

Aberdeen City Council

Finance Policy & Resources Committee

6 May 2014

(Item 7.1) Update on General Fund Revenue Monitoring – Near Actual

The report presented to the Committee in the agenda papers shows the Period 11 (end of February 2014) forecast position for the General Fund for the financial year 2013/14.

This shows an overall surplus on the General Fund of £6.5 million, before the earmarking of funds for the Music Hall and for the Greenspace Strategy/In Bloom Agenda, in total a commitment of £1.4 million.

As the year has come to an end the following table shows the latest position on the year-end actual which has been brought together based on position reached in the preparation of the Statement of Accounts. Many of the transactions have now been captured for the year however there remains important review processes to ensure the robustness of the data.

The table incorporates certain assumptions that still have to be processed into the financial ledgers.

Please note that there is an item on the agenda and if Committee were to approve this (Thomas Blake Glover House) would be met from the surplus shown in the table below.

**ABERDEEN CITY COUNCIL
FINANCIAL YEAR 2012/13 - YEAR END STATEMENT**

As at 31 March 2014	Annual Budget 2013/14	Near Actual 2013/14	Variance from Budget		Forecast Variance at P11	Variance from Last Month	
	£'000	£'000	£'000	%	£'000	£'000	%
Services:							
Office of Chief Executive	871	735	(136)	(15.6)%	(129)	(7)	5.4%
Corporate Governance	29,075	27,431	(1,644)	(5.7)%	(1,010)	(634)	62.8%
Enterprise Planning and Infrastructure	40,336	38,082	(2,254)	(5.6)%	(2,004)	(250)	12.5%
Housing and Environment	36,632	34,168	(2,464)	(6.7)%	(2,406)	(58)	2.4%
Education Culture and Sport	162,534	161,148	(1,386)	(0.9)%	(1,132)	(254)	22.4%
Social Care and Wellbeing	121,769	120,627	(1,142)	(0.9)%	(1,277)	135	(10.6)%
Total Service Budgets	391,217	382,191	(9,026)	(2.3)%	(7,958)	(1,068)	13.4%
Total Corporate Budgets	30,005	33,969	3,964	13.2%	2,066	1,898	91.9%
Total Net Expenditure	421,222	416,160	(5,062)	(1.2)%	(5,892)	830	(14.1)%
Funding:							
General Revenue Grant & NDRI	(321,429)	(321,429)	0	0.0%	0	0	0.0%
Council Tax and Community Charge Arrears	(99,793)	(101,205)	(1,412)	(1.4)%	(12)	(1,400)	(11666.7)%
Total Funding	(421,222)	(422,634)	(1,412)	(0.3)%	(12)	(1,400)	(11666.7)%
General Fund surplus for the year	0	(6,474)	(6,474)		(5,904)	(570)	9.7%

Key Assumptions:

Review of the accounts is being completed by accounting staff to ensure completeness;

Finalisation of funding that requires to be transferred to other accounts and corporate provisions held by the Council have yet to be completed therefore an estimate has been assumed, e.g. transfer to the Insurance Fund;

Contingencies have remained unused and these will be used to support the funding of the Council's capital investment strategy, including its commitment to the AWPR and the Strategic Infrastructure Plan. This assumption has already been incorporated into the figures shown.

Key Variances:

Corporate Governance – the variance from P11 results mainly from changes to finalisation of the Council's Housing Benefit claim and the assumptions that have now been used in completing this for 2013/14. In addition additional chargeable income was calculated as part of the year end process.

Corporate Budgets – a revision to the general bad debt provision increased the amount that requires to be held by the Council as at the end of 2013/14, this increased costs. In addition the review of capital expenditure revealed expenditure that should be charged to revenue. This is a regular part of the year end process and has been accounted for against the Corporate Budgets.

Funding – the increased income is from the reduction in discount given to 2nd home owners, which during 2013/14 was 10% rather than the 50% previously awarded. This reduction of 40% generates additional income that is earmarked for affordable housing projects. It has been assumed within the figures that the additional income has been earmarked for this purpose.