

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	13 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	2011/12 Revenue Budget Monitoring
REPORT NUMBER:	EPI/11/202

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- i) bring to Committee members' notice the current year revenue budget performance to date along with forecast outturns for the services which relate to this Committee;
 - ii) advise on any areas of risk and management action.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- i) note this report on the performance to date and the forecast outturn and the information on risks and management action that is contained herein;
 - ii) instruct that officers continue to review budget performance and report on service strategies as required to ensure a balanced budget;
 - iii) instructs officers to report, in due course, on the actual outturn compared to budget following completion of the 2011/12 financial statements.

3. FINANCIAL IMPLICATIONS

- 3.1. The total Enterprise, Planning and Infrastructure budget currently amounts to £31.8 million net expenditure.
- 3.2. Based upon present forecasts it is anticipated that the outturn for the Service will be close to 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 to this report.

4. OTHER IMPLICATIONS

4.1 None.

5. BACKGROUND/MAIN ISSUES

5.1 This report informs Members of the current year revenue budget performance for the Service to Period 3 (end of June 2011) and provides a high level summary for the consideration of Members. It also outlines whether or not there are any cost pressures that are immediately identifiable from the expenditure incurred to date and actions being undertaken to manage these.

5.2 The Service report and associated notes are attached at Appendix A

Financial Position and Risks Assessment

The overall position for the Directorate at Period 3 is a net underspend of £550K. The forecast outturn for the full year is a net underspend of £10K.

At this time the following items are highlighted together with the management action being taken.

- Fee income for the Non-Housing Design Team is £260k below budget to date and is expected to be £900K below budget for the full year, based on the reductions in the capital programme.
- The 3Rs project is expected to incur legal and consultancy costs totaling £170K which are not covered by budget provision. Managers have met with their counterparts within EC&S to investigate how the overall 3Rs budget can be managed within available expenditure limits.
- The service has identified a budgeted saving of £90K in relation to increased parking charges which is at risk of not being achieved due to delayed notification from the Transport Minister of when price increases will take effect.

To mitigate the effect of these risks, the management of vacant posts is being actively pursued and additional savings of £900K are forecast for the full year.

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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