

Agenda Item	<b>8</b>
Report Number	<b>RES/43/16</b>

**CORPORATE DEVELOPMENT FINAL 2015/16 OUT-TURN AND 2016/17  
REVENUE EXPENDITURE MONITORING TO JUNE 2016**

**Report by the Depute Chief Executive and Director of Corporate Development**

**SUMMARY**

This report comments on the final out-turn position for the Corporate Development Service revenue budget for 2015/16 and provides information on the revenue monitoring position for the Service for the period 1 April 2016 to 30 June 2016.

**1. Introduction**

1.1 The attached 2 appendices show (i) the final out-turn position for the Corporate Development Service revenue budget for the period 1 April 2015 to 31 March 2016 and (ii) the revenue monitoring position for the 2016/17 financial year for the period to 30 June 2016.

**2. Budget Variances in 2015/16**

2.1 Appendix 1 shows the final out-turn position for the Corporate Development Service 2015/16 revenue budget. It shows that the total budget was £20.444m and at the year-end the budget was underspent by £0.471m. The final out-turn has not changed from the near final position reported to Resources Committee in May 2016 and Full Council in June 2016.

2.2 Underspends were due mainly to vacancy management and underspends on ICT services which succeeded in offsetting known reported pressures in order to achieve a balanced position at the year end.

**3. 2016/17 Roll Forward Budget and Predicted End of Year Position 2016/17**

3.1 The total roll forward Service budget at the start of the 2016/17 financial year is £15.623m.

3.2 Appendix 2 shows the Revenue Monitoring position for 2016/17 for year to 30 June 2016. Actual expenditure incurred in the period is £1.802m. Fujitsu billing dates account for the apparently low level of expenditure which equates to 12% of the total budget for the first quarter of the financial year and is in line with previous years' spending profiles.

3.3 The Corporate Development Service is projecting a net year-end overspend of £0.176m. This is mainly due to pressures caused by a shortfall in licensing income and a reduction in training income. There is no scope to increase income from statutory licensing fees as the Council does not have the authority to alter these fees. These pressures are partly mitigated by savings from vacancy management and managers will continue to work to reduce pressures and increase underspends as the year progresses in order to deliver a balanced budget at the year end.

#### **4. Implications**

- 4.1 Resources - There are no resource implications other than those already set out.
- 4.2 Legal - there are no legal implications for The Highland Council.
- 4.3 Equalities and Climate Change - there are no negative equality or climate change implications arising from this report.
- 4.4 Risk, Gaelic and Rural - there are no risk, Gaelic or rural implications to The Highland Council.

#### **5 Recommendation**

Members are invited to consider the final outturn for the Corporate Development Service revenue budget for 2015/16 and the revenue monitoring report for the period 1 April 2016 to 30 June 2016.

Signature: Michelle Morris

Designation: Depute Chief Executive and Director of Corporate Development

Report Author: Kate Lackie, Business Manager

Date: 16 August 2016

# CORPORATE DEVELOPMENT SERVICE Revenue Expenditure Monitoring Report

Appendix 1

1 April 2015 to 31 March 2016

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Depute Chief Executive	(206)	(203)	(206)	(3)
Corporate Improvement Team	687	726	687	(39)
<b>Corporate Governance:</b>				
Legal Services	468	517	468	(49)
Licensing	(514)	(590)	(514)	76
Democratic Services	534	610	534	(76)
Elections	121	103	121	18
<b>Digital Transformation:</b>				
ICT Services	14,297	14,664	14,297	(367)
Customer Services	2,585	2,490	2,585	95
<b>People &amp; Performance:</b>				
HR Services	802	896	802	(94)
Workforce Planning, Learning & Development	418	389	418	29
Health, Safety & Wellbeing	576	621	576	(45)
Performance Management	205	220	205	(15)
<b>Total Corporate Development</b>	<b>19,973</b>	<b>20,444</b>	<b>19,973</b>	<b>(471)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	10,567	10,674	10,567	(107)
Other Costs	21,099	14,980	21,099	6,119
<b>Gross Expenditure</b>	<b>31,666</b>	<b>25,654</b>	<b>31,666</b>	<b>6,012</b>
Grants	(117)	-	(117)	(117)
Other Income	(11,576)	(5,210)	(11,576)	(6,366)
<b>Total Income</b>	<b>(11,693)</b>	<b>(5,210)</b>	<b>(11,693)</b>	<b>(6,483)</b>
	<b>19,973</b>	<b>20,444</b>	<b>19,973</b>	<b>(471)</b>

**Notes**

1. %age of Annual Expenditure	Mar-16	<b>98%</b>
	Mar-15	<b>100%</b>

# CORPORATE DEVELOPMENT SERVICE Revenue Expenditure Monitoring Report

Appendix 2

1 April 2016 to 30 June 2016

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Depute Chief Executive	59	(2,253)	(2,253)	-
Corporate Improvement Team	202	544	544	-
<b>Corporate Governance:</b>				
Legal Services	189	328	308	(20)
Licensing	(257)	(767)	(617)	150
Democratic Services	145	633	633	-
Elections	22	105	105	-
<b>Digital Transformation:</b>				
ICT Services	503	13,158	13,158	-
Customer Services	501	2,159	2,159	-
<b>People &amp; Performance:</b>				
HR Services	226	878	863	(15)
Workforce Planning, Learning & Development	85	241	321	80
Health, Safety & Wellbeing	127	597	578	(19)
<b>Total Corporate Development</b>	<b>1,802</b>	<b>15,623</b>	<b>15,799</b>	<b>176</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	2,058	7,164	7,130	(34)
Other Costs	1,474	13,757	13,737	(20)
<b>Gross Expenditure</b>	<b>3,532</b>	<b>20,921</b>	<b>20,867</b>	<b>(54)</b>
Grants	(17)	-	(17)	(17)
Other Income	(1,713)	(5,298)	(5,051)	247
<b>Total Income</b>	<b>(1,730)</b>	<b>(5,298)</b>	<b>(5,068)</b>	<b>230</b>
	<b>1,802</b>	<b>15,623</b>	<b>15,799</b>	<b>176</b>

**Notes**

1. %age of Annual Expenditure	Jun-17	12%
	Jun-16	13%