

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 19 AUGUST 2021

FINANCIAL PERFORMANCE AS AT 30th JUNE 2021

1 Reason for Report / Summary

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

2 Recommendations

The Committee is recommended to:

- 2.1 Consider and discuss the financial information and forecast position as at 30th June 2021; and
- 2.2 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 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 were provided in 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	647,863	62,316
Service Savings	(8,626)	(3,481)
Corporate Savings	(11,238)	-
Other Budget Movements	11,520	620
Net Revenue Budget	639,519	59,455
Capital	121,316	65,009
Reserves	89,218	8,727

4.2 Revenue – Expenditure and Income

i. Financial Facts

The Revised Revenue Budget for 2021/22 for Infrastructure Services Committee amounts to £59,455,000, considering the service savings approved by Full Council on 17th March 2021 of £4,141,000, the subsequent postponement of savings by Full Council on 24th June 2021 totalling £660,000 relating to Supported Local Bus Services, Minor Coastal Protection and Flood Investigation works and Waste Collection Site opening hours. This resulted in revised Service savings of £3,481,000 for financial year 2021/22.

Additional funding was allocated to Landscape Services of £500,000 by Full Council on 17th March 2021, with an additional £120,000 approved by Full Council on 24th June 2021 for Enhancement of Demand Responsive Transport. This resulted in revised additional funding of £620,000 in financial year 2021/22 and an overall budget movement of £2,861,000.

The budget allocations are broken down by Type of Spend and Budget Page in Appendices 1a and 1b respectively.

ii. Service Commentary

The Service have acknowledged that there has been pressure arising from the continued impact of Covid. This has resulted in a forecast over budget position for 2021/22 of £167,000 relating to forecast reduced income for the Quarries

Service and pressure on materials budgets due to price variations offset by additional income for the Transportation Service.

iii. Risks/Mitigation

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

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 £3,481,000 of service savings. As detailed in 4.2.i the savings figure has been amended, with a revised saving total of £2,981,000. 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 £65,009,000.

The announcement of the Infrastructure Investment Fund (IIF) resulting in additional investment of £130 million over a 10 year period is significant. Specific allocations of this funding will be considered at a meeting of Aberdeenshire Council. Any funding allocated to Infrastructure Services will be detailed in a subsequent Financial Performance report to this Committee.

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 £89,218,000 when it approved the budget for 2021/22. There are 7 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 30th June 2021 is £8,727,000.

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 responsibly used to help deliver the Strategic 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 highlights whether risks and implications apply if the recommendation(s) is(are) agreed.

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

5.4 An integrated impact assessment is 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: 27 July 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 5 - Capital Plan

Appendix 6 - Reserves



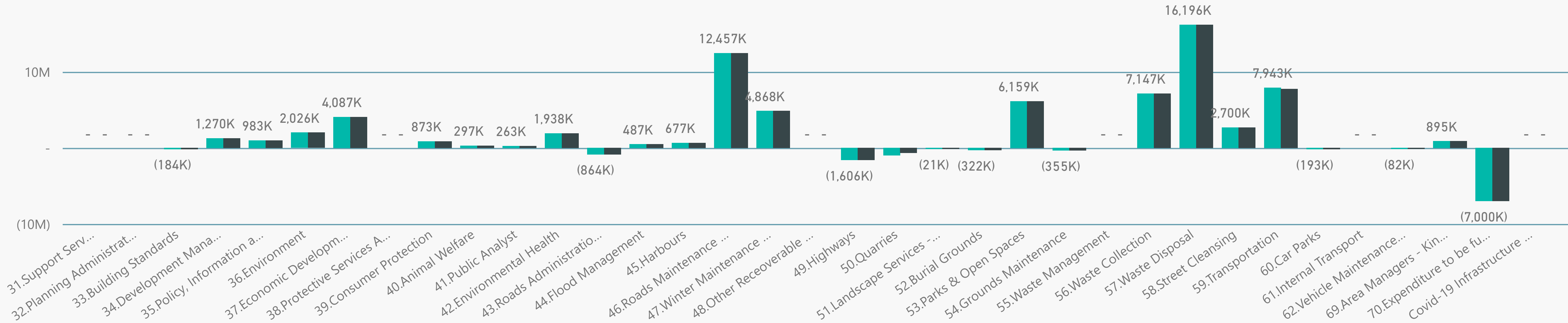
Type of Spend	Gross Base Budget	Savings	Other Budget Movements	Revised Base Budget	YTD Budget	YTD Actual	Forecast	Variance Revised Base Budget less Forecast
01.Staff Costs	56,816,500	(1,583,000)		55,233,500	13,854,100	12,903,276	55,081,600	151,900
02.Premises Costs	12,560,600	(500,000)	506,900	12,567,500	3,276,576	2,338,498	12,290,500	277,000
03.Transport	21,527,300	(42,000)	-	21,485,300	4,488,000	4,229,371	21,485,300	-
04.Supplies & Services	47,115,100	(447,000)	(26,500)	46,641,600	10,688,336	8,599,079	45,668,100	973,500
05.Third Parties	12,956,200	(388,000)	120,000	12,688,200	2,425,100	2,940,813	12,688,200	-
06.Central	194,300			194,300	48,600		194,300	-
08.Financing Costs				-			-	-
09.Grants	(567,000)		-	(567,000)	(57,000)	(286,830)	(567,000)	-
10.Income	(89,981,400)	(521,000)	195,300	(90,307,100)	(12,688,120)	(10,115,896)	(88,738,100)	(1,569,000)
11.Other				-		(552)	-	-
12.Capital	1,694,000			1,694,000	423,200	35	1,694,000	-
99.Closed				-				-
Total	62,315,600	(3,481,000)	795,700	59,630,300	22,458,792	20,607,795	59,796,900	(166,600)



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	-			-	-	-	-	-
32.Planning Administration	-			-	-	()	-	-
33.Building Standards	(104,000)	(80,000)		(184,000)	(38,500)	(82,873)	(184,000)	-
34.Development Management	1,535,000	(265,000)		1,270,000	332,100	397,765	1,270,000	-
35.Policy, Information and Delivery	983,000			983,000	254,200	205,690	983,000	-
36.Environment	2,109,000	(83,000)		2,026,000	550,000	881,578	2,026,000	-
37.Economic Development	4,266,000	(179,000)		4,087,000	1,028,700	1,690,343	4,087,000	-
38.Protective Services Administration	-			-	-	-	-	-
39.Consumer Protection	893,000	(20,000)	-	873,000	222,300	125,289	873,000	-
40.Animal Welfare	297,000			297,000	81,500	59,294	297,000	-
41.Public Analyst	263,000		-	263,000	21,900	950	263,000	-
42.Environmental Health	1,989,000	(51,000)	-	1,938,000	563,900	554,887	1,938,000	-
43.Roads Administration & Management	(864,000)		-	(864,000)	(216,000)	(202,976)	(864,000)	-
44.Flood Management	487,000	-		487,000	122,300	70,045	487,000	-
45.Harbours	677,000			677,000	170,200	86,909	677,000	-
46.Roads Maintenance - Expenditure & Income	12,457,000		-	12,457,000	1,224,959	1,491,800	12,457,000	-
47.Winter Maintenance - Expenditure	4,868,000		-	4,868,000	342,600	143,868	4,868,000	-
48.Other Recoverable Works - Roads	-			-	-	-	-	-
49.Highways	(1,606,000)		-	(1,606,000)	6,739,983	5,357,145	(1,606,000)	-
50.Quarries	(1,008,000)		-	(1,008,000)	106,800	(361,263)	(665,700)	(342,300)
51.Landscape Services - Administration	(21,000)			(21,000)	4,100	(9,128)	(21,000)	-
52.Burial Grounds	193,000	(515,000)	-	(322,000)	(11,300)	(9,607)	(322,000)	-
53.Parks & Open Spaces	6,159,000	(500,000)	500,000	6,159,000	1,342,800	835,708	6,159,000	-
54.Grounds Maintenance	(355,000)		-	(355,000)	299,600	351,479	(355,000)	-
55.Waste Management	-		-	-	(2,300)	-	-	-
56.Waste Collection	8,029,000	(882,000)	-	7,147,000	2,149,000	2,293,636	7,147,000	-
57.Waste Disposal	16,346,000	(150,000)	-	16,196,000	3,623,300	3,336,128	16,196,000	-
58.Street Cleansing	2,875,000	(175,000)	-	2,700,000	696,100	618,453	2,700,000	-
59.Transportation	8,070,000	(423,000)	295,700	7,942,700	2,184,700	1,973,347	7,767,000	175,700
60.Car Parks	(93,000)	(100,000)	-	(193,000)	(15,650)	134,726	(193,000)	-
61.Internal Transport	-		-	-	51,800	(6,438)	-	-
62.Vehicle Maintenance Services	(24,000)	(58,000)	-	(82,000)	434,700	430,191	(82,000)	-
69.Area Managers - Kincardine, Mearns & Marr	894,600		-	894,600	195,000	182,170	894,600	-
70.Expenditure to be funded from borrowing - IS	(7,000,000)		-	(7,000,000)	-	-	(7,000,000)	-
Covid-19 Infrastructure Services				-		58,678	-	-
Total	62,315,600	(3,481,000)	795,700	59,630,300	22,458,792	20,607,795	59,796,900	(166,600)

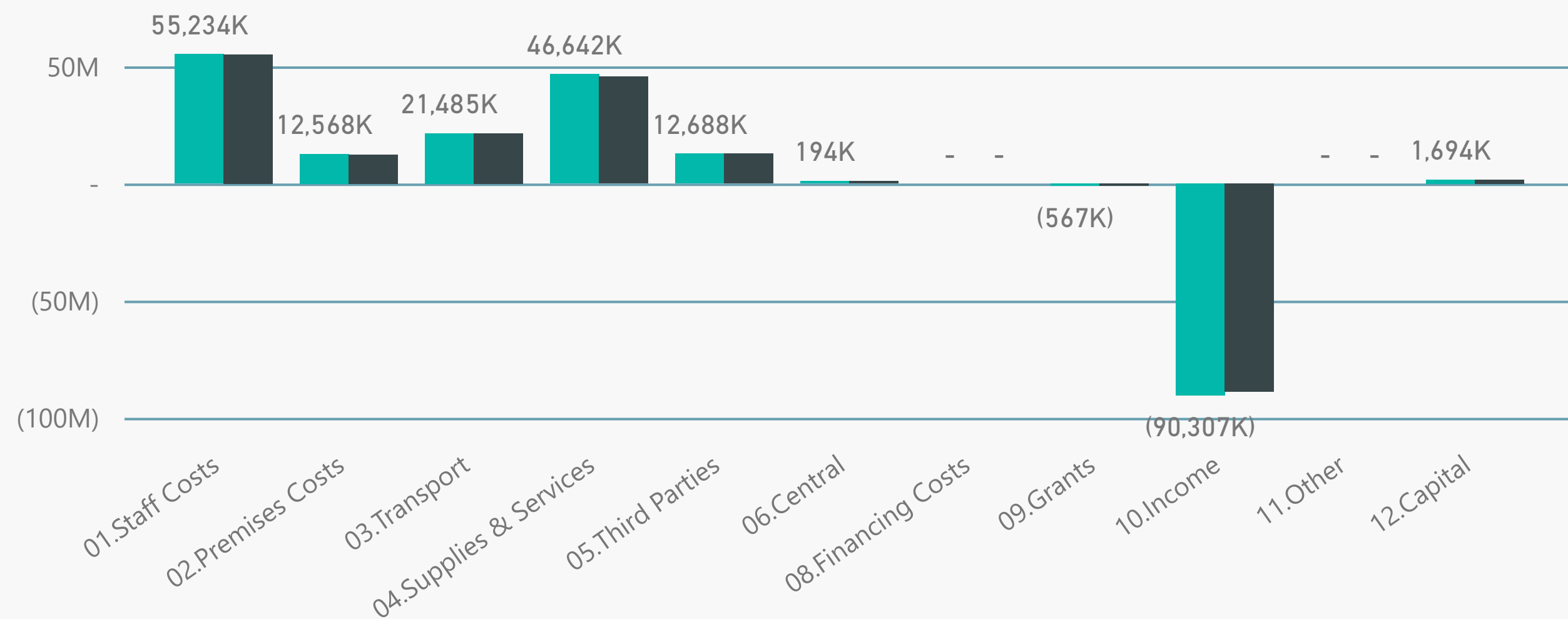
Revised Base Budget and Forecast by Committee Budget Page

● Revised Base Budget ● Forecast



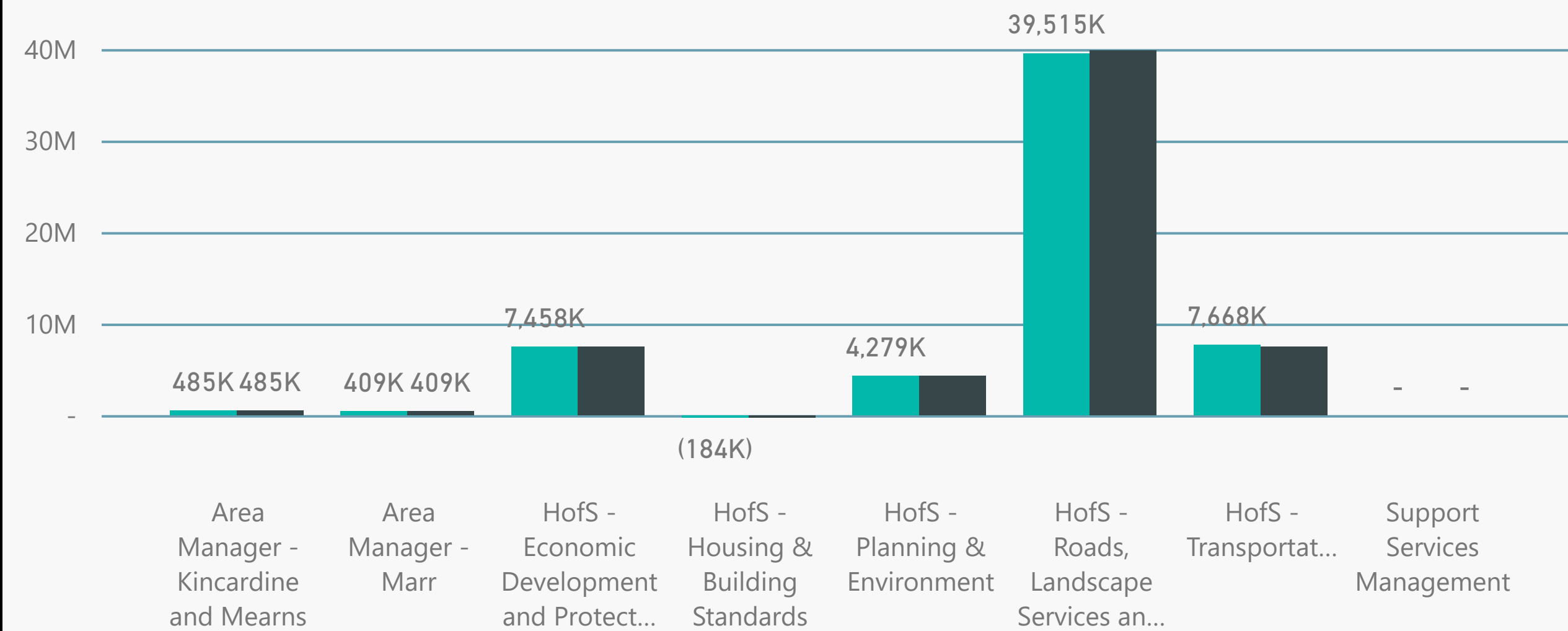
Revised Base Budget and Forecast by Type of Spend

● 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 - POSTPONED	£0	
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 - REMOVED	£0	
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.	£882,000	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.	£581,000	Green
			£2,981,000	



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	282,000		487,000					487,000
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	258,000		7,147,000					7,147,000
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	278,000		7,647,000			120,000		7,942,700
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	660,000		58,834,600	500,000		120,000		59,630,300

Appendix 5

INFRASTRUCTURE SERVICES	2021/22	2021/22	2021/22
CAPITAL PERFORMANCE REPORT - Q1 - JUNE 2021	Approved	Actual	Projected
	Budget	June 2021	Variance
	£000	£000	£000
SUMMARY			
1 Aberdeen Western Peripheral Route	2,959	0	0
2 Access/Environment Projects	66	0	0
3 Bridges & Structures	850	39	0
4 Burial Grounds	125	0	0
5 Cycling and Walking	1,269	6	0
6 Drainage	1,000	5	0
7 Energy from Waste	18,000	9,003	0
8 Greenbanks Travellers Site	0	29	29
9 Harbours, Coast & Flooding	1,750	247	0
10 Capitalisation of Revenue Projects	7,000	0	0
11 Landfill, HRC	500	17	0
12 Nestrans Contribution	3,307	0	0
13 Parks & Open Spaces	370	110	0
15 Public Transport	2,177	32	0
16 Quarries	200	0	0
17 Roads Resurfacing/Reconstruction	11,750	69	0
18 Safety Initiatives	250	0	0
19 Stonehaven Flooding Scheme	4,601	665	0
20 Storm Frank Works Funded By Grant - Bridges and Flood	3	0	0
21 Street Lighting	1,500	0	0
22 Town Centre Fund (Council Projects)	0	15	0
23 Vehicles	5,000	2,500	0
	62,677	12,737	29
INFRASTRUCTURE FUND			
1 Bridges & Infrastructure Services Projects	2,175	0	0
CITY REGION DEAL			
1 Strategic Transport Appraisal (City Region Deal)	157	0	-157 Note 1
GRAND TOTAL	65,009	12,737	-128

Notes for significant variances

Note 1 Government funding will be utilised prior to using Council money which means £157,000 will be profiled to later years. Progression of some schemes may need to wait until publication of Scottish Transport Projects Review Phase 2 which are tied into ongoing development of strategic business case for next 5 years.

Infrastructure Services Committee
Financial Performance Report as at 30th June 2021

Appendix 6

Reserves

Name of Reserve	Balance
	30-Jun-21
Community, Culture and Tourism	£140,000
Regeneration & Priority Town Reserve	£3,019,000
Renewable Energy Reserve	£349,000
AWPR Reserve	£1,319,000
Rural Development Partnership	£100,000
Roads Maintenance	£2,500,000
Winter Maintenance Fund	£1,300,000
Total	£8,727,000