

## ABERDEEN CITY COUNCIL

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COMMITTEE	Communities, Housing & Infrastructure
DATE	24 May 2017
REPORT TITLE	2016/17 General Fund Revenue & Capital Budget Monitoring
REPORT NUMBER	CHI/17/066
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 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:
- 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**

- 3.1 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, the overall Council position will be reported to Finance Policy & Resources Committee at a later date.

### **Financial Position and Risks Assessment**

#### **General Fund Revenue**

- 3.2 The significant areas of variance are as follows:

	<b>£'000</b>
Homeless/Housing Support	514
Private Sector Housing/ Other Housing	(248)
Neighbourhood Planning	(371)
Facilities	(1,287)
Construction Consultancy	536
Fleet	736
Waste	1,802
Roads Operational	(1,465)
Grounds Maintenance	(206)
Environmental	(153)
Environmental Health & Trading Standards	(226)
Economic Development	(177)
Directorate Support	740
ASSL	(167)
Development Mgt & Building Standards	1,085
Transport	290
Development Plan	(105)

- Homeless/Housing Support is forecast to be £514k higher than budget due to a increased number of flats causing additional rental spend, statutory repairs and doubtful debts.
- Other Housing administration costs are forecast to be under budget by £248k reflecting the recovery of the central support charges currently not budgeted within HMO and over recovery of rental income.
- Neighbourhood Planning forecast under spend position of £371k is due to an anticipated lower spend in premises costs and an over recovery of income.
- Facilities are anticipating under spends within School Catering mainly relating to free school meals, School Crossing Patrols, Cleaning and Janitors.
- The Construction Consultancy team overspend forecast of £536k is a result of under recovery of fee income from Housing Capital.
- Fleet are forecasting an over spend of £736k principally as a result of increased stores issued to jobs and hire of vehicles, this is partially offset by an over recovery of income.
- Waste overspend position of £1.8m relates to delays in signing the waste disposal contact 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.
- Grounds variance relates to an underspend in staffing and an over recovery of income partially offset by overspends in transport costs and supplies and services.
- The Environmental underspend is based on underspends in premises costs and supplies and services with an overspend in staff costs.
- The under spends within Environmental Health & Trading Standards reflects lower than budget spend on staffing and supplies and services with an over recovery of income.
- The Economic Development position mostly relates to an over recovery of income.
- Directorate Admin Support is forecasting an overspend of £774k 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 £167k under spend reflects principally an over recovery of income of £180k mainly from AWPR related work.
- Building Standards and Development Management is forecasting an over spend of £1.085m due to the under recovery of planning application income.
- Transport over spend position of £290k mainly reflects an overspend in supplies and services partially offset by underspends in staffing and transport costs.
- The Development Plan underspend is largely due to reduced spend on supplies and services.

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 which was increased to 100% in January, this will appear as an additional cost to services.

### **Communities & Housing**

Assumed reduced service charges from 1 August 2016, rental and council tax will be at similar levels to 2015/16 and Bed and Breakfast/Hotel income and charges reflect current trends. There is a risk that the Bed and Breakfast usage will not fall and arrears could increase due to Welfare Reform.

### **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. To date we have not experienced severe winter conditions or a recurrence of flooding.

### **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 £536k is anticipated within Construction Consultancy this is based on the level of work likely to be undertaken.

### **Economic Development**

The Euro referendum will impact on the Euro rate therefore the Euro account.

### **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.

## **4. FINANCIAL IMPLICATIONS**

### **General Fund Revenue**

- 4.1 The total revenue budget amounts to £86.8m net expenditure, excluding the Housing Revenue Account (HRA) budget. The Directorate is forecast to be £757k overspent. Cost pressures have emerged in parts of the service, work has been undertaken to identify how these pressures can be mitigated in order to reduce the overspend.

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

### **4.2.1 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.

## **5. LEGAL IMPLICATIONS**

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

## **6. MANAGEMENT OF RISK**

A number of risks are identified in section 4.2 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.

## **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**

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.

### **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 General Service Revenue Summary  
Appendix B General Services Capital Summary  
Appendix C Earmarked Sums  
Appendix D Assumptions & Risks

## **10. REPORT AUTHOR DETAILS**

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## Appendix A

### ABERDEEN CITY COUNCIL REVENUE MONITORING 2016/17

#### DIRECTORATE : Communities, Housing & Infrastructure

As at	February 2017	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 11		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
HEAD OF COMMUNITIES AND HOUSING		16,648	15,261	14,239	(1,022)	15,889	(759)	(5)%	3,193
HEAD OF ECONOMIC DEVELOPMENT		3,233	2,964	3,139	176	3,056	(177)	26%	6
HEAD OF LAND & PROPERTY ASSETS		20,464	18,759	17,260	(1,498)	19,482	(982)	(5)%	15
HEAD OF PUBLIC INFRASTRUCTURE		38,474	35,268	35,408	140	39,188	714	2%	(633)
HEAD OF PLANNING & SUSTAINABLE		7,066	6,477	7,682	1,205	8,288	1,222	0	(1,711)
OPERATIONAL SUPPORT MANAGER		966	885	1,597	712	1,706	740	1	(27)
<b>TOTAL BUDGET</b>		<b>86,851</b>	<b>79,613</b>	<b>79,325</b>	<b>(288)</b>	<b>87,610</b>	<b>759</b>	<b>1</b>	<b>844</b>

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

**DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE**  
**DIRECTOR : BERNADETTE MARJORAM**

As at	February 2017	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 11		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		11,807	10,823	10,781	(42)	11,719	(88)	-1%	4,006
PROPERTY COSTS		3,958	3,628	3,668	40	4,040	82	2%	(144)
ADMINISTRATION COSTS		1,349	1,236	1,501	265	1,614	265	20%	457
TRANSPORT COSTS		221	203	192	(11)	213	(8)	-4%	120
SUPPLIES & SERVICES		3,842	3,522	2,812	(709)	3,402	(440)	-11%	672
TRANSFER PAYMENTS		8,862	8,123	8,031	(92)	8,816	(46)	-1%	(198)
<b>GROSS EXPENDITURE</b>		<b>30,039</b>	<b>27,536</b>	<b>26,987</b>	<b>(549)</b>	<b>29,805</b>	<b>(234)</b>	<b>-1%</b>	<b>4,914</b>
LESS:									
INCOME		(13,391)	(12,275)	(12,748)	(473)	(13,915)	(524)	4%	(1,720)
<b>TOTAL INCOME</b>		<b>(13,391)</b>	<b>(12,275)</b>	<b>(12,748)</b>	<b>(473)</b>	<b>(13,915)</b>	<b>(524)</b>	<b>4%</b>	<b>(1,720)</b>
<b>NET EXPENDITURE</b>		<b>16,648</b>	<b>15,261</b>	<b>14,239</b>	<b>(1,022)</b>	<b>15,889</b>	<b>(759)</b>	<b>-5%</b>	<b>3,193</b>

VIREMENT PROPOSALS

REVENUE MONITORING VARIANCE NOTES

Overall Note

Protective Services moved from Planning & Sustainable Development to Communities & Housing since the last report resulting the majority of the larger movements.

**Employee Costs**

The staffing underspend contribution is forecast as £88k. The movement from the previous report reflects Protective Services moving from Planning & Sustainable Development to Communities & Housing.

(88) 4,006

**Property Costs**

The over spend mainly relates to Factoring £294k, offset partly by £202k underspend in Temporary Homeless flats. Movement since last report largely due to £198k reduction in Temporary Homeless, mainly in contract building services.

82 (144)

**Administration Costs**

Position relates to under spend within Housing Access of £202k offset by over spend in Temporary Homeless £402k, Private Sector Leasing £149k. The movement reflects £197k increase in Temporary Homeless, £101k increase in Private Sector Leasing and the transfer of Protective Services.

265 457

**Transport Costs**

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

(8) 120

**Supplies and Services**

The under spend relates to Refugees £125k, Equality Strategists £132k, Bed & Breakfast £85k and Temporary Homeless Flats £76k. This is partially offset by overspends in Youth Employment Project £75k and DWP Triage Project £73k.

(440) 672

**Transfer Payments**

This position relates to an overspend of £559k in Private Sector Leasing and £137k in Learning Disability partially offset by an underspend in Mental Health £246k, Bed & Breakfast £149k, Homeless/Sleeping Rough £71k and Homeless Persons £70k. The movement since the last report due to further underspend in Bed & Breakfast £150k and £68k Learning Disability.

(46) (198)

**Income**

Income is expected to be over recovered by £524k in total. This mainly relates to an over recovery by £802K for Private Sector Leasing, £295k for Factoring, £217k in Neighbourhood Planning and £180k in Aberdeen Science Lab. With under recovery in Temporary Homeless Flat £617k, Bed & Breakfast £271k and Disability Equality Strategist £130k. The movement from the last report is due to favourable movement of £502k in Private Sector Leasing and £99k in Emergency Planning and adverse movement of £633k in Temporary Homeless Flats and £270k in Bed & Breakfast. Movement also impacted by the movement of Protective Services.

(524) (1,720)

(759) 3,193



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

**DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE  
DIRECTOR : BERNADETTE MARJORAM**

As at	February 2017	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 11		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		1,148	1,052	1,057	5	1,142	(6)	0%	216
PROPERTY COSTS		0	0	356	356	449	449	0%	29
ADMINISTRATION COSTS		78	72	84	12	87	9	12%	17
TRANSPORT COSTS		212	194	334	140	436	224	106%	6
SUPPLIES & SERVICES		882	808	441	(367)	217	(665)	-75%	(130)
TRANSFER PAYMENTS		1,590	1,458	1,277	(181)	1,526	(65)	-4%	(57)
<b>GROSS EXPENDITURE</b>		<b>3,910</b>	<b>3,584</b>	<b>3,550</b>	<b>(34)</b>	<b>3,857</b>	<b>(53)</b>	<b>-1%</b>	<b>81</b>
LESS:									
INCOME		(677)	(620)	(410)	210	(802)	(125)	18%	(76)
<b>TOTAL INCOME</b>		<b>(677)</b>	<b>(620)</b>	<b>(410)</b>	<b>210</b>	<b>(802)</b>	<b>(125)</b>	<b>18%</b>	<b>(76)</b>
<b>NET EXPENDITURE</b>		<b>3,233</b>	<b>2,964</b>	<b>3,139</b>	<b>176</b>	<b>3,056</b>	<b>(177)</b>	<b>-5%</b>	<b>6</b>

VIREMENT PROPOSALS

None

REVENUE MONITORING VARIANCE NOTES

	FORECAST VARIANCE £'000	CHANGE £'000
<b>Employee Costs</b>	(6)	216
The staffing underspend is forecast as £6k.		
<b>Property Costs</b>	449	29
The over spend relates principally to the Hydrogen Bus Project. The movement relates to an increase in the forecast for electricity charges for the ACHES project.		
<b>Administration Costs</b>	9	17
Over spend is not significant.		
<b>Transport Costs</b>	224	6
£169k of over spend relates to the Hydrogen Bus Project.		
<b>Supplies and Services</b>	(665)	(130)
Underspends are against Hydrogen Bus Project £344k, New Project Development £126k and European Funding £137k. Movement is due to underspend of £20k in New Project Development, £42k in Hydrogen Bus Project, £25k in European Funding, £21k in Business Growth and £35k in Renewables.		
<b>Transfer Payments</b>	(65)	(57)
£48k underspend in ACSEF		
<b>Income</b>	(125)	(76)
Over recovery of income of £243k expected for Hydrogen Bus Project, £60k for SCA Hydrogen Strategy under recovery of £97k for ACSEF & £78k for Hytec.		
	(177)	6

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

**DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE  
DIRECTOR : BERNADETTE MARJORAM**

As at	February 2017	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 11		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		18,514	16,971	17,006	35	18,400	(114)	-1%	(15)
PROPERTY COSTS		8,155	7,475	6,965	(510)	8,107	(48)	-1%	29
ADMINISTRATION COSTS		561	514	624	110	684	123	22%	(4)
TRANSPORT COSTS		190	174	111	(63)	116	(74)	-39%	2
SUPPLIES & SERVICES		5,659	5,188	5,792	604	5,423	(236)	-4%	(341)
TRANSFER PAYMENTS		0	0		0	0	0	0%	0
<b>GROSS EXPENDITURE</b>		<b>33,079</b>	<b>30,323</b>	<b>30,498</b>	<b>175</b>	<b>32,730</b>	<b>(350)</b>	<b>-1%</b>	<b>(329)</b>
LESS:									
INCOME		(12,615)	(11,564)	(13,238)	(1,674)	(13,247)	(632)	5%	345
<b>TOTAL INCOME</b>		<b>(12,615)</b>	<b>(11,564)</b>	<b>(13,238)</b>	<b>(1,674)</b>	<b>(13,247)</b>	<b>(632)</b>	<b>5%</b>	<b>345</b>
<b>NET EXPENDITURE</b>		<b>20,464</b>	<b>18,759</b>	<b>17,260</b>	<b>(1,498)</b>	<b>19,482</b>	<b>(982)</b>	<b>-5%</b>	<b>15</b>

VIREMENT PROPOSALS

<u>REVENUE MONITORING VARIANCE NOTES</u>	FORECAST VARIANCE £'000	CHANGE £'000
<b>Employee Costs</b>	(114)	(15)
Underspends in Construction Consultancy £70k, Housing Repairs £141k, Janitors £40k, Cleaning £22k, School Crossing Patrollers £33k. Offset by overspends in Catering £149k, Accommodation Moves £66k and Design Team £22k.		
<b>Property Costs</b>	(48)	29
This is based on overspends on Balgownie 1 £130k, Town House £47k and Cleaning £35k with an underspend of £122k in Kittybrewster Depot, £100k in Hard FM & £73k in the Estates Team.		
<b>Administration Costs</b>	123	(4)
Overspend is largely based on Distribution Services £136k which relates to postage and is based on 15/16 actual.		
<b>Transport Costs</b>	(74)	2
The main underspend is within School Catering and Housing Repairs.		
<b>Supplies and Services</b>	(236)	(341)
The underspend is within School Catering £1.1m relating to the provision of free school meals with an overspend of £681k in the Design Team, mainly relating to additional consultants fees, which is recovered in part by additional income, £288k in Construction Consultancy and £91k in Town House Dining Room. Movement is mainly due to £311k reduction in Design Team spend, £61k for the Asset Team and £67k for Accommodation moves. Partially offset by £124k increase in Construction Consultancy.		
<b>Income</b>	(632)	345
The forecast relates to under recovery of income from Construction Consultancy £330k, Housing Repairs £212k, Building Services Energy £69k, and an over recovery of £718k in the Design Team, Cleaning £304k, Marischal College Accommodation £103k, Town House Catering £57k and Janitors £50k. Movement from the previous report mainly due to £301k reduced income being generated by the Design Team.		
	<b>(982)</b>	<b>15</b>

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

**DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE  
DIRECTOR : BERNADETTE MARJORAM**

As at	February 2017	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 11		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		25,072	22,983	23,656	673	26,043	971	4%	442
PROPERTY COSTS		3,526	3,232	3,163	(69)	3,291	(235)	-7%	(215)
ADMINISTRATION COSTS		405	371	429	58	493	89	22%	(23)
TRANSPORT COSTS		3,149	2,887	3,056	169	3,351	202	6%	130
SUPPLIES & SERVICES		19,910	18,251	20,786	2,535	22,792	2,882	14%	(102)
TRANSFER PAYMENTS		4,183	3,834	6,244	2,410	6,847	2,664	64%	(124)
<b>GROSS EXPENDITURE</b>		<b>56,245</b>	<b>51,558</b>	<b>57,334</b>	<b>5,776</b>	<b>62,817</b>	<b>6,572</b>	<b>12%</b>	<b>108</b>
LESS:									
INCOME		(17,771)	(16,290)	(21,926)	(5,636)	(23,628)	(5,857)	33%	(740)
<b>TOTAL INCOME</b>		<b>(17,771)</b>	<b>(16,290)</b>	<b>(21,926)</b>	<b>(5,636)</b>	<b>(23,628)</b>	<b>(5,857)</b>	<b>33%</b>	<b>(740)</b>
<b>NET EXPENDITURE</b>		<b>38,474</b>	<b>35,268</b>	<b>35,408</b>	<b>140</b>	<b>39,188</b>	<b>714</b>	<b>2%</b>	<b>(633)</b>

VIREMENT PROPOSALS

None

REVENUE MONITORING VARIANCE NOTES

**Employee Costs**

This relates mainly to an overspend in Household Waste of £346k, Roads Maintenance £206k, Fleet £197k & Bus Lane Management £114k. The movement principally relates to Roads Maintenance of £241k.

FORECAST  
VARIANCE  
£'000

CHANGE  
£'000

971

442

**Property Costs**

Forecasting underspends within Public Conveniences £94k, Street Lighting £71k and Road Maintenance £44k.

(235)

(215)

**Administration Costs**

Overspend relates mainly to Roads courses £87k.

89

(23)

**Transport Costs**

Fleet transport costs are expected to overspend by £567k, mainly in relation to hire of vehicles, which is recovered through income and an over spend of £118k in Grounds Maintenance. This is offset by underspends mainly in Waste £334k and Roads Maintenance £119k.

202

130

**Supplies and Services**

Overspend primarily in Bridge Works £1m, Traffic Works £1m, Fleet £367k and Environmental £367k. These are offset by Waste underspend £1.7m which reflects disposal contract changes and is balanced by overspends in Waste transfer payments. Mainly over spends are set off with similar changes to the income.

2,882

(102)

**Transfer Payments**

The overspend principally relates to Waste disposal contract changes of £2.7m due to delays in signing of the SITA contract.

2,664

(124)

**Income**

The forecast relates to over recovery of income from Traffic Works £1.3m, Bridge Works £1m, Street Lighting £1.6m, Fleet £427k and Grounds £309k. This balances areas of overspend addressed in supplies and services and transport costs. Movements are within Roads related areas.

(5,857)

(740)

714

(633)

**ABERDEEN CITY COUNCIL  
REVENUE MONITORING 2016/17: DIRECTORATE SUPPORT**

**DIRECTORATE : COMMUNITIES, HOUSING & INFRASTRUCTURE  
DIRECTOR : BERNADETTE MARJORAM**

AS AT	February 2017	Full year Revised Budget	YEAR TO DATE			OUTTURN			Change from last report
			Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent	
<b>ACCOUNTING PERIOD 11</b>		£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
STAFF COSTS		1,971	1,807	1,906	99	2,045	74	3.8%	(12)
PROPERTY COSTS		(608)	(558)	4	561	4	613	(100.7)%	(3)
ADMINISTRATION COSTS		133	122	40	(82)	43	(90)	(67.4)%	13
TRANSPORT COSTS		19	17	4	(13)	4	(15)	(78.5)%	1
SUPPLIES & SERVICES		18	17	138	121	149	131	712.5%	(5)
TRANSFER PAYMENTS		0	0		0	0	0	0.0%	0
CAPITAL FINANCING COSTS		0	0		0	0	0	0.0%	0
<b>GROSS EXPENDITURE</b>		<b>1,533</b>	<b>1,405</b>	<b>2,092</b>	<b>687</b>	<b>2,246</b>	<b>713</b>	<b>46.5%</b>	<b>(5)</b>
LESS:									
INCOME		(567)	(520)	(495)	25	(540)	27	(4.7)%	(22)
<b>TOTAL INCOME</b>		<b>(567)</b>	<b>(520)</b>	<b>(495)</b>	<b>25</b>	<b>(540)</b>	<b>27</b>	<b>(4.7)%</b>	<b>(22)</b>
<b>NET EXPENDITURE</b>		<b>966</b>	<b>885</b>	<b>1,597</b>	<b>712</b>	<b>1,706</b>	<b>740</b>	<b>76.6%</b>	<b>(27)</b>

VIREMENT PROPOSALS

None this cycle.

<u>REVENUE MONITORING VARIANCE NOTES</u>	FORECAST VARIANCE £'000	CHANGE £'000
<b>Employee Costs</b> The staff overspend forecast at £74k.	74	(12)
<b>Property Costs</b> Current variance is linked to the budget saving from Economic Development that will not be achieved £615k.	613	(3)
<b>Administration Costs</b> Underspend relates mostly to courses/conferences and insurance payments.	(90)	13
<b>Transport Costs</b> Underspend relates to travelling expenses.	(15)	1
<b>Supplies and Services</b> The main variance relates to the £250k procurement saving, which can't be identified as being achieved.	131	(5)
<b>Transfer Payments</b> No significant variance from budget is forecast for this item.	0	0
<b>Income</b> Reduced income is forecast as a result of a reduction in rechargeable items.	27	(22)
	<b>740</b>	<b>(27)</b>

As at Period 11 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	22,480	1,139	22,480	G	G
CATI: South College Street	5,533	111	5,533	A	A
City Centre Masterplan - Phase 1	2,970	372	2,970	G	G
Provost Skene House Refurbishment	1,500	4	1,500	G	G
Broad Street	2,500	10	2,500	G	G
Access From the North / 3rd Don Crossing	23,708	24,865	27,360	R	R
Western Peripheral Route	75,000	44,741	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	4,346	4,878	G	G
Victoria House	2,609	2,629	2,629	G	G
CATI - Berryden Corridor (Combined Stages 1, 2 & 3)	20,175	1,039	20,175	A	A
A96 Park & Choose / Dyce Drive Link Road	15,339	13,547	15,339	A	A
Waste: Ness Landfill Leachate & Gas Control Measures	132	34	33	G	G
Waste: Energy from Waste (EfW) Procurement & Land Acquisition	6,904	878	6,904	A	G
Waste: Investment in Waste Collection	3,980	1,483	3,980	G	G
Waste: Refused Derived Fuel Plant	1,497	11	1,497	A	A
Waste: Co-Mingled MRF & Depot	25,444	23,686	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	12	3,500	G	G
TNRP - Investment in Advance Factory Units	2,900	30	2,900	G	G
New AECC: ACC project share	356,808	60,972	356,808	G	G
New AECC: Anaerobic Digestion Plant	25,270	0	25,270	A	A
New AECC: Energy Centre	0	0	0	G	G
New AECC: Hotel 2	0	0	0	G	G
City Deal	423	380	423	G	G
Aberdeen City Hydrogen Energy Storage (ACHES)	2,937	2,953	2,937	R	R
SIP New Build Housing Programme	3,000	1,182	3,000	G	G
Middlefield Project Relocation / Henry Rae Community Centre Extension	1,945	1,939	1,945	G	G
Street Lighting LED Lanterns (PACE 5 Year programme)	7,500	898	7,500	G	G
Flood Prevention Measures: Flood Guards Grant Scheme	500	9	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	A	A
Sustrans Active Travel Infrastructure Fund	1,230	10	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
	<b>731,718</b>	<b>197,983</b>	<b>733,290</b>		

**As at Period 11 2016/17**

**Communities Housing & Infrastructure  
Rolling Programmes**

	<b>Approved Budget</b>	<b>Expenditure to Date</b>	<b>Forecast Expenditure</b>	<b>Pr</b>	<b>Cu</b>
	£'000	£'000	£'000		
Corp Property Condition & Suitability Programme	9,453	7,300	9,536	G	G
Cycling Walking Safer Streets Grant	251	166	251	G	G
Nestrans - Capital Grant	1,495	0	1,000	G	G
Private Sector Housing Grant	700	682	700	G	G
Fleet Replacement Programme (including Zero Waste Strategy Fleet)	3,967	4,307	4,508	G	G
Planned Renewal & Replacement of Road Infrastructure	6,037	4,526	5,969	G	G
Planned Renewal & Replacement of Road Infrastructure (Street Lighting)	500	728	500	G	G
	<b>22,403</b>	<b>17,709</b>	<b>22,464</b>		

## Appendix C

### Earmarked Reserves

As at Period 11 2016/17	Balance b/f 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	352	-	872	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>					
EP&I SIP	44	44	-	-	Staff employed on Strategic Infrastructure Plan.
CH&I SIP	36	36	-	-	Staff employed on Strategic Infrastructure Plan.
Roads Repairs/Projects	319	318	-	-	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, work has now commenced.
Property Transfer	155	155	-	-	The works required at Glover House have been identified in a building condition survey and is anticipated to be completed during 2016/17.
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	1,105	277	-	828	Reserve for annual DEM carry forward for education centres.

As at Period 11 2016/17	Balance b/f 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)
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
Cornhill Community Centre Adult learning	5	5	-	-	Approved at FP&R June 2016
Community Centre Facility Improvements	47	27	-	20	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. Established bus option not viable looking at other options.
Play Parks	170	168	-	2	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	-	-	Project identified and ongoing. 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	-	-	Community Safety awaiting a quote for CCTV compatible with the control room. 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



As at Period 11 2016/17	Balance b/f <sup>1</sup> 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)
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	48	-	18	As a bequest it requires to be spent on Duthie Park.
Private Sector Housing Grant	1,065	50	-	1,015	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	10	-	5	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
<b>Total</b>	<b>13,412</b>	<b>5,661</b>	<b>-</b>	<b>7,750</b>	

Appendix D

<b>ASSUMPTIONS &amp; RISKS</b>			
<b>Service</b>	<b>Budget Description</b>	<b>Details</b>	<b>Mitigation/Action Required</b>
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.