



**ABERDEEN**  
**CITY COUNCIL**

**FINANCIAL STATEMENT**  
**FOR THE QUARTER**  
**1 APRIL 2017 TO 30 JUNE 2017**  
***PROJECTED FINANCIAL POSITION***

**COMMUNITIES, HOUSING & INFRASTRUCTURE –HOUSING REVENUE ACCOUNT**

As at 30 June 2017	Full Year Budget	Forecast Outturn	Variance from Budget	
	2017/2018	2017/2018	£'000	%
	£'000	£'000		
<b>Gross Expenditure</b>	85,862	85,862	0	0
<b>Total Income</b>	(86,362)	(86,362)	0	0
<b>Net Expenditure</b>	(500)	(500)	0	(0.0)

The Housing Revenue Account (HRA) has a gross expenditure of £85.8m which is ring fenced and is funded mainly from housing rents.

The projected net saving for the year is forecast at £22.2m. It is anticipated this will be used to provide a CFCR contribution to fund the capital programme and increase the working balance by £500k.

The forecast position on the HRA, indicates that there will be a working balance of £10.2m after taking account of the 2017/18 out-turn and other agreed commitments. This is in excess of the recommended minimum level of £8.6M.

A working group has been set up to create a Housing Revenue Account Business Plan which will be presented to this Committee in November 2017. This Plan will set out the current position, pressures and the future.

The main areas of pressure, emerging risks and assumptions within Housing Revenue Account are:

- Expenditure will continue at 16/17 levels in the following areas – management & admin, utilities & Council Tax Expenditure on cleaning is based on spend to date; and
- Voids and rental income will continue at Quarter 1, 2017/18 levels however there is a risk they could return back to 2015/16 levels; and
- Universal credit was introduced in Aberdeen in November 2015, housing costs are now paid directly to the tenant. Arrears could increase as a result of this. Included within the working balance is a reserve of £2.8m for Welfare Reform; and
- Additional costs could be incurred in relation to health & safety issues for multi storey flats; and
- A severe winter could result in higher repairs and maintenance costs.