

## HIGHLAND COUNCIL

<b>Agenda Item</b>	<b>7.</b>
<b>Report No</b>	<b>RES/53/18</b>

**Committee:** Corporate Resources Committee

**Date:** 21 November 2018

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

**Report By:** Director of Corporate Resources/Depute Chief Executive

### **1. Purpose/Executive Summary**

- 1.1 This report comments on the Quarter 2 Revenue monitoring position for the period to 30 September 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 September 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 September 2018. The Service projects an outturn of £27.051m against a net annual budget of £27.159m, representing an underspend of £0.108m.
- 3.2 The Directorate Section includes all of the Service's unallocated efficiency savings for 2018/19 of £0.280m whilst recurring efficiencies to deliver these savings are developed. Also included here are savings targets from previous years which are yet to be allocated permanently to other budget headings in the Service. However, where possible service savings targets have been allocated to Heads of Service to manage in their budgets throughout the year.
- 3.3 Across the Service efficiencies continue to be delivered, and as a result whenever a post becomes vacant consideration is given to not filling the post. This can only be sustained through the introduction of more effective ways of working, and re-prioritising some work streams. As a result of vacancies held, staff costs savings are contributing to underspends across the Service. In year opportunities are key to addressing future years' budget challenges, and should be seen in this wider context.
- 3.4 Staffing underspends from vacancies are the key contributor to the overall underspend position in the service and where other factors impact on the year-end variance position these are explained in the paragraphs below.
- 3.5 Also contributing to the underspend of £0.53m reported under People are training and consultants and various other small underspends, offset by a small income pressure.
- 3.6 In Revenues, Business Support and Customer Services there is also an underspend forecasted of £0.029m in bank charges. This reflects the increasing number of Council Tax payers paying by Direct Debit which is the most efficient method of payment/collection. The £0.200m Customer Services efficiency savings continues to be achieved across the whole section.
- 3.7 The underspend in the Corporate Finance and Commercialism section also includes one-off income from Highlife Highland for payroll services of £0.105m which has been backdated 5 years.
- 3.8 Whilst the Service at this point in the year appears to have delivered the full savings target, the majority of underspends contributing to it are one-off in nature, so the balance in the directorate will remain a challenge entering the next financial year. However the aim is to reduce this permanently in the future as long term efficiencies are realised.

#### **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 September 2018. At this stage in the year, it is predicted that this budget will deliver a £0.655m underspend.
- 4.2 Housing Benefit reports an anticipated underspend of £0.425m. Whilst Housing Benefit is generally funded by the Department for Work and Pensions (DWP), it is not fully funded. For example, where Housing Benefit has been overpaid as the customer has not advised the Council timeously of a material change in their circumstances.
- 4.3 The prompt processing of change in circumstances when notified supports this budget and maximises DWP subsidy. Highland Council delivers very good Housing Benefit processing times as reported later in this agenda in the Service's Performance report. Collection of overpaid Housing Benefit also shows positive performance supporting this budget heading with Highland Council in the top 5 Councils in Scotland for collection levels.
- 4.4 Council Tax Reduction (CTR) reports an anticipated underspend of £0.230m. CTR is a demand-led reduction funded by the Scottish Government, which sets the rules for the scheme. As reported to previous committees, excellent processing times and benefits promotion including those delivered by Welfare Support and Advice staff across Highland supports a positive share of the national fund.

#### **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: Director of Corporate Resources

Date: 02 November 2018

Author: Rachel Rae, Trainee Accountant

Background Papers: None

# CORPORATE RESOURCES SERVICE Revenue Expenditure Monitoring Report

1 April 2018 to 30 September 2018

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	(3)	(496)	(87)	409
People	984	1,869	1,816	(53)
ICT Services	6,221	12,508	12,508	-
Revenues, Business Support & Customer Services	5,362	8,889	8,636	(253)
Corporate Finance & Commercialism	1,886	3,843	3,632	(211)
Audit & Performance	330	545	545	-
<b>Total Corporate Resources</b>	<b>14,780</b>	<b>27,159</b>	<b>27,051</b>	<b>(108)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	10,169	20,729	20,715	(14)
Other Costs	7,952	16,501	16,545	44
<b>Gross Expenditure</b>	<b>18,121</b>	<b>37,230</b>	<b>37,260</b>	<b>30</b>
Grants	(593)	(839)	(839)	-
Other Income	(2,748)	(9,232)	(9,370)	(138)
<b>Total Income</b>	<b>(3,341)</b>	<b>(10,071)</b>	<b>(10,209)</b>	<b>(138)</b>
	<b>14,780</b>	<b>27,159</b>	<b>27,051</b>	<b>(108)</b>

## Notes

1. %age of Annual Expenditure	Sep 1819	54%
	Sep 1718	51%

<b>WELFARE Revenue Expenditure Monitoring Report</b>
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<b>01 April 2018 to 30 September 2018</b>	<b>Corporate Resources Service</b>
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	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>Housing Benefit</b>	20,002	38,166	38,166	0
<b>Council Tax Reduction Scheme</b>	12,066	12,366	12,136	(230)
<b>Scottish Welfare Fund</b>				
- Community Care Grants	395	860	860	0
- Crisis Grants	93	246	246	0
	488	1,106	1,106	0
<b>Discretionary Housing Payments</b>	1,051	2,528	2,528	0
<b>Educational Maintenance Allowances</b>	302	750	750	0
<b>School Clothing Grants</b>	501	526	526	0
<b>Advice Services</b>				
- Citizens Advice Bureau	912	1,161	1,161	0
	912	1,161	1,161	0
<b>GROSS WELFARE BUDGET</b>	<b>35,322</b>	<b>56,603</b>	<b>56,373</b>	<b>(230)</b>
<b>Income</b>				
DWP - HB Subsidy	(18,968)	(37,935)	(38,360)	(425)
Educational Maintenance Allowances	(301)	(750)	(750)	0
Advice & Information Services	0	(136)	(136)	0
	(19,269)	(38,821)	(39,246)	(425)
<b>NET WELFARE BUDGET</b>	<b>16,053</b>	<b>17,782</b>	<b>17,127</b>	<b>(655)</b>

**2018/19 Savings Proposals - Quarter 2 Monitoring**  
**Corporate Resources (including Welfare)**

**Appendix 3**

Date Agreed	Ref.	Budget Heading	Name of Savings Proposal	Agreed Savings £m	Category R A G	Comments
HC 15/02/18	CR2	Customer Services	Customer Services efficiency savings	0.200	G	
HC 15/02/18	CR3	Service-wide	Efficiencies across the new enlarged Service delivered by process improvements including the more effective use of IT	0.280	A	
HC 15/02/18	CR5	Non Domestic Rates (Business Rates)	Reduction in Discretionary Reliefs	0.030	G	Savings allocated against budget for NDR reliefs
HC 15/02/18	CR7	ICT Services	ICT Development Fund	0.479	G	
HC 15/02/18	CR8	Service-wide	Reduction in professional training	0.020	G	
HC 15/02/18	CR9	Insurance	Increase in self-insurance			Transferred to corporate savings - individual Service allocations to be categorised by appropriate Service
HC 15/02/18	CR10	Corporate Audit & performance	Citizens' Panel annual survey assessment	0.025	G	
HC 15/02/18	CR11	Welfare	Efficiency gains	0.330	G	
<b>Total</b>				<b>1.364</b>		

**Allocation of TSP & Corporate Savings**

Date Agreed	Ref.	Description	Total Savings (inc 17/18 c/fwd) £m	CR Allocations to Date £m	Category R A G	Comments
HC 18/12/14	WPP9	Money advice	0.065	0.065	G	Allocated to "Other Welfare Services" budget
HC 16/02/17		Service redesign - review of management (c/fwd from 2017/18)	0.165	0.165	G	Full year effect savings for Director of Corporate Development, Head of Digital Transformation & Director's Secretary posts and additional payment for Depute Chief Executive
HC 15/02/18		Redesign	2.290	0.000		
HC 15/02/18	CR9	Insurance	0.311	0.008	G	
HC 15/02/18	CS31	Travel Desk	0.060	0.004	G	
HC 15/02/18	DI8	Property Asset Management (including £0.076m c/fwd from 2017/18)	0.226	0.000		
		Procurement (c/fwd from 2017/18)	1.126	0.042	G	
<b>Total</b>			<b>4.243</b>	<b>0.284</b>		