

Finance and Resources Committee

10.00am, Thursday, 16 August 2018

Chief Executive - Revenue Budget Monitoring 2018/19 - Month Three position

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

Executive Summary

The report sets out the projected three-month revenue budget monitoring position for services reporting directly to the Chief Executive, based on actual expenditure and income to the end of May 2018 and expenditure and income projections for the remainder of the financial year.

It is currently forecast outturn will be in line with the approved revenue budget for 2018/19. Savings of £1.525 million were approved by Act of Council in February 2018 for services reporting directly to the Chief Executive for 2018/19. The attainment of outturn in line with budget 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 expenditure and income to be in line with the approved revenue budget for 2018/19 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 2018/19 for services reporting directly to the Chief Executive, based on the position at the end of May 2018.

3. Main report

Month Three Position

- 3.1 The revenue budget for 2018/19 for services reporting directly to the Chief Executive is £9.243 million. The budget is stated after inclusion of approved savings of £1.525 million.
- 3.2 The period three projection is for expenditure and income to be in line with the approved revenue budget for 2018/19.
- 3.3 An analysis of the projection by service area is provided in Appendix 1.

Savings Implementation Plans

- 3.4 The revenue budget approved by Council on 22 February 2018 requires achievement of incremental savings of £1.525 million in 2018/19 for services reporting directly to the Chief Executive. These are detailed in Appendix 1.
- 3.5 Savings implementation plans and revenue budget monitoring reports are considered by service management teams on a regular basis.

- 3.6 Savings forecast to be fully achieved in 2018/19 are classified as 'green' in Appendix 1. A saving forecast to be achieved through use of mitigating measures is classified as 'amber'.

Risks

- 3.7 The revenue budget includes provision for increased income recoveries in Strategy and Insight of £0.6m through supporting strategic change and delivery activity. As increased income recoveries are planned to be implemented on a phased basis, in the event chargeable activity is less than anticipated, this saving will be achieved through management of currently-vacant posts.
- 3.8 While there is evidence of significant progress towards the achievement of all 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 2018/19 is within the approved revenue budget.

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 2018/19 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 2018/19 revenue budget.

10. Background reading/external references

[Revenue Budget Framework 2018/23: Progress Report - referral from the Finance and Resources Committee](#) : City of Edinburgh Council, 22 February 2018

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Chief Executive

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11. Appendices

Appendix 1 – Chief Executive Revenue Budget Monitoring 2018/19 - Month three position;
Chief Executive - Approved Revenue Budget Savings 2018/19.

Appendix 1

1. Chief Executive Revenue Budget 2018/19 - Month Three position

Forecast Revenue Outturn by Service Area

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	£'000
Chief Executive	246	246	0	-
Communications	1,025	1,025	0	-
Strategy and Insight	7,972	7,972	0	-
Total Net Expenditure	9,243	9,243	0	-

2. Chief Executive: Approved Revenue Budget Savings 2018/19

Service	Saving Description	2018/19 £'000	Red/Amber/Green assessment
Strategy and Insight	Reviewing Strategy and Insight structures	440	
Strategy and Insight	Reviewing Strategy and Insight structures – increased recovery of income	600	To be achieved through vacancy management, in the event of under-recovery.
Strategy and Insight	Reviewing grants and contract management	300	
Communications	Reviewing Communications structures	185	
	TOTAL	1,525	