

Agenda Item	8
Report No	RES/35/17

HIGHLAND COUNCIL

Committee:	Corporate Resources Committee
Date:	30 August 2017
Report Title:	Corporate Development Service Revenue Expenditure Monitoring April-June 2017/18
Report By:	Director of Corporate Development/Depute Chief Executive

Purpose/Executive Summary

The attached report and appendix shows the monitoring position for the Corporate Development Service 2017/18 revenue budget for the period to 30 June 2017 and the status of the Service savings target for the same period.

There are a number of anticipated variances across a range of budget headings which, taken together, result in a predicted pressure of £0.258m at the end of the financial year. Service Managers are working to reduce this amount in order to deliver a balanced budget by the year end.

The report also provides a summary of the delivery of £0.434m of approved Service savings required to deliver a balanced budget in 2017/18 and corporate and transformational savings for the 2017/18 financial year of £0.602m, amounting to £1.036m savings in total.

Recommendations

Members are asked to:

- consider and agree the financial position of the Corporate Development Service budget as at 30 June 2017;
- agree a budget feed to cover the cost of any by- elections that cannot be offset by underspends elsewhere in the budget at the year-end; and
- note the status of budgeted savings in the year.

1. Budget Monitoring

- 1.1 **Appendix 1** shows the monitoring position for the Corporate Development Service revenue budget for the first quarter of the 2017/18 financial year. The total budget is £17.443m, with £4.763m spent to date.
- 1.2 There are a number of known pressures in the budget at this stage in the year which are only partially offset by an underspend of £0.050m in the Trading Standards line arising from a one-off income stream. This has resulted in the Service predicting a pressure of £0.258m by the end of the financial year.
- 1.3 Known pressures exist in Elections (£0.016m); Customer Services (£0.056m); Depute Chief Executive/staffing (0.091m); and Licensing (£0.150m).
- 1.4 The Elections budget is showing a pressure of £0.016m due to anticipated costs arising from the by-election for Ward 7, Tain and Easter Ross. Previous practice has been to seek approval for a budget feed to cover the costs of elections as and when they occur, rather than carry funds in the annual budget that may or may not be used. Consequently, whilst the Service will endeavor to absorb the costs of the by-election by using underspends elsewhere in the Service budget, members' approval is sought for a budget feed should this not prove to be possible by the end of the financial year.
- 1.5 The Customer Services budget is showing a pressure of £0.056m because of a number of unbudgeted costs related to IT systems and a temporary staffing pressure. Managers will be working to bring these pressures down over the course of the year.
- 1.6 The pressure in the Licensing Budget is due to unachievable income targets. These were established some years ago and the Service will be working with Finance colleagues to more accurately assess the income flows arising from the Council's licensing activities and to adjust the budget accordingly.
- 1.7 The pressure in the Depute Chief Executive line of £0.091m is due to historic VR posts being removed from the Service but the budget for these posts being not being offset against existing staff savings/reductions. As a consequence, the Service budget has been left with a pressure and the issue is being addressed with the Finance Service to understand how it can be resolved.
- 1.8 Managers from across the Corporate Development Service are working to offset known pressures by reducing expenditure and managing vacancies in order to deliver a balanced budget by the year end.

2. Corporate Development Service Savings 2017/18

2.1 An updated Red/Amber/Green (RAG) analysis of Service specific budget savings the corporate and transformational savings for the 2017/18 financial year is set out on **Appendix 2**. This reflects the position for the first quarter of the financial year and shows that all of the Corporate Development budget savings and all of the corporate savings have been achieved.

3. Implications

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

3.2 There are no Legal, Community (Equality, Poverty and Rural), Climate Change/Carbon Clever or Gaelic implications arising as a direct result of this report.

Designation: Michelle Morris

Director of Corporate Development/Depute Chief Executive

Report Author: Kate Lackie, Business Manager

Date: 21 August 2017

CORPORATE DEVELOPMENT SERVICE Revenue Expenditure Monitoring Report

Appendix 1

1 April 2017 to 30 June 2017

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Depute Chief Executive	78	(1,449)	(1,358)	91
Corporate Improvement Team	143	532	532	-
Corporate Governance:				
Legal Services	168	305	300	(5)
Licensing	(285)	(698)	(548)	150
Democratic Services	145	540	540	-
Elections	289	418	434	16
Trading Standards	169	627	567	(50)
Digital Transformation:				
ICT Services	3,094	13,431	13,431	-
Customer Services	547	1,986	2,042	56
People & Performance:				
HR Services	222	836	836	-
Workforce Planning, Learning & Development	75	327	327	-
Health, Safety & Wellbeing	118	588	588	-
Total Corporate Development	4,763	17,443	17,691	258

BY SUBJECTIVE

Staff Costs	1,894	8,094	8,185	91
Other Costs	3,535	14,810	14,877	67
Gross Expenditure	5,429	22,903	23,061	158
Grants	266	(23)	(23)	-
Other Income	(931)	(5,438)	(5,338)	100
Total Income	(666)	(5,460)	(5,360)	100
	4,763	17,443	17,701	258

Notes

1. %age of Annual Expenditure	Jun-17	27%
	Jun-16	12%

**2017/18 Savings
Corporate Development**

Appendix 2

Date Agreed	Ref.	Activity Heading	Savings Proposal	2017/18 £m	Savings RAG
HC 18/12/14	1	Staffing	Reduction in staffing across Service	0.143	G
HC 16/02/17	1	Customer Services	Review of Service Centre operations	0.057	G
HC 16/02/17	2	Customer Services & Corporate Improvement Team	Review of Customer Services	0.060	G
HC 16/02/17	3	People & Transformation	Service Review - HR Services and Organisational Development	0.112	G
HC 16/02/17	4	Corporate Governance	Identify savings from non-staffing budgets across Legal, Democratic Services and Trading Standards and increase income	0.062	G
Total				0.434	