

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Director of WD Community Health & Care Partnership

WD Community Health & Care Partnership Committee: 20 August 2014

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**Subject: Financial Report 2013/14 as at Period 3 (30 June 2014)**

#### **1. Purpose**

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance of the WD Community Health & Care Partnership to 30 June 2014 (Period 3).

#### **2. Recommendations**

- 2.1** The Committee is asked to note the contents of this report which shows:
- (a) A potential full year adverse revenue variance of £0.739m (1% of budget); and the actions in hand to reduce the variance
  - (b) the current position regarding capital projects.

#### **3. Background**

##### Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 6 February 2014, Members agreed the revenue estimates for 2014/2015, including a total net CHCP budget of £60.229m. Since then the following budget adjustments have taken place revising the budget to £59.942m.

Budget Agreed by Council 6 February 2014	£60.229m
Allocation of Council wide travel & subsistence saving	(£0.061m)
Allocation of Corporate training saving	(£0.021m)
Allocation of Council wide overtime saving	(£0.205m)
Revised Budget	£59.942m

##### Capital

- 3.2** At the meeting of Council on 6 February 2014, Members also agreed the updated 10 year General Services Capital Plan for 2013/2014 to 2022/23. The next three years from 2014/15 to 2016/17 have been approved in detail with the remaining 6 years being indicative at this stage.

### New format

**3.3** A new method of reporting has been developed for both revenue and capital monitoring. The main changes for revenue are:

- The new format focuses on a forecast year end position rather than a year to date position.
- The reporting threshold for variances has been increased to £50,000 of the anticipated year end variance.
- Variance analysis now contains details of the main issue, mitigating action and anticipated outcome.
- Graphical representations have been added to the report in the form of bar graphs and pie charts as noted below.
  - Analysis of Alert status by Service Area – this pie chart shows the number of services which have nil variances, favourable variances or adverse variances shown as a percentage of all services.
  - Total Budget 2014/15 vs Forecast Spend 2014/15 – this bar graph provides a comparison of budget to forecast spend for 2014/15 for each service with budget shown as a bar and forecast spend shown as a solid line.

**3.4** The main changes with the new monitoring format for capital are as noted below:

- The new format provides an overview of the capital programme as a whole with an analysis of the percentage of projects at each alert status as noted below:

Red
Projects are forecast to be overspent and/or significant delay to completion
Amber
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time
Green
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time

- Only red and amber status projects are reported in detail, however green status projects will be provided as a background paper for review if required.
- Projects are still analysed on a current year and project life basis, however where projects commenced prior to the inception of the 10 year capital plan in February 2013 prior year financial information is included to enable a complete project overview to be provided.

- Projects analysis now contains details of the main issue, mitigating action and anticipated outcome.
- Graphical representations have been added to the report in the form of bar graphs and pie charts for both the whole project life and current year as noted below.
  - Analysis of Alert status by Project Number – these pie charts show the number of capital projects which are at each alert shown as a percentage of the total number of capital projects.
  - Analysis of Alert status by Project Spend – these pie charts show the number of capital projects which are at each alert shown as a percentage of the total spend on all capital projects.
  - Variance Analysis for each status – these bar graphs provide an overview of the total variance for each status expressed as both a value and a percentage of the total budget

#### **4. Main Issues**

##### Revenue Budget

- 4.1** The current departmental budgetary position is summarised in Appendix 1, with a more detailed analysis by service in Appendix 2.
- 4.2** The overall projected full year variance is £0.739m adverse . More information and all individual variances of over £50,000 are detailed in Appendix 3.

##### Capital

- 4.3** The current progress on the capital plan is shown in Appendices 4 to 7.
- 4.4** The overall CHCP programme summary report at Appendix 4 shows that due to slippage in the building of the new care homes , the planned expenditure and resource for 2014/15 is projected to show slippage of £7.769m while the same data for the project life shows a small underspend over all projects of £0.008m. The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and project end dates which could affect the overall capital programme.
- 4.5** Appendix 5 provides graphical analysis of the overall capital programme.
- 4.6** Appendix 6 details financial analysis of projects at amber status, with additional information on action being taken to minimise or mitigate slippage and/or overspends where possible.

#### **5. People Implications**

- 5.1** There are no direct people implications.

## **6. Financial Implications**

**6.1** Other than the financial position noted above, there are no financial implications of the budgetary control report.

## **7. Risk Analysis**

**7.1** The main financial risks to the ongoing financial position relate to unforeseen cost being identified between now and the end of the financial year. This can affect all service areas.

## **8. Equalities Impact Assessment (EIA)**

**8.1** The report is for noting and therefore, no Equalities Impact Assessment was completed for this report.

## **9. Consultation**

**9.1** The views of both Finance and Legal services have been requested on this report and both have advised there are neither any issues nor concerns with the proposal. As the report is for noting no further consultation is envisaged.

## **10. Strategic Assessment**

**10.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

**Keith Redpath**  
**Director of WD Community Health & Care Partnership**

**Date:**

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**Appendices:** Appendix 1 - Summary Budgetary Position (Revenue)  
Appendix 2 - Detailed Budgetary Position (Revenue)  
Appendix 3 - Revenue Variance Analysis over £50,000  
Appendix 4 - Capital Programme summary  
Appendix 5 – Capital Graphs  
Appendix 6 – Capital Projects at Red Alert Status  
Appendix 7 – Capital Projects at Amber Alert Status

**Background Papers:** Ledger output – period 3  
General Services Revenue Estimates 2014/15  
General Services Capital Plan 2014/15 to 2016/17 -  
Council 6 February 2014  
Corporate Services Capital Plan - Analysis of Projects at  
Green Status

**Wards Affected:** All