

Finance and Resources Committee

10.00am, Tuesday, 7 November 2017

Chief Executive - Revenue Budget Monitoring 2017/18 - Month Five position

Item number	7.5
Report number	
Executive/routine	Routine
Wards	City-wide
Council Commitments	

Executive Summary

The report sets out the projected five-month revenue budget monitoring position for services reporting directly to the Chief Executive, based on actual expenditure and income to the end of August 2017 and expenditure and income projections for the remainder of the financial year.

£0.368 million of in-year savings have been identified for services reporting directly to the Chief Executive for 2017/18 to mitigate budget pressure elsewhere in the Council's 2017/18 revenue budget. The attainment of this position is subject to undertaking ongoing action to deliver approved savings together with active management of risks and pressures.

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1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee notes:
 - 1.1.1 services reporting directly to the Chief Executive are currently projecting a £0.368 million underspend for 2017/18; and
 - 1.1.2 the risks to the achievement of a balanced revenue budget projection.

2. Background

- 2.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to the Finance and Resources Committee.
- 2.2 This report advises of the projected outturn for the revenue budget for 2017/18 for services reporting directly to the Chief Executive, excluding Safer and Stronger Communities, based on the position after five months of the financial year.
- 2.3 A separate report on the projected five-month revenue monitoring position for Safer and Stronger Communities will be presented to Culture and Communities Committee on 14 November 2017.

3. Main report

Month Five Position

- 3.1 The revenue budget for 2017/18 for services reporting directly to the Chief Executive is £11.086 million. The budget is stated after inclusion of approved savings of £0.687 million.
- 3.2 The period five projection reflects an underspend of £0.368 million following an exercise to identify in-year savings, including acceleration of 2018/19 savings delivery, to mitigate budget pressure elsewhere in the Council's 2017/18 revenue budget.
- 3.3 Additional savings identified in 2017/18 are:
 - 3.3.1 Strategy and Insight - £0.316 million – employee cost savings from vacant posts;

3.3.2 Communications - £0.052 million - employee cost saving from a vacant post.

3.4 An analysis of the projection by service area is provided in Appendix 1.

Savings Implementation Plans

3.5 The revenue budget approved by Council on 9 February 2017 requires achievement of incremental savings of £0.687 million in 2017/18 for services reporting directly to the Chief Executive. These are detailed in Appendix 1.

3.6 Savings implementation plans have been developed and revenue budget monitoring reports are considered by service management teams on a regular basis.

3.7 Savings are forecast to be fully achieved in 2017/18 and are classified as 'green'.

Risks

3.8 While there is evidence of significant progress towards the achievement of savings targets, full realisation of 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.

4. Measures of success

4.1 Service final outturn for 2017/18 is within budgeted levels and contributes at least £0.368 million to mitigate Council budget pressures.

5. Financial impact

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.

6. Risk, policy, compliance and governance impact

6.1 The delivery of expenditure within the approved revenue budget for 2017/18 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.

7. Equalities impact

7.1 There are no direct equalities impact implications arising from this report. All budget proposals are subject to an initial relevance and proportionality assessment and, where appropriate, a formal Equalities and Rights Impact Assessment is then undertaken. The equalities and rights impacts of any substitute measures identified to address savings shortfalls are similarly assessed.

8. Sustainability impact

- 8.1 There is no direct relevance of the report's contents to impacts on carbon, adaptation to climate change and sustainable development. The Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas.

9. Consultation and engagement

- 9.1 There is no direct relevance to the report's contents. The Council undertook a budget engagement exercise when developing the 2017/18 revenue budget.

10. Background reading/external references

[Revenue budget framework 2017/21 – update](#): City of Edinburgh Council, 9 February 2017

[Revenue and Capital Budget Framework 2017/21 – further update](#): City of Edinburgh Council, 9 February 2017

[Chief Executive - Revenue Budget Monitoring 2017/18 - Month Three position](#): Finance and Resources Committee, 5 September 2017

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Chief Executive

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11. Appendices

Appendix 1 – Chief Executive Revenue Budget Monitoring 2017/18 - Month Five position

Appendix 2 – Chief Executive - Approved Revenue Budget Savings 2017/18.

Appendix 1

1. Chief Executive Revenue Budget 2017/18 - Month Five position

Forecast Revenue Outturn by Service Area

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	£'000
Chief Executive	237	237	0	-
Communications	1,051	999	(52)	FAV
Strategy and Insight	9,798	9,482	(316)	FAV
Total Net Expenditure	11,086	10,718	(368)	FAV

2. Chief Executive: Approved Revenue Budget Savings 2017/18

Service	Saving Description	2017/18 £'000	Red/Amber/Green assessment
Chief Executive - service-wide	Employee turnover savings	167	
Chief Executive - service-wide	Agency staffing	69	
Chief Executive - service-wide	Workforce savings	10	
Strategy and Insight	Transformation and Business Change – employee cost savings	317	
Strategy and Insight	Members' Services – employee cost savings	107	
Strategy and Insight	Other staffing savings	17	
	TOTAL	687	