

The Highland Council

Finance, Housing and Resources Committee – 5 June 2013

Agenda Item	4
Report No	FHR/67/13

Corporate Revenue Monitoring to 30 April 2013

Report by Director of Finance

Summary

The purpose of this report is to present the revenue budget expenditure position for the period to 30 April; the projected year end position and the funding position for 2013/14.

1. Introduction

- 1.1 This report sets out the overall revenue budget monitoring position for the Council for the financial year 2013/14 as at April 2013. Appendix 1 shows the estimated year end position for each Service and the Council's overall predicted year end over or underspend. Appendix 2 shows the sources of funding for the 2013/14 revenue budget agreed at Council on 7 February 2013.
- 1.2 The purpose of this report is to advise members of the anticipated financial position of the Council at the end of financial year 2013/14 and to report on any variances.
- 1.3 This report is produced in support of the Council's corporate governance process, which in turn is designed to support the Council's corporate delivery of its obligations in terms of the Single Outcome Agreement.

2. Overview

- 2.1 A corporate monitoring statement is attached as an appendix. The statement shows that the General Fund has a total annual budget allocated to Services of £560.944m year to date actual of £31.762m and an estimated year end position of £561.572m giving an estimated year end over spend of £0.628m (0.11%).
- 2.2 The net budget has increased by £12.508m from that agreed at Council on 7 February. Appendix 2 shows the funding agreed on that date to support the revenue budget. The following additional resources from Scottish Government have contributed to the increase in the budget level: Council Tax Reduction Scheme (£12.021m); Scottish Welfare Fund Grants (£0.801m); Scottish Welfare Fund Administration (£0.117m) and Teacher Induction Scheme (£0.469m).

- 2.3 The budget has also been increased by using earmarked balances to increase the Education Culture and Sport Services budget by £0.050m as part of an overall increase for Preventative Spend. The ring fenced Gaelic Grant of £0.951m (credit) has also been applied to the budget.
- 2.4 The report also analyses the General Fund position by staff costs, other costs, grant income and other income.
- 2.5 The balance on the unallocated corporate pressures budget line is £3.771m. Funding will be transferred to Service budgets from this budget line when the various expenditure pressures are fully confirmed and quantified. Budget pressures currently unallocated are: the e-mail platform in ECS; Street lighting pressures in TECS; and Corporate pressures for Energy, the Carbon Reduction Commitment, Pension scheme auto enrolment and NDR changes to empty property relief.
- 2.6 Further adjustments will be required to the Health and Social Care budget to reflect the agreement in March to fund a “flat cash” settlement for Adult Care and a 2.8% uplift for Children’s Services. Discussions are still ongoing with NHS Highland to reach agreement on additional funding for Business Support within Children’s Services.
- 2.7 For this month the service budget monitoring figures for 2013/14 only show a variance against the Finance Service. For this Service a year end over spend of £0.628m is expected due to: an unbudgeted shortfall in DWP grant of £0.310m less additional savings of £45,000, and a shortfall in the expected Business support savings of £0.363m due to delays in changing underlying processes to allow savings to be released. In the coming year the Finance Service will attempt to find compensating savings to mitigate the pressure.

3. Housing Revenue Account

- 3.1 The report also shows the Council’s Housing Revenue Account (HRA). Although the net budget is zero the annual expenditure budget totals £46.842m to be met principally from Council House rents.
- 3.2 At this stage of the financial year it is expected that the HRA will be on budget at the year end.

4. Recommendation:

Members are invited to:-

Approve the Revenue Expenditure Monitoring Statement for the financial year 2013/14 which shows a predicted net over spend of £0.628m, and note the management response to the predicted over spend.

Designation: Director of Finance
Date: 28 May 2013
Author: David Robertson, Head of Accounting & Budgeting
Background Papers: Service revenue budget monitoring statements

Revenue Expenditure Monitoring Report - Service Summary

1 April 2013 to 30th April 2013

SERVICE	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Education Culture & Sport - DSM	6,879	128,130	128,130	0
Education Culture & Sport	6,164	107,138	107,138	0
Health & Social Care	6,507	135,593	135,593	0
Other Housing & Property (Non HRA) & PSHG	2,118	10,043	10,043	0
Building Maintenance DLO	4,155	0	0	0
Planning & Development	36	7,543	7,543	0
Transport Environmental & Community Services	2,255	58,661	58,661	0
Chief Executive's Service	1,498	21,339	21,339	0
Members Expenses	14	2,130	2,130	0
Finance Service	1,347	11,408	12,036	628
Housing Benefit	(116)	371	371	0
Council Tax Reduction Scheme	0	13,300	13,300	0
Social Welfare Fund Grants	7	801	801	0
Service Total	30,864	496,457	497,085	628
Valuation Joint Board	198	2,380	2,380	0
Non Domestic Rates reliefs	700	606	606	0
Loan Charges	0	55,510	55,510	0
Interest on Revenue Balances	0	(180)	(180)	0
Total General Fund	31,762	554,773	555,401	628
Unallocated Corporate Pressures	0	3,771	3,771	0
Unallocated Corporate Savings	0	(200)	(200)	0
Affordable Housing Contribution	0	2,600	2,600	0
Total Revenue Expenditure	31,762	560,944	561,572	628
BY SUBJECTIVE				
Staff Costs	22,501	313,318	313,681	363
Other Costs	18,473	477,936	477,936	0
Gross Expenditure	40,974	791,254	791,617	363
Grants	(4,257)	(59,705)	(59,705)	0
Other Income	(4,955)	(170,605)	(170,340)	265
Total Income	(9,212)	(230,310)	(230,045)	265
	31,762	560,944	561,572	628
% of Annual Expenditure				
This year	6%			
Last year	6%			
Housing Revenue Account	(3,662)	0	0	0

Revenue Expenditure Monitoring Report - Funding Statement

Financial Year 2013-14

	£000	£000
Budget Financed By:		
Aggregate External Finance		
- General Revenue Funding	320,591	
- Non Domestic Rates Income	114,154	
- Ring Fenced Grants	951	
AEF as notified		435,696
Additional Resources	0	0
Council Tax		
Council Tax (excl landbanking income)	108,140	
2nd Homes Council Tax (landbanking income)	2,600	
Sub Total		110,740
Use of Balances		
General Fund non earmarked	2,000	
General Fund earmarked reserves	0	
Other reserves	0	
HRA	0	
Sub Total		2,000
Total Financing Agreed at Council		548,436
Net additional funding as per paragraphs 2.2 and 2.3		12,508
Total Budget at April 2013		560,944