

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	4 December 2014
DIRECTOR	Ewan Sutherland (Acting)
TITLE OF REPORT	2014/15 Financial Monitoring - Corporate Governance
REPORT NUMBER:	CG/14/149
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to:
- i) Inform the Committee of the 2014/15 revenue and capital budget's financial performance for the period to 30 September 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 actual expenditure to period 6, September 2014.

Revenue Financial Position and Risks Assessment

5.2 The Service report is attached at Appendix A which shows forecast net outturn overspend of £420K (1.4%), across the current net budget of £29M. The following items are of note and they have been incorporated into the net outturn:-

- Housing Benefits forecast of an additional cost of £730K over budget as a result of demand. Officers are examining potential means of recovery following recent government announcements.
- Net savings forecast of £190K within staff costs.
- Savings of £100K forecast within the Corporate Training Budget.
- Income, excluding Housing Benefit Income, is forecast to be £150K over budget, with the main variances being in income from Scottish Water of £80K and a variety of Legal Services incomes forecast to be over budget by £110K and a variety of smaller offsetting variances in a range of areas accounting for the balance.
- Other smaller variances within non-staff budgets account for the remainder of the movement from budget.

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 areas of variance to identify action to control these variances in the next financial year.

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.

Management Actions

5.6 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 6 (not attached).

Appendix A

As at end of September 2014		Year to Date			Forecast to Year End		
Accounting Period 6	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	5,691	3,386	2,963	(423)	5,536	(155)	(2.7%)
Head of Legal and Democratic Services	1,687	830	580	(251)	1,633	(54)	(3.2%)
Head of Human Resources and Organisational Development	4,687	2,415	2,267	(148)	4,444	(243)	(5.2%)
Head of Procurement	2,473	1,218	1,412	194	2,733	261	10.5%
Head of Customer Service and Performance	13,617	6,816	6,530	(286)	13,497	(120)	(0.9%)
Housing Benefits	911	455	409	(47)	1,643	732	80.4%
TOTAL	29,065	15,121	14,160	(961)	29,486	421	1.4%

*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.

As at end of September 2014		Year to Date			Forecast to Year End		
Accounting Period 6	Full Year Revised Budget £'000	Revised Budget £'000	Actual Expenditure £'000	Variance Amount £'000	Outturn £'000	Variance Amount £'000	Variance Percent %
STAFF COSTS	24,818	12,459	11,895	(565)	24,633	(185)	(0.7%)
PROPERTY COSTS	596	306	295	(11)	594	(2)	(0.4%)
ADMINISTRATION COSTS	2,644	1,218	1,025	(193)	2,518	(126)	(4.8%)
TRANSPORT COSTS	483	242	220	(22)	471	(13)	(2.6%)
SUPPLIES & SERVICES	6,283	3,108	3,168	59	6,507	224	3.6%
COMMISSIONING SERVICES	1,607	803	800	(4)	1,598	(9)	(0.5%)
TRANSFER PAYMENTS TOTAL	51,179	25,590	27,219	1,629	55,905	4,726	9.2%
GROSS EXPENDITURE	87,612	43,726	44,621	895	92,227	4,615	5.3%
LESS: INCOME							
GOVERNMENT GRANTS	(50,442)	(25,221)	(26,781)	(1,560)	(54,216)	(3,774)	7.5%
OTHER GRANT-REIMBURSE-CONTRIB	(1,869)	(917)	(1,030)	(113)	(2,090)	(221)	11.8%
CUSTOMER & CLIENT RECEIPTS	(1,260)	(630)	(755)	(125)	(1,344)	(84)	6.7%
INTEREST	(24)	(12)	(14)	(2)	(25)	(1)	4.2%
RECHARGES TO OTHER HEADS	(4,247)	(1,473)	(1,583)	(110)	(4,496)	(249)	5.9%
OTHER INCOME	(704)	(352)	(297)	55	(570)	134	(19.1%)
TOTAL INCOME	(58,546)	(28,605)	(30,460)	(1,856)	(62,741)	(4,194)	7.2%
NET EXPENDITURE	29,065	15,121	14,160	(961)	29,486	421	1.4%

Appendix B

Capital Monitoring – Corporate Governance projects 2014-15 to end of September 2014

Project Description	Revised budget 2014/15 £'000	Spend to Sept. 2014 £'000	Profiled out - Turn 2014/15 £'000	Total Project Budget £'000
Technology Investment Requirements	2,162	408	1,868	2,700