

ABERDEEN CITY COUNCIL

COMMITTEE: Housing and Environment
DATE: 26 August 2014
DIRECTOR: Pete Leonard & Ewan Sutherland
TITLE OF REPORT: 2014/15 REVENUE BUDGET MONITORING
REPORT NUMBER: H&E/14/063

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 £83M 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 £7.2M after taking account of the 2014/15 outturn and other agreed commitments. This is in excess of the recommended minimum level of £6.3M.

General Fund

- 3.3. The total Housing and Environment budget amounts to £36.5M net expenditure, excluding the HRA budget.

- 3.4. The forecast position indicates an under spend of £130K.
- 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.

General Fund

In overall terms the position forecasts an under spend of £130K on the total Housing and Environment Budget (excluding the HRA).

- 5.2 The areas contributing to this movement are as follows

| | £'000 |
|---------------------|--------------|
| Grounds Maintenance | (190) |
| Environmental | 150 |
| Supporting People | (140) |
| HMO, PLR & PSHG | 40 |
| ASSL | 10 |
| | <u>(130)</u> |

- Grounds Maintenance is forecasting an under spend of £190K mainly due to an increase in recoveries from Housing Revenue Account based on previous year's income.
- The forecast for Environmental is £150K over budget as a result of a decrease in recoveries from Housing Revenue Account based on previous year's activity.
- Supporting People are forecast to be £140K below budget due mainly to a reduction in services to a reduction in services to be received from outside agencies due to staff shortages.

- An over spend of £40K in HMO/PLR & PSHG is forecast as a result of a PBB saving of £200K in Private Landlord Registration fee not being utilised. This is offset by a reduction in disabled adaptation budget of £70K that is no longer required and a reduction in admin and management fees.

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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