

## ABERDEEN CITY COUNCIL

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COMMITTEE	<b>Education, Culture and Sport</b>
DATE	<b>21 November 2013</b>
DIRECTOR	<b>Gayle Gorman</b>
TITLE OF REPORT	<b>Budget Monitoring 2013/14</b>
REPORT NUMBER:	<b>ECS/13/075</b>

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### **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 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) Note this report on the forecast out-turn on the revenue budget and the information on areas of risk and management action that is contained herein;
  - ii) Instruct that officers continue to review budget performance and report on service strategies.

### **3. FINANCIAL IMPLICATIONS**

- 3.1. The total Education, Culture & Sport revenue budget, amounts to £161m net expenditure. This is made up of £173m of gross expenditure, offset by £12m of income and recharges.
- 3.2. Based upon present forecasts it is anticipated that the financial performance of the service for 2013/14 will result in a net budget underspend of £445K. 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 4 and the appendix attached to this report.

## 4. BACKGROUND / MAIN ISSUES

4.1 This report informs members of the current year revenue budget performance to date, for the service budget and provides high level summary for the consideration of Members, to period 06 (end to September 2013).

### 4.2 Financial Position and Risks Assessment

The current forecast revenue out-turn is an underspend of £445K. The following areas of operation are highlighted together with any management action being taken where appropriate.

#### a) Energy Budgets

Estimated expenditure is expected to be £1.05M greater than budget with a forecast of £5M.

#### b) Tullos Pool

The timing of the opening of the Pool has resulted in an underspend of £100K.

Equipment and movable fittings of approximately £100K are being met from sums carried forward from 2012-13 for this purpose.

#### c) School Swimming Pool

A review of operating costs in relation to school pools has identified approximately £220K of commissioning charges which are not required for this purpose.

#### d) Out of Authority Placements

This is an aligned budget with Social Care and Wellbeing to fund those costs associated with educating and accommodating children in specialist schools not run by Aberdeen City Council. The total aligned budget is £5.4M. The Education Culture and Sport part of this budget totals £2.4M.

The financial position at 30 September 2013 is that the Education, Culture and Sport element has an under-commitment of £20K.

Officers from Education, Culture and Sport and Social Care and Wellbeing are continuing to work on short and long term strategies to reduce the number and duration of out of authority placements. This includes a series of rigorous case reviews and a review of current processes and alternative provision. It should be noted that this budget is subject to external factors out of our direct control: the council is required to fund placements instructed by the Children's Panel and needs to respond to the needs of children and young people in crisis this will on occasion require services outwith the authority.

#### (e) Metered Water Charges

There were a number of outstanding metered water charges across the service at the end of financial year 2013-14. Some of these related to

relatively new school buildings where there were very little historical costs to assist in estimating the value of the outstanding bills to make provision in line with the year end process. The forecast overspend is £50K.

#### (f) Commissioning Services

The timing and result of the HMRC decision pertaining to Aberdeen Sports Village, which is jointly funded with Aberdeen University has given rise to additional unbudgeted costs of £100K in respect of irrecoverable VAT borne by ASV..

#### (g) CLD Management Committee Funds

At the time of writing this report, a total of £370K has been transferred to the five Management Associations who have moved to leased centre status. These are, Bridge Of Don, Hazlehead, Kincorth, Mastrick and Midsocket.

## **5. IMPACT**

- 5.1 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.
- 5.2 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 Education, Culture & Sport, a number of which are front line services delivered directly to citizens within the city.

## **6. MANAGEMENT OF RISK**

- 6.1 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 with management actions identified to address budget variances in a timely manner. This report is part of that framework and has been produced to provide an overview of the current operating position.

## **7. REPORT AUTHOR DETAILS**

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Additional contributions to analysis of risks and management action by  
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