

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 17 JUNE 2021

FINANCIAL PERFORMANCE AS AT 31st MAY 2021

1 Reason for Report / Summary

- 1.1 This report provides the Committee with financial performance information pertaining to the areas of service delivery for which this Committee has responsibility for.

2 Recommendations

The Committee is recommended to:

- 1. Consider and discuss the financial information and forecast position as at 31st May 2021 and endorse the budget movement set out in Appendix 4b;**
- 2. Consider and discuss the progress in achieving the agreed savings set out in Appendix 3;**

3 Purpose and Decision-Making Route

- 3.1 The purpose of this report is to provide the Committee with the financial information in relation to expenditure and income for the services for which the Committee has responsibility.
- 3.2 The financial information includes a forecast of the expected levels of expenditure and income by Type of Spend and by Budget Page for the financial year. Major variances of £100,000 or more are indicated by a red flag.
- 3.3 The financial information is set out in the following Appendices
- **Appendix 1a:** provides details of the financial position in relation to the Type of Spend, including the service led forecast.
 - **Appendix 1b:** provides details of the financial position by Budget Page, including the service led forecast.
 - **Appendix 2:** provides a graphical representation of the financial position by Type of Spend and Budget Page.
 - **Appendix 3:** is a RAG report on the service savings that fall within the remit of the Committee.
 - **Appendix 4a:** sets out the revenue budget movements that have been previously agreed by the Director, Committee or Full Council. These are reflected in the Revised Budget.
 - **Appendix 4b:** sets out the proposed budget movements that require Director, Committee or Full Council approval. These are not reflected in the revised budget.
 - **Appendix 5:** sets out the elements of the Council's approved Capital Plan, which fall within the remit of the Committee.
 - **Appendix 6:** details of the reserves held by the Council, which are specifically related to the services within the Committee's remit.

- 3.4 The Committee will receive further reports on the financial performance at each Committee cycle and elected members will be able to access financial information

out with the Committee cycle through a set of high-level interactive reports that have been developed. A number of drop-in Skype training sessions will be set up between now and the end of June to help familiarise elected members with navigating these reports

3.5 Full Council will receive Financial Performance Reports at the end of each quarter.

4 Discussion

4.1 The Council's budget, which was approved on 17th March 2021 is in essence the monetary expression of the Council Priorities and the Council Plan which was agreed on 7th October 2020. The Committee's budget is the agreed financial envelope within which the Service Plan can be delivered.

The Table below provides a summary of the Council budget and the element relating to Infrastructure Services Committee, which was approved on 17th March 2021.

	Council £'000	Committee Budget £'000
Gross Revenue Budget	635,530	62,315
Service Savings	(9,889)	(4,141)
Corporate Savings	(11,238)	-
Other Budget Movements	10,048	500
Net Revenue Budget	624,451	58,674
Capital	108,316	62,677
Reserves	72,532	9,854

4.2 Revenue – Expenditure and Income

i. Financial Facts

The Revised Revenue Budget for 2021/22 for Infrastructure Services Committee amounts to £58,674,000, considering the service savings approved by Full Council and budget movements of £3,641,000 as part of the Council's Medium Term Financial Strategy (MTFS). The budget allocations are broken down by Type of Spend and Budget Page in Appendices 1a and 1b respectively.

The service is currently forecasting to remain within budget, given that at this early stage in the financial year the year-to-date actuals are within the year-to-date budget.

ii. Service Commentary

The Service acknowledge there may be a future pressure arising from the continued impact of Covid.

iii. Risks/Mitigation

The Service will continue careful financial management and review of budgets throughout the year to contain pressures.

iv. Impact on Future Years

There have been no material budget pressures or efficiencies identified at this time which would potentially affect the Council's budget in future years.

4.3 Savings

- i. Financial Facts
The approved Revenue Budget for 2021/22 included £4,141,000 of service savings. Details of how the savings have been allocated by Type of Spend and Budget Page are set out in the Tables in Appendices 1a and 1b.
- ii. Service Commentary
The Service have progressed work to achieve the agreed savings by implementing team restructures, applying vacancy management and ensuring efficiencies across all areas of the business.
- iii. Risks/Mitigation
Savings which have been flagged as amber or red will be reviewed and other savings options considered and reported to Committee.
- iv. Impact on Future Years
Future impact will be considered in the coming months if any savings are not deliverable.

4.4 Capital

- i. Financial Facts
The approved Capital Budget for 2021/22 in respect of Infrastructure Services Committee amounted to £62,677,000. Full Council will receive a report on 24th June 2021 setting out the 2020/21 year-end position and this may, subject to approval by Full Council, result in a revision to the capital budget.
- ii. Service Commentary
Infrastructure Services anticipate the Capital Plan will progress as planned and will monitor regularly during the financial year.
- iii. Risks/Mitigation
Any risks arising will be identified and actions considered to mitigate the risk.
- iv. Impact on Future Years
Any impact on future years will be reported as necessary as the plan progresses during the year.

4.5 Reserves

- i. Financial Facts
Full Council agreed reserves of £72,532,000 when it approved the budget for 2021/22. There are 6 reserves, which are available to support the services that fall within the remit of Infrastructure Services Committee and these reserves are detailed in Appendix 6 to this report. The balance in these reserves at 17th March 2021 is £9,854,000
- ii. Service Commentary
The reserves that fall within the remit of this Committee will be utilised when required for the specified purpose.
- iii. Risks/Mitigation
No risks have been identified at the present time.

5 Council Priorities, Implications and Risk

- 5.1 The work and outcomes delivered through the various services reporting to the Infrastructure Services Committee helps in the delivery of the following council priorities:

Pillar	Priority
Our People	<ul style="list-style-type: none"> • Education • Health & Wellbeing
Our Environment	<ul style="list-style-type: none"> • Infrastructure • Resilient Communities
Our Economy	<ul style="list-style-type: none"> • Economy & Enterprise • Estate Modernisation

- 5.2 This report sets out the financial resources which have been used to deliver the priorities of the Infrastructure Services Committee and as such link into the actions and outcomes set out in the Strategies, Policies and Actions Plans of the services within the Committee's remit.
- 5.3 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities			X
Fairer Scotland Duty			X
Town Centre First			X
Sustainability			X
Children and Young People's Rights and Wellbeing			X

- 5.4 An Equalities Impact Assessment and a Town Centre Impact Assessment are not required for this report as the report deals with the monitoring of expenditure against budgets which have been approved previously, and the re-profiling of some expenditure.
- 5.5 There are no staffing or children and young people's wellbeing implications arising from this report.
- 5.6 The following Risks have been identified as relevant to this matter on a Corporate Level: Budget Pressures (Corporate Risk Register) and on a Strategic Level: Balancing the Books (Directorate Risk Registers). Actions being taken to mitigate these risks are set out in the report.

6 Scheme of Governance

- 6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 6.2 The Committee is able to consider this item in terms of Section F.1.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to resource matters (within agreed budgets) that have been delegated to the Committee.

Alan Wood
Director of Infrastructure Services

Report Prepared by Chris Smith, Finance Business Partner
Date: 28 May 2021

List of Appendices

Appendix 1a - expenditure and income by Service and by Type of Spend

Appendix 1b - expenditure and income by Budget Page

Appendix 2 - graphs of expenditure and income by Type of Spend and Budget Page

Appendix 3 - RAG report on the service savings

Appendix 4a - previously agreed revenue budget movements

Appendix 4b - proposed budget movements

Appendix 5 - Capital Plan

Appendix 6 - Reserves



Type of Spend	Gross Base Budget	Savings	Other Budget Movements	Revised Base Budget	YTD Budget	YTD Actual	Forecast	Variance Revised Base Budget less Forecast
01.Staff Costs	56,816,500	(1,841,000)		54,975,500	9,206,400	8,495,932	54,975,500	-
02.Premises Costs	12,560,600	(500,000)	500,000	12,560,600	2,157,700	685,893	12,560,600	-
03.Transport	21,527,300	(42,000)		21,485,300	3,671,000	1,566,972	21,485,300	-
04.Supplies & Services	47,115,100	(729,000)		46,386,100	7,995,300	3,715,115	46,386,100	-
05.Third Parties	12,956,200	(508,000)		12,448,200	2,081,400	990,934	12,448,200	-
06.Central	194,300			194,300	32,400		194,300	-
08.Financing Costs				-		(294,150)	-	-
09.Grants	(567,000)			(567,000)	(94,600)	714,114	(567,000)	-
10.Income	(89,981,400)	(521,000)		(90,502,400)	(15,215,300)	(4,074,945)	(90,502,400)	-
11.Other				-		148,215	-	-
12.Capital	1,694,000			1,694,000	282,000		1,694,000	-
99.Closed				-				-
Total	62,315,600	(4,141,000)	500,000	58,674,600	10,116,300	11,948,080	58,674,600	-

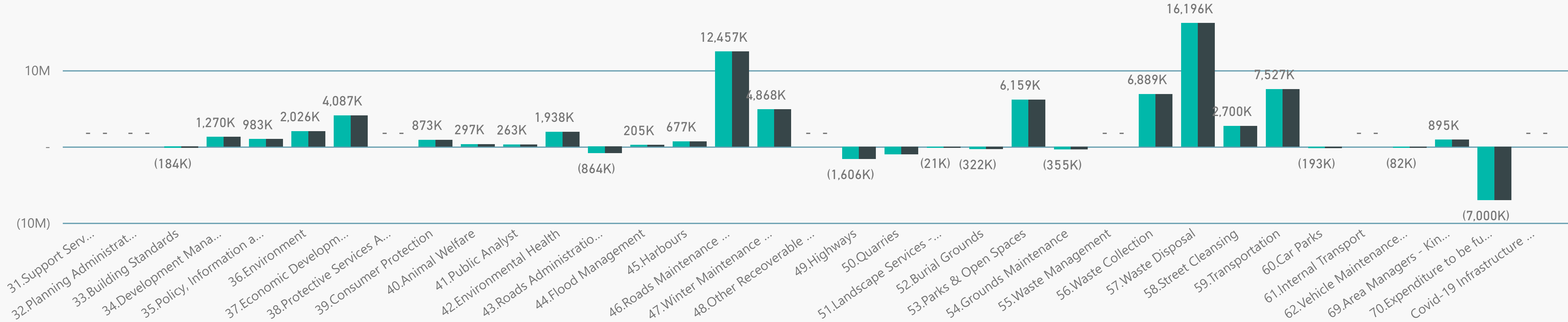


Committee Budget Page	Gross Base Budget	Savings	Other Budget Movements	Revised Base Budget	YTD Budget	YTD Actual	Forecast	Variance Revised Base Budget less Forecast
31.Support Services	-			-	-	264,118	-	-
32.Planning Administration	-			-	-	156,375	-	-
33.Building Standards	(104,000)	(80,000)		(184,000)	(24,100)	(98,430)	(184,000)	-
34.Development Management	1,535,000	(265,000)		1,270,000	225,500	210,883	1,270,000	-
35.Policy, Information and Delivery	983,000			983,000	172,100	113,770	983,000	-
36.Environment	2,109,000	(83,000)		2,026,000	382,200	514,830	2,026,000	-
37.Economic Development	4,266,000	(179,000)		4,087,000	689,400	1,300,026	4,087,000	-
38.Protective Services Administration	-			-	-	11,316	-	-
39.Consumer Protection	893,000	(20,000)		873,000	151,700	72,419	873,000	-
40.Animal Welfare	297,000			297,000	57,800	39,096	297,000	-
41.Public Analyst	263,000			263,000	43,800	(2,605)	263,000	-
42.Environmental Health	1,989,000	(51,000)		1,938,000	340,500	347,195	1,938,000	-
43.Roads Administration & Management	(864,000)			(864,000)	(137,200)	(129,523)	(864,000)	-
44.Flood Management	487,000	(282,000)		205,000	34,900	22,006	205,000	-
45.Harbours	677,000			677,000	114,100	86,753	677,000	-
46.Roads Maintenance - Expenditure & Income	12,457,000			12,457,000	2,077,600	1,046,139	12,457,000	-
47.Winter Maintenance - Expenditure	4,868,000			4,868,000	811,400	101,505	4,868,000	-
48.Other Receivable Works - Roads	-			-	-	7,970	-	-
49.Highways	(1,606,000)			(1,606,000)	(193,400)	2,732,687	(1,606,000)	-
50.Quarries	(1,008,000)			(1,008,000)	(157,800)	(179,053)	(1,008,000)	-
51.Landscape Services - Administration	(21,000)			(21,000)	7,000	97,942	(21,000)	-
52.Burial Grounds	193,000	(515,000)		(322,000)	(47,900)	(60,081)	(322,000)	-
53.Parks & Open Spaces	6,159,000	(500,000)	500,000	6,159,000	1,038,900	249,186	6,159,000	-
54.Grounds Maintenance	(355,000)			(355,000)	(47,900)	335,938	(355,000)	-
55.Waste Management	-			-	3,100	425,106	-	-
56.Waste Collection	8,029,000	(1,140,000)		6,889,000	1,151,300	1,127,836	6,889,000	-
57.Waste Disposal	16,346,000	(150,000)		16,196,000	2,756,200	683,560	16,196,000	-
58.Street Cleansing	2,875,000	(175,000)		2,700,000	453,400	329,812	2,700,000	-
59.Transportation	8,070,000	(543,000)		7,527,000	1,307,900	1,449,295	7,527,000	-
60.Car Parks	(93,000)	(100,000)		(193,000)	(92,600)	(9,613)	(193,000)	-
61.Internal Transport	-			-	(700)	(125,315)	-	-
62.Vehicle Maintenance Services	(24,000)	(58,000)		(82,000)	5,000	693,160	(82,000)	-
69.Area Managers - Kincardine, Mearns & Marr	894,600			894,600	160,700	115,988	894,600	-
70.Expenditure to be funded from borrowing - IS	(7,000,000)			(7,000,000)	(1,166,600)		(7,000,000)	-
Covid-19 Infrastructure Services				-		17,790	-	-
Total	62,315,600	(4,141,000)	500,000	58,674,600	10,116,300	11,948,080	58,674,600	-



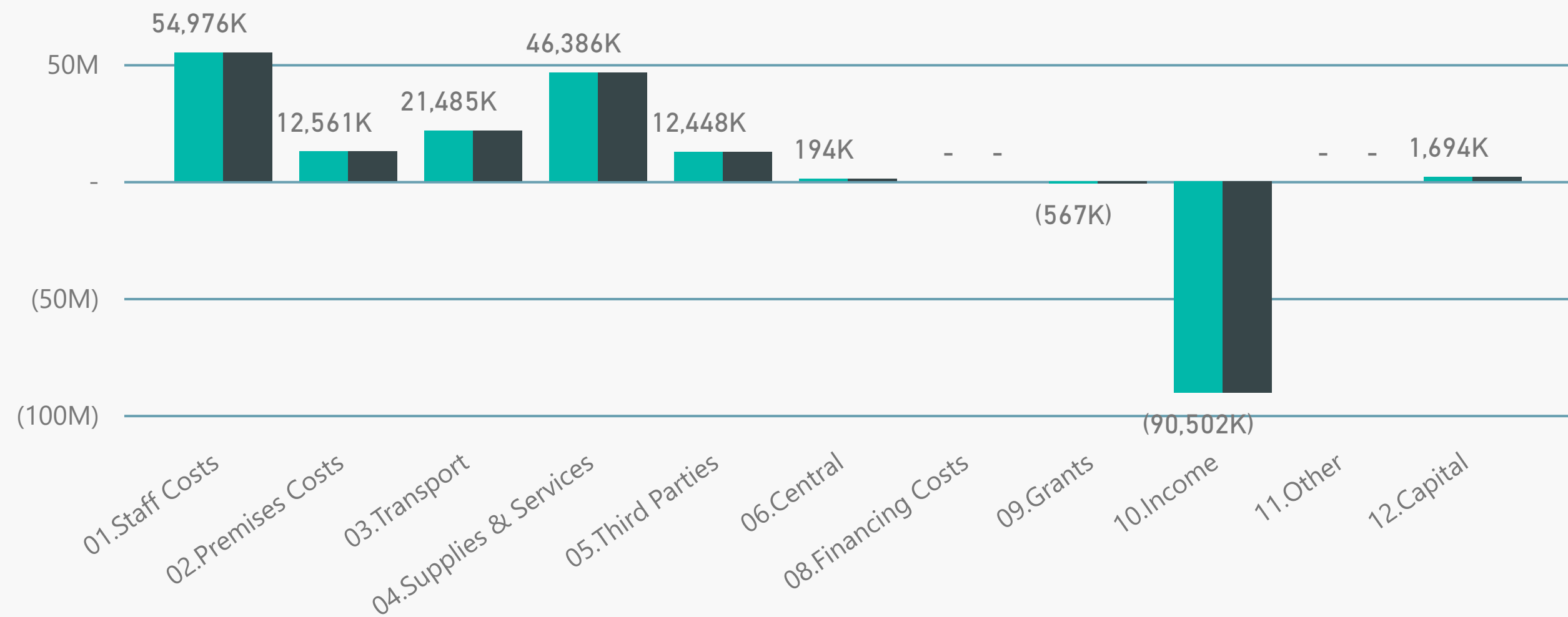
Revised Base Budget and Forecast by Committee Budget Page

● Revised Base Budget ● Forecast



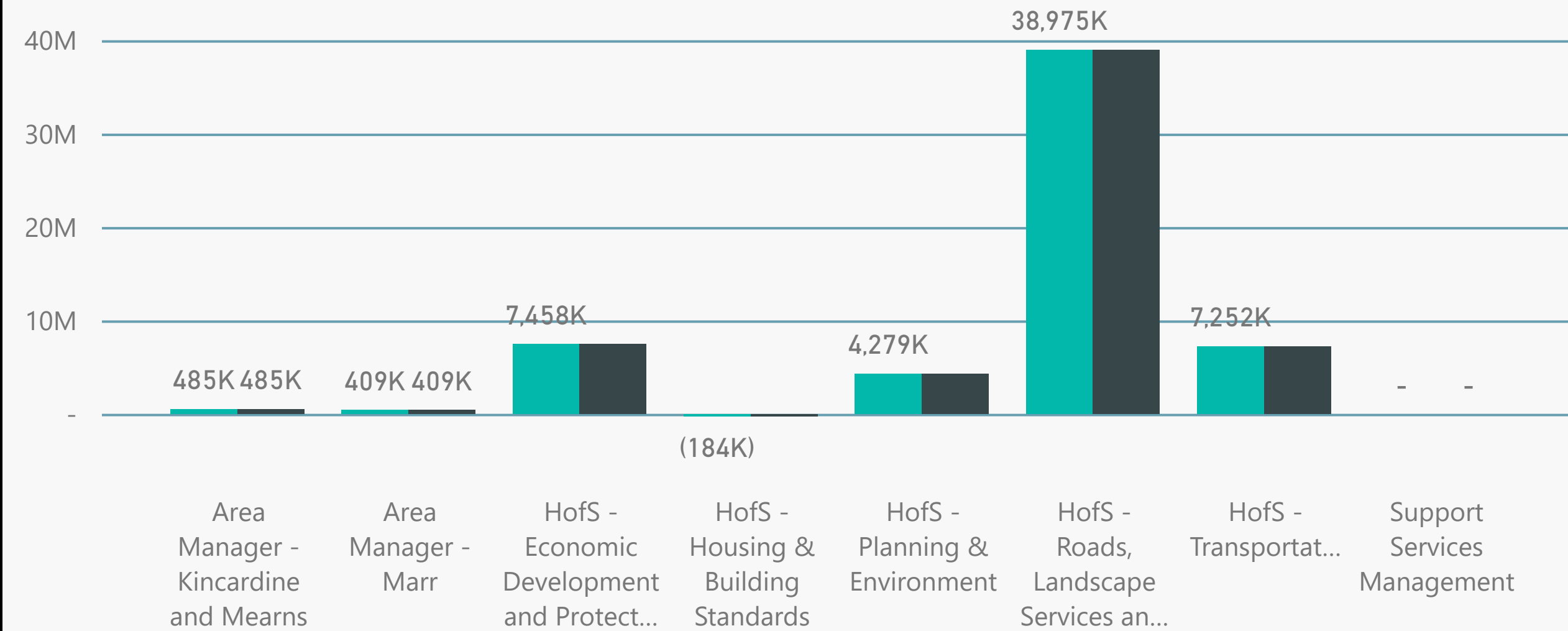
Revised Base Budget and Forecast by Type of Spend

● Revised Base Budget ● Forecast



Revised Base Budget and Forecast by Head of Service

● Revised Base Budget ● Forecast



Infrastructure Services Committee - Agreed budget savings 2021/22

Appendix 3

Number	Service area	Service change required to deliver proposed saving	Original saving as agreed at Council 17 March 2021	RAG Status
1	Building Standards	Removal of 2 posts within the staffing structure	£80,000	Green
2	Development Management	Identify budget savings in respect of the Development Management function this will be based on an overall reduction of staffing levels (5 posts) and vacancy management	£265,000	Green
3	Environment	Vacancy management, service redesign and re-prioritisation of work	£83,000	Green
4	Economic Development	Vacancy management and increased focus on assisting businesses to secure alternative funding.	£179,000	Green
5	Protective Services	Vacancy management 1 vacant post to be removed and 1 vacant post to become self-financing through income generation.	£71,000	Green
6	Flood Management	Reduce flood investigation works, stop minor coastal works from revenue, reduce flood risk planning consultee role and stop minor flood protection works from revenue.	£282,000	Green
7	Burial Grounds	Increase fees by 10% to increase overall income from burials by circa £250,000. Stop all non-routine maintenance work, such as lair levelling and path restoration	£515,000	Green
8	Parks & Open Spaces	Stop all non-routine work to a value circa £500,000.	£500,000	Green
9	Waste Collection	Reduction in use of agency and relief staff, changes to opening hours and increase in charges. Increase fees by 10% to increase overall income from Trade Service by £190,000. Optimise site opening hours to meet demand based on evidence provided by the current booking system that has been in place since June 2020. Reduce the use of agency staff covering for sickness and holidays on waste collection by £350,000.	£1,140,000	Green
10	Waste Disposal	Reduction in use of agency staff to backfill waste disposal work in the operation of the household recycling centres and waste transfer operations.	£150,000	Green
11	Street Cleansing	Reduction in use of agency and seasonal staff by £25,000. Review the use of community orderlies and mechanised street cleansing in order to make a saving of £150,000	£175,000	Green
12	Transportation	Service reduction, re-prioritisation of services and increase in charges. Supported Bus Services – achieve a 10% (£245,000) budget saving in financial year 21/22 through reduced level of support services. Road Safety Budget Reductions – reduce traffic calming and spending reduction revenue budget by 50% (£50,000) and remove vacancies in the team. Withdrawal of Taxi Card Scheme which provides disabled and elderly residents with discounts on taxi and rail fares (£147,000 saving in 21/22), Increase in car park tariffs. Withdrawal of Concessionary Travel to achieve £51,000 saving in 21/22 would impact under 21-year-olds and community and dial a bus services used by elderly and disabled for no charge.	£701,000	Green
			£4,141,000	



Committee Budget Page	Gross Base Budget	Savings	Net Base Budget as at Mar 2021 Committee	Reallocated Savings	Voluntary Severance	Net Base Budget	MTFS	Additional Scottish Govt Funding	Budget Virements	Reserves Allocated	Revised Base Budget
31.Support Services	-		-			-					-
32.Planning Administration	-		-			-					-
33.Building Standards	(104,000)	(80,000)	(184,000)			(184,000)					(184,000)
34.Development Management	1,535,000	(265,000)	1,270,000			1,270,000					1,270,000
35.Policy, Information and Delivery	983,000		983,000			983,000					983,000
36.Environment	2,109,000	(83,000)	2,026,000			2,026,000					2,026,000
37.Economic Development	4,266,000	(179,000)	4,087,000			4,087,000					4,087,000
38.Protective Services Administration	-		-			-					-
39.Consumer Protection	893,000		893,000	(20,000)		873,000			-		873,000
40.Animal Welfare	297,000		297,000			297,000					297,000
41.Public Analyst	263,000		263,000			263,000					263,000
42.Environmental Health	1,989,000	(71,000)	1,918,000	20,000		1,938,000			-		1,938,000
43.Roads Administration & Management	(864,000)		(864,000)			(864,000)					(864,000)
44.Flood Management	487,000	(282,000)	205,000			205,000					205,000
45.Harbours	677,000		677,000			677,000					677,000
46.Roads Maintenance - Expenditure & Income	12,457,000		12,457,000			12,457,000					12,457,000
47.Winter Maintenance - Expenditure	4,868,000		4,868,000			4,868,000					4,868,000
48.Other Recoverable Works - Roads	-		-			-					-
49.Highways	(1,606,000)		(1,606,000)			(1,606,000)					(1,606,000)
50.Quarries	(1,008,000)		(1,008,000)			(1,008,000)					(1,008,000)
51.Landscape Services - Administration	(21,000)		(21,000)			(21,000)					(21,000)
52.Burial Grounds	193,000	(515,000)	(322,000)			(322,000)					(322,000)
53.Parks & Open Spaces	6,159,000	(500,000)	5,659,000			5,659,000	500,000				6,159,000
54.Grounds Maintenance	(355,000)		(355,000)			(355,000)					(355,000)
55.Waste Management	-		-			-					-
56.Waste Collection	8,029,000	(1,140,000)	6,889,000			6,889,000					6,889,000
57.Waste Disposal	16,346,000	(150,000)	16,196,000			16,196,000					16,196,000
58.Street Cleansing	2,875,000	(175,000)	2,700,000			2,700,000					2,700,000
59.Transportation	8,070,000	(701,000)	7,369,000	158,000		7,527,000			-		7,527,000
60.Car Parks	(93,000)		(93,000)	(100,000)		(193,000)			-		(193,000)
61.Internal Transport	-		-			-					-
62.Vehicle Maintenance Services	(24,000)		(24,000)	(58,000)		(82,000)			-		(82,000)
69.Area Managers - Kincardine, Mearns & Marr	894,600		894,600			894,600					894,600
70.Expenditure to be funded from borrowing - IS	(7,000,000)		(7,000,000)			(7,000,000)					(7,000,000)
Total	62,315,600	(4,141,000)	58,174,600	-		58,174,600	500,000		-		58,674,600

Infrastructure Services Committee
Financial Performance Report as at 31st May 2021

Appendix 5

Capital Programme

	2021/22 Approved Budget £,000	2021/22 Projected Variance £,000
SUMMARY		
1 Access/Environment Projects	66	0
2 Aberdeen Western Peripheral Route	2,959	0
3 Bridges & Structures	850	0
4 Burial Grounds	125	0
5 Cycling & Walking	1,269	0
6 Drainage	1,000	0
7 Energy from Waste	18,000	0
8 Harbours, Coast & Flooding	1,750	0
9 Capitalisation of Other Projects	7,000	0
10 Landfill, HRC	500	0
11 Nestrans Contribution	3,307	0
12 Parks & Open Spaces	370	0
13 Public Transport	2,177	0
14 Quarries	200	0
15 Roads Resurfacing/Reconstruction	11,750	0
16 Safety Initiatives	250	0
17 Stonehaven Flooding Scheme	4,601	0
18 Storm Frank	3	0
19 Street Lighting	1,500	0
20 Vehicles	5,000	0
	62,677	0

Infrastructure Services Committee
Financial Performance Report as at 31st May 2021

Appendix 6

Reserves

Name of Reserve	Balance
	17-Mar-21
Community, Culture and Tourism	£140,000
Regeneration & Priority Town Reserve	£3,141,000
Renewable Energy Reserve	£356,000
AWPR Reserve	£1,319,000
Roads Maintenance	£2,500,000
Winter Maintenance Fund	£2,398,000
Total	£9,854,000