

Agenda Item	7
Report No	RES/04/21

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 26 February 2021

Report Title: Performance and Governance Service – Revenue Monitoring to 30 December 2020

Report By: Executive Chief Officer Performance and Governance

1. Purpose/Executive Summary

- 1.1 This report comments on the Quarter 3 Revenue monitoring position for the period to 31 December 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.
- 1.3 This report also provides an update on the Recovery Plan workstreams being led by the ECO Performance and Governance which are yet to be completed.

2. Recommendations

- 2.1 Members are asked to:
 - i. Consider the Revenue Monitoring position for the period to 31 December 2020.
 - ii. Note the progress being made on the Recovery Plan Workstream – Leadership, Culture and Performance.

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, implications arising as a direct result of this report.

- 3.4 Risks are still largely Covid related and impact on income targets and also the roll out of some aspects of the Recovery Plan workstreams that are being led by the Performance and Governance Service. These are explained in greater detail in the main body of this report.
- 3.5 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 monitoring of the Gaelic budget will included in the revenue budget monitoring for the Service next year.

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 31 December 2020. The Service is showing a predicted outturn of **£4.388M** against a net annual budget of **£4.468M**, representing a predicted underspend of **£0.089M**. This represents an improvement on the position reported for the end of Quarter 2, where an overspend of **£0.064M** had been forecast. Most of the budget lines are largely as presented for Quarter 2, with many of the underspends due to keeping vacancies open to manage pressures elsewhere in the budget. There are 2 main areas where there have been changes in the predicted outturns which largely account for the positive movement in Quarter 3.
- 4.2 The Members Section forecasted underspend has increased from **£0.148M** at Quarter 2 to **£0.201M** for Quarter 3. As before, the majority of the underspend relates to travel and subsistence underspends which have continued to be very low as a consequence of the second lockdown. The likelihood of a sizeable underspend in this budget has been referred to in the previous two revenue monitoring reports to Committee and the position is being kept under regular review. Underspends are also forecasted in telephony and catering, and the member vacancy in Ward 12 has also contributed almost a full year's salary to the total.
- 4.4 The estimated pressure against Licensing has improved from an estimated under-achievement of income of £0.211M in Quarter 2, to a revised estimate pressure of £0.109M for Quarter 3, as the drop off in licencing applications and renewals has not been as great as originally predicted. It is hoped that this bodes well for the next financial year and that there will be a steady move back to previous income levels. However, the longer term effect of Covid on the economy, and the hospitality and entertainment sector in particular, is likely to have some lasting impact and this will also be kept under regular review.

5.0 Recovery Plan – Leadership, Culture and Performance

- 5.1 The Leadership Development Strategy has been approved by the Recovery Board and progress is being made to implement it, led by the Council's Learning and Development Team. The Council's Performance Management Framework has been refreshed and Service Plans are being developed and are on schedule for presenting to the next cycle of strategic committees, as planned. The Council's Annual Report of Statutory Performance Indicators and Best Value Audit actions will be coming to the Council at the end of March.
- 5.2 As has been reported to the Recovery Board, the delivery of a public engagement programme has had to adopt a different approach due to the Covid restrictions which have necessitated a greater focus on online/virtual/media. The content of public engagement at this time has also been adjusted to be more about addressing the

pandemic; the associated restrictions on public and Council activities; and opportunities for the public and businesses to access support. Weekly briefings have been provided to local resilience groups - as was reported to the recent Communities and Place Committee – and the Council’s website and use of social media (Facebook, Twitter, You Tube) has provided regular updates and access to information resources. Staff engagement has continued throughout this time with virtual briefings on both a Service and area basis undertaken by the Chief Executive and Executive Chief Officers with toolbox talks for staff who do not have access to ICT. The focus will turn back to direct public engagement as soon as Covid restrictions are relaxed, travel limitations are lifted, and people are able to come together in groups again.

Designation: Executive Chief Officer Performance and Governance

Date: 14/02/2021

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Background Papers: None

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PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

1 April 2020 to 30 December 2020

	Notes	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY					
Members		1,282	1,695	1,494	(201)
Chief Executive		656	696	794	98
Emergency Planning		30	50	38	(13)
Corporate Communications		187	197	196	(1)
Corporate Communications - COVID		2	0	2	2
Legal Services		624	342	179	(164)
Licensing		(634)	(483)	(374)	109
Democratic Services		485	639	601	(38)
Elections		90	115	185	70
Trading Standards		520	546	654	108
Corporate Audit & Performance		492	680	619	(61)
Total		3,733	4,477	4,388	(89)

BY SUBJECTIVE

Staff Costs		4,633	5,343	5,306	(37)
Other Costs		355	663	433	(230)
Gross Expenditure		4,988	6,006	5,739	(267)
Grants		(43)	(25)	(12)	13
Other Income		(1,211)	(1,504)	(1,339)	165
Total Income		(1,255)	(1,529)	(1,351)	178
		3,733	4,477	4,388	(89)

Notes

1. %age of Annual Expenditure	Dec 20/21	83%
	Sep 19/20	83%