

HIGHLAND COUNCIL

Agenda Item	7.
Report No	RES/38/18

Committee: Corporate Resources Committee

Date: 29 August 2018

Report Title: Corporate Resources Service and Welfare Budget – Revenue Monitoring to 30 June 2018

Report By: Depute Chief Executive and Director of Corporate Resources

1. Purpose/Executive Summary

- 1.1 This report comments on the Quarter 1 Revenue monitoring position for the period to 30 June 2018
- 1.2 The report covers the Corporate Resources and Welfare Budgets, and comments on the main budget variances for which the Service has direct responsibility. Other areas, such as Loans Fund and Council Tax, are contained within the Corporate Revenue Monitoring Report which is a separate item on this agenda.

2. Recommendations

- 2.1 Members are asked to:
 - Consider the Revenue Monitoring position for the period to 30 June 2018.

3. Corporate Resources Service Revenue Budget 2018/19

- 3.1 **Appendix 1** is the monitoring statement showing actual expenditure and the near final outturn against the budget at 30 June 2018. The Service projects an outturn of £27.202m against a net annual budget of £27.183m, which represents an overspend of £0.019m. The overspend reported today is as a result of the Corporate Resources efficiency savings being work in progress.
- 3.2 The Directorate Section includes all of the Service's unallocated efficiency savings for 2018/19 of £0.280m whilst recurring efficiencies develop. Also included here are previous cumulative savings which are yet to be allocated permanently to other budget headings in the Service. However through non filling of several vacant posts, the total balance in the directorate has reduced at this point in the year. It can also be seen that underspends are being reported in 3 of the sections which are contributing to Corporate Resources almost balancing at this point in the year. Further work will be done in the remainder of the year to reduce the forecasted overspend.
- 3.3 In People and ICT, the underspend reported is under People and is due to part year staffing vacancies, underspends in training and consultants and various other small underspends. There is a small income pressure which is being offset by the underspends noted above.
- 3.4 In Revenues, Business Support and Customer Services a £0.200m Customer Services efficiency savings has been applied to the budget and this is being achieved across the whole section. The underspend showing is predominantly due to forecasted staffing underspend.
- 3.5 The underspend in the Corporate Finance and Commercialism section reflects one-off income from Highlife Highland for payroll services which has been backdated 5 years, as well as a staffing underspend.
- 3.6 Audit & Performance has delivered the 2018/19 savings target of £25k and this has been achieved by terminating an external contract and taking the work in-house to deliver the analysis of the annual performance and attitudes survey.
- 3.7 The unallocated savings referred to in paragraph 3.2 are in addition to the savings target, and still include previous year's salary increments as a result of the corporate decision not to fund them. This year's increment pressure was allocated to the sections and therefore Heads of Service are managing these within their budgets as in year pressures.
- 3.8 The Service has delivered the full savings target in the previous financial year, however part of this was due to one off underspends which is why the balance in the directorate remains a challenge, but one which has been reduced substantially by Quarter 1.
- 3.9 The Committee is reminded that the Service has a significant savings target to deliver but every effort is being made to achieve these within this financial year through more effective ways of working and delivering efficiency savings. It believes that it can do this without any impact on service, and the performance report later on this agenda supports this. Part of the strategy involves not filling, and subsequently deleting, posts as they fall vacant. This is considered

to be an obvious way in which to support the core workforce through a period of significant change. This has been discussed with staff and they are fully supportive of this direction.

4. Welfare Budget 2018/19

- 4.1 **Appendix 2** is the monitoring statement showing actual expenditure and the anticipated outturn against the budget at 30 June 2018. At this stage in the year, it is predicted that this budget will come in on target.
- 4.2 Following the Scottish Governments' recent decision to allocate £6m new funding to local authorities to support School Clothing Grant award levels, Highland has used this funding in full enabling it to increase the grant award level from £90 to £140. On the information obtained, it appears that Highland's School Clothing Grant award level is now the highest in Scotland. This also supports the Council's efforts to help mitigate the impacts of Welfare Reform.

5. Implications

- 5.1 Resource implications are noted in this report.
- 5.2 In terms of Equalities, the Welfare Budget illustrates how the Council is utilising resources to meet demand for financial support by supporting families and individuals and ensuring take-up of available benefits.
- 5.3 There are no Legal, Climate Change/Carbon Clever, Rural, Risk or Gaelic implications arising as a direct result of this report

Designation: Depute Chief Executive/Director of Corporate Resources

Date: 13 August 2018

Author: Rachel Rae, Trainee Accountant

Background Papers: None

CORPORATE RESOURCES SERVICE Revenue Expenditure Monitoring Report

1 April 2018 to 30 June 2018

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate	96	(496)	(87)	409
People	464	1,874	1,813	(61)
ICT Services	2,283	12,508	12,508	-
Revenues, Business Support & Customer Services	2,880	8,885	8,709	(176)
Corporate Finance & Commercialism	969	3,871	3,718	(153)
Audit & Performance	167	542	542	-
Total Corporate Resources	6,859	27,183	27,202	19
BY SUBJECTIVE				
Staff Costs	5,079	20,805	20,908	103
Other Costs	3,433	16,449	16,508	59
Gross Expenditure	8,512	37,254	37,416	162
Grants	(241)	(839)	(839)	-
Other Income	(1,412)	(9,232)	(9,375)	(143)
Total Income	(1,653)	(10,071)	(10,214)	(143)
	6,859	27,183	27,202	19

Notes

1. %age of Annual Expenditure	Jun 1819	25%
	Jun 1718	29%

WELFARE Revenue Expenditure Monitoring Report
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01 April 2018 to 30 June 2018	Corporate Resources Service
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	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Housing Benefit	10,123	38,166	38,166	0
Council Tax Reduction Scheme	12,273	12,366	12,366	0
Scottish Welfare Fund				
- Community Care Grants	179	860	860	0
- Crisis Grants	127	246	246	0
	306	1,106	1,106	0
Discretionary Housing Payments	511	2,528	2,528	0
Educational Maintenance Allowances	220	750	750	0
School Clothing Grants	136	526	526	0
Advice Services				
- Citizens Advice Bureau	607	1,161	1,161	0
	607	1,161	1,161	0
GROSS WELFARE BUDGET	24,176	56,603	56,603	0
Income				
DWP - HB Subsidy	(9,484)	(37,935)	(37,935)	0
Educational Maintenance Allowances	(133)	(750)	(750)	0
Advice & Information Services	0	(136)	(136)	0
	(9,617)	(38,821)	(38,821)	0
NET WELFARE BUDGET	14,559	17,782	17,782	0