

## ABERDEEN CITY COUNCIL

---

**COMMITTEE:** Housing and Environment  
**DATE:** 14 January 2014  
**REPORT BY:** Director and Head of Finance  
**TITLE OF REPORT:** 2013/14 REVENUE BUDGET MONITORING  
**REPORT NUMBER:** H&E/14/010

---

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to
- i) bring to Committee members notice the current year revenue budget performance to date for the Services which relate to this Committee; and
  - ii) advise on any areas of risk and management action.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- i) consider and note this report and the information on management action and risks that is contained herein; and
  - ii) instruct that officers report the year end position to the appropriate committee.

### 3. FINANCIAL IMPLICATIONS

#### **Housing Revenue Account (HRA)**

- 3.1. The HRA which has gross expenditure budget of £80M is ring-fenced and is funded mainly from housing rents.
- 3.2. The forecast position on the HRA, as outlined, indicates that there will be a working balance of £5.5M after taking account of the 2013/14 outturn and other agreed commitments. This is in excess of the recommended minimum level of £5.2M.

### **General Fund**

- 3.3. The total Housing and Environment budget amounts to £36.4M net expenditure, excluding the HRA budget.
- 3.4. The forecast position indicates an under spend of £2.1M.
- 3.5. Further details of the financial implications are set out in section 5 and appendix A attached.

## **4. OTHER IMPLICATIONS**

- 4.1 None

## **5. BACKGROUND/MAIN ISSUES**

- 5.1 The Service revenue monitoring reports and associated notes are attached at Appendix A

### **Financial Position and Risks Assessment**

#### **Housing Revenue Account**

The projected net saving for the year is forecast at £23M. It is anticipated this will be used to provide a CFCR contribution to fund the capital programme and increase the working balance. The principal movements within this total relate to an increase in dwelling house income and voids, a reduction in management & admin & capital financing. The impact of Welfare Reform on the HRA is being closely monitoring, there was also a provision made in the 2012/13 accounts to mitigate some of the potential impacts.

#### **General Fund**

In overall terms the position forecasts an under spend of £2.1M on the total Housing and Environment Budget (excluding the HRA).

- 5.2 The areas contributing to this movement are as follows

	<b>£'000</b>
Homeless	(1,120)
Supporting People	(170)
Other Housing	(130)
Grounds Maintenance	(30)
Trading Standards & Env Protection	10
Recycling & Waste Disposal	(620)
Environmental	(50)
Community Safety	(10)
Emergency Planning	(10)
	<hr/>
	(2,130)

- Homeless is forecast to be £1.1M lower than budget. This is due mainly to a reduction in the use of bed & breakfast as a result of private sector leased flats now being used, changes in contracts to outside agencies, reduction in forecasts for admin & management charges and lower than anticipated spend on furniture services and tenancy set up fund. The forecast is based on current activity.
- Supporting People are forecast to be £170K below budget due to staff vacancies and reduced forecasts for courses, office supplies and software support as a result of historical budgets.
- Other Housing is forecast to be £130K under budget due to the anticipated reductions in administration costs.
- Recycling & Waste Disposal is forecast to be £620K under budget. This is due to an under spend on staff costs and Internal Fleet charges based on 12/13 costs, however this has partly been offset by a reduction in Commercial Waste income & the higher costs of Landfill tax based on tonnages to date.

## **6. IMPACT**

As a recognised top priority the Council must take the necessary measures to balance its budget. Therefore Committees and Services are required to work within a financial constraint. Every effort is being focused on delivering services more efficiently and effectively.

## **7. MANAGEMENT OF RISK**

To ensure the anticipated forecast outturn is maintained the service has been -

- Managing controllable costs for example staff vacancies and overtime
- Maximising the potential income streams of the service.

## **8. BACKGROUND PAPERS**

Financial ledger data extracted for the period.

## **9. REPORT AUTHOR DETAILS**

Helen Sherrit  
 Finance Partner  
 hsherrit@aberdeencity.gov.uk  
 01224 346353