

Finance and Resources Committee

10.00am, Thursday, 19 September 2024

Corporate Services Directorate: Revenue Budget Monitoring 2024/25 – 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 an underspend of £0.033m for services delivered by the Directorate in 2024/25.
 - 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 2024/25.
 - 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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Executive Director of Corporate Services

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2. Executive Summary

- 2.1 Corporate Services Directorate is forecasting a favourable variance of £0.033m for services delivered by the Directorate in 2024/25, 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 2024/25 is £90.947m. This includes a range of Council-wide contracts - for example 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 an underspend of £0.033m.
- 4.4 An analysis of the budget and forecast by Corporate Services Directorate Divisions and for the Chief Executive's Office is shown in Appendix 1.
- 4.5 The forecast underspends for Finance and Procurement and Strategy and Policy services continue to reflect one-off underspends on employee costs and are stated after the forecast achievement of employee turnover savings target.

- 4.6 Service managers are reviewing progress on redeployment of surplus employees. At this stage, the cost of £0.238m for employees who are subject to the Council's redeployment procedures remains a budget pressure.
- 4.7 The approved 2024/25 revenue budget requires Corporate Services Directorate to achieve incremental savings of £1.007m.
- 4.8 Approved savings of £0.769m are on track for full delivery and are assessed as 'Green.' The cost of £0.238m for employees subject to the Council's redeployment procedures remains a budget pressure.
- 4.9 At this stage in the financial year, the principal financial risks identified for Corporate Services Directorate services are:
- 4.9.1 Council approved investment to support delivery of the HR system replacement. The Project Board tracks and manages delivery of the project. Until the replacement system is fully implemented, there remains a risk as to project delivery within the allocated financial resources.
 - 4.9.2 Development of the Medium-Term Financial Plan - the Strategic Programme Board provides governance and monitoring of the Council's Medium-Term Financial Plan projects and programmes. Work is ongoing to review project resource to ensure that this is effectively aligned to maximisation of financial savings and business benefits, in line with Spend to Save funding.
 - 4.9.3 The level of funding required for ICT Digital refresh. Work is ongoing to quantify this.
- 4.10 All current and emerging risks will be subject to ongoing tracking and development of mitigation measures where required for the remainder of 2024/25.

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 £0.033m less than the approved revenue budget for 2024/25.

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 £0.033m less than the approved revenue budget for Corporate Services Directorate based on financial performance and conditions existing on 30 June 2024, there remains a risk that changing circumstances and events will result in budget pressures emerging in the remaining months of 2024/25.
- 9.2 All current and emerging risks will be subject to ongoing tracking, development of mitigation measures and review for the remainder of 2024/25.
- 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 papers or external references associated with this report.

11. Appendices

- 11.1 Appendix 1 – Corporate Services Directorate and Chief Executive’s Office Revenue Budget Monitoring 2024/25 - Month Three position
- 11.2 Appendix 2 – Corporate Services Directorate: Approved Revenue Budget Savings 2024/25

Appendix 1

Corporate Services Directorate and Chief Executive's Office

Revenue Budget Monitoring 2024/25

Month Three position

Forecast Revenue Outturn by Division

	Revised Budget	Projected Outturn	Projected Variance	Adverse / Favourable
	£'000	£'000	£'000	
Customer and Digital Services	61,677	61,677	0	-
Finance and Procurement Services	8,142	8,055	(87)	Fav
Human Resources	6,563	6,563	0	-
Legal and Assurance	9,532	9,532	0	-
Strategy and Communications	4,789	4,605	(184)	Fav
Service-wide costs, including employees subject to redeployment.	244	482	238	Adv
Total Net Expenditure	90,947	90,914	(33)	Fav

Chief Executive's Office	253	253	0	-
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Appendix 2

Corporate Services Directorate: Approved Revenue Budget Savings 2024/25

Division	Saving Description	2024/25 £'000	Red/Amber/Green/Black assessment
Service-Wide	Corporate Services - Best Value Review	500	The measure identified for 2024/25 is non-recurring. Work is ongoing to develop recurring savings proposals for 2025/26.
Legal and Assurance	Investigation and Review - savings against approved budget	250	
Service-Wide	Fees and Charges	19	
Service-Wide	Redeployment costs	238	
	TOTAL	1,007	

SUMMARY	£'000	%
Green assessed	769	76
Amber assessed	-	-
Red assessed	238	24
Black Assessed	-	-
TOTAL	1,007	100