

## ABERDEEN CITY COUNCIL

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**COMMITTEE:** Housing and Environment  
**DATE:** 20 May 2014  
**DIRECTOR:** Pete Leonard & Angela Scott  
**TITLE OF REPORT:** 2013/14 REVENUE BUDGET MONITORING  
**REPORT NUMBER:** H&E/14/043

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### 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 £36.7M net expenditure, excluding the HRA budget.
- 3.4. The forecast position indicates an under spend of £2.4M.

- 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 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 £2.4M on the total Housing and Environment Budget (excluding the HRA).

- 5.2 The areas contributing to this movement are as follows

	<b>£'000</b>
Directorate Admin Support	(30)
Community Safety	(20)
Emergency Planning	(10)
Homeless	(1,020)
Trading Standards & Env Protection	(400)
Grounds Maintenance	(90)
Recycling & Waste Disposal	(530)
ASSL	(60)
Housing Repairs	(20)
Architectural Design	150
Private Sector Housing	(200)
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	(2,400)

- Homeless is forecast to be £1.02M 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.

- Environmental Health & Trading Standards are forecast to be £400K below budget due to under spends within staffing.
- 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.
- Private Sector Housing is forecast to be £200K under budget due to the anticipated reductions in administration costs.
- Recycling & Waste Disposal is forecast to be £530K under budget. This is due to an under spend on staff 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 & Food Waste Programme.
- Construction Consultancy is showing an under recovery of £110K due to updated estimates of Housing Capital fee income and Consultants fee payable.

## **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**

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