

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE

1 October 2008

Agenda Item	
Report No	

Corporate Revenue Monitoring Statement 2008/09

Report by Depute Chief Executive and Director of Finance

SUMMARY

The purpose of this report is to present the revenue budget monitoring position for the period to 31 August 2008 and the projected year end position.

1. Introduction

- 1.1 This report sets out the overall revenue budget monitoring position for the Council for the financial year to 31 August 2008. It also shows the Services' estimated year end position and the Council's overall predicted year end over or underspend.
- 1.2 The purpose of the report is to advise members of the anticipated financial position of the Council at the end of the financial year 2008/09. For each service showing a predicted year end variance the report will include commentary from the Service Director.

2. Overview

- 2.1 A corporate monitoring statement is attached as an appendix. The statement shows that the General Fund has a total annual budget allocated to Services of £530.996m year to date actual of £192.143m and an estimated year end position of £531.726m giving an estimated year end over spend of £0.730m.
- 2.2 The total budget figure reported here is £0.138m greater than that reported at the August meeting of this committee. The increase is the result of feeds to the budget from ear marked reserves to: cover the costs of Highland Council's involvement with Scotland Excel (£0.127m); and costs of additional staffing in the Business Improvement Team (£0.026m). Also £0.015m of budget savings from the Bikes to Work scheme were removed from the service budgets.
- 2.3 The figures presented in this report are based on the assumption that budgets continue to be strictly managed and that any unforeseen budget pressures are successfully contained within existing budgets.
- 2.4 The following paragraphs provide further explanation of the variances shown. The report also analyses the General Fund position by staff costs, other costs, grant income and other income.

- 2.5 The ECS Revenue Budget is projected to overspend by £1.392m due to pressure on a number of fronts including: delivery of the 2008-09 savings target; rising energy costs and the related impact on school transport; additional support needs; demographic savings and transferred budgets in relation to funding unitary charge payments; and devolved school budgets (in particular those schools carrying forward a deficit from last financial year)

Management action has been put in place to address these issues, it includes: no additional or unnecessary expenditure to be incurred per the Director's letter to the ECS Management Team dated 15th July 2008; strict vetting of all staffing appointments; the redeployment of staff at the earliest opportunity throughout the review of administrative and clerical support staff; early determination of the impact of the school roll census data on budgeted staffing allocations to schools (the school roll census date is the 22nd September 2008); and where there is a shortfall in projected savings targets budget holders have been instructed to identify alternative savings.

- 2.6 An under spend of £0.102m is anticipated in the Joint Children's Committee budget due to staff vacancies and close management of discretionary budgets leading to under spends in childcare, Surestart and the Youth Action Service. This month's statement also shows some overspend on out-of-authority placements but it is envisaged that this will be managed down in the remainder of the financial year.
- 2.7 The Other Housing and Property budget anticipates a year end under spend of £0.102m due to an improvement in the income budget for recharged homelessness services.
- 2.8 The Building Maintenance DLO anticipates an under spend of £0.030m at the year end as a result of one off savings in management costs.
- 2.9 The predicted year end position for the Planning and Development Service is an over spend of £0.260m. Recent national economic changes have affected the annual projections for the income from planning and building warrant fees. These now show a shortfall against the budget. Staff savings due to vacancies and turnover have reduced the overall expected overspend and it is expected that close attention to other aspects of the Service's budget as the year progresses will contribute further savings.
- 2.10 The Social Work service currently predicts a year end underspend of £0.125m. The spending patterns of this service are changing considerably this year as, in line with national changes for social work services, many new initiatives in service delivery are being developed. As a result of these changes the Service continues to see increases in the expenditure relating to Home Care provided by the independent sector. The over spend on this heading is now £0.462m, the impact of which is offset by under spends on most other areas of the budget, arising from ongoing staff savings including home care. Expenditure on in-house home care is projected to increase by the end of the year as home carers take up their new posts.

- 2.11 The predicted year end position for Transport, Environmental and Community Services is that there will be no variance from the budget. However it should be noted that the increasing costs of fuel and oil based materials is having a detrimental impact on service delivery.
- 2.12 The Chief Executive's service predicts a year end under spend position of £0.288m due to savings from staff turnover.
- 2.13 A year end position for the Finance service is expected to be an under spend of £0.152m, resulting from staff turnover savings.

3. Housing Revenue Account

- 3.1 The report also shows the Council's Housing Revenue Account (HRA). Although the net budget is zero the annual expenditure budget totals £42.275m to be met largely from Council House rents. At this stage in the year it is expected that the HRA will be on budget at the year end.

RECOMMENDATION

Members are invited to agree the Revenue Expenditure Monitoring Statement for financial year 2008/09 at 31 August 2008.

Signature:

Designation: Depute Chief Executive and Director of Finance

Date: 23 September 2008

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Background Papers: Service revenue budget monitoring statements

Revenue Expenditure Monitoring Report - Service Summary

1 April 2008 - 31 August 2008

SERVICE	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Education Culture & Sport - DSM	53,696	135,783	135,783	0
Education Culture & Sport	28,088	75,168	76,560	1,392
Joint Children's Committee (JCCYP)	6,920	22,741	22,516	(225)
Other Housing & Property (Non HRA) & PSHG	205	8,698	8,596	(102)
Building Maintenance DLO	(211)	(410)	(440)	(30)
Planning & Development	1,194	5,308	5,568	260
Social Work	39,022	98,568	98,443	(125)
Transport Environmental & Community Services	29,290	64,396	64,396	0
Chief Executive's Service	10,984	25,348	25,060	(288)
Members Expenses	737	2,131	2,131	0
Finance Service	2,816	6,829	6,677	(152)
Housing Benefit	91	0	0	0
Service Total	172,832	444,560	445,290	730
Services Provided By Joint Boards:				
Police	11,002	23,420	23,420	0
Fire	6,802	16,767	16,767	0
Valuation	1,069	2,333	2,333	0
Non Domestic Rates	438	450	450	0
Net Cost of Services	192,143	487,530	488,260	730
Loan Charges	0	44,616	44,616	0
Interest on Revenue Balances	0	(1,150)	(1,150)	0
Total General Fund	192,143	530,996	531,726	730
BY SUBJECTIVE				
Staff Costs	131,436	337,178	334,011	(3,167)
Other Costs	156,195	437,583	441,250	3,667
Gross Expenditure	287,631	774,761	775,261	500
Grants	(30,311)	(69,151)	(68,725)	426
Other Income	(65,177)	(174,614)	(174,810)	(196)
Total Income	(95,488)	(243,765)	(243,535)	230
	192,143	530,996	531,726	730
% of Annual Expenditure				
This year	36%			
Last year	36%			
Housing Revenue Account	(11,475)	0	0	0