

ABERDEEN CITY COUNCIL

COMMITTEE: Finance and Resources
DATE: 12 November 2009
REPORT BY: Director and City Chamberlain
TITLE OF REPORT: 2009/10 REVENUE BUDGET MONITORING
REPORT NUMBER: CG/11/114

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 for the services within Corporate Governance which relate to this Committee; and
 - ii) advise on any areas of risk and management action.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- i) consider and note this report and the information on management action and risks that is contained herein; and
 - ii) instruct 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 current overall Corporate Governance budget amounts to around £25.774 million net expenditure.
- 3.2. Based upon present forecasts it is anticipated that the financial performance of the service will result in a £291,000 beneficial movement on the Council finances overall.
- 3.3. Further details of the financial implications are set out in section 6 and the appendices attached to this report.

4. SERVICE & COMMUNITY IMPACT

- 4.1. 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.

5. OTHER IMPLICATIONS

- 5.1. Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Members. This report is part of that framework and has been produced to provide an overview of the current operating position for Corporate Governance services.

6. REPORT

- 6.1 This report informs members of the current year revenue budget performance to date, for the service's budget and provides high level summary for the consideration of Members, to period 6 (end to September 2009). 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.

Financial Position and Risks Assessment

- 6.2 The service report and associated notes is attached at Appendix A. In overall terms at this early stage, there is a net saving of £291,000, or 1.1%, across an overall current aligned budget of £25.774 million.
- 6.3 In broad terms the net projected saving comparing out-turn to budget reflects a favourable variance of £787,000 on projected staffing savings across the service. This is offset by a prudent assessment of recoverable costs and recharges to the Housing Revenue Account and the General Services Capital programme in respect of conveyance work based on the level of recharges last year and the downturn in activity in the current year for capital receipts.

7. AUTHORISED SIGNATORY

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8. REPORT AUTHOR DETAILS

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9. BACKGROUND PAPERS

Financial ledger data extracted for the period;

DIRECTORATE : CORPORATE GOVERNANCE

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
CITY CHAMBERLAIN		3,814	1,901	1,502	(399)	3,733	(81)	(2.1%)
CITY SOLICITOR		601	286	764	478	1,266	665	110.6%
HEAD OF CUSTOMER RELATIONSHIP MANAGEMENT		3,972	2,123	5,308	3,185	3,451	(521)	(13.1%)
HEAD OF PROCUREMENT		370	178	289	111	363	(7)	(1.9%)
HEAD OF HUMAN RESOURCES		3,975	1,961	1,921	(40)	3,953	(22)	(0.6%)
HEAD OF PERFORMANCE MANAGEMENT & QUALITY ASSURANCE		718	358	352	(6)	645	(73)	(10.2%)
HEAD OF DEMOCRATIC SERVICES		1,280	644	693	49	1,245	(35)	(2.7%)
HEAD OF SERVICE DESIGN & DEVELOPMENT		10,212	4,876	4,027	(849)	10,023	(189)	(1.9%)
OPERATIONAL SUPPORT		832	416	562	146	804	(28)	(3.4%)
NET EXPENDITURE		25,774	12,743	15,418	2,675	25,483	(291)	(1.1%)

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : CITY CHAMBERLAIN

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS		4,274	2,137	2,027	(110)	4,362	88	2.1%
PROPERTY COSTS		436	219	1	(218)	433	(3)	(0.7%)
ADMINISTRATION COSTS		416	208	214	6	416	0	0.0%
TRANSPORT COSTS		284	142	14	(128)	277	(7)	(2.5%)
SUPPLIES & SERVICES		115	58	138	80	85	(30)	(26.1%)
TRANSFER PAYMENTS		661	331	0	(331)	532	(129)	(19.5%)
CAPITAL FINANCING COSTS		15	0	0	0	15	0	0.0%
GROSS EXPENDITURE		6,201	3,095	2,394	(701)	6,120	(81)	(1.3%)
LESS: INCOME								
OTHER GRANTS		(162)	(81)	0	81	(162)	0	0.0%
FEES & CHARGES		(195)	(97)	(55)	42	(195)	0	0.0%
RECHARGES		(1,951)	(976)	(555)	421	(1,951)	0	0.0%
OTHER INCOME		(79)	(40)	(282)	(242)	(79)	0	0.0%
TOTAL INCOME		(2,387)	(1,194)	(892)	302	(2,387)	0	0.0%
NET EXPENDITURE		3,814	1,901	1,502	(399)	3,733	(81)	(2.1%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

Reflects the net position on staff turnover and the use of agency staff to continue to support teams, along with specific costs arising in year for the delivery of specific projects such as E,P & M and the revised Local Government Pensions Scheme.

88

Property Costs

Anticipated saving on costs of water at works.

(3)

Transport Costs

Out-turn reflects a review of expected spend on staff re-location travel costs

(7)

Supplies & Services

Anticipated savings mainly from previous cost in relation to reduced microfilming requirements

(30)

Transfer Payments

Reflects expected saving on AECC interest swap payment

(129)

Income

0

Although there are a number of period to date variances it is still expected currently that income will be in line with budget at the end of the year.

(81)

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : CITY SOLICITOR

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS		3,101	1,550	1,308	(242)	3,101	0	0.0%
PROPERTY COSTS		160	80	34	(46)	153	(7)	(4.4%)
ADMINISTRATION COSTS		175	87	22	(65)	173	(2)	(1.1%)
TRANSPORT COSTS		12	6	2	(4)	12	0	0.0%
SUPPLIES & SERVICES		228	114	77	(37)	228	0	0.0%
AGENCIES		1	0	0	0	1	0	0.0%
TRANSFER PAYMENTS		0	0	38	38	0	0	0.0%
CAPITAL FINANCING COSTS		25	0	0	0	25	0	0.0%
GROSS EXPENDITURE		3,702	1,837	1,481	(356)	3,693	(9)	(0.2%)
LESS: INCOME								
GOVERNMENT GRANTS		(75)	(37)	(14)	23	0	75	(100.0%)
OTHER GRANTS		(130)	(65)	(50)	15	0	130	(100.0%)
FEES & CHARGES		(1,583)	(792)	(649)	143	0	1,583	(100.0%)
RECHARGES		(1,249)	(625)	(2)	623	0	1,249	(100.0%)
OTHER INCOME		(64)	(32)	(2)	30	(2,427)	(2,363)	3692.2%
TOTAL INCOME		(3,101)	(1,551)	(717)	834	(2,427)	674	(21.7%)
NET EXPENDITURE		601	286	764	478	1,266	665	110.6%

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

Vacant positions are being filled, and the budget also covers part of the charges from increased usage of external support which has offset savings from staff costs.

0

Property Costs

The out-turn is slightly lower than budget due to costs in relation to the District Court having transferred to Scottish Court Services.

(7)

Administration Costs

Out-turn reduced slightly due to District Court costs now transferred to Scottish Court Services.

(2)

Income

It is considered prudent to reduce the outturn for 2009/10 in line with 08/09 actuals for conveyancing recharges to the HRA and the General Services Capital reducing estimated income for the current year. In addition the recession has impacted upon council house sales and capital transactions have been reduced and there is no indication that work will increase in these areas at present. Taking both of these factors together it is now estimated that income from these recharges are expected to be £652k below budget. With the transfer of the District Court to the Scottish Court Service there is expected to be a reduction in income of £22k.

674

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : HEAD OF CUSTOMER RELATIONSHIP MANAGEMENT

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6								
STAFF COSTS		6,295	3,220	2,679	(541)	5,774	(521)	(8.3%)
PROPERTY COSTS		346	173	100	(73)	346	0	0.0%
ADMINISTRATION COSTS		708	251	245	(6)	708	0	0.0%
TRANSPORT COSTS		26	13	7	(6)	26	0	0.0%
SUPPLIES & SERVICES		611	305	262	(43)	611	0	0.0%
TRANSFER PAYMENTS		39,120	19,560	21,729	2,169	39,120	0	0.0%
CAPITAL FINANCING COSTS		15	0	0	0	15	0	0.0%
GROSS EXPENDITURE		47,121	23,522	25,022	1,500	46,600	(521)	(1.1%)
LESS: INCOME								
GOVERNMENT GRANTS		(41,052)	(20,444)	(19,009)	1,435	(41,052)	0	0.0%
OTHER GRANTS		(969)	(485)	(421)	64	(969)	0	0.0%
FEES & CHARGES		(100)	(50)	0	50	(100)	0	0.0%
RECHARGES		(356)	(84)	0	84	(356)	0	0.0%
OTHER INCOME		(672)	(336)	(284)	52	(672)	0	0.0%
TOTAL INCOME		(43,149)	(21,399)	(19,714)	1,685	(43,149)	0	0.0%
NET EXPENDITURE		3,972	2,123	5,308	3,185	3,451	(521)	(13.1%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

The projected out-turn reflects a number of vacancies within the service.

(521)

Transfer Payments

The variance to date reflects the timing of payments for Council tax benefit
It is currently estimated that the out-turn will be in line with budget.

0

Income

The variance to date reflects the timing of grant income for Council tax benefit

0

(521)

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : HEAD OF PROCUREMENT

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS		988	494	450	(44)	988	0	0.0%
PROPERTY COSTS		172	86	2	(84)	172	0	0.0%
ADMINISTRATION COSTS		70	35	272	237	70	0	0.0%
TRANSPORT COSTS		53	26	14	(12)	46	(7)	(13.2%)
SUPPLIES & SERVICES		1,882	941	818	(123)	1,882	0	0.0%
CAPITAL FINANCING COSTS		14	0	0	0	14	0	0.0%
GROSS EXPENDITURE		3,179	1,582	1,556	(26)	3,172	(7)	(0.2%)
LESS: INCOME								
OTHER GRANTS		(1,416)	(708)	(361)	347	(1,416)	0	0.0%
FEES & CHARGES		0	0	(405)	(405)	0	0	0.0%
RECHARGES		(899)	(449)	(321)	128	(899)	0	0.0%
OTHER INCOME		(494)	(247)	(180)	67	(494)	0	0.0%
TOTAL INCOME		(2,809)	(1,404)	(1,267)	137	(2,809)	0	0.0%
NET EXPENDITURE		370	178	289	111	363	(7)	(1.9%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Property Costs

The low spend to date is due to an accrual for the Central Procurement Unit within Woodhill House.

0

Transport Costs

Lower hire costs anticipated.

(7)

(7)

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : HEAD OF HUMAN RESOURCES

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS		3,014	1,508	1,422	(86)	3,014	0	0.0%
PROPERTY COSTS		7	4	1	(3)	1	(6)	(85.7%)
ADMINISTRATION COSTS		1,164	558	339	(219)	1,164	0	0.0%
TRANSPORT COSTS		65	32	13	(19)	65	0	0.0%
SUPPLIES & SERVICES		364	183	186	3	364	0	0.0%
TRANSFER PAYMENTS		1	1	0	(1)	1	0	0.0%
CAPITAL FINANCING COSTS		12	0	0	0	12	0	0.0%
GROSS EXPENDITURE		4,627	2,286	1,961	(325)	4,621	(6)	(0.1%)
LESS: INCOME								
GOVERNMENT GRANTS		0	0	(23)	(23)	0	0	0.0%
FEES & CHARGES		(47)	(23)	(5)	18	(47)	0	0.0%
RECHARGES		(601)	(300)	0	300	(601)	0	0.0%
OTHER INCOME		(4)	(2)	(12)	(10)	(20)	(16)	400.0%
TOTAL INCOME		(652)	(325)	(40)	285	(668)	(16)	2.5%
NET EXPENDITURE		3,975	1,961	1,921	(40)	3,953	(22)	(0.6%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

Subject to the current review process of filling vacant posts additional savings may arise by the year end.

0

Property Costs

Out-turn reflects Grove Lodge facility being closed down mid year with resultant savings on costs

(6)

Income

The additional income relates to recovery of costs from staff terminations which can be vary annually.

(16)

(22)

DIRECTORATE : CORPORATE GOVERNANCE

HEAD OF SERVICE : HEAD OF PERFORMANCE MANAGEMENT AND QUALITY ASSURANCE

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6								
STAFF COSTS		722	361	313	(48)	611	(111)	(15.4%)
ADMINISTRATION COSTS		9	4	3	(1)	9	0	0.0%
TRANSPORT COSTS		9	4	1	(3)	9	0	0.0%
SUPPLIES & SERVICES		30	15	38	23	68	38	126.7%
GROSS EXPENDITURE		770	384	355	(29)	697	(73)	(9.5%)
LESS: INCOME								
RECHARGES		(52)	(26)	(3)	23	(52)	0	0.0%
TOTAL INCOME		(52)	(26)	(3)	23	(52)	0	0.0%
NET EXPENDITURE		718	358	352	(6)	645	(73)	(10.2%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

Out-turn reflects vacancies within the section, but offset by use of agency and external support

(111)

Supplies and Services

Reflects planned use of external support to cover staffing vacancies.

38

(73)

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : HEAD OF DEMOCRATIC SERVICES

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6								
STAFF COSTS		1,223	612	628	16	1,188	(35)	(2.9%)
PROPERTY COSTS		5	3	1	(2)	5	0	0.0%
ADMINISTRATION COSTS		175	88	46	(42)	175	0	0.0%
TRANSPORT COSTS		65	33	21	(12)	65	0	0.0%
SUPPLIES & SERVICES		11	6	1	(5)	11	0	0.0%
GROSS EXPENDITURE		1,479	742	697	(45)	1,444	(35)	(2.4%)
LESS: INCOME								
OTHER GRANTS		(3)	(1)	0	1	(3)	0	0.0%
FEES & CHARGES		(2)	(1)	0	1	(2)	0	0.0%
RECHARGES		(173)	(86)	0	86	(173)	0	0.0%
OTHER INCOME		(21)	(10)	(4)	6	(21)	0	0.0%
TOTAL INCOME		(199)	(98)	(4)	94	(199)	0	0.0%
NET EXPENDITURE		1,280	644	693	49	1,245	(35)	(2.7%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

The out-turn reflects vacant posts within the service.

(35)

(35)

DIRECTORATE : CORPORATE GOVERNANCE
HEAD OF SERVICE : HEAD OF SERVICE DESIGN AND DEVELOPMENT

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS		5,311	2,652	2,594	(58)	5,122	(189)	(3.6%)
PROPERTY COSTS		0	0	7	7	0	0	0.0%
ADMINISTRATION COSTS		780	503	271	(232)	780	0	0.0%
TRANSPORT COSTS		47	24	14	(10)	47	0	0.0%
SUPPLIES & SERVICES		3,992	2,319	1,162	(1,157)	3,992	0	0.0%
CAPITAL FINANCING COSTS		1,326	0	0	0	1,326	0	0.0%
GROSS EXPENDITURE		11,456	5,498	4,048	(1,450)	11,267	(189)	(1.6%)
LESS: INCOME								
OTHER GRANTS		(20)	(10)	0	10	(20)	0	0.0%
RECHARGES		(1,182)	(591)	(1)	590	(1,182)	0	0.0%
OTHER INCOME		(42)	(21)	(20)	1	(42)	0	0.0%
TOTAL INCOME		(1,244)	(622)	(21)	601	(1,244)	0	0.0%
NET EXPENDITURE		10,212	4,876	4,027	(849)	10,023	(189)	(1.9%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

Out-turn reflects a number of vacancies within the section.

(189)

Supplies & Services

The spend against this set of budget headings is not even throughout the year. The timing of the spend is determined by renewal dates and there is a concentration of renewals in the final quarter of the financial year.

Income

The recharges to date appear low due to the timing differences. However the out-turn is currently expected to be in line with budget.

(189)

DIRECTORATE : CORPORATE GOVERNANCE
OPERATIONAL SUPPORT

AS AT	30-Sep-09	ANNUAL BUDGET	EXPENDITURE/INCOME TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6								
STAFF COSTS		885	443	557	114	866	(19)	(2.1%)
PROPERTY COSTS		0	0	0	0	0	0	0.0%
ADMINISTRATION COSTS		29	14	4	(10)	21	(8)	(27.6%)
TRANSPORT COSTS		3	2	0	(2)	3	0	0.0%
SUPPLIES & SERVICES		4	1	1	0	3	(1)	(25.0%)
AGENCIES		0	0	0	0	0	0	0.0%
TRANSFER PAYMENTS		0	0	0	0	0	0	0.0%
CAPITAL FINANCING COSTS		0	0	0	0	0	0	0.0%
GROSS EXPENDITURE		921	460	562	102	893	(28)	(3.0%)
LESS: INCOME								
RECHARGES		(89)	(44)	0	44	(89)	0	0.0%
TOTAL INCOME		(89)	(44)	0	44	(89)	0	0.0%
NET EXPENDITURE		832	416	562	146	804	(28)	(3.4%)

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

REVENUE MONITORING VARIANCE NOTES

Employee Costs

(19)

The projected -out-turn assumes that some vacancies will be filled prior to 31/3/10.
However this will be subject to scrutiny and agreement of the Director and CMT.

Supplies and Services

(1)

Based on current trends a small underspend is currently expected

Administration Costs

(8)

Based on current trends a small underspend is currently expected

(28)