



ABERDEEN
CITY COUNCIL

FINANCIAL STATEMENT
FOR THE QUARTER
1 APRIL 2017 TO 30 SEPTEMBER 2017

PROJECTED FINANCIAL POSITION

COMMUNITIES, HOUSING & INFRASTRUCTURE -GENERAL FUND REVENUE

As at 30 September 2017	Full Year Budget 2017/2018	Forecast Outturn 2017/2018 Quarter 2	Variance from Budget		Quarter 1 Variance from Budget	Variance Quarter 1 to Quarter 2	Notes
			£'000	%			
Communities & Housing	16,375	16,171	(204)	(1.2)	0	(204)	1
Land & Property Assets	19,771	20,965	1,194	6.0	0	1,194	2
Public Infrastructure & Environment	38,984	37,721	(1,263)	(3.2)	0	(1,263)	3
Planning & Sustainable Development	7,481	7,527	46	0.6	0	46	4
Economic Development	3,237	3,384	147	4.5	0	147	5
Directorate Support	1,318	1,814	496	37.6	0	496	6
Total CH&I Budgets	87,166	87,582	416	0.5	0	416	

Notes

It should be noted that the full year budgets reflected above differ from those set by Council in February 2017 for a number of reasons. This is normal practice during the year as variances are identified. The main change in services relates to the allocation of procurement savings which was held within Contingencies at the time the budget was set.

There are a number of identified cost and/or demand pressures on services which require to be addressed during the remainder of the year. A short life working group has been set up to carry out a strategic review of spend across a range of areas including those detailed below. Initial work carried out by the group indicates that whilst there are challenges ahead, a number of options are available to address these such that a balanced position can be achieved.

1. The main areas of pressure, emerging risks and assumptions within Communities & Housing are:

- Assumed reduced service charges from 1 August 2016, administration charge removed for Private Sector Leasing, rental and council tax will be at similar levels to 2016/17 and Bed and Breakfast/Hotel income and charges reflect current trends. There is a risk that the Bed and Breakfast usage will not fall, arrears could increase and a reduction in income due to Welfare Reform (£0.4m).

2. The main areas of pressure, emerging risks and assumptions within Land & Property Assets are:

- Construction Consultancy/Design Team income is subject to the risk of any delays in the capital programme or decisions not to undertake work in house, additional costs for Henry Rae for which there is no income and reflects the assumption that schools will be taken to the design stage (£0.9m); and
- Assumed 2016/17 level of income and expenditure for School Catering with an allowance for potential cost rises due to BREXIT; and
- The Council will incur the rates for Balgownie 1, for which there is no budget if a tenant cannot be found and lower rental income than expected from IJB (£0.4m).

3. The main areas of pressure, emerging risks and assumptions within Public Infrastructure & Environment are:

- For Waste assumed the rates of the new SUEZ contract for both income and expenditure. There are a number of areas within Waste which are anticipated to overspend however at this stage these will be offset by a potential rebate from the previous year's contract; and
- Spend on supplies and services for Fleet is based on current data.

4. The main areas of pressure, emerging risks and assumptions within Planning & Sustainable Development are:

- Reduced income is budgeted in Development Management from planning applications as a result of the continued downturn of the Oil and Gas industry however this still remains a risk; and
- Assumed Transport project income will be achieved from the capital programme and external sources there is a risk resources will not be available to deliver (£0.1m).

5. The main areas of pressure, emerging risks and assumptions within Economic Development are:

- Assumed increased costs and reduced income from ACHES & Hydrogen Bus projects (£0.2m); and
- The EU referendum will impact on the Euro rate therefore the Euro account.

6. The main areas of pressure, emerging risks and assumptions within Directorate Support are:

- Additional staffing costs (£0.5m).