

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	21 January 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	2013/14 Revenue Budget Monitoring
REPORT NUMBER:	EPI/13/262

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) instruct officers to report, in due course, on the actual outturn compared to budget following completion of the 2013/14 financial statements.

3. FINANCIAL IMPLICATIONS

- 3.1. The total Enterprise, Planning and Infrastructure budget currently amounts to £40.1M of net expenditure.
- 3.2. Based upon present forecasts it is anticipated that the outturn for the Directorate will be £2.2M 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 8 (end of November 2013) 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 8 is a net underspend of £2.6M. The forecast outturn for the full year is a net underspend of £2.2M.

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 the Directorate are forecast to be £1.3M below budget due the ongoing management of vacancies.
- Premises costs are forecast to be £1.3M below budget with the main savings coming from property repairs costs and rates costs.
- Planning application and building application fee income is forecast to exceed budget by £1.2M, as a result of a continued high level of new applications, including a number of large individual applications in the year to date.
- School transport costs are forecast to be £230K below budget due to improvements in the management of the contracts.
- The cost of fleet maintenance is forecast to exceed budget by £1.0M. The service has a number of significant savings to make this year and its ability to achieve them is doubtful although continued investment in new vehicles will have a positive impact on the service's costs. It should be noted that this overspend will be mitigated in part by corresponding savings in other Directorates.

- Recoveries of accommodation costs from non-general Fund Services are forecast to be £110K below budget due to various staff relocations since the budget setting process.
- Energy costs for the main office sites are forecast to be £180K above budget.
- 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 and, to a lesser extent, school catering budgets.

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. MANAGEMENT OF RISK

There are no risks associated with the decisions required of the Committee in respect of this report.

8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

9. REPORT AUTHOR DETAILS

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