

Agenda Item	<b>17</b>
Report No	<b>EDI/53/18</b>

## HIGHLAND COUNCIL

**Committee:** Environment, Development and Infrastructure

**Date:** 16 August 2018

**Report Title:** Revenue Budget Monitoring Report  
1 April 2018 to 30 June 2018

**Report By:** Director of Community Services

### **1. Purpose/Executive Summary**

1.1 This report invites Members to approve the revenue budget monitoring report for the period 1 April 2018 to 30 June 2018.

### **2. Recommendations**

2.1 Members are invited to approve the revenue budget monitoring report for 1 April 2018 to 30 June 2018.

### 3. Background

- 3.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome agreement.

### 4. Current Position

- 4.1 The revenue expenditure monitoring statements, appended to this report (**Appendix 1**), show the financial position to 30 June 2018.
- 4.2 The Service is identifying pressures against car parks and public conveniences.
- 4.3 A summary of the disaggregated budgets to the eight Local Committees is shown in **Appendix 2**. The monitoring statement highlights revenue and capital expenditure, for both roads and amenity services and the financial position for the period to 1 April to 30 June 2018.

### 5. Budget Savings

- 5.1 **Appendix 3** sets out the Service savings for the current financial year and reflects the position for the first quarter. The RAG status is based on achieving the saving based on the proposal. Transformational and corporate savings have yet to be allocated.

### 6. Major Issues and Variances

#### 6.1 Roads and Transport – Lighting Services

- 6.1.1 Work is continuing as per the replacement programme and at the end of June 44% of street lighting units were LED.

- 6.1.2 Energy consumption for year to end of June 2018 (1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018) was **15,344,190 KWh** a reduction of **12.47 %** over the previous 12 months (17,257,201 KWh).

- 6.1.3 While reporting no significant pressures at this time in the year, Members are reminded that savings will be delivered in future years and that any increase to the unit cost of electricity will create a pressure.

#### 6.1.2 Roads and Transport - Car Parks

Delays in implementing charges and a lower than expected income from Lochaber have created a budget pressure of £308,000. The benefits from the tourist season are yet to be seen and it is expected that some sites may exceed their targets.

#### 6.3 Environmental and Amenity Services – Public Conveniences

- 6.3.1 A delay in implementing the rationalisation programme has created a pressure of £338,000. A full review of all PCs is underway and is due to be complete by 31 October 2018. Members will be updated on this and any resultant budget pressures at future committees.

### 7. Implications

- 7.1 Resource – implications are discussed in the report.
- 7.2 Risk – implications to the budget position, and budget assumptions, will be kept under

regular review and any risks identified report to future Committees.

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

Designation: Director of Community Services

Date: 16 August 2018

Authors: Mike Mitchell, Service Finance Manager  
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Background Papers: Monitoring Statements 30 June 2018 and Highland Council Financial Ledger

<b>COMMUNITY SERVICES</b>
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<b>Revenue Expenditure Monitoring Statement</b>
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<b>1 April 2018 to 30 June 2018</b>
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<b>Financial Detail</b>
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**BY ACTIVITY****Roads and Transport**

	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Winter Maintenance	417	4,528	4,528	0
Roads Maintenance	2,221	5,963	5,963	0
Engineering Services	736	1,965	1,965	0
Flood Alleviation	9	30	30	0
Lighting Services	(510)	3,571	3,571	0
Integrated Transport Services	192	901	901	0
Subsidies and Concessionary Fares	1,334	7,188	7,188	0
School Transport	1,532	8,602	8,602	0
Car Parks	24	(2,259)	(1,951)	308
	<b>5,954</b>	<b>30,490</b>	<b>30,798</b>	<b>308</b>

**Environmental and Amenity Services**

Refuse Collection	(993)	493	493	0
Waste Disposal	1,380	12,754	12,754	0
Recycling	2,057	9,186	9,186	0
Street Cleaning	482	2,133	2,133	0
Public Conveniences	278	587	925	338
Burials and Cremations	(249)	(900)	(900)	0
Grounds Maintenance	937	1,710	1,710	0
Amenity Services	231	962	962	0
Environmental Health	563	2,229	2,194	(35)
	<b>4,686</b>	<b>29,154</b>	<b>29,457</b>	<b>303</b>

**Trading Operations**

Harbours and Ferries	(1,459)	(3,117)	(3,117)	0
	<b>(1,459)</b>	<b>(3,117)</b>	<b>(3,117)</b>	<b>0</b>

**Administration**

Management Overheads	791	349	349	0
Stores and Depots	991	1,937	1,937	0
Vehicle Maintenance Trading Account	(34)	(257)	(257)	0
	<b>1,748</b>	<b>2,029</b>	<b>2,029</b>	<b>0</b>

**SERVICE TOTAL**

<b>10,930</b>	<b>58,557</b>	<b>59,168</b>	<b>611</b>
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**BY SUBJECTIVE**

Staff Costs	13,479	63,178	63,143	(35)
Other Costs	18,899	85,123	85,461	338
Gross Expenditure	32,379	148,301	148,604	303
Grants	(105)	(48)	(48)	0
Other Income	(21,344)	(89,696)	(89,388)	308
Total Income	(21,449)	(89,744)	(89,436)	308
	<b>10,930</b>	<b>58,557</b>	<b>59,168</b>	<b>611</b>

## COMMUNITY SERVICES - Summary

## DISAGGREGATED AREA BUDGETS 2018/19

## REAL CASH BUDGETS ONLY

Monitoring Statement for the period ended 30 June 2018

## FUNCTION/ACTIVITY

## Roads and Amenity Services

Area	Total Budget £	Actual 30/06/2018 £	Budget Left £	Estimated Outturn £	(Under)/ Over £
Badenoch & Strathspey	1,734	263	1,471	1,758	24
Caithness	3,244	497	2,748	3,277	33
Inverness	5,067	1,042	4,025	5,119	51
Lochaber	2,708	540	2,169	2,761	53
Nairn	1,156	199	957	1,171	15
Ross & Cromarty	5,990	1,442	4,547	6,062	73
Skye	2,815	398	2,417	2,865	50
Sutherland	4,315	749	3,565	4,354	40
<b>Total</b>	<b>27,029</b>	<b>5,131</b>	<b>21,899</b>	<b>27,367</b>	<b>338</b>

**2018/19 Savings Proposals  
Community Services**

<b>Date Agreed</b>	<b>Ref.</b>	<b>Budget Heading</b>	<b>Name of Savings Proposal</b>	<b>Agreed Savings £m</b>	<b>Category R A G</b>	<b>Comments</b>
HC 18/12/14	2	Grounds Maintenance	Reduced contractor costs from a review of maintained areas	0.040	<b>G</b>	
HC 18/12/14	4	Increase Income	Increase income from applications and inspections - roads inspectors	0.010	<b>A</b>	
HC 18/02/14 & HC 25/02/16 Amended HC 15/02/18	7 & 28	Burials & Cremations	Inflationary increases	0.019	<b>G</b>	
HC 18/12/14	12	Revision of Working Hours	Reduction in overtime in 2015/16 with wider review including consideration of annualised; overtime; shift; and enhanced hours provision going forward	0.100	<b>G</b>	
HC 15/02/18	CS1	Amenity Services	Review all play areas	0.212	<b>A</b>	
HC 15/02/18	CS2	Anti Social Behaviour	Anti social behaviour budget reductions	0.162	<b>G</b>	
HC 15/02/18	CS5	Car Parks	Charging for parking and services	1.407	<b>A</b>	£0.308m predicted income shortfall at 30 June
HC 15/02/18	CS9	Environmental Health	Uplift current environmental health Fees & Charges by 10%	0.046	<b>G</b>	
HC 15/02/18	CS12	Harbours and Ferries	Uplift current fees & charges - Ferry Dues 3.9% (RPI as at Sep 17)	0.174	<b>G</b>	

HC 15/02/18	CS13	Harbours and Ferries	Uplift current fees and charges – Pier/Harbour dues, Hire of Plant and other Sales Materials	0.073	G	
HC 15/02/18	CS15	Integrated Transport Services	New Charges - Establish a MOT test centre	0.010	A	
HC 15/02/18	CS16	Lighting Services	Communities to provide their own Christmas Lights'	0.035	G	
HC 15/02/18	CS17	Public Conveniences	Review of public conveniences	0.301	R	£0.338m overspend at 30 June
HC 15/02/18	CS18	Refuse Collection	Uplift Current Fees & Charges within Waste Services	0.233	A	
HC 15/02/18	CS19	Refuse Collection	Introduction of Waste Collection Charges to Previously Exempt Premises	0.025	A	
HC 15/02/18	CS20	Refuse Collection	Improved controls for waste currently received at our Household Waste Recycling Centres that is classified as Commercial/Industrial	0.006	G	
HC 15/02/18	CS22	Refuse Collection	Waste collection service changes	0.090	A	
HC 15/02/18	CS23	Refuse Collection	Reduction in awareness and education budget for Waste Services	0.040	G	
HC 15/02/18	CS25	Service-wide	Uplift current Fees & Charges - Various miscellaneous fees & charges	0.145	A	
HC 15/02/18	CS29	Supporting People	Reduce tenancy support services for homelessness	0.057	G	
HC 15/02/18	CS30	Waste Disposal	Uplift current Fees & Charges by 10% - Waste tipping fees, cardboard recycling and scrap metal	0.012	G	

HC 15/02/18	CS31	Travel Desk	Travel & subsistence savings			Transferred to corporate savings - individual Service allocations to be categorised by appropriate Service
HC 15/02/18	CS32	Flood Alleviation	Reduce flood alleviation budget	0.027	<b>G</b>	
<b>Total</b>				<b>3.224</b>		

#### Allocation of TSP & Corporate Savings

Date Agreed	Ref.	Description	Total Savings (inc 17/18 c/fwd) £m	CS Allocations to Date £m	Category R A G	Comments
HC 15/02/18		Redesign	2.290	#REF!		
HC 15/02/18	CR9	Insurance	0.311	#REF!	<b>G</b>	
HC 15/02/18	CS31	Travel Desk	0.060	#REF!	<b>G</b>	
HC 15/02/18	DI8	Property Asset Management (including £0.076m c/fwd from 2017/18)	0.226	#REF!		
		Procurement (c/fwd from 2017/18)	1.126	#REF!	<b>G</b>	
<b>Total</b>			<b>4.013</b>	<b>#REF!</b>		