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COMMITTEE	Communities, Housing & Infrastructure
DATE	24 May 2017
REPORT TITLE	2016/17 Trading Services Budget Monitoring
REPORT NUMBER	CHI/17/064
INTERIM DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Helen Sherrit

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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 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:
- a) consider and note this report and the information on management action and risks that is contained herein; and
  - b) instruct that officers report the year end position to the appropriate committee.

**3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE**

Trading Services

In overall terms the position forecasts an under recovery of £600k on the total Communities Housing and Infrastructure Trading Services budget. This is being covered within the overall Corporate budget.

**4. FINANCIAL IMPLICATIONS**

The Trading budget amounts to a credit balance of £10.3m, the forecast position indicates an under recovery of £600k.

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

**5. LEGAL IMPLICATIONS**

There are no direct legal implications arising from the recommendations of this report.

## 6. MANAGEMENT OF RISK

- **Building Services** – Building Services surplus target has been reduced to £1m for 16/17. Although housing response work remains at the same level as 15/16 there has been a significant drop in housing capital work as well as a reduction in work carried out for other council services.  
Medium Risk
- **Property Letting** – The favourable variance is a result of additional rent. There is a risk that the continued downturn in the economic position of Aberdeen may impact on the Property Letting income.  
Medium Risk
- **Car Parking** – It is anticipated that the budgeted income from car parks will be under achieved. To date most income streams are reduced compared to the same period last year due to the economic downturn. Car Parks income can be weather dependant and there was very little increase in activity over the festive period.  
Medium Risk

## 7. IMPACT SECTION

### **Economy**

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.

### **People**

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

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

### **Place**

Building Services under take the repairs on Council Houses therefore contribute to the priority 'tenants have a dry, warm home in a safe and enjoyable environment'.

### **Technology**

This report is a status report therefore has no impact on further advances technology for the improvement of public services and/ or the City as a whole.

**8. BACKGROUND PAPERS**

*Financial ledger data extracted for the period.*

**9. APPENDICES (if applicable)**

Appendix A Trading Account Summary  
Appendix B Earmarked Sums

**10. REPORT AUTHOR DETAILS**

Helen Sherrit  
Finance Partner  
hsherrit@aberdeencity.gov.uk  
01224 346353

**HEAD OF SERVICE DETAILS**

Steven Whyte  
Head of Finance  
Swhyte@aberdeencity.gov.uk  
01224 523566

Appendix A

	Year To Date			Forecast to Year End			
As at Period 11 2016/17	Revised Budget	Actual Expenditure	Variance Amount	Full Year Revised Budget	Forecast Actual	Variance Amount	Change from previous forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Building Services	(950)	126	1,076	(1,036)	(578)	458	458
Property Letting	(4,416)	(4,960)	(544)	(4,818)	(5,312)	(494)	(202)
Car Parks	(4,098)	(3,456)	643	(4,471)	(3,835)	636	(3)
<b>Total</b>	<b>(9,465)</b>	<b>(8,289)</b>	<b>1,175</b>	<b>(10,325)</b>	<b>(9,725)</b>	<b>600</b>	<b>253</b>

## Appendix B

### Earmarked Reserves

As at Period 11 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>Projects:</i>					
Kincorth Shopping Centre CCTV	5	5	0	0	Replace defunct security camera at Kincorth Shopping Centre
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	