

DRAFT

ENTERPRISE, PLANNING AND INFRASTRUCTURE COMMITTEE

18 January, 2011

2010/2011 REVENUE BUDGET - EPI/10/269

With reference to article 10 of the minute of the meeting of the Enterprise, Planning and Infrastructure Committee of 9 November 2010, the Committee had before it a joint report by the Director of Enterprise, Planning and Infrastructure and the Head of Finance, which highlighted the current year revenue budget performance to date for the services which related to the Committee and advised on any areas of risk and management action.

Appended to the report was a summary monitoring statement for the revenue budget 2010/2011 which outlined the budget for the year, detailed the actual spend to end September, 2010, and explained variances. It also outlined whether or not there were any cost pressures that were immediately identifiable from the expenditure incurred to date and the actions being undertaken to manage these.

At this time, it was anticipated that the Service would see a shortfall in income of £3.1 million and it was working to reduce costs to mitigate the impact of this shortfall. To mitigate the effect of these risks, the management of vacant posts was being actively pursued and savings of £700,000 were anticipated for the full year.

The following areas of risk were highlighted together with the management action being taken. A budgeted income of £187,000 from the Neighbour Notifications would not be realised due to the necessary increase in planning application fees not being implemented by the Scottish Government. Two of the budgeted savings proposals, one being in relation to the closure of Summerhill and the other relating to the maintenance cost of the Real Time Passenger Information system for public transport, had not yet been achieved. However, service managers had identified alternative means of achieving the savings. It was also advised that the Architectural Design service had seen a significant decline in its workload as a result of the reduced value of capital works being undertaken by the Council, and therefore a shortfall in income of £1.2million was anticipated. In addition, the risk and additional cost of persistent and extended periods of adverse weather was outlined. Finally, it was advised that agreement had been reached with Education, Culture and Sport on the accounting of the cost of providing school meals; this led to the full cost of £1.5 million reverting to the Enterprise, Planning and Infrastructure service, with £700,000 of this being offset against corporate reserves.

Arising from discussions on the forecast overspend, and the proposal to use reserves to mitigate this position, the Committee resolved to request the Finance and Resources Committee to consider the accountancy oversight regarding the cost of providing school meals, this having emerged during those discussions. Specifically, in relation to the £700,000 being offset against corporate reserves detailed in the report, the Director clarified that at this stage this was a proposal and had not been approved.

The Committee resolved:-

- (i) to instruct officers to submit a report to a future meeting of the Committee on the management of empty properties and the damage incurred to properties where services had not been switched off;
- (ii) to instruct the Corporate Management Team (CMT) to identify areas of savings across all budgets which could be made to offset the existing £3.1million overspend in the Enterprise, Planning and Infrastructure service budget by the year end and to report to the relevant Committee in this regard;
- (iii) **to refer consideration of the accountancy oversight regarding the cost of providing school meals to the Finance and Resources Committee;**
- (iv) to instruct officers to submit a report to the Finance and Resources Committee advising of areas where the Council remained both the client and the contractor and the recharge accounting method was still utilised;
- (v) to instruct officers to submit a report detailing the functions of the architectural design service and presenting viable options for service redesign to a future meeting of the Committee;
- (vi) to note the report on the performance to date and the forecast out-turn and the information on risks and management action that was contained therein;
- (vii) to instruct officers continue to review budget performance and report on service strategies as required to ensure a balanced budget; and
- (viii) to instruct officers to report, in due course, on the actual out-turn compared to budget following completion of the 2010/11 financial statements.