

**The Highland Council**  
**Community Services Committee**  
**5 November 2015**

Agenda Item	5.
Report No	COM 52/15

**Revenue Budget Monitoring Report – 1 April 2015 to 30 September 2015**

**Report by Director of Community Services**

**Summary**

This report invites Members to approve the revenue budget monitoring position for the period from 1 April 2015 to 30 September 2015.

**1. Background**

1.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome Agreement.

**2. Current Position**

2.1 The revenue expenditure monitoring statements, appended to this report, show the financial position to 30 September 2015. In total, as things stand, expenditure is estimated to be £0.381m (0.6%) overspent at the end of the financial year.

2.2 There has been a decrease in the budget of £0.996m from that reported at 30 June 2015 of £60.631m to £59.635m. This is in respect of £0.689m for the transfer of administrative budgets to Development & Infrastructure; and £0.307m for reductions in overtime, travel, subsistence, mobile telephones and temporary agency workers & relief staff as part of the corporate transformational savings.

2.3 As reported to the August Community Services Committee there continues to be budget pressures in respect of piers and harbours, car park income and homelessness.

**3. Year-End Projection**

3.1 The year to date actual figures represent the transactions for the six months ended 30 September 2015, and are generally in line with management expectations.

3.2 Members will note that, based on the financial performance to date, it is predicted, that at the end of the financial year the budget as a whole will be overspent.

**4. Major Issues and Variances**

4.1 The targeted surplus for piers and harbours will not be achieved. However, the estimated shortfall of £0.250m is an improvement on the position reported

(£0.419m) for last financial year. The falling oil price and the downturn in the fishing industry continue to impact on the piers and harbours trading position.

- 4.2 Although car park income is up on the previous year, as things stand at present, the target set will not be achieved this financial year. At present the estimated shortfall is £0.250m.
- 4.3 Lack of availability of permanent housing leading to households spending longer in temporary accommodation and will result in the Homelessness budget overspending this financial year.
- 4.4 All of the above are generally outwith the control of the Service, however the Service will endeavour to mitigate the impact as far as feasible.
- 4.5 A combination of staff vacancies and increased income in respect of road consents will result in an underspend in engineering services.
- 4.6 Staff vacancies accounts for the Environmental Health underspend.

## **5. Actions Proposed**

- 5.1 Managers will review their respective parts of the Service to identify where costs can be reduced without affecting service delivery, with a view to managing overspends.
- 5.2 Budgets will be closely managed and any underspends will be used to offset overspends and pressures within the overall Community Services budget.

## **6. Housing Revenue Account**

- 6.1 In light of the 2014/15 outturn position the budget for voids, both house and other, has been reviewed. The spending pattern is predicted to be the same for the current financial year, therefore the budget for both has been increased by £0.040m and £0.190m respectively. The increase has been met by reducing the capital funded from current revenue by £0.230m.
- 6.2 As in previous years, an increase in the level of response repairs will result in an overspend in the repairs and maintenance budget. However this will be met by an increase in rechargeable repairs income.
- 6.3 At this stage of the year no further major variations are predicted against the main budget headings.

## **7. Implications**

- 7.1 Resource implications are discussed in the report.
- 7.2 Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.

7.3 There are no legal, equalities, climate change/carbon clever, Gaelic and rural implications arising as a direct result of this report.

**Recommendation**

Members are invited to approve the report and the attached monitoring statements which show the revenue position for the period 1 April 2015 to 30 September 2015, and the actions which have been put in place to manage the budget over the remainder of the financial year.

Designation: Director of Community Services

Date: 26 October 2015

Author: Mike Mitchell, Service Finance Manager

Background Papers: Monitoring Statements 30/09/15 and the Highland Council Financial Ledger

<b>COMMUNITY SERVICES</b>
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<b>Revenue Expenditure Monitoring Statement</b>
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<b>1 April 2015 to 30 September 2015</b>
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<b>Service Summary</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>						
Roads and Transport	9,302	2.1	29,724		29,871	147
Environmental and Regulatory Services	9,826	2.2	31,496		31,412	(84)
Non-Housing Revenue Account	2,998	2.3	3,326		3,394	68
Trading Operations	2,637	2.4	(8,082)		(7,832)	250
Administration	6,024	2.5	3,171		3,171	0
<b>SERVICE TOTAL</b>	<b>30,787</b>		<b>59,635</b>		<b>60,016</b>	<b>381</b>

**BY SUBJECTIVE**

Staff Costs	29,075		67,889		67,774	(115)
Other Costs	35,372		102,133		102,139	6
Gross Expenditure	64,447		170,022		169,913	(109)
Grants	(134)		(164)		(164)	0
Other Income	(33,526)		(110,223)		(109,733)	490
Total Income	(33,660)		(110,387)		(109,897)	490
	<b>30,787</b>		<b>59,635</b>		<b>60,016</b>	<b>381</b>

**BY ACTIVITY**

Housing Revenue Account	(17,154)	2.6	0		0	0
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**BY SUBJECTIVE**

Staff Costs	2,076		4,918		4,898	(20)
Other Costs	5,850		44,710		45,275	565
Gross Expenditure	7,926		49,628		50,173	545
Grants	0		0		0	0
Other Income	(25,080)		(49,628)		(50,173)	(545)
Total Income	(25,080)		(49,628)		(50,173)	(545)
	<b>(17,154)</b>		<b>0</b>		<b>0</b>	<b>0</b>

**% of Budget Spent**

This Year	52%
Last Year	54%

<b>COMMUNITY SERVICES</b>
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<b>Revenue Expenditure Monitoring Statement</b>
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<b>1 April 2015 to 30 September 2015</b>
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<b>Financial Detail</b>
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	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>2.1 Roads and Transport</b>				
Winter Maintenance	155	4,982	4,982	0
Roads Innovation Fund	9	0	0	0
Roads Maintenance	2,328	9,864	9,864	0
Public Conveniences	422	1,230	1,202	(28)
Burials and Cremations	(130)	152	152	0
Grounds Maintenance	710	2,494	2,478	(16)
Engineering Services	239	836	781	(55)
Community Works Services	1,683	2,234	2,234	0
Coast Protection	0	57	57	0
Flood Alleviation	0	157	157	0
Lighting Services	198	4,014	4,005	(9)
Integrated Transport Services	374	1,021	1,021	0
Subsidies and Concessionary Fares	3,534	3,597	3,597	0
Car Parks and Airstrips	(323)	(1,104)	(854)	250
Emergency Planning and Oil Pollution	103	190	195	5
	9,302	29,724	29,871	147
<b>2.2 Environmental and Regulatory Service:</b>				
Refuse Collection	(350)	3,384	3,384	0
Waste Disposal	4,497	12,996	12,996	0
Recycling	3,716	9,995	9,995	0
Street Cleaning	1,035	2,871	2,862	(9)
Environmental Health	928	2,250	2,175	(75)
	9,826	31,496	31,412	(84)
<b>2.3 Non-Housing Revenue Account</b>				
Homelessness	1,732	1,295	1,363	68
Supporting People	1,097	1,696	1,696	0
Anti Social Behaviour	189	336	336	0
Gypsy Traveller Sites	(20)	(1)	(1)	0
	2,998	3,326	3,394	68
<b>2.4 Trading Operations</b>				
Roads and Community Works	528	(2,120)	(2,120)	0
Waste Management	(538)	(3,972)	(3,972)	0
Harbours and Ferries	(2,242)	(1,602)	(1,352)	250
Vehicle Maintenance	1,338	(388)	(388)	0
Building Maintenance	3,551	0	0	0
	2,637	(8,082)	(7,832)	250
<b>2.5 Administration</b>				
Management Overheads	4,965	1,260	1,260	0
Stores and Depots	1,059	1,911	1,911	0
	6,024	3,171	3,171	0
<b>SERVICE TOTAL</b>	30,787	59,635	60,016	381

<b>COMMUNITY SERVICES</b>
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<b>Revenue Expenditure Monitoring Statement</b>
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<b>1 April 2015 to 30 September 2015</b>
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<b>Financial Detail</b>
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	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>2.6 Housing Revenue Account</b>				
<b>Expenditure:-</b>				
Supervision and Management	2,328	6,213	6,213	0
Tenant Participation	78	206	186	(20)
Sheltered Housing	279	659	659	0
Homelessness	231	553	553	0
Repairs and Maintenance	4,534	15,577	16,142	565
House Rent Voids	339	711	711	0
Other Rent Voids	132	268	268	0
Central Support	5	3,671	3,671	0
Loan Charges	0	18,000	18,000	0
Capital Funded from Current Revenue	0	3,770	3,770	0
<b>Gross Expenditure</b>	<b>7,926</b>	<b>49,628</b>	<b>50,173</b>	<b>545</b>
<b>Income:-</b>				
House Rents	(23,811)	(47,905)	(47,905)	0
Other Rents	(784)	(1,288)	(1,288)	0
Other Income	(485)	(355)	(900)	(545)
Interest on Revenue Balances	0	(80)	(80)	0
<b>Gross Income</b>	<b>(25,080)</b>	<b>(49,628)</b>	<b>(50,173)</b>	<b>(545)</b>
<b>HRA TOTAL</b>	<b>(17,154)</b>	<b>0</b>	<b>0</b>	<b>0</b>