

ABERDEEN CITY COUNCIL

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| COMMITTEE | Enterprise, Planning and Infrastructure |
| DATE | 11 September 2012 |
| DIRECTOR | Gordon McIntosh |
| TITLE OF REPORT | 2012/13 Revenue Budget Monitoring |
| REPORT NUMBER: | EPI/12/184 |

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) approve the virement proposals detailed within Appendix A;
 - iii) instruct that officers continue to review budget performance and report on Service strategies as required to ensure a balanced budget;
 - iv) instructs officers to report, in due course, on the actual outturn compared to budget following completion of the 2012/13 financial statements.

3. FINANCIAL IMPLICATIONS

- 3.1. The total Enterprise, Planning and Infrastructure budget currently amounts to £52.0M net expenditure.
- 3.2. Based upon present forecasts it is anticipated that the outturn for the Directorate will be £1.1M below 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 Directorate to Period 3 (end of June 2012) 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 3 is a net underspend of £80K. The forecast outturn for the full year is a net underspend of £1.1M. The reason for this movement is that a number of recharges do not take place until the year-end.

The outturn is based on a detailed review of progress towards achieving the income and expenditure budgets of each service and takes account of any factors which are expected to influence them. Detailed below are the main variances that are forecast to apply for the full year:

- Staff costs across a number of Services are forecast to be £900K below budget due the ongoing management of vacancies.
- Fee income for the Non-Housing Design Team is forecast to exceed budget by £250K as the Service's workload for the current year is expected to increase in line with the Non-Housing Capital Plan.
- Vehicle lease costs are forecast to be £230K below budget but costs for hired vehicles are forecast to exceed budget by £150K.
- The cost of school catering provisions is forecast to be £100K above budget due to continuing pressure on food prices.
- Recharges for services to non-General Fund accounts are forecast to exceed budget by £370K. None of these recharges are new but some were not included in the budget and other were reviewed in 2011/12 and revised charges for 2012/13 are anticipated as a result.

- Advertising income is forecast to be £230K below budget. It looks unlikely that the additional income required by PBB option EBD03a will be achieved in the current .
- Other income is forecast to be £100K below budget. The shortfall is anticipated in Marketing Services and in exhibitions income.
- The outturns detailed in Appendix A incorporate the main risks identified by the Service to date. The most significant additional risk faced by the Service relates to the severity of the winter and its impact on roads maintenance budgets. The impact of this could add at least £500K to costs and reduce the Service's favourable variance.

6. IMPACT

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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