

Agenda Item	9
Report No	RES/57/17

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 15 November 2017

Report Title: **Corporate Development Service Revenue Expenditure Monitoring April – September 2017/18**

Report By: Director of Corporate Resources

1. Purpose/Executive Summary

- 1.1 The attached report and appendices shows the monitoring position for the Corporate Development Service 2017/18 revenue budget for the period to 30 September 2017 and the status of the Service savings target for the same period.
- 1.2 There are a number of anticipated variances across a range of budget headings which, taken together, have resulted in a predicted pressure at the end of the financial year of £0.398m. This is an increase of £0.140m in the position reported to committee in August 2017. Service Managers are working hard to reduce this amount as much as possible. However, the scale of pressures is such that it is unlikely that it can wholly be offset by underspends elsewhere in the Service budget by the end of the financial year.
- 1.3 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 £0.784m, amounting to £1.218m savings in total.
- 1.4 This will be the last revenue monitoring report for the Corporate Development Service. From Quarter 3 onwards the budget line titled 'Corporate Governance' has transferred across to the Chief Executive's Office budget and the remaining budgets from Corporate Development have transferred to the new Corporate Resources Service. Both will continue to be reported to Corporate Resources Committee.

2. Recommendations

- 2.1 Members are asked to:
 - i. consider and agree the financial position of the Corporate Development Service budget as at 30 September 2017; and
 - ii. note the status of budgeted savings in the year.

3. Budget Monitoring

- 3.1 **Appendix 1** shows the monitoring position for the Corporate Development Service revenue budget for the second quarter of the 2017/18 financial year. The total budget is £17.237m, with £7.531m spent to date.
- 3.2 There are a number of known pressures in the budget at this stage in the year which are only partially offset by minor underspends in HR and Legal Services and 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 £0.398m by the end of the financial year.
- 3.3 Known pressures exist in Depute Chief Executive/staffing (0.091m); Licensing (£0.159m); and Customer Services (£0.200m).
- 3.4 The pressures in the Depute Chief Executive and Licensing lines have been reported on previously and are largely unchanged. The primary source of the increased pressure is the Customer Services budget, which is showing a pressure of £0.2m compared to a predicted pressure of £0.056m in the previous quarter. The original figure had been calculated taking into account a number of unbudgeted costs related to IT systems and a temporary staffing pressure. The increase is due to the inclusion of a number of corporate savings measures taken mid-way through the year.
- 3.5 Managers from across the Corporate Resources Service and the Chief Executive's Office will be working to offset known pressures by reducing expenditure and managing vacancies in order to deliver a reduced pressure by the year end.

4. Corporate Development Service Savings 2017/18

- 4.1 An updated Red/Amber/Green (RAG) analysis of Service specific budget savings and the corporate and transformational savings for the 2017/18 financial year is set out on **Appendix 2**. This reflects the position for the second quarter of the financial year and shows that all of the Corporate Development budget savings have been achieved whilst also reflecting the challenges in delivering a number of the corporate savings which have resulted in some of the Service pressures noted above.

5. Implications

- 5.1 Resource – there are no resource implications other than those already set out in the report.
- 5.2 There are no Legal, Community (Equality, Poverty and Rural), Climate Change/Carbon Clever, Risk or Gaelic implications arising as a direct result of this report.

Designation: Director of Corporate Resources
Date: 3 November 2017
Author: Kate Lackie, Business Manager

CORPORATE DEVELOPMENT SERVICE Revenue Expenditure Monitoring Report

1 April 2017 to 30 September 2017

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Depute Chief Executive	91	(1,478)	(1,387)	91
Corporate Improvement Team	282	533	533	-
Corporate Governance:				
Legal Services	324	306	301	(5)
Licensing	(750)	(711)	(552)	159
Democratic Services	299	539	547	8
Elections	338	418	418	-
Trading Standards	269	625	575	(50)
Digital Transformation:				
ICT Services	4,619	13,339	13,339	-
Customer Services	1,238	1,920	2,120	200
People & Performance:				
HR Services	401	824	819	(5)
Workforce Planning, Learning & Development	158	334	334	-
Health, Safety & Wellbeing	262	588	588	-
Total Corporate Development	7,531	17,237	17,635	398

BY SUBJECTIVE

Staff Costs	4,470	8,089	8,273	184
Other Costs	5,619	14,589	14,686	97
Gross Expenditure	10,089	22,678	22,959	281
Grants	243	(23)	(23)	-
Other Income	(2,801)	(5,418)	(5,301)	117
Total Income	(2,558)	(5,441)	(5,324)	117
	7,531	17,237	17,635	398

Notes

1. %age of Annual Expenditure	Sep 1718	44%
	Sep 1617	38%

**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	Merger of Digital Teams	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	