

**The Highland Council**  
**Resources Committee – 27 August 2014**

Agenda Item	<b>7</b>
Report No	<b>RES/ 28/14</b>

**Finance Service Revenue Monitoring to 30 June 2014**

**Report by Director of Finance**

**Summary**

This report comments on the final outturn for the Revenue Budget for the year to 31 March 2014 and the Revenue Monitoring position for the period to 30 June 2014.

**1. Finance Revenue Budget 2013/14 Out-turn**

- 1.1 Appendix 1 shows the position at the end of the financial year 2013/14 against the budget.
- 1.2 The net annual budget for Finance in 2013/14 was £11.887m. Actual expenditure during the financial year was £12.205m, producing an over spend of £0.318m. This is more favourable than the December position reported to the February committee where an overspend of £0.405m was estimated.
- 1.3 The Service had to manage compensating pressures and savings throughout the year. As reported to previous meetings of this committee the main pressures were in the Business Support budget heading which included a savings target of £0.865m of which £0.160m was realised, leaving a final outturn of £0.705m over budget. These pressures were partially compensated for by savings in staff turnover and vacancy management, which delivered savings of £0.237m in excess of budget. In addition, income in Exchequer was £0.108m higher than budget due to additional funding for Universal Credit and Welfare reform. Finally, there were a number of small underspends totalling £0.042m in Accounting & Budgeting comprising: consultancy fees (£0.012m), books and reference materials (£0.014m), treasurer's fee income (£0.010m), and audit fees (£0.006m). These contributed to the overall outturn for the Service of £0.318m over budget.

**2. Finance Revenue Budget 2014/15**

- 2.1 Appendix 2 is the monitoring statement showing actual expenditure against budget to end June 2014.
- 2.2 Members will note that the former Exchequer and Business Support budget headings have been combined since the two sections were joined to form Revenues and Business Support.

- 2.3 Appendix 2 shows that the Service has incurred net expenditure of £3.876m against an annual budget of £11.299m. At this point in the year a small under spend of £0.025m is projected.
- 2.4 At the previous Committee on 28 May 2014 members agreed a range of efficiency measures, and the deletion of long-term vacant posts, to place the Service budget on a sounder footing, and these are now reflected in this report. The Service is now developing further proposals to help the Council meet future budget challenges.

### **3. Variances**

- 3.1 The budget for the Revenues and Business Support section includes a savings target of £0.760m. Whilst ResourceLink (phase 1) has gone live from 1 July 2014, phase 2 (self-serve such as on-line expenses) will not complete until later in the financial year meaning a delay to the delivery of some savings. This has resulted in a projected net overspend of £0.098m for the section.
- 3.2 The net overspend of £0.098m in Revenues and Business Support is offset by staffing related savings for the Service of £0.123m, which is estimated to be realised across budget heads as follows: Procurement (£0.003m); Accounting & Budgeting (£0.080m); Internal Audit and Risk Management (£0.010m) and Payroll, Pensions and Creditors (£0.030m).

### **4. Implications**

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

#### **Recommendations**

It is recommended that the Committee :

- Note the Finance Budget outturn position for 2013/14
- Agree the monitoring report to the end of June 2014

Designation: Director of Finance

Date: 14 August 2014

Author: Fiona Callum

Background Papers: None

<b>FINANCE SERVICES Revenue Expenditure Monitoring Report</b>
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<b>01 April 2013 to 31 March 14</b>	<b>Finance Service</b>
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	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	(234)	(234)	(234)	(0)
Procurement	472	477	472	(5)
Business Support	6,084	5,379	6,084	705
Accounting & Budgeting	1,749	1,797	1,749	(48)
Internal Audit & Risk Management	371	401	371	(30)
Payroll, Pensions & Creditors	731	753	731	(22)
Exchequer	3,032	3,314	3,032	(282)
	<b>12,205</b>	<b>11,887</b>	<b>12,205</b>	<b>318</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	17,715	17,210	17,715	505
Other Costs	1,582	1,660	1,582	(78)
<b>Gross Expenditure</b>	<b>19,297</b>	<b>18,870</b>	<b>19,297</b>	<b>427</b>
Grants	(1,655)	(1,425)	(1,655)	(230)
Other Income	(5,437)	(5,558)	(5,437)	120
<b>Total Income</b>	<b>(7,092)</b>	<b>(6,983)</b>	<b>(7,092)</b>	<b>(109)</b>
	<b>12,205</b>	<b>11,887</b>	<b>12,205</b>	<b>318</b>

**Notes**

1. %age of Annual Expenditure	This Year	<b>103%</b>
	Last Year	<b>100%</b>

<b>FINANCE SERVICES Revenue Expenditure Monitoring Report</b>
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<b>01 April 2014 to 30 Jun 2014</b>	<b>Finance Service</b>
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	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	96	402	402	0
Procurement	191	616	613	(3)
Revenues and Business Support	2,353	7,385	7,483	98
Accounting & Budgeting	409	1,819	1,739	(80)
Internal Audit & Risk Management	331	392	382	(10)
Payroll, Pensions & Creditors	496	685	655	(30)
	<b>3,876</b>	<b>11,299</b>	<b>11,274</b>	<b>(25)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	4,010	16,451	16,570	119
Other Costs	994	1,828	1,684	(144)
<b>Gross Expenditure</b>	<b>5,004</b>	<b>18,280</b>	<b>18,255</b>	<b>(25)</b>
Grants	(484)	(1,318)	(1,318)	0
Other Income	(644)	(5,663)	(5,663)	0
<b>Total Income</b>	<b>(1,128)</b>	<b>(6,981)</b>	<b>(6,981)</b>	<b>0</b>
	<b>3,876</b>	<b>11,299</b>	<b>11,274</b>	<b>(25)</b>

<b>Notes</b>		
1. %age of Annual Expenditure	This Year	<b>34%</b>
	Last Year	<b>36%</b>