

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	23 April 2015
DIRECTOR	Ewan Sutherland (Acting)
TITLE OF REPORT	2014/15 Financial Monitoring - Corporate Governance
REPORT NUMBER:	CG/15/47
CHECKLIST RECEIVED	Yes

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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 28 February 2015 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 11, February 2015.

### **Revenue Financial Position and Risks Assessment**

5.2 The Service report is attached at Appendix A which shows forecast net outturn underspend of £1.3M (4.5%), across the current net budget of £30M. The following items are of note and they have been incorporated into the net outturn:-

- Staff costs are forecast to be underspent by £830K.
- Supplies and Services are forecast to be overspent by £190K. The majority of this is for software and consultants for Commercial & Procurement Services. Additional budget of £200K will be transferred to Procurement in Period 12 offsetting this expenditure.
- Savings of £150K forecast within the Corporate Training Budget.
- Income, excluding Housing Benefit Income, is forecast to be £280K over budget, with the main variances being in income from Scottish Water of £80K, a variety of Legal & Democratic Services incomes forecast to be over budget by £140K and Customer Service & Performance Incomes of £100K. A variety of smaller offsetting income budget variances in a range of areas account 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 11 (not attached).

## Appendix A

As at end of February 2015		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	5,691	6,172	4,872	(1,300)	5,168	(522)	(9.2%)
Head of Legal and Democratic Services	1,687	1,523	1,161	(362)	1,439	(248)	(14.7%)
Head of Human Resources and Organisational Development	4,762	4,413	4,015	(398)	4,455	(307)	(6.4%)
Head of Procurement	2,576	2,364	2,523	159	2,812	236	9.2%
Head of Customer Service and Performance	13,617	12,484	11,863	(621)	13,130	(487)	(3.6%)
Housing Benefits	1,290	1,182	1,182	(0)	1,290	(0)	(0.0%)
<b>TOTAL</b>	<b>29,623</b>	<b>28,139</b>	<b>25,617</b>	<b>(2,522)</b>	<b>28,295</b>	<b>(1,328)</b>	<b>(4.5%)</b>

### \*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 February 2015		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	24,966	22,893	21,856	(1,038)	24,135	(830)	(3.3%)
PROPERTY COSTS	596	548	545	(3)	593	(3)	(0.5%)
ADMINISTRATION COSTS	2,673	2,259	1,829	(430)	2,390	(282)	(10.6%)
TRANSPORT COSTS	485	444	410	(34)	451	(34)	(7.0%)
SUPPLIES & SERVICES	6,285	5,767	5,813	46	6,478	193	3.1%
COMMISSIONING SERVICES	1,607	1,473	1,465	(8)	1,597	(10)	(0.6%)
TRANSFER PAYMENTS TOTAL	51,558	47,262	50,464	3,202	55,513	3,955	7.7%
<b>GROSS EXPENDITURE</b>	<b>88,169</b>	<b>80,646</b>	<b>82,382</b>	<b>1,736</b>	<b>91,158</b>	<b>2,989</b>	3.4%
LESS: INCOME							
GOVERNMENT GRANTS	(50,442)	(46,239)	(49,707)	(3,469)	(54,226)	(3,783)	7.5%
OTHER GRANT-REIMBURSE-CONTRIB	(1,869)	(1,716)	(1,998)	(281)	(2,176)	(306)	16.4%
CUSTOMER & CLIENT RECEIPTS	(1,260)	(1,155)	(1,337)	(183)	(1,352)	(93)	7.4%
INTEREST	(24)	(22)	(24)	(2)	(26)	(2)	8.8%
RECHARGES TO OTHER HEADS	(4,247)	(2,730)	(2,991)	(261)	(4,365)	(118)	2.8%
OTHER INCOME	(704)	(645)	(707)	(62)	(719)	(14)	2.1%
<b>TOTAL INCOME</b>	<b>(58,546)</b>	<b>(52,507)</b>	<b>(56,765)</b>	<b>(4,258)</b>	<b>(62,864)</b>	<b>(4,317)</b>	7.4%
<b>NET EXPENDITURE</b>	<b>29,623</b>	<b>28,139</b>	<b>25,617</b>	<b>(2,522)</b>	<b>28,295</b>	<b>(1,328)</b>	<b>(4.5%)</b>

## Capital Monitoring – Corporate Governance projects 2014-15 to end of February 2015

Period 11	Year to Date			Forecast to Year End		
Corporate Governance	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount
	£'000	£'000	£'000	£'000	£'000	£'000
Technology Investment Requirements	1,982	563	(1,419)	2,162	627	(1,535)
	<b>1,982</b>	<b>563</b>	<b>(1,419)</b>	<b>2,162</b>	<b>627</b>	<b>(1,535)</b>