

The Highland Council

Agenda Item	7.c
Report No	RES/22/24

Committee: Corporate Resources

Date: 11 September 2024

Report Title: Resources & Finance Service Revenue Monitoring Near Final Outturn 2023/24

Report By: Assistant Chief Executive - Corporate

1. Purpose/Executive Summary

- 1.1 This report provides Members with the 2023/24 final outturn monitoring statement for Resources & Finance ('the Service'). The Service budget for 2023/24 was £13.923m with a year-end underspend of £0.337m.
- 1.2 No Quarter 1 2024/25 financial information is provided within this report. Members will recall that the Council went live with a new corporate financial system in April of this year, and at go-live there remained ongoing development work in a number of areas, including budgeting and reporting. Good progress has been made in development work over the summer period and this will be rolled out from August, and in turn will support improved budget monitoring and committee reporting, over the remainder of this financial year.
- 1.3 The content and structure are 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:** The budget available to Resources & Finance is £13.923m. The Service has a budgeted staffing establishment of circa 429.46 FTEs. Corporate leadership in financial governance, human resources and provision of shared business support services are key responsibilities of the Service. Also, the Service provides the corporate leadership role for the core revenues streams (Council Tax, Non-Domestic Rates and Sundry Debt Income), and the strategic and operational delivery of financial assessments and provision of welfare services for our residents. Our responsibilities

within the Revenues part of the Service involve engaging with every household and business in Highland.

3.2 **Legal:** This report contributes to the Council's statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.

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.

3.2.1 For the provision of welfare support, the Council has a legal duty to provide such services for specified groups, which, as detailed in the Welfare Budget, includes for example the outsourced services delivered by Citizens Advice. These duties are specified in the Social Work (Scotland) Act 1968, the Carers (Scotland) Act 2016 and the Child Poverty (Scotland) Act 2017.

3.2.2 The Service is also responsible for ensuring policies are in place, and support is provided for managers and employees to ensure the Council continues to comply with all employment and health and safety requirements.

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 – 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 Resources and Finance Service final position at year end was £13.586m against a budget of £13.923m which represents an underspend of £0.337m. This underspend reflects a combination of vacancy management, a reduction in bank charges, excess Summary Warrant income and includes the costs of management fees and subscriptions to organisations.

5.3 **Welfare – Revenues & Business Support**

5.3.1 As reported in **Appendices 3 & 4** to this report, the Welfare Budget is demand-led and reflects the range of benefits and entitlements managed within the Revenues & Business Support section of the Service. The Service reports an overspend of £93k for 2023/24.

5.3.2 The impacts arising for households from the ongoing cost of living continues to place this budget under pressure. Officers continue to closely monitor this budget and to collaborate in the national review of the Scotland Welfare Fund. An overspend of £0.417m is reported on the Housing Benefit budget. This overspend is generally attributable to homeless accommodation and increasing presentations. The Housing Benefit subsidy funding provided by the Department for Work and Pensions does not fully meet the actual costs of Housing Benefit paid to meet related-rental charges. The differences between subsidy funding and actual amounts of Housing Benefit paid for homeless accommodation are required to be funded from the Council's General Fund.

Designation: Assistant Chief Executive (Corporate)

Date: 20 August 2024

Author: Sheila Armstrong, Head of Revenues & Customer Services

Appendices: Appendix 1: R&F Expenditure Monitoring to 31.03.24
Appendix 2: R&F Budget 2023/24 – March Monitoring
Appendix 3: Welfare Revenue Monitoring Q1
Appendix 4: Welfare Budget 2023/24 – March Monitoring

RESOURCES AND FINANCE SERVICE

Revenue Expenditure Monitoring Report

1 April 2023 to 31 March 2024

	£000	£000	£000	£000
	Actual	Annual	Year End	Year End
	Year To Date	Budget	Estimate	Variance
BY ACTIVITY				
Directorate	(551)	(710)	(551)	159
People	3,528	3,831	3,528	(303)
Revenues & Business Support	7,442	7,513	7,442	(70)
Corporate Finance	3,167	3,290	3,167	(123)
Total	13,586	13,923	13,586	(337)
BY SUBJECTIVE				
Staff Costs	15,107	15,507	15,107	(400)
Other Costs	1,112	1,375	1,112	(262)
Gross Expenditure	16,219	16,881	16,219	(662)
Grants	(850)	(745)	(850)	(105)
Other Income	(1,783)	(2,213)	(1,783)	430
Total Income	(2,633)	(2,958)	(2,633)	324
	13,586	13,923	13,586	(337)

Notes

1. % age of Annual Expenditure*	-	-	-	-
	Mar 23/24	98%		
	Mar 22/23	89%		

*These percentage figures represent the proportion of budget spent at the end of the quarter reported, with comparison to the same reporting position last year.

Appendix 2

RESOURCES & FINANCE BUDGET 2023/24 - MARCH MONITORING

BY ACTIVITY	GROSS EXPENDITURE				VARIANCE ANALYSIS		GROSS INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	Annual Budget	Actual YTD	Year End Outturn	Year End Variance	Staff Costs Variance	Other Costs Variance	Annual Budget	Actual YTD	Year End Outturn	Year End Variance	Annual Budget	Actual YTD	Year End Outturn	Year End Variance
Directorate														
Directorate	(710)	(467)	(467)	243	182	61	(0)	(84)	(84)	(84)	(710)	(551)	(551)	159
Resources & Finance Change Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Salary Sacrifice	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resources and Finance COVID														
Resources and Finance COVID	0	0	0	0	0	0	0	0	0	0	0	0	0	0
People														
HR Services	1,208	1,119	1,119	(89)	(48)	(41)	0	0	0	0	1,208	1,119	1,119	(89)
Workforce Planning Learning & Development	742	804	804	62	73	(12)	(114)	(141)	(141)	(26)	628	664	664	35
Health, Safety & Wellbeing	799	621	621	(178)	(120)	(58)	0	0	0	0	799	621	621	(178)
Payroll	1,240	1,291	1,291	50	41	9	(44)	(166)	(166)	(121)	1,196	1,125	1,125	(71)
Revenues & Business Support														
Revenues	4,693	4,409	4,409	(284)	(228)	(56)	(2,406)	(2,528)	(2,528)	(122)	2,287	1,881	1,881	(406)
Business Support	5,588	5,617	5,617	29	(803)	831	(363)	(56)	(56)	307	5,225	5,561	5,561	335
Corporate Finance														
Accounting & Insurance	2,769	2,058	2,058	(710)	(254)	(457)	(415)	(39)	(39)	376	2,354	2,019	2,019	(335)
Procurement	729	928	928	199	0	199	0	0	0	0	729	928	928	199
Creditors	207	219	219	12	7	5	0	0	0	0	207	219	219	12
Pensions	0	2	2	2	(168)	170	0	(2)	(2)	(2)	0	0	0	0
TOTAL	17,265	16,601	16,601	(664)	(1,317)	653	(3,342)	(3,015)	(3,015)	327	13,923	13,586	13,586	(337)

WELFARE BUDGET 23/24 – MARCH MONITORING
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1 April to 31 March 2024

	£000 Actuals To Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
BY SERVICE				
Housing Benefit	3,539	3,122	3,539	417
Council Tax Reduction Scheme	13,789	13,943	13,789	(154)
Scottish Welfare Fund Grants Educational Maintenance Allowances	1,161 0	1,243 -	1,161 -	(82) 0
School Clothing Grants	764	813	764	(49)
Advice Services	970	930	970	40
Milton Activity Hub Grant	(2)	-	(1)	(1)
Other Welfare	945	1,023	945	(78)
Paypoint prepayment*	3,539	3,122	3,539	417
Welfare Total	21,167	21,074	21,167	93
BY SUBJECTIVE				
Staff Costs	52	0	52	52
Other Costs	54,024	52,154	54,024	1,869
Gross Expenditure	54,075	52,154	54,075	1,921
Grants	(32,783)	(30,944)	(32,783)	(1,838)
Other Income	(126)	(136)	(126)	10
Total Income	(32,908)	(31,080)	(32,908)	(1,828)
Welfare Total	21,167	21,074	21,167	93
% of Annual Expenditure				
This year	100.4%			
Last year	98.5%			

* As required by the Financial Conduct Authority in relation to Crisis Grants, School Clothing Grant and Free School Meals

WELFARE BUDGET 2023/24 - MARCH MONITORING
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	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual Budget	Actual YTD	Year End Outturn	Year End Variance	Annual Budget	Actual YTD	Year End Outturn	Year End Variance	Annual Budget	Actual YTD	Year End Outturn	Year End Variance
BY ACTIVITY												
Housing Benefit	33,646	35,900	35,900	2,255	(30,524)	(32,362)	(32,362)	(1,838)	3,122	3,539	3,539	417
Council Tax Reduction Scheme	13,943	13,789	13,789	(154)	0	0	0	0	13,943	13,789	13,789	(154)
Scottish Welfare Fund												
Community Care Grants	966	908	908	(58)	0	0	0	0	966	908	908	(58)
Crisis Grants- awarded	277	250	250	(27)	0	2	2	2	277	253	253	(24)
Educational Maintenance Allowances	420	416	416	(4)	(420)	(416)	(416)	4	0	0	0	0
School Clothing Grants Awarded	813	764	764	(49)	0	0	0	0	813	764	764	(49)
Advice Services												
Citizens Advice Bureau	1,066	1,096	1,096	30	(136)	(126)	(126)	10	930	970	970	40
Milton Activity Hub Grant	0	0	0	0	0	(2)	(2)	(2)	0	(2)	(1)	(1)
Other Welfare												
Free School Meals Holidays	736	666	666	(70)	0	0	0	0	736	666	666	(70)

Families Distress & Trauma Fund	95	93	93	(1)	0	(6)	(6)	(6)	95	87	87	(7)
Universal Period Products	192	192	192	0	0	0	0	0	192	192	192	0
Paypoint prepayment*	0	120	0	0	0	0	0	0	0	120	0	0
TOTAL	52,154	54,075	54,076	1,922	(31,080)	(32,908)	(32,909)	(1,828)	21,074	21,167	21,167	93