

# Finance and Resources Committee

2.00pm, Thursday 18 August 2016

## Chief Executive - Revenue Budget Monitoring 2016/17 - month three position

Item number	7.10
Report number	
Executive/routine	
Wards	All

### Executive summary

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This report provides information on revenue budget performance for 2016/17 for services reporting directly to the Chief Executive. Financial information is based on actual expenditure and income to the end of May 2016 and expenditure and income projections for the remainder of the financial year.

The report advises of a balanced year-end projection for the revenue budget for 2016/17 for services reporting directly to the Chief Executive. The attainment of this position is subject to undertaking ongoing action to deliver approved savings and active management of significant risks and pressures.

### Links

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Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO25</a>
Single Outcome Agreement	<a href="#">SO1</a> , <a href="#">SO2</a> , <a href="#">SO3</a> , <a href="#">SO4</a>

## Chief Executive services - Revenue Budget Monitoring 2016/17 - month three position

### Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee notes services reporting directly to the Chief Executive are currently projecting expenditure within the approved revenue budget for 2016/17.

### Background

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- 2.1 The Council's Financial Regulations require submission of quarterly monitoring reports to the Finance and Resources Committee on the financial performance of services.
- 2.2 This report advises of the projected outturn for the revenue budget for 2016/17 for services reporting directly to the Chief Executive, after three months of the financial year.

### Main report

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#### Month Three Position

- 3.1 The revenue budget for 2016/17 for services reporting directly to the Chief Executive is £65.177 million. The budget is stated after inclusion of approved savings of £9.517 million.
- 3.2 The period three projection reflects expenditure within approved budget. Forecast savings include achievement of Transformation Programme employee cost savings from organisational reviews and ICT contract procurement savings arising through award of the ICT contract in August 2015. An analysis of the projection by service area is provided in Appendix 1.
- 3.3 A service pressure is forecast in Safer and Stronger Communities, arising through a rationalisation savings target from CCTV provision and homelessness and housing support services. Vacancy management and acceleration of approved savings in other areas of the service enables forecast of a balanced position for 2016/17. Identification of sustainable solutions is being progressed for future years.

## **Savings Implementation Plans**

- 3.4 The revenue budget approved by Council on 21 January 2016 requires achievement of incremental savings of £9.517 million in 2016/17 for services reporting directly to the Chief Executive. These are detailed in Appendix 2.
- 3.5 Savings implementation plans have been developed and revenue budget monitoring reports are considered by service management teams on a regular basis.
- 3.6 Savings are forecast to be fully achieved in 2016/17 and are therefore classified as 'green'.

## **Risks**

- 3.7 The key risk is of savings targets not being fully achieved. Progress towards the achievement of all savings targets will continue to be tracked and reported to service management teams. Alternative savings measures will be developed, where a risk emerges as to the achievement of existing savings proposals.

## **Measures of success**

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- 4.1 Service final outturn for 2016/17 is within budgeted levels and the service meets performance targets.

## **Financial impact**

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- 5.1 The report projects expenditure and income will be within approved budget. Attainment of this position is subject to active management of financial risks and, where appropriate, the taking of timely remedial action.

## **Risk, policy, compliance and governance impact**

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- 6.1 The delivery of expenditure within the approved revenue budget for 2016/17 is the key target. The risk of budget pressures arising throughout the course of the financial year will continue to be regularly monitored and reviewed and management action taken, as appropriate.

## **Equalities impact**

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- 7.1 There are no direct equalities impact implications arising from this report.

## **Sustainability impact**

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- 8.1 There is no direct relevance of the report's contents to impacts on carbon, adaptation to climate change and sustainable development.

## Consultation and engagement

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- 9.1 There is no direct relevance to the report's contents. The Council undertook a budget engagement exercise when developing the 2016/17 revenue budget.

## Background reading/external references

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There are no background papers.

### Andrew Kerr

Chief Executive

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## Links

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<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long term financial planning
<b>Council outcomes</b>	CO25 – The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh's communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix 1 – Chief Executive : Revenue Budget Monitoring 2016/17 - Month Three position Appendix 2 - Chief Executive: Approved Revenue Budget Savings 2016/17.

## Chief Executive

## Revenue Budget Monitoring 2016/17 - Month Three position

## Forecast Revenue Outturn by Service Area

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	£'000
Chief Executive	231	231	0	-
Communications	1,046	1,046	0	-
ICT	29,700	29,700	0	-
Safer and Stronger Communities	25,544	25,544	0	-
Strategy and Insight	8,656	8,656	0	-
<b>Total Net Expenditure</b>	<b>65,177</b>	<b>65,177</b>	<b>0</b>	<b>-</b>

### Chief Executive: Approved Revenue Budget Savings 2016/17

Service	Saving Description	2016/17 £'000	Red/Amber/Green assessment
Communications	Transformation : Organisational Review	432	
Communications	Transformation: agency staff	4	
Communications	Budget Framework 2014-18 : Workforce saving	10	
Communications	Budget Framework 2014-18 : Contract Reviews - News Management/Media Monitoring	3	
ICT	Contract savings	5,530	
ICT	Transformation : Organisational Review	348	
ICT	Transformation : agency staff	55	
ICT	Transformation : reduce overtime	1	
Safer and Stronger Communities	Young People's Service Review	230	
Safer and Stronger Communities	Redesign in-house Housing Support Service	500	
Safer and Stronger Communities	Redesign of Advice Services	60	
Safer and Stronger Communities	Redesign of Safer and Stronger Communities	422	
Safer and Stronger Communities	Redesign of Homelessness Service	356	
Strategy and Insight	Transformation : Organisational Review	1,541	
Strategy and Insight	Transformation : agency staff	13	
Strategy and Insight	Budget Framework 2014-18 : Workforce saving	12	
	<b>TOTAL</b>	<b>9,517</b>	