

**Subject:** **2020-21 Year-end Financial Performance**

**Purpose:** To provide an overview of the IJB's financial performance for the year ended 2020-21 and the implications for the IJB's overall financial position including an update on the financial impact of the Covid-19 response.

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

- (a) notes the overall integrated financial performance for the financial year 2020-21 and the overall year-end underspend of £10.319m, adjusted to £4.151m after earmarking;
- (b) notes the updated costs of the Covid response and the funding received;
- (c) notes that out-with the IJB overall position, the £1.486m debt repayment has been made to North Ayrshire Council as planned;
- (d) approve the budget changes outlined at section 2.10; and
- (e) approve the proposed earmarking of £6.168m of reserves as detailed in the report, leaving a balance of £4.151m in free general fund reserves

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

<b>1.</b>	<b>EXECUTIVE SUMMARY</b>
1.1	This report provides an overview of the financial position for the partnership and outlines the unaudited year-end outturn position for 2020-21. The outturn is an overall year-end underspend of £10.319m, which when adjusted for new earmarked reserves of £6.168m is reduced to £4.151m.
1.2	The last reported position to the IJB in March 2021 highlighted a projected underspend of £3.497m with an anticipated free general fund reserve balance of £1.881m. The comparable year-end actual position is a free general fund increase of £4.151m. This

	<p>favourable movement of £2.270m is mainly due to o increased payroll turnover, unused transition funding, the impact of the lead partnership recharges and a reduced requirement to draw on reserves to balance the 2021-22 budget.</p> <p>The £10.211m of Covid-19 funding has been fully allocated to the appropriate service areas, reflecting the final true outturn position for each service outwith the Covid impacts.</p> <p>Projecting the IJB financial position was challenging during 2020-21 as service levels fluctuated on a week-to-week basis due to the impact of the pandemic. The additional costs associated with Covid were monitored alongside the risk that these costs may not be fully funded. These challenges will continue into 2021-22.</p>
1.3	<p>The main areas of pressure continued to be within learning disability care packages, looked after children and adult in-patients within the lead partnership. However, there has been significant progress to reduce the pressures in these areas. The financial position demonstrates that the work started before the pandemic to ensure the IJB moved into the new financial year in a financially sustainable position has not been reversed by the Covid-19 response. The delivery of an overall underspend has allowed the IJB to repay £1.486m of the debt to North Ayrshire Council as planned.</p>
1.4	<p>The final unaudited IJB outturn position is adjusted to reflect the impact of Lead Partnership services. In line with the current risk sharing agreement for lead partnership services an NRAC share of the projected position has been assumed as this would be in line with the allocation in previous years. The underspend in relation to North Lead Partnership services for Mental Health is not be fully attributed to the North HSCP as a share has been allocated to East and South HSCPs, similarly the impact of the outturn on East and South led services has been shared with North.</p>
1.5	<p>Financial balance has been achieved in 2020-21 and significant progress has been made to ensure the ongoing financial sustainability of the IJB. This work will continue and be built upon moving into 2021-22. This will need to be considered alongside the impact of Covid-19 and the need to redesign services taking full cognisance of the financial risks and opportunities which this presents.</p> <p>There were a number of key successes for 2020-21:</p> <ul style="list-style-type: none"> <li>• Continued to demonstrate the IJB position being accounted for in a truly integrated way with resource shifting from the NHS budget to offset Social Care pressures;</li> <li>• Savings totalling £2.4m were delivered in-year, despite the impact of the pandemic;</li> <li>• Continued progress with reducing the financial overspends specifically for care home and children’s residential placements which will have a significant impact on the financial plans and sustainability for future years;</li> <li>• The accuracy of projected spend continues to improve;</li> <li>• The ongoing submission of the estimated financial impact of Covid through the LMP process including input into the national benchmarking group, providing adequate assurance over estimates, which resulted in full costs being reimbursed; and</li> </ul>

	<ul style="list-style-type: none"> <li>• A robust process was established to make sustainability payments to social care providers.</li> </ul>
<b>2.</b>	<b>2020-21 UNAUDITED BUDGET OUTTURN POSITION</b>
2.1	<p>The report provides an overview of the financial position for the partnership and outlines the unaudited year-end outturn position for 2020-21.</p> <p>The report includes the following:</p> <ul style="list-style-type: none"> <li>• Explanations of main areas of variance;</li> <li>• Movement in projected outturn position;</li> <li>• Update on progress with savings delivery;</li> <li>• Budget changes requiring IJB approval;</li> <li>• Impact of the outturn on IJB reserves position;</li> <li>• Lead partnerships and the impact of risk sharing;</li> <li>• Detail of the funding and costs of the Covid-19 response; and</li> <li>• Updated information on the usage of set-aside resource.</li> </ul>
<b>2.2</b>	<b>FINANCIAL OUTTURN</b>
	<p>Against the full-year budget of £271.999m there is a reported underspend of £4.151m, consisting of a year-end underspend of £2.510m in social care services and an underspend of £1.641m in Health delivered services. This position is after the earmarking of funds for use in future years.</p> <p>Appendix A provides the financial overview of the partnership position, this details the outturn on an HSCP managed basis, on an IJB delegated basis (following Lead Partnership recharge adjustments) and the final adjusted outturn position after accounting for new earmarked reserve balances.</p> <p>The sections that follow outline the significant variances in service expenditure compared to the approved budgets with detailed analysis provided in Appendix B.</p>
2.3	<b>Health and Community Care Services</b>
	<p>Against the full-year budget of £74.258m there is an underspend of £1.647m (2.2%). The main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions and charging order income) are underspent by £1.098m. The care home budget moved into a sustainable position towards the end of 2019-20 and the opening position for the budget for 2020-21 was expected to be an underspend position as at that time we set the budget at a level to fund 810 places and we were funding 782. The occupancy in care homes has fallen further during 2020-21 and as at 31<sup>st</sup> March we were funding 752 placements resulting in significant vacancies in some care homes. The level of income recovered from charging orders has decreased which reduced the overall underspend. This is due to delays with house sales during the pandemic and the overall reduction in placements.</p> <p>b) Independent Living Services are overspent by £0.099m which is due to an overspend on physical disability care packages within the community and direct</p>

payments. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and will ensure payment only for the actual hours of care delivered. The roll out of the CM2000 system for Adult services will assist in targeting the reviews, the system was implemented in February 2021.

- c) Care at home reported a balanced position as the additional capacity created to respond to Covid remained in line with the costs included in the Covid funding plan and the additional monies received for winter capacity. 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 as we move into the new financial year 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 as part of the budget for 2021-22.
- d) Reablement underspent by £0.137m due to vacant posts. Payroll turnover was not applied to this area as it was assumed that any vacancies would incur cover costs. Payroll turnover will be applied in 2021-22.
- e) Day Care – underspent by £0.225m due to vacancies which were not required to be filled immediately as the service was not operational during lockdown. Staff were redeployed into other areas, including providing outreach support to users of day services. Payroll turnover was not applied to this area as it was assumed that any vacancies would incur cover costs.
- f) Carers Act Funding is underspend by £0.546m. The service plan to undertake positive promotion of the services available to carers and we are currently reviewing the process for a carers assessment to make this more accessible to individuals requiring support. There is further funding for carers in 2021-22 and the IJB agreed at part of the budget to utilise part of this resource to waive charges for respite services.
- g) Integrated Island Services – overspent by £0.200m due to GP medical provision to hospital services. This cost was held in East primary care until the year end when it was transferred to North, but an error was made as the associated budget of £0.167m did not transfer. This means North are adversely impacted by £0.167m and East are favourably impacted. East Ayrshire IJB will compensate in 2021-22 which will impact favourably on our 2021-22 financial position. East IJB have the following recommendation in their month 12 report to action this.
  - Approve the transfer of £0.167m to North Ayrshire IJB on a non-recurring basis in 2021/22 to compensate for GP costs at Arran War Memorial Hospital.

**2.4 Mental Health Services**

Against the full-year budget of £81.395m there is an underspend of £1.748m (2.1%). The main variances are:

- Learning Disabilities overspent by £0.717m, included within this is an overspend of £0.553m for community care packages (inc Direct Payments) and £0.338m for residential placements. 2020-21 savings relating to the implementation of the Adult Community Support Contract were delayed as the full implementation of

the CM2000 system has been postponed as the focus for providers has been on the response to COVID-19. This has been implemented in February 2021. The shortfall in savings was fully compensated by the Scottish Government Covid funding.

Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. There are opportunities to reduce the 2021-22 commitment as a significant number of these care packages were reduced or suspended during lock down and the care packages have been reviewed as and when services are re-started to ensure support is re-started at the appropriate level, this will support with reducing recurring overspends in this area.

- Community Mental Health services underspend by £0.751m mainly due to community care packages and reclaimed direct payments. There has been a reduction in the number of care packages since the start of the year and there have been some temporary reductions to care packages during lock-down. These have also been reviewed when care has been reinstated.
- Addictions – underspent by £0.339m which is mainly due to an underspend within the Alcohol and Drugs Partnership (ADP) which will be earmarked for use in future years.
- The Lead Partnership for Mental Health underspent by £1.375m which consists of:
  - An overspend in Adult Inpatients of £0.809m. This is due to the delay in closing the Lochranza ward on the Ailsa site. The ward closed during August 2020 but there remained staff to be re-deployed, the overspend will reduce as alternatives are identified for displaced staff. Some staff will be placed into the two remaining wards at the Ailsa site. There is also a higher use of supplementary staffing due to enhanced observations.
  - Elderly Inpatients – an underspend of £0.175m in Elderly Inpatients due to the completion of the work to reconfigure the Elderly Mental wards, this represents the part-year saving. The workforce tool for the wards has been rerun to determine the final staffing which will require to be considered alongside the remaining staff on re-deployment. Consideration of the balance of savings will be taken forward with East and South HSCP colleagues.
  - UNPACS is overspent by £0.509m based on current placements. There was an increased charge for Rowanbank under the service level agreement with Glasgow Health Board, an increased charge for the General Psychiatry SLA and backdated charges for an Orchard Clinic patient.
  - An underspend in MH Pharmacy of £0.160m due to continued lower substitute prescribing costs.
  - Action 15 underspend of £0.655m all of which will be earmarked for use in future years, with elements reallocated to East and South Ayrshire IJBs for inclusion in their reserves.

- Innovation Fund – underspent by £0.181m due to delays in some projects.
- Daldorch Income – under recovered by £0.107m as we were unable to charge other boards for placements from January 2021 due to the change in the nature of the service. Pan Ayrshire discussions are underway as to mitigating this income shortfall given the change in the service.
- The turnover target for vacancy savings for the Lead Partnership is held separately within the Lead Partnership as this is a Pan-Ayrshire target. There is an over-recovery of the vacancy savings target of £1.281m in 2020-21, further information is included in the table below:

Vacancy Savings Target	(£0.400m)
Achieved to March 2021	£1.681m
<b>Over/(Under) Achievement</b>	<b>£1.281m</b>

The main areas contributing to this position are noted below:

- Adult Community Health services £0.230m
- CAMHS £0.211m
- Mental Health Admin £0.329m
- Psychiatry £0.400m
- Psychology £0.410m
- Associate Nurse Director £0.089m

There was no intentional holding of any vacancies during the pandemic, specialist services in particular find it difficult to attract and recruit staff often due to the temporary nature of funding. During 2020-21 posts were advertised on a permanent basis to maximise the chances of filling vacancies.

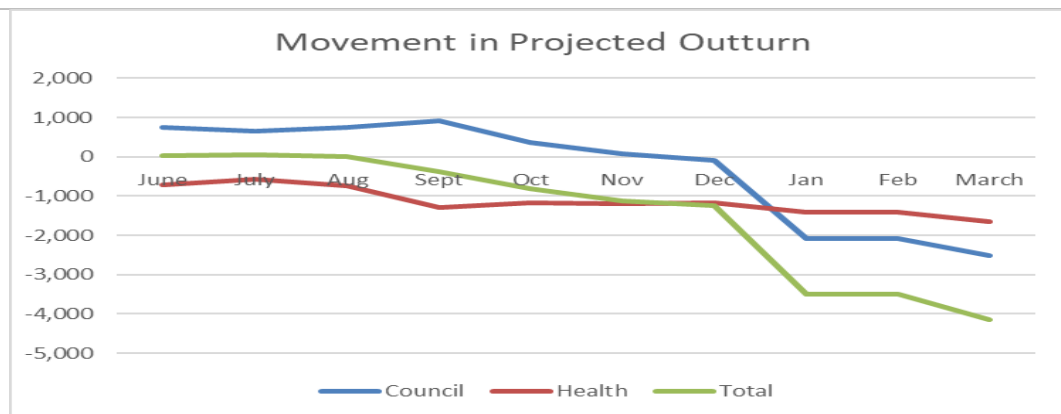
The CAMHS service is undergoing an extreme team review, and this is expected to reduce the underspend on staffing costs in 2021-22. There is also expected to be significant recruitment across Mental Health services as part of the Scottish Government's Mental Health Transition and Recovery Plan which will see £120m national investment, early indications are that elements of this funding will be recurring which will greatly increase the confidence in filling posts.

## 2.5 Children Services & Criminal Justice

Against the full-year budget of £35.427m there is an underspend of £0.081m (0.2%). The main variances are:

- a) Looked After and Accommodated Children are overspent by £0.418m. The main areas within this are noted below:
  - Children's residential placements are overspent £0.773m. At period 12 there are 17 placements including 1 secure placement. Budget plans for 2020-21 were based on starting the year with 18, reducing to 14 by the end of Q1 and to 10 places by the end of Q2 and for the remainder of the year. Progress with plans to move children from residential placements have been impacted by Covid-19 as there has been an impact on Children's Hearings and this has limited the

	<p>availability of tenancies. Children’s services are working towards further improving the position as we move into the new financial year and the impact of the delayed reduction in placements during 2020-21 was factored into the planning assumptions for 2021-22.</p> <ul style="list-style-type: none"> <li>• Fostering placements are overspent by £0.061m based on the budget for 129 places and 134 actual placements since the start of the year. The fostering service is an area we are trying to grow, and a recruitment campaign was undertaken early in 2020-21 to attract more in-house foster carers to limit the ongoing requirement for external foster placements. There are a number of additional fostering placements attributed to Covid-19 which are out with these numbers as the costs were met by the Covid-19 mobilisation plan funding. Respite foster placements is underspent by £0.076m as placements have not taken place due to Covid-19 restrictions.</li> <li>• Fostering Xtra (inc respite) is underspent by £0.137m based on budget for 32 places and 28 actual places.</li> <li>• Kinship placements are underspent by £0.123m based on the budget for 370 places and 341 actual placements.</li> </ul> <p>b) Children with disabilities – underspent by £0.212m, included within this is an underspend of £0.253m for community care packages (inc Direct Payments) and an overspend of £0.041m for residential placements. For residential placements a number of children are in the process of transitioning to adult services which will impact favourably on the financial position in 2021-22.</p> <p>c) Residential respite underspent by £0.133m due to capacity of services being impacted due to COVID.</p> <p>d) Transport costs – underspend of £0.097m due to reduced mileage costs.</p>
2.6	<b>MANAGEMENT AND SUPPORT COSTS</b>
	<p>Management and Support Services underspent by £6.275m (27%) which mainly relates to funding required to be earmarked:</p> <ul style="list-style-type: none"> <li>a) Payroll turnover – over recovery of £1.170m – see para 2.8 below for more information;</li> <li>b) Transition and Pressure funding not drawn down by services in-year - underspent by £0.646m due to part year costs being incurred for some transition cases.</li> <li>c) Covid Funding - £3.479m underspend which will be earmarked for use in 2021-22.</li> <li>d) Unscheduled care funding - £0.500m underspend.</li> <li>e) Community Living Change Fund - £0.513m underspend which will be earmarked for use over the next three years.</li> </ul>
2.7	<b>Projected Outturn Movement</b>
	The overall movement in the projected outturn during the period is illustrated below:



This illustrates the continued improvement in the financial projection for 2020-21. The accuracy of financial projections overall has continued to improve during 2020-21, despite the difficulties in tracking changes to services and additional costs as a consequence of the pandemic. There remain a number of areas where further improvements can be made, and these will be taken forward in the new financial period by the HSCP finance team alongside service managers.

## 2.8 Turnover/Vacancy Savings

As highlighted at the end of last year the payroll turnover target was to be centralised for future years as the approach in previous years left some service areas with unachievable targets whilst other areas were able to overachieve, it was agreed that a more transparent approach would be to manage the payroll turnover and vacancy savings centrally. This approach has been adopted for 2020-21, this has helped to de-clutter the financial report and to make it more transparent re the overall turnover target and the progress towards achieving this across the partnership.

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

The turnover targets and actual year-end achievement for the financial year for Health and Social Care services out-with the Lead Partnership is noted below:

	<b>Social Care</b>	<b>Health Services</b>
Vacancy Savings Target	*(1.957m)	(0.645m)
Actual to March 2021	2.539m	1.233m
<b>Over/(Under) Achievement</b>	<b>0.582m</b>	<b>0.588m</b>

(\*the target for social care services has been increased on a non-recurring basis for 2020-21 only by £0.110m to offset the saving for the roll out of Multi-Disciplinary Teams, as no permanent reductions to the structure can be identified at this time but will be by the service from 2021-22 onwards)

The main areas contributing to the health and social care vacancy savings are spread across a wide range of services with vacancy savings being achieved in most areas, the most notable in terms of value being social worker posts (across all services), the Community Mental Health Teams and Allied Health Professionals.

The North Ayrshire HSCP vacancy scrutiny panel continue to meet frequently to ensure the speedy approval of vacancies to advert and also to ensure oversight of gaps across services.



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. Services monitor the impact of these staffing gaps and manage this operationally to mitigate the impact on front line services and performance, including using bank, agency and casual staff to fill critical gaps.

**2.9 Savings Progress**

a) The approved 2020-21 budget included £3.861m of savings.

<b>RAG Status</b>	<b>Position at Budget Approval £m</b>	<b>Position at Period 12 £m</b>
Red	-	0.274
Amber	2.801	1.801
Green	1.060	1.786
<b>TOTAL</b>	<b>3.861</b>	<b>3.861</b>

b) The main areas to note are:

- i) Red savings of £0.274m relating to reducing LD sleepovers and the review of Adoption Allowances, both of which have been impacted by Covid-19; and
- ii) Whilst all savings remain on the plan to be delivered there are delays with some savings with delays in implementation due to Covid-19, for example the implementation of the Adult Community Support Framework as the introduction of the CM2000 system was delayed as providers were focussing on COVID related service and staffing issues and further internal implementation work is required. This is now on track to be delivered in 2021-22;

Appendix C provides an overview of the savings plan, this highlights that during 2020-21 a total of £2.394m of savings were delivered in-year, with £1.467m of savings potentially delayed or reduced mainly due to Covid-19. The delays were included in the mobilisation plan return to the Scottish Government and funding has been provided to compensate for these delays. This funding has been allocated to the relevant service budgets at the year-end as part of the overall Covid-19 funding allocation.

The Transformation Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solution focussed approach to bringing programmes back on track. Whilst some of our plans were put on hold due to Covid, the transformation plans are being re-mobilised at pace to ensure we taken any opportunities to join up the re-design services as they come back online.

**2.10 Budget Changes**

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

Appendix D highlights the movement in the overall budget position for the partnership following the initial approved budget.

**Reductions Requiring Approval:**

The specific reductions the IJB are required to approve are, all of these have been agreed as appropriate by services:

- 1) GMS Allocation £2.085m – reduction to the General Medical Services budget.
- 2) Training Grade Funding £0.030m – junior doctor reduction
- 3) GMS Methadone Pilot £0.020m – increase in actual funding required
- 4) Arran Band 7 Pharmacy Post to East £0.011m – historical funding correction
- 5) Learning Disability GP Alloway Place £0.008m – increase in the contribution to GP services
- 6) Clozapine transfer To East £0.006m - Contribution towards increased fee for community clozapine dispensing provided by pharmacists.
- 7) GP ABI 2020-21 Allocation £0.006m – Allocation of ADP funding to East HSCP for GP ABI provision
- 8) Short-Term Accumulating Compensated Absences (STACA) year-end adjustment £0.032m – accounting adjustment to represent the flexi leave due to employees which have not been taken at our year end 31 March 2021.

**Future Planned Changes:**

Douglas Grant and Redburn rehab wards from acute services to the North HSCP. The operational management of these wards has already transferred to the partnership, but the due diligence undertaken on the budget previously highlighted a funding shortfall. It has been agreed with NHS Ayrshire and Arran that we will accept financial responsibility for these wards from 1 April 2021. This is on the basis that the shortfall in funding for the Douglas Grant ward was previously addressed and plans are in place to retain a reduced bed compliment in the Redburn ward which will bring the wards into financial balance moving forward. The budget for these areas is included in the month 12 position to reflect the services devliered by North Ayrshire HSCP, the year-end shortfall has been resolved by the NHS temporarily increasing the budget to match actual spend.

The podiatry budget is held by East HSCP and this budget had been devolved early in 2020-21, the detail of this will be incorporated into the financial monitoring report for the new financial year.

**2.11 NHS –Pan Ayrshire Services**

Lead Partnerships:

The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. During 2019-20 agreement was reached with the other two Ayrshire partnerships that in the absence of any service activity information and alternative agreed risk sharing arrangements that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC basis. This position is currently the default for 2020-21 as the further work taken forward to develop a framework to report the financial

position and risk sharing across the 3 partnerships in relation to hosted or lead service arrangements has been delayed by the requirement to focus efforts on the Covid response.

The underspend in relation to North Lead Partnership services is not fully attributed to the North IJB as a share has been allocated to East and South partnerships, similarly the impact of the outturn on East and South led services will require to be shared with North. At month 12 the impact on NA IJB is a retention of £0.285m of the £0.778m underspend in the MH lead partnership (excluding the underspend on Action 15).

**East HSCP** – underspend of £4.133m (£1.365m NRAC share for NA IJB). The main areas of variance are:

**Primary Care and Out of Hours Services** – underspend of £3.986m. The Primary Care Improvement Fund has underspent by £2.939m. Each partnership will carry forward their share of the underspend for use in future years. The underspend also includes further savings in Dental Services where there have been a number of services cancelled in 2020-21 which have recommenced in the final quarter with an anticipated increase in staffing costs going forward. In addition, work has been undertaken to finalise cross charging of Ayrshire Urgent Care Services (AUCS) costs related to the Covid-19 pandemic against the Local Mobilisation Plan in line with GP activity over the course of 2020-21. Increased staff turnover savings have been realised for AUCS, with posts recruited to in the final quarter of the financial year.

**Prison and Police Healthcare** – underspend of £0.208m is after taking account of an IJB Reserve (earmarking) adjustment in respect of East Ayrshire’s share of SARC (rape or sexual assault support) funding. This outturn position is largely due to net staffing savings and takes account of drugs costs initially charged to the prison which have been appropriately charged against Covid-19.

**South HSCP** – overspend of £0.011m (£0.004m NRAC share for NA IJB) due to pressures from the continence service offset by underspends in the Family Nurse Partnership.

**Set Aside:**

The Integration Scheme makes provision for the Set Aside Budget to be managed in-year by the Health Board with any recurring over or under spend being considered as part of the annual budget setting process. The 2020-21 budget delegated by NHS Ayrshire and Arran includes the acute set aside resource of £33.054m, this is based on Information Services Division Scotland (ISD) data. The set aside allocation below highlights that North Ayrshire’s use of the resource is £1.938m above the NRAC ‘fair share’. There is an expectation that in the future the North Partnership will move towards its ‘fair share’.

IJB	NRAC Budget Share 2020-21 £m	NRAC %	Set Aside 2020-21 £m	Over / (Under) NRAC Fair Share £m
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East Ayrshire	27.385	32.4%	23.897	<b>(3.488)</b>
North Ayrshire	31.116	36.8%	33.054	<b>1.938</b>
South Ayrshire	25.990	30.8%	27.540	<b>1.550</b>
<b>Total</b>	<b>84.491</b>	<b>100%</b>	<b>84.491</b>	<b>-</b>

The Scottish Government's Health and Social Care Medium Term Financial Framework refers to system reform assumptions including material savings to be achieved from reducing variation in hospital utilisation across health and social care partnerships, with assumed efficiencies from reduced variation in hospital care coupled with 50% reinvestment in the community to sustain improvement. Furthermore, the Ministerial Strategic Group for Health and Community Care Review of Progress with Integration of Health and Social Care contained the proposal that delegated hospital budgets and set aside requirements must be fully implemented. Each Health Board, in partnership with the Local Authority and IJB, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published.

The full implementation of the set aside arrangements is key to delivering this commitment to planning across the whole unplanned care pathway and partnerships must ensure that set aside arrangements are fit for purpose and enable this approach. This has not been achieved in Ayrshire and Arran during the current financial year as the priority was the response to Covid-19. However preparatory work is well underway with NHS Ayrshire and Arran and the other Ayrshire partnerships to progress and develop the set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Commissioning Plans and overall progression towards Fair Share allocations of resources.

It was anticipated that 2020-21 would be used as a shadow period for these arrangements, however this work was put on hold due to the Covid-19 response and the timescales for progressing the work have not yet been agreed. This will also be significantly impacted and will need to be informed by the recovery phase of the Covid-19 response and future plans for acute services and unscheduled care activity.

The current use of acute resources and fair shares remains an unrefined estimate of the position and further detailed work would be required to agree the ISD data and costs and appropriate baselines for acute and community resources before any plan to move towards fair shares would be implemented.

The annual budget for Acute Services is almost £368.6 million. The directorate is underspent by £10.7 million. This is as a result of savings which accrued following the reduction in Outpatient and Inpatient Elective activity throughout most of the year. This is mainly in supplies and drugs (£7.6million) but also in pay (£2.2 million) and the purchase of healthcare from other Boards (£1.1 million).

A major factor in the £10.7 million acute underspend was the Scottish Government decision not to offset savings when allocating funding for additional COVID-19 costs. The Health Board were also reimbursed for unachieved efficiency savings, which for acute were £4.3 million for the year.

The IJBs and the Health Board have submitted a remobilisation plan outlining how activity will recover and return to normal as far as is possible and are working together to ensure patients are looked after in the most suitable environment.

## 2.12 RESERVES

The IJB is established as a Local Government body therefore has the ability to hold reserve balances. Reserve balances can be held for the below purposes:

- a) As a working balance to help cushion the impact of uneven cash flows;
- b) As a contingency to manage the impact of unexpected events or emergencies; and
- c) As a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The position in North IJB is unique in that we hold a negative reserve balance which has been accumulated from previous year overspends, the negative reserve balance is offset by a creditor on the IJB balance sheet reflecting the debt owed to North Ayrshire Council.

There is £1.486m of resource set aside out with the IJB delegated budget to repay the debt to the Council, at the 2020-21 financial year-end this budget was transferred back to the IJB to allow the debt repayment to be made.

There has been further additional funding allocated to IJBs from the Scottish Government during 2020-21 for use in future years, there is an expectation that IJBs will carry forward these funds in reserves. This additional funding relates to:

	<b>National Amount £m</b>	<b>North Share £m</b>
Further Integration Authority Support	100.0	2.831
Adult Social Care Winter Plan	40.0	1.238
Community Living Change Funding	20.0	0.513
Primary Care Improvement Fund	38.2	0.657
Action 15	11.2	0.433
ADP	8.1	0.131
<b>TOTAL</b>	<b>217.5</b>	<b>5.803</b>

- In view of the ongoing financial pressures in relation to Covid, along with the need to ensure ongoing financial sustainability across the social care sector, funding of £100m has been passed on to IJBs. This is to support ongoing Covid costs, including new ways of working developed in year, and additional capacity requirements.
- It was confirmed in November 2020 that funding of £112 million would be made available to IJBs to support social care through the Winter Plan. In December, an initial tranche of £72 million was distributed to IJBs to meet the costs arising from sustainability payments, staff restriction policies and additional administration support, as well as Nursing Director support. The second tranche of £40m has now been allocated to IJBs.

- A further £20 million of Community Living Change Funding has also been allocated. This is to support discharge from hospital of people with complex needs, to support the return to Scotland of those placed in care in the rest of the UK and costs associated with the redesign of service provision in order to avoid future hospitalisation and inappropriate placements. It is anticipated that this funding will be earmarked to be used over the next 3 years.
- A further £57.5 million is being allocated to IJBs in respect of the outstanding balances on the Primary Care Improvement Fund (PCIF), Mental Health Strategy Action 15 Workforce, and Alcohol and Drugs Partnerships (ADPs). This funding represents the required funding on the three programmes to meet the full commitments as set out previously by the Scottish Government and aligns with the previously unspent and carried forward balances for North Ayrshire.

The funding streams set out above require to be earmarked by the IJB, with Action 15, PCIP and ADP balances adjusted to reflect spend during 2020-21, in addition the amount earmarked to support Covid costs has been reduced to reflect the greater than estimated costs during 2020-21 which is summarised below:

<b>Funding Stream</b>	<b>Total Funding</b>	<b>Actual Spend</b>	<b>Balance</b>
LMP/ Mobilisation Plan	10.211	10.934	(0.723)
Adult Social Care Winter Plan	1.238	0	1.238
Further Integration Authority Support	2.831	0	2.831
Mental Health Remobilisation Plan	0.161	0.028	0.133
<b>Total</b>	<b>14.441</b>	<b>10.962</b>	<b>3.479</b>

The 2021-22 budget approved by the IJB on 18 March 2021 approved the creation of a challenge fund reserve of £0.5m to assist the HSCP with developing longer term plans for delivering savings and service improvement. One of the main areas this would support would be the investment in technology solutions. The allocation and assessment of this funding would be determined by the PSMT with reporting of progress through the financial monitoring report to the IJB.

The 2021-22 budget paper also approved a draw on reserves of £1.116m to balance the IJB budget. Following the approval of the IJB budget at the end of March 2021 further funding was allocated by the Scottish Government to IJBs to address a shortfall across Scotland in the funding provided to meet the Scottish Living Wage commitment. Given that the North Ayrshire 2021-22 budget plans already incorporated meeting the Scottish Living Wage commitment the additional funding of £0.861m does not need to be allocated to services. In addition, the National Care Home Contract uplift for 2021-22 has now been settled, this is at a lower level than our planning assumptions as part of the budget estimates. Following these updates, the revised requirement from reserves to balance the 2021-22 budget is £0.181m.

The overall application of the cash outturn and impact on reserves is summarised in the table below:

<b>General Fund Reserves</b>	<b>Earmarked Reserves</b>	<b>Total</b>
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	<b>Debt to NAC £m</b>	<b>Free GF £m</b>	<b>SG Funding £m</b>	<b>HSCP £m</b>	<b>£m</b>
<b>Opening Balance at 1 April 2020</b>	<b>(5.293)</b>	<b>-</b>	<b>0.207</b>	<b>-</b>	<b>(5.086)</b>
<i>Movement in-year:</i>					
Debt Repayment	1.486				1.486
2020-21 Outturn		4.151			4.151
Use of SG Funding			(0.207)		(0.207)
SG Funding					
: PCIF			0.935		0.935
: Action 15			0.224		0.224
: ADP			0.336		0.336
: Community Living Change Fund			0.513		0.513
: Covid Funding (adj for 20-21 costs)			3.479		3.479
: Challenge Fund				0.500	0.500
: 2021-22 Budget Gap				0.181	0.181
<b>Balance at 31 March 2021</b>	<b>(3.807)</b>	<b>4.151</b>	<b>5.487</b>	<b>0.681</b>	<b>6.512</b>

The 'free' general fund balance of £4.151m is proposed to be 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.

The £1.486m will continue to be set aside in future years to support the repayment of the debt.

## 2.13 COVID-19 – FINANCE MOBILISATION PLAN IMPACT

From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns have been submitted to the Scottish Government on a regular basis, on the premise that any additional costs aligned to mobilisation plans would be fully funded. There was initially a risk that the full cost of the Covid-19 response was not funded, however full funding for the estimated impact of £10.211m has now been funded, including the unachieved savings of £1.467m. This estimate was based on the last LMP submission to Scottish Government in January 2021.

### Mobilisation Plan

The most recent mobilisation plan cost submission submitted in January estimated the costs to be £10.211m to March 2021. The majority of the additional costs for the HSCP relate to the provision of social care services and the most significant areas are PPE, additional staff costs for staff absence and student nurses, loss of income due to closed services, additional care home placements, payments to commissioned care providers to ensure financial sustainability and the impact on our approved savings programme.

The main areas of cost together with the mobilisation plan estimate are summarised below:

<b>Service Area</b>	<b>LMP Estimate</b>	<b>2020-21 Actual Spend</b>	<b>Difference</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Payments to Providers	3.003	4.525	(1.522)
Personal Protective Equipment (PPE)	1.723	1.509	0.214
Savings Delays	1.467	1.067	0.400
Nursing – Students and Bank Staff	0.685	0.660	0.025
Care at Home Capacity	0.416	0.412	0.004
Loss of Income	0.853	0.778	0.075
Staff Cover	0.496	0.399	0.097
Care Home Beds – Delayed Discharges	0.396	0.396	0.000
Fostering Placements	0.286	0.266	0.020
Delayed Discharges - Other Measures	0.116	0.045	0.071
Other staff costs	0.767	1.031	(0.264)
Other costs	0.533	0.376	0.157
Offsetting cost reductions	(0.530)	(0.530)	0.000
<b>TOTAL</b>	<b>10.211</b>	<b>10.934</b>	<b>(0.723)</b>

The final spend was £0.723m higher than the £10.211m estimate and funding received. The main area of increased cost was payments to social care providers. The spend on social care sustainability claims was higher than estimated partially due to care home occupancy payments remaining high and some providers submitting backdated claims, this area of cost has been the most difficult to project. This has partly been offset by lower costs in other areas including PPE and savings delays, the reduction in savings delays is directly attributable to the receipt of additional grant funding for the Children's Services Winter Plan which was permitted to be used to offset these delays. The overall additional spend during 2020-21 has been top sliced from the additional funding earmarked for use in 2021-22.

### **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.



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.

As noted above, the sustainability payments are the most 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 back dated claims, the commissioning team are working with providers to support them to submit claims. This means that some claims and costs relating to 2020-21 will not be known or paid until 2021-22.

A significant level of financial support has been provided to our commissioned providers, in particular older people's care homes. The table below shows the support provided during 2020-21 split into occupancy and sustainability claims:

<b>Type of Provider Support</b>	<b>£</b>
Care Home Occupancy Payments	2.327m
Sustainability Payments	2.198m
<b>TOTAL</b>	<b>4.525m</b>

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 is no longer in place 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;

	<ul style="list-style-type: none"> <li>• The Social Care Staff Support Fund will remain in place to ensure all staff receive their full pay during a Covid related absence; and</li> <li>• 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.</li> </ul> <p>The current financial sustainability principles, guidance and criteria are in place until 30 June 2021, future arrangements from 1 July 2021 have still to be agreed and communicated to HSCPs and social care providers. Clearly a significant level of financial support has been provided to the sector and any significant change to those principles may have consequences for financial sustainability. The HSCP Commissioning and Finance teams will proactively meet with those providers most at risk of exposure to any changes in financial support.</p>
2.14	<p><b>National Position</b></p>
	<p>Across Scotland Integration Joint Boards faced similar financial challenges during 2020-21 but due to the additional funding for covid related costs it is expected that all IJBs will be reporting underspends and will be earmarking a significant element of the underspend for use in 2021-22.</p> <p>The overall national 2020-21 position is being finalised through the IJB CFO network and will be reported to a future PAC.</p>
3.	<p><b>PROPOSALS</b></p>
3.1	<p><b><u>Anticipated Outcomes</u></b></p>
	<p>The final outturn position for 2020-21 and the work services have undertaken to ensure financial balance during the pandemic are the building blocks for financial sustainability moving into 2021-22.</p> <p>The focus during the year was to ensure the final outturn position was at online for core service delivery whilst closely monitoring the additional Covid costs.</p> <p>This was achieved and the overall debt owed to the Council has reduced.</p> <p>The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line, including the impact of the Covid response financially and on the delivery of the change programme.</p>
3.2	<p><b><u>Measuring Impact</u></b></p>
	<p>The position reported is the unaudited year-end outturn position for 2020-21, further information will also be contained within the unaudited IJB annual accounts. Ongoing updates to the financial position including the reserves position will be reported to the IJB throughout 2021-22.</p>
4.	<p><b>IMPLICATIONS</b></p>

<b>Financial:</b>	The outturn is a year-end underspend of £4.151m after earmarking £6.168m of funds for future use, this is also after £1.486m of debt repayment budget back to the IJB. The main areas of overspends and underspends are highlighted in the report.
<b>Human Resources:</b>	The report highlights a high level of vacancy or turnover savings achieved during the year; this is not expected to be the sustained level moving forward. 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.
<b>Legal:</b>	None
<b>Equality:</b>	None
<b>Children and Young People</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	None
<b>Risk Implications:</b>	Within the projected outturn there are various over and underspends including the non-achievement of savings.
<b>Community Benefits:</b>	None

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

<b>4.</b>	<b>CONSULTATION</b>
4.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.</p>
<b>5.</b>	<b>CONCLUSION</b>
5.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance for the financial year 2020-21 and the overall year-end underspend of £10.319m, adjusted to £4.151m after earmarking;</p> <p>(b) notes the updated costs of the Covid response and the funding received;</p> <p>(c) notes that out-with the IJB overall position, the £1.486m debt repayment has</p>

been made to North Ayrshire Council as planned; (d) approve the budget changes outlined at section 2.10; and (e) approve the proposed earmarking of £6.168m of reserves as detailed in the report, leaving a balance of £4.151m in free general fund reserves
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2020-21 Budget Monitoring Report-Objective Summary as at 31<sup>st</sup> March 2021

## Appendix A

Partnership Budget - Objective Summary	2020/21 Budget									Over/ (Under) Spend Variance at Period 10 £'000	Movement in projected variance from Period 10 £'000
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
<b>COMMUNITY CARE AND HEALTH</b>	<b>57,059</b>	<b>55,249</b>	<b>(1,810)</b>	<b>17,199</b>	<b>17,362</b>	<b>163</b>	<b>74,258</b>	<b>72,611</b>	<b>(1,647)</b>	<b>(965)</b>	<b>(682)</b>
: Locality Services	23,942	22,951	(991)	4,891	4,979	88	28,833	27,930	(903)	(601)	(302)
: Community Care Service Delivery	27,963	27,545	(418)	0	0	0	27,963	27,545	(418)	(128)	(290)
: Rehabilitation and Reablement	1,948	1,978	30	4,989	4,962	(27)	6,937	6,940	3	9	(6)
: Long Term Conditions	1,786	1,338	(448)	5,174	5,093	(81)	6,960	6,431	(529)	(314)	(215)
: Integrated Island Services	1,420	1,437	17	2,145	2,328	183	3,565	3,765	200	69	131
<b>MENTAL HEALTH SERVICES</b>	<b>26,985</b>	<b>26,667</b>	<b>(318)</b>	<b>54,410</b>	<b>52,980</b>	<b>(1,430)</b>	<b>81,395</b>	<b>79,647</b>	<b>(1,748)</b>	<b>308</b>	<b>(2,056)</b>
: Learning Disabilities	20,202	20,922	720	460	457	(3)	20,662	21,379	717	1,662	(945)
: Community Mental Health	5,009	4,298	(711)	1,701	1,661	(40)	6,710	5,959	(751)	(433)	(318)
: Addictions	1,774	1,447	(327)	1,341	1,329	(12)	3,115	2,776	(339)	9	(348)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	50,908	49,533	(1,375)	50,908	49,533	(1,375)	(930)	(445)
<b>CHILDREN &amp; JUSTICE SERVICES</b>	<b>31,447</b>	<b>31,427</b>	<b>(20)</b>	<b>3,980</b>	<b>3,919</b>	<b>(61)</b>	<b>35,427</b>	<b>35,346</b>	<b>(81)</b>	<b>62</b>	<b>(143)</b>
: Irvine, Kilwinning and Three Towns	2,950	2,830	(120)	0	0	0	2,950	2,830	(120)	(144)	24
: Garnock Valley, North Coast and Arran	1,240	1,125	(115)	0	0	0	1,240	1,125	(115)	(119)	4
: Intervention Services	1,978	1,966	(12)	387	379	(8)	2,365	2,345	(20)	(17)	(3)
: Looked After and Accommodated Children	17,470	17,888	418	0	0	0	17,470	17,888	418	490	(72)
: Quality Improvement	4,341	4,173	(168)	0	0	0	4,341	4,173	(168)	(118)	(50)
: Public Protection	608	593	(15)	0	0	0	608	593	(15)	2	(17)
: Justice Services	2,509	2,509	0	0	0	0	2,509	2,509	0	0	0
: Universal Early Years	351	343	(8)	3,216	3,163	(53)	3,567	3,506	(61)	(32)	(29)
: Lead Partnership NHS Children's Services	0	0	0	377	377	0	377	377	0	0	0
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48,940</b>	<b>48,809</b>	<b>(131)</b>	<b>48,940</b>	<b>48,809</b>	<b>(131)</b>	<b>(143)</b>	<b>12</b>
<b>ALLIED HEALTH PROFESSIONALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,722</b>	<b>5,722</b>	<b>0</b>	<b>5,722</b>	<b>5,722</b>	<b>0</b>	<b>(75)</b>	<b>75</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>20,553</b>	<b>15,181</b>	<b>(5,372)</b>	<b>2,588</b>	<b>1,685</b>	<b>(903)</b>	<b>23,141</b>	<b>16,866</b>	<b>(6,275)</b>	<b>(1,476)</b>	<b>(4,799)</b>
<b>UNACHIEVED SAVINGS DUE TO COVID</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,467)</b>	<b>1,467</b>
<b>COVID - NHS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,035</b>	<b>2,035</b>	<b>0</b>	<b>2,035</b>	<b>2,035</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CHANGE PROGRAMME</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1,081</b>	<b>1,080</b>	<b>(1)</b>	<b>1,081</b>	<b>1,081</b>	<b>0</b>	<b>8</b>	<b>(8)</b>
<b>OUTTURN ON A MANAGED BASIS</b>	<b>136,044</b>	<b>128,525</b>	<b>(7,519)</b>	<b>135,955</b>	<b>133,592</b>	<b>(2,363)</b>	<b>271,999</b>	<b>262,117</b>	<b>(9,882)</b>	<b>(3,748)</b>	<b>(6,134)</b>
Return Hosted Over/Underspends East	0	0	0	0	255	255	0	255	255	301	(46)
Return Hosted Over/Underspends South	0	0	0	0	238	238	0	238	238	286	(48)
Receive Hosted Over/Underspends South	0	0	0	0	4	4	0	4	4	15	(11)
Receive Hosted Over/Underspends East	0	0	0	0	(430)	(430)	0	(430)	(430)	(351)	(79)
Allocation of PCIF from East	0	0	0	0	(935)	(935)	0	(935)	(935)	0	(935)
Allocate the Action 15 underspend to East	0	0	0	0	227	227	0	227	227	0	227
Allocate the Action 15 underspend to South	0	0	0	0	204	204	0	204	204	0	204
<b>OUTTURN ON AN IJB BASIS</b>	<b>136,044</b>	<b>128,525</b>	<b>(7,519)</b>	<b>135,955</b>	<b>133,155</b>	<b>(2,800)</b>	<b>271,999</b>	<b>261,680</b>	<b>(10,319)</b>	<b>(3,497)</b>	<b>(6,822)</b>
<b>Less Earmarking</b>											
PCIF	0	0	0	0	935	935	0	935	935		
Action 15	0	0	0	0	224	224	0	224	224		
ADP	0	336	336	0	0	0	0	336	336		
21-22 BUDGET GAP	0	181	181	0	0	0	0	181	181		
CHALLENGE FUND	0	500	500	0	0	0	0	500	500		
COMMUNITY LIVING CHANGE FUND	0	513	513	0	0	0	0	513	513		
COVID FUNDING	0	3,346	3,346	0	0	0	0	3,346	3,346		
MH REMOBLISATION FUNDING	0	133	133	0	0	0	0	133	133		
<b>FINAL OUTTURN POSITION</b>	<b>136,044</b>	<b>133,534</b>	<b>(2,510)</b>	<b>135,955</b>	<b>134,314</b>	<b>(1,641)</b>	<b>271,999</b>	<b>267,848</b>	<b>(4,151)</b>		

## Detailed Variance Analysis on a Managed Basis

## Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>COMMUNITY CARE AND HEALTH</b>	<b>74,258</b>	<b>72,611</b>	<b>(1,647)</b>	
Locality Services	28,833	27,930	(903)	<p><b>Older People care homes inc respite</b> - underspend of £0.853m based on 752 permanent placements and including an under recovery of income from Charging Orders of £345k.</p> <p><b>Independent Living Services :</b></p> <ul style="list-style-type: none"> <li>* Direct Payment packages- overspend of £0.107m on 67 current packages.</li> <li>* Residential Packages - underspend of £0.048m based on 38 packages.</li> <li>* Community Packages (physical disability) - overspend of £0.040m based on 50 packages .</li> </ul>
Community Care Service Delivery	27,963	27,545	(418)	<p><b>Care at Home</b> (inhouse &amp; purchased) - overspend by £0.463m overall due to increased demand in Inhouse services. Overspend Inhouse £0.639m partially offset by an underspend in purchased care £0.227m. There was also an under recovery in Service Credits from CM2000 £0.051m. All of the £0.436m was brought online by COVID funding.</p> <p><b>Direct Payments</b> - underspend £0.202m based on 35 packages.</p>
Rehabilitation and Reablement	6,937	6,940	3	Outwith the threshold for reporting
Long Term Conditions	6,960	6,431	(529)	<p><b>Carers Centre</b> - underspend of £0.546m</p> <p><b>Anam Cara</b> - overspend £0.083m mainly due to employee costs due to overtime &amp; pilot of temporary post with a view to making longer term savings in bank &amp; casual hours.</p>
Integrated Island Services	3,565	3,765	200	<b>GP service to hospital</b> - overspend due to costs being transferred without the associated budget. This will be reimbursed by East Ayrshire HSCP in 2021-22.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
<b>MENTAL HEALTH SERVICES</b>	<b>81,395</b>	<b>79,647</b>	<b>(1,748)</b>	
Learning Disabilities	20,662	21,379	717	<b>Residential Packages-</b> overspend of £0.338m based on 43 current packages. <b>Community Packages (inc direct payments)</b> - overspend of £0.553m based on 328 current packages.
Community Mental Health	6,710	5,959	(751)	<b>Community Packages (inc direct payments) and Residential Packages</b> - underspend of £0.620m based on 96 community packages, 13 Direct Payments and 30 residential placements.
Addictions	3,115	2,776	(339)	<b>ADP</b> underspend £0.336m which will be earmarked for use in 2021-22.
Lead Partnership (MHS)	50,908	49,533	(1,375)	<b>Adult Community</b> - underspend of £0.230m due to vacancies. <b>Adult Inpatients-</b> overspend of £0.809m due to a delay in closing the Lochranza wards, revised assumptions on redeployed staff and an under recovery of bed sale income. <b>UNPACs</b> - overspend of £0.509m based on current placements, increased service level agreement costs and a backdated charge for one placement. <b>Elderly Inpatients</b> - underspend of £0.175m which includes the part year impact of the £0.934m of unallocated funding following the elderly MH review. <b>CAMHS</b> - underspend of £0.211m due to vacancies. <b>MH Admin</b> - underspend of £0.329m due to vacancies. <b>Psychiatry</b> - underspend of £0.400m due to vacancies. <b>MH Pharmacy</b> - underspend of £0.160m mainly within substitute prescribing. <b>Psychology-</b> underspend of £0.410m due to vacancies. <b>Action 15</b> - underspend of £0.655m. East and South HSCP will be allocated their share of this underspend and the North element will be earmarked for
<b>CHIDREN'S AND JUSTICE SERVICES</b>	<b>35,427</b>	<b>35,346</b>	<b>(81)</b>	
Irvine, Kilwinning and Three Towns	2,950	2,830	(120)	<b>Transports costs</b> - Underspend of £0.027m due a reduction in spend in Staff Mileage costs <b>Cornerstone Respite</b> - Underunderspend of £0.088m due to respite services not taking place due to COVID
Garnock Valley, North Coast and Arran	1,240	1,125	(115)	<b>Employee Costs</b> - Underspend £0.059m due to a substantive post being vacant . This will be offsetting an overspend in employee Costs within Quality Improvement. <b>Transports costs</b> - Underspend of 0.012m due a reduction in spend in Staff Mileage costs. <b>Cornerstone Respite</b> - Underspend of £0.045m due to respite services not taking place due to COVID.

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Intervention Services	2,365	2,345	(20)	Outwith the threshold for reporting
Looked After and Accommodated Children	17,470	17,888	418	<p><b>Looked After Children placements - Overall underspend of £0.223m. Favourable movement of £0.65m which is made up of the following:-</b></p> <p><b>Kinship</b> - Underspend of £0.123k. Budget for 370 placements, End of year 341 placements.</p> <p><b>Adoption</b> - Online position. Favourable movement of £43k which was mainly due to COVID funding delays in savings Budget for 69 placements, End of year 73 placements.</p> <p><b>Fostering</b> - Overspend of £0.061m. Budget for 129 placements, currently 132 placements and End of year placements 134. -</p> <p><b>Fostering Xtra</b> - Underspend £94k. Budget for 32 placements, End of year 28 Placements.</p> <p><b>Fostering Respite</b> - Projected underspend of £0.119m which is due to respite services not taking place due to COVID</p> <p><b>Private fostering</b> - Overspend of £0.002m. Budget for 10 placements, End of year 10 placements.</p> <p><b>IMPACCT carers</b> - Underspend of £0.001m Budget for 2 placements, End of year 1 Placement</p> <p><b>Residential School placements</b> - Overspend £0.773m, End of year number of placements is 17 of which 1 of them is a Secure Placement.</p>
Quality Improvement	4,341	4,173	(168)	<p><b>Employee Costs</b> - Overspend £0.080m, however this is partially offset with underspend within Garnock Valley</p> <p><b>Transports costs</b> - Underspend of £0.009m</p> <p><b>Muirfield Place</b> - Block contract Underspend £0.0028m</p> <p><b>Community Packages</b> - Underspend of £0.113m . 88 Community Packages on establishment list</p> <p><b>Direct Payments</b> - Underspend £0.140m End of year number of packages in place is 50</p> <p><b>Children's Residential Placements</b> - Overspend £0.041m Currently 12 Residential Placements.</p>
Public Protection	608	593	(15)	Outwith the threshold for reporting
Justice Services	2,509	2,509	0	Outwith the threshold for reporting
Universal Early Years	3,567	3,506	(61)	<b>Non Employee costs</b> - £0.061m underspend consisting of small variance across the service.
Lead Partnership NHS Children's Services	377	377	0	Outwith the threshold for reporting
PRIMARY CARE	48,940	48,809	(131)	Underspend on GMS services
ALLIED HEALTH PROFESSIONALS	5,722	5,722	0	Outwith the threshold for reporting
MANAGEMENT AND SUPPORT	23,141	16,866	(6,275)	Payroll turnover – over recovery of £1.170m, Transition and Pressure funding - underspent by £0.646m due to part year costs being incurred for some transition cases, Covid Funding - £3.479m underspend which will be earmarked for use in 2021-22, unscheduled care funding - £0.500m underspend and the Community Living Change Fund - £0.513m underspend which will be earmarked for use in 2021-22.
COVID - NHS	2,035	2,035	0	Outwith the threshold for reporting
CHANGE PROGRAMME & CHALLENGE FUND	1,081	1,081	0	Outwith the threshold for reporting
<b>TOTAL OUTTURN ON A MANAGED BASIS</b>	<b>271,999</b>	<b>262,117</b>	<b>(9,882)</b>	

Threshold for reporting is + or - £50,000



## 2020-21 Savings Tracker

## Appendix C

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 12	Net Saving Achieved at Period 12	Shortfall (fully funded) £m
<b>Children, Families &amp; Criminal Justice</b>						
1	Children and Young People - External Residential Placements	Amber	0.583	Amber	0.208	0.375
2	Adoption Allowances	Amber	0.074	Red		0.074
3	Children's Services - Early Intervention and Prevention	Amber	0.050	Green	0.050	-
4	Fostering - Reduce external placements	Green	0.036	Green	0.036	-
5	Community Support - Children's Care Packages	Amber	0.008	Green	0.008	-
<b>Mental Health and LD Services</b>						
6	LD - Reduction to Sleepover Provision	Amber	0.200	Red		0.200
7	Learning Disability Day Services	Amber	0.279	Amber	0.050	0.229
8	Trindlemoss	Green	0.150	Amber	0.150	-
9	Mental Health - Flexible Intervention Service	Green	0.008	Green	0.008	-
<b>Health and Community Care</b>						
10	Roll out of multidisciplinary teams - Community Care and Health	Amber	0.110	Green	0.110	-
11	Carers Act Funding - Respite in Care Homes	Green	0.273	Green	0.273	-
12	Care at Home - Reablement Investment	Amber	0.300	Green	0.300	-
13	Care at Home - Efficiency and Capacity Improvement	Amber	0.135	Green	0.135	-
14	Day Centres - Older People	Amber	0.038	Amber		0.038
15	Charging Policy - Montrose House	Amber	0.050	Green	0.050	-
<b>Whole System</b>						
16	Adults - New Supported Accommodation Models	Amber	0.063	Amber	0.025	0.038
17	Adult Community Support - Commissioning of Services	Amber	0.638	Amber	0.150	0.488
18	Charging Policy - Inflationary Increase	Green	0.050	Amber	0.025	0.025
<b>TOTAL SOCIAL CARE SAVINGS</b>			<b>3.045</b>		<b>1.578</b>	<b>1.467</b>

Health:

Savings reference number	Description	Deliverability Status at budget setting	Approved Saving 2020/21 £m	Deliverability Status Month 12	Net Saving Achieved at Period 12	Shortfall (fully funded) £m
19	Trindlemoss	Green	0.120	Green	0.120	-
20	Packages of care	Green	0.100	Green	0.100	-
21	Elderly Mental Health inpatients (lead partnership)	Green	0.216	Green	0.216	-
22	MH Payroll Turnover (lead partnership)	Green	0.100	Green	0.100	-
23	North Payroll Turnover	Green	0.280	Green	0.280	-
<b>TOTAL HEALTH SAVINGS</b>			<b>0.816</b>		<b>0.816</b>	<b>0</b>
<b>TOTAL NORTH HSCP SAVINGS</b>			<b>3.861</b>		<b>2.394</b>	<b>1.467</b>

## 2020-21 Budget Reconciliation

## Appendix D

<b>COUNCIL</b>	<b>Period</b>	<b>Permanent or Temporary</b>	<b>£</b>
Initial Approved Budget			96,963
Month 1 - 10 adjustments previously reported			33,257
Drug Death Prevention from Corporate	12	T	5
STACA	12	T	(32)
Insurance Allocation 20-21 from Corporate	12	T	80
Increased Bad Debt Provision from Corporate	12	T	128
Adult Social Care Winter Funding tranche 2	12	T	1,238
Further Integration Authority Support	12	T	2,840
Debt Repayment Budget	12	T	1,486
Resource Transfer net Month 12 adj	12	T	441
Inter authority income	12	T	(357)
Rounding			(5)
<b>Budget Reported at Month 12</b>			<b>136,044</b>
<b>HEALTH</b>	<b>Period</b>	<b>Permanent or Temporary</b>	<b>£</b>
Initial Approved Budget			149,830
Month 1 - 10 adjustments previously reported			(18,662)
Reduce Drug Deaths	11	T	96
South Veterans 1st adj	11	T	6
Training Grade Funding	11	P	(30)
Adult Social Care Winter Funding tranche 2	11	T	1,238
Community Living	11	T	513
Further IA Support	11	T	2,840
Transfer to Social Care	11	T	(4,078)
RX Uplift (Prescribing)	11	T	791
ADP Allocation Hd938	11	T	131
Hd 836 - Trauma Funding 30%	11	T	113
Arran Band 7 Pharmacy Post To East	11	P	(11)
Clozapine Tfr To East	11	P	(6)
Action 15 Balance - Jan Alloc	11	T	622
Additional Nhs Covid Funding - North Hscp	11	T	148
Training Grade Funding	12	T	14
Social Care Staff Shielding support	12	T	3
Allocation uplift	12	P	507
GMS Allocation	12	P	(2,085)
Fund Veterans 1st Point (NR)	12	T	27
20/21 1% Pay Award	12	T	214
Top Up To 4% Pay Award	12	T	655
Gms Methadone Pilot - Shortfall	12	T	(20)
GP ABI - 20/21 Allocation	12	T	(6)
LDS GP Shortfall - Alloway Place	12	T	(8)
Douglas Grant and Redburn Wards previously excluded	12	T	2,719
Redburn Overspend Funding	12	T	212
North Hscp - Covid 18/19	12	T	83
North Hscp - Covid March	12	T	181
Resource Transfer net Month 12 adj	12	T	(441)
Inter authority income	12	T	357
Rounding			2
<b>Budget Reported at Month 12</b>			<b>135,955</b>
<b>COMBINED BUDGET</b>			<b>271,999</b>