ABERDEEN
CITY COUNCIL

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

PROJECTED FINANCIAL POSITION

COMMUNITIES, HOUSING & INFRASTRUCTURE –HOUSING REVENUE ACCOUNT

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	£'000	£'000	%	£'000	£'000	
Housing Revenue Account	(500)	(572)	(72)	14.5	(500)	(72)	1

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 and will be presented to a future Committee. 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;
- Voids expenditure will continue at Quarter 2, 2017/18 levels (£0.2m);
- Under recovery of income as a result of properties being taken off the charge (£0.9m);
- Repairs and maintenance forecast to over spend (£1.m);
- Captial financing costs forecast at an under spend of £1.9m off setting cost pressures;
- Included within the working balance is a reserve of £2.8m for Welfare Reform;
- 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.