

# The Highland Council

Agenda Item	<b>5.a</b>
Report No	<b>RES/01/25</b>

**Committee:** Corporate Resources

**Date:** 20 March 2025

**Report Title:** Corporate Revenue Monitoring to 31 December 2024

**Report By:** Chief Officer – Corporate Finance

## **1. Purpose/Executive Summary**

- 1.1 This report provides a summary of the budget monitoring position for the 3<sup>rd</sup> quarter of financial year 2024/25, and a forecast year-end position.
- 1.2 Net spend on General Fund services in the third quarter of financial year 2024/25 totalled £500.736m.
- 1.3 Based on present expenditure trends a net year end overspend of £5.108m against budget is forecast. Budgetary overspends, unless addressed over the remainder of the financial year, will lead to a year end deficit position, and reduce the Council's level of General Fund reserves. It is therefore essential that the Council continues to take steps to address and mitigate the forecast overspend position. As noted in the report to Special Council on 6 March 2025, were the current year out-turn to remain as a net overspend, that could necessitate review of current earmarked reserves and re-assessment of plans for use.
- 1.4 The main factors in the projected overspend are described within the report, and relate to overspends in Communities and Place, Health, Wellbeing and Social Care, Infrastructure, Environment and Economy and Property and Housing, as described below in section 6. These Service monitoring forecasts have been presented to the relevant Strategic Committees as part of the quarter 3 monitoring process.
- 1.5 It is important to note that overspending not only has an impact in the current financial year, but unless addressed, can become cost pressures and risks impacting the next and possibly subsequent financial years. The revenue budget agreed on 6 March 2025 does provide for significant funding for pressures within the 2025/26 revenue budget, which will go some way to address or mitigate many of the in year 2024/25 pressures. There also remain broader economic risks relating to inflation/pay awards/interest rates which persist in the current and into future years.
- 1.6 After taking account of a forecast improvement in council tax income of £0.647m, a net deficit against budget of £4.461m is estimated, which will require to be funded from the Council's general fund non earmarked reserve unless addressed over the remainder of the financial year.

- 1.7 The report also provides a summary of progress in the delivery of approved budget savings required to deliver a balanced budget in 2024/25 along with an explanation of the forecast position of the Council's reserves at the year end.
- 1.8 The forecast position for the Housing Revenue Account, is a net underspend of £0.218m at year-end. This would result in reserves of £4.449 by year end. The HRA reserves position will require careful monitoring and management going forward to ensure a sufficient level of reserves is held.

## 2. Recommendations

- 2.1 Members are asked to:
- i. Consider and **note** the financial position of the General Fund and HRA revenue budgets as at 31<sup>st</sup> December 2024 and note the estimated year end forecast;
  - ii. **Note** the status of delivery of budget savings in the year.

## 3. Implications

- 3.1 **Resource:** Implications are as noted in this report. If an overspend position is reported at year end this will need to be funded from the Council's reserves. Section 8 of this report provides more information on the Council's reserves position.
- 3.2 **Legal:** The contents of this report aim to satisfy the requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting'.
- 3.3 **Risk:** Being a forecast position at Quarter 3, at that stage in the year there is a risk that unforeseen events occur which carry an additional cost burden. Services that are demand-led, such as social care or winter maintenance may see significant moves in cost forecast over the year from that currently forecast. Other risks relating to unexpected items, such as adverse weather, may emerge during the year for which no specific contingencies are held, however via the Council's reserves strategy the Council does retain its minimum 3% contingency, in addition to earmarked reserves for other purposes.

Other areas of risk were considered when identifying budget pressures and setting a target level for reserves in March 2024 as part of the budget process. In relation to any of these risks it is important to note that whilst there may be a financial impact in the current financial year which would need to be managed, there could also be an ongoing impact on the baseline budget into future years which would need mitigated to avoid impact on the budget gap forecast.

- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** No particular implications to highlight.
- 3.5 **Gaelic:** No particular implications to highlight.

## 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 and update report and therefore an impact assessment is not required.

## 5. Overall Position 2024/25

5.1 The table below provides a summary of the figures in **Appendix 1** to give an overall forecast position for the 2024/25 year-end outturn. This is reflective of the under-lying Service Quarter 3 forecasts considered by Strategic Committees.

	Annual Budget £m	Year-end forecast £m	Year-end variance £m
<b>Expenditure</b>			
Service budgets (Appendix 1, Table A- top half)	694.145	708.404	14.259
Other budgets (Appendix 1, Table A- bottom half)	78.427	69.276	-9.151
Contribution to investment funds and other reserves (Appendix 1, Table C)	13.554	13.554	0.000
<b>Total (X)</b>	<b>786.126</b>	<b>791.234</b>	<b>5.108</b>
<b>Income (Table D- top part)</b>			
Government income	607.215	607.215	0.000
Budgeted Council tax income	151.210	151.857	0.647
Confirmed use of earmarked reserves	11.774	11.774	0.000
<b>Total (Y)</b>	<b>770.199</b>	<b>770.846</b>	<b>0.647</b>
<b>Difference between expenditure and income to be funded from non-earmarked reserves- 'Budget (surplus)/deficit' (=X-Y)</b>	<b>15.927</b>	<b>20.388</b>	<b>4.461</b>

5.2 The bottom line of the table above shows that the current forecast for the overall year end position is for a deficit (or net overspend) of £4.461m which if not addressed over course of the year, will need to be funded from the Council's non-earmarked reserve. This being over and above planned or any further use of reserves over the course of the year.

5.3 As shown in the top row of the table at 5.1, net service expenditure is forecast to be overspent by £14.259m with variances across a number of service areas. Section 6 of this report provides more details of the forecast service budget variances.

5.4 The second row of the table comprises a number of other budget lines and shows a positive variance (underspend against budget) of £9.151m.

- 5.5 The third row of the table shows contributions to investment funds and other reserves. A break-even position has been forecast.
- 5.6 The first row in the income section of the table at 5.1 reflects the funding the Council receives from government. In any year this may change as the year progresses, with additional or revised allocations of funding being confirmed.
- 5.7 An over-achievement of council tax income against budget is being forecast.
- 5.8 The third row of the income section of the table shows the draw-down of Earmarked balances to support in-year expenditure.
- 5.9 Overall, the combined impact of the net service overspend plus other budget pressures less excess corporate income gives a forecast £5.108m overspend for the year. **Appendix 5** and section 8 of this report provide more detail on the Council's reserves position.

## **6. Service Budget Variances**

- 6.1 **Appendix 1** provides the usual monitoring statement format with **Table A** providing variance detail by service and other significant budget heads. Details of individual service positions are reported to the respective strategic committees. The structure of budget monitoring reflects the service structure at the start of the financial year, with changes to reflect the new Corporate Management Team structure to be reflected going forward. Overall, the Council is reporting a net overspend of £14.259m against service budgets.
- 6.2 At Quarter 3 an underspend of £5.110m is being shown against the Loan Charge budget line. This takes account of capital expenditure and treasury management forecasts. Members will be aware from past reports to Council with regard to the Highland Investment Plan, the intention that Council in March 2025 will be asked to consider recommendations on Phase 1 of the HIP. It is expected such decisions will result, in due course, in capital commitments which will require this loan charge budget capacity, and additional revenue funding in future years to be available. Therefore, the underspend in the current year is considered a short-term and temporary position. While it therefore mitigates the in year 2024/25 overspending, this loan charge capacity will be needed to fund the HIP on an ongoing basis. Detailed monitoring in relation to Treasury Management activity, and risks relating to interest rates and other factors, are covered in other reports on this meeting agenda.
- 6.3 **Appendix 2** provides a summary of forecast variances by service and expenditure and income type. Forecast overspends mainly relate to non-staffing expenditure and income shortfalls.
- 6.4 The Communities and Place budget is forecasting an overspend of £3.669m. The current forecast outturn relates primarily to overspends in Fleet and Plant (£2.2m) but also movement in spend in waste services during quarters 2-3. These are partially offset by underspends in the other sections in the Service.
- 6.5 In relation to Fleet, the main causes continue to relate to an increase in fleet requirements from services and associated increases in maintenance, increases in lease contract costs, increases in parts costs, insurance charges and undelivered savings. The service is working to mitigate the overspend in a range of ways, including that all non-essential spend has been stopped, wherever possible fleet numbers are being reduced and specifications for any requested vehicles are being reviewed.

- 6.6 In relation to waste, the Q3 position highlights a movement of £0.735m since the last quarter, this is mainly connected to the apportionment of savings (£0.330m), increased costs associated with the transition from Landfill disposal and one off additional operational costs linked to the role-out of service change.
- 6.7 The service general code is showing an improved position, due to allocation of current year corporate savings along with some historical staff savings. An overspend of £0.7m remains. In the main this reflects historical corporate redesign savings which have not been realised. The service management team are reviewing how this can be actioned.
- 6.8 The former Depute Chief Executive service (which is now ICT and Digital Services) is forecasting an overspend of £0.383m. This is mainly due to in year savings which are yet to be achieved, offset with vacancies as the service progresses with its restructure and recruitment.
- 6.9 The Performance and Governance service is forecasting an underspend of £0.155m, this is as a result of staff vacancies.
- 6.10 The Resources and Finance service is forecasting an overspend of £0.685m. In the main this is due to the underachievement of tourism income which is partially offset with staff vacancies. Progress against this is being reported and monitored at the Income Generation Board.
- 6.11 The Education and Learning service is forecasting an underspend of £1.258m. The Service underspends are due to a range of factors: higher than budgeted income achieved from flexible childcare – principally delivered in schools; a reduction in DSM spend due to falling school rolls; and vacancies in ELC. The variances in the ASL budgets are expected to largely offset one another to deliver a near break-even position by the year end. Savings targets are incorporated within the overall forecast and there is confidence that the Service remains in track to achieve these by year end.
- 6.12 The Health and Social Care budget is forecasting an overspend of £2.089m. This is due to historical savings and in year savings still be delivered, offset with a reduced number of vacant posts. There is also a high cost child in care package that has contributed significantly to the budget challenge, discussions are ongoing with colleagues in Health in terms of their contribution to the package for the young person's health needs. Historically the Service has had reliance on vacancies to balance the budget, and it is hoped that the overspend will be further reduced as a result of these this year, however it needs to be noted that although these savings help to achieve a balanced budget there is work still to be done to achieve these savings. This forecast at Q3 assumes no variance against the Council's Adult Social Care (ASC) budget, at a time when it is known that the NHS Highland budget for ASC is significantly overspent.
- 6.13 The Infrastructure, Environment and Economy service is forecasting an overspend of £6.311m. The main areas contributing to this overspend are The Directorate area (£1.263m), Roads and Transport (£1,326m), Trading Operations (£3.442m), Climate Change and Energy (£1.387m). Officers are working on a number of strategies to address and mitigate these overspends as far as possible in year.
- 6.14 The Directorate and Business Team includes all of the Service's corporate and efficiency savings which are yet to be allocated permanently to other budget headings in the Service.

- 6.15 Roads and Transport overspend is due to repairs following storm damage, increase in contractor costs, and a loss of income from Rose Street Car Park and reallocation of Car Park income in Fort William to the Common Good.
- 6.16 Trading Operations (Harbours and Ferries) is due to challenging increased fuel sales target which is proving difficult to achieve owing to inflation and the delicate balancing act of achieving this margin in a competitive operating environment and, Corran Ferry repairs and refit costs.
- 6.17 The Climate Change and Energy team is reporting significant overspend due to a number of historical funding issues and forecast saving achievement, officers are working with finance colleagues to see if any of this can be mitigated by the use of the pressure funding for the multiplier, accelerating unmet savings, and staffing and budgeting structures through use of Earmarked Balances.
- 6.18 The Property and Housing service is forecasting an overspend of £2.058m which is in the main due to income under-recovery in the Project Delivery and Property Management Team (£0.822m), an overspend on Non Domestic Rates (£0.662m) and previously unallocated savings for Asset Rationalisation still to be achieved (£0.912m). This is partly offset with an underspend in CCFM due to staff turnover and recruitment challenges through the year.
- 6.19 The Welfare budget is forecasting an overspend of £0.477m. This is due to increased pressure on rent rebates and rent allowances offset by an increase in subsidy.
- 6.20 At this point of the year there is an underspend anticipated for Non Domestic Rates Reliefs. No variance is being forecast against the Valuation Joint Board budget.
- 6.21 The unallocated budget line is showing an underspend of £4.454m, and the unallocated savings line a negative variance (overspend) of £1.627m.
- 6.22 These budgets consist of a number of elements which as at quarter 3 are held centrally. Subsequent to Quarter 3, either as a result of subsequent allocation to Service budgets, or as a result of decisions made within the budget for 2025/26 (at Council on 6 March 2025) the majority of these budgets, and associated variances would not be expected to roll forward or recur into 2025/26.

## **7. Housing Revenue Account**

- 7.1 As shown in **Appendix 3** the Housing Revenue Account (HRA) is forecast to deliver a net underspend of £0.218m. The underspend is due to staff turnover within supervision and management and an underspend in repairs.

## **8. Reserves and Balances**

- 8.1 **Appendix 5** summarises the movements on the Council's earmarked and non-earmarked balances during the course of the year and the impact of the forecast revenue budget outturn position on reserves. The level of overspend forecast will further reduce reserves from earlier estimates unless addressed over the remainder of the year.

- 8.2 The Council's non-earmarked general fund reserve is expected to sit at £30.007 at 2024/25 year end, and as per the 6 March budget report to Special Council, the intent would be that any excess beyond the target 3% minimum level is utilised to support the investment plans and earmarked reserves considered in that report.
- 8.3 Earmarked reserves, which are reserves held for specific and agreed purposes, currently sit at £110.779m. A significant element of that sum may still be drawn down at financial year end to match expenditure incurred in the year across a number of agreed projects and priorities. The remainder of that earmarked sum will be used to meet existing expenditure commitments that extend into 2025/26 and beyond. A review of Earmarked Balances is underway and will support an updated assessment as the year progresses.

## 9. Budget Savings

- 9.1 In order to deliver a balanced budget for the year approved savings of £31.379m, which includes a target of £5.300m from second home council tax, need to be delivered. A summary of the delivery of those savings by portfolio or theme can be seen at **Appendix 6** alongside narrative on key variances. Reporting of progress with service savings and Delivery Plan progress is considered at the respective Strategic Committees. Relative to the report at Quarter 2, considered by the last Corporate Resources Committee, the forecast savings delivery represents 76% against the annual target. The forecast shortfall or slippage in savings is £7.687m compared with £2.978m as at Q2, the most significant element of movement being the current estimated saving delivery within Adult Social Care. As Members will be aware, decisions made by Council on 6 March re-based some agreed savings. This was in recognition of some of the slippage/delivery factors reflected within the **Appendix 6** forecasts.

Designation: Chief Officer – Corporate Finance

Date: 7 March 2025

Authors: Brian Porter, Chief Officer – Corporate Finance  
Carolyn Maxwell, Strategic Lead – Financial Services (Place Cluster)

Appendices:

### 2024/25 Quarter 3

- Appendix 1 – 2023/24 General Fund service summary
- Appendix 2 – 2023/24 General Fund subjective (spend type) summary
- Appendix 3 – 2023/24 HRA summary
- Appendix 4 – 2023/24 General Fund budget movements/reconciliation
- Appendix 5 – 2023/24 General Fund balances summary
- Appendix 6 – 2024/25 Saving status summary

## Revenue Expenditure Monitoring Report - General Fund Summary

1 April to 31 December 2024

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
<b>Table A: By Service</b>				
Communities & Place	43,443	43,990	47,659	3,669
ICT and Digital Services (Former Depute Chief Executive)	13,131	12,503	12,886	383
Education & Learning	201,954	288,099	286,841	(1,258)
Health, Wellbeing & Social Care	121,065	193,338	195,427	2,089
Infrastructure & Environment and Economy	26,222	44,708	51,019	6,311
Performance & Governance	5,711	6,263	6,108	(155)
Property & Housing	58,872	82,155	84,213	2,058
Resources & Finance	16,226	14,643	15,328	685
Welfare Services	7,756	8,446	8,923	477
<b>Service Total</b>	<b>494,380</b>	<b>694,145</b>	<b>708,404</b>	<b>14,259</b>
Valuation Joint Board	2,198	3,296	3,203	(93)
Green Freeport	458	458	458	0
Non Domestic Rates reliefs	3,700	1,725	1,729	4
Loan Charges	0	67,696	62,586	(5,110)
Unallocated Budget	0	6,879	2,425	(4,454)
Unallocated Corporate Savings	0	(1,627)	(1,125)	502
<b>Total General Fund Budget</b>	<b>500,736</b>	<b>772,572</b>	<b>777,680</b>	<b>5,108</b>

**Table B: By Subjective**

Staff Costs	331,609	457,425	449,874	(7,551)
Other Costs	325,878	526,278	542,307	16,029
<b>Gross Expenditure</b>	<b>657,487</b>	<b>983,703</b>	<b>992,181</b>	<b>8,478</b>
Grant Income	(69,522)	(71,913)	(73,402)	(1,489)
Other Income	(87,229)	(139,218)	(141,099)	(1,881)
<b>Total Income</b>	<b>(156,751)</b>	<b>(211,131)</b>	<b>(214,501)</b>	<b>(3,370)</b>
<b>Total Revenue Expenditure</b>	<b>500,736</b>	<b>772,572</b>	<b>777,680</b>	<b>5,108</b>

**Table C: Appropriations to Reserves**

Contribution to earmarked balances	0	1,835	1,835	0
Contribution to non-earmarked balances	0	0	0	0
Affordable housing contribution from 2nd homes council tax	0	9,708	9,708	0
Contribution to Other reserves	0	2,011	2,011	0
<b>Total Contributions to Balances</b>	<b>0</b>	<b>13,554</b>	<b>13,554</b>	<b>0</b>

**Table D: Financed By**

Aggregate External Finance as notified	393,256	579,924	579,924	0
Additional resources	0	24,291	24,291	0
Additional resources - GCG - Pay award	0	3,000	3,000	0
Council Tax	107,480	151,210	151,857	647
Use of earmarked balances	0	11,774	11,774	0
Use of non earmarked balances	0	9,927	14,388	4,461
Use of other reserves	0	6,000	6,000	0
<b>Total General Fund Budget</b>	<b>500,736</b>	<b>786,126</b>	<b>791,234</b>	<b>5,108</b>



Revenue Expenditure Monitoring Report - General Fund Summary

1 April to 31 December 2024

	Staff Costs Variance £000	Other Costs Variance £000	Grant Income Variance £000	Other Income Variance £000	Total Variance £000
Table A: By Service					
Communities & Place	(800)	2,576	(176)	2,069	3,669
Depute Chief Executive	(918)	2,584	0	(1,283)	383
Education & Learning	(1,808)	669	9	(129)	(1,259)
Health & Social Care	(1,881)	4,355	(45)	(340)	2,089
Infrastructure, Environment & Economy	(960)	7,467	125	(321)	6,311
Performance & Governance	(355)	1,108	(7)	(901)	(155)
Property & Housing	(262)	3,554	(92)	(1,142)	2,058
Resources & Finance	(567)	1,225	(128)	156	686
Welfare	0	1,642	(1,175)	10	477
					0
Valuation Joint Board	0	(93)	0	0	(93)
Non Domestic Rates reliefs	0	4	0	0	4
Loan Charges	0	(5,110)	0	0	(5,110)
					0
Unallocated Budget	0	(4,454)	0	0	(4,454)
Unallocated Corporate Savings	0	502	0	0	502
Total General Fund Budget	(7,551)	16,029	(1,489)	(1,881)	5,108

## Revenue Expenditure Monitoring Report - Housing Revenue Account Summary

1 April to 31 December 2024

	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
Staff Costs	10,964	15,612	14,806	(806)
Other Costs	16,370	23,456	24,295	839
Loan charges and interest	0	29,500	29,500	0
<b>Gross Expenditure</b>	<b>27,334</b>	<b>68,568</b>	<b>68,601</b>	<b>33</b>
House Rents	(48,704)	(64,861)	(64,982)	(121)
Other rents	(2,286)	(3,294)	(3,090)	204
Other income	657	(351)	(747)	(396)
Interest on Revenue Balances	0	(62)	0	62
<b>Gross Income</b>	<b>(50,333)</b>	<b>(68,568)</b>	<b>(68,819)</b>	<b>(251)</b>
<b>Total HRA</b>	<b>(22,999)</b>	<b>0</b>	<b>(218)</b>	<b>(218)</b>

## Revenue Expenditure Monitoring Report - General Fund Budget

1 April to 31 December 2024

	£m	£m
2024/25 Budget as Agreed by Highland Council on 29 February 2024		775.442
Less : Contributions to Reserves included in Agreed Budget		
Affordable housing contribution from 2nd homes council tax	(6.015)	
Contribution to earmarked balances (Elections Fund)	(0.085)	
Contribution to earmarked balances (SALIX)	(0.555)	
Contribution to other reserves	<u>(0.019)</u>	(6.674)
Less : Ring-fenced Grants (Gaelic, Criminal Justice, PEF Attainment Funding, Support for Ferries)		(9.434)
<b>Grant Funding Redeterminations</b>		
Share of additional £62.7m GRG (agreed for Highland Investment Plan)	2.785	
Retained Teacher Support (amended from GRG to specific grant)	(6.163)	
Discretionary Housing Payments (excess over HC 29/02/24 estimate)	0.255	
Scottish Disability Assistance (excess over HC 29/02/24 estimate)	0.052	
<i>Funding allocation changes between FC 8/2023 and FC 2/2024</i>		
ELC in Private and Third Sectors	0.007	
PEF (ring-fenced grant)	(0.006)	
Removal of Fees for Instrumental Music Tuition	0.001	
NPAF and Former Excellence Fund	0.016	
Social Work Workforce Capacity and Winter Planning	0.003	
Whole Family Wellbeing	(0.064)	
SINA	0.014	
"2008-24 Changes" Column	(0.209)	
Main Floor	(0.188)	
Gaelic (ring-fenced grant)	0.010	
Teachers Pensions	3.834	
Pay Awards	1.701	
Pay Awards - from GCG	3.000	
No-one Left Behind	0.088	
Pay - Children's Services	0.734	
Climate Intelligence Service	0.004	
SINA/Island Cost of Living	0.525	
Building Standards Hub	(0.062)	
Ed Psych Refund	0.019	
Scottish Welfare Fund - Admin	0.613	
Scottish Welfare Fund - Admin	0.087	
Teacher Numbers	6.163	
School Milk	0.046	
Ukraine	0.071	
Green Freeport	0.400	
Teacher Induction	0.403	
Temporary Accommodation	0.015	
	<u>14.154</u>	
Adjust : Ring-fenced Grant Changes	<u>(0.004)</u>	14.150
<b>Use of Non-earmarked Balances</b>		
	<u></u>	0.000

<b>Use of Earmarked Balances</b>		
Green Freeport	0.458	
IT Investment Funds	0.009	
Car Parking - old Man of Storr	0.080	
Lacer	0.011	
Scottish Crown Estates - Highland Coastal Communities Fund	0.721	
Business Change & Improvement (Transformation Fund Reserve) - Old Man of Storr	0.051	
Budget 2024-25 - Pressures - Waste & Recycling POPS (Longman Waste Transfer Station)	0.075	
Budget 2024-25 - Pressures - Waste & Recycling POPS (2 x Waste Compactors)	0.028	
Visitor Management Strategy (Phase3) Glenmore Car Parking Equipment	0.052	
Visitor Management Strategy (Phase3) Ullapool Motorhome Waste Unit	0.050	
Repayment of Second Homes Council Tax Flexibility	3.693	
HLH Review	0.019	
NHS Highland - Covid Response Fund & Investment Fund	0.923	
Family First	0.559	
Ukrainian Resettlement Fund	0.251	
ICT Investment Funds - Clear VC Chamber Request	0.252	
Flexible Working/NWOW - Future Group VC Meeting Rooms	0.212	
Budget 2024-25 - Pressures - People and Finance Systems Programme	0.693	
Change Fund	0.012	
DSM Balances - Counselling in Schools	0.242	
Future Investment Capacity Fund - Cross Portfolio Programme & Project Management Resources	0.063	
Future Investment Capacity Fund - Corporate Solutions - Data & Digital Solutions - renamed	0.186	
Data Foundations Project	0.071	
Delivery Plan Project - Digital Foundations	0.063	
My Council Programme	0.244	
Developer Contributions	0.702	
		9.723
<b>Use of Other Reserves</b>		
		0.000
<b>Contribution to Non earmarked Balances</b>		
		0.000
<b>Contribution to Earmarked Balances</b>		
SALIX Savings	(0.190)	
2024/25 One-off Pressures - HLH	(2.764)	
2024/25 One-off Pressures - Property Maintenance	(2.000)	
2024/25 One-off Pressures - Persistent Organic Pollutants (POPS)	(1.500)	
2024/25 One-off Pressures - New Finance/HR/Payroll system	(0.750)	
2024/25 One-off Pressures - Treasury Management	(3.000)	
From Unallocated Budget	(0.605)	
Green Freeport	(0.400)	(11.209)
<b>Contribution to Other Reserves</b>		
Insurance Fund	(2.000)	
Repayment of Second Homes Council Tax Flexibility	(3.693)	
Repair and Renewal Fund - Hydro Ness	0.008	(5.685)
<b>Presentational Adjustments</b>		
Review of council tax discounts (HC 29/02/24 savings R&F-1) *	0.260	
PPP Service Concessions (HC 29/02/24 financial flexibilities) *	6.000	
Roundings	(0.001)	6.259
<b>Total General Fund Budget at 31 December 2024</b>		<b>772.572</b>

\* These two amounts are included as reductions in budgeted expenditure in the HC 29/02/24 budget report but are incorporated into the budget as increases in funding (£0.260m council tax income, £6m Use of Other Reserves)

Revenue Expenditure Monitoring Report - General Fund Budget
1 April to 31 December 2024

General Fund Balance

	Earmarked balances £m	Non- earmarked balances £m	Total £m
General Fund Balance at 1 April 2024	110.779	47.309	158.088
(Use of)/contribution to balances included in budget as agreed by Highland Council on 2 March 2023	(11.426)	(9.927)	(21.353)
Use of balances per Appendix 4	(9.723)	0.000	(9.723)
Contribution to balances per Appendix 4	11.209	0.000	11.209
Removal of earmarking	0.000	0.000	0.000
Budget movement in balance per Appendix 1	(9.940)	(9.927)	(19.867)
Net service underspend/(overspend) per Appendix 1	0.000	(5.108)	(5.108)
Appropriations to other reserves	0.000	0.000	0.000
Additional resources	0.000	0.000	0.000
Council tax	0.000	0.647	0.647
Rounding			0.000
General Fund Balance at 31 December 2024	100.839	32.921	133.760

Reserves position as reflected above does not take account of effect of any 2025/26 budget decisions made by Council 6 March 2025.

## Savings Delivery Forecast

## Appendix 6

	Forecast Savings Delivery Month 9/ Quarter 3	Annual Savings Target 2024/25	Variance against Target	Comments
Corporate Solutions Portfolio Total	£5,868,000	£7,481,000	-£1,613,000	Variance comprises: £1.010m Digital Solutions and £0.603m Procurement. Both variances are slippage, with saving delivery expected to be achieved, albeit over a longer timescale. The 25/26 budget agreed by Council 6 March re-profiled the Digital Solutions saving recognising revised timescales for delivery.
Income Generation Portfolio Total	£8,640,000	£8,692,000	-£52,000	Variance comprises: £0.490m shortfall in income for campervan/motorhome scheme, partly mitigated by over-achievement in income against fees and charges £0.318m and council tax on 2nd homes and long-term empty properties £0.120m. Council on 6 March agreed to re-base target for the campervan and motorhome scheme.
Net Zero, Energy Investment/Innovation Portfolio Total	£300,000	£1,230,000	-£930,000	Variance comprises: slippage in achieving Solar PV income/savings £0.900m and shortfall against £0.030m battery storage income.
Reconfiguring our asset base portfolio total	£0	£305,000	-£305,000	Variance comprises: slippage in savings delivery relating to £0.100m single public estate and £0.205m Terra Tracker.
Workforce for the future portfolio total	£2,000,000	£2,000,000	£0	No variance
Person centred solutions portfolio total	£3,419,000	£7,900,000	-£4,481,000	Variance comprises: shortfall in relation to Adult Social Care saving target. £2.5m estimated saving achievement VS £7m target.
Sub-total: Operational Delivery Plan portfolios	£20,227,000	£27,608,000	-£7,381,000	
Other savings outwith Operational Delivery Plan	£3,465,000	£3,771,000	-£306,000	Variance comprises: shortfall in car parking income £0.218m, shortfall in garden waste income £0.032m, shortfall in other income £0.050m, fleet saving not achieved based on spending pressures £0.190m, mitigated in part by over-achievement of saving against Corporate Management Team restructure £0.185m.
Overall Total	£23,692,000	£31,379,000	-£7,687,000	

Forecast against target

76%