

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	4 September 2014
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	2014/15 Revenue Budget Monitoring
REPORT NUMBER:	EPI/14/235

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 2014/15 financial statements.

3. FINANCIAL IMPLICATIONS

- 3.1. The total Enterprise, Planning and Infrastructure budget currently amounts to £40M of net expenditure.
- 3.2. Based upon present forecasts it is anticipated that the outturn for the Directorate will be £1M 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 3 (end of June 2014) 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 forecast outturn for the full year is a net underspend of £1M.

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 £1.1M below budget due the ongoing management of vacancies.
- Planning application and building application fee income is forecast to exceed budget by £520K, as a result of a continued high level of new applications, including a number of large individual applications in the year to date.
- The cost of fleet maintenance is forecast to exceed budget by £460K.
- The cost of the distribution service is anticipated to exceed budget by £190K.
- An additional £200K is forecast to be received for school meals based on similar levels of income in 2013/14.
- 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 as a result of the introduction of free school meals in January 2015.

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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