

The Highland Council
Finance, Housing and Resources Committee –
22 January 2014

Agenda Item	4
Report No	FHR/ 01/14

Finance Service Revenue Monitoring Report to 30 November 2013

Report by Director of Finance

Summary

This report provides Members with information on the revenue monitoring position for the Finance Service for the period 1 April to 30 November 2013.

1. Financial Year 2013-14

1.1 Attached as Appendix 1 is the revenue monitoring statement for the period to 30 November 2013; it shows that the Service has incurred net expenditure of £10.782m against an annual budget of £11.757m. At this point in the year an over spend of £0.393m is projected.

2. Variances

2.1 The budget for the Business Support section includes a saving target of £0.865m. Due to various constraints previously reported, mainly relating to IT technical issues thereby delaying the implementation of some new ways of working, it is now forecast that £0.300m will be achieved creating an expected under achievement of savings of £0.565m in 13/14. With Business Support savings of £1.590m already delivered from the start of the review (1 April 2011) to 31 March 13, the total savings due to be delivered from Business Support in the 3 years to 31 March 14 is therefore £1.890m.

2.2 A pressure of £0.028m has arisen in Payroll in respect of ICT charges resulting from changes in the legislative requirements regarding the submission of information to HMRC in respect of the Real Time Directive. This has been partially offset by staff related savings of £0.018m to leave a net pressure of £0.010m. Discussions are ongoing to challenge these additional costs.

2.3 The Finance Service is examining all budget areas to find compensating savings for these pressures, particularly where additional income can be generated.

2.4 The Service has also delivered savings of £1.400m in loan charges through the proactive management of borrowings, and is exploring options to achieve further savings.

- 2.5 To date savings from staff turnover and vacancy management are estimated to deliver savings of £0.2m in excess of budget, and this has been allocated across the Service in proportion to where the savings were achieved.
- 2.6 The £0.050m increase in the overall Finance outturn since the last FHR Committee (from £0.343m to £0.393m) arises because the estimated overspends in Business Support and Payroll increased by £0.122m and £0.028m respectively, £0.150m in total. These are offset by a £0.100m increase in projected staff savings from vacancy management.

3. Recommendation

Members are asked to:-

1. approve the Finance Service Revenue Monitoring Report for the period to 30 November 2013;
2. note the action being taken to address the current forecast overspend.

Designation: Director of Finance

Date: 13 January 2014

Author: Fiona Callum

Background Papers: None

FINANCE SERVICES Revenue Expenditure Monitoring Report

01 April 2013 to 30 November 2013	Finance Service
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	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate	296	(181)	(181)	0
Procurement	461	551	545	(6)
Business Support	5,297	5,315	5,880	565
Accounting & Budgeting	1,322	1,797	1,785	(12)
Internal Audit & Risk Management	372	405	395	(10)
Payroll, Pensions & Creditors	1,250	753	763	10
Exchequer	1,784	3,117	2,963	(154)
	10,782	11,757	12,150	393
BY SUBJECTIVE				
Staff Costs	11,232	17,064	17,429	365
Other Costs	1,848	1,581	1,609	28
Gross Expenditure	13,080	18,645	19,038	393
Grants	(1,097)	(1,404)	(1,404)	0
Other Income	(1,201)	(5,484)	(5,484)	0
Total Income	(2,298)	(6,888)	(6,887)	0
	10,782	11,757	12,150	393

Notes

1. %age of Annual Expenditure	This Year	92%
	Last Year	81%