

ABERDEEN CITY COUNCIL

COMMITTEE:	Communities, Housing & Infrastructure
DATE:	27 August 2015
DIRECTOR:	Pete Leonard & Angela Scott
TITLE OF REPORT:	2015/16 TRADING SERVICES BUDGET MONITORING
REPORT NUMBER:	CHI/15/245

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to
- i) bring to Committee members notice the current year trading services 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

- 3.1 This is the first report in the new format of Communities Housing and Infrastructure. The Trading budget amounts to a credit balance of £13.3M. The forecast position indicates an over recovery of £147K.

Further details of the financial implications are set out in section 5 and appendix A and B attached.

4. OTHER IMPLICATIONS

- 4.1 None

5. BACKGROUND/MAIN ISSUES

The Service revenue monitoring reports are attached at Appendix A and Appendix B contains the earmarked reserves for Trading.

Financial Position and Risks Assessment

Trading Services

In overall terms the position forecasts an over recovery of £147K on the total Communities Housing and Infrastructure Trading Services budget.

The major variances and risks arising in each service are

- Building Services – Building Services achieved the targeted surplus of £4.1M in 2014-15 however it is unlikely to be repeated in 2015-16 as this related to previous years billing, work is being undertaken with the Contract Managers to accurately forecast potential income and expenditure and will be reported in future months. There is a risk that the shortfall could be up to £1.5m, due to a reduction in planned work for Building Services.
- Property Letting – There is a risk that the downturn in the economic position of Aberdeen may impact on the Property Letting income a review will be undertaken with the Budget Holder and reported back to a future Committee. At this stage of the financial year and based on the ability of the section in the previous year to over achieve budgeted income it is assumed that budget will be achieved.
- Car Parking - the forecast is for an overall favourable variance of £147K as a result of staff vacancies within the wardens section. It is anticipated at this stage in the financial year that the budgeted income from car parks will be achieved, this is however weather dependant and further work will be undertaken to review trends and reported back to a future committee.

6. IMPACT

It is important that a strong foundation of financial management supports the council's services and the Smarter City themes that support our citizens across service boundaries.

Corporate - The capital programme encompasses projects which link to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans.

Public - This report will be of interest to the public as it outlines the Council's capital and revenue spending to date in Communities, Housing and Infrastructure.

7. MANAGEMENT OF RISK

To ensure the anticipated forecast outturn is maintained or improved the service has been

- Managing controllable costs for example staff vacancies and overtime
- Maximising the potential income streams of the service.
- Ensuring billing is resolved timely.

In addition there are a number of risks which there is little control over, for example Car Parking service's income is sensitive to adverse winter weather, particularly in the run up to Christmas and in the immediate post new year period and Building Services Response income can be influenced by the severity of the winter months.

8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

9. REPORT AUTHOR DETAILS

Helen Sherrit

Finance Partner

✉ hsherrit@aberdeencity.gov.uk

☎ 01224 346353

Appendix A

As At End of June 2015	Year To Date			Forecast to Year End			
Accounting Period 3	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount	Change from previous forecast
	£'000	£'000	£'000	£'000	£'000	£'000	
Building Services	(1,003)	192	1,195	(4,012)	(4,012)	0	0
Property Letting	(1,175)	(1,184)	(9)	(4,699)	(4,699)	0	0
Car Parks	(1,148)	(1,355)	(207)	(4,592)	(4,739)	(147)	(147)
TOTAL	(3,326)	(2,347)	978	(13,303)	(13,450)	(147)	(147)

Appendix B

As at Period 3 2015/16	Balance b/f 1 April 2015	Forecast for Year	New Amounts /(Unrequired) Amounts	Projected c/f 31 March 2016	Narrative
	£'000	£'000	£'000	£'000	
<i>Projects:</i>					
Business Plan Service Options	493	0		493	Earmarked sum is required to reinvestigate the Building Services LLP however this unlikely to be undertaken in 2015-16.
Replacement of Handheld Devices	148	148		0	Delays have been experienced in the purchase of the handhelds for the tradesmen, work is now progressing and likely to go ahead in 2015-16.
Total	641	148	0	493	