

ABERDEEN CITY COUNCIL

COMMITTEE: Enterprise, Planning and Infrastructure

DATE: 07 September 2010

REPORT BY: Director and Head of Finance

TITLE OF REPORT: 2010/11 Revenue Budget Monitoring

REPORT NUMBER: EPI /10 /197

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) note this report on the forecast out-turn and the information on risks and management action 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.
- iii) instructs officers to report, in due course, on the actual out-turn compared to budget following completion of the 2010/11 financial statements.

3. FINANCIAL IMPLICATIONS

3.1. The total Enterprise, Planning and Infrastructure budget currently amounts to £28.3 million net expenditure.

3.2. Based upon present forecasts it is anticipated that the financial performance of the service will result in an adverse overall movement in the Council finances of £383,000. 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 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 for the Service to Period 4 (to the end of July 2010) 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.
- 6.2 The service report and associated notes are attached at Appendix A

Financial Position and Risks Assessment

In overall terms at this stage, analysing Appendix A, the position reflects a projected net overspend of £383,000.

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

Planning application fee income is £76,000 below budget to date and is expected to remain below budget for the remainder of the year. The current estimated shortfall is £330,000 for the full year.

A budgeted income of £187,000 from Neighbour Notifications will not be realised due to the necessary increase in planning applications fees not being implemented by the Scottish Government.

Three of the budgeted savings proposals, totalling £320,000, have not yet been achieved. Managers are working to ensure that these savings are achieved but it is not yet certain that they will be realised to their full extent.

To mitigate the effect of these risks, the management of vacant posts is being actively pursued and savings of £140,000 have been realised to date.

7. REPORT AUTHOR DETAILS

Brian Downie
Finance Manager
bdownie@aberdeencity.gov.uk
01224 814541

8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

**ABERDEEN CITY COUNCIL
REVENUE MONITORING 2010 / 2011**

DIRECTORATE : ENTERPRISE, PLANNING AND INFRASTRUCTURE

| AS AT | 31 July 2010 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | |
|--|--------------|---------------|----------------|--------------|----------------|------------------------|--------------------|-------------|
| | | | PLANNED | ACTUAL | VARIANCE | PROJECTED TOTALS | PROJECTED VARIANCE | |
| ACCOUNTING PERIOD 4 | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % |
| HEAD OF ASSET MANAGEMENT AND OPERATIONS | | 18,444 | 3,043 | 3,865 | 823 | 18,302 | (142) | -0.8% |
| HEAD OF PLANNING AND SUSTAINABLE DEVELOPMENT | | 2,733 | 726 | (658) | (1,384) | 3,258 | 525 | 19.2% |
| OPERATIONAL SUPPORT MANAGER | | 1,651 | 339 | 482 | 143 | 1,651 | 0 | 0.0% |
| ECONOMIC DEVELOPMENT PROJECT DIRECTOR | | 5,486 | 1,824 | (151) | (1,975) | 5,486 | 0 | 0.0% |
| TOTAL BUDGET | | 28,314 | 5,931 | 3,538 | (2,393) | 28,697 | 383 | 1.4% |

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2010 / 2011

DIRECTORATE : ENTERPRISE, PLANNING AND INFRASTRUCTURE

| AS AT | 31 July 2010 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|----------------------------|--------------|-----------------|----------------|----------------|----------------|------------------------|--------------------|--------------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | PROJECTED TOTALS | PROJECTED VARIANCE | % | |
| ACCOUNTING PERIOD 4 | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| STAFF COSTS | | 15,473 | 5,145 | 4,921 | (224) | 15,331 | (142) | -0.9% | 0 |
| PROPERTY COSTS | | 5,819 | 2,320 | 857 | (1,463) | 5,819 | 0 | 0.0% | 0 |
| ADMINISTRATION COSTS | | 1,162 | 326 | 1,261 | 935 | 1,162 | 0 | 0.0% | 0 |
| TRANSPORT COSTS | | 3,792 | 1,240 | 506 | (734) | 3,792 | 0 | 0.0% | 0 |
| SUPPLIES & SERVICES | | 11,482 | 3,823 | 3,076 | (748) | 11,482 | 0 | 0.0% | 0 |
| TRANSFER PAYMENTS | | 2,791 | 930 | 334 | (597) | 2,791 | 0 | 0.0% | 0 |
| TOTAL | | | | | | | | | |
| CAPITAL FINANCING COSTS | | 11,699 | 0 | 0 | 0 | 11,699 | 0 | 0.0% | 0 |
| GROSS EXPENDITURE | | 52,219 | 13,785 | 10,955 | (2,830) | 52,077 | (142) | -0.3% | 0 |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | (155) | (47) | (494) | (447) | (155) | 0 | 0.0% | 0 |
| OTHER GRANTS | | (41) | (14) | (606) | (593) | (41) | 0 | 0.0% | 0 |
| FEES & CHARGES | | (17) | (6) | 0 | 6 | (17) | 0 | 0.0% | 0 |
| RECHARGES | | (9,970) | (3,238) | (531) | 2,707 | (9,970) | 0 | 0.0% | 0 |
| OTHER INCOME | | (13,722) | (4,550) | (5,786) | (1,236) | (13,197) | 525 | -3.8% | 0 |
| TOTAL INCOME | | (23,905) | (7,854) | (7,417) | 437 | (23,380) | 525 | -2.2% | 0 |
| NET EXPENDITURE | | 28,314 | 5,931 | 3,538 | (2,393) | 28,697 | 383 | 1.4% | 0 |

VIREMENT PROPOSALS

None this cycle

REVENUE MONITORING VARIANCE NOTES

Employee Costs

The Asset Management & Operations service has identified a number of vacancies that are unlikely to be filled during the remainder of the year.

(142)

0

Property Costs

0

0

Administration Costs

0

0

Transport Costs

0

0

Supplies & Services

0

0

Transfer payments

0

0

Capital Financing

0

0

Other Grants

0

0

Fees & Charges

0

0

Recharges

0

0

Other Income

Expected continuing shortfall in planning application income and budgeted income for Neighbour Notifications that will not be realised.

525

0

383

0

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2010 / 2011

DIRECTORATE : ENTERPRISE, PLANNING AND INFRASTRUCTURE
HEAD OF ASSET MANAGEMENT AND OPERATIONS

| AS AT | 31 July 2010 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|------------------------------|--------------|-----------------|----------------|----------------|----------------|------------------------|--------------------|--------------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | PROJECTED TOTALS | PROJECTED VARIANCE | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 | |
| ACCOUNTING PERIOD 4 | | | | | | | | | |
| STAFF COSTS | | 8,080 | 2,681 | 2,485 | (196) | 7,938 | (142) | -1.8% | 0 |
| PROPERTY COSTS | | 5,817 | 2,319 | 820 | (1,500) | 5,817 | 0 | 0.0% | 0 |
| ADMINISTRATION COSTS | | 606 | 144 | 1,028 | 885 | 606 | 0 | 0.0% | 0 |
| TRANSPORT COSTS | | 3,679 | 1,203 | 474 | (728) | 3,679 | 0 | 0.0% | 0 |
| SUPPLIES & SERVICES | | 8,732 | 2,907 | 1,848 | (1,058) | 8,732 | 0 | 0.0% | 0 |
| TRANSFER PAYMENTS TOTAL | | 253 | 84 | 76 | (9) | 253 | 0 | 0.0% | 0 |
| CAPITAL FINANCING COSTS | | 10,490 | 0 | 0 | 0 | 10,490 | 0 | 0.0% | 0 |
| GROSS EXPENDITURE | | 37,658 | 9,338 | 6,731 | (2,607) | 37,516 | (142) | -0.4% | 0 |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | 0 | 0 | (403) | (403) | 0 | 0 | 0.0% | 0 |
| OTHER GRANTS & CONTRIBUTIONS | | 0 | 0 | (118) | (118) | 0 | 0 | 0.0% | 0 |
| INTEREST | | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 |
| RECHARGES | | (9,189) | (2,978) | (525) | 2,452 | (9,189) | 0 | 0.0% | 0 |
| OTHER INCOME | | (10,025) | (3,317) | (1,819) | 1,498 | (10,025) | 0 | 0.0% | 0 |
| TOTAL INCOME | | (19,214) | (6,295) | (2,866) | 3,429 | (19,214) | 0 | 0.0% | 0 |
| NET EXPENDITURE | | 18,444 | 3,043 | 3,865 | 823 | 18,302 | (142) | -0.8% | 0 |

VIREMENT PROPOSALS

None this cycle

REVENUE MONITORING VARIANCE NOTES

Employee Costs

The architectural design and surveying sections are each carrying a large number of vacancies and the forecast outturn reflects the saving to date.

| | |
|--------------------|--------|
| PROJECTED VARIANCE | CHANGE |
| £'000 | £'000 |

| | |
|-------|---|
| (142) | 0 |
|-------|---|

Property Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Administration Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Transport Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Supplies and Services

| | |
|---|---|
| 0 | 0 |
|---|---|

Agencies and Other Bodies

| | |
|---|---|
| 0 | 0 |
|---|---|

Capital Financing Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Income

| | |
|---|---|
| 0 | 0 |
|---|---|

| | |
|-------|---|
| (142) | 0 |
|-------|---|

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2010 / 2011

DIRECTORATE : ENTERPRISE, PLANNING AND INFRASTRUCTURE
HEAD OF PLANNING AND SUSTAINABLE DEVELOPMENT

| AS AT | 31 July 2010 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|------------------------------|--------------|----------------|----------------|----------------|----------------|------------------------|--------------------|---------------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | PROJECTED TOTALS | PROJECTED VARIANCE | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| ACCOUNTING PERIOD 4 | | | | | | | | | |
| STAFF COSTS | | 3,706 | 1,235 | 1,267 | 32 | 3,706 | 0 | 0.0% | 0 |
| PROPERTY COSTS | | 0 | 0 | 24 | 24 | 0 | 0 | 0.0% | 0 |
| ADMINISTRATION COSTS | | 113 | 38 | 111 | 74 | 113 | 0 | 0.0% | 0 |
| TRANSPORT COSTS | | 69 | 23 | 17 | (6) | 69 | 0 | 0.0% | 0 |
| SUPPLIES & SERVICES | | 1,072 | 357 | 1,151 | 794 | 1,072 | 0 | 0.0% | 0 |
| TRANSFER PAYMENTS TOTAL | | 165 | 55 | 67 | 12 | 165 | 0 | 0.0% | 0 |
| CAPITAL FINANCING COSTS | | 572 | 0 | 0 | 0 | 572 | 0 | 0.0% | 0 |
| GROSS EXPENDITURE | | 5,696 | 1,708 | 2,638 | 930 | 5,696 | 0 | 0.0% | 0 |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | (32) | (5) | 26 | 31 | (32) | 0 | 0.0% | 0 |
| OTHER GRANTS & CONTRIBUTIONS | | 0 | 0 | (433) | (433) | 0 | 0 | 0.0% | 0 |
| INTEREST | | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 |
| RECHARGES | | (41) | (14) | (6) | 8 | (41) | 0 | 0.0% | 0 |
| OTHER INCOME | | (2,890) | (963) | (2,884) | (1,920) | (2,365) | 525 | -18.2% | 0 |
| TOTAL INCOME | | (2,963) | (983) | (3,296) | (2,314) | (2,438) | 525 | -17.7% | 0 |
| NET EXPENDITURE | | 2,733 | 726 | (658) | (1,384) | 3,258 | 525 | 19.2% | 0 |

VIREMENT PROPOSALS

None this cycle

REVENUE MONITORING VARIANCE NOTES

Employee Costs

| | |
|--------------------|--------|
| PROJECTED VARIANCE | CHANGE |
| £'000 | £'000 |

| | |
|---|---|
| 0 | 0 |
|---|---|

Property Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Administration Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Transport Costs

| | |
|---|---|
| 0 | 0 |
|---|---|

Supplies and Services

| | |
|---|---|
| 0 | 0 |
|---|---|

Agencies and Other Bodies

| | |
|---|---|
| 0 | 0 |
|---|---|

Income

Income from planning applications has been below budget to date and the outturn has been updated to reflect a continuation in the current trend for the remainder of the year. In addition, the budget contains an income of £187k from Neighbour Notifications that will not be realised due to the necessary increase in planning applications fees not being implemented by the Scottish Government.

| | |
|-----|---|
| 525 | 0 |
|-----|---|

| | |
|-----|---|
| 525 | 0 |
|-----|---|

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2010 / 2011

DIRECTORATE : ENTERPRISE, PLANNING AND INFRASTRUCTURE
ECONOMIC DEVELOPMENT PROJECT DIRECTOR

| AS AT | 31 July 2010 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|------------------------------|--------------|----------------|----------------|----------------|----------------|------------------------|--------------------|-------------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | PROJECTED TOTALS | PROJECTED VARIANCE | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| ACCOUNTING PERIOD 4 | | | | | | | | | |
| STAFF COSTS | | 2,245 | 748 | 692 | (56) | 2,245 | 0 | 0.0% | 0 |
| PROPERTY COSTS | | 2 | 0 | 13 | 13 | 2 | 0 | 0.0% | 0 |
| ADMINISTRATION COSTS | | 381 | 127 | 107 | (20) | 381 | 0 | 0.0% | 0 |
| TRANSPORT COSTS | | 41 | 14 | 14 | 0 | 41 | 0 | 0.0% | 0 |
| SUPPLIES & SERVICES | | 1,663 | 554 | 73 | (482) | 1,663 | 0 | 0.0% | 0 |
| TRANSFER PAYMENTS TOTAL | | 2,373 | 791 | 191 | (600) | 2,373 | 0 | 0.0% | 0 |
| CAPITAL FINANCING COSTS | | 12 | 0 | 0 | 0 | 12 | 0 | 0.0% | 0 |
| GROSS EXPENDITURE | | 6,718 | 2,235 | 1,090 | (1,144) | 6,718 | 0 | 0.0% | 0 |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | (124) | (41) | (116) | (75) | (124) | 0 | 0.0% | 0 |
| OTHER GRANTS & CONTRIBUTIONS | | (41) | (14) | (55) | (42) | (41) | 0 | 0.0% | 0 |
| INTEREST | | (17) | (6) | 0 | 6 | (17) | 0 | 0.0% | 0 |
| RECHARGES | | (244) | (81) | 0 | 81 | (244) | 0 | 0.0% | 0 |
| OTHER INCOME | | (806) | (269) | (1,070) | (801) | (806) | 0 | 0.0% | 0 |
| TOTAL INCOME | | (1,232) | (411) | (1,241) | (830) | (1,232) | 0 | 0.0% | 0 |
| NET EXPENDITURE | | 5,486 | 1,824 | (151) | (1,975) | 5,486 | 0 | 0.0% | 0 |

VIREMENT PROPOSALS

None this cycle

REVENUE MONITORING VARIANCE NOTES

Employee Costs

PROJECTED VARIANCE £'000 CHANGE £'000

Property Costs

0 0

Administration Costs

0 0

Transport Costs

0 0

Supplies and Services

0 0

Agencies and Other Bodies

0 0

Income

0 0

| | |
|---|---|
| 0 | 0 |
|---|---|

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2010 / 2011

DIRECTORATE : ENTERPRISE, PLANNING AND INFRASTRUCTURE
OPERATIONAL SUPPORT MANAGER

| AS AT | 31 July 2010 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|------------------------------|--------------|---------------|----------------|-------------|------------|------------------------|--------------------|----------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | PROJECTED TOTALS | PROJECTED VARIANCE | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 | |
| ACCOUNTING PERIOD 4 | | | | | | | | | |
| STAFF COSTS | | 1,442 | 481 | 477 | (4) | 1,442 | 0 0.0% | 0 | |
| PROPERTY COSTS | | 1 | 0 | 0 | (0) | 1 | 0 0.0% | 0 | |
| ADMINISTRATION COSTS | | 62 | 17 | 14 | (3) | 62 | 0 0.0% | 0 | |
| TRANSPORT COSTS | | 2 | 1 | 1 | 0 | 2 | 0 0.0% | 0 | |
| SUPPLIES & SERVICES | | 15 | 5 | 3 | (2) | 15 | 0 0.0% | 0 | |
| TRANSFER PAYMENTS TOTAL | | 0 | 0 | 0 | 0 | 0 | 0 0.0% | 0 | |
| CAPITAL FINANCING COSTS | | 625 | 0 | 0 | 0 | 625 | 0 0.0% | 0 | |
| GROSS EXPENDITURE | | 2,147 | 504 | 495 | (9) | 2,147 | 0 0.0% | 0 | |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | 0 | 0 | 0 | 0 | 0 | 0 0.0% | 0 | |
| OTHER GRANTS & CONTRIBUTIONS | | 0 | 0 | 0 | 0 | 0 | 0 0.0% | 0 | |
| INTEREST | | 0 | 0 | 0 | 0 | 0 | 0 0.0% | 0 | |
| RECHARGES | | (496) | (165) | 0 | 165 | (496) | 0 0.0% | 0 | |
| OTHER INCOME | | 0 | 0 | (13) | (13) | 0 | 0 0.0% | 0 | |
| TOTAL INCOME | | (496) | (165) | (13) | 152 | (496) | 0 0.0% | 0 | |
| NET EXPENDITURE | | 1,651 | 339 | 482 | 143 | 1,651 | 0 0.0% | 0 | |

VIREMENT PROPOSALS

None this cycle

| <u>REVENUE MONITORING VARIANCE NOTES</u> | PROJECTED VARIANCE | CHANGE |
|--|--------------------|--------|
| Employee Costs | £'000 | £'000 |
| | 0 | 0 |
| Property Costs | | |
| | 0 | 0 |
| Administration Costs | | |
| | 0 | 0 |
| Transport Costs | | |
| | 0 | 0 |
| Supplies and Services | | |
| | 0 | 0 |
| Income | | |
| | 0 | 0 |
| | 0 | 0 |