

Finance and Resources Committee

10.00am, Thursday, 21 September 2023

Corporate Services Directorate: Revenue Budget Monitoring 2023/24 – Month Three position

Executive/routine
Wards

Routine
All

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee notes:
 - 1.1.1 Corporate Services Directorate is forecasting a favourable variance of £0.412m for services delivered by the Directorate in 2023/24.
 - 1.1.2 measures will continue to be progressed to fully deliver approved savings targets and to offset budget pressures to achieve outturn within the approved revenue budget for 2023/24 and,
 - 1.1.3 the ongoing risks to the achievement of a balanced revenue budget projection for services delivered by Corporate Services Directorate.

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Corporate Services Directorate: Revenue Budget Monitoring 2023/24 – Month Three position

2. Executive Summary

- 2.1 Corporate Services Directorate is forecasting a favourable variance of £0.412m for services delivered by the Directorate in 2023/24, based on the three-month revenue budget monitoring position. Measures will continue to be progressed to fully deliver approved savings targets and to offset budget pressures to achieve outturn within the approved revenue budget.

3. Background

- 3.1 The Council's Financial Regulations require submission of quarterly monitoring reports on service financial performance to the Finance and Resources Committee.

4. Main report

- 4.1 Corporate Services Directorate revenue budget for 2023/24 is £86.017m. This includes a range of Council-wide contracts, including the Council's ICT contract, external audit fee and Scotland Excel membership. The Directorate provides services directly delivered to the public, including Customer Contact services Benefits processing and Registration Services. Professional support services are provided for Finance and Procurement services, Human Resources, Legal services, Strategic Policy support and Corporate Communications.
- 4.2 This budget monitoring report also includes financial performance of the Chief Executive's Office.
- 4.3 The period three forecast is for a favourable variance of £0.412m. An analysis of the budget and forecast by Corporate Services Directorate Divisions and for the Chief Executive's Office is shown in Appendix 1.
- 4.4 The favourable variance principally reflects one-off underspends on employee costs. The favourable variance is stated after the forecast achievement of approved

employee turnover savings. The forecast underspend is principally in the Strategy and Policy service.

- 4.5 The approved 2023/24 revenue budget requires Corporate Services Directorate to achieve incremental savings of £1.785m. These are detailed in Appendix 2.
- 4.6 All approved savings are forecast to be on track for full delivery and are assessed as 'Green.'
- 4.7 At this stage in the financial year, the principal financial risks identified for Corporate Services Directorate services are:
 - 4.7.1 Employee turnover savings target of £1.172m – the approved revenue budget 2023/24 requires achievement of a 3% employee turnover savings target. These savings are additional to previously approved employee turnover savings of £0.394m. At this stage of the financial year, there is evidence to indicate the savings target will be fully achieved.
 - 4.7.2 Council has approved investment of £2 million to support delivery of the HR system replacement. Delivery is managed and tracked by a Project Board. There remains a risk as to project delivery within the allocated financial resources.
 - 4.7.3 Smart Cities savings target – ICT enabled business cases are being progressed to achieve savings of £0.2m. Until business cases are fully developed and implemented, there remains a risk as to achievement of the savings target.
 - 4.7.4 ICT licences – negotiations are being progressed with the Council's ICT partner for the cost of ICT licences. Until negotiations are concluded, a risk of additional cost remains.
 - 4.7.5 Customer Services – promotion of online services – a risk remains as to the achievement of savings of £0.075m from reduced postage costs.
- 4.8 All current and emerging risks will be subject to ongoing tracking and development of mitigation measures where required for the remainder of 2023/24.

5. Next Steps

- 5.1 Continuing work to identify mitigating measures through workforce and discretionary expenditure controls to manage financial risks and take timely remedial action, where adverse variances become apparent.

6. Financial impact

- 6.1 This report forecasts financial outturn for Corporate Services Directorate to be £0.412m less than the approved revenue budget for 2023/24.

7. Equality and Poverty Impact

- 7.1 There are no equality, human rights (including children's rights) and socio-economic disadvantage implications arising as a consequence of this report.

8. Climate and Nature Emergency Implications

- 8.1 There are no Climate and Nature Emergency implications arising as a consequence of this report.

9. Risk, policy, compliance, governance and community impact

- 9.1 Whilst the report provides a forecast of financial outturn of £0.412m less than the approved revenue budget for Corporate Services Directorate based on financial performance and conditions existing on 30 June 2023, there remains a risk that changing circumstances and events will result in budget pressures emerging throughout 2023/24.
- 9.2 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures and review for the remainder of 2023/24.
- 9.3 Financial performance will be tracked by Corporate Services Management Team and service management teams each month to identify and mitigate emerging financial risks.
- 9.4 There are no health and safety, governance, compliance or regulatory implications arising from this report.

10. Background reading/external references

- 10.1 There are no background reports.

11. Appendices

- 11.1 Appendix 1 – Corporate Services Directorate and Chief Executive's Office Revenue Budget Monitoring 2023/24 - Month Three position
- 11.2 Appendix 2 – Corporate Services Directorate: Approved Revenue Budget Savings 2023/24

Appendix 1

Corporate Services Directorate and Chief Executive's Office

Revenue Budget Monitoring 2023/24

Month Three position

Forecast Revenue Outturn by Division

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	
Customer and Digital Services	58,561	58,630	69	Adv
Finance and Procurement Services	7,666	7,666	0	-
Human Resources	5,724	5,731	7	Adv
Legal and Assurance	9,628	9,578	(50)	Fav
Strategy and Communications	4,196	3,758	(438)	Fav
Directorate and service-wide costs.	242	242	0	-
Total Net Expenditure	86,017	85,605	(412)	Fav
Chief Executive's Office	233	233	0	-

Appendix 2

Corporate Services Directorate: Approved Revenue Budget Savings 2023/24

Division	Saving Description	2023/24 £'000	Red/Amber/Green/Black assessment
Service-Wide	Employee Turnover – 3% Target	1,172	
Service-Wide	Senior Management posts	223	
Human Resources	Salary Sacrifice	225	
Customer and Digital Services	Promotion of Online Services	165	
	TOTAL	1,785	

SUMMARY	£'000	%
Green assessed	1,785	100
Amber assessed	-	-
Red assessed	-	-
Black Assessed	-	-
TOTAL	1,785	100