

Agenda Item	14
Report No	EDI 10/19

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 31 January 2019

Report Title: Community Services Revenue Budget Monitoring Report –
1 April 2018 to 31 December 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 31 December 2018.

2. Recommendations

- 2.1 Members are invited to approve the revenue budget monitoring report for 1 April 2018 to 31 December 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 31 December 2018.
- 4.2 The Service is identifying pressures against car parks, public conveniences and recycling.
- 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 1 April to 31 December 2018.

5. Major Issues and Variances

5.1 Roads Maintenance

An underspend of £0.1m is reported in the roads maintenance budget. This is due to deferring expenditure on safety barriers into the 2019/20 financial year.

5.2 Integrated Transport Services

The underspend is attributable to the delay in filling vacant posts.

5.2 Lighting Services

- 5.2.1 Work is continuing as per the replacement programme and at the end of December 49% of street lighting units was LED.
- 5.2.2 Energy consumption for Q3 to end of December 2018 (1 October 2018 to 31 December 2018) was 4,586,250 KWh representing a reduction of 12 % over the same period in 2017 (5,235,187 KWh). Due to increases in the unit cost of electricity, this reduction in energy consumption equated to a 1% cost saving in October and November 2018 (£379,554) compared to the same period in 2017 (£381,865). The information relating to December is not available at this time but it is expected to deliver similar or slightly increased savings.
- 5.2.3 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 may well create a pressure.

5.3 Integrated Transport Services

The underspend is attributable to the delay in filling vacant posts.

5.4 Car Parks

Lower than expected income; delays in implementing some charges and new services; income assumptions; changes in driver behaviour; and tariff reviews have led to a forecast shortfall of £0.850m.

5.5 **Refuse Collection**

As a result of a VAT refund on the garden waste income, the Council has received a rebate of £0.292m.

5.6 **Recycling**

The pressure reported against recycling has reduced due to deferring the implementation of the route optimisation project into 2019/20. This should not affect the anticipated go-live date in late 2019.

5.7 **Public Conveniences**

5.7.1 Further delays in implementing the rationalisation programme has created a pressure of £0.631m. This has risen from £0.213m reported to the last EDI Committee. The increase can be attributed to increased costs and a shortfall of income, both relating to the delay.

5.7.2 A full review of all PCs has been completed and recommendations agreed at Council on 25 October.

6. **Actions Proposed**

6.1 Given the Council's overall financial position the Service will continue to reduce expenditure, where possible, in all areas of the budget and will continue to maintain this until the end of the financial year.

6.2 Budgets will continue to be closely managed and any underspends will be used to offset overspends and pressures within the overall Community Services budget.

7. **Implications**

7.1 Resource – implications are as discussed in the report. The Service will continue to exert management controls to achieve a balanced position at the year end. However the impact of winter is an unknown factor in achieving this.

7.2 Risk – implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported 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: 22 January 2019

Authors: Mike Mitchell, Service Finance Manager
Caroline Campbell, Head of Performance and Resources

Background Papers: Monitoring Statements 30 September 2018 and Highland Council Financial Ledger

COMMUNITY SERVICES

Revenue Expenditure Monitoring Statement

1 April 2018 to 31 December 2018

Financial Detail

BY ACTIVITY**Roads and Transport**

	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Winter Maintenance	1,959	4,484	4,484	0
Roads Maintenance	5,514	5,892	5,792	(100)
Engineering Services	1,564	1,969	1,969	0
Flood Alleviation	21	30	30	0
Lighting Services	1,136	3,568	3,518	(50)
Integrated Transport Services	537	909	784	(125)
Subsidies and Concessionary Fares	5,182	7,430	7,435	5
School Transport	5,527	8,836	8,828	(8)
Car Parks	(1,131)	(2,284)	(1,434)	850
	20,310	30,833	31,405	572

Environmental and Amenity Services

Refuse Collection	(231)	478	166	(312)
Waste Disposal	7,946	12,869	12,876	7
Recycling	6,737	9,037	9,092	55
Street Cleaning	1,569	2,129	2,123	(6)
Public Conveniences	1,030	576	1,207	631
Burials and Cremations	(663)	(895)	(947)	(52)
Grounds Maintenance	1,804	1,838	1,749	(89)
Amenity Services	662	962	904	(58)
Environmental Health	1,350	2,213	2,073	(140)
	20,204	29,207	29,243	36

Trading Operations

Harbours and Ferries	(2,086)	(3,118)	(3,344)	(226)
	(2,086)	(3,118)	(3,344)	(226)

Administration

Management Overheads	1,138	536	516	(20)
Stores and Depots	1,610	1,875	1,875	0
Vehicle Maintenance Trading Account	65	(263)	(263)	0
	2,814	2,147	2,127	(20)

SERVICE TOTAL

	41,241	59,069	59,431	362
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BY SUBJECTIVE

Staff Costs	43,427	63,193	63,067	(126)
Other Costs	62,725	85,686	86,133	447
Gross Expenditure	106,153	148,880	149,201	321
Grants	(156)	(48)	(206)	(158)
Other Income	(64,756)	(89,763)	(89,564)	199
Total Income	(64,911)	(89,811)	(89,770)	41

	41,241	59,069	59,431	362
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COMMUNITY SERVICES - Summary

DISAGGREGATED AREA BUDGETS 2018/19

REAL CASH BUDGETS ONLY

Monitoring Statement for the period ended 31 December 2018

FUNCTION/ACTIVITY

Roads and Amenity Services

Area	Total Budget £	Actual 31/12/2018 £	Budget Left £	Estimated Outturn £	(Under)/ Over £
Badenoch & Strathspey	1,818	1,058	760	1,849	31
Caithness	3,375	1,679	1,696	3,433	58
Inverness	5,277	3,829	1,448	5,367	90
Lochaber	2,869	1,901	968	2,918	49
Nairn	1,215	874	341	1,236	21
Ross & Cromarty	6,276	4,679	1,597	6,382	106
Skye	2,968	2,205	763	3,019	51
Sutherland	4,545	3,221	1,324	4,623	78
Total	28,343	19,446	8,897	28,827	484