

**The Highland Council**  
**Resources Committee –23 November 2016**

Agenda Item	<b>6</b>
Report No	<b>RES/ 72/16</b>

**Finance Service – Revenue Monitoring to 30 September 2016**

**Report by Director of Finance**

**Summary**

This report comments on the Revenue Monitoring position for the period to 30 September 2016.

**1. Finance Revenue Budget 2016/17**

- 1.1 **Appendix 1** is the monitoring statement showing actual expenditure and the anticipated outturn against the budget at 30 September 2016.
- 1.2 The annual budget has increased on that previously reported to £13.041m and reflects the increased funding required to meet the additional costs incurred as a result of the Voluntary Severance Scheme. The Appendix shows that the Service has incurred net expenditure to date of £8.138m and at this point in the year an underspend of £0.490m is expected.

**2. Variances**

- 2.1 The underspend relates to the continued management of staff vacancies, (£0.373m); and increased income (£0.117m) from penalties on outstanding council tax and NDR debt and a one off payment from the Department of Work and Pensions (DWP) to cover the work undertaken on benefit changes.
- 2.2 As previously indicated, the Service is continuing to review proactively its staffing requirements in respect of current and anticipated workload, but recognising the need to deliver further savings to achieve a balanced budget for 2017/18 and beyond. The Quarterly Performance Report later on this agenda highlights continuing strong performance across the Service, with particular reference to improved revenue collection and benefits administration. These represent the areas where most staff reductions have been achieved, with strong staff support for a strategy of implementing process improvements and digital transformation as a way of improving performance with fewer staff resources.
- 2.3 The Service does however need to move increasingly to a risk based approach to financial management, which will allow further savings to be achieved whilst ensuring that statutory responsibilities are maintained. Vacancy management is a key element of this strategy, and will enable further savings to be achieved without additional cost.

### 3. Implications

3.1 Resource implications are noted in this report.

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

#### **Recommendation**

It is recommended that the Committee:

- **Agree** the monitoring report to the end of September 2016.

Designation: Director of Finance

Date: 8 November 2016

Author: Victoria MacDonald, Accountant

Background Papers: None

<b>FINANCE SERVICES Revenue Expenditure Monitoring Report</b>
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<b>01 April 2016 to 30 Sep 2016</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	1,201	1,236	1,236	0
Revenues and Business Support	4,359	8,218	7,759	(459)
Corporate Finance	2,268	2,951	2,948	(3)
Audit & Performance	310	636	608	(28)
	<b>8,138</b>	<b>13,041</b>	<b>12,551</b>	<b>(490)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	8,720	16,955	16,582	(373)
Other Costs	1,330	2,279	2,279	0
<b>Gross Expenditure</b>	<b>10,050</b>	<b>19,234</b>	<b>18,861</b>	<b>(373)</b>
Grants	(760)	(1,018)	(1,135)	(117)
Other Income	(1,152)	(5,175)	(5,175)	0
<b>Total Income</b>	<b>(1,912)</b>	<b>(6,193)</b>	<b>(6,310)</b>	<b>(117)</b>
	<b>8,138</b>	<b>13,041</b>	<b>12,551</b>	<b>(490)</b>