

**THE HIGHLAND COUNCIL**  
**RESOURCES COMMITTEE – 8 FEBRUARY 2017**

Agenda Item	<b>8</b>
Report Number	<b>RES/06/17</b>

**CHIEF EXECUTIVE'S SERVICE AND MEMBERS: REVENUE EXPENDITURE  
MONITORING APRIL-DECEMBER 2016/17**

**Report by the Chief Executive**

**SUMMARY**

This report provides information on the revenue monitoring position for the Chief Executive's Office and Members' budget for the period 1 April 2016 to 31 December 2016.

**1. Introduction**

1.1 The attached appendix shows the revenue monitoring position for the Chief Executive's Office 2016/17 revenue budget for the period to 31 December 2016.

**2. 2016/17 Budget Monitoring**

2.1 **Appendix 1** shows an annual net budget of £5.060m, of which the Members' budget accounts for £1.764m. Actual expenditure incurred in the first three quarters of the financial year is £4.049m. There have been no budget movements since the previous reporting period.

**3. Variances and Predicted Year-end Position 2016/17**

3.1 The Chief Executive's Office is projecting a net year end underspend of £0.022m. There is a small pressure in the Members' budget of £0.009m, due to the under recovery of income. However, this is more than offset by underspends in the Policy and Reform budget which are primarily as a consequence of underspends in discretionary budgets. The intention is to maximize underspends and income across the Chief Executive's budget to offset any costs arising from the Redesign Project in order to deliver a balanced budget by the year end.

**4. Budget Savings Monitoring**

4.1 All of the savings, both Service specific, and corporate and transformational, have been reflected in the Chief Executive's Office 2016/17 budget, and have been allocated across all parts of the Service, where appropriate.

4.2 An updated Red/Amber/Green (RAG) analysis of Chief Executive's Office specific budget savings for the current financial year is set out on **Appendix 2** and shows very good progress in meeting the savings target in full for 2016/17.

4.3 **Appendix 3** sets out the corporate and transformational savings for the current financial year, and reflects the position for the third quarter of the financial year.

## 5. **Implications**

5.1 Resources - There are no resource implications other than those already set out.

5.2 Equalities and Climate Change - there are no negative equality or climate change implications arising from this report.

5.3 Legal, Risk, Gaelic and Rural - there are no legal, risk, Gaelic or rural implications to The Highland Council.

## 6. **Recommendation**

Members are invited to consider the revenue monitoring report for the period 1 April 2016 to 31 December 2016.

Signature: Steve Barron

Designation: Chief Executive

Report Author: Kate Lackie, Business Manager

Date: 29 January 2017

# CHIEF EXECUTIVE'S OFFICE Revenue Expenditure Monitoring Report

1 April 2016 to 31 December 2016

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Members	1,478	1,764	1,773	9
Chief Executive	852	894	893	(1)
Emergency Planning	113	154	154	0
Operational Management Areas	1,233	1,753	1,753	0
Corporate Communications	118	65	55	(10)
Policy & Reform	255	430	410	(20)
<b>Total Chief Executive's</b>	<b>4,049</b>	<b>5,060</b>	<b>5,038</b>	<b>(22)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	3,023	4,163	4,153	(10)
Other Costs	1,250	1,749	1,737	(12)
<b>Gross Expenditure</b>	<b>4,273</b>	<b>5,912</b>	<b>5,890</b>	<b>(22)</b>
Grants	(155)	0	0	0
Other Income	(69)	(852)	(852)	0
<b>Total Income</b>	<b>(224)</b>	<b>(852)</b>	<b>(852)</b>	<b>0</b>
	<b>4,049</b>	<b>5,060</b>	<b>5,038</b>	<b>(22)</b>

## Notes

1. %age of Annual Expenditure	Dec-17	<b>80%</b>
	Dec-16	<b>77%</b>

Service	Saving owner	Activity Heading	Saving category	Savings Proposal	Savings				RAYG (enter R, A, Y, or G)	Projected saving- red amber yellow
					2016/17 £m	2017/18 £m	2018/19 £m	3 Year Total £m		
CEO	SLB	Emergency Planning	Cessation/reduction of service	Reduction in Emergency Planning	0.035			0.035	G	
CEO	SLB	Management and staffing savings	Management and staffing savings	Corporate Comms- Further restructuring savings	0.060			0.060	A	Some of this relates to £20k income from promoting the salary sacrifice scheme - level of income will be dependent on uptake levels.
CEO	SLB	Policy, reform and ward management	Third parties	Reduction in ward discretionary grants	0.519			0.519	G	
CEO	SLB	Policy, reform and ward management	Service reviews	Delete posts	0.168			0.168	G	
CEO	SLB	Operational Management Areas	Efficiencies	Reduction in ward discretionary budgets	0.036	0.036	0.036	0.108	G	
CEO	SLB	Policy, reform and ward management	Management and staffing savings	Policy team staff reduction and reduce discretionary spending on mental health events	0.036			0.036	G	
CEO	SLB	Management and staffing savings	Management and staffing savings	Corporate Comms- Restructuring - Release of 2 posts (1.8 FTE) and recruitment of Digital Communications Assistant post (0.6 FTE)	0.036			0.036	G	
CEO	SLB	Corp Development	Efficiencies	Reduction in discretionary budget and corporate training/briefings	0.022			0.022	G	
CEO	SLB	Chief Exec	Efficiencies	Misc budgets incl training	0.017			0.017	G	
CEO	SLB	Policy, reform and ward management	Third parties	10% reduction in administration grants for community councils	0.017			0.017	G	
CEO	SLB	Policy, reform and ward management	Efficiencies	Reduce discretionary spend for Gaelic arts development and events	0.014	0.019	0.019	0.052	G	
CEO	SLB	Policy, reform and ward management	Efficiencies	Highland Environmental Network contract and Carbon Clever publicity and events	0.010			0.010	G	
CEO	SLB	Corporate Comms	Income generation	Additional income - advertising in In Brief; the Intranet and Website. Promoted posts fees	0.007			0.007	G	
CEO	SLB	Chief Exec	Management and staffing savings	Reduction in hours of 1.0 fte to 0.8fte	0.007			0.007	G	
CEO	SLB	Information Management	Efficiencies	Removal of training and misc budgets	0.007			0.007	G	
CEO	SLB	Policy, reform and ward management	Efficiencies	Reduction in discretionary budgets	0.005	0.005	0.005	0.015	G	
CEO	SLB	Corporate Leadership Support	Efficiencies	Reduction in discretionary budgets	0.005	0.005		0.010	G	
CEO	SLB	Policy, reform and ward management	Income generation	Re-charge Common Good Fund for ward manager time	0.002			0.002	G	
CEO	SLB	Corporate Comms	Efficiencies	Reduction in Quality Awards and Hospitality budget	0.002			0.002	G	
CEO	SLB	Corporate Communications	Income generation	Income Generation	0.001	0.001	0.001	0.003	G	
TSP	SLB	Marine Fuel	Income generation	Commercial approach to the supply of marine fuel			0.200	0.200	G	

Ref.	Activity Heading	Savings Proposal	16/17 Allocation Comments	2016/17						
				2016/17 Agreed HC 18/12/14 & HC 25/02/16 £m	2016/17 Reprofiting & Other Adjustments £m	Add : C/fwd from 2015/16 £m	2016/17 after Adjustments & C/fwd	2016/17 Service Allocations £m	2016/17 Service Allocations CEO £m	Saving RAYG (enter R, A, Y, or G)
Corp 5	Voluntary Severance	Voluntary Severance	Allocation agreed 30/05/16 (includes £300k for ASN)	5.900			5.900	-5.900	-0.048	G
Corp 6	Recruitment Freeze	Recruitment freeze for non-exempt posts	Allocation agreed 30/05/16	0.575			0.575	-0.575	-0.008	G
Corp 4, TSP Proc 1 & 3, TSP WPP4-SSJV9	Procurement	Procurement Shared Service & Collaborative Spend	Allocation agreed 30/05/16	0.653		0.047	0.700	-0.700	-0.006	A
Corp 2	Fees & Charges	10% increase on all fees and charges that are not nationally set, or a different amount has already been agreed	Allocation already included within HC 25/02/16 Service budgets; Based on actual % increases for individual fees & charges budgets	0.487			0.487	-0.487	-0.004	G
	Information Management		Allocation agreed 30/05/16		0.232		0.232	-0.250	-0.003	R
Corp 1	Salary Sacrifice	Savings from salary sacrifice schemes	Allocate proportionate to take up of schemes in year to date	0.200	0.004		0.204	-0.204	-0.002	A
PIM2	Attendance Management	Reduction in sickness absence by continuing to adopt a robust and consistent approach to attendance management	Allocation agreed 30/05/16	0.148		-0.001	0.147	-0.147	-0.001	R
PIM2A	Travel, Subsistence and Overtime	Reduction in the costs of staff travel, subsistence and overtime through management action and greater use of technology	Allocation agreed 30/05/16	0.124			0.124	-0.124	-0.001	G
<b>Total</b>				<b>13.164</b>	<b>-0.285</b>	<b>1.165</b>	<b>14.044</b>	<b>-12.439</b>	<b>-0.073</b>	