

Agenda Item	12.
Report No	RES/23/17

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 14th June 2017

Report Title: Chief Executive's Office and Members' Near-Final Revenue Monitoring Report for 2016/17

Report By: Chief Executive

Purpose/Executive Summary

This report provides a summary of the 'near-final' revenue budget position for the Chief Executive's Office and Members' budget for 2016-17. This position and the Council's corporate accounts will be subject to external audit scrutiny over the coming months so there is the possibility that any issues identified as part of the audit process may change this figure.

Overall there was a net underspend of £0.109m- which represents an improvement on the position reported at the end of quarter 3 of a predicted £0.022m- underspend.

The report also provides a summary of the delivery of £1.006m of approved Service savings required to deliver a balanced budget in 2016-17 and corporate and transformational savings for the 2016/17 financial year of £0.073m, amounting to £1.079m savings in total.

Recommendations

Members are asked to:

- consider and agree the financial position of the Chief Executive's Office and Members' budget as at 31 March 2017; and
- note the status of budgeted savings in the year.

2. Budget Variances in 2016/17

- 2.1 **Appendix 1** shows the near final out-turn position for the Chief Executive's Office and the Members' 2016/17 revenue budget. The total budget was £5.197m and at the year-end the budget was underspent by £0.109m.
- 2.2 Although underspent overall, the budget is showing a small pressure of £0.011m against the Chief Executive's line. This reflects a saving made from the VR scheme that has yet to be allocated to the specific budget heading from where post was removed. This pressure is wholly offset by underspends in the Operational Management Areas and the Policy and Reform Unit.
- 2.3 The underspend in the Operational Management Areas line was due to the Ward Discretionary Budgets not being fully spent across all areas. Underspends in the Policy and Reform Unit are attributable to a range of factors reflecting a deliberate reduction in discretionary expenditure to assist in the replenishment of Council Balances and to prepare for further budget savings to be given up in the 2017/18 roll forward budget.
- 2.4 The Members' budget was overspent by £0.003m at the end of the 2016/17 financial year. This was primarily caused by an unachievable income target of £0.016m which is set against the members' catering budget. However, this pressure was largely offset by a number of councillor vacancies which arose over the course of the year, resulting in a reduction in salaries and associated costs as well as a small reduction in members' expenses.

3. Chief Executive's Office Savings 2016/17

- 3.1 An updated Red/Amber/Green (RAG) analysis of Service specific budget savings for the 2016/17 financial year is set out on **Appendix 2**. This reflects the position for the fourth quarter of the financial year and shows that all Chief Executive's Office budget savings have been achieved. This is a slight improvement on the position reported to Committee for quarter 3 where there was still one measure ragged as amber.
- 3.2 **Appendix 3** sets out the corporate and transformational savings for the 2016/17 financial year, and reflects the position for the fourth quarter of the financial year. This also shows a slightly improved picture with only a very small amount of savings showing as amber or red.

4. Implications

- 4.1 Resources - There are no resource implications other than those already set out.

4.2 There are no risk, legal, equality, climate change/Carbon Clever, rural or Gaelic implications arising as a direct result of this report.

Designation: Steve Barron
 Chief Executive

Report Author: Kate Lackie, Business Manager

Date: 5 June 2017

CHIEF EXECUTIVE'S OFFICE Revenue Expenditure Monitoring Report

Appendix 1

1 April 2016 to 31 March 2017

	Notes	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Variance
BY ACTIVITY				
Members		1,767	1,764	3
Chief Executive		1,003	992	11
Emergency Planning		163	163	(0)
Operational Management Areas		1,694	1,772	(79)
Corporate Communications		78	76	2
Policy & Reform		383	430	(47)
Total Chief Executive's		5,088	5,197	(109)
BY SUBJECTIVE				
Staff Costs		4,167	4,183	(17)
Other Costs		2,073	1,854	219
Gross Expenditure		6,239	6,037	202
Grants		(375)	0	(375)
Other Income		(775)	(840)	65
Total Income		(1,151)	(840)	(311)
		5,088	5,197	(109)

Notes

1. %age of Annual Expenditure	Mar-17	98%
	Mar-16	99%

2016/17 - 2018/19 Savings
Appendix 2

Service	Saving owner	Activity Heading	Saving category	Savings Proposal	Savings				Saving RAYG (enter R, A, Y, or G)	Projected saving- red amber yellow
					2016/17 £m	2017/18 £m	2018/19 £m	3 Year Total £m		
CEO	SLB	Emergency Planning	Cessation/reduction of service	Reduction in Emergency Planning	0.035			0.035	G	
CEO	SLB	Management and staffing savings	Management and staffing savings	Corporate Comms- Further restructuring savings	0.060			0.060	G	
CEO	SLB	Policy, reform and ward management	Third parties	Reduction in ward discretionary grants	0.519			0.519	G	
CEO	SLB	Policy, reform and ward management	Service reviews	Delete posts	0.168			0.168	G	
CEO	SLB	Operational Management Areas	Efficiencies	Reduction in ward discretionary budgets	0.036	0.036	0.036	0.108	G	
CEO	SLB	Policy, reform and ward management	Management and staffing savings	Policy team staff reduction and reduce discretionary spending on mental health events	0.036			0.036	G	
CEO	SLB	Management and staffing savings	Management and staffing savings	Corporate Comms- Restructuring - Release of 2 posts (1.8 FTE) and recruitment of Digital Communications Assistant post (0.6 FTE)	0.036			0.036	G	
CEO	SLB	Corp Development	Efficiencies	Reduction in discretionary budget and corporate training/briefings	0.022			0.022	G	
CEO	SLB	Chief Exec	Efficiencies	Misc budgets incl training	0.017			0.017	G	
CEO	SLB	Policy, reform and ward management	Third parties	10% reduction in administration grants for community councils	0.017			0.017	G	
CEO	SLB	Policy, reform and ward management	Efficiencies	Reduce discretionary spend for Gaelic arts development and events	0.014	0.019	0.019	0.052	G	
CEO	SLB	Policy, reform and ward management	Efficiencies	Highland Environmental Network contract and Carbon Clever publicity and events	0.010			0.010	G	
CEO	SLB	Corporate Comms	Income generation	Additional income - advertising in In Brief; the Intranet and Website. Promoted posts fees	0.007			0.007	G	
CEO	SLB	Chief Exec	Management and staffing savings	Reduction in hours of 1.0 fte to 0.8fte	0.007			0.007	G	
CEO	SLB	Information Management	Efficiencies	Removal of training and misc budgets	0.007			0.007	G	
CEO	SLB	Policy, reform and ward management	Efficiencies	Reduction in discretionary budgets	0.005	0.005	0.005	0.015	G	
CEO	SLB	Corporate Leadership Support	Efficiencies	Reduction in discretionary budgets	0.005	0.005		0.010	G	

CEO	SLB	Policy, reform and ward management	Income generation	Re-charge Common Good Fund for ward manager time	0.002			0.002	G	
CEO	SLB	Corporate Comms	Efficiencies	Reduction in Quality Awards and Hospitality budget	0.002			0.002	G	
CEO	SLB	Corporate Communications	Income generation	Income Generation	0.001	0.001	0.001	0.003	G	
TSP	SLB	Marine Fuel	Income generation	Commercial approach to the supply of marine fuel			0.200	0.200	G	

2016/17 - 2018/19 Corporate & Transformation Savings

Appendix 3

				2016/17						
Ref.	Activity Heading	Savings Proposal	16/17 Allocation Comments	2016/17 Agreed HC 18/12/14 & HC 25/02/16 £m	2016/17 Reprofitting & Other Adjustments £m	Add : C/fwd from 2015/16 £m	2016/17 after Adjustments & C/fwd	2016/17 Service Allocations £m	2016/17 Service Allocations CEO £m	Saving RAYG (enter R, A, Y, or G)
Corp 5	Voluntary Severance	Voluntary Severance	Allocation agreed 30/05/16 (includes £300k for ASN)	5.900			5.900	-5.900	-0.048	G
Corp 6	Recruitment Freeze	Recruitment freeze for non-exempt posts	Allocation agreed 30/05/16	0.575			0.575	-0.575	-0.008	G
Corp 4, TSP Proc 1 & 3, TSP WPP4-SSJV9	Procurement	Procurement Shared Service & Collaborative Spend	Allocation agreed 30/05/16	0.653		0.047	0.700	-0.700	-0.006	G
Corp 2	Fees & Charges	10% increase on all fees and charges that are not nationally set, or a different amount has already been agreed	Allocation already included within HC 25/02/16 Service budgets; Based on actual % increases for individual fees & charges budgets	0.487			0.487	-0.487	-0.004	G
	Information Management		Allocation agreed 30/05/16		0.232		0.232	-0.250	-0.003	G
Corp 1	Salary Sacrifice	Savings from salary sacrifice schemes	Allocate proportionate to take up of schemes in year to date	0.200	0.004		0.204	-0.204	-0.002	A
PIM2	Attendance Management	Reduction in sickness absence by continuing to adopt a robust and consistent approach to attendance management	Allocation agreed 30/05/16	0.148		-0.001	0.147	-0.147	-0.001	R
PIM2A	Travel, Subsistence and Overtime	Reduction in the costs of staff travel, subsistence and overtime through management action and greater use of technology	Allocation agreed 30/05/16	0.124			0.124	-0.124	-0.001	G
Total				13.164	-0.285	1.165	14.044	-12.439	-0.073	