

# Finance and Resources Committee

10.00am, Thursday, 15 August 2019

## Chief Executive - Revenue Budget Monitoring 2019/20 - Month Three position

|                     |           |
|---------------------|-----------|
| Executive/routine   |           |
| Wards               | City-wide |
| Council Commitments |           |

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee notes it is forecast outturn will be in line with the approved revenue budget for Chief Executive's services for 2019/20.

**Andrew Kerr**

Chief Executive

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# Report

## Chief Executive - Revenue Budget Monitoring 2019/20 - Month Three position

### 2. Executive Summary

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- 2.1 The report sets out the projected three-month revenue budget monitoring position for Chief Executive's services, based on actual expenditure and income to the end of June 2019 and expenditure and income projections for the remainder of the financial year.
- 2.2 Chief Executive's services are projecting expenditure and income within the approved budget for 2019/20. Chief Executive's services will continue to progress delivery of all approved savings, to achieve outturn expenditure in line with the approved revenue budget for 2019/20.

### 3. Background

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- 3.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to the Finance and Resources Committee.
- 3.2 This report advises on the current outturn projection for Chief Executive's services for 2019/20, based on the position after three months of the financial year.

### 4. Main report

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- 4.1 The Chief Executive's services revenue budget for 2019/20 is £8.963m. The budget includes the cost of the Chief Executive's office and the Strategy and Communications services.
- 4.2 The period three projection is for expenditure and income to be in line with the approved revenue budget for 2019/20. An analysis of the projection by service is provided in Appendix 1.
- 4.3 The revenue budget approved by Council on 21 February 2019 requires Chief Executive's services to achieve savings of £0.240m in 2019/20. Chief Executive's services budget also includes a savings target of £0.5m, planned to be achieved

through a reduction in senior management costs. All planned savings for Chief Executive's services are forecast to be achieved in 2019/20. An assessment of the achievement of savings targets is detailed in Appendix 2.

- 4.4 Senior Management savings of £0.199m (40%) have been achieved to date and are classified as 'Green' with the remaining balance of £0.301m being progressed and therefore classified as 'Amber', with the expectation of full delivery by the end of the financial year.

## **5. Next Steps**

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- 5.1 Continuing work to manage financial risks and take timely remedial action, where any adverse variance become apparent.

## **6. Financial impact**

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- 6.1 The report forecasts expenditure and income to be in line with the approved revenue budget for 2019/20. Attainment of a balanced position is the subject of continuing work to identify mitigating measures, active management of financial risks and taking timely remedial action, where any adverse variances become apparent.

## **7. Stakeholder/Community Impact**

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- 7.1 There is no direct relevance to the report's contents. The Council undertook a budget engagement exercise when developing the 2019/20 revenue budget.
- 7.2 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.

## **8. Background reading/external references**

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None

## **9. Appendices**

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### **Appendix 1 - Chief Executive's services:**

1. Revenue Budget Monitoring 2019/20 - Month Three position
2. Revenue Budget Savings and Pressures 2019/20.

# Appendix 1

## Chief Executive's services

### Revenue Budget Monitoring 2019/20

#### Month Three position

#### 1. Forecast Revenue Outturn by Service

|   | Revised Budget | Projected Outturn | Projected Variance | Adverse / Favourable |
|---|----------------|-------------------|--------------------|----------------------|
|   | £'000          | £'000             | £'000              |                      |
| Chief Executive                               | 257            | 257               | 0                  | -                    |
| Strategy and Communications                   | 9,206          | 9,206             | 0                  | -                    |
| Senior Management Council-wide savings target | -500           | -500              | 0                  | -                    |
| <b>Total Net Expenditure</b>                  | <b>8,963</b>   | <b>8,963</b>      | <b>0</b>           | <b>-</b>             |

#### 2. Revenue Budget Savings 2019/20

| Division                    | Saving Description   | 2019/20 £'000 | Red/Amber/Green assessment |
|-----------------------------|--|---------------|----------------------------|
| Strategy and Communications | Funding the Edinburgh Partnership and Third Sector Interface | 40            |                            |
| Strategy and Communications | Reduce capacity in Strategy and Communications               | 200           |                            |
|                             | <b>TOTAL</b>   | <b>240</b>    |                            |

| Council-Wide Savings Target         |            |  |
|-------------------------------------|------------|--|
| Senior Management (total of £0.5m)  | 199        |  |
|                                     | 301        |  |
| <b>Council-Wide Savings Targets</b> | <b>500</b> |  |