

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	24 May 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	2010/11 Revenue Budget Monitoring
REPORT NUMBER:	EPI/11/125

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- i) bring to Committee members notice the revenue budget performance for the 2010/11 financial year, based on the near-actual position at the end of the year;
 - ii) advise on any areas of risk and management action.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- i) notes this report on the performance for the year and the information on risks and management action that is contained herein; and
 - ii) instructs that officers continue to review budget performance and report on service strategies as required to ensure a balanced budget.

3. FINANCIAL IMPLICATIONS

- 3.1. The total Enterprise, Planning and Infrastructure budget currently amounts to £27.8 million net expenditure.
- 3.2. The Service incurred a net overspend of £2.6 million for the full year against this budget. This position will be reflected in the overall financial monitoring for the Council when it is reported to Finance and Resources Committee at the end of this Committee cycle.
- 3.3. Further details of the financial implications are set out in section 5 and in the appendix attached to this report.

4. OTHER IMPLICATIONS

- 4.1 None.

5. BACKGROUND/MAIN ISSUES

- 5.1 This report informs Members of the revenue budget performance for the Service for the year to 31 March 2011 and provides a high level summary for the consideration of Members.
- 5.2 The Service report and associated notes are attached at Appendix A

Financial Position and Risks Assessment

The final position for the full year was a net overspend of £2.6 million. This compares favourably with the previous forecast of an overspend of £3.2 million.

The following items are highlighted as contributing to the overspend.

- A budgeted income of £190K from Neighbour Notifications was not realized due to the Scottish Government not implementing the increase in planning applications fees that was necessary to achieve this.
- The service had two budget savings proposals that were not met in full. The first relates to the closure of Summerhill and the second relates to defraying the maintenance cost of the Real Time Passenger Information system for public transport. The net overspend arising from not achieving these savings was £100K.
- The Architectural Design service has seen a significant decline in its workload as a result of the reduced value of capital works being undertaken by the Council. The Service incurred a shortfall in income of £2.7 million as a result of this.
- Adverse winter weather was experienced relatively early this year and has had an impact on roads maintenance budgets. A grant of £350k was received from the Scottish Government to assist with the cost of winter maintenance and pothole repairs. The net overspend on Roads Operations was £660K for the full year.
- The School Catering Service had budgeted for £1.5 million of subsidy being received from Education, Culture and Sport (EC&S) against the cost of providing school meals. In the event, this subsidy was not paid and, after offsetting £1.1 million of the shortfall against Equal Pay and Modernisation contingencies and catering budgets within EC&S, £410K remained as an overspend within School Catering.
- In mitigation of these, the Service, through effective management of staff vacancies, achieved £1.2 million of savings in staff costs.

6. IMPACT

- 4.1. Corporate - As a recognised top priority the Council must take the necessary measures to balance its budget. Therefore Committees and Services are required to work within a financial constraint. Every effort is being focused on delivering services more efficiently and effectively.

Public – this report is likely to be of public interest due to the size of the budgets involved and the nature of the services provided by Enterprise, Planning and Infrastructure, a number of which are front line services delivered directly to citizens and the business community within the city.

7. BACKGROUND PAPERS

Financial ledger data extracted for the period.

8. REPORT AUTHOR DETAILS

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