

Agenda Item	6
Report No	RES/26/20

THE HIGHLAND COUNCIL

Committee:	Corporate Resources Committee
Date:	11 November 2020
Report Title:	Performance and Governance Service – Revenue Monitoring to 30 September 2020
Report By:	Executive Chief Officer Performance and Governance

1. Purpose/Executive Summary

- 1.1 This report comments on the Quarter 2 Revenue monitoring position for the period to 30 September 2020.
- 1.2 The report covers the Performance and Governance Service and comments on the main budget variances for which the Service has direct responsibility.

2. Recommendations

- 2.1 Members are asked to:
 - i. Consider the Revenue Monitoring position for the period to 30 September 2020.

3. Implications

- 3.1 Resource implications are as set out in this report.
- 3.2 There are no equalities implications in this report.
- 3.3 There are no Legal, Climate Change/Carbon Clever, Rural, Risk implications arising as a direct result of this report
- 3.4 There are no Gaelic implications arising as a direct result of this report. However, the Service has now taken the strategic policy lead for Gaelic development and so monitoring of the Gaelic budget will included in the Quarter 3 monitoring report.

4.0 Performance and Governance Service Revenue Budget 2020/21

- 4.1 **Appendix 1** is the monitoring statement showing actual expenditure and the estimated year-end outturn against the budget at 30 September 2020. The Service is showing an outturn of **£4.532m** against a net annual budget of **£4.468m**, representing a predicted overspend of **£0.064m**. This represents a significant improvement on the position reported for the end of Quarter 1, where an overspend of £0.490m had been forecast. The following sections explain the reasons for this positive movement.
- 4.2 The Members Section is showing a forecasted underspend of £0.148m at Quarter 2. Almost 60% of the underspend is based on travel and subsistence underspends. The likelihood of a sizeable underspend in this budget was referred to in the Quarter 1 monitoring report, but it was too early to provide meaningful forecast for the end of year position at that stage. Underspends are also forecasted in telephony and catering and a part year Member vacancy.
- 4.3 Legal Services are showing an underspend of £0.187m predominantly due to staffing underspends from vacant posts. Democratic Services and Corporate Audit and Performance are both showing an underspend of £0.040m; These are primarily due to various underspends in staffing related expenditure and underspends due to tight restrictions on spend. Emergency Planning is showing an underspend of £0.011m due to income received.
- 4.4 Licensing is showing an estimated pressure of £0.211m due to forecast income reductions as a result of COVID. This has improved significantly since last Quarter due to liquor licensing doing better than was originally forecast.
- 4.5 Corporate Communications is showing an overspend of £0.012m due to part year COVID related overspends in the staffing section. The Chief Executive Section is showing a pressure of £0.098m primarily due to unbudgeted staffing costs. As was reported at Quarter 1, budget realignments are still to take place for staffing across Council Services which explains the majority of the variance in this heading in this section and will be resolved by the end of the year.
- 4.6 The Elections section is forecasting a £0.058m overspend due to the anticipated costs of an upcoming by-election later in the year. These costs are higher than would normally be the case for a by-election due to additional measures that would be required to accommodate COVID-related adjustments for the safe conduct of an election.
- 4.7 Trading Standards are showing an overspend of £0.111m. This is partly due to an income target applied in the budget setting related to the Trusted Trader Scheme project which has not progressed because of COVID, and there are other income pressures also resulting from COVID during lockdown.

Designation: Executive Chief Officer Performance and Governance

Date: 09/10/2020

Author: Rachel Rae, Trainee Accountant

Background Papers: None

APPENDIX 1

PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

1 April 2020 to 30 September 2020

	Notes	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY					
Members		799	1,695	1,547	(148)
Chief Executive		484	687	785	98
Emergency Planning		37	50	39	(11)
Corporate Communications		143	197	207	10
Corporate Communications - COVID		2	0	2	2
Legal Services		384	342	155	(187)
Licensing		(631)	(483)	(272)	211
Democratic Services		328	639	599	(40)
Elections		78	115	173	58
Trading Standards		344	546	657	111
Corporate Audit & Performance		334	680	640	(40)
Total		2,302	4,468	4,532	64
BY SUBJECTIVE					
Staff Costs		3,049	5,335	5,261	(74)
Other Costs		241	662	468	(194)
Gross Expenditure		3,290	5,997	5,729	(268)
Grants		(12)	(25)	(12)	13
Other Income		(976)	(1,504)	(1,185)	319
Total Income		(988)	(1,529)	(1,197)	332
		2,302	4,468	4,532	64

Notes

1. %age of Annual Expenditure	Sep 20/21	52%
	Sep 19/20	49%