

**HEALTH AND SOCIAL CARE PARTNERSHIP 2020/21 OUTTURN AND DEBT REPAYMENT SCHEDULE**

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**1. EXECUTIVE SUMMARY**

- 1.1 At the Council's budget meeting on 25 February 2021 the Council approved a base allocation to the Health and Social Care Partnership (HSCP) of £62.211m for 2021/22, with a net payment of £62.011m once the debt repayment schedule requested by the HSCP, and an early repayment of £1.0m was taken into account. The schedule, including future years indicative payments, was also approved.
- 1.2 The final outturn for the HSCP is a £1.010m underspend, which is after accounting for the original repayment and subsequent £1m early repayment in 2020-21. This amount will be used to reduce the outstanding debt to the Council, in line with the Scheme of Integration.
- 1.3 It is recommended that the Policy and Resources Committee
- a) Note the HSCP favourable outturn position which results in a further £1.010m of the outstanding debt being repaid early.
  - b) Agree the revised schedule of debt repayment as outlined within paragraph 4.4.

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**2. INTRODUCTION**

- 2.1 This report advises of the favourable outturn position of the HSCP in financial year 2020/21 and following a request from the IJB Chief Financial Officer recommends a revised profile of the remaining outstanding debt.

**3. RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee
- a) Note the HSCP favourable outturn position which results in a further £1.010m of the outstanding debt being repaid early.
  - b) Agree the revised schedule of debt repayment as outlined within paragraph 4.4.

**4. DETAIL****Health and Social Care Partnership Financial Position**

- 4.1 There is currently a debt due to the Council from the HSCP of £3.848m for overspends incurred in 2018/19 and 2019/20.
- 4.2 The HSCP have confirmed that their final 2020/21 outturn is an underspend of £1.010m. The approved Scheme of Integration outlines what should happen in the event of an underspend at the year end:

*8.2.21 Subject to there being no outstanding payments due to the partner bodies, the IJB may retain any underspend to build up its own reserves and the Chief Financial Officer will maintain a reserves policy for the IJB.*

- 4.3 As there are outstanding payments due to the Council from the HSCP the underspend of £1.010m will be used to reduce the outstanding balance from £3.848m to £2.838m.

**Repayment of Remaining Outstanding Debt**

- 4.4 The IJB Chief Financial Officer has requested that the repayment schedule be updated with the repayments still being made over the following 4 years but the repayments between 2022/23 to 2024/25 being reduced by the early repayment in 2020/21. The revised repayment profile is set out in the table below.

	<b>Repayment 2018/19 Overspend £000</b>	<b>Repayment 2019/20 Overspend £000</b>	<b>Total Repayment £000</b>
2021/22	200		200
2022/23	900		900
2023/24	572	328	900
2024/25		838	838
<b>Total</b>	<b>1,672</b>	<b>1,166</b>	<b>2,838</b>

## 5. CONCLUSION

- 5.1 The HSCP is £1.010m underspent in 2020/21 and this underspend will be used to pay down the HSCP's debt to the Council from £3.848m to £2.838m in line with the terms of approved Scheme of Integration.
- 5.2 It is recommended that the repayment of the remaining £2.838m is deducted from the Council's payment to the HSCP over the four year period 2021/22 to 2024/25.

## 6. IMPLICATIONS

- 6.1 Policy – In line with the Scheme of Integration
- 6.2 Financial – The repayment of £1.010m of the outstanding debt will increase the Council's General Fund balance.
- 6.3 Legal - None
- 6.4 HR - None
- 6.5 Fairer Scotland Duty - None
- 6.5.1 Equalities – None
- 6.5.2 Socio-Economic Duty – None
- 6.5.3 Islands Duty - None
- 6.6 Risk – None.
- 6.7 Customer Service - None

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