

Agenda Item	7
Report No	RES/15/19

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 23 May 2019

Report Title: Corporate Resources Service and Welfare Budget – Near Final Revenue Monitoring to 31 March 2019

Report By: Depute Chief Executive/ Director of Corporate Resources

1. Purpose/Executive Summary

- 1.1 This report comments on the Near Final Revenue monitoring position for the period to 31 March 2019
- 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 31 March 2019.

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 31 March 2019. The Service is showing an outturn of £28.695m against a net annual budget of £29.754m, representing an underspend of £1.058m.
- 3.2 During the last two financial quarters, the Service has focussed on minimising expenditure by holding back on filling vacant posts and by minimising discretionary expenditure. As a result of these measures there has been a further significant improvement in the underspend compared to that previously reported in Quarter 3. It is important to reflect that one-off 2018/19 underspends form part of the outturn, however the Service is continuing in financial year 2019/20 to monitor and reduce expenditure wherever possible in order to permanently achieve savings.
- 3.3 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. The improvement in this section from the previous Quarter mainly relates to a reduction in the bad debt provision of £0.017m; a reduction in the provision for building dilapidations of £0.067m and other underspends as a result of measures in paragraph 3.2.
- 3.4 The underspend in People is showing at £0.188m. As previously reported there are underspends in staffing, training and consultants. This has increased significantly in the last two Quarters of the year, due in the main to underspends on training related expenditure following the decision to freeze discretionary spend. Further underspends since Quarter 3 have been mainly due to unanticipated underspends in the Occupational Health contract due to the cancellation and postponing of events as a result of travel spending restrictions and also some problems scheduling health surveillance appointments. Other underspends relate to income received for Modern Apprenticeship training and various other underspends within the People section.
- 3.5 ICT are showing an underspend of £0.130m. There are variances across the department, the most significant example being an underspend on SWAN caused by overall lower circuit rental charges than originally budgeted for and the slippage in bandwidth increases in a number of schools. There are also savings from staff turnover as well as reductions in discretionary spend. The position has moved from £0.150m underspend in Quarter 3, this is due to various reasons, one of them being income from the Arm's Length Organisations being less than it was initially expected.
- 3.6 In Revenues, Business Support and Customer Services the forecasted underspend has increased by £0.143m to £0.534m. Around half of the improvement in the outturn has been due to higher than estimated Registrar income and various other staffing and utilities underspends across the Section.

- 3.7 The movement in the underspend in Corporate Finance and Commercialism has improved by £0.107m due to an underspend on the Procurement contract of £0.115m which was offset slightly by income pressures in insurance sections and small variances from the previous forecast.
- 3.8 Whilst Corporate Services appears to have delivered over and above the full savings target, many of underspends contributing to this position are one-off in nature and as a result of recently introduced spending controls. Consequently the balance of the budget savings still to be allocated in the directorate will remain a challenge and is expected to be delivered in the next financial year as long term efficiencies are realised. From the 1 April 2019, the Service has already taken steps to achieve the 2019/20 savings through deletion of vacant posts and spending controls.

4. Welfare Budget 2018/19

- 4.1 **Appendix 2** is the monitoring statement and shows actual expenditure and the outturn against the budget at 31 March 2019. The Near Final position is a £0.746m underspend.
- 4.2 CTRS is a demand-led adjustment to council tax bills, 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.
- 4.3 Housing Benefit reports an anticipated outturn of £0.353m underspend. 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.
- 4.4 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.
- 4.5 School clothing grants report spend of £0.038m in excess of budget, funded as part of the overall welfare budget. More than 4,000 awards were made during 18/19, an increase of nearly 8% on prior year. This is attributable for various reasons including greater promotion of the scheme and the single service delivery team administering the financial entitlements including information sharing.

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: 13 May 2019

Author: Rachel Rae, Trainee Accountant

Background Papers: None

CORPORATE RESOURCES SERVICE Revenue Expenditure Monitoring Report

1 April 2018 to 31 March 2019

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Variance
BY ACTIVITY			
Directorate	(430)	(648)	218
People	1,715	1,903	(188)
ICT Services	14,508	14,638	(130)
Revenues, Business Support & Customer Services	8,802	9,336	(534)
Corporate Finance & Commercialism	3,527	3,915	(388)
Audit & Performance	574	610	(36)
Total Corporate Resources	28,695	29,754	(1,058)
BY SUBJECTIVE			
Staff Costs	17,074	17,815	(741)
Other Costs	19,161	16,916	2,246
Gross Expenditure	36,236	34,731	1,505
Grants	(1,095)	(879)	(216)
Other Income	(6,445)	(4,098)	(2,347)
Total Income	(7,540)	(4,977)	(2,563)
	28,695	29,754	(1,058)

Notes

1. %age of Annual Expenditure

Dec 1819	96%
Dec 1718	

APPENDIX 2

WELFARE BUDGET 1/4/18 to 31/3/19	EXPENDITURE	INCOME	BUDGET	OUTTURN
Housing Benefits	41,080	38,674	2,759	-353
Council Tax Reduction Scheme	11,933		12,366	-433
Scottish Welfare Fund				
- Community Care Grants	793		792	0
- Crisis Grants	189		189	0
	981	0	981	0
Advice Services				
Advice and Information	1,163	136	1,025	1
	1,163	136	1,025	1
Educational Maintenance Allowance	689	689	0	0
	689	689	0	0
School Clothing Grants	565	0	526	38
	565	0	526	38
Total	56,411	39,499	17,658	-746