

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	26 September 2013
ACTING DIRECTOR	Paul Fleming
TITLE OF REPORT	2013/14 Financial Monitoring - Corporate Governance
REPORT NUMBER:	CG/13/092

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- i) Inform the Committee of the 2013/14 revenue and capital budget's financial performance for the period to 31 July 2013, including the forecast outturn for the year to 31 March 2014 for the services within Corporate Governance; and
 - ii) Advise on any areas of risk and management action.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee
- i) 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.

3. FINANCIAL IMPLICATIONS

- 3.1 Financial Implications are detailed in section 5 Background/Main Issues

4. OTHER IMPLICATIONS

- 4.1 None

5. REPORT

- 5.1 This report provides a high level summary of accrued actual expenditure to period 4, July 2013. The forecast is based on information and feedback from budget holders captured in July 2013.

Revenue Financial Position and Risks Assessment

- 5.2 The Service report is attached at Appendix A which shows projected net outturn savings £0.9M (3.4%), across the current net budget of £27.8M. There are not any significant risks at this time, and while the following items are of note they have been incorporated into the forecast net outturn:-

- Net savings of £850K are anticipated within staff costs.
- Income for Corporate Governance is expected to be £200K below budget. A number of specific areas can no longer be recovered due to revised accounting practice and identification of significant cost savings which have reduced the level of recoverable expenditure.
- Savings relating to financial guarantees of £80K resulting from reduced debt exposure have been identified and this together with other savings within Administration, Supplies & Services account for the remainder of the movement.

Management Actions and Risk Assessment

- 5.3 Heads of Service in conjunction with the line managers continue to monitor budgets and manage services to achieve savings, whilst maintaining and developing service delivery.
- 5.4 The Finance team in conjunction with budget holders continue to look at ways of addressing the income shortfall and its impact on future years.

Capital Financial Position

- 5.5 Included at Appendix B is a summary of the Corporate Governance capital programme projects and the spend to date plus forecast position for the full financial year.
- 5.6 The value of Police Grant payable, arising from national Police Reform introduced from 1st April 2013, means there will be lower capital expenditure than originally anticipated.

Management Actions

- 5.7 Continued focus on the technology investment requirements will ensure that Corporate Governance brings the necessary capital projects to fruition to deliver service improvements based on the Corporate Governance business case, previously reported to the committee.

6. COMMUNITY & SERVICE IMPACT

- 6.1 The Service must managed its financial responsibilities in addition to its service delivery priorities and demand. Decisions are made by the Director and officers to ensure financial resources are committed appropriately and in line with those priorities.
- 6.2 The issues referred to in this report impact on the overall financial position of the Council which are included in another report on the agenda.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Financial ledger data extracted for the period 4 (not attached).

Appendix A

As at end of July 2013		Year to Date			Forecast to Year End		
Accounting Period 4	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn £'000	Variance Amount £'000	Variance Percent %
Head of Finance - S.95 Officer	7,441	2,745	2,719	(26)	7,340	(101)	(1.4%)
Head of Legal and Democratic Services	1,509	503	468	(35)	1,164	(345)	(22.9%)
Head of Human Resources and Organisational Development	4,414	1,486	1,380	(105)	4,148	(266)	(6.0%)
Head of Procurement	464	155	134	(21)	458	(6)	(1.3%)
Head of Customer Services and Performance	13,947	4,649	4,702	53	13,712	(236)	(1.7%)
TOTAL	27,776	9,538	9,403	(135)	26,822	(954)	(3.4%)

Capital Monitoring – Corporate Governance projects 2013-14 to 2017-18

Project Description	Revised Budget 2013/14*	Spend to July 2013	Profiled out- turn 2013/14	Five year budget 2013-18	Legal Commit- ments	Profiled out- turn 2013-18
	£'000	£'000	£'000	£'000	£'000	£'000
Data Centre Move	22	22	22	22	0	22
Police - Capital Grant	2,356	0	1,705	2,356	0	1,705
ICT Data Centre	0	0	0	3,000	0	3,000
Technology Investment Requirements	900	0	900	2,700	0	2,700
Totals	3,278	22	2,627	8,078	0	7,427

*Revised budget includes carry forward / adjustments approved by F&R

- The Data Centre Move has now been completed on budget.
- The Police Capital Grant budget holder is waiting on notification from the Scottish Government on the mechanism for payment in 2013/14. At present, the £651,000 budget for 2013/14 will not be required.
- Spend on the ICT Data Centre is profiled to commence in 2015/16.
- The Technology Investment Requirements budget will begin spend in the final quarter of this financial year.