

ABERDEEN CITY COUNCIL

COMMITTEE: Enterprise, Planning and Infrastructure

DATE: 26 November 2009

DIRECTOR: Gordon McIntosh

TITLE OF REPORT: 2009/10 Revenue Budget Monitoring

REPORT NUMBER: EPI / 09 / 120

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) 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 total Enterprise, Planning and Infrastructure budget currently amounts to £26.521 million net expenditure.
- 3.2. This total has been revised from the previous report to reflect the transfer to Housing and Environment of the waste collection and disposal service and the transfer in from Corporate Governance of the Asset Management service. The budget for waste collection and disposal is £19.395 million and the budget for asset management is a credit of £2.110 million.
- 3.3. Based upon present forecasts it is anticipated that the financial performance of the service will result in an adverse movement on the Council finances overall. 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.

- 3.4. 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.

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.

- 6.2 The service report and associated notes is attached at Appendix A

Financial Position and Risks Assessment

In overall terms at this early stage, analysing Appendix A, the position reflects a projected overspend of £1.444 million less further savings identified of £437K. The balance of £1.007 million is the subject of further targeted savings being identified by the EP&I SMT and will be reported to the next meeting.

- 6.3 At this time, the following areas of risk are highlighted together with management action being taken.

Areas of Risk

Building Applications Income not expected to meet budget for the year in light of the current downturn in building work within the city. Similarly, planning application income is showing a significant downturn to date. The current forecast income for the year is £500,000, compared with a budget of £1.2 million.

Management Action

To offset the impact of this, the management of vacant posts is being actively pursued as a source of savings and the service is continuing to work with other Heads of Planning and COSLA to lobby the Government for increased in planning fees.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Financial ledger data extracted for the period.