288)			

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 7			Roads
2,077	113	5%	Supplies and Services: Projected overspend includes software investment costs, winter standby and salt 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.
1,489	265	18%	Third Party Payments: Projected overspend in materials etc. in Roads Network as a result of an increase in income generating work including footway widening for Active Travel routes, cemetery footway and carriageway works, and other access improvements.
(1,265)	(380)	30%	Income: Over recovery of income is mainly in Roads Network, for work for other Council Services (see narrative above).
-	2		Other minor movements.
			A proposed budget virement of £0.100m between Third Party Payments and Income From Other NAC Departments has been included in Appendix 8.
0			
Note 8			Streetscene
6,443	74	1%	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	84	65%	Transport Costs: Projected overspend is Covid related, with £0.041m 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 £0.023m due to increased waste arising from more visitors.
-	(1)		Other minor movements.
157			
Note 9			Internal Transport
1,627	43	3%	Employee Costs: There is a projected overspend of £0.043m due to reduced staff turnover.
1,669	(53)	(3%)	Fuel Costs: Projected underspend of £0.053m 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.
-	(29)		Other minor movements
33			
Note 10			Waste Services
4,562	640	14%	Employee Costs: Overspend of £0.640m, 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	96	52%	Transport Costs: Overspend of £0.096m is Covid related as additional vehicles have been required to support service delivery.
6,441	(139)	(2%)	Third Party Payments: Underspend of £0.139m due to a reduction in the projected tonnages within payment to contractors.
(2,920)	230	(8%)	Income: Under-recovery of income due to less gas extracted from the landfill site of £0.063m; a reduction in commercial waste of £0.110m due to Covid-19; £0.041m less income from other NAC departments and £0.025m from special uplifts. This is offset slightly by additional income in sale of scrap of £0.020m.
(13)			Other Minor Movements
814			

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2021/22

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£000	£000	£000		
Strathclyde Passenger Transport	2,308	2,241	(67)	(3%)	
SPT Concessionary Fares	294	287	(7)	(2%)	
Ayrshire Joint Valuation Board	824	824	-	0%	
	3,426	3,352	(74)	(2%)	1
Other Corporate Costs					
Pension Costs	1,895	1,938	43	2%	
Central Telephones	86	76	(10)	(12%)	
Other Corporate Items (incl Transformation Costs, Bad Debt Provision, External Audit fees and other centrally held funding.)	24,630	23,671	(959)	(4%)	2
Insurance Account	23	23	-	0%	
Housing Benefits	1,643	1,570	(73)	(4%)	3
	31,703	30,630	(1,073)	(3%)	

OTHER CORPORATE ITEMS
BUDGETARY CONTROL 2021/22

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Budget £000	Projected Variance £000	Variance as % of budget	Section
Note 1			Joint Boards
3,426	(74)	-2%	Annual requisitions confirmed at less than current budget.
	(74)		
Note 2			Other Corporate Items
24,630	(959)	-4%	Projected underspend primarily related to centrally held utility cost budgets which are not expected to be fully utilised in year and the application of £0.700m of previously earmarked reserves in relation to the ongoing impact of the Covid pandemic on income levels across services.
	(959)		
Note 3			Housing Benefits
1,643	(73)	-4%	Increased net income related to the recovery of Housing Benefit overpayments
	(73)		

MISCELLANEOUS ITEMS
BUDGETARY CONTROL 2021/22

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

Objective Summary	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% variance	Note No
	£000	£000	£000		
Financing Charges	11,915	11,915	-	-	1
Contribution to Loans Fund Reserve	2,656	2,656	-	-	
Scottish Government Funding	(320,368)	(320,368)	-	-	
Council Tax	(59,551)	(59,551)	-	-	
Use of Earmarked Funds	(3,739)	(3,739)	-	-	
Net Total	(369,087)	(369,087)	-	-	

Note 1 Council Tax

Income from Council Tax is forecasting to under recover by £0.440m. This 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 £0.440m of Scottish Government funding brought forward from 2020/21.

HOUSING REVENUE ACCOUNT
BUDGETARY CONTROL 2019/20

REPORT FOR THE 4 MONTHS TO 31 JULY 2021

	Annual Budget	Projected Outturn	Annual Variance Adverse or (Favourable)	% Variance	Note No
	£	£	£		
Employee Costs	5,219	5,219	-	0%	
Property Costs					
Responsive Repairs	5,245	5,291	46	1%	
Void Repairs	3,126	2,928	(198)	(6%)	
Planned and Cyclical Maintenance	4,737	4,699	(38)	(1%)	
Aids and Adaptions	1,603	1,603	-	0%	
Other property costs	6,056	6,077	21	0%	
Total for Property Costs	20,767	20,598	(169)		1
Supplies & Services	319	334	15	5%	
Transport Costs	27	33	6	22%	
Administration Costs	2,052	2,052	-	0%	
Third Party Payments	2,485	2,446	(39)	(2%)	
Transfer Payments	409	409	-	0%	
Other Expenditure	378	423	45	12%	
Capital Financing Costs	20,778	20,269	(509)	(2%)	2
Gross Expenditure	52,434	51,783	(651)	(1%)	
Income					
Council House Rents	(51,526)	(51,526)	-	0%	
Other Rents	(317)	(317)	-	0%	
Recharges	(470)	(626)	(156)	33%	
Other Income	(121)	(161)	(40)	33%	
Transfer from HRA Reserves	-	-	-	0%	
Total Income	(52,434)	(52,630)	(196)	0%	3
Net Expenditure	-	(847)	(847)		

HRA**BUDGETARY CONTROL 2019/20****REPORT FOR THE 4 MONTHS TO 31 JULY 2021**

Budget £000	Variance £000	Variance as % of budget	Section
Note 1			Property Costs
20,767	(169)	-1%	This is mainly due to an underspend of £0.199m in Void Repairs. The projected underspend is due to a reduction in the number of void properties received to date than originally anticipated.
(169)			
Note 2			Capital Financing Costs
20,778	(509)	-2%	There is an underspend in capital financing costs of £0.509m due to reduced loan charges. This is due to the reduced levels of expenditure currently being experienced in the HRA Capital budget
(509)			
Note 3			Income
(52,434)	(196)	0%	An over recovery of income in recharges of £0.156m and other income of £0.040m.
(196)			

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 31/03/20
	£m	£m	£m	£m	£m	£m
Council House Building Fund	5.580	-	-	-	(1.604)	3.976
Welfare Reform	1.500	-	-	-	-	1.500
Sustainability Fund	3.174	-	-	0.847	(4.000)	0.021
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
	14.221	-	-	0.847	(6.604)	8.464

Budget Management - 31 July 2021
Virement/Budget Adjustment Requests

		2021/22	
	Perm (P) / Temp(T)	Virement £m	Directorate Total £m
1) Budget Virements			
Place			
Regeneration Third Party Payments	T	0.073	
Regeneration Employee Costs	T	0.051	
Regeneration Paths For All Smarter Choices, Smarter Places Grant Income	T	-0.124	
Roads Third Party Payments	T	0.100	
Roads Income From Other NAC Departments	T	-0.100	0.000
Communities			
Youth Music Initiative - Creative Scotland Grant - Income	T	-0.190	
Youth Music Initiative - Creative Scotland Grant - Employee Costs	T	0.190	
Sportscotland Grant for Active Schools	T	-0.386	
Active Schools Operational Budget	T	0.386	
Community Justice - South Ayrshire & East Ayrshire - Income	T	-0.124	
Community Justice - South Ayrshire & East Ayrshire - Employee & Project costs	T	0.124	
Education - ASN Provision - Supplies & Services	P	-0.112	
Education - ASN Provision - Administration Costs	P	0.039	
Education - ASN Provision - Third Party Payments	P	0.003	
Education - HQ Infrastructure - Property Costs	P	0.070	
Information & Culture Supplies & Services	T	0.083	
Information & Culture Employee Costs	T	0.030	
Information & Culture Better Places Green Recovery Fund Grant Income	T	-0.113	0.000

Integration Joint Board
23 September 2021

Subject: **2021-22 – Month 4 Financial Performance**

Purpose: To provide an overview of the IJB's financial performance as at Month 4 including an update on the estimated financial impact of the Covid-19 response.

Recommendation: It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2021-22, the current overall projected year-end overspend of £0.853m and that there is no proposal to implement a Financial Recovery Plan at the current time;
- (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 July 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 overspend of £0.853m for 2021-22 which is a favourable movement of £0.895m since Month 3. This

	position assumes that all Covid-19 related costs, including the element of unachieved savings of £0.088m attributable to Covid-19, will be fully funded.
1.3	<p>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. There has been a significant reduction in the learning disability care package overspend following a review of the quarter one delivered care.</p> <p>This reduction adds to the confidence that this position can be improved during the year and at this stage a recovery plan is not being implemented while further work is done to investigate and challenge the most significant projected overspends. The projected overspend is well within the level of uncommitted reserves held of £4.151m so the overall financial risk is contained for 2021-22.</p>
1.4	The follow up focus sessions that took part during August with LD services and Children's Services agreed a range of action points and these will be followed up at the next sessions in October. A session will also be held with Community Care and Health. 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 4
2.2	<p>At period 4 against the full-year budget of £261.711m there is a projected year-end overspend of £0.853m (0.3%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £1.323m in social care services and a projected underspend of £0.470m 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 £75.809m there is a projected underspend of £0.130m (0.2%) 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 £0.300m which is an adverse movement of £0.126m. The budgeted number of permanent</p>

	<p>placements is 790 and at month 4 there are 780 placements. The projection assumes an increase of 10 in August taking the total to the 790 budgeted 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 at the current average cost of a placement. Their actual cost will not be known until the FA1 financial assessment is completed. The annual financial reassessment process is almost complete and this accounts for the adverse movement in the projection as the actual costs were higher than estimated.</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 online but this will be reviewed during the year.</p> <ul style="list-style-type: none"> b) Care at home are projecting an overspend of £0.038m after applying £0.805m of funding for additional capacity for Covid . Bank staff are being offered contracts, the service are 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. c) Care at Home Charging Income is projected to under recover by £0.169m (adverse movement of £0.011m) due to the ongoing shift towards personal care which is non chargeable. d) Direct Payments are projected to overspend by £0.104m which is an adverse movement of £0.041m due to the waiting list for services being reduced during 2020-21 and additional care packages being agreed in 2021-22. e) Residential Placements are projected to overspend by £0.199m which is an adverse movement of £0.011m. The overspend is due to placements transferring from adult to older people services. f) Carers Act funding is projected to underspend by £0.500m. 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.
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £80.542m there is a projected overspend of £0.524m (0.65%). The main variances are:</p> <ul style="list-style-type: none"> a) Learning Disabilities are projected to overspend by £0.985m (£0.588m favourable movement), included within this is overspend of £0.350m in community care packages (£0.545m favourable movement), £0.483m in direct payments (£0.045m favourable movement) and £0.174m for residential placements (£0.006m adverse movement).

Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The quarter 1 spend was reviewed against the planned care and this has resulted in the projection being reduced in month 4 as the level of service actually delivered was less than planned. 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.

- b) Community Mental Health services are projected to underspend by £0.463m (favourable movement of £0.208m) and included within this is underspends of £0.509m in community packages (inc direct payments) and £0.060m for residential placements. The favourable movement relates to a reduction in the projected costs for a placement that transitioned from children's services.
- 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.
- d) The Lead Partnership for Mental Health is projecting to be online but within this online position there are variances as follows:
 - A projected overspend in Adult Inpatients of £0.344m mainly due to staff in redeployment (£0.326m) following the closure of the Lochranza ward. There is also reduced bed sale income of £0.130m but this is included in the quarter 1 LMP return and will be covered by Covid-19 funding.
 - UNPACS is projected to overspend by £0.863m the based on current number of placements which has increased. 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 due to continued lower substitute prescribing costs.
 - Learning Disability Services are projected to overspend by £0.324m. This is mainly due to high usage of supplementary staffing, cross-charging for a LD patient 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 £1.092m in 2021-22, further information is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2022	£1.492m
Over/(Under) Achievement	£1.092m

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 £0.080m
- Elderly Inpatients £0.249m
- CAMHS £0.373m
- Mental Health Admin £0.210m
- Psychiatry £0.400m
- Psychology £0.180m

2.5 Children & Justice Services

Against the full-year budget of £36.610m there is a projected overspend of £1.275m (3.5%). The main variances are:

a) Care Experienced Children and Young People is projected to overspend by £1.674m (£0.401m adverse movement). The main areas within this are noted below:

- Children's residential placements are projected to overspend by £1.501m (£0.343m adverse movement). We started 21/22 with 17 placements which included 1 in Secure but this increased to 19 by month 3. At month 4 this has increased by a further two placements taking the total to 21. One place also changed from residential to secure which is an increased cost. Of these placements it is assumed that 1 (secure placement) will end in August, 1 in September, 1 in October and a further 7 will end by December taking placement numbers to 11 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 Hearing is improving but still not back to 'normal'.
- Fostering placements are projected to underspend by £0.123m (£0.060m favourable movement) based on the budget for 131 places and 132 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 pressures elsewhere on the service, and the team are looking at the best way to approach this.
- Fostering Xtra placements are projected to be £0.153m underspent (no 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 £0.087m overspent (£0.033m adverse movement) based on the budget for 10 placements and 11 actual placements since the start of the year.
- Kinship placements are projected to overspend by £0.072m (£0.002m favourable movement) based on the budget for 353 places and 365 actual placements since the start of the year.

	<ul style="list-style-type: none">Adoption placements are projected to overspend by £0.097m (£0.002m adverse movement) based on the budget for 57 places and 71 actual placements since the start of the year.b) Children with disabilities – residential placements are projected to underspend by £0.310m (£0.027m adverse movement) based on 7 placements which are expected to continue until the end of the year.c) Transport costs – projected underspend of £0.050m (no movement) due to less mileage being incurred.												
2.6	ALLIED HEALTH PROFESSIONALS (AHP)												
	AHP services are projected to underspend by £0.125m due to underspends in non-employee costs.												
2.7	MANAGEMENT AND SUPPORT												
	Management and Support Services are projected to underspend by £0.311m (£0.070m adverse movement) which relates to funding set aside for unscheduled care. £0.277m of this funding is uncommitted and £0.104m relates to the enhanced hospital social work team only incurring part year costs. The adverse movement relates to the partial non achievement of the business support saving.												
2.8	Turnover/Vacancy Savings												
	<p>The turnover targets and projected achievement for the financial year for Health and Social Care services out with the Lead Partnership is noted below:</p> <table><tr><td></td><td>Social Care</td><td>Health Services</td></tr><tr><td>Vacancy Savings Target</td><td>*(2.014m)</td><td>(0.655m)</td></tr><tr><td>Projected to March 2022</td><td>2.014m</td><td>0.740m</td></tr><tr><td>Over/(Under) Achievement</td><td>-</td><td>0.085m</td></tr></table> <p>(*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).</p> <p>The position in the table above reflects the assumption in the current financial projections. For social care a total of £0.719m (36% 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 be online to be achieved.</p> <p>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.</p> <p>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.</p>		Social Care	Health Services	Vacancy Savings Target	*(2.014m)	(0.655m)	Projected to March 2022	2.014m	0.740m	Over/(Under) Achievement	-	0.085m
	Social Care	Health Services											
Vacancy Savings Target	*(2.014m)	(0.655m)											
Projected to March 2022	2.014m	0.740m											
Over/(Under) Achievement	-	0.085m											

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 4 £m
Red	-	0.640
Amber	0.204	0.861
Green	2.324	0.685
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 but are expected to be funded by covid funding.
- 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.

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.

Not all of 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.

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.

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.

2.10	Budget Changes
	<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><i>Reductions Requiring Approval:</i></p> <p>There are no budget reductions requiring approval in month 4.</p>
2.11	NHS – Further Developments/Pan Ayrshire Services
	<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 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.</p> <p>The final outturn in relation to North Lead Partnership services would not be fully attributed to the North IJB as a share would be allocated to East and South partnerships, similarly the impact of the outturn on East and South led services will require to be shared with North. At month 4 the MH lead partnership is projected to be online.</p> <p>East HSCP – projected underspend of £1.077m (£0.388m NRAC share for NA IJB). The main areas of variance are:</p> <ul style="list-style-type: none"> a) Primary Care and Out of Hours Services- there is a projected underspend of £0.851m. The projected underspend includes savings in Dental Services due to reduced service provision with an anticipated increase in staffing costs going forward. There are reduced projected costs in Ayrshire Urgent Care Services (AUCS) 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 from August until December this year with further consideration of the Covid-19 position at that stage. The level of GP activity will continue to be closely monitored going forward. Savings in Primary Care contract administration are also contributing to the projected underspend. This projected underspend is the anticipated outturn position at this early stage of the financial year and will continue to be closely monitored with movements highlighted in future reports to the three Ayrshire IJBs.

	<p>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.</p> <p>b) Prison and Police Healthcare - £0.238m projected underspend largely due to net staffing savings. In addition, the medical contracts at both Prison and Police have reduced and is contributing to the projected underspend.</p> <p>South HSCP – projected overspend of £0.022m (£0.008m NRAC share for NAHSCP). The overspend is mainly due to an overspend in the continence service.</p> <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 Q1 set aside update for 2021/22 has been issued to IJBs for review.</p> <p>The annual budget for Acute Services is £371.350m. The directorate is underspent by £0.250m, following underspends on reduced elective activity, caused by COVID-19.</p> <p>There is nevertheless an 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 previously submitted Remobilisation Plan 3 outlining how activity will return to normal as far as is possible. We are working together now on Remobilisation Plan 4 to reflect current circumstance.</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 will continue 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

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. The costs remain estimates as the situation continually evolves and there will be updates submitted each quarter.

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	Change £m
Payments to Providers	0.750	2.421	1.671
PPE	2.000	2.000	-
Additional Staff	1.459	1.901	0.442
Mental Health	1.172	1.172	-
Loss of Income	0.100	0.430	0.330
Unachieved Savings	-	0.138	0.138
Other Areas	-	0.217	0.217
TOTAL	5.481	8.279	2.798

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

- Increased sustainability payments to providers based on the extension of transitional arrangements for support to September 2021; there is currently no certainty of the arrangements beyond September.
- Increased staff costs including the impact of cover costs due to long covid;
- Savings delays in relation to day care for adults and older people; and
- Further loss of income from charging for services as not all services have restarted.

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.

During 2020-21 various funding was awarded by the Scottish Government and the £3.479m underspend against these funding streams was earmarked by the IJB for use in 2021-22 to support Covid costs.

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 over and above the funding carried forward 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	<p>Provider Sustainability Payments and Care Home Occupancy Payments</p> <p>COSLA Leaders and Scottish Government have agreed an approach to supporting the social care sector to ensure that reasonable additional costs will be met. We have been making payments to commissioned social care providers in line with the agreed national principles for sustainability and remobilisation payments to social care providers during COVID 19.</p> <p>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. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.</p> <p>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.</p> <p>In general, all payment terms have been reduced and once any payment is agreed it is being paid quicker to assist the cash flow position of providers. The assessment of some claims has been difficult due to delays with additional information and supporting evidence being submitted to support claims, hence there are a number of claims that are in process.</p> <p>The sustainability payments are estimated to be a significant cost in our mobilisation plan and the timely submission and assessment of claims is key to ensuring we can accurately estimate the financial cost and ensure the costs are reclaimed from the Scottish Government.</p> <p>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 July.</p> <table><tr><th>PROVIDER SUMMARY</th><th>NCHC Care Homes</th><th>Other</th><th>Total</th></tr><tr><td>Total Number of Providers</td><td>17</td><td>49</td><td>66</td></tr><tr><td>Number contacting NAC</td><td>17</td><td>12</td><td>29</td></tr><tr><td>Providers Supported to date</td><td>17</td><td>11</td><td>28</td></tr></table> <table><tr><th>OUTSTANDING CLAIMS</th><th>NCHC Care Homes</th><th>Other</th><th>Total</th></tr><tr><td>Total Number of Claims</td><td>20</td><td>4</td><td>24</td></tr><tr><td>Value of Claims</td><td>£659,602</td><td>£116,412</td><td>£776,015</td></tr></table>	PROVIDER SUMMARY	NCHC Care Homes	Other	Total	Total Number of Providers	17	49	66	Number contacting NAC	17	12	29	Providers Supported to date	17	11	28	OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total	Total Number of Claims	20	4	24	Value of Claims	£659,602	£116,412	£776,015
PROVIDER SUMMARY	NCHC Care Homes	Other	Total																										
Total Number of Providers	17	49	66																										
Number contacting NAC	17	12	29																										
Providers Supported to date	17	11	28																										
OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total																										
Total Number of Claims	20	4	24																										
Value of Claims	£659,602	£116,412	£776,015																										

SUPPORT PROVIDED	NCHC Care Homes	Other Services	TOTAL
	£	£	£
Occupancy Payments (up to July)	642,577	0	642,577
Staffing	151,446	25,875	177,321
PPE, Infection Control	121,997	69,536	191,533
Other	24,543	8,823	33,366
TOTAL	940,563	104,234	1,044,797

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, guidance and criteria have now been extended until 30 September 2021, these were previously agreed to 30 June 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 £m
	Debt to NAC £m	Free GF £m	SG Funding £m	HSCP £m	
Opening Balance - 1 April 2021	(3.807)	4.151	5.487	0.681	6.512
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			3.479		
: Challenge Fund				0.500	
: 2021-22 Budget Gap				0.181	

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:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £261.711m there is a projected overspend of £0.853m (0.3%). The report outlines the main variances for individual services.</p>
Human Resources:	<p>The report highlights vacancy or turnover savings achieved to date. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing</p>

	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:	Within the projected outturn there are various over and underspends including the non-achievement of savings.
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 overspend of £0.853m and that there is no proposal to implement a Financial Recovery Plan at the current time;</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:

Paul Doak, Head of Finance and Transformation at pdoak@north-ayrshire.gov.uk or Eleanor Currie, Principal Manager – Finance at eleanorcurrie@north-ayrshire.gov.uk

2021-22 Budget Monitoring Report–Objective Summary as at 31st July

Appendix A

Partnership Budget - Objective Summary	2021/22 Budget										
	Council			Health			TOTAL			Over/ (Under) Spend Variance at Period 3	Movement in projected variance from Period 3
	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	£'000	£'000
COMMUNITY CARE AND HEALTH	58,042	57,752	(290)	17,767	17,927	160	75,809	75,679	(130)	(2)	(128)
: Locality Services	24,417	24,431	14	5,269	5,399	130	29,686	29,830	144	(43)	187
: Community Care Service Delivery	27,270	27,234	(36)	0	0	0	27,270	27,234	(36)	178	(214)
: Rehabilitation and Reablement	1,798	1,829	31	1,501	1,481	(20)	3,299	3,310	11	11	0
: Long Term Conditions	2,447	2,079	(368)	8,803	9,020	217	11,250	11,099	(151)	(180)	29
: Integrated Island Services	2,110	2,179	69	2,194	2,027	(167)	4,304	4,206	(98)	32	(130)
MENTAL HEALTH SERVICES	25,524	26,088	564	55,018	54,978	(40)	80,542	81,066	524	1,320	(796)
: Learning Disabilities	19,709	20,694	985	474	474	0	20,183	21,168	985	1,573	(588)
: Community Mental Health	4,980	4,557	(423)	1,682	1,642	(40)	6,662	6,199	(463)	(255)	(208)
: Addictions	835	837	2	1,381	1,381	0	2,216	2,218	2	2	0
: Lead Partnership Mental Health NHS Area Wide	0	0	0	51,481	51,481	0	51,481	51,481	0	0	0
CHILDREN & JUSTICE SERVICES	32,597	33,872	1,275	4,013	4,013	0	36,610	37,885	1,275	936	339
: Irvine, Kilwinning and Three Towns	3,327	3,317	(10)	0	0	0	3,327	3,317	(10)	(6)	(4)
: Garnock Valley, North Coast and Arran	2,047	2,003	(44)	0	0	0	2,047	2,003	(44)	(33)	(11)
: Intervention Services	1,633	1,630	(3)	367	367	0	2,000	1,997	(3)	(4)	1
: Looked After and Accommodated Children	17,669	19,343	1,674	0	0	0	17,669	19,343	1,674	1,273	401
: Quality Improvement	1,117	1,202	85	0	0	0	1,117	1,202	85	82	3
: Public Protection	4,207	3,778	(429)	0	0	0	4,207	3,778	(429)	(379)	(50)
: Justice Services	2,380	2,380	0	0	0	0	2,380	2,380	0	0	0
: Universal Early Years	217	219	2	3,220	3,220	0	3,437	3,439	2	3	(1)
: Lead Partnership NHS Children's Services	0	0	0	426	426	0	426	426	0	0	0
PRIMARY CARE	0	0	0	49,554	49,554	0	49,554	49,554	0	0	0
ALLIED HEALTH PROFESSIONALS	0	0	0	6,851	6,726	(125)	6,851	6,726	(125)	(125)	0
COVID NHS	0	0	0	191	191	0	191	191	0	0	0
MANAGEMENT AND SUPPORT COSTS	4,955	4,729	(226)	7,199	7,114	(85)	12,154	11,843	(311)	(381)	70
OUTTURN ON A MANAGED BASIS	121,118	122,441	1,323	140,593	140,503	(90)	261,711	262,944	1,233	1,748	(515)
Receive Hosted Over/Underspends South	0	0	0	0	8	8	0	8	8	0	8
Receive Hosted Over/Underspends East	0	0	0	0	(388)	(388)	0	(388)	(388)	0	(388)
OUTTURN ON AN IJB BASIS	121,118	122,441	1,323	140,593	140,123	(470)	261,711	262,564	853	1,748	(895)

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	75,809	75,679	(130)	
Locality Services	29,686	29,830	144	<p>Older People care homes inc respite - underspend of £0.300m an adverse movement of £126k from P3 based on 780 permanent placements and a projection of a further 10 places to budget level of 790 places with average cost applied to Gross & Interim funded places awaiting financial assessment. No current plans for return to use of Care Home Respite.</p> <p>Independent Living Services :</p> <p>* Direct Payment packages- overspend of £0.104m an adverse movement of £41k from P3 on 87 current packages.</p> <p>* Residential Packages - overspend of £0.199m a favourable movement of £11k from P3 based on 45 packages.</p> <p>* Community Packages (physical disability) - overspend of £0.051m an adverse movement of £9k from P3 based on 45 packages .</p> <p>District Nursing - overspend of £0.130m largely due to additional supplies.</p>
Community Care Service Delivery	27,270	27,234	(36)	<p>Care at Home (inhouse & purchased ex Arran) - overspend of £38k in relation to Option2 and CAH projected overspend by £0.805m funded by Covid. Overall an adverse movement of £180k from P3 due to increased demand in Inhouse services with £98k of the movement in Option 2 packages.</p>
Rehabilitation and Reablement	3,299	3,310	11	Outwith the threshold for reporting
Long Term Conditions	11,250	11,099	(151)	<p>Carers Centre - underspend of £0.500m no change from P3</p> <p>Anam Cara - overspend £0.141m an adverse movement of £36k from P3 mainly due to employee costs due to overtime & pilot of temporary post with a view to making longer term savings in bank & casual hours.</p>
Integrated Island Services	4,304	4,206	(98)	<p>Montrose House - projected overspend of £59k a favourable movement of £101k from P3 due to allocation of funding regards respite charges</p> <p>GP Services - pprojected underspend of £0.167m due to a refunded charge made in March 2021 in error.</p>
MENTAL HEALTH SERVICES	80,542	81,066	524	
Learning Disabilities	20,183	21,168	985	<p>Residential Packages- overspend of £0.174m based on 35 current packages.</p> <p>Community Packages (inc direct payments) - overspend of £0.833m based on 341 current packages.</p>
Community Mental Health	6,662	6,199	(463)	<p>Community Packages (inc direct payments) and Residential Packages - underspend of £0.569m based on 99 community packages, 10 Direct Payments and 25 residential placements.</p>
Addictions	2,216	2,218	2	Outwith the threshold for reporting
Lead Partnership (MHS)	51,481	51,481	0	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
CHIDREN'S AND JUSTICE SERVICES	36,610	37,885	1,275	
Irvine, Kilwinning and Three Towns	3,327	3,317	(10)	Outwith the threshold for reporting
Garnock Valley, North Coast and Arran	2,047	2,003	(44)	Outwith the threshold for reporting
Intervention Services	2,000	1,997	(3)	Outwith the threshold for reporting
Care Experienced Children & Young People	17,669	19,343	1,674	<p>Looked After Children placements - Overall Projected overspend of £0.034m which is a £0.029m favourable movement from P3 which is made up of the following:-</p> <p>Kinship - Projected overspend of £0.073m, which is a favourable movement of £0.002m from P3 .Budget for 353 placements, actual no of placements is 365.</p> <p>Adoption - Projected overspend of £0.097m. which is an adverse movement of £0.002m from P3. Budget for 57 Placements, actual no of placements is 71</p> <p>Fostering - Projected underspend of £0.123m, which is a favourable movement of £0.061m from P3 Budget for 131 placements, actual no of placements is 132</p> <p>Fostering Xtra - Projected underspend £0.153m, no movement from P3 Budget for 33 placements, actual no of placements is 26.</p> <p>Fostering Respite - Projected online</p> <p>Private fostering - Projected overspend of £0.087m, which is an adverse movement of £0.033m from P3 Budget for 10 placements, current no of placements is 11</p> <p>Residential School placements - Projecting overspend £1.501m, which is an adverse movement of £0.343m from P3 Current no of placements is 21. (Which includes 2 Secure Placements)</p>
Head of Service - Children & Families	1,117	1,202	85	Employee Costs - Projected overspend £0.080m, however this is partially offset with underspend within Garnock Valley
Quality Improvement	4,207	3,778	(429)	<p>Employee Costs - Projected online</p> <p>Transports costs - Projected underspend of £0.008m</p> <p>Community Packages - Projected underspend of £0.007m, which is a favourable movement of £0.017m from P3. Currently 91 Community Packages on establishment list</p> <p>Direct Payments - Projected underspend £0.030m, which is a adverse movement of £0.005m from P3 Current no of packages is 36</p> <p>Children's Residential Placements - Projected underspend £0.310m, which is an adverse movement of £0.027m from P3 Currently 7 Residential Placements.</p>
Justice Services	2,380	2,380	0	Outwith the threshold for reporting
Universal Early Years	3,437	3,439	2	Outwith the threshold for reporting
Lead Partnership NHS Children's Services	426	426	0	Outwith the threshold for reporting
PRIMARY CARE	49,554	49,554	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	6,851	6,726	(125)	Underspend on non employee costs
MANAGEMENT AND SUPPORT	12,154	11,843	(311)	Underspend in relation to the unscheduled care funding.
TOTAL OUTTURN ON A MANAGED BASIS	261,520	262,753	1,233	

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 4	Saving Delivered @ Month 4 £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	0.165	0.335	-	Small overspend projected - keep under review.
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 recent cuts.
13	Charging Policy - Montrose House	Green	0.050	Green	0.017	0.033	-	Will be achieved.
Whole System								
14	Payroll Turnover Inflation	Green	0.057	Green	0.019	0.038	-	Assumes month 4 - 12 matches the month 1 - 3 average.
15	Business Support Review	Green	0.150	Amber	0.078	-	0.072	Projected to be achieved.
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		0.495	1.195	0.712	

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 4	Saving Delivered @ Month 4 £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		0.621	1.195	0.712	

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
Budget Reported at Month 4			121.118
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			1.027
Additional 1.3% Uplift			1.324
RX Cres			(0.828)
REVISED 21-22 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 Psychological Intervention	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
Roundings	3	T	(0.003)
Budget Reported at Month 4			140.593
COMBINED BUDGET			261.711

Mobilisation Submission – Quarter 1

Total HSCP costs															
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	167	167	167	167	167	167	167	167	167	2,000	0	2,000
Contact Tracing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Testing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Covid-19 Vaccination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flu Vaccination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scale up of Public Health Measures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Community Hospital Bed Capacity	0	0	0	184	40	40	40	40	40	40	40	40	505	505	0
Community Hubs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Care Home Placements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Capacity in Community	81	81	139	139	139	139	139	22	22	22	22	22	968	968	0
Additional Infection Prevention and Control Costs	5	1	3	3	3	3	3	3	3	3	3	3	38	38	0
Additional Equipment and Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Staff Costs	14	16	128	146	146	153	153	153	153	153	153	153	1,521	1,521	0
Staff Wellbeing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional FHS Prescribing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional FHS Contractor Costs	6	9	8	6	6	6	0	0	0	0	0	0	42	42	0
Social Care Provider Sustainability Payments	0	0	0	225	225	225	160	160	160	0	0	0	1,155	1,155	0
Social Care Support Fund Claims	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments to Third Parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Homelessness and Criminal Justice Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Children and Family Services	18	18	18	18	18	18	18	18	18	18	18	18	217	217	0
Loss of Income	50	50	50	64	64	64	14	14	14	14	14	14	430	430	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Covid-19 Costs	340	342	514	952	808	816	695	578	578	418	418	418	6,875	4,875	2,000
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	363	365	537	975	831	839	695	578	578	418	418	418	7,013	5,013	2,000
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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	422	422	422	0	0	0	0	0	0	0	0	0	1,266	1,266	0
Digital & IT costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Remobilisation Costs	422	422	422	0	0	0	0	0	0	0	0	0	1,266	1,266	0
- - - - - - - - - - - - - - - -															
Total HSCP Costs	785	786	959	975	831	839	695	578	578	418	418	418	8,279	6,279	2,000