

## THE HIGHLAND COUNCIL

RESOURCES COMMITTEE – 26 NOVEMBER 2014

Agenda Item	17
Report Number	RES/71/14

### CORPORATE DEVELOPMENT SERVICE REVENUE EXPENDITURE MONITORING TO 30 SEPTEMBER 2014

Report by the Depute Chief Executive/Director of Corporate Development

#### **SUMMARY**

This report provides information on the revenue monitoring position for the Corporate Development Service for the period 1 April 2014 to 30 September 2014.

#### **1. Introduction**

**1.1** The Revenue Monitoring Report for the year to 30 September 2014 is attached at Appendix 1. The statement shows an annual net budget of £18.895m. Actual expenditure incurred in the period up to the end of September 2014 is £5.622m, or 30% of the total Service budget. This compares with 27% expenditure at the same stage last year.

#### **2. Budget Movements**

**2.1** The Corporate Development Revenue budget has increased by £0.249m since the last reporting period, increasing from £18.646m at the end of June to £18.895m for the period ending September 2014. The main movement has been a transfer of £0.200m from earmarked balances in to the ICT budget to cover the increased costs arising from re-provisioning the ICT contract to reflect the additional time required following the service continuation agreement with Fujitsu.

**2.2** The £0.200m is made up of managed underspends in the ICT budget in 2012/13 and 2013/14 which were earmarked for transfer into the ICT budget in the current year because it was known that the costs of ICT Re-provisioning would otherwise put the budget into an overspend position. By taking this long term view, it has been possible to manage pressures within the ICT budget without recourse to the Council's balances.

**2.3** There was a further an increase of £0.018m in the ICT Services line arising from cross-service ICT requests and purchases. There was also a small budget feed of £0.028m (net) which reflects the establishment of a new Web Developer post, jointly funded through a contribution from each Service budget, as agreed at full Council on 13<sup>th</sup> March 2014.

#### **3. Predicted End of Year Position 2014/15**

**3.1** The Corporate Development Service is projecting a small year-end overspend of £0.083m. This is an improvement on the predicted out-turn reported to the

last Resources Committee when the Service was predicting an overspend of £0.127m. The improved outturn has been achieved by a combination of vacancy management and increased income due to Landlord Registration income being higher than anticipated.

- 3.2 As explained at the last meeting of Resources Committee, the Service overspend is primarily caused by a pressure in Licensing because budgeted income is set higher than predicted income. This will be resolved in next year's budget by adjusting the budgeted income to reflect the anticipated reduction in licences. However, in the current year, the Service will continue to work to offset this pressure by reducing expenditure across other budgets.

#### **4. Implications**

- 4.1 Resources - There are no resource implications other than those already set out.
- 4.2 Legal - there are no legal implications for The Highland Council.
- 4.3 Equalities and Climate Change - there are no negative equality or climate change implications arising from this report.
- 4.4 Risk, Gaelic and Rural - there are no risk, Gaelic or rural implications to The Highland Council.

#### **5. Recommendation**

Members are invited to consider the revenue monitoring report for the period 1 April 2014 to 30 September 2014.

Signature: Michelle Morris

Designation: Depute Chief Executive

Report Author: Kate Lackie, Business Manager

Date: 12 November 2014

# CORPORATE DEVELOPMENT SERVICE Revenue Expenditure Monitoring Report

**1 April 2014 to 30 September 2014**

	Notes	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>					
Depute Chief Executive		110	(2,892)	(2,892)	0
Corporate Improvement Team		348	503	503	0
<b>Corporate Governance:</b>					
Legal Services		453	463	463	0
Licensing	1	(686)	(605)	(470)	135
Democratic Services	2	337	631	655	24
Elections		98	105	105	0
<b>Digital Transformation:</b>					
ICT Services		2,758	16,332	16,332	0
Customer Services		1,120	2,170	2,166	(4)
<b>People &amp; Performance:</b>					
HR Services	3	518	947	895	(52)
Workforce Planning, Learning & Development	4	216	431	445	14
Health, Safety & Wellbeing		271	622	593	(29)
Performance Management		79	188	183	(5)

**Total Corporate Development**

**5,622**

**18,895**

**18,978**

**83**

**BY SUBJECTIVE**

Staff Costs		4,409	8,492	8,356	(136)
Other Costs		3,533	17,302	17,206	(96)
<b>Gross Expenditure</b>		<b>7,942</b>	<b>25,794</b>	<b>25,562</b>	<b>(232)</b>
Grants		(22)	0		0
Other Income		(2,298)	(6,899)	(6,584)	315
<b>Total Income</b>		<b>(2,320)</b>	<b>(6,899)</b>	<b>(6,584)</b>	<b>315</b>

**5,622**

**18,895**

**18,978**

**83**

**Notes**

1. %age of Annual Expenditure

Sep-15

**30%**

Sep-14

**27%**