

ABERDEEN CITY COUNCIL

COMMITTEE:	Communities, Housing & Infrastructure
DATE:	24 January 2017
DIRECTOR:	Pete Leonard & Richard Ellis
TITLE OF REPORT:	2016/17 GENERAL FUND REVENUE & CAPITAL BUDGET MONITORING
REPORT NUMBER:	CHI/16/288

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to
- i) bring to Committee Members notice the current year general fund revenue and capital 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

General Fund Revenue

- 3.1. The total revenue budget amounts to £86.7m net expenditure, excluding the Housing Revenue Account (HRA) budget. The Directorate is forecast to be in line with budget. Cost pressures have emerged in parts of the service, work has been undertaken to identify how these pressures can be mitigated in order to maintain the current forecast.

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

3.3. General Fund Capital

The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme. There are no issues at present that would result in such

implications. As part of the Council's five year business plan, capital expenditure is now monitored within a five year timescale where appropriate. This has given budget holders the ability to profile across the full five years. In year monitoring will continue, alongside monitoring the complete Capital Programme.

4. OTHER IMPLICATIONS

General Fund Revenue

- 4.1 None

Non Housing Capital

- 4.2 There are no other implications at this time but as projects progress or indeed fail to progress then other implications may arise and will be reported at an appropriate Committee.

5. BACKGROUND/MAIN ISSUES

- 5.1 The Service revenue monitoring reports and associated notes are attached at Appendix A and Appendix C identifies the earmarked reserves for the service. These highlight a number of the cost pressures emerging above.

Financial Position and Risks Assessment

General Fund Revenue

- 5.2 The significant areas of variance are as follows:

	£'000
Homeless/Housing Support	379
Private Sector Housing/ Other Housing	(287)
Neighbourhood Planning	(251)
Housing Access	(110)
Facilities	(1,477)
Construction Consultancy	361
Housing SIP Programme	156
Fleet	605
Waste	1,781
Roads Operational	(883)
Grounds Maintenance	(130)
Environmental Health & Trading Standards	(230)
Economic Development	(183)
Directorate Support	768
ASSL	(186)
Development Management	265
Transport	(216)

- Homeless/Housing Support is forecast to be £379k higher than budget due to a increased number of flats causing additional rental spend and doubtful debts. This is offset in part by additional rental income.
- Other Housing administration costs are forecast to be under budget by £287k reflecting the recovery of the central support charges currently not budgeted within HMO.
- Neighbourhood Planning forecast under spend position of £251k is due to an anticipated lower spend in supplies and services.
- Facilities are anticipating under spends within School Catering mainly relating to free school meals, School Crossing Patrols and Facilities Admin.
- The Construction Consultancy team overspend forecast of £361k is a result of under recovery of fee income from Housing Capital.
- Fleet are forecasting an over spend of £605k principally as a result of increased stores issued to jobs.
- Waste overspend position of £1.8m relates to delays in signing the waste disposal contract which the budget is set against. The 6 month delay as a result of the late signing of the contract in the recycling facilities at Altens East being operational will result in additional landfill costs. This will impact income from recycled materials in conjunction with the reduced market price.
- Roads current variance is linked to an over recovery of income offset in part by additional supplies & services and staffing overspends.
- The under spends within Environmental Health & Trading Standards reflects lower than budget spend on staffing.
- Directorate Admin Support is forecasting an overspend of £768k this is linked mainly to £613k budget saving in Other Property Costs transferred from Economic Development which is not achievable and a procurement savings of £250k which cannot be identified as being met.
- ASSL current forecast position of £186k under spend reflects principally an over recovery of income of £170k mainly from AWPR related work.
- Building Standards and Development Management is forecasting an over spend of £265k due to the under recovery of planning application income.
- Transport under spend position of £216k mainly reflects a forecast reduced spend on the school transport unit.

There are a number of risks and assumptions contained within these figures in the following areas;

Overall

A large source of underspend across the Directorate in 2015/16 was in staffing. As part of the 2016/17 budget, a savings option was agreed to extract 75% of staffing underspends to be held corporately, this will appear as an additional cost to services.

It is assumed that all 2016/17 savings will be achieved excluding the £250k procurement saving coded within Directorate Support.

Communities & Housing

Assumed reduced service charges from 1 August 2016, 2015/16 level of agency staff will reduce as the service is running with one less hostel from 2015/16, rental and council tax will be at similar levels to 2015/16 and Bed and Breakfast/hotel income and charges will come in on budget. There is a risk that the Bed and Breakfast usage will not fall.

Public Infrastructure & Environment

For Waste assumed the rates of the new SITA contract for both income and expenditure. Spend on supplies and services for Fleet is based on current data. It is assumed that we will not experience severe winter conditions or a recurrence of flooding.

Officers will mitigate the effects of the not taking forward the parking charges for three car parks in 2016/17 by wardens now carrying out single patrols which will increase the area covered and may identify an increased no of people illegally parking. Also the conversion of Frederick Street Car Park to long stay.

Land and Property Assets

Assumed 2015/16 level of income and expenditure for School Catering and no tenant will be found to let Balgownie 1. Potential shortfall of £360k is anticipated within Construction Consultancy this is based on the level of work likely to be undertaken.

Economic Development

It has been assumed that there will be no gain or loss on the Euro account. There is an increased risk to this assumption following the result of the EU referendum.

Planning & Sustainable Development

Reduced income is forecast in Development Management from planning applications as a result of the continued downturn of the Oil and Gas industry.

Non Housing Capital Programme

The Service Determined Minimum Required is assessed every month by services with support from the SIP Programme Manager and officers from the Programme Management Office, Asset Management and Finance. New governance arrangements implemented in December have introduced a more robust milestone approach to project monitoring which is driving financial re-profiling exercises across the capital plan.

Appendix B shows a breakdown by project of spend to date and applicable supporting information.

6. IMPACT

Improving Customer Experience –

Accurate budget monitoring and forecasting assists the Council to plan and design our services around current and future customer needs as much as possible.

Improving Staff Experience –

Good financial information improves good financial management and helps to track how successful management initiatives, such as service redesign, have been.

Improving our use of Resources –

As a public sector organisation, the Council has a legal duty to be open, transparent and accountable for spending public funds.

Corporate -

Aberdeen the Smarter City:

Smarter Governance (Participation)

Accurate budget monitoring and forecasting contributes to the process of Smarter Governance.

Smarter Environment (Natural Resources)

Communities, Housing & Infrastructure contributes to managing waste effectively and in line with UK and European legislative requirements by maximizing recycling and reducing waste to landfill, thereby reducing our costs and carbon footprint.

Also to the provision of a clean, safe and attractive streetscape and promoting bio-diversity and nature conservation and encourages wider access to green space in our streets, parks and countryside.

Public –

The Council has a duty to ensure that best value is considered in all of its operations and this report helps to inform that process.

7. MANAGEMENT OF RISK

General Fund Revenue

A number of risks are identified in section 5.2 Financial Position and Risks Assessment and Appendix D within this report. Risks continue to be managed by the continued monitoring of the forecasts and mitigating action will be taken if any additional cost pressures materialise.

8. BACKGROUND PAPERS

Financial ledger data extracted for the period.

9. REPORT AUTHOR DETAILS

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Appendix A

ABERDEEN CITY COUNCIL REVENUE MONITORING 2016/17

DIRECTORATE : Communities, Housing & Infrastructure

		YEAR TO DATE			FORECAST TO YEAR END				
As at	October 2016	Full year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	Change from last report
ACCOUNTING PERIOD 7		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
HEAD OF COMMUNITIES AND HOUSING		13,103	7,384	7,094	(290)	12,696	(407)	(3)%	(110)
HEAD OF ECONOMIC DEVELOPMENT		3,233	1,908	2,093	185	3,050	(183)	26%	311
HEAD OF LAND & PROPERTY ASSETS		20,464	12,913	11,446	(1,466)	19,468	(996)	(5)%	(304)
HEAD OF PUBLIC INFRASTRUCTURE		38,474	22,933	21,049	(1,884)	39,822	1,347	4%	714
HEAD OF PLANNING & SUSTAINABLE		10,522	6,097	6,273	176	9,999	(523)	(5)%	(227)
OPERATIONAL SUPPORT MANAGER		966	612	1,013	402	1,734	768	1	99
TOTAL BUDGET		86,762	51,846	48,968	(2,878)	86,768	6	1	482

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2016/17: HEAD OF COMMUNITIES & HOUSING

DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE
DIRECTOR : PETE LEONARD

As at	October 2016	YEAR TO DATE				FORECAST TO YEAR END			Change from last report
		Full year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
ACCOUNTING PERIOD 7		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		7,879	4,565	4,594	29	7,713	(166)	-2%	365
PROPERTY COSTS		3,402	2,004	2,258	254	4,184	781	23%	(15)
ADMINISTRATION COSTS		1,129	386	788	402	1,157	28	2%	(114)
TRANSPORT COSTS		77	45	68	23	93	16	21%	25
SUPPLIES & SERVICES		2,952	1,724	1,294	(430)	2,730	(222)	-8%	671
TRANSFER PAYMENTS		8,857	5,169	5,160	(9)	9,014	156	2%	(34)
CAPITAL FINANCING COSTS		0	0		0	0	0	0%	0
GROSS EXPENDITURE		24,297	13,893	14,162	270	24,891	594	2%	898
LESS:									
INCOME		(11,194)	(6,509)	(7,069)	(560)	(12,195)	(1,001)	9%	(1,008)
TOTAL INCOME		(11,194)	(6,509)	(7,069)	(560)	(12,195)	(1,001)	9%	(1,008)
NET EXPENDITURE		13,103	7,384	7,094	(290)	12,696	(407)	-3%	(110)

VIREMENT PROPOSALS

REVENUE MONITORING VARIANCE NOTES

Overall Note

Employee Costs

The staffing underspend contribution is forecast as £166k. The movement from the previous report reflects budget changes as a result of restructuring.

(166) 365

Property Costs

The over spend mainly relates to temporary homeless flats rent £496k & Factoring £295k.

781 (15)

Administration Costs

Position relates to under spend within Housing Access of £207k and Other Housing £76k offset by over spend in Temporary Homeless £205k, Bed & Breakfast £54k, Crown Street Hostel £39k, and St Fitticks Hostel £31k. The movement reflects the movement for the restructure and under spend within Other Housing.

28 (114)

Transport Costs

This budget is for travelling expenses and outturns have been reviewed based on spend to date.

16 25

Supplies and Services

The under spend relates to Refugees £135k, Bed & Breakfast £50k, Home Check Scheme £20k and Furniture Services £60k. Additionally, underspends are in Disability Equality Strategists £132k and Temporary Homeless Flats £40k. This is partially offset by overspends in Youth Employment Project £75k, Rosemount Learning Centre £18k, DWP Triage Project £73k and Communities Development Fund £85k. The movement relates to the addition of out-turns for the Community Centres as per Income line.

(222) 671

Transfer Payments

This position relates to an overspend of £549k in Private Sector Leasing and £205k in Learning Disability partially offset by an underspend in Mental Health £255k, Homeless/Sleeping Rough £109k, Homeless Persons £67k, Physical Disability/Illness £46k, Other Housing £36k & Older People £21k.

156 (34)

Capital Financing Costs

Capital Financing Costs have now been removed from the budgets and will be treated corporately.

0 0

Income

Income is expected to be over recovered by £516k from homeless flats, £300k for Private Sector Leasing, £115k for Houses in Multiple Occupation, £107k for DWP Triage Project, £77k in Youth Employment Project & Other Housing £68k and under recovered mainly in Bon Accord Hostel £106k, Private Reg Landlords £43k, Community Safety £33k & Homeless Persons £30k. The movement relates to the addition of out-turns for the Community Centres.

(1,001) (1,008)

(407) (110)

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2016/17: HEAD OF ECONOMIC DEVELOPMENT

DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE
DIRECTOR : PETE LEONARD

As at	October 2016	Full year Revised Budget	YEAR TO DATE			FORECAST TO YEAR END			Change from last report
			Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
ACCOUNTING PERIOD 7		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		1,148	669	673	4	926	(221)	-19%	(81)
PROPERTY COSTS		0	0	163	163	420	420	0%	(40)
ADMINISTRATION COSTS		78	46	36	(9)	70	(8)	-10%	4
TRANSPORT COSTS		212	124	203	79	430	218	103%	48
SUPPLIES & SERVICES		882	514	113	(401)	347	(535)	-61%	(54)
TRANSFER PAYMENTS		1,590	928	1,103	175	1,583	(7)	0%	514
CAPITAL FINANCING COSTS		0	0		0	0	0	0%	0
GROSS EXPENDITURE		3,910	2,280	2,291	11	3,776	(134)	-3%	391
LESS:									
INCOME		(677)	(372)	(198)	174	(726)	(49)	7%	(80)
TOTAL INCOME		(677)	(372)	(198)	174	(726)	(49)	7%	(80)
NET EXPENDITURE		3,233	1,908	2,093	185	3,050	(183)	-6%	311

VIREMENT PROPOSALS

None

REVENUE MONITORING VARIANCE NOTES

	FORECAST VARIANCE £'000	CHANGE £'000
Employee Costs	(221)	(81)
The staffing underspend contribution is forecast as £221k.		
Property Costs	420	(40)
The movement relates to the Hydrogen Bus Project and is in part offset by the under spend within supplies and services.		
Administration Costs	(8)	4
Under spend is not significant.		
Transport Costs	218	48
£176k of over spend relates to the Hydrogen Bus Project.		
Supplies and Services	(535)	(54)
Underspends are against Hydrogen Bus Project £302k, New Project Development £106k and European Funding £112k.		
Transfer Payments	(7)	514
Movement from the previous report relates to the transfer of the Visit Aberdeen budget of £521k.		
Income	(49)	(80)
Over recovery of income of £181k expected for Hydrogen Bus Project, £60k for SCA Hydrogen Strategy under recovery of £97k for ACSEF & £78k for Hytrec.		
	(183)	311

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2016/17: HEAD OF LAND & PROPERTY ASSETS

DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE
DIRECTOR : PETE LEONARD

As at	October 2016	Full year Revised Budget	YEAR TO DATE			FORECAST TO YEAR END			Change from last report
			Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
ACCOUNTING PERIOD 7		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		18,514	10,800	10,771	(29)	18,415	(99)	-1%	65
PROPERTY COSTS		8,030	5,630	5,178	(452)	8,078	49	1%	(1)
ADMINISTRATION COSTS		561	327	395	68	688	128	23%	(38)
TRANSPORT COSTS		190	111	74	(37)	114	(76)	-40%	(4)
SUPPLIES & SERVICES		5,784	3,374	4,688	1,314	5,764	(20)	0%	449
TRANSFER PAYMENTS		0	0		0	0	0	0%	0
CAPITAL FINANCING COSTS		0	0		0	0	0	0%	0
GROSS EXPENDITURE		33,079	20,242	21,106	864	33,060	(19)	0%	472
LESS:									
INCOME		(12,615)	(7,330)	(9,660)	(2,330)	(13,592)	(977)	8%	(776)
TOTAL INCOME		(12,615)	(7,330)	(9,660)	(2,330)	(13,592)	(977)	8%	(776)
NET EXPENDITURE		20,464	12,913	11,446	(1,466)	19,468	(996)	-5%	(304)

VIREMENT PROPOSALS

REVENUE MONITORING VARIANCE NOTES	FORECAST VARIANCE £'000	CHANGE £'000
Employee Costs	(99)	65
Underspends are mainly within Janitors £47k and School Crossing Patrollers £45k.		
Property Costs	49	(1)
This is based on overspends on Balgownie 1 £130k and Cleaning £125k with an underspend of £100k in Hard FM & £90k in the Estates Team.		
Administration Costs	128	(38)
Overspend is largely based on Distribution Services £136k which relates to postage and is based on 15/16 actual.		
Transport Costs	(76)	(4)
The main underspend is within School Catering and Housing Repairs.		
Supplies and Services	(20)	449
The underspend is within School Catering £1.1m relating to the provision of free school meals with an overspend of £992k in the Design Team, mainly relating to additional consultants fees, which is recovered in part by additional income and £91k in Town House Dining Room.		
Income	(977)	(776)
The forecast relates to under recovery of income from Construction Consultancy £288k, Housing Repairs £242k, Building Services Energy £69k, and an over recovery of £1m in the Design Team, Cleaning £281k, Marischal College Accommodation £103k and Janitors £50k. Movement from the previous report mainly due to the additional income being generated by the Design Team.		
	(996)	(304)

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2016/17: HEAD OF PUBLIC INFRASTRUCTURE & ENVIRONMENT

DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE
DIRECTOR : PETE LEONARD

As at	October 2016	Full year Revised Budget	YEAR TO DATE			FORECAST TO YEAR END			Change from last report
			Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
ACCOUNTING PERIOD 7		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		25,027	14,566	15,120	554	25,601	574	2%	344
PROPERTY COSTS		3,476	2,181	1,705	(476)	3,506	29	1%	(66)
ADMINISTRATION COSTS		405	236	277	41	516	111	28%	(5)
TRANSPORT COSTS		3,149	1,837	1,854	17	3,221	72	2%	(62)
SUPPLIES & SERVICES		19,650	11,476	12,664	1,188	22,894	3,244	17%	2,357
TRANSFER PAYMENTS		3,958	2,664	4,426	1,762	6,971	3,013	76%	552
CAPITAL FINANCING COSTS		0	0		0	0	0	0%	0
GROSS EXPENDITURE		55,665	32,961	36,046	3,085	62,709	7,044	13%	3,120
LESS:									
INCOME		(17,191)	(10,028)	(14,997)	(4,969)	(22,888)	(5,697)	33%	(2,407)
TOTAL INCOME		(17,191)	(10,028)	(14,997)	(4,969)	(22,888)	(5,697)	33%	(2,407)
NET EXPENDITURE		38,474	22,933	21,049	(1,884)	39,822	1,347	4%	714

VIREMENT PROPOSALS

REVENUE MONITORING VARIANCE NOTES	FORECAST VARIANCE £'000	CHANGE £'000
Employee Costs	574	344
This relates mainly to an overspend in Household Waste of £326k & Fleet £153k & Bus Lane Management £114k.		
Property Costs	29	(66)
Crematorium premises costs are expected to reflect that of 2015-16, therefore forecasting £46k overspend position & Street Lighting £83k, this is partially offset by underspends of £87k in Public Conveniences.		
Administration Costs	111	(5)
Overspend relates mainly to Roads courses £104k.		
Transport Costs	72	(62)
Fleet costs are expected to reflect those of 2015-16. Fleet transport costs are expected to overspend by £457k, mainly in relation to hire of vehicles, which is recovered through income and an over spend of £192k in Grounds Maintenance. This is offset by underspends mainly in Waste £380k and Roads Maintenance £154k.		
Supplies and Services	3,244	2,357
Overspend primarily in Roads £2.3m, Fleet £579k and Environmental £271k. These are offset by Waste underspend £1.4m which reflects disposal contract changes and is balanced by overspends in Waste transfer payments. Movements relate to changes in Bridge & Traffic Works and set off with similar changes to the income.		
Transfer Payments	3,013	552
The overspend principally relates to Waste disposal contract changes of £3m for which budget from supplies and services will be realigned. This will still result in a net overspend for waste of £1.78m in 16/17 due to delays in the Altens East facilities becoming operational.		
Capital Financing Costs	0	0
Capital Financing Costs have now been removed from the budgets and will be treated corporately.		
Income	(5,697)	(2,407)
The forecast relates to over recovery of income from Traffic Works £1.73m, Bridge Works £1.3m, Street Lighting £1.1m, Fleet £425k and Grounds £286k. This balances areas of overspend addressed in supplies and services and transport costs.		
	1,347	714

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2016/17: HEAD OF PLANNING & SUSTAINABLE DEVELOPMENT

DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE
DIRECTOR : PETE LEONARD

AS AT	October 2016	Full year Revised Budget	YEAR TO DATE			OUTTURN			Change from last report
			Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
ACCOUNTING PERIOD 7									
STAFF COSTS		11,870	6,926	6,618	(308)	11,505	(365)	(3.1)%	(29)
PROPERTY COSTS		13,474	7,907	191	(7,716)	13,467	(7)	(0.1)%	(2)
ADMINISTRATION COSTS		301	120	115	(5)	245	(56)	(18.6)%	4
TRANSPORT COSTS		3,295	1,922	1,691	(232)	3,098	(197)	(6.0)%	(197)
SUPPLIES & SERVICES		15,665	9,131	7,629	(1,502)	16,001	336	2.1%	372
TRANSFER PAYMENTS		278	162	155	(7)	273	(5)	(1.8)%	(0)
CAPITAL FINANCING COSTS		0	0		0	0	0	0.0%	0
GROSS EXPENDITURE		44,883	26,169	16,399	(9,770)	44,589	(294)	(0.7)%	148
LESS:									
INCOME		(34,361)	(20,072)	(10,126)	9,946	(34,590)	(230)	0.7%	(375)
TOTAL INCOME		(34,361)	(20,072)	(10,126)	9,946	(34,590)	(230)	0.7%	(375)
NET EXPENDITURE		10,522	6,097	6,273	176	9,999	(523)	(5.0)%	(227)

VIREMENT PROPOSALS

None this cycle

REVENUE MONITORING VARIANCE NOTES

	FORECAST VARIANCE £'000	CHANGE £'000
Employee Costs	(365)	(29)
The staff underspend contribution is forecast to be £365k largely due to Recoverable Works and Greenspace Trust forecasting underspends of £147k and £85k respectively.		
Property Costs	(7)	(2)
Property Costs are relatively on budget.		
Administration Costs	(56)	4
Position mainly due to underspends in Aberdeen Scientific Serv Lab £18k, Environmental £7k, Public Transport £9k, Commercial £4k, P&SD Administration £8k		
Transport Costs	(197)	(197)
Forecast position reflects overspends in Building Standards, the Mortuary and Recoverable Works offset against underspends in Commercial, Trading Standards, School Transport and PTU Drivers.		
Supplies and Services	336	372
Underspends found in Development Plan £41k, Contaminated Land Regime £28k and Trading Standards £28k which are largely offset by overspends in Recoverable Works £234k, Roads Projects £125k and Transport Strategy £113k.		
Transfer Payments	(5)	(0)
No significant variance from budget is forecast for this item.		
Income	(230)	(375)
The under recovery relates to low income forecast in Development Management from planning applications due to the current economic climate £293k & Roads Projects £118k. Over recover of income is expected in the Scientific Lab Service £172k relating to AWPR work, Transportation Strategy £180k, Transportation Team £147k & Public Transport £110k.		
	(523)	(227)

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2016/17: DIRECTORATE SUPPORT

DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE
DIRECTOR : PETE LEONARD

DIRECTOR : PETE LEONARD

AS AT October 2016		Full year Revised Budget	YEAR TO DATE			OUTTURN			Change from last report
			Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
ACCOUNTING PERIOD 7		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		1,971	1,197	1,211	15	2,057	86	4.4%	(100)
PROPERTY COSTS		(608)	(353)	4	357	7	615	(101.1)%	(0)
ADMINISTRATION COSTS		133	78	24	(53)	30	(103)	(77.2)%	(3)
TRANSPORT COSTS		19	11	3	(8)	3	(16)	(84.2)%	(0)
SUPPLIES & SERVICES		18	11	74	63	154	136	741.1%	226
TRANSFER PAYMENTS		0	0		0	0	0	0.0%	0
CAPITAL FINANCING COSTS		0	0		0	0	0	0.0%	0
GROSS EXPENDITURE		1,533	943	1,316	373	2,252	719	46.9%	124
LESS:									
INCOME		(567)	(331)	(302)	29	(518)	49	(8.7)%	(25)
TOTAL INCOME		(567)	(331)	(302)	29	(518)	49	(8.7)%	(25)
NET EXPENDITURE		966	612	1,013	402	1,734	768	79.5%	99

VIREMENT PROPOSALS

None this cycle.

REVENUE MONITORING VARIANCE NOTES

	FORECAST VARIANCE £'000	CHANGE £'000
Employee Costs	86	(100)
The staff overspend forecast at £86k.		
Property Costs	615	(0)
Current variance is linked to the budget saving from Economic Development that will not be achieved £615k.		
Administration Costs	(103)	(3)
Underspend relates mostly to courses/conferences and insurance payments.		
Transport Costs	(16)	(0)
Underspend relates to travelling expenses.		
Supplies and Services	136	226
The main variance relates to the £250k procurement saving, which can't be identified as being achieved.		
Transfer Payments	0	0
No significant variance from budget is forecast for this item.		
Income	49	(25)
Reduced income is forecast to be £74k in line with an underspend in supplies and services.		
	768	99

Appendix B
Capital Monitoring

As at Period 7 2016/17 Communities Housing & Infrastructure Projects	Figures for Total Project			Pr	Cu
	Approved Budget	Expenditure to Date	Forecast Expenditure		
	£'000	£'000	£'000		
City Centre Masterplan	27,450	965	27,450	G	G
CATI: South College Street	5,533	84	5,533	A	A
City Centre Masterplan - Phase 1	2,610	0	2,610	G	G
Access From the North / 3rd Don Crossing	23,708	23,983	23,944	A	A
Western Peripheral Route	75,000	42,308	75,000	G	G
Strategic Land Acquisition	6,650	432	6,650	G	G
Hydrogen Buses	10,368	10,272	10,368	G	G
City Broadband (Accelerate Aberdeen)	6,880	4,344	4,878	G	G
Victoria House	2,609	2,622	2,629	G	G
CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	20,175	807	20,175	A	A
A96 Park & Choose / Dyce Drive Link Road	15,200	11,158	15,200	A	A
Waste: Ness Landfill Leachate & Gas Control Measures	132	34	33	G	G
Waste: Energy from Waste (EfW) Procurement & Land Acquisition	3,379	636	3,379	A	A
Waste: Investment in Waste Collection	3,980	1,014	3,980	G	G
Waste: Refused Derived Fuel Plant	1,497	16	1,497	A	A
Waste: Co-Mingled MRF & Depot	25,444	18,836	25,444	A	A
Waste: Investment in WTS and existing HWRCs	94	0	94	G	G
Waste: Bridge of Don HWRC	1,400	0	1,400	G	G
Energy from Waste (EfW) Construction	75,000	0	75,000	G	G
Tillydrone Community Hub	3,500	7	3,500	G	G
TNRP - Investment in Advance Factory Units	2,900	25	2,900	G	G
New AECC: ACC project share	81,580	41,768	81,580	G	G
New AECC: Anaerobic Digestion Plant	tbc	0	tbc	G	G

New AECC: Energy Centre	tbc	0	tbc	G	G
New AECC: Hotel 2	tbc	0	tbc	G	G
City Deal	423	375	423	G	G
Aberdeen City Hydrogen Energy Storage (ACHES)	2,937	2,919	2,937	A	A
SIP New Build Housing Programme	3,000	907	3,000	G	G
Middlefield Project Relocation / Henry Rae Community Centre Extension	1,945	1,481	1,945	G	G
Street Lighting LED Lanterns (PACE 5 Year programme)	7,500	0	7,500	G	G
Flood Prevention Measures: Flood Guards Grant Scheme	500	8	500	G	G
Flood Prevention Measures: Riverside Drive at Bridge of Dee Court	500	0	500	G	G
Flood Prevention Measures: Millside & Paddock Peterculter	3,000	0	3,000	G	G
Flood Prevention Measures: Inchgarth Road	1,000	0	1,000	G	G
Station House Media Unit Extension	1,042	0	1,042	G	A
Sustrans Active Travel Infrastructure Fund	1,230	0	1,230	G	G
City Deal: Strategic Transport Appraisal	1,000	0	1,000	G	G
City Deal: Aberdeen Harbour Expansion Project	5,500	0	5,500	G	G
City Deal: Digital Infrastructure	3,500	0	3,500	G	G
	428,166	165,000	426,322		

**As at Period 7 2016/17
Communities Housing
& Infrastructure
Rolling Programmes**

Communities Housing & Infrastructure Rolling Programmes	Approved Budget	Expenditure to Date	Forecast Expenditure	Pr	Cu
	£'000	£'000	£'000		
Corp Property Condition & Suitability Programme	9,453	4,765	9,536	G	G
Cycling Walking Safer Streets Grant	251	92	251	G	G
Nestrans - Capital Grant	1,495	(437)	1,000	G	G
Private Sector Housing Grant	700	424	700	G	G
Fleet Replacement Programme (including Zero Waste Strategy Fleet)	3,967	2,352	4,508	G	G
Planned Renewal & Replacement of Road Infrastructure	6,037	3,223	5,969	G	G
Planned Renewal & Replacement of Road Infrastructure (Street Lighting)	500	882	500	G	G
	22,403	11,300	22,464		

Earmarked Reserves

As at Period 7 2016/17	Balance b/f 1 April 2016	Forecast for Year	New Amounts / (Unrequired) Amounts	Projected c/f 31 March 2017	Details (reason for holding, plans for using, assumptions on new amounts and reasons for unrequired amounts)
	£'000	£'000	£'000	£'000	
<i>Income Derived Projects:</i>	-	-	-	-	
Energy Efficiency Fund	1,224	-	-	1,224	Revolving fund for Council energy projects(Ceef)
Bus Lane Enforcement	1,290	1,290	-	-	As required by the relevant legislation, net income from Bus Lane Enforcement to facilitate the objective's of the Local Transport Strategy
Second/Long Term Empty Homes	6,898	1,999	-	4,899	Additional income generated by reducing the discounts which is to be used towards funding affordable housing. Funding identified in May 16 CHI report on affordable housing- £1.089m Smithfield, £800k Manor Walk & Low Cost home ownership £30k.
<i>Other Projects:</i>					
Roads Repairs/Projects	319	319	-	-	Road repair and maintenance sum approved by Finance, Policy & Resources Committee May 2014. Includes £193k approved at FP&R in June 2016 for improvements to the road at Torry Battery.
Property Transfer	155	155	-	-	The works required at Glover House have been identified in a building condition survey but unlikely to be completed fully by 31 March 2017.
Park Improvements	242	242	-	-	Approved at FP&R in June 2015- Seaton park £100k, Auchmill £2k and Cairncry £4k. Approved at FP&R June 2016- Westburn Park Cycle Track £29k, Johnston Gardens £12.5k and Duthie Park Education Room £39k.
City Deal	300	300	-	-	Funding to support the City Deal Scheme.
Men's Shed Dyce	7	7	-	-	As approved by FP&R June 15, contribution to Men's shed social club charity, Dyce.
Hazlehead Pets Corner Renovation and Expansion	100	100	-	-	As approved by FP&R June 2015 renovation and expansion of Hazlehead Pets Corner. Park now closed to the public as work commenced in October.
DEM Education Communication Centres	1,105	1,105	-	-	Reserve for annual DEM carry forward for education centres.
Community Planning	24	24	-	-	Community Planning Participatory Budgeting in conjunction with Fairer Aberdeen. Approved at FP&R June 2016.
Big Belly Bins	105	105	-	-	Payment has been made to Aberdeen Inspired to part fund the next phase of city centre bin investment. Approved at FP&R June 2016.
New Carpets for Cummings Park Flat	4	4	-	-	Approved at FP&R June 2016
Printfield Community Project Creche Development	5	5	-	-	Approved at FP&R June 2016

As at Period 7 2016/17	Balance b/f 1 April 2016	Forecast for Year	New Amounts / (Unrequired) Amounts	Projected c/f 31 March 2017	Details (reason for holding, plans for using, assumptions on new amounts and reasons for unrequired amounts)
Cornhill Community Centre Adult learning	5	5	-	-	Approved at FP&R June 2016
Community Centre Facility Improvements	47	47	-	-	As approved by FP&R June 15, internal improvement scheme for Balnagask Community Centre £5k. Approved at FP&R June 2016- £2k CCTV for Balnagask, £16k Danestone, £4k Cairncry, £20k Ferryhill.
Tillydrone Community Development Trust	12	12	-	-	Approved at FP&R June 2016
Tillydrone Vision	10	10	-	-	Approved at FP&R June 2016
New shed at St Clements Court	1	1	-	-	Approved at FP&R June 2016
Youth bus for Torry Community Centre	20	20	-	-	Approved at FP&R June 2016
Play Parks	170	170	-	-	Approved at FP&R June 2016. Includes Seaview Place £30k, Findon Ness £25k, Kincorth £3k, Crown Terrace Park £15k , Allan Park £60k, Bonnyview Rd £30k and Skene St £7k.
Off road motorcycle project	10	10	-	-	Approved at FP&R June 2016
Northfield Academy Fire Work display	1	1	-	-	Approved at FP&R June 2016
Replace defunct Security Camera System at Kincorth Shopping Centre	5	5	-	-	Approved at FP&R June 2016
To cover the legal costs for gifted landed from Culter House Estate in Culter to the Community Council	5	5	-	-	Approved at FP&R June 2016
Support for Milltimber Play Group outdoor forest	1	1	-	-	Approved at FP&R June 2016
<i>Revenue Grants:</i>					
Commercial- Dev Grant	30	-	-	30	Scheme - Confidence to Care, no applications during 15/16.
Duthie Park Bequest	66	-	-	66	As a bequest it requires to be spent on Duthie Park.
Private Sector Housing Grant	1,065	-	-	1,065	Fund is used to pay for repairs which are not funded by owners.
Welfare Rights / SLAB 2	7	7	-	-	To be spent on staff costs, admin & travel.
Welfare Rights/NHS Grant	15	15	-	-	To be spent on staff costs, admin & travel.
Community Justice Redesign Post	24	12	-	12	Approved FP&R June 2016. Ring-fenced funding for this post. Year 2 and year 3 costs will exceed grant so this reserve will needed to cover the additional costs.
DWP Flexible Support Funding	60	60	-	-	Approved at FP&R June 2016
Total	13,330	6,034	-	7,296	

ASSUMPTIONS & RISKS			
Service	Budget Description	Details	Mitigation/Action Required
Communities, Housing Infrastructure (CH&I)	Housing Support/Access	The Council have a statutory obligation to meet specific needs of the homeless. As such this is a demand led service which can fluctuate. To meet the needs of the growth in the number of homeless presentations there are several cost pressures, including the increased costs of property rentals, use of B&B facilities, and commissioning costs to agencies/charities. This represents a risk of overspend as forecasts include assumptions on level of activity.	Continued monitoring of the activities is required for the service to control costs and ensure funds are spent in most efficient method. Due to the downturn in the rental market the service manager is exploring options to provide a more cost effective service.
	Design Team	A statutory requirement to upgrade of IT systems and additional consultants fees will put pressure on this budget.	Additional income has been identified which will offset this pressure. The detail behind consultants fees is being reviewed with a view to limiting spend where possible.
	Fleet	An improvement process is ongoing within Fleet to upgrade their vehicles and develop staff. There are currently a number of budget pressures within Fleet in hires and materials.	Measures are being taken by the service to bring the out turn in line with budget including investment in new fleet. Personnel from Finance are working closely with Fleet to assist in the delivery of the improvement plan.

Service	Budget Description	Details	Mitigation/Action Required
	Waste	A new waste disposal contract has been entered into, which will provide refuse derived fuel and material recycling capabilities. A delay in the start of the contract has resulted in an overspend position due to the additional costs of landfill and reduced market price of recyclates. This is a short term issue which will cease once the new site at Altens East is operational.	Further detailed work is ongoing to assess the impact of absorbing cost pressures to provide greater clarity on which areas of the waste budget can be controlled, whilst also understanding the impact this may have on the provision of the service.
	Transport	Additional staff and consultants fees has put pressure on this budget with an overspend currently forecast.	Currently analysing the details of the projects requiring additional spend to ensure income is maximised and spend is contained as much as possible.
	Planning Income	It is currently assumed that planning income will not reach the increased 2016/17 budgeted level. However, whilst this is a risk it is equally likely that income above that budgeted could materialise.	Continue to monitor economic activity across the city and the impact this could have on the achievement of planning income.