

HIGHLAND COUNCIL

Agenda Item	9.
Report No	RES/55/18

Committee: Corporate Resources Committee

Date: 21 November 2018

Report Title: Chief Executive's Office And Members: Revenue Expenditure Monitoring April-September 2018/19

Report By: Chief Executive

Purpose/Executive Summary

The attached report and appendices show the monitoring position for the Chief Executive's Office 2018/19 revenue budget for the period to 30 September 2018 and the status of the Chief Executive's Office and members' savings target for the same period.

The overall budget is currently predicted to be overspent by £0.009m by the end of the financial year. Anticipated underspends across a number of budget headings are currently expected to largely offset pressures elsewhere, although at present these are not sufficient to fully cover the cost of 2 unbudgeted by-elections in 2017/18.

The report also provides a summary of the delivery of £0.575m of approved Office savings required to deliver a balanced budget in 2018/19 and corporate and transformational savings for the 2018/19 financial year of £0.007m, amounting to £0.582m savings in total. All savings have been delivered.

Recommendations

Members are asked to:

- consider and agree the financial position of the Chief Executive's Office and Members' budget as at 30 September 2018; and
- note the status of budgeted savings in the year.

1. Budget Monitoring

- 1.1 **Appendix 1** shows the monitoring position for the Chief Executive's Office and the Members' revenue budget for the second quarter of the 2018/19 financial year. The total budget is £4.842m, with £2.471m spent to date; equating to 51% of the total budget at the half way point in the financial year. Of this, the members' budget accounts for £1.703m with £0.832m expenditure in Quarter 2.
- 1.2 The budget is predicting underspends amounting to £0.090m across a number of headings and the primary reasons for these were reported to the last committee. As before, it remains difficult to anticipate the end of year position with a great degree of certainty and all of these variances are subject to change over the course of the next 2 quarters.
- 1.3 There are two areas of overspend in the Chief Executive's budget – both of which are as a result of approved unbudgeted expenditure for one-off activities. First, there is the one-off pressure arising primarily from the cost of corporate recruitment showing in the Chief Executive's budget line. There is also a pressure of £0.057m in the elections budget as a result of the costs of running a by-election for Ward 11, Caol and Mallaig; and Ward 5, Wester Ross, Strathpeffer and Lochalsh. The elections budget is not provided with upfront funds to manage the costs of by-elections that may or may not occur during the year and instead there is an expectation that the Chief Executive's Office will endeavor to absorb costs by using underspends elsewhere across the whole budget. This pressure is currently partly offset in this way, although there is a small net overspend predicted at present.
- 1.4 Managers will endeavor to increase the level of underspends wherever possible to fully offset these pressures by the year end. As has been the case in previous years, a budget feed will be provided to cover any overspend arising from the by-elections that cannot be managed in this way by the end of the year.

2. Chief Executive's Office Savings 2018/19

- 2.1 An updated Red/Amber/Green (RAG) analysis of Office specific budget savings the corporate and transformational savings for the 2018/19 financial year is set out on **Appendix 2**. This reflects the position for the second quarter of the financial year and shows that all of the Chief Executive's Office budget savings and the corporate savings have been achieved.

3. **Implications**

- 3.1 Resources - There are no resource implications other than those already set out.
- 3.2 There are no risk, legal, equality, climate change/Carbon Clever, rural or Gaelic implications arising as a direct result of this report.

Designation: Steve Barron
Chief Executive

Report Author: Kate Lackie, Business Manager

Date: 12 November 2018

CHIEF EXECUTIVE'S OFFICE Revenue Expenditure Monitoring Report

1 April 2018 to 30 September 2018

	£000	£000	£000	£000
	Actual	Annual	Year End	Year End
Notes	Year To Date	Budget	Estimate	Variance

BY ACTIVITY

Members	832	1,703	1,699	(4)
Chief Executive	415	582	624	42
Emergency Planning	22	59	55	(4)
Operational Management Areas	538	1,059	1,059	0
Corporate Communications	66	102	102	0
Policy & Reform	332	469	428	(41)
Legal Services	355	162	159	(3)
Licensing	(752)	(561)	(581)	(20)
Democratic Services	298	536	536	0
Elections	72	106	163	57
Trading Standards	293	625	607	(18)

Total Chief Executive's	2,471	4,842	4,851	9
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BY SUBJECTIVE

Staff Costs	2,977	6,057	6,070	13
Other Costs	812	1,443	1,463	20
Gross Expenditure	3,789	7,500	7,533	33
Grants	(65)	(12)	(12)	0
Other Income	(1,253)	(2,646)	(2,670)	(24)
Total Income	(1,318)	(2,658)	(2,682)	(24)
	2,471	4,842	4,851	9

Notes		
1. %age of Annual Expenditure	Sep 1819	51%
	Sep 1718	52%

2018/19 Savings Proposals
Chief Executive's Office

Appendix 2

Date Agreed	Ref.	Budget Heading	Name of Savings Proposal	Agreed Savings £m	Category R A G	Comments
HC 18/12/14	2	Policy and Reform	Reduction in discretionary budgets	0.005	G	
HC 18/12/14	4	Operational Management Areas	Reduction in ward discretionary budgets	0.036	G	
HC 16/02/17	1	Members	Reduction to 74 Members (full year effect of 2017/18 part year savings)	0.010	G	
HC 15/02/18	CEO1	Operational Management Areas	Reduce residual Ward Discretionary Budget by 50%	0.331	G	
HC 15/02/18	CEO2	Policy & Reform	Reduce community council grants	0.100	G	
HC 15/02/18	CEO3	Service-wide	Savings across various service budget headings including emergency planning, corporate communications and operational management areas	0.093	G	
Total				0.575		

Allocation of TSP & Corporate Savings

Date Agreed	Ref.	Description	Total Savings (inc 17/18 c/fwd) £m	CEO Allocations to Date £m	Category R A G	Comments
HC 15/02/18		Redesign	2.250	0.000		
HC 15/02/18	CR9	Insurance	0.311	0.001	G	
HC 15/02/18	CS31	Travel Desk	0.060	0.006	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)	1.127	0.000		
Total			3.974	0.007		