

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	15 November 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	2011/12 Revenue Budget Monitoring
REPORT NUMBER:	EPI/11/303

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 £31.5M net expenditure.
- 3.2. Based upon present forecasts it is anticipated that the outturn for the Directorate will be £140K above 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. Two PBB options have been identified as being at risk and the impact of this is reflected in the forecast outturn. Option EPI_AMO25 for £90K is at risk due to delays in proposed increases in parking charges being announced by the Transport Minister and option EPI_EBD03a for

£150K from additional advertising income is estimated only to realize £60K in the current year.

- 3.4. 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 Directorate to Period 5 (end of August 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 Directorate report and associated notes are attached at Appendix A.

Financial Position and Risks Assessment

The overall position for the Directorate at Period 5 is a net underspend of £600K. The forecast outturn for the full year is a net overspend of £140K. The reason for this movement is that a number of charges are not made to the Directorate until the year-end.

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

- Fee income for the Non-Housing Design Team is forecast to be £900K below budget for the full year, based on the reductions in the capital programme. In mitigation of this, savings in the use of external consultants is forecast to realize savings of £150K.
- Fee income from the Architectural Design Service is forecast to be £2.0M below budget, also as a result of reductions in capital expenditure. This Service is in the process of being transferred to the Housing and Environment directorate.
- The 3Rs project is expected to incur legal and consultancy costs totaling £170K which are not covered by budget provision. In mitigation of these cost pressures, £100K of costs that were previously incurred have been recovered from Landsbanki.
- A saving of £180K will be realized in the purchase of credits under the Carbon Reduction Commitment (CRC) scheme.

- 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 the pressures identified above, the management of vacant posts is being actively pursued and additional savings of £2.6M are forecast for the full year.

6. IMPACT

- 4.1. Corporate - as a recognized 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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