

The Highland Council
Resources Committee –25 November 2015

Agenda Item	7
Report No	RES/ 95/15

Finance Service – Revenue Monitoring to 30 September 2015

Report by Director of Finance

Summary

This report comments on the Revenue Monitoring position for the Finance Service for the period to 30 September 2015.

1. Finance Revenue Budget 2015/16

- 1.1 **Appendix 1** is the monitoring statement showing actual expenditure and the anticipated outturn against the budget at 30 September 2015.
- 1.2 The Appendix shows that the Service has incurred net expenditure of £7.428m against an annual budget of £12.244m. At this point in the year an underspend of £0.124m is expected.

2. Variances

- 2.1 There has been additional but necessary expenditure on the duplicate payment software of £0.015m used by the Creditors team and an essential server upgrade for the Payroll system of £0.040m.
- 2.2 Additional expenditure of £0.046m will be required for the development of pre-processors and a penetration test on the Council's new Financial Management Information System. These two activities were not anticipated when the budget was established for the project.
- 2.3 These one-off costs will be accommodated from underspends on the Service budget line.
- 2.4 The additional costs detailed in paragraphs 2.1 and 2.2 will be offset by staffing related savings for the Service of £0.225m, which is estimated to be realised across budget heads as follows: Revenues and Business Support (£0.091m); Corporate Finance (£0.046m); Procurement (£0.023m); Internal Audit and Risk Management (£0.012m) and Payroll, Pensions and Creditors (£0.055m).

3. Implications

- 3.1 Resource implications are noted in this report.

- 3.2 The staffing vacancies are significant, but essential to meet budget savings targets for future years. Wherever possible this is being achieved through improved processes that generate efficiency savings.
- 3.3 There are no Legal, Equalities, Climate Change/Carbon Clever, Rural or Risk implications arising as a direct result of this report.

Recommendations

It is recommended that the Committee :

- Agree the monitoring report to the end of September 2015

Designation: Director of Finance

Date: 12 November 2015

Author: Victoria MacDonald, Accountant

Background Papers: None

FINANCE SERVICES Revenue Expenditure Monitoring Report

01 April 2015 to 30 Sep 2015	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	238	362	363	1
Procurement	285	517	494	(23)
Revenues and Business Support	4,528	8,039	7,948	(91)
Corporate Finance	1,196	2,146	2,146	0
Internal Audit & Risk Management	282	523	511	(12)
Payroll, Pensions & Creditors	899	657	658	1
	7,428	12,244	12,120	(124)
BY SUBJECTIVE				
Staff Costs	7,876	16,481	16,256	(225)
Other Costs	1,381	2,097	2,198	101
Gross Expenditure	9,256	18,578	18,454	(124)
Grants	(702)	(1,167)	(1,167)	0
Other Income	(1,127)	(5,167)	(5,167)	0
Total Income	(1,828)	(6,334)	(6,334)	0
	7,428	12,244	12,120	(124)

Notes

1. %age of Annual Expenditure	This Year	61%
	Last Year	67%