

The Highland Council

Finance, Housing and Resources Committee - 28 August 2013

Agenda Item	5.b
Report No	FHR/89/13

Finance Revenue Budget – Final Outturn 2012/13 and Monitoring 2013/14

Report by Director of Finance

SUMMARY

This report comments on the final outturn for the Revenue Budget for the year to 31 March 2013 and the Revenue Monitoring position for the period to 30 June 2013

1. Overall Position on Finance Revenue Budget 2012/13

- 1.1 **Appendix 1** shows the position at the end of the financial year 2012/13 against the budget.
- 1.2 The net annual budget for Finance in 2012/13 was £12.034m. Actual expenditure during the financial year was £12.018m, producing a small under spend of £0.016m. This compares well with the February position reported to the April committee where a £0.006m underspend was estimated.
- 1.3 The Service had to manage compensating pressures and savings throughout the year in order to deliver a balanced budget. As reported to previous meetings of this committee the main pressures were in the budget headings for exchequer where DWP income was less than budgeted and delays in implementing the new Corporate Arrears Recovery Project restricted the expected income; also pressures were experienced in the business support budget where the required budget for the Children's Services aspect of the service was not transferred from NHS Highland until after the year end. These pressures were more than compensated by a reduction in the audit fee and savings from staff turnover.

2. Finance Revenue Budget 2013/14

- 2.1 The statement attached at **Appendix 2** shows the financial position to end June 2013.
- 2.2 This shows the annual budget of £11.335m compared to spend to date of £4.087m and estimated year end position of £11.748m, producing an estimated overspend of £0.413m.
- 2.3 The budget has changed by £0.383m from the previously reported April position. £0.310m of this relates to a transfer of budget from the Council Tax Reduction Scheme (CTRS) budget. At present the budget resource transferred from the DWP and Scottish Government is more than sufficient to fully cover the projected costs of CTRS and this budget transfer will accommodate the reduced funding for benefits administration. £0.068m is transfer of budget to Chief Executives Service to meet additional IT costs incurred by the Finance service; the balance reflecting inter Service transfers to match minor changes in staffing.

3. Variances

- 3.1 A budget pressure of £0.363m had been reported in June against the business support budget. This pressure has increased by £0.050m to £0.413m due to savings from the implementation of the Resourcelink project being further delayed.
- 3.2 As stated at the last Committee the Finance Service is examining all areas of expenditure to find compensating savings. This includes all areas over which the Finance Service has responsibility. To date the Service believes that it can deliver £600,000 of savings in loan charges due to action taken late last financial year to secure additional capital grant, and proactive management of borrowing. No budget virement is proposed in order to maintain scrutiny over this budget pressure, however, the Corporate Revenue Monitoring Report evidences this forecast offsetting saving.

4. Implications

- 4.1 Resource implications are noted in this report.
- 4.2 There are no Legal, Equalities, Climate Change/Carbon Clever or Risk implications arising as a direct result of this report.

5. RECOMMENDATIONS

It is recommended that the Committee :

- **Note** the Finance Budget outturn position for 2012/13
- **Agree** the monitoring report to the end of June 2013

Designation: Director of Finance

Date: 16 August 2013

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FINANCE SERVICES Revenue Expenditure Monitoring Report

1 April 2012 to 31 March 2013

Finance Service

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate	416	420	416	(4)
Procurement	497	511	497	(14)
Business Support	6,018	5,928	6,018	90
Accounting & Budgeting	1,629	1,774	1,629	(146)
Internal Audit & Risk Management	182	204	182	(22)
Payroll, Pensions & Creditors	725	741	725	(16)
Exchequer	2,553	2,457	2,553	95
	12,019	12,035	12,019	(16)
BY SUBJECTIVE				
Staff Costs	16,766	16,867	16,766	(101)
Other Costs	2,811	2,559	2,811	252
Gross Expenditure	19,577	19,426	19,577	151
Grants	(1,702)	(1,759)	(1,702)	57
Other Income	(5,855)	(5,632)	(5,855)	(223)
Total Income	(7,558)	(7,391)	(7,558)	(167)
	12,019	12,035	12,019	(16)

Revenue Expenditure Monitoring Report
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FINANCE SERVICES

01 April 2013 to 30 June 2013

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate	87	(216)	(216)	0
Procurement	181	551	551	0
Business Support	1,994	5,241	5,654	413
Accounting & Budgeting	363	1,776	1,776	0
Internal Audit & Risk Management	264	435	435	0
Payroll, Pensions & Creditors	496	754	754	0
Exchequer	702	3,103	3,103	0
	4,087	11,645	12,058	413
BY SUBJECTIVE				
Staff Costs	4,170	17,015	17,428	413
Other Costs	760	1,534	1,534	0
Gross Expenditure	4,930	18,550	18,963	413
Grants	(323)	(1,714)	(1,714)	0
Other Income	(520)	(5,191)	(5,191)	0
Total Income	(843)	(6,905)	(6,905)	0
	4,087	11,645	12,058	413