

The Highland Council
Resources Committee – 26 November 2014

Agenda Item	4
Report No	RES/57 /14

Finance Service Revenue Monitoring to 30 September 2014

Report by Director of Finance

Summary

This report provides Members with information on the Finance Service Revenue Monitoring position for the period to 30 September 2014.

1. Finance Revenue Budget 2014/15

- 1.1 **Appendix 1** is the monitoring statement showing actual expenditure against budget to 30th September 2014.
- 1.2 **Appendix 1** shows that the Service has incurred net expenditure of £7.795m against an annual budget of £11.643m. At this point in the year a small under spend of £0.030m is projected.

2. Variances

- 2.1 The budget for the Revenues and Business Support section includes a savings target of £0.760m. It was originally £1.165m but vacant posts to the value of £0.405m were removed from the budget in April 2014 as part of the strategy to deliver these ambitious savings targets. This is in addition to savings already successfully delivered during the first 3 years of the Business Support review (April 11 to March 14) of £1.750m.
- 2.2 Whilst Resource-Link (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 £0.094m for the section. Whilst any overspend is regrettable, Members will also note that significant savings are being delivered, and every effort will be made to bring this budget in on target by the year end.
- 2.3 The overspend is offset by staffing related savings for the Service of £0.153m, which is estimated to be realised across budget heads as follows: Procurement (£0.012m); Corporate Finance (£0.085m); Internal Audit and Risk Management (£0.013m) and Payroll, Pensions and Creditors (£0.043m). These savings represent work already started to deliver additional budget savings from 2015/16 onwards.

2.4 The net underspend in Payroll, Pensions and Creditors (£0.014m) includes provision for additional ICT charges (£0.029m) in Payroll and Creditors. These new charges relate to data transfer charges for delivering Government and HMRC requirements; and duplicate payment software, for which there was no budget provision.

3. Implications

3.1 Resource implications are noted in this report.

3.2 There are no Legal, Equalities, Climate Change/Carbon Clever, Rural, Gaelic or Risk implications arising as a direct result of this report.

Recommendations

Members are asked to consider and approve the Finance Service Revenue Monitoring Report for the period to 30 September 2014.

Designation: Director of Finance

Date: 5 November 2014

Author: Fiona Callum

Background Papers: None

FINANCE SERVICES Revenue Expenditure Monitoring Report

01 April 2014 to 30 September 2014	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	216	402	402	0
Procurement	377	616	604	(12)
Revenues and Business Support	4,955	7,355	7,449	94
Corporate Finance	1,163	2,193	2,108	(85)
Internal Audit & Risk Management	239	391	378	(13)
Payroll, Pensions & Creditors	846	686	672	(14)
	7,795	11,643	11,612	(30)
BY SUBJECTIVE				
Staff Costs	8,174	16,433	16,519	86
Other Costs	1,453	2,191	2,075	(116)
Gross Expenditure	9,627	18,624	18,594	(30)
Grants	(763)	(1,318)	(1,318)	0
Other Income	(1,069)	(5,663)	(5,663)	0
Total Income	(1,832)	(6,981)	(6,981)	0
	7,795	11,643	11,613	(30)

Notes

1. %age of Annual Expenditure	This Year	67%
	Last Year	67%