

The Highland Council

Agenda Item	7.b
Report No	RES/21/24

Committee: Corporate Resources

Date: 11 September 2024

Report Title: Performance & Governance Service Revenue Monitoring Near Final Outturn 2023/24

Report By: Interim Executive Chief Officer - Performance and Governance

1. Purpose/Executive Summary

1.1 This report provides Members with the 2023/24 final outturn monitoring statement for Performance and Governance ('the Service'). The Service budget for 2023/24 was £6.771m with a year-end underspend of £0.873m. The Service budget includes the Members' budget of £1.888m.

1.2 The content and structure is intended to:

- assist Member scrutiny and performance management
- inform decision making to aid continuous improvement, and
- provide transparency and accessibility

2. Recommendations

2.1 Members are asked to:

i. **Consider** and **note** the revenue monitoring position for the Service.

3. Implications

3.1 **Resource:** There are no implications arising as a direct result of this report.

3.2 **Legal:** This report contributes to the Council's statutory duty to secure best value in terms of Section 1 of the Local Government in Scotland Act 2003.

3.3 **Risk:** There are no risk implications arising as a direct result of this report.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no immediate health and safety implications arising from this report.

3.5 **Gaelic:** There are no implications for Gaelic arising from this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring report and therefore an impact assessment is not required.

5. **Service Revenue Budget – Final Outturn 23/24**

5.1 Revenue monitoring statements for 23/24 showing the net and gross position are set out in **Appendix 1** and **Appendix 2** respectively.

5.2 The final position at year end was £5.898m against a budget of £6.771m which represents an underspend of £0.873m.

5.3 The final position presents a more positive position than that anticipated in Quarter 3. There are likely to be a number of factors contributing to this improved position. In previous years there have been significant movements as the Service moved into the last quarter, particularly following the application of central service recharging which is an integral element of a number of the budgets. Engagement with the Corporate Finance Service was undertaken this year in an effort to mitigate and accurately anticipate the final out turn and this was reflected in a cautious approach being adopted to in-year reporting. The application of the final adjustments reflected in the year end figure has contributed to more positive variances. Separately there has been an improvement across a number of the budget headings. The most significant of these improvements is in the licensing budget. The budget encompasses a large number of licensing activities including both liquor and non-liquor. The level of income achieved is subject to movement and is influenced directly by the third parties who are making the applications. This does create a degree of uncertainty in budgeting, income and in turn reporting. It should be noted that many of the licences granted are for a period of three years and appropriate adjustments and accruals are required to ensure there is an appropriate allocation of income across future years. The positive position this year is in contrast to the negative out turn achieved in 2022/23 but the budget and position will be monitored closely and kept under review in 2024/25.

5.4 The remainder of the positive movement arises from a number of more minor variances across other budget heads. These movements largely arise from staffing vacancies e.g. in both Democratic Services and Corporate Audit and Performance as well as the confirmation of a number of items of income from, for example, from year end recharges.

Designation: Interim Executive Chief Officer - Performance and Governance

Date: 26 August 2024

Author: Paul Nevin, Interim Executive Chief Officer – Performance & Governance
Jennifer Johnston, Accountant

Appendices: Appendix 1: P&G Revenue Expenditure Monitoring to 31.03.24
Appendix 2: P&G Budget 23/24 – March Monitoring

Appendix 1

PERFORMANCE & GOVERNANCE Revenue Expenditure Monitoring Report

1 April 2023 to 31 March 2024

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Members	1,857	1,888	1,857	(30)
Performance & Governance Corporate	451	426	451	25
Performance & Governance Directorate	831	925	831	(94)
Emergency Planning	59	63	59	(4)
Corporate Communications	369	359	369	9
Legal Services	567	644	567	(77)
Licensing	(801)	(398)	(801)	(403)
Democratic Services	634	744	634	(110)
Elections	260	222	260	38
Trading Standards	743	789	743	(46)
Corporate Audit & Performance	929	1,109	929	(179)
Energy & Sustainability	0	0	0	0
Total	5,898	6,771	5,898	(873)
BY SUBJECTIVE				
Staff Costs	8,126	7,719	8,126	407
Other Expenditure	737	564	737	173
Gross Expenditure	8,863	8,284	8,863	580
Grant Income	(142)	(41)	(142)	(101)
Other Income	(2,824)	(1,472)	(2,824)	(1,352)
Total Income	(2,965)	(1,513)	(2,965)	(1,453)
	5,898	6,771	5,898	(873)

Appendix 2

PERFORMANCE & GOVERNANCE BUDGET 2023/24 - MARCH MONITORING

BY ACTIVITY	GROSS EXPENDITURE				VARIANCE ANALYSIS		GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Staff Costs Variance	£'000 Other Costs Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance
Members														
Members	1,888	1,859	1,859	(30)	(20)	(10)	(1)	(1)	(1)	(1)	1,888	1,857	1,857	(30)
Performance & Governance Corporate														
Performance & Governance Corporate	426	451	451	25	5	20	0	(1)	(1)	(1)	426	451	451	25
Performance & Governance Directorate														
Performance & Governance Directorate	925	831	831	(94)	(171)	(50)	0	0	0	0	925	831	831	(94)
Communications & Resilience														
Corporate Communications	380	435	435	(380)	(414)	15	(20)	(66)	(66)	20	359	369	369	9
Emergency Planning	94	97	97	(94)	2	1	(31)	(39)	(39)	(8)	63	59	59	(4)
Corporate Governance														
Legal	698	764	764	(698)	55	11	(54)	(197)	(197)	(143)	644	567	567	(77)
Licensing	883	1,614	1,614	(883)	687	44	(1,281)	(2,415)	(2,415)	(1,134)	(398)	(801)	(801)	(403)
Democratic Services	797	730	730	(33)	(91)	24	(53)	(96)	(96)	(43)	744	634	634	(110)
Elections	222	270	270	1,392	(18)	67	0	(11)	(11)	(11)	222	260	260	38
Trading Standards	885	896	896	(155)	22	(12)	(96)	(153)	(153)	(57)	789	743	743	(46)
Corporate Audit & Performance														
Corporate Audit & Performance	1,109	929	929	(179)	(170)	(182)	0	0	0	0	1,109	929	929	(179)
Energy & Sustainability														
Energy & Sustainability	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	8,307	8,877	8,877	(1,129)	(112)	(71)	(1,536)	(2,979)	(2,979)	(1,377)	6,771	5,898	5,898	(873)