

Agenda Item	7
Report No	RES/32/26

The Highland Council

Committee: Corporate Resources

Date: 27 August 2026

Report Title: Corporate Cluster Revenue Budget Monitoring reports - Out-turn for 2025/26 and forecast as at Quarter 1 for 2026/27

Report By: Assistant Chief Executive – Corporate

1. Purpose/Executive Summary

- 1.1 This report sets out the revenue budget monitoring out-turn for the Corporate Cluster for 2025/2026 and for 2026/27 for the period ended 30 June 2026 (Q1).
- 1.2 The purpose of this report is to support the Council's overall financial management and budgetary control arrangements. This report also supports the Committee and its Members in fulfilling the Scheme of Delegation in relation to financial management and remit of Strategic Committees which includes: *"to scrutinise the management of the Revenue and Capital Budgets for the Services included in the Committee's remit and monitor and control these budgets, including dealing with over- expenditure."*
- 1.3 This report provides members with commentary on any material variances within the forecast, and actions taken or proposed in relation to variances.
- 1.4 The report also provides a forecast position regarding all budget savings within the remit of the Service.
- 1.5 For 25/26, the year-end position for the Services (Business Solutions, Performance & Governance and Resources & Finance) within the Corporate Cluster is a £0.850m overspend, which is 1.99% of the total budget. Whilst the core budget was underspent, the main pressures were the delivery of savings within Council Services in relation to Procurement, and Tourism-related income. The 2025/26 year-end position for the Welfare Budget is £1.293m underspend (including council tax reduction scheme).
- 1.6 For 2026/27, as at quarter 1 the forecasted year-end position for the Services within the Corporate Cluster is a £0.715m underspend. The 2026/27 forecasted year-end position for the Welfare Budget is a £0.376m underspend. Further information is provided later in this report for both 2025/26 and 2026/27.

2. Recommendations

2.1 Members are asked to:

- i. Scrutinise and **approve** the final budget position for 2025/26 as set out in this report and **Appendix 1**;
- ii. Scrutinise and **approve** the forecast financial position for 2026/27 as set out in this report and **Appendix 2**;
- iii. Consider and **note** the explanations provided for any material variances and actions taken or propose; and
- iv. Consider and **note** the Corporate Cluster Financial Strategy 26/27 (Appendix 3)..

3. Implications

- 3.1 **Resource:** This report provides key financial information regarding the Service budget and forecast financial performance against that budget, including progress with Service delivery.
- 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.
- 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 Corporate Cluster 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. Overview

- 5.1 This report presents the end of year monitoring statements for 2025/26 and the Quarter 1 monitoring statement for 2026/27 for the Corporate Cluster and the Welfare Budget. The end of year statements can be found at **Appendix 1** with the forecasts as at Quarter 1 for 2026/27 at **Appendix 2**.
- 5.2 For 2025/26, the year-end position for the Corporate Cluster is a £0.850 overspend. The Welfare Budget shows a £1.293m underspend. For 2026/27, as at quarter 1 the forecasted year-end position for the Corporate Cluster is a £0.715m underspend, and for the Welfare Budget a £0.376m underspend is forecasted.

6. Commentary on Variances – 2025/26 year-end outturns

- 6.1 For Business Solutions, an underspend of £0.478m is reported. Staffing underspends, due to a combination of staff on secondment funded from other budgets offset contract cost pressures and Council-wide digital Innovation-related savings. Members were made aware of a risk relating to any national delays in the SWAN2 network transition leading to potentially significant extra costs to Highland Council. Although this would not have threatened the delivery of longer-term savings, it would have led to a one-off cost pressure. This risk did not in the end materialise and the SWAN2 programme completed on time without any extra costs.
- 6.2 For Performance and Governance, an overspend of £0.447m is reported. This is primarily due to licensing income reported being lower than forecasted. Reflecting that applications – and therefore income – vary in number over the 3-year period, the income accounting practice is in line with practice in previous years led by the Finance team. Renewal applications are now being received with all related costs and income forecasted to deliver a balanced position over the next 3-year period.
- 6.3 For Resources and Finance, an overspend of £0.881m is reported. A shortfall of Council-wide Procurement savings (£0.812m) and Tourism-related income (£0.697m) is partly offset by staff underspends. Procurement savings achieved in the year were £0.908m, but below the target for the year by £0.812m. This was as a result of slippage in relation to some saving opportunities being realised, some savings being retained within other Service budgets (fleet) in recognition of some of the pressures being faced, and only part year effect of some savings applying in 2025/26 (but with full year effect applying in 2026/27). The balance of saving carries forward into 2026/27 and with focused effort to recover the position, with a pipeline of saving opportunities being progressed in the new year. As reported regularly to this Committee, work continues to implement infrastructure to support black waste disposal across Highland. Implementation is taking longer than originally forecasted due to the complexity of design and the requisite approvals. The voluntary Motorhome and Campervan Scheme has been implemented for costs less than £2k with no operational overheads as using existing technologies. Take-up, such as £19k since Scheme launch, is lower than target. Members will also be aware of the successes at The Storr visitor attraction, and as reported elsewhere to today's agenda, progress is being made to develop a destination site at Smoo Cave, as well as other sites across Highland using The Storr as benchmark template. Later today the Redesign Board will consider the final Business Case for Smoo Cave.

- 6.4 **Welfare Budget** –The demand-led gross budget for welfare of £52.5m reports a £1.293m underspend. This includes an underspend of £0.685m in the Council Tax Reduction Scheme with this being reflected against the Council Tax income budget. An underspend of £0.256m for free school meal holiday payments is reported and steps continue to be taken to obtain the necessary information from parents and guardians to enable eligible payments to be issued. School Clothing Grants report a £0.180m underspend. As reported in the Corporate Cluster Performance report on today's agenda, the Council has introduced the Low Income Family Tracker (LIFT) and Better Off Calculator. LIFT is transformational and uses data analytics to identify households with potential entitlement to benefits. This includes a range of entitlements, including Free School Meals and School Clothing Grants, which offers the opportunity of increasing those entitled to School Clothing Grants submitting the appropriate application/s that are required to enable payments to be made. Once verified, entitlements for Free School Meals can be automatically awarded. Increasing take-up of these entitlements across the region will help address child poverty as set out by the Highland Poverty & Equality Commission's findings. The LIFT initiative is being delivered in partnership by the Welfare Support team and Citizens Advice.
7. **Commentary on Variances – forecast for 2026/27 as at Quarter 1**
- 7.1 The forecast for 2026/27 as at Quarter 1 is a £0.715m underspend, which is 1.9% of the total budget. The material variances are overspends pertaining to the delivery of Procurement savings in Council Services, an underachievement in tourism-related income and general costs pressures including ICT-related contract costs. These are offset by staff underspends delivered through workforce planning and ongoing process review and system improvements. As reported to this Committee in June 26, staff turnover has reduced from 8.4% in 24/25 to 7.5% in 25/26 reflecting ongoing efforts to improve Talent Attraction. Against a budgeted establishment of 793fte, there are 26fte (3%) vacant posts (on a substantive basis). The remainder of this section discusses in more detail the forecasts including mitigation.
- 7.2 **Business Solutions:** the forecast year-end position for 2026/27 as at Quarter 1 is for £0.190m underspend with some increasing contract costs offset by staff underspends. Members will be aware from previous reports of the successful implementation of the SWAN2 and that Business Solutions plays an important enabling role in transformation across the Council. A key feature of digital transformation is that, while the costs of implementation and ongoing digital capability typically sit within Business Solutions, the operational and financial benefits are often realised within Services. As the Council increases its use of digital technologies, demand for corporate systems, platforms and support services is expected to grow, creating additional contractual and resource pressures. These investments are essential to continue the efforts to a modern, digitally enabled and data-driven organisation. It is important that investments continue to be informed by detailed Business Cases, robust governance and detailed financial impact assessments to inform and support decision-making. It is also important benefits are identified and realised, and budgets reflect the Council's continuing commitment to digital transformation and service modernisation.
- 7.3 **Performance & Governance:** the forecast is a small overspend of £0.037m with no material variances. Members are reminded of the introduction of the new Global Internal Audit Standards that were implemented during the latter half of 2026 that has resulted in more onerous compliance requirements both for the provision of internal audit services and for internal auditors.

7.4 **Resources & Finance:** the forecast year-end position for 2026/27 as at Quarter 1 is for £0.562m underspend. The forecasts include staff underspends delivered through workforce planning and ongoing process review and system improvement including within Revenues and Benefits where staff continue to identify opportunities in the processing of benefit claims, using existing ICT technology. Principal cost pressures arise from increasing bank and debt collection charges, delivery and management of occupational health referrals and ICT-related contract costs. To support the implementation of actions arising from the Highland Poverty and Equality Commission, £0.500m annual recurring investment was approved by Council in March 26. A Members Workshop is being held in August 26 to consider the final report, and the current budget forecast is that this £0.500m for 26/27 will be expended by year end.

7.5 **Tourism Income** This matter is discussed in more detail in the Delivery Plan - Income Generation report on today's agenda. Infrastructure developments in respect of black waste disposal and freshwater replenishment facilities continue and will also offer income generation opportunities.

The year two annual report in respect of The Storr operations will be considered by the Isle of Skye & Raasay Committee on 31 August 2026. The Redesign Board, which meets later today will also consider further unique visitor experience opportunities.

7.6 **Procurement:** Against a target of £1.839m, the forecasted Procurement savings are £1.330m. Positively, pipeline opportunities are £2.2m on a full-year basis. However, adjusting for risk and profile (including part-year effect) a lower forecast is shown. Although this level of savings is positive compared to prior years, work continues across all Services and the Shared Procurement Service to identify further savings.

7.7 **Welfare Budget:** The demand-led welfare gross budget of £52.96m is reporting a projected underspend of £0.376m, which is mainly attributable to the Council Tax Reduction Scheme with this being reflected against the Council Tax income budget. The Housing Benefit budget also continues to be closely monitored. Prompt processing of customer's Change in Circumstances can also support the management of this budget. As reported to today's agenda, performance in this service continues to be very positive.

8. **Corporate Cluster Financial Strategy 26/27**

8.1 As reported in an earlier item today's agenda (*Corporate Revenue Budget Monitoring – Out-turn for 2025/26 and Quarter 1 forecast for 2026/27*), Financial Strategies are being finalised by Services / Clusters. The purpose of the strategies is to establish clear expectations, responsibilities & governance for Senior Leadership to ensure effective financial management, accountability and alignment with organisational. It supports strong financial stewardship, informed decision making and compliance with internal policies and external. The strategy includes information on budget and the latest position on savings and investments. It is intended that financial strategies will be included in future revenue monitoring reports for all Services/Clusters. The Corporate Cluster's strategy included within today's report reflects one of timing with the Corporate Resources Committee taking place towards the end of strategic committee cycles.

Designation: Assistant Chief Executive – Corporate

Date: 17 August 26

Author: Allan Gunn, Assistant Chief Executive – Corporate
Sheila Armstrong, Chief Officer – Revenues & Commercialisation
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Appendices: Appendix 1 – Revenue Monitoring Statements for 25/26
Appendix 2 – Revenue Monitoring Statements for 26/27 (30/6/26)
Appendix 3 – Corporate Cluster Financial Strategy 26/27

Appendix 1 – REVENUE MONITORING STATEMENTS FOR 2025/26

Business Solutions

Mar-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Digital Innovation Savings	0	(222)	0	222
ICT Services	15,894	16,594	15,894	(700)
Grand Total Depute Chief Executive	15,894	16,372	15,894	(478)
BY SUBJECTIVE				
Staff Costs	9,024	9,801	9,024	(777)
Other Expenditure	10,791	8,372	10,791	2,419
Gross Expenditure	19,816	18,173	19,816	1,642
Grant Income	0	0	0	0
Other Income	(3,922)	(1,801)	(3,922)	(2,121)
Total Income	(3,922)	(1,801)	(3,922)	(2,121)
NET TOTAL	15,894	16,372	15,894	(478)

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PERFORMANCE & GOVERNANCE MONITORING STATEMENT 2025-26

Mar-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Members	2,410	2,493	2,410	(83)
Performance & Governance Corporate	1,006	1,049	1,006	(43)
Performance & Governance Directorate	428	208	428	220
Corporate Communications	576	594	576	(18)
Legal	631	657	631	(25)
Licensing	(211)	(817)	(211)	606
Democratic Services	580	738	580	(158)
Elections	457	324	457	133
Trading Standards	719	691	719	28
Corporate Audit & Performance	4,409	4,621	4,409	(212)
Grand Total Performance & Governance	11,005	10,558	11,005	447
	-	-	-	0
BY SUBJECTIVE				
Staff Costs	9,450	9,255	9,450	195
Other Expenditure	4,867	4,706	4,867	161
Gross Expenditure	14,318	13,961	14,318	356
Grant Income	(73)	(50)	(73)	(23)
Other Income	(3,240)	(3,354)	(3,240)	114
Total Income	(3,313)	(3,404)	(3,313)	91
NET TOTAL	11,005	10,558	11,005	447

PERFORMANCE & GOVERNANCE MONITORING STATEMENT 2025-26																					
		STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
		Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
Mar-26		Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
BY ACTIVITY																					
Members																					
Members		2,346	2,253	2,253	(93)	175	157	157	(18)	0	0	0	0	(28)	0	0	28	2,493	2,410	2,410	(83)
Performance & Governance Corporate																					
Performance & Governance Corporate		866	809	809	(57)	203	198	198	(6)	0	0	0	0	(20)	0	0	20	1,049	1,006	1,006	(43)
Performance & Governance Directorate																					
Performance & Governance Directorate		266	416	416	150	(58)	12	12	70	0	0	0	0	0	0	0	0	208	428	428	220
Communications & Resilience																					
Corporate Communications		529	497	497	(31)	75	94	94	19	(2)	0	0	2	(8)	(16)	(16)	(8)	594	576	576	(18)
Corporate Governance																					
Legal		976	801	801	(175)	(53)	66	66	119	0	(57)	(57)	(57)	(267)	(179)	(179)	88	657	631	631	(25)
Licensing		1,371	2,138	2,138	767	188	411	411	224	0	0	0	0	(2,376)	(2,761)	(2,761)	(385)	(817)	(211)	(211)	606
Democratic Services		773	627	627	(146)	27	1	1	(26)	(48)	(16)	(16)	32	(14)	(32)	(32)	(18)	738	580	580	(158)
Elections		218	246	246	28	106	211	211	105	0	0	0	0	0	0	0	0	324	457	457	133
Trading Standards		882	888	888	6	49	91	91	43	0	0	0	0	(240)	(260)	(260)	(20)	691	719	719	28
Corporate Audit & Performance																					
Corporate Audit & Performance		1,028	775	775	(253)	3,994	3,626	3,626	(368)	0	0	0	0	(401)	8	8	409	4,621	4,409	4,409	(212)
Grand Total Performance & Governance		9,255	9,450	9,450	195	4,706	4,867	4,867	161	(50)	(73)	(73)	(23)	(3,354)	(3,240)	(3,240)	114	10,558	11,005	11,005	447

RESOURCES & FINANCE MONITORING STATEMENT 2025-26

Mar-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Directorate	882	940	882	(57)
Tourism Income	288	(409)	288	697
Corporate Procurement Savings	0	(812)	0	812
People	4,197	4,371	4,197	(174)
Revenues & Business Support	9,775	9,629	9,775	146
Corporate Finance	3,122	3,665	3,122	(543)
Grand Total Resources & Finance	18,264	17,384	18,264	881
	-	-	-	0
BY SUBJECTIVE				
Staff Costs	17,725	19,086	17,725	(1,360)
Other Expenditure	5,461	1,656	5,461	3,804
Gross Expenditure	23,186	20,742	23,186	2,444
Grant Income	(2,568)	(745)	(2,568)	(1,823)
Other Income	(2,354)	(2,613)	(2,354)	259
Total Income	(4,922)	(3,358)	(4,922)	(1,564)
NET TOTAL	18,264	17,384	18,264	881

RESOURCES & FINANCE MONITORING STATEMENT 2025-26																				
	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
Mar-26																				
BY ACTIVITY																				
Directorate																				
Directorate	767	550	550	(217)	173	332	332	159	0	0	0	0	0	0	0	0	940	882	882	(57)
Salary Sacrifice	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tourism Income	(46)	296	296	342	337	562	562	225	0	0	0	0	(700)	(570)	(570)	130	(409)	288	288	697
Corporate Procurement Savings	0	0	0	0	(812)	0	0	812	0	0	0	0	0	0	0	0	(812)	0	0	812
People																				
HR Services	1,264	1,227	1,227	(36)	45	11	11	(34)	0	0	0	0	7	15	15	8	1,316	1,253	1,253	(62)
Future Operating Model	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Learning & Development	932	974	974	42	109	120	120	11	0	0	0	0	(240)	(238)	(238)	3	800	856	856	56
Health, Safety & Wellbeing	578	428	428	(150)	244	270	270	27	0	0	0	0	0	0	0	0	822	698	698	(124)
Emergency Planning	91	126	126	35	3	(1)	(1)	(4)	0	0	0	0	(36)	(77)	(77)	(40)	58	48	48	(10)
Payroll	1,297	1,275	1,275	(21)	122	108	108	(14)	0	0	0	0	(43)	(42)	(42)	0	1,376	1,341	1,341	(35)
Revenues & Business Support																				
Revenues	4,239	3,982	3,982	(257)	577	734	734	157	(745)	(744)	(744)	1	(1,575)	(1,434)	(1,434)	141	2,496	2,539	2,539	43
Business Support	7,007	6,499	6,499	(509)	(87)	511	511	599	0	0	0	0	(17)	(1)	(1)	16	6,904	7,009	7,009	106
Creditors	216	200	200	(16)	14	28	28	14	0	0	0	0	0	0	0	0	230	228	228	(2)
Corporate Finance																				
Accounting & Insurance	2,741	2,164	2,164	(577)	618	848	848	230	0	0	0	0	(8)	(7)	(7)	1	3,351	3,004	3,004	(346)
Procurement	0	4	4	4	315	1,937	1,937	1,622	0	(1,824)	(1,824)	(1,824)	0	0	0	0	315	117	117	(197)
Pensions	(0)	0	0	0	(0)	0	0	0	0	0	0	0	0	0	0	0	(0)	0	0	0
Grand Total Resources & Finance	19,086	17,725	17,725	(1,360)	1,656	5,461	5,461	3,804	(745)	(2,568)	(2,568)	(1,823)	(2,613)	(2,354)	(2,354)	259	17,384	18,264	18,264	881

WELFARE MONITORING STATEMENT 2025-26

	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
Mar-26				
BY ACTIVITY				
Housing Benefit	4,154	4,252	4,154	(98)
Council Tax Reduction Scheme	14,449	15,134	14,449	(685)
Scottish Welfare Fund Grants	1,917	1,917	1,917	0
Educational Maintenance Allowances	0	0	0	0
School Clothing Grants	681	861	681	(180)
Advice Services	1,143	1,123	1,143	21
Other Welfare	581	932	581	(351)
Grand Total Welfare	22,926	24,219	22,926	(1,293)

WELFARE MONITORING STATEMENT 2025-26

	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
Mar-26																				
BY ACTIVITY																				
Housing Benefit	0	0	0	0	32,008	30,502	30,502	(1,506)	(27,756)	(26,348)	(26,348)	1,408	0	0	0	0	4,252	4,154	4,154	(98)
Council Tax Reduction Scheme	0	0	0	0	15,134	14,449	14,449	(685)	0	0	0	0	0	0	0	0	15,134	14,449	14,449	(685)
Scottish Welfare Fund																				
Community Care Grants	0	0	0	0	1,464	1,279	1,279	(185)	0	0	0	0	0	0	0	0	1,464	1,279	1,279	(185)
Crisis Grants - awarded	0	0	0	0	453	638	638	185	0	0	0	0	0	0	0	0	453	638	638	185
Educational Maintenance Allowances	0	0	0	0	420	281	281	(139)	(420)	(281)	(281)	139	0	0	0	0	0	0	0	0
School Clothing Grants Awarded	0	0	0	0	861	681	681	(180)	0	0	0	0	0	0	0	0	861	681	681	(180)
Advice Services																				
Citizens Advice Bureau	0	0	0	0	1,259	1,269	1,269	10	(136)	(126)	(126)	10	0	0	0	0	1,123	1,143	1,143	21
Other Welfare																				
Free School Meals Holidays	0	0	0	0	736	480	480	(256)	0	0	0	0	0	0	0	0	736	480	480	(256)
Families Distress & Trauma Fund	0	0	0	0	0	(6)	(6)	(6)	0	(1)	(1)	(1)	0	0	0	0	0	(7)	(7)	(7)
Universal Period Products	0	61	61	61	196	47	47	(149)	0	0	0	0	0	0	0	0	196	108	108	(88)
Grand Total Welfare	0	61	61	61	52,531	49,620	49,620	(2,911)	(28,312)	(26,755)	(26,755)	1,557	0	0	0	0	24,219	22,926	22,926	(1,293)

Appendix 2 – REVENUE MONITORING STATEMENTS 2026/27 to 30 June 2026

Business Solutions Monitoring Report 2627 - Q1

Jun-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Digital Innovation Savings	0	(222)	(222)	0
ICT Services	6,509	13,900	13,710	(190)
Grand Total Depute Chief Executive	6,509	13,678	13,488	(190)
BY SUBJECTIVE				
Staff Costs	2,255	9,319	9,065	(254)
Other Expenditure	3,017	4,826	5,938	1,112
Gross Expenditure	5,272	14,145	15,003	858
Grant Income	0	0	0	0
Other Income	1,237	(467)	(1,515)	(1,048)
Total Income	1,237	(467)	(1,515)	(1,048)
NET TOTAL	6,509	13,678	13,488	(190)

Business Solutions Monitoring Report
2627 - Q1

Jun-26	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
BY ACTIVITY																				
Digital Innovation Savings	0	0	0	0	(222)	0	(222)	0	0	0	0	0	0	0	0	0	(222)	0	(222)	0
ICT Services	9,319	2,255	9,065	(254)	5,048	3,017	6,160	1,112	0	0	0	0	(467)	1,237	(1,515)	(1,048)	13,900	6,509	13,710	(190)
Grand Total Depute Chief Executive	9,319	2,255	9,065	(254)	4,826	3,017	5,938	1,112	0	0	0	0	(467)	1,237	(1,515)	(1,048)	13,678	6,509	13,488	(190)

**PERFORMANCE & GOVERNANCE
MONITORING STATEMENT 2026-27**

Jun-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Members	490	2,622	2,584	(38)
Performance & Governance Corporate	392	1,126	1,130	4
Performance & Governance Directorate	156	186	168	(19)
Corporate Communications	150	453	435	(18)
Legal	436	703	752	49
Licensing	(1,032)	(787)	(787)	(0)
Democratic Services	177	744	689	(55)
Elections	84	330	329	(1)
Trading Standards	194	671	713	41
Corporate Audit & Performance	2,525	1,173	1,247	74
Grand Total Performance & Governance	3,572	7,223	7,260	37
BY SUBJECTIVE				
Staff Costs	2,591	9,456	9,718	262
Other Expenditure	2,712	1,170	1,285	114
Gross Expenditure	5,303	10,627	11,003	376
Grant Income	0	(50)	(109)	(59)
Other Income	(1,730)	(3,354)	(3,634)	(280)
Total Income	(1,730)	(3,404)	(3,743)	(339)
NET TOTAL	3,572	7,223	7,260	37

PERFORMANCE & GOVERNANCE
MONITORING STATEMENT 2026-27

Jun-26	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance
BY ACTIVITY																				
Members																				
Members	2,475	468	2,462	(13)	175	22	150	(25)	0	0	0	0	(28)	0	(28)	0	2,622	490	2,584	(38)
Performance & Governance Corporate																				
Performance & Governance Corporate	880	233	884	4	266	159	266	0	0	0	0	0	(20)	0	(20)	0	1,126	392	1,130	4
Performance & Governance Directorate																				
Performance & Governance Directorate	250	101	176	(74)	(64)	56	(9)	55	0	0	0	0	0	0	0	0	186	156	168	(19)
Communications & Resilience																				
Corporate Communications	443	138	425	(18)	20	12	20	0	(2)	0	(2)	0	(8)	0	(8)	0	453	150	435	(18)
Corporate Governance																				
Legal	1,023	396	1,046	24	(53)	62	33	85	0	0	(59)	(59)	(267)	(22)	(267)	0	703	436	752	49
Licensing	1,401	453	1,682	281	188	10	187	(1)	0	0	0	0	(2,376)	(1,495)	(2,656)	(280)	(787)	(1,032)	(787)	(0)
Democratic Services	779	168	724	(55)	27	10	27	0	(48)	0	(48)	0	(14)	0	(14)	0	744	177	689	(55)
Elections	224	62	222	(2)	106	22	107	1	0	0	0	0	0	0	0	0	330	84	329	(1)
Trading Standards	913	235	955	42	(2)	29	(3)	(1)	0	0	0	0	(240)	(71)	(240)	0	671	194	713	41
Corporate Audit & Performance																				
Corporate Audit & Performance	1,068	337	1,142	74	506	2,331	506	0	0	0	0	0	(401)	(143)	(401)	0	1,173	2,525	1,247	74
Grand Total Performance & Governance	9,456	2,591	9,718	262	1,170	2,712	1,285	114	(50)	0	(109)	(59)	(3,354)	(1,730)	(3,634)	(280)	7,223	3,572	7,260	37

**RESOURCES & FINANCE MONITORING
STATEMENT 2026-27**

Jun-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Directorate	590	(216)	(199)	17
Tourism Income	363	(684)	(651)	33
Corporate Procurement Savings	0	(1,839)	(1,330)	509
People	882	5,232	4,803	(429)
Revenues & Commercialisation	3,148	10,325	10,424	99
Corporate Finance	971	4,597	3,806	(791)
Grand Total Resources & Finance	5,954	17,416	16,854	(562)
	-	-	-	0
BY SUBJECTIVE				
Staff Costs	5,883	19,744	18,083	(1,661)
Other Expenditure	949	1,030	2,346	1,315
Gross Expenditure	6,832	20,774	20,429	(346)
Grant Income	(254)	(745)	(745)	1
Other Income	(624)	(2,613)	(2,830)	(217)
Total Income	(878)	(3,358)	(3,575)	(217)
NET TOTAL	5,954	17,416	16,854	(562)

RESOURCES & FINANCE MONITORING
STATEMENT 2026-27

Jun-26	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
BY ACTIVITY																				
Directorate																				
Directorate	(244)	122	(229)	14	28	458	31	2	0	0	0	0	0	0	0	0	(216)	579	(199)	17
Salary Sacrifice	0	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0	6	0	0
Tourism Income	(97)	55	(155)	(58)	113	365	224	111	0	0	0	0	(700)	(53)	(720)	(20)	(684)	367	(651)	33
Corporate Procurement Savings	0	0	0	0	(1,839)	0	(1,330)	509	0	0	0	0	0	0	0	0	(1,839)	0	(1,330)	509
People																				
HR Services	1,848	366	1,528	(320)	134	72	137	3	0	0	0	0	7	0	7	0	1,989	438	1,672	(317)
Future Operating Model	0	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	0	0
Learning & Development	862	237	917	54	84	41	69	(15)	0	0	0	0	(240)	(97)	(295)	(55)	706	181	690	(16)
Health, Safety & Wellbeing	601	104	417	(184)	239	102	312	74	0	0	0	0	0	0	0	0	840	207	730	(110)
Emergency Planning	98	37	149	51	3	0	3	(0)	0	0	0	0	(36)	(75)	(79)	(43)	64	(37)	73	8
Payroll	1,355	365	1,416	61	122	(281)	90	(31)	0	0	0	0	(43)	(17)	(67)	(24)	1,434	68	1,440	6
Trade Union Reps – HR	54	13	54	0	145	0	145	(0)	0	0	0	0	0	0	0	0	199	13	199	(0)
Revenues & Commercialisation																				
Revenues	4,405	1,368	4,311	(93)	749	235	925	176	(745)	(254)	(745)	1	(1,575)	(385)	(1,654)	(79)	2,833	964	2,838	5
Business Support	7,246	2,002	6,975	(271)	25	117	391	366	0	0	0	0	(17)	3	(22)	(5)	7,254	2,122	7,344	90
Creditors	224	61	220	(4)	14	1	22	8	0	0	0	0	0	0	0	0	238	62	242	4
Corporate Finance																				
Accounting & Insurance	3,093	683	2,269	(825)	479	(169)	592	113	0	0	0	0	(8)	0	0	8	3,564	514	2,861	(703)
Procurement	0	0	0	0	734	0	737	3	0	0	0	0	0	0	0	0	734	0	737	3
Pensions	299	455	211	(88)	(0)	2	(3)	(2)	0	0	0	0	0	0	0	0	299	457	208	(91)
Grand Total Resources & Finance	19,744	5,883	18,083	(1,661)	1,030	949	2,346	1,315	(745)	(254)	(745)	1	(2,613)	(624)	(2,830)	(217)	17,416	5,954	16,854	(562)

WELFARE MONITORING STATEMENT 2026-27

Jun-26	£'000 Actual YTD	£'000 Annual Budget	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Housing Benefit	2,228	1,615	1,426	(189)
Discretionary Housing Payment	315	3,242	3,242	0
Council Tax Reduction Scheme	15,573	15,685	15,486	(199)
Scottish Welfare Fund Grants	434	1,243	1,243	0
Educational Maintenance Allowances	94	0	0	0
School Clothing Grants	97	872	872	0
Advice Services	599	1,055	1,065	10
Other Welfare	430	932	934	2
Grand Total Welfare	19,769	24,644	24,268	(376)
BY SUBJECTIVE				
Staff Costs	13	0	67	67
Other Expenditure	25,274	52,956	48,985	(3,971)
Gross Expenditure	25,287	52,956	49,052	(3,904)
Grant Income	(5,518)	(28,176)	(24,658)	3,518
Other Income	0	(136)	(126)	10
Total Income	(5,518)	(28,312)	(24,784)	3,528
NET TOTAL	19,769	24,644	24,268	(376)

WELFARE MONITORING STATEMENT
2026-27

Jun-26	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance
BY ACTIVITY																				
Housing Benefit	0	0	0	0	29,371	7,778	25,664	(3,707)	(27,756)	(5,550)	(24,238)	3,518	0	0	0	0	1,615	2,228	1,426	(189)
Discretionary Housing Payment	0	0	0	0	3,242	315	3,242	0	0	0	0	0	0	0	0	0	3,242	315	3,242	0
Council Tax Reduction Scheme	0	0	0	0	15,685	15,573	15,486	(199)	0	0	0	0	0	0	0	0	15,685	15,573	15,486	(199)
Scottish Welfare Fund																				
Community Care Grants	0	0	0	0	966	271	966	0	0	0	0	0	0	0	0	0	966	271	966	0
Crisis Grants - awarded	0	0	0	0	277	163	277	0	0	0	0	0	0	0	0	0	277	163	277	0
Educational Maintenance Allowances	0	0	0	0	420	62	420	0	(420)	32	(420)	0	0	0	0	0	0	94	0	0
School Clothing Grants Awarded	0	0	0	0	872	97	872	0	0	0	0	0	0	0	0	0	872	97	872	0
Advice Services																				
Citizens Advice Bureau	0	0	0	0	1,191	599	1,191	0	0	0	0	0	(136)	0	(126)	10	1,055	599	1,065	10
Other Welfare																				
Free School Meals Holidays	0	0	0	0	736	401	736	0	0	0	0	0	0	0	0	0	736	401	736	0
Families Distress & Trauma Fund	0	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Universal Period Products	0	11	65	65	196	17	131	(65)	0	0	0	0	0	0	0	0	196	27	196	(0)
Grand Total Welfare	0	13	67	67	52,956	25,274	48,985	(3,971)	(28,176)	(5,518)	(24,658)	3,518	(136)	0	(126)	10	24,644	19,769	24,268	(376)

The Highland Council

**Financial Strategy for the Period
1st April 2026 - 31st March 2029**

Cluster: Corporate

Contents

1.	Financial Strategy	25
1.1.	Purpose	25
1.2.	Scope	25
1.3.	Strategic Objectives	25
1.4.	Roles & Responsibilities	25
1.5.	Governance & Oversight	26
1.6.	Monitoring & Reporting	26
1.7.	Capability & Support	26
1.8.	Continuous Improvement	26
1.9.	Accountability Statement	26
2.	Budget Information	27
2.1.	Prior-Year Financial Pressures: Budget Responses & Ongoing Service Management	27
2.2.	Revenue Budget as at Q1 26/27 Including Budgeted FTE	28
3.	Savings Delivery	29
3.1.	Approved Savings per Medium Term Financial Plan	29
3.2.	Progress towards Savings Delivery	29
4.	Tracking Investment	29
4.1.	Summary of Investments	31
4.2.	Investment Plans/Actions	31
5.	Value for Money	33
5.1.	5.1 Defining Value for Money	33
5.2.	Delivering Best Value within Highland	33
6.	Reference Documents	34
6.1.	Medium Term Financial Plan per March 2026 Council	34
6.2.	CIA Finance System	34
6.2.1.	CIA Resources Site	34
6.2.2.	CIA Finance System CIA Sign-in Page	34
6.3.	Financial Regulations	Error! Bookmark not defined.
6.4.	Procurement Guidance	34
6.4.1.	Procurement Information & Guidance	34
6.4.2.	Contract Standing Orders	Error! Bookmark not defined.
6.5.	Local Government Benchmarking Framework	Error! Bookmark not defined.
6.6.	Traineasy	Error! Bookmark not defined.

1. Financial Strategy

1.1. Purpose

The purpose of this strategy is to establish clear expectations, responsibilities & governance for Senior Leadership to ensure effective financial management, accountability and alignment with organisational objectives.

1.2. Scope

This strategy applies to Chief Officers and other members of the Extended Core Management Team as appropriate. It supports strong financial stewardship, informed decision making and compliance with internal policies and external regulations.

1.3. Strategic Objectives

- Promote a culture of ownership and financial accountability
- Ensure organisational funds are used efficiently, appropriately and in line with strategic priorities in support of the Operational Delivery Plan.
- Strengthen financial forecasting and reduce the risk of overspend.
- Improve transparency and consistency in financial management practices.
- Enable proactive identification and management of financial risks.

1.4. Roles & Responsibilities

Senior Leaders will:

- Support the Section 95 Officer in maintaining the proper administration of the Council's affairs.
- Contribute to the preparation of robust, achievable budgets via the Medium-Term Financial Plan, ensuring alignment with operational requirements and the priorities set out in the Operational Delivery Plan.
- Strive to secure Best Value by way of economic, efficient and effective use of resources.
- Strengthen accountability among cluster budget holders by establishing clear expectations and governance.
- Monitor Financial Performance regularly including reviewing actuals, commitments and forecasts.
- Investigate variances and implement corrective actions where required.
- Approve expenditure in line with delegated budget limits and procurement procedures.
- Escalate emerging pressures, risks or significant variances in a timely manner.
- Engage with Finance to support accurate forecasting and financial reporting.

The Corporate Finance Team will:

- Provide timely, accurate financial information and reporting tools including a suite of Financial Insights Dashboards.
- Offer guidance and challenge where appropriate to support sound financial management.
- Support budget managers with forecasting, profiling and variance analysis.
- Ensure compliance with financial regulations

1.5. Governance & Oversight

Financial performance will be monitored regularly through the Strategic Committees, Corporate Resources Committee, and the Budget Review Group. All material variances must be fully explained and supported by documented recovery plans where required.

1.6. Monitoring & Reporting

The quarterly monitoring cycle will include:

- Year to Date Expenditure & Income position
- Forecast Year End Outturn
- Commentary on material Variances
- Mitigating actions taken or proposed
- Commentary on Savings Delivery

This approach enables early intervention and supports financial resilience.

1.7. Capability & Support

Appropriate training, guidance materials and access to financial systems will be provided to ensure responsible officers have the skills and tools required to fulfil their responsibilities.

These materials are signposted in the [Reference Documents](#) section of this paper.

1.8. Continuous Improvement

This strategy will be reviewed periodically to reflect organisational changes, regulatory requirements and best practice in financial management.

1.9. Accountability Statement

Senior leaders are entrusted with public funds and are expected to exercise professional judgment due diligence and responsible stewardship in every financial decision in accordance with the [Financial Regulations](#).

2. Budget Information

2.1. Prior-Year Financial Pressures: Budget Responses & Ongoing Service Management

This section provides an overview of the key financial pressure areas from the previous year, outlines the actions incorporated within the MTFP 26/27 to 28/29 to address these pressures, and sets out the service-level measures in place to manage any remaining risks throughout the year.

For the remainder of this document, the following key applies:

CO – R & F: Chief Officer Revenues and Commercialisation
CO – CF: Chief Officer Corporate Finance
CO – HR & Comms: Chief Officer HR and Communications
CO – BS: Chief Officer Business Solutions
CO – L&CG: Chief Officer Legal and Corporate Governance

Pressure Area	Prior Year Variance Q3 (£'000)	Budget Mitigation March 2026 (£'000)	Residual Pressure to be Managed via Service Intervention (£'000)	Responsible Officer
Tourism Income	0.567m	0.000m	0.000m	CO – R&C
Corporate Procurement Savings	0.812m	0.000m	0.000m	CO - CF

Tourism Income

As reported regularly to the Corporate Resources Committee, work continues to implement infrastructure to support black waste disposal across Highland. Implementation is taking longer than originally forecasted due to the complexity of design and the requisite approvals. The voluntary Motorhome and Campervan Scheme has been implemented for costs less than £2k with no operational overheads as using existing technologies. Take-up, such as £19k since Scheme launch, is lower than target. Members will also be aware of the successes at The Storr visitor attraction, and as reported elsewhere to today's agenda, progress is being made to develop a destination site at Smoo Cave, as well as other sites across Highland using The Storr as benchmark template. The Redesign Board will consider the final Business Case for Smoo Cave on 27 August 2026.

Corporate Procurement Savings

This is a council-wide saving that for presentation purposes sits in the Corporate Cluster until the savings have been delivered. Procurement savings achieved in the year were £0.908m, but below the target for the year by £0.812m. This was as a result of slippage in relation to some saving opportunities being realised, some savings being retained within other Service budgets (fleet) in recognition of some of the pressures being faced, and only part year effect of some savings applying in 2025/26 (but with full year effect applying in 2026/27). The balance of saving carries forward into 2026/27 and with focused effort to recover the position, with a pipeline of saving opportunities being progressed in the new year.

2.2. Revenue Budget as at Q1 26/27 Including Budgeted FTE

The table below reflects the Opening Budget for the 26/27 Financial Year with the associated FTE where applicable.

Budget Heading (per Revenue Monitoring Report)	Budgeted £'000	Budgeted FTE	Responsible Officer
Directorate	(216)	6.0	ACE (Corporate)
Tourism Income	(684)	6.0	CO – R&C
Corporate Procurement Savings	(1,839)	0.0	CO - CF
HR & SHEP	5,232	80.72	CO – HR & Comms
Revenues & Business Support and Commercialisation	10,325	314.24	CO – R&C
Corporate Finance	4,597	93.56	CO - CF
Digital Innovation Savings	(222)	0.0	CO – BS
ICT Services	13,718	155.86	CO – BS
Members	2,622	73	CO – L&CG
Performance & Governance Corporate	1,126	4	CO – L&CG
Performance & Governance Directorate	186	5.93	CO – L&CG
Corporate Communications	453	9	CO – HR & Comms
Legal	703	18.92	CO – L&CG
Licensing	(787)	38.38	CO – L&CG
Democratic Services	744	14.6	CO – L&CG
Elections	330	3	CO – L&CG
Trading Standards	671	13.6	CO – L&CG
Corporate Audit & Performance	1,173	20	CO – L&CG
Total	38,314	856.81	

3. Savings Delivery

3.1. Approved Savings per Medium Term Financial Plan

The table at 3.2 below sets out the approved savings per the March 2026 Budget.

3.2. Progress towards Savings Delivery

Progress towards savings delivery will be monitored throughout the year, with each service providing a quarterly update detailing the actions underway, the mitigations being applied, and the current RAG status for each savings measure.

It should be noted that from Qtr 2, PRMS will record all savings to be delivered and, similar to the approach for recording progress updates for the Operational Delivery Plan, updates will be available for staff and Members. This will also highlight areas of achievement, emerging risks to delivery, and any further interventions required to ensure savings remain on track.

Budget Ref.	Saving/ Income Generation	Responsible Officer	Annual Target £'000	Latest RAG
(Corporate/1)	Removal of vacant ICT Manager post (HC10)	CO - BS	0.068	
(Corporate/10)	Reduce Data Centre contract costs	CO - BS	0.075	
(Corporate/12)	Re-tender for Employee Assistance Programme	CO-HR & Comms	0.005	
(Corporate/2)	Direct Debit Bank Checker	CO - R&C	0.010	
(Corporate/4)	Advertising and sponsorship income, plus Modern Apprentice	CO-HR & Comms	0.045	
(Corporate/8)	Review of loans fund expenses and cost recovery	CO- CF	0.050	
(Corporate/9)	Action to significantly reduce breakages re. Chromebooks	CO - BS	0.120	
(HC 050326 Strategic/3)	Reduction in overtime and agency spend	CO - R&C CO - CF	0.009	
(HC 060325 DCE:1)	Review of management structure & future Data Centre provision	CO - BS	0.150	
(HC 060325 R&F:1)	HR and Payroll process redesign and new ways of working	CO-HR & Comms	0.050	
(HC 060325 R&F:7)	Review of operational and service management structures	All	0.083	
(HC 290224 Corp-1 & HC 060325 R&F:6)	Procurement saving opportunities (Note 1)	CO - CF	1.839	
(HC 290224 CS:34)	Digital Innovation - DB41 Using AI to Automate SARS and FOI Requests	CO - BS	0.021	
(HC 290224 CS:35)	1% efficiency target from relevant service budgets	All	0.103	

(HC 290224 DCE-1)	New SWAN contract - revenue saving net of capital investment required	CO - BS	0.593	
(HC 290224 PG:2)	Primary Partnership Model - Trading Standards	CO – L&CG	0.020	
(HC 290224 RF:3)	Corporate Debt Management arrangements & scope to increase collection	CO – R&C	0.030	
(Strategic/1)	Targeted reduction of staffing budgets	All	0.172	
(Strategic/2)	Senior leadership restructure	CEO	0.151	
Total			3.594	

Note 1

Pipeline/opportunities total £2.2m on a full year basis. However, adjusting for risk and profile of delivery (including part year effect) a lower in year forecast is shown. Focus on progressing/maximising delivery and identifying other opportunities to increase forecast. Current forecast is £1.334m.

4. Tracking Investment

4.1. Summary of Investments & Plans/Actions

The table below reflects the Investments made as part of the Medium-Term Financial Plan.

Investment (Recurring)	Investment Value (26/27) £'000	Forecast spend 26/27 £'000	Comments	Responsible Officer
INV/1: Poverty & Equality	0.500m	0.500m	Following the final report being approved at The Highland Council in June 26, a Members Workshop is to take place in August 26 to consider the next steps, and implementation of actions to support delivery of the agreed actions. Risk Management will be undertaken as is custom practice to implement actions to support the delivery.	CO – R&C
Total	0.500m	0.500m		

The table below reflects the Earmarked Reserves that are led by the Corporate Cluster.

Investment (Earmarked Reserves)	Investment Value £'000 (April 26)	Forecast Balance £'000 (Mar 27)	Governance	Resp. Officer
Budget 2024-25 - Savings & Transformation - Tourism Income - Motorhomes	0.725	0.525	Embedded within the Council's Operation Delivery Plan. Managed through the Income Generation Board. Reports presented to Corporate Resources Committee	CO – R&C
Budget 2024-25 - Savings & Transformation - Tourism Income - Unique Visitor Experiences	1.023	0.793	Embedded within the Council's Operation Delivery Plan. Managed through Redesign Board and Income Generation Board. Reports presented to Corporate Resources Committee	CO – R&C
Budget 2026-27 - HRP Project implementation costs	1.092	0.150	Managed through the HRP Programme Board. Reports presented to Corporate Resources Committee	CO – HR & Comms
IT Investment Fund	1.167	1.009	Managed through ICT Strategy Board and related-project Boards. 3 substantive projects over next 2/3 years: Replacement of Licensing system (Short-term Lets) (£0.344m); Mobile phone technology (£0.154m); ICT general investment, projects to be determined (£0.669m).	CO - BS

			Reports will be presented to Corporate Resources Committee as required.	
Budget 2024-25 - Savings & Transformation - Digital Innovation (My Council)	0.018	0.000	Embedded within the Council's Operation Delivery Plan. Managed through the Redesign Board Corporate Solutions Board. Reports presented to Redesign Board and Corporate Resources Committee. Residual balance (underspend) from <i>My Council</i> Programme that will support delivery of other ICT projects.	CO - BS
Future Investment Capacity Fund - Corporate Solutions - Data Foundations	0.312	0.100	Embedded within the Council's Operation Delivery Plan. Managed through the Corporate Solutions Board. Reports presented to Corporate Resources Committee.	CO - BS
Future Investment Capacity Fund - Corporate Solutions - Digital Foundations	0.103	0.000	Embedded within the Council's Operation Delivery Plan. Managed through the Corporate Solutions Board. Reports presented to Corporate Resources Committee.	CO - BS
Future Investment Capacity Fund - Cross Portfolio Programme & Project Management Resources	0.157	0.050	Corporate Cluster Leadership Team.	CO - BS
Budget 2025-26 - Investment - INV13 Leadership & Management Capacity	0.162	0.080	Corporate Cluster Leadership Team. One-off investment for Project and Change Management Training to support Operational Delivery Plan.	CO - BS
Elections	0.670	0.670	Election Programme Delivery Board (chaired by CEO). 6 May 27 Local Government Elections – Highland.	CO – L&CG
Legal Services	0.060	0.000	One-off staff investment via prior year underspends.	CO – L&CG
Total	5.489	3.377		

5. Value for Money

5.1. Defining Value for Money

Best Value (BV) in Scottish local authorities is a statutory duty under the [Local Government in Scotland Act 2003](#) to ensure continuous improvement in performance, balancing quality, cost, and sustainability. It mandates that councils deliver effective services through, efficiency, equality, and community collaboration.

5.2 Delivering Best Value within Highland

Chief Officers will provide narrative demonstrating how Best Value is being delivered within the Highland context, drawing on key returns relevant to their areas of service delivery.

Examples of data sources to assist in analysing Value for Money include;

- Annual Accounts
- Local Government Benchmarking Framework
- Local Financial Returns (LFR's)

As part of the Medium Term Financial Plan 2026/27 to 2028/29 considered at Council on 5 March 2026, saving proposals into 2027/28 and 2028/29 were agreed to improve value for money through service review processes. This involves critical review and benchmarking of Local Financial Returns, other data returns and performance metrics such as the Local Benchmarking Framework, which aims to identify and inform the delivery of service efficiencies.

The Corporate Cluster provides a key role including analysis and critical analysis (also known as a "deep dive") of various financial and non-financial returns. Review are led by the respective Services CO's, supported by the Corporate Cluster.

The initial reviews are Education (Early Years, Transport and Food) and Waste (collection/disposal). Preliminary analysis has also commenced in respect of ICT (with that review also being led by the Corporate Cluster reflecting its role / responsibilities.)

It is anticipated that progress on these reviews will be reported through the Redesign Board, Strategic Committees and Corporate Resources Committees, as and where appropriate.

6. Reference Documents

6.1. Medium Term Financial Plan per March 2026 Council

6.2 CIA Finance System

6.2.1. CIA Resources Site

6.2.2. CIA Finance System CIA Sign in Page

6.3. Financial Regulations

6.4. Procurement Guidance

Procurement Information & Guidance

Contract Standing Orders

Local Government Benchmarking Framework

Traineasy