

Agenda Item	8
Report No	RES/39/19

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 20 November 2019

Report Title: Corporate Resources Service and Welfare Budget – Revenue Monitoring to 30 September 2019

Report By: Executive Chief Officer Resources and Finance

1. Purpose/Executive Summary

- 1.1 This report comments on the Quarter 2 Revenue monitoring position for the period to 30 September 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:
 - i. Consider the Revenue Monitoring position for the period to 30 September 2019.

3. Implications

- 3.1 Resource implications are noted in this report.
- 3.2 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.
- 3.3 There are no Legal, Climate Change/Carbon Clever, Rural, Risk or Gaelic implications arising as a direct result of this report

4. Corporate Resources Service Revenue Budget 2019/20

- 4.1 **Appendix 1** is the monitoring statement showing actual expenditure and the estimated year-end outturn against the budget at 30 September 2019. The Service is showing an outturn of £24.962m against a net annual budget of £25.579m, representing an underspend of £0.617m.
- 4.2 From the 1 April 2019, the Service has taken steps to achieve the 2019/20 savings through deletion of vacant posts and spending controls. The Service remains focussed on minimising expenditure by holding back on filling vacant posts and by minimising discretionary expenditure where possible. There has been a positive movement in all sections since Quarter 1 and overall there has been a significant improvement in the projected year-end underspend at this point in the year.
- 4.3 The Directorate Section includes all of the Service's unallocated efficiency savings from previous years which are yet to be allocated permanently to other budget headings in the Service. However, where possible during the year the service savings targets will be allocated to Heads of Service to manage in their budgets throughout the year.
- 4.4 ICT have increased their anticipated underspend by £0.177m since Quarter 1 to £0.200m at Quarter 2. Staffing underspends account for £0.050m of the total and £0.150m relates to underspends in third party contracts. This is expected to continue and forms part of the savings offered up by the Service for the next financial year.
- 4.5 In Revenues, Business Support and Customer Services the forecasted underspend is £0.351m. This is predominantly based on staffing underspends.
- 4.6 The underspend in Corporate Finance and Commercialism is £0.259m, which includes an anticipated underspend of £0.180m in the Procurement Section. The remainder of the underspend relates to part year staffing vacancies in other parts of the section and the receipt of backdated income.
- 4.7 The underspend in Audit and Performance is £0.068m and is due to part year staffing vacancies and tight controls on discretionary spend and one-off income.

5. Welfare Budget 2018/19

- 5.1 **Appendix 2** is the monitoring statement and shows actual expenditure and the outturn against the budget at 30 September 2019. The Quarter 2 position is an underspend of £0.287m.
- 5.2 An underspend of £0.163m is anticipated for the Council Tax Reduction Scheme (CTRS). 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.
- 5.3 Housing Benefit reports an underspend of £0.124m at this stage in the financial year. 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.

- 5.4 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.

Designation: Executive Chief Officer Resources and Finance

Date: 21/10/2019

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Background Papers: None

CORPORATE RESOURCES SERVICE Revenue Expenditure Monitoring Report

1 April 2019 to 30 September 2019

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate	(74)	(438)	(158)	280
People	898	1,841	1,822	(19)
ICT Services	5,563	10,886	10,686	(200)
Revenues, Business Support & Customer Services	5,453	9,227	8,876	(351)
Corporate Finance & Commercialism	1,804	3,465	3,206	(259)
Audit & Performance	293	598	530	(68)
Total Corporate Resources	13,937	25,579	24,962	(617)
BY SUBJECTIVE				
Staff Costs	9,778	17,396	16,635	(761)
Other Costs	6,893	12,990	13,199	209
Gross Expenditure	16,671	30,386	29,834	(552)
Grants	(446)	(794)	(794)	-
Other Income	(2,288)	(4,013)	(4,078)	(65)
Total Income	(2,734)	(4,807)	(4,872)	(65)
	13,937	25,579	24,962	(617)

Notes

1. %age of Annual Expenditure	Sep 1920	54%
	Sep 1819	54%

WELFARE BUDGET 1 April to 30th September 2019	ACTUAL YTD £000	ANNUAL BUDGET £000	ESTIMATED OUTTURN £000	VARIANCE
Housing Benefits	20,208	38,147	38,023	(124)
Council Tax Reduction Scheme	12,000	12,300	12,137	(163)
Scottish Welfare Fund				
- Community Care Grants	510	928	928	0
- Crisis Grants	83	303	303	0
awarded	93			
Paypoint prepayment*	686	1,231	1,231	0
Educational Maintenance Allowances	293	689	689	0
School Clothing Grants				
awarded	544	565	565	0
Paypoint prepayment*	158			
	702	565	565	0
Advice Services				
- Citizens Advice Bureau	575	1,146	1,146	0
	575	1,146	1,146	0
GROSS WELFARE BUDGET	34,463	54,078	53,791	(287)
Income				
DWP - HB Subsidy	(17,713)	(35,425)	(35,425)	0
Educational Maintenance Allowances	(304)	(689)	(689)	0
Advice & Information Services	(125)	(136)	(136)	0
	(18,142)	(36,250)	(36,250)	0
NET WELFARE BUDGET	16,322	17,828	17,541	(287)

* As required by the Financial Conduct Authority