

ABERDEEN CITY COUNCIL

COMMITTEE: Enterprise, Planning and Infrastructure

DATE: 23 February 2010

REPORT BY: Director and City Chamberlain

TITLE OF REPORT: 2009/10 Revenue Budget Monitoring

REPORT NUMBER: EPI / 10 / 065

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 £26.843 million net expenditure.

3.2. 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. The latest position reflects a deterioration in the expected outturn as a result of additional winter maintenance costs.

3.3. 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 9 (to the end of December 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 stage, analysing Appendix A, the position reflects a projected overspend of £576,000, representing a deterioration of £98,000 since the last update. This balance incorporates the expected additional cost of winter maintenance and is subject to further savings being identified by the EP&I SMT. Since the last report, additional savings of £266,000 have been identified by the Head of Resources Development and Delivery.

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

Areas of Risk

Building Applications Income is 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 for these two elements combined is £1.5 million, compared with a budget of £3.1 million.

The prolonged adverse weather conditions over the 3 weeks from the 17th of December necessitated an exceptional winter maintenance effort and the current estimate is that this has resulted in additional unbudgeted

expenditure of approximately £500,000. Any further winter weather over the remainder of the year will increase this figure.

Management Action

To offset the impact of the reduction of building and planning income, 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.