

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	6 May 2014
DIRECTOR	Angela Scott
TITLE OF REPORT	2013/14 Financial Monitoring - Corporate Governance
REPORT NUMBER:	CG/14/050
CHECKLIST RECEIVED	Yes

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 28 February 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 11, February 2014. The forecast is based on information and feedback from budget holders captured in February 2014.

Revenue Financial Position and Risks Assessment

5.2 The Service report is attached at Appendix A which shows projected net outturn savings £1M (3.6%), across the current net budget of £28M. 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 £1.1M are anticipated within staff costs.
- Savings of £160k are anticipated within the Corporate Training Budget.
- Income is expected to be £100K 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 £40K resulting from reduced debt exposure have been identified.
- Supplies and Services have been overspent by £400K, with the main overspend being within Hardware Maintenance/Rental for expenditure in relation to the ATOS contract with a range of unbudgeted expenditures including improving the resilience of the communication link with ATOS and for additional servers and storage.
- Administration costs are anticipated to be underspent by £290K with printing, copying and stationery accounting for £130k of this saving.
- Other smaller variances within Administration and 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 manage 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 11 (not attached).

Appendix A

As at end of February 2014		Year to Date			Forecast to Year End		
Accounting Period 11	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	7,479	7,629	6,852	(777)	7,479	(0)	(0.0%)
Head of Legal and Democratic Services	1,538	1,409	808	(601)	949	(588)	(38.3%)
Head of Human Resources and Organisational Development	4,575	4,236	3,755	(481)	4,157	(417)	(9.1%)
Head of Procurement	470	431	384	(47)	421	(49)	(10.5%)
Head of Customer Service and Performance	13,999	12,835	12,848	14	14,044	45	0.3%
TOTAL	28,061	26,540	24,647	(1,893)	27,051	(1,010)	(3.6%)

*Assumptions

Staffing Pay – The year to date actual figure include the 1% pay award and budgets and outturns for staff costs have been amended accordingly.

Accruals – Actual Expenditure and Income has been adjusted to account for goods and services received but not paid by the end of accounting period and goods or services supplied but not yet invoiced by the end of the accounting period.

Income – Considerable income is due at the year-end for recharges to other parts of the Council. This would account for a significant part of the difference in the under spend at P11 and the forecast outturn.

As at end of February 2014		Year to Date			Forecast to Year End		
Accounting Period 11	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn £'000	Variance Amount £'000	Variance Percent %
STAFF COSTS	24,116	22,110	20,946	(1,163)	23,035	(1,082)	(4.5%)
PROPERTY COSTS	596	548	545	(3)	592	(4)	(0.7%)
ADMINISTRATION COSTS	2,667	2,232	1,827	(405)	2,221	(446)	(16.7%)
TRANSPORT COSTS	492	451	432	(19)	478	(14)	(2.9%)
SUPPLIES & SERVICES	6,319	5,799	6,138	339	6,717	398	6.3%
COMMISSIONING SERVICES	1,585	1,453	1,562	109	1,606	20	1.3%
TRANSFER PAYMENTS TOTAL	50,524	46,314	48,847	2,533	55,659	5,135	10.2%
GROSS EXPENDITURE	86,301	78,908	80,299	1,391	90,308	4,007	4.6%
LESS: INCOME							
GOVERNMENT GRANTS	(50,407)	(46,207)	(48,591)	(2,384)	(55,477)	(5,069)	10.1%
OTHER GRANT-REIMBURSE-CONTRIB	(1,399)	(1,285)	(1,352)	(67)	(1,475)	(76)	5.5%
CUSTOMER & CLIENT RECEIPTS	(1,241)	(1,137)	(1,302)	(164)	(1,428)	(187)	15.1%
INTEREST	(29)	(27)	(30)	(4)	(33)	(4)	13.2%
RECHARGES TO OTHER HEADS	(4,562)	(3,159)	(3,720)	(561)	(4,129)	432	(9.5%)
OTHER INCOME	(603)	(553)	(657)	(104)	(715)	(112)	18.6%
TOTAL INCOME	(58,240)	(52,368)	(55,652)	(3,284)	(63,257)	(5,017)	8.6%
NET EXPENDITURE	28,061	26,540	24,647	(1,893)	27,051	(1,010)	(3.6%)

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

Project Description	Revised Budget 2013/14 £'000	Spend to February 2014 £'000	Profiled out-turn 2013/14 £'000	Five year budget 2013-18 £'000	Legal Commitments £'000	Profiled out-turn 2013-18 £'000
Data Centre Move	900	92	199	2,700	146	2,616
Police - Capital Grant	0	0	0	0	0	0
ICT Data Centre	3,278	114	221	8,078	146	5,638
Technology Investment Requirements	0	0	0	0	0	0
Totals	4,178	206	420	10,778	292	8,254

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

- A payment of £199,000 has been authorised for Technology Investment Requirements. This will be paid by the end of financial year 2013/14.