

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	28 September 2010
DIRECTOR	Stewart Carruth, Director of Corporate Governance
TITLE OF REPORT	2010/11 FINANCIAL MONITORING
REPORT NUMBER:	CG/10/153

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1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to
- i) Bring to Committee members notice the current year revenue and capital budget performance to date for the Services within Corporate Governance which relate to this Committee; 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) Note the content of this report in relation to the capital programme; and
  - iii) Instruct that officers continue to review budget performance and report on Service strategies.

3. FINANCIAL IMPLICATIONS

Financial Implications are detailed in section 5 Background/Main Issues

4. OTHER IMPLICATIONS

None

## 5. BACKGROUND/MAIN ISSUES

- 5.1 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 4 (end of July 2010). 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. The budgeted and out-turn figures have been adjusted to reflect the impact of approved Voluntary Service/Early Retirement agreements and other staff savings.
- 5.2 An overview of the current position with regard to the Capital Budget for Corporate Governance is also provided.

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

- 5.3 The Service report is attached at Appendix A. There are projected net additional costs of £1.2 million (4.9%), across the overall current net budget of £24.5 million.
- 5.4 Core activities of Corporate Governance are currently projecting an over-spend of £60K. In the main this reflects a favourable variance of £300K of expected staffing savings across the Service offset by a prudent assessment of net additional costs in respect of the use of external Legal of a similar amount.
- 5.5 Within the area of the Corporate Debt Income Manager, further staff savings of £300K have been identified. However this is set against projected additional costs relating to housing benefit awards of £1.5 million. This projection is based on a worse case scenario produced by officers after the final figures for 2009/10 indicated additional costs of £0.7 million for that year.
- 5.6 The bulk of the additional costs relate to bed and breakfast and hotel accommodation to the homeless, management of which lies within Housing and Environment. The situation has arisen due to the failure of the Council to secure an HMO license for Aberdon and enable additional capacity to be brought on stream to meet the current level of demand for temporary accommodation. A further factor is that the level of benefit subsidy received to offset costs where non Council facilities are used is less than would be the case if Council facilities were available. The projected shortfall is calculated based on current homelessness expenditure to date with the trend assumed to continue until March 2011.

5.7 Limited additional temporary accommodation has now been made available to address this issue which otherwise would have resulted in even greater expenditure than detailed above. Officers from relevant Services are meeting to explore options and further accommodation has been identified which will become available during the next financial year. Further financial pressures will result should the Council not secure successful re-applications for HMO licenses for its Crown Street and Bon Accord Street hostels.

5.8 The detail of the capital programme remains under review by the Corporate Asset Management Group. Included in this exercise is the treatment of under-spends in last year's capital programme and profiling of expenditure in future years. As a result the usual detailed report on expenditure to date against the programme is not available, however reviews of the capital programme spend against budget will be included in future reports to this Committee.

## 6. IMPACT

6.1 The issues referred to in this report impact on the overall financial position of the Council.

## 7. BACKGROUND PAPERS

Financial ledger data extracted for the period ;( not attached)

## 8. REPORT AUTHOR DETAILS

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

**APPENDIX A**

**DIRECTORATE : CORPORATE GOVERNANCE**

Figures in Brackets represent income or a favourable variance

AS AT	31 July 2010	ANNUAL BUDGET	BUDGET TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	PROJECTED TOTALS	PROJECTED VARIANCE	
		£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 4								
Head of Finance - S.95 Officer (Ex CDIM)		3,517	1,570	1,462	(108)	3,417	(100)	(2.8%)
Head of Legal and Democratic Services		2,122	789	652	(137)	2,417	295	0.1
Head of Human Resources and Org Dev		4,140	1,419	1,367	(52)	4,057	(83)	(2.0%)
Head of Procurement		367	170	601	431	356	(11)	(6.4%)
Head of Customer Service and Performance		11,486	4,597	3,819	(778)	11,521	35	(0.9%)
Operational Support Manager		761	270	181	(89)	683	(78)	(10.2%)
<b>TOTAL BUDGET (EXCLUDING CDIM)</b>		<b>22,393</b>	<b>8,815</b>	<b>8,081</b>	<b>(734)</b>	<b>22,451</b>	<b>58</b>	<b>0.0</b>
Corporate Debt Income Manager		2,146	771	807	36	3,294	1,148	54%
<b>TOTAL BUDGET</b>		<b>24,539</b>	<b>9,585</b>	<b>8,888</b>	<b>(697)</b>	<b>25,745</b>	<b>1,206</b>	<b>4.9%</b>