Supplementary Agenda

Meeting of
West Dunbartonshire Council

Date: Wednesday, 25 October 2017

Time: 17:00

Venue: Council Chamber,
Clydebank Town Hall, 49 Dumbarton Road, Clydebank

Contact: Christine McCaffary
Tel: 01389 737186– christine.mccaffary@west-dunbarton.gov.uk

Dear Member

ITEMS TO FOLLOW

I refer to the agenda for the above meeting which was issued on 13 October 2017 and now enclose a copy of **Items 10, 11, 13 and 14** which were not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

Note referred to:-

10 GENERAL SERVICES – BUDGETARY CONTROL REPORT - PERIOD 6 **455 – 494**

Submit report by the Strategic Lead – Resources on the progress of both the General Services revenue budget and the approved capital programme.

11 HOUSING REVENUE ACCOUNT – BUDGETARY CONTROL REPORT – PERIOD 6 **495 – 508**

Submit report by the Strategic Director – Regeneration, Environment & Growth providing an update on the financial performance of the HRA revenue and capital budgets.

13 LONG TERM FINANCIAL STRATEGY REFRESH AND GENERAL SERVICES AND HOUSING REVENUE ACCOUNT REVENUE ESTIMATES UPDATE 2018/19 TO 2020/21 **509 – 568**

Submit report by the Strategic Lead – Resources providing an update on the Council's Long Term Finance Strategy, together with information on the estimates process for the General Fund and the Housing Revenue Account (HRA).

14 STRATEGIC PLAN 2017 – 2022 **569 – 592**

Submit report by the Strategic Lead – Communications, Culture and Communities presenting the Council's Strategic Plan for 2017-2022.

Distribution:-

Provost William Hendrie
Bailie Denis Agnew
Councillor Jim Bollan
Councillor Jim Brown
Councillor Gail Casey
Councillor Karen Conaghan
Councillor Ian Dickson
Councillor Diane Docherty
Councillor Jim Finn
Councillor Daniel Lennie
Councillor Caroline McAllister
Councillor Douglas McAllister
Councillor David McBride
Councillor Jonathan McColl
Councillor Iain McLaren
Councillor Marie McNair
Councillor John Millar
Councillor John Mooney
Councillor Lawrence O'Neill
Councillor Sally Page
Councillor Martin Rooney
Councillor Brian Walker

Chief Executive
Strategic Director of Transformation & Public Service Reform
Strategic Director of Regeneration, Environment & Growth
Chief Officer of West Dunbartonshire Health & Social Care Partnership

Date of issue: 19 October 2017

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead - Resources

Council: 25 October 2017

Subject: General Services Budgetary Control Report to 30 September 2017 (Period 6)

1. Purpose

1.1 The purpose of this report is to advise on the progress of both the General Services revenue budget 2017/18 and the approved capital programme for the period to 30 September 2017.

2. Recommendations

2.1 Council is asked to:

i) note that the revenue account currently shows a projected annual favourable variance of £0.102m (0.05% of the total budget);

ii) note that the capital account shows a projected annual favourable variance of £31.869m (33.97% of the budget) and a projected project life favourable variance of £0.680m (0.40% of project life budget);

iii) agree the capital virement request as noted in Appendix 9; and

iv) agree the capital virement request as detailed within 3.4 and further explained in 4.10 – to transfer £0.064m from Aids & Adaptations budget to the Replace Elderly Care Homes and Day Care budget.

3. Background

Revenue

3.1 At the meeting of West Dunbartonshire Council on 22 February 2017, Members agreed the revenue estimates for 2017/2018. A total net budget of £212.115m was approved for General Services. Scottish Government non-ringfenced funding for Private Sector Housing Grants (PSHG) has historically been reported within the PSHG budget. This funding has now been reported within the Revenue Support Grant. This results in the net budget being reported as £212.269m.

3.2 Since the completion of the Annual Accounts 2016/17, an exercise has been underway to identify recurring variances in all service areas. This has resulted in movement between services, which has now been incorporated into the report.

Capital

3.3 At the meeting of Council on 22 February 2017, Members also agreed the updated 10 year General Services Capital Plan for 2017/2018 to 2025/26. The next three years from 2017/18 to 2019/20 have been approved in detail with the remaining years being indicative at this stage.

The total project life budget approved for projects (from 2017/18) that had either commenced or were due to commence in that period is £287.773m.

Since then, budget adjustments have taken place (through 2016/17 capital slippage and additional external funding), revising the project life budget to £310.784m.

3.4 Following a capital virement requested through the budgetary control report submitted to Council on 30 August 2017, Members asked for further information to allow further consideration of this request. The virement was in relation to Aids and Adaptations within the HSCP service area. The requested virement was to transfer £0.064m from Aids & Adaptations budget to the Replace Elderly Care Homes and Day Care budget for purchase of beds for Dumbarton Care Home. Further information on this is provided at 4.10 below.

4. Main Issues

Revenue

4.1 The summary report at Appendix 1 currently identifies a projected annual favourable variance (underspend) of £0.102m (0.05% of the total budget) and service reports by Strategic Leads are attached as Appendix 2.

4.2 Notes on the projected annual variances in excess of £0.050m are highlighted and noted within Appendix 3, with additional information on action being taken to minimise or mitigate overspends where possible.

4.3 Although the report indicates that the annual expenditure is projected to be favourable by the year end, the present variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March and which could affect the year end results.

4.4 Agreed savings and management adjustments actioned within 2017/18 (including a number from previous years being implemented in 2017/18) are monitored with current indications showing that of the total target being monitored (£3.036m), the majority of actions are currently on target to be achieved. However it indicates that £0.559m is currently not on target (see Appendix 4). It should be noted that any variances are included within the service information and variances identified within this report.

Capital

4.5 The current progress on the capital plan is shown in Appendices 5 to 9.

4.6 The overall programme summary report at Appendix 5 shows that planned expenditure and resource for 2017/18 is lower than previously anticipated by £31.869m (33.97% of the 2016/17 budget). Based upon current assumptions,

over the life of the projects planned expenditure and resource is lower than anticipated by £0.680m (0.22% of a total budget of £311m). 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.

4.7 Appendix 5 also provides both an analysis of the overall programme at each alert status and a summary budgetary control report. The tables at the top detail both the number of projects and the corresponding spend as a percentage of the overall programme currently at red, amber or green alert status for project life and the current year.

It currently shows that for the project life overview 17 projects (18.5% of total projects) have spend to date of £28.878m (23% of total spend) and are at red alert, 11 projects (12% of total projects) have spend to date of £3.817m (3% of total spend) and are at amber alert while 64 projects (69.6% of total projects) have spend to date of £92.888m (74% of total spend) and are at green alert.

The corresponding figures for the current year are 17 projects (18.5% of total projects) with spend to date of £2.192m (13.2% of total spend), 11 projects (12% of total projects) with spend to date of £1.540m (9.2% of total spend) and 64 projects (69.6% of total projects) with spend to date of £12.918m (77.6% of total spend) respectively.

4.8 Appendices 6 and 7 details financial analysis of projects at both red and amber status, with additional information on action being taken to minimise or mitigate under or overspends where possible, while Appendix 8 provides an analysis of overall resources.

Capital virement requests

4.9 Appendix 9 identifies a request for a virement totalling £0.603m from unallocated centrally held budgets to the Posties Park budget within the Environment and Neighbourhood Service capital budget. This is as a result of a funding application to Sport Scotland being unsuccessful. The virement is possible as two other budgets are forecast to be underspent.

4.10 With reference to 3.4 above, the HSCP has both capital and revenue budget resources for the purchase of aids and equipment, required to maintain and facilitate people with an assessed need to remain in their own home or a homely setting. The capital resource for Aids, Equipment and Adaptations is used for items such as specialist beds, stair lifts, walking aids, lifting equipment and Occupational Therapists assessment within clients' homes. It has also been used to purchase items of a capital nature for our care homes, including furniture and kitchen equipment. Therefore it is reasonable that the purchase of equipment i.e. specialist beds for the new Dumbarton Care Home, could be charged to this budget.

The £0.064m requested for virement is a combination of:

- £0.024m of capital slippage from 2015/16 and 2016/17;

- £0.021m of equipment originally charged to capital which was subsequently recharged to the HSCP revenue aids and equipment budget after a detailed analysis of expenditure incurred; and
- £0.019m (2.9%) of new slippage identified within the current budget.

Given the source of funding for the requested virement is an accumulation of minor slippage there is no detriment to the core budget allocation of £0.655m in 2017/18 and no negative impact is anticipated regarding waiting times for the provision of essential equipment.

5. People Implications

5.1 Additional staffing requirement for the spend to save projects would follow normal council personnel policies.

6. Financial and Procurement Implications

6.1 The report notes the projected in-year financial position for both General Services revenue and capital budgets.

7. Risk Analysis

7.1 The main risks are as follows:

(a) The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March and which could affect the year end results for both the revenue and capital budgets; and

(b) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.

8. Equalities Impact Assessment (EIA)

8.1 No equalities impact assessment was required in relation to this report.

9. Consultation

9.1 All services involved in delivering the revenue and capital budgets have been consulted in the compilation of this report.

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 current Strategic Plan. This report forms part of the financial governance of the Council.

Stephen West
Strategic Lead - Resources

Date: 17 October 2017

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Appendices:

Appendix 1 -	Revenue Budgetary Control 2017/18 – Corporate Summary
Appendix 2 -	Revenue Budgetary Control 2017/18 – Strategic Lead Summaries
Appendix 3 -	Analysis of Revenue Variances over £50,000
Appendix 4 -	2017/18 Savings and Management Adjustments Monitoring
Appendix 5 -	Overall Capital Programme Summary Financials
Appendix 6 -	Analysis of Projects at Red Status
Appendix 7 -	Analysis of Projects at Amber Status
Appendix 8 -	Analysis of Resources
Appendix 9 -	Virement request

Background Papers: Ledger output – period 6
General Services Revenue Estimates 2017/18
General Services 10 Year Capital Plan Update - Council 22 February 2016

Wards Affected All Wards

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 1**

REVENUE BUDGETARY CONTROL 2017/2018

SUMMARY

PERIOD END DATE **30 September 2017**

Department Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
	£000	£000	£000	£000	%	
Resources	4,183	2,672	4,161	(22)	-1%	↑
Regulatory	4,559	2,718	4,558	(1)	0%	↑
People & Technology	5,837	3,329	5,826	(11)	0%	↑
Communications, Culture and Community	5,192	2,587	5,159	(33)	-1%	↑
Education, Learning and Attainment	88,050	44,415	88,012	(38)	0%	↑
Environment and Neighbourhood	27,360	14,794	27,349	(11)	0%	↑
Housing and Employability	4,283	2,305	4,279	(4)	0%	↑
Regeneration	(2,019)	(284)	(2,079)	(60)	3%	↑
Miscellaneous Services	5,967	1,192	6,045	78	1%	↓
Loan Charges	11,443	5,722	11,443	0	0%	→
Requisition (VJB)	718	359	718	0	0%	→
Requisition (SPT)	1,784	892	1,784	0	0%	→
Requisition (HSCP)	60,614	30,307	60,614	0	0%	→
Non GAE Allocation	(5,702)	(2,851)	(5,702)	0	0%	→
Total Expenditure	**212,269**	**108,157**	**212,167**	**(102)**	**0%**	↑
Council Tax/CT Replacement Scheme	(42,239)	(21,363)	(42,239)	0	**0%**	→
Revenue Support Grant/ NDR	(167,829)	(97,032)	(167,829)	0	**0%**	→
Use of Reserves	(2,201)	(917)	(2,201)	0	**0%**	→
Total Resources	**(212,269)**	**(119,312)**	**(212,269)**	**0**	**0%**	→
Net Expenditure	**(0)**	**(11,155)**	**(102)**	**(102)**	**-0.05%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
RESOURCES SUMMARY

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Audit	241	200	230	(11)	-5%	↑
Finance	1,420	802	1,476	56	4%	↓
Rent Rebates & Allowances	8	0	0	(8)	-100%	↑
Revenues & Benefits	2,315	1,225	2,303	(12)	-1%	↑
Debtors & Creditors	297	139	264	(33)	-11%	↑
Cost of Collection of Rates	18	2	18	0	0%	→
Cost of Collection of Council Tax	(769)	(123)	(771)	(2)	0%	↑
Procurement	653	427	641	(12)	-2%	↑
Total Net Expenditure	**4,183**	**2,672**	**4,161**	**(22)**	**-1%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
REGULATORY SUMMARY

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Democratic and Registration Service	642	327	661	19	3%	↓
Central Admin Support	1,870	1,354	1,827	(43)	-2%	↑
Environmental Health/ Trading Standards	1,109	553	1,119	10	1%	↓
Licensing	(180)	(35)	(186)	(6)	3%	↑
Legal Services	646	328	630	(16)	-2%	↑
Planning	472	191	507	35	7%	↓
Total Net Expenditure	**4,559**	**2,718**	**4,558**	**(1)**	**0%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
PEOPLE AND TECHNOLOGY

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Transactional Services	683	336	691	8	1%	↓
Human Resources (including risk)	1,221	565	1,223	2	0%	↓
Information Services	3,468	2,245	3,473	5	0%	↓
Change Support	465	183	439	(26)	-6%	↑
Total Net Expenditure	**5,837**	**3,329**	**5,826**	**(11)**	**0%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
COMMUNICATIONS, CULTURE AND COMMUNITIES

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Communications & Marketing	297	141	296	(1)	0%	↑
Customer Service	1,255	554	1,188	(67)	-5%	↑
Policy, Planning and Performance	337	196	333	(4)	-1%	↑
Libraries, Museums, Culture	3,049	1,503	3,041	(8)	0%	↑
Clydebank Town Hall	254	193	301	47	19%	↓
Total Net Expenditure	**5,192**	**2,587**	**5,159**	**(33)**	**-1%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
EDUCATION, LEARNING AND ATTAINMENT

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Primary Schools	24,793	13,100	24,788	(5)	0%	↑
Secondary Schools	23,661	12,470	23,658	(3)	0%	↑
Special Schools	14,552	6,354	14,660	108	1%	↓
Psychological Services	489	288	486	(4)	-1%	↑
Sport Development / Active Schools	553	0	553	0	0%	→
Early Education	7,497	3,355	7,308	(188)	-3%	↑
PPP	14,253	7,656	14,288	34	0%	↓
Curriculum for Excellence	245	66	245	0	0%	→
Central Admin	247	227	286	38	16%	↓
Workforce CPD	337	171	337	0	0%	↓
Performance & Improvement	391	217	391	(0)	0%	↑
Education Development	1,032	512	1,014	(18)	-2%	↑
Raising Attainment - Primary	0	0	0	0	0%	→
Raising Attainment - Secondary	0	0	0	0	0%	→
Pupil Equity	0	(0)	0	0	0%	→
Total Net Expenditure	**88,050**	**44,415**	**88,012**	**(38)**	**0%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
ENVIRONMENT AND NEIGHBOURHOOD

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Office Accommodation	1,623	987	1,689	66	4%	↓
Transport, Fleet & Maintenance Services	(399)	405	(406)	(7)	2%	↑
Catering Services	4,030	1,719	4,001	(29)	-1%	↑
Building Cleaning	1,454	696	1,433	(21)	-1%	↑
Building Cleaning PPP	(204)	(126)	(184)	20	-10%	↓
Facilities Assistants	2,188	892	2,045	(143)	-7%	↑
Facilities Management	339	169	335	(4)	-1%	↑
Roads Operations	(880)	(193)	(891)	(11)	1%	↑
Roads Services	4,417	1,782	4,426	9	0%	↓
Grounds Maintenance & Street Cleaning Client	7,463	3,732	7,463	0	0%	→
Outdoor Services	225	110	220	(5)	-2%	↑
Leisure Management	3,449	2,039	3,449	0	0%	→
Events	123	80	123	0	0%	→
Burial Grounds	(47)	43	(7)	40	-85%	↓
Crematorium	(937)	(244)	(820)	117	-12%	↓
Waste Services	6,916	3,160	6,891	(25)	0%	↑
CPP Investments	39	16	39	0	0%	→
Depots	0	0	0	0	0%	→
Ground Maintenance & Street Cleaning Trading A/c	(2,439)	(473)	(2,457)	(18)	1%	↑
Total Net Expenditure	**27,360**	**14,794**	**27,349**	**(11)**	**0%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
HOUSING AND EMPLOYABILITY

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Homeless Persons	23	136	79	56	243%	↓
Private Sector housing	45	9	47	2	4%	↓
Anti Social Behaviour	719	317	671	(48)	-7%	↑
Private Sector Housing Grants	92	178	91	(1)	-1%	↑
Working4U	2,614	1,398	2,613	(1)	0%	↑
Communities	790	267	778	(12)	-2%	↑
Total Net Expenditure	**4,283**	**2,305**	**4,279**	**(4)**	**0%**	↑

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2017/2018

REGENERATION

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Housing Maintenance Trading A/c	(1,507)	(808)	(1,277)	230	-15%	↓
Corporate Assets and Capital Investment Programme	(3,226)	(727)	(3,237)	(11)	0%	↑
Economic Development	483	215	486	3	1%	↓
Central Repairs & Maintenance	1,248	570	974	(274)	-22%	↑
Consultancy Services	983	466	975	(8)	-1%	↑
Total Net Expenditure	**(2,019)**	**(284)**	**(2,079)**	**(60)**	**3%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2017/2018
MISCELLANEOUS

APPENDIX 2

PERIOD END DATE **30 September 2017**

Service / Subjective Summary	Total Budget 2017/18	Spend to Date 2017/18	Forecast Spend	Forecast Variance 2017/18		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**£000**	**%**	
Sundry Services	3,584	0	3,630	46	1%	↓
Members Allowances, etc	569	275	572	3	1%	↓
CPP	27	14	27	0	0%	→
European Employability	510	255	510	0	0%	→
Chief Executive, Directors and Strategic Leads	1,277	648	1,306	29	2%	↓
Total Net Expenditure	**5,967**	**1,192**	**6,045**	**78**	**1%**	↓

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2017/2018

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **30 September 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Resources					
Finance	1,420	1,476	56	4%	↓
Service Description	The service provided by this area deals with Accountancy, Capital, Treasury, Reconciliations, Cash Office and Municipal Bank				
Main Issues / Reason for Variance	Main reason for adverse variance is full turnover savings are not being achieved and service charge to Municipal bank has been reviewed and is lower than anticipated in the budget				
Mitigating Action	Limited action can be taken but officers will continue to monitor the budget to minimise the overspend				
Anticipated Outcome	An overspend is likely, however this is offset by favourable variances elsewhere within Resources				
Communications, Culture & Community					
Customer Service	1,255	1,188	(67)	-5%	↑
Service Description	This service includes one stop shops and the contact centre				
Main Issues / Reason for Variance	This favourable variance is due to vacant posts				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend will be achieved				
Clydebank Town Hall	254	301	47	19%	↓
Service Description	The service provides civic accommodation and facilities within Clydebank				
Main Issues / Reason for Variance	This overspend relates mainly to higher than anticipated overtime to date which is demand led				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	An overspend is likely				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2017/2018

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **30 September 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Education , Learning and Attainment					
Special Schools	14,552	14,660	108	1%	↓
Service Description	This service area covers all ASN Services.				
Main Issues / Reason for Variance	Property Costs are overspent due to an expectation that electricity costs will outturn close to 2016/17 levels, gas costs will be higher (having replaced heating oil) and a further twelve month rent for Choices occupancy of Skypoint has been anticipated. Payments to Other Bodies are currently overspent due to more children being placed within Daycare Placements (19% higher than Q1 2016/17) though this has reduced the pressure on residential Placements. Daycare services are demand-led and can fluctuate throughout the year. The overspendis partially off set by underspends in Payments to Health Bodies and Payments to Other Local Authorities and employee Costs are showing an underspend mainly due to staff vacancies.				
Mitigating Action	The requirement for daycare placements are demand-led services taken jointly with HSCP following a joint assessment of the best option for all concerned. However, the actual usage throughout the year will be reviewed regularly to identify where there is scope to reduce the number of placements.				
Anticipated Outcome	If current levels of demand continue then it is anticipated that the Daycare budget will overspend .				
Early Education	7,497	7,308	(188)	-3%	↑
Service Description	This services area includes all Early Years establishments within West Dunbartonshire.				
Main Issues / Reason for Variance	For various reasons there are delays in projects being implemented within Early Years. These projects are in relation to additional hours for 3-5 years and the implementation of the Young Persons Bill.				
Mitigating Action	No action Is required as the variance is favourable				
Anticipated Outcome	Favourable variance within staffing is anticipated at year end				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2017/2018

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **30 September 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Environment and Neighbourhood					
Office Accommodation	1,623	1,689	66	4%	↓
Service Description	Provision of shared office accommodation				
Main Issues / Reason for Variance	The office rationalisation project is ongoing and the most recent assumptions around closures/demolitions/ openings shows costs higher than originally anticipated when budget was set .				
Mitigating Action	Officers are continuing to progress the office rationalisation project and the cost benefits will be seen in future years				
Anticipated Outcome	A year end overspend is expected				
Facilities Assistants	2,188	2,045	(143)	-7%	↑
Service Description	This service provides janitors throughout WDC buildings				
Main Issues / Reason for Variance	Reduction in Facilities Assistant costs due to rationalisation of schools estate and campus approach				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend will be achieved				
Crematorium	(937)	(820)	117	-12%	↓
Service Description	Provision of Crematorium Services				
Main Issues / Reason for Variance	Income from cremations is less than anticpated				
Mitigating Action	This service is dependant on mortality rates in the area which are outwith the control of the service				
Anticipated Outcome	Based on the assumption that the number of cremations will be similar to last year for the remaining part of the year, there will be a shortfall in income .				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2017/2018

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **30 September 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Housing and Employability					
Homeless Persons	23	79	56	243%	↓
Service Description	This service seeks to prevent homelessness occurring across the authority and improves access to support services				
Main Issues / Reason for Variance	There is less than anticipated rental income from Ashton View Supported Accommodation due to delay in the extension build				
Mitigating Action	The extension is now open and officers are working towards making maximum use of this .				
Anticipated Outcome	Since the budget assumed extension would be available for full year but it was not available until October, there will be a shortfall in income				
Regeneration					
Housing Maintenance Trading A/c	(1,507)	(1,277)	230	-15%	↓
Service Description	This service provides council housing maintenance				
Main Issues / Reason for Variance	This adverse variance is mainy due to efficiencies not yet being realised due to the timing of the Integrated Housing Management System				
Mitigating Action	Officers continue to monitor both spend and income levels to minimise this adverse variance				
Anticipated Outcome	An adverse variance is expected				
Central Repairs & Maintenance	1,248	974	(274)	-22%	↑
Service Description	This service manages and undertakes repairs and maintenance to public buildings.				
Main Issues / Reason for Variance	This favourable variances is in relation to a one off project which is being undertaken by the service resulting in additional net income				
Mitigating Action	No mitigating action required as variance is favourable.				
Anticipated Outcome	Underspend will be achieved				

WEST DUNBARTONSHIRE COUNCIL
MONITORING OF EFFICIENCIES AND MANAGEMENT ADJUSTMENTS 2017/18

Appendix 4

Efficiency reference		Efficiency Detail	budgeted Amount £	Projection of Total Saved £	Projection of Total Not Saved £	Comment
2017/18	MA1	Staffing Structures - T&PSR Department	303,677	259,479	44,198	some savings have been delayed due to timing of leavers / restructure. However action is being taken to minimise
2017/18	MA2	Charge for work on statement claims for miscellaneous debt	5,000	5,000	-	
2017/18	MA3	Savings on postage	3,500	3,500	-	
2017/18	MA4	Clyde Valley elearn shared network	3,125	3,125	-	
2017/18	MA6	Implement lower cost alternatives to H&S publication	5,000	5,000	-	
2017/18	MA7	Decommission email archive	7,000	7,000	-	
2017/18	MA8	Restructure of libraries & culture	138,100	110,100	28,000	expected reduction of hours did not materialise and continuing pressures on casual expenditure
2017/18	MA9	Restructure Greenspace	90,000	90,000	-	
2017/18	MA10	Additional efficiencies from clerical & admin review	66,000	66,000	-	
2017/18	MA11	Review of vocational programme budget	90,000	90,000	-	
2017/18	MA12	Reduction of supplies and services - early years & ASN	55,700	55,700	-	
2017/18	MA13	Review of training across Education	50,000	50,000	-	
2017/18	MA14	Include all early years depute posts in adult / child ratio	85,200	85,200	-	
2017/18	MA15	Review learning community budgets	125,000	125,000	-	
2017/18	MA16	Implement standardised assessments for literacy & numeracy	20,000	20,000	-	
2017/18	MA17	Review of learning assistants	148,646	148,646	-	
2017/18	MA18	Review of staffing structures within Regulatory	26,287	26,287	-	
2017/18	MA19	Identify efficiencies within training budget	50,000	50,000	-	
2017/18	MA20	Correction of cost for Tenancy Sustainability to HRA	82,000	82,000	-	
2017/18	MA21	Correction of cost for Strategy Staff to HRA	38,000	38,000	-	
2017/18	MA22	Identify efficiencies within Working4U supplies and admin budgets	9,000	9,000	-	
2017/18	MA23	Reduction in fleet vehicle numbers	12,000	12,000	-	
2017/18	MA24	Additional postage efficiencies	40,000	40,000	-	
2017/18	MA25	Review of cleaning service to offices, staff rooms & non-public corridors	75,000	75,000	-	
2017/18	MA26	Assumption on staff turnover to include 1% on teachers & APTC pre 5 staff	173,000	173,000	-	
2017/18	MA27	Extend general staffing turnover by 1%	601,000	601,000	-	
2017/18	MA28	SPT requisition reduction	37,000	37,000	-	
2017/18	MA29	VJB requisition reduction	14,660	14,660	-	
2017/18	MA30	Leisure trust funding reduction	50,000	50,000	-	
2017/18	MA31	Review of Economic Development Team	85,000	85,000	-	
2017/18	MA32	Compliance team to carry out asbestos audits internally	20,000	20,000	-	

WEST DUNBARTONSHIRE COUNCIL
MONITORING OF EFFICIENCIES AND MANAGEMENT ADJUSTMENTS 2017/18

Appendix 4

Efficiency reference		Efficiency Detail	budgeted Amount £	Projection of Total Saved £	Projection of Total Not Saved £	Comment
2016/17		Shared services	500,000	13,000	487,000	this targeted saving will only be partially met from shared service with LLTNP for internal audit services. The transformational earmarked baance will be used to fund the shortfall
2016/17		pooled cars savings target	26,700	26,700	-	
					-	
TOTAL			**3,035,595**	**2,476,397**	**559,198**	

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
OVERALL PROGRAMME SUMMARY

APPENDIX 5

MONTH END DATE 30 September 2017

PERIOD 6

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	17	18.5%	28,878	23.0%	17	18.5%	2,192	13.2%
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	11	12.0%	3,817	3.0%	11	12.0%	1,540	9.2%
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	64	69.6%	92,888	74.0%	64	69.6%	12,918	77.6%
TOTAL EXPENDITURE	**92**	**100%**	**125,583**	**100%**	**92**	**100%**	**16,649**	**100%**

Project Status Analysis	Project Life Financials				Current Year Financials					
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Re-Phasing £000	Over/ (Under) £000
Red										
Projects are forecast to be overspent and/or significant delay to completion	106,481	28,878	105,798	(683)	47,245	2,192	18,023	(29,222)	(28,157)	(1,065)
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	23,738	3,817	23,283	(455)	7,020	1,540	3,870	(3,150)	(2,996)	(153)
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	180,565	92,888	181,023	458	39,553	12,918	40,056	503	954	(451)
TOTAL EXPENDITURE	**310,784**	**125,583**	**310,104**	**(680)**	**93,818**	**16,649**	**61,949**	**(31,869)**	**(30,199)**	**(1,669)**
TOTAL RESOURCES	**(310,784)**	**(125,584)**	**(310,105)**	**680**	**(93,818)**	**(16,649)**	**(61,949)**	**31,869**		
NET EXPENDITURE	**0**	**(0)**	**- 0**	**- 0**	**0**	**(0)**	**0**	**0**		

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
1	**Choices Programme**						
	Project Life Financials	750	2	0%	750	0	0%
	Current Year Financials	748	0	0%	10	(738)	-99%
	Project Description	Bringing together Central Support Services which will include relocation of Choices Programme.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Oct-19

Main Issues / Reason for Variance

Project is dependant on new Balloch Campus delivery dates, and cannot commence until Jamestown PS has been vacated. Plans have now been designed and awaiting sign off from service department following a number of changes which have been requested. Planning application will be submitted by end of October, with work to commence after Balloch campus relocation. Remaining budget will be required to slip into 18/19.

Mitigating Action

None available at this time.

Anticipated Outcome

New modern facility for Choices delivering a saving of £0.049m per annum. As no mitigation is available then the project will slip as described.

2	**Kilpatrick School - New Build**						
	Project Life Financials	10,487	10,491	100%	10,571	84	1%
	Current Year Financials	197	221	112%	281	84	43%
	Project Description	Design and build of construction of Additional Support Needs School					
	Project Lifecycle	Planned End Date		30-Jun-18	Forecast End Date		30-Nov-18

Main Issues / Reason for Variance

Phase 2 physical works completed and practical completion achieved. Outstanding information required to resolve Japanese Knotweed reliance letter. Final account (including final asbestos costs) is still outstanding and anticipated to exceed budget. An assumption for the additional asbestos costs has been included in the forecast spend, with an anticipated overspend of £0.084m.

Mitigating Action

Ongoing discussions between Project Team, Legal Services and Hub West Scotland to resolve issues regarding Japanese Knotweed.

Anticipated Outcome

Phase 2 construction works are complete.

3	**Schools Estate Improvement Plan**						
	Project Life Financials	20,000	0	0%	20,000	0	0%
	Current Year Financials	5,000	0	55%	0	(5,000)	-100%
	Project Description	Completion of condition surveys has been carried out to identify works required to bring					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Options will be considered and reported to a future Council/Committee for consideration, however at this time it is unlikely that any spend will be incurred in 2017/18.

Mitigating Action

Options to be considered and report to be submitted at the earliest opportunity

Anticipated Outcome

Further enhancement to Schools Estate. As no mitigation is available then the project will slip as described.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
4 Children and Young Persons / Early Years						
Project Life Financials	3,222	1,346	42%	3,222	0	0%
Current Year Financials	1,924	48	2%	541	(1,383)	-72%
Project Description	New funding announced July 2014 re the implementation of the Children and Young					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

At this time it is reported that there will be a forecast spend of £0.541m in 17/18 with remaining budget of £1.383m required to slip into 18/19 which is as a result of limited scope for works to be carried out to coincide with school holidays.

Mitigating Action
None available at present.
Anticipated Outcome
The project will be delivered but at a later date than had been originally planned

5 Clydebank Community Sports Hub						
Project Life Financials	3,851	156	4%	3,851	0	0%
Current Year Financials	2,646	25	1%	1,661	(985)	-37%
Project Description	Creation of a multi purpose sports hub in Clydebank					
Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Aug-19

Main Issues / Reason for Variance

The 30 August 2017 Council meeting approved additional £0.850m capital monies to allow the project to proceed as designed and tendered. The current funding available for this project includes Council funding of £1.735m together with a range of other external bodies providing funds, including £1m Scottish Government RCGF, £0.5m Sport Scotland and £0.3m from the Gaelic Athletic Association. The project budget secured to date is £3.865m. The target is to award the construction contract by end of October 2017, with progress on site before end of 2017.

Mitigating Action

The Project Board meet on a regular basis and ongoing communication, updates and monitoring reports are provided to external funding stakeholders. All efforts are being taken to maximise in this financial year.

Anticipated Outcome

The project will be delivered in line with the programme and within secured funding.

6 Levengrove Park						
Project Life Financials	3,639	370	10%	3,639	0	0%
Current Year Financials	3,320	51	2%	1,666	(1,654)	-50%
Project Description	Restoration and Regeneration of Levengrove Park					
Project Lifecycle	Planned End Date		31-Mar-19	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

Early delays due to timescales involved in securing external funding which impacted the procurement timescales have resulted in a requirement to re-phase £1.660m from 2017/18 into 2018/19. The tender has now been awarded and the project has started with forecast completion date of 31 March 2019.

Mitigating Action
Project has been rephased to meet original planned end date of 31st March 2019.
Anticipated Outcome
The project will be fully delivered and on time, despite initial delay.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
7	**Posties Park Sports Hub**						
	Project Life Financials	1,199	31	3%	1,199	0	0%
	Current Year Financials	1,175	7	1%	838	(338)	-29%
	Project Description	Creation of a sports hub at Posties/Marinecraft to include a new changing pavilion/Gym, new all-weather 6 lane running track, conversion of blaze sports pitch to grass, new fencing, upgrade of existing floodlights and additional car parking. This combines the budget approved by the Council in February 2015 for Community Sports Facilities at Posties Park, draw down of budget from the generic sports facilities budget line and anticipated match funding from Sports Scotland.					
	Project Lifecycle	Planned End Date	31-Dec-18	Forecast End Date		31-Mar-19	

Main Issues / Reason for Variance

Early delays due to timescales involved in bidding for external funding. A stage 2 funding application was submitted to Sports Scotland for £0.500m. The initial outcome of this application advised that the Council was unsuccessful in the funding bid therefore this element of the budget has been removed and virement will be requested from other budget lines as noted below to fund. Consultancy services together with external consultants are preparing tender documentation with an anticipated start date of June 2018.

Mitigating Action

Officers will work to identify other funding sources to balance the budget if required. Virement will be requested to move £0.603m remaining unallocated budgets (£0.408m from Community Sports Fund and £0.195m from Sport Facilities Upgrades) to Posties Park.

Anticipated Outcome

Creation of sports hub by December 2018 pending confirmation of Sports Scotland funding bid or identification of alternative funding sources.

8	**New Play & Recreation at Radnor Park, including MUGA**						
	Project Life Financials	260	0	0%	260	0	0%
	Current Year Financials	260	0	0%	130	(130)	-50%
	Project Description	New Play & Recreation at Radnor Park, including MUGA					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date		31-Jul-18	

Main Issues / Reason for Variance

Public consultation has commenced with anticipation of outcome by end November 2017. Anticipate facilities to be in place by 31st July 2018.

Mitigating Action

None available at this time.

Anticipated Outcome

Provision of new Play & Recreation at Radnor Park, including MUGA delivered within budget.

9	**New Sports Changing Facility at Lusset Glen in Old Kilpatrick**						
	Project Life Financials	150	0	0%	150	0	0%
	Current Year Financials	150	0	0%	0	(150)	-100%
	Project Description	New Sports Changing Facility at Lusset Glen in Old Kilpatrick					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date		31-Mar-19	

Main Issues / Reason for Variance

New gas mains are being installed by Scottish Gas Networks in Autumn 2017 which will preclude construction works until 2018/19 resulting in rephasing of this budget. Currenlty at design phase.

Mitigating Action

None available due to gas works being carried out

Anticipated Outcome

Works to be carried out as planned

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
10	**Mandatory 20mph Residential communities**						
	Project Life Financials	500	0	0%	500	0	0%
	Current Year Financials	100	0	0%	50	(50)	-50%
	Project Description	Mandatory 20mph Residential communities					
	Project Lifecycle	Planned End Date	31-Mar-17		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

The Scottish Government are currently reviewing 20mph legislation. Subsequently, it is unlikely that there reduced spend in this financial year, therefore remaining budget will be required to slip into 18/19.

Mitigating Action

None available at this time

Anticipated Outcome

Project to be delivered on time and within budget

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
12	**Building Upgrades and H&S**						
	Project Life Financials	4,976	726	15%	4,930	(46)	-1%
	Current Year Financials	4,976	726	15%	4,796	(180)	-4%
	Project Description	Lifecycle and reactive building upgrades					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

Projects totalling £4.967m allocated. At this time it is anticipated that £0.134m slippage will be required which include retention of £0.0.069m for Municipal buildings.

Mitigating Action

Ongoing regular meetings seeking to mitigate any possible delays to projects.

Anticipated Outcome

Project delivered within budget and amended timescales.

13	**Leisure Energy projects**						
	Project Life Financials	277	33	12%	277	0	0%
	Current Year Financials	246	2	1%	21	(225)	-92%
	Project Description	Measures to be installed at both Meadow Centre & Vale of Leven Swimming Pool; new pool hall Air Handling Units, upgrade lighting, circulating pumps Vale of Leven Swimming Pool, internal and external lighting and draught proofing.					
	Project Lifecycle	Planned End Date		31-Jan-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Main reason for variance is due to Air Handling Unit (AHU) upgrades AT Meadow Centre/Vale Swimming Pool. This project has been delayed due to higher priorities within the Procurement service in relation to other required procurement activities, which has resulted in remaining budget of £0.225m required to slip into 18/19.

Mitigating Action

None available at this time as the delay was due to prioritisation of resource.

Anticipated Outcome

A small number of projects will be complete by end of year with works to VOL and Meadow Centre Air Handling Units anticipated to be carried out in November 2018.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
14	**Regeneration/Local Economic Development**						
	Project Life Financials	2,746	135	5%	2,605	(141)	-5%
	Current Year Financials	2,746	135	5%	928	(1,818)	-66%
	Project Description	Budget to facilitate the delivery of Regeneration throughout West Dunbartonshire , aligned to the Economic Strategy 2015-20. External funding will be sought to maximise opportunities for redevelopment of these sites					
	Project Lifecycle	Planned End Date	31-Dec-17		Forecast End Date	31-Dec-18	

Main Issues / Reason for Variance

At this time we are forecasting an overall in-year underspend of £1.818m which comprises underspend due to unallocated budget of 0.141m, and £1.676m slippage (£1.512m St Eunan's strategic disposal and £0.160m Mitchell Way). Clydebank Town Centre & Waterfront includes works at Bruce Street Baths which are now complete, Queens Quay and Connecting Clydebank (A814 project) consultancy fees and charrette projects which are progressing well. In relation to works at the St Eunan's site the contract for this project will soon be awarded following approval at Tender Committee of 06/09/17. A planning application will be required, which is now anticipated to be submitted by November 2017. Completion is required by December 2018 to comply with the external funder's requirements. Contract awarded & contractor preparing revised progamme and finalised design prior to submitting a planning application. The updated contractor delivery programme will determine actual spend for 2017/18 and is anticipated to be significantly lower than forecast. Site start now expected to be May 2018. With regards to works to Balloch Charrette, Design work is progressing for Balloch Village Square. A project proposal has been approved at August 2017 IRED Committee to enable related works to be procured. This budget allocation will complete development work for all of the mentioned projects in 2017/18 (Balloch Village Square, Balloch Castle, Balloch Park and Balloch Station Square), and it anticipated to complete before the end of this financial year. Other works with no financial issues at this time include Dumbarton Town Centre and Waterfront (where further discussion with developers regarding the pathway have taken place during August 2017 with heads of terms anticipated to be agreed by end October 2017); a variety of charrette related projects (which are currently being progressed with partners and developers prior to procurement); works to assess new uses for Glencairn House; bat surveys (which are being undertaken around Dumbarton Rock prior to the submission of statutory applications for floodlighting of the Rock); Bowling Basin works (report from Scottish Canals indicates a requirement of £0.035m to take a joint partnership development to be eventually funded from the Regeneration Fund (notionally £2m) which includes support of £0.020m to jointly fund the feasibility of a new pedestrian route to Bowling Railway Station) and works to Alexandria Town Centre where public realm works at Mitchell Way to enable the regeneration of the site by CCG has been delayed due to conclusion of development appraisal.

Mitigating Action

St Eunan's - Strategic Disposals - key sites; The Regeneration Team have submitted a Proposal of Application Notice to Planning and Building Standards for the project which removes this requirement and potential 12 week lead from the contractor.

Anticipated Outcome

Significant progress with transformational projects including Dumbarton Waterfront, strategic disposal sites and Alexandria town centre and further progress with implementing Charrette Action Plans.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
15 Queens Quay						
Project Life Financials	15,620	1,691	11%	15,620	0	0%
Current Year Financials	13,950	345	2%	5,000	(8,950)	-64%
Project Description	Queens Quay regeneration					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		01-Nov-18

Main Issues / Reason for Variance

The project is reaching the key stage of where contracts will be issued related to Basin works during Autumn 2017. Remediation ground works commenced on site in August 2017 and a number of packages of works around the basin infrastructure are being finalised to commence on site in the Autumn of 2017. The roads infrastructure works and other development preparations works will be delivered later in 2017, with some delays experienced in bringing the District Heating Network project and Queens Quay project in-line for the roads/utilities work, subsequently resulting in forecast end date being extended to November 2018 and £8.950m to be slipped into 18/19. One key element of delay being experienced is in relation to the roads/utilities works which are being held up to ensure we integrate these works with the District Heating project pipework in particular. There will be an IRED paper on 22 November 2017 updating members on the progress at Queens Quay and explaining the slippage into 2018/19.

Mitigating Action

A number of mitigating actions are being monitored through the risk register by the Management Group. Fortnightly meetings with the development partner take place to progress the project and make every attempt to reduce delays and slippage.

Anticipated Outcome

Regeneration of Clydebank Waterfront in line with budget, but delayed to co-ordinate with District Heating project.

16 Regeneration Fund						
Project Life Financials	12,400	0	0%	12,400	0	0%
Current Year Financials	800	0	0%	0	(800)	-100%
Project Description	Match funding for various regeneration projects currently in development					
Project Lifecycle	Planned End Date		01-Aug-16	Forecast End Date		31-Mar-20

Main Issues / Reason for Variance

Project proposals have been developed for Dumbarton Walkway and Balloch Squares, agreement was secured at the IRED Committee on 16 August 2017 to move forward with procuring contracts for Balloch Village and Dumbarton Pathway projects. Connecting Clydebank is at detailed design stage and requires time allocated in its programme to allow input from funding partners Sustrans. The development appraisal is progressing for Bowling Basin. It is expected that project proposals for both these projects will be reported to November 2017 IRED Committee.

Mitigating Action

Development work has progressed and the approval of project proposals in 2017/18 will enable officers to make progress with procuring related project works during the remainder of 2017/18 with significant spend on projects beginning to happen during 2018/19. The need to spend Sustrans external funding first, lengthly procurement timescales, the complexity of some of the projects, the need to programme some works to avoid busy tourism periods and reliance on third parties means that mitigation is challenging.

Anticipated Outcome

Delivery of planned projects on time and within budget

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
17	**Project to bring scaffolding in-house**						
	Project Life Financials	717	0	0%	0	(717)	-100%
	Current Year Financials	717	0	0%	0	(717)	-100%
	Project Description	At Council meeting on 30th August 2017 it was agreed to bring scaffolding in-house as a					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		30-Jun-18

Main Issues / Reason for Variance

The project entails the purchase of vehicles and equipment, and property costs of works required to make Window Factory fit for purpose. The timing of the majority of the works is likely to slip into 2018/19 due to the lead in time of organising the project.

Mitigating Action

Any works that can be completed during 2017/18, following Council policies will be actioned

Anticipated Outcome

It is likely that this project will be delivered in 2018/19

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
18	**Replace Elderly Care Homes and Day Care Centres**						
	Project Life Financials	25,063	13,778	55%	25,263	200	1%
	Current Year Financials	6,781	348	5%	837	(5,944)	-88%
	Project Description	Design and construction of replacement elderly care homes and day care centres in Dumbarton and Clydebank areas					
	Project Lifecycle	Planned End Date		31-Jan-19	Forecast End Date		30-Sep-19

Main Issues / Reason for Variance

Dumbarton Care Home achieved practical completion on 28th April 2017 with retention due April 2018. Residents, day care users and staff are now using the new facility. Remaining budget of £0.112m required to slip into 18/19 for retentions and HSCP to reimburse capital budget for £200,000 expenditure on loose FF&E. Clydebank Care Home - Planning consent was granted on 31st May 2017 with conditions which are currently being monitored and discharged at the appropriate points. This project is currently tracking an overspend based on latest cost estimates, however this position will be reflected upon receipt of tender returns due in December 2017. Further to Project Board meeting held on 6th September, the invitation to tender was issued on 19th September 2017. It is anticipated that work will commence on-site by April 2018. Delay in achieving planning consent (linked to Masterplan Phase 1 which had to be determined first) and finalising more specific detail to tender (taking account of lessons learned from Dumbarton Care Home and site-specific matters and district heating) has subsequently changed the forecast end date. As a result of the amended timescale, forecast spend has been reduced in 17/18 and spend re-profiled into 18/19.

Mitigating Action

September project board acknowledged tender issue date of 19th September. Consideration is being given by Officers to compress the tender evaluation period such that the contract can be awarded at earliest opportunity.

Anticipated Outcome

New Care home provision in Clydebank, currently anticipated to be £0.200m over budget and delayed by around 5 months.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
1	**Vehicle Replacement**						
	Project Life Financials	1,597	1,137	71%	1,597	0	0%
	Current Year Financials	1,597	1,137	71%	1,526	(71)	-4%
	Project Description	Replacement of vehicles which have reached end of programmed lifespan (7 year heavy vehicles, 10 year light vehicles)					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		30-Apr-18
	Main Issues / Reason for Variance						
	Project currently reporting £0.071m underspend which relates to slippage for Replacement programme vehicles. Purchases of replacement of vehicles currently on long-term hire were given priority, therefore there is still a remaining budget in relation to purchase of vehicles on regular replacement programme have been.						
	Mitigating Action						
	None Required						
	Anticipated Outcome						
	The majority of the project will be completed on time						
2	**Allotment Development**						
	Project Life Financials	400	0	0%	400	0	0%
	Current Year Financials	400	0	0%	120	(280)	-70%
	Project Description	To develop an allotment site at Dumbarton Common					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19
	Main Issues / Reason for Variance						
	The project team met in June and have identified a potential main site, however this site is currently identified on the local plan for housing and is being marketed as such by Estates, which is still ongoing. Once the outcome of this marketing is concluded then a recommendation can be made regarding its availability as an allotment site. The costs involved in providing the main site would be in the region of £0.300m and 2 further satellite sites are estimated to cost circa £0.100m. At this time it is anticipated that full spend will be achieved for the 2 satellite sites in this finacial year although there may only be consultants costs of approx £0.020m in relation to the main site, with the remaining budget of £0.280m required to slip into 18/19. If the site is deemed suitable as an allotment site the local plan will have to be amended which would take in the region of 6 months. Suitable locations for the 2 satellite sites continue to be identified and assessed.						
	Mitigating Action						
	Continue to assess potential sites in conjunction with Environmental Health.						
	Anticipated Outcome						
	Development of allotments to take pressure off current 10 year waiting list.						

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
3	**Community Capital Fund**						
	Project Life Financials	3,609	2,120	59%	3,412	(197)	-5%
	Current Year Financials	1,783	294	16%	926	(857)	-48%
	Project Description	Upgrade and improve recreational facilities throughout West Dunbartonshire.					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

This budget is for the creation and upgrade of play areas. The project is currently showing an underspend of £0.857m. This relates to slipapge required for parks which will be going to tender by the end of October (Balloch Park Slipway, Dillichip Park, Castlehill Upgrade MUGA, Brucehill, Goldenhill, Whitecrook & Inler Park) with works to carry into 18/19 after works to first set of new play parks (Mollanbowie, Bellsmyre Nursery, Silverton Milldam, Bowling, Faifley & Levengrove) are complete.

Mitigating Action

None available at this time

Anticipated Outcome

Improved recreational facilities throughout WDC anticipated to be delivered on time and within budget

4	**Community Sports Facilities - Holm Park**						
	Project Life Financials	500	0	0%	500	0	0%
	Current Year Financials	500	0	0%	10	(490)	-98%
	Project Description	Develop a new 3G pitch to act as a home venue for Clydebank FC with extensive community access.					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

Site investigation will be required as there may be contamination. It is anticipated that there will only be site investigation costs and consultancy fees in 17/18 with remaining budget to be slipped into 18/19 to complete the project.

Mitigating Action

Site invstigation works to be speedily concluded to confirm scope of works required.

Anticipated Outcome

A new community accessible 3G pitch in the Clydebank Area.

5	**Kilmaronock Cemetery Extension**						
	Project Life Financials	225	0	0%	225	0	0%
	Current Year Financials	225	0	0%	50	(175)	-78%
	Project Description	Extension of existing cemetery at Kilmaronock. Project not due to start April 2016. Procurement process anticipate starting August 2015.					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Jul-18

Main Issues / Reason for Variance

Initial project delay was due to the decision to appoint an external consultant with the necessary expertise to design the project and develop the tender documentation, and design consultants have now been appointed. Tenders will then be developed with proposed works commencing April 2018 and will take approximately 4 months to complete, with an anticiaption of £0.050m spend in 17/18 in relation to consultants and planning fees, SEEPA costs and preparatory works. Therefore rephasing of approximately £0.175m into 17/18 will be required at this time.

Mitigating Action

Officers will monitor consultant progress with a view to accelerating any aspects of the project that are deemed appropriate to maximise spend in the current financial year.

Anticipated Outcome

Extension to Cemetery, around 2 months later than originally planned.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
6	**Sports Facilities Upgrades**						
	Project Life Financials	285	0	0%	90	(195)	-68%
	Current Year Financials	285	0	0%	15	(270)	-95%
	Project Description	Project is part of wider investment in sporting facilities and is dependent on match funding from Sport Scotland. Agreement in principle to wider WDC strategic priorities.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date		31-Mar-18	
	Main Issues / Reason for Variance						
	At this time £0.075m has been allocated to construction of 3 All weather tennis courts at Argyll Park. This project is estimated to cost £0.150m in total with the remaining £0.075m subject to a funding application to the Lawn Tennis Association for match funding. At this time officers are hopeful of an outcome regarding this funding application by the end of September and if successful it is anticipated that works will start April 2018 with completion by December 2018 resulting in rephasing of this element of the overall Sports Facilities budget into 2018/19. Options for the remaining budget are currently being developed with full spend anticipated at this time.						
	Mitigating Action						
	Virement to be requested for remaining £0.195m unallocated budget to be moved to Posties Park.						
	Anticipated Outcome						
	Improved sporting facilities						
7	**Vale of Leven Cemetery Extension**						
	Project Life Financials	650	156	24%	650	0	0%
	Current Year Financials	495	1	0%	130	(365)	-74%
	Project Description	Extension of existing cemetery in Vale of Leven					
	Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date		31-Mar-19	
	Main Issues / Reason for Variance						
	As previously reported there has been difficulties purchasing the preferred site with officers working to identify alternative locations. While officers are hopeful of concluding the land purchase in this financial year the main body of the works will require to be rephased from 2017/18 into 2018/19.						
	Mitigating Action						
	Identify suitable alternative sites and options being actively pursued.						
	Anticipated Outcome						
	A suitable site is identified and purchased to provide a sustainable burial environment, albeit delayed by 3 years as a result of identifying a suitable site.						
8	**Auld Street Clydebank - Bond**						
	Project Life Financials	400	144	36%	400	0	0%
	Current Year Financials	256	0	0%	120	(136)	-53%
	Project Description	Completion of roadworks associated with Auld Street housing development					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date		31-Mar-19	
	Main Issues / Reason for Variance						
	Project running late and some slippage is anticipated this financial year						
	Mitigating Action						
	None available						
	Anticipated Outcome						
	Works complete full spend						

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER ALERT STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
9	**Flood Risk Management**						
	Project Life Financials	448	17	4%	448	0	0%
	Current Year Financials	448	17	4%	300	(148)	-33%
	Project Description	Enhancement of drainage infrastructure to ensure compliance with Flood Risk Management					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Oct-18
	Main Issues / Reason for Variance						
	Procurement currently working to progress minor civil works, with framework anticipated to be in place by 1st February 2018, although majority of works will be carried out in 18/19 which is reflected in reduced forcast spend.						
	Mitigating Action						
	Road staff working with procurement to try to mitigate any further delay.						
	Anticipated Outcome						
	Project completed on time and within budget						
10	**Gruggies Burn Flood Prevention**						
	Project Life Financials	15,000	124	1%	15,000	0	0%
	Current Year Financials	485	9	2%	70	(415)	-86%
	Project Description	Commission of Gruggies Flood Prevention Scheme					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19
	Main Issues / Reason for Variance						
	Onsite investigation currenlty underway with results anticipated by end October to provide details of scope of works. Following initial investigations, further topographic survey required which is anticiapted be carried out by end of financial year, therefore the majority of physical works likley to be in 18/19. Forecast spend in 17/18 has been reduced to reflect this.						
	Mitigating Action						
	Once consultants report has delivered , further survey works will be procured and opportunities will be sought to mitigate any further delay.						
	Anticipated Outcome						
	Project completed within budget.						
11	**Integrated Housing Management System**						
	Project Life Financials	624	119	19%	561	(63)	-10%
	Current Year Financials	546	41	7%	301	(245)	-45%
	Project Description	This is a budget to support the necessary development and on-going requirements of					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		03-Dec-18
	Main Issues / Reason for Variance						
	The project has been delayed by identifying potential shared service opportunities, finalising the contract documentation with the supplier and delays from incumbent system provider in the provision of access to Saffron data (which is still an ongoing issue, anticipating to be resolved beginning October 2017). Project has been re-phased with go-live date planned at end of 3rd December 2018, therefore budget of £0.181m is required to be re-phased into 18/19. As a result of the delay in completion of project, staffing is being considered to be extended to 31st March 2019 in order to support implentation of new system. At this time we are anticipating an underspend of £0.063m.						
	Mitigating Action						
	Officers will continue to seek opportunities to mitigate any further delays to the project.						
	Anticipated Outcome						
	Project is to delivered in-line with rephased project timeline with an anticipated underspend of £0.063m.						

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 8**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE VARIANCE IS OVER £0.050M

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
Resources Carried Forward						
Project Life Financials	(520)	40	-8%	(520)	0	0%
Current Year Financials	(473)	87	-18%	(473)	0	0%
Project Description	These are resources that have been received in previous years relating to ICT Modernisation, Insurance receipts, HRA contribution re Dalmuir works, Turnberry Homes, Posties Park Sports Hub and Auld Street Bond					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18
Main Issues / Reason for Variance						
No issues to report at this time						
Mitigating Action						
None Required						
Anticipated Outcome						
Full application of resources held on balance sheet in 2017/18						
General Services Capital Grant						
Project Life Financials	(57,387)	(23,468)	41%	(57,387)	0	0%
Current Year Financials	(9,824)	(5,688)	58%	(9,824)	0	0%
Project Description	This is a general grant received from the Scottish Government in relation to General					
Project Lifecycle	Planned End Date		31-Mar-22	Forecast End Date		31-Mar-22
Main Issues / Reason for Variance						
No issues to report at this time						
Mitigating Action						
None Required						
Anticipated Outcome						
Receipt of General Services Capital Grant as anticipated						
Ring Fenced Government Grant Funding						
Project Life Financials	(43,767)	(545)	1%	(43,767)	0	0%
Current Year Financials	(4,792)	0	0%	(5,192)	(400)	8%
Project Description	This is ring fenced grant funding which is primarily anticipated to be received from the Scottish Government and relates to Cycling, Walking, Safer Streets, Gruggies Burn Flood works, Early Years funding and City Deal					
Project Lifecycle	Planned End Date		31-Mar-24	Forecast End Date		31-Mar-24
Main Issues / Reason for Variance						
No issues to report at this time						
Mitigating Action						
None Required						
Anticipated Outcome						
Receipt of Ring Fenced Capital Grant as anticipated						
Match Funding / Other Grants and Contributions						
Project Life Financials	(11,955)	(6,764)	57%	(11,955)	0	0%
Current Year Financials	(5,329)	(188)	4%	(4,429)	900	-17%
Project Description	This is match funding from various bodies with the main funding being anticipated for Levengrove Park, Posties Park and Clydebank Community Sports Hub					
Project Lifecycle	Planned End Date		31-Mar-19	Forecast End Date		31-Mar-19
Main Issues / Reason for Variance						
At this time it is anticipated that funding of £1.134m in relation to Levengrove Park will not be received in this financial year for Levengrove Park and will be required to be re-phased into 18/19. As our bid to Sports Scotland in relation to Posties Park was unsuccessful and will not receive £0.500m that was anticipated, officers will continue to investigate alternative funding sources for this project.						
Mitigating Action						
Officers to investigate funding source for Posties Park Sports Hub						
Anticipated Outcome						
Receipt of Match Funding as anticipated apart from Posties Park Sports Hub						
Capital Receipts						

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 8**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE VARIANCE IS OVER £0.050M

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
Project Life Financials	(26,199)	(1,123)	4%	(26,214)	(15)	0%
Current Year Financials	(15,542)	(231)	1%	(11,256)	4,286	-28%
Project Description	These are capital receipts that are anticipated from sales of land and buildings both as					
Project Lifecycle	Planned End Date		31-Mar-24	Forecast End Date		31-Mar-24

Main Issues / Reason for Variance

Capital receipts are anticipated to lower in the current financial year due to market conditions, however the longer term expectation is that this will improve and result in higher than anticipated capital receipts over the project life of the capital programme

Mitigating Action

Officers will seek to maximise capital receipts in the current financial year subject to market conditions

Anticipated Outcome
Over the programme life capital receipts are anticipated to exceed budget

Prudential Borrowing						
Project Life Financials	(170,525)	(93,683)	55%	(169,831)	694	0%
Current Year Financials	(57,467)	(10,629)	18%	(30,386)	27,081	-47%
Project Description	Prudential borrowing is long term borrowing from financial institutions that has been					
Project Lifecycle	Planned End Date		31-Mar-24	Forecast End Date		31-Mar-24

Main Issues / Reason for Variance

Prudential borrowing in 2017/18 is likely to be less than budgeted due to programme re-phasing

Mitigating Action

Prudential borrowing is impacted by programme delivery therefore mitigating action is detailed in the red and amber analysis

Anticipated Outcome
While prudential borrowing requirement is likely to be less than budgeted in the current financial year this is anticipated to catch up over the programme life.

CFCR						
Project Life Financials	(431)	(40)	9%	(431)	0	0%
Current Year Financials	(391)	0	0%	(391)	0	0%
Project Description	This is capital spend which is funded by revenue budgets					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance
No issues to report at this time
Mitigating Action
None Required
Anticipated Outcome
Application of CFCR as anticipated

TOTAL RESOURCES						
Project Life Financials	(310,784)	(125,584)	40%	(310,105)	679	0%
Current Year Financials	(93,818)	(16,649)	18%	(61,950)	31,867	-34%

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 9**
GENERAL SERVICES CAPITAL PROGRAMME
PROPOSED VIREMENTS TO BE APPROVED

MONTH END DATE **30 September 2017**

PERIOD **6**

Project Details	Project Financials		
Project Name	**Budget £000**	**Virement £000**	**Revised Budget £000**
Community Sports Fund			
Project Life Financials	988	(408)	580
£0.408m unallocated budget is requested to be vired to Posties Park capital project. These funds remain unallocated now that the CSF application deadline has passed (March 2017)			
Sports Facilities Upgrades			
Project Life Financials	285	(195)	90
£0.195m unallocated budget is requested to be vired to Posties Park capital project. This is the balance remaining after projects have been identified and funding allocated for 17/18			
Posties Park Sports Hub			
Current Year Financials	1,175	603	1,778
Funding application from Sports Scotland was unsuccessful, therfore it is requested that unallocated budgets are vired from Community Sports Fund and Sports Facilities Upgrades.			
Total Virements Requested			
Current Year Financials	**2,448**	**0**	**2,448**

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead Housing and Employability

Council: 25 October 2017

Subject: Housing Revenue Account Budgetary Control Report to 30 September 2017 (Period 6)

1. Purpose

1.1 The purpose of the report is to provide members with an update on the financial performance to 30 September 2017 (Period 6) of the HRA revenue and capital budgets.

2. Recommendations

2.1 Members are asked to:

i) Note the projected favourable revenue variance of £0.253m (0.6%).

ii) Note the position advised in relation to the capital budget which is currently projecting an in-year favourable variance of £8.718m (28.5%), of which £6.180m (20.2%) relates to project re-phasing and an in-year underspend of £2.538m (8.3%).

3. Background

Revenue

3.1 At the meeting of West Dunbartonshire Council on 22 February 2017, Members agreed the revenue estimates for 2017/2018 and a total budget of £42.912m.

Capital

3.2 At the meeting of Council on 22 February 2017, Members also agreed the updated Capital Plan for 2017/18 which has been augmented by re-phasing from 2016/17 to produce a total planned spend for 2017/18 of £30.578m. The funding of this is shown within Appendix 6.

4. Main Issues

Revenue Budget

4.1 The current budgetary position for HRA Revenue is summarised in Appendix 1 with information regarding projected variances valued at greater than £50,000 being provided as Appendix 2. The analysis shows the projected variance for HRA Revenue is a surplus of £0.253m

Capital Budget

4.2 The HRA capital summary position is shown in Appendix 3. Information on projects that are highlighted as being within the red and amber categories and green category over £50K is provided in Appendices 4 to 6. A summary of anticipated resources is shown in Appendix 7.The analysis shows that for the in-year planned spend there is currently a favourable variance of £8.718m, of which £6.180m relates to project re-phasing and an in-year underspend of £2.538m.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 Other than the financial position noted above, there are no financial implications of the budgetary control report. There are no procurement implications arising from this 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 Environmental Assessment

10.1 Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council. This report is for noting and, therefore, does not directly affect any of the strategic priorities.

Peter Barry

Strategic Lead – Housing and Employability
Date: 16 October 2017

Person to Contact:	Janice Rainey - Business Unit Finance Partner (HEED), Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737704, e-mail janice.rainey@west-dunbarton.gov.uk
Appendices:	Appendix 1 - Budgetary Position (Revenue) Appendix 2 - Variance analysis (Revenue) Appendix 3 - Budgetary Position (Capital) Appendix 4 - Variance analysis Red Projects (Capital) Appendix 5 - Variance analysis Amber Projects (Capital) Appendix 6 - Variance analysis Green Projects (Capital) Appendix 7 – Resources (Capital)
Background Papers:	None
Wards Affected:	All

HRA BUDGETARY CONTROL REPORT **Appendix 1**

MONITORING PERIOD : 1 APRIL 2017 to 30 SEPTEMBER 2017

2016/2017 Outturn £000s		2017/2018 Estimate £000s	Actual To Date £000s	% actual to date	Forecast Outturn £000s	forecast Variance (fav)/adv £000s	% Forecast Variance
	EXPENDITURE						
5,157	Employee Costs	5,506	2,393	43%	5,473	(33)	-1%
1,801	Property Costs	1,819	804	44%	1,837	18	1%
102	Transport Costs	105	70	67%	105	0	0%
424	Supplies, Services And Admin	327	142	44%	313	(14)	-4%
2,164	Support Services	2,141	1,082	51%	2,164	23	1%
257	Other Expenditure	157	150	95%	239	82	52%
11,542	Repairs & Maintenance	11,716	5,283	45%	11,504	(212)	-2%
999	Bad Debt Provision	1,113	557	50%	1,113	0	0%
349	Council Tax On Void Houses	326	184	57%	369	43	13%
924	Lost Rents	901	356	39%	815	(86)	-10%
17,942	Loan Charges	18,800	9,400	50%	18,800	0	0%
41,661	**GROSS EXPENDITURE**	**42,912**	**20,421**	48%	**42,734**	**(179)**	-0.4%
	INCOME						
39,641	House Rents	40,205	18,977	47%	40,246	(41)	0%
229	Lockup Rents	227	106	47%	213	14	6%
1,119	Factoring/Insurance Charges	1,136	556	49%	1,123	13	1%
124	Other rents	143	65	46%	143	(0)	0%
70	Interest on Revenue Balance	46	0	0%	70	(24)	-51%
137	Miscellaneous income	143	26	19%	143	(0)	0%
1,085	Reallocated salaries	1,012	525	52%	1,050	(37)	-4%
42,405	**GROSS INCOME**	**42,912**	**20,256**	47%	**42,987**	**(75)**	0%
(744)	**NET EXPENDITURE**	**0**	**165**		**(253)**	**(253)**	

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2017/2018
ANALYSIS FOR VARIANCES OVER £50,000

APPENDIX 2

MONTH END DATE 30 September 2017

PERIOD 6

Budget Details		Project Life Financials						
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**Forecast Spend**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**£000**	**%**	
Other Expenditure		157	150	95%	239	82	52%	↓

Service Description	
This budget covers strategy expenditure as well as legal fees, bank charges, rent abatements,tenancy sustainment work and factor's commission	
Variance Narrative	
Main Issues	Tenancy Sustainment element of payment to Women's Aid is now being met from the HRA rather than the general fund following review of where it was appropriate to pay this from.
Mitigating Action	Management will ensure that this overspend will be offset by underspends within other areas within the HRA
Anticipated Outcome	An overspend will be incurred on this line

Budget Details		Project Life Financials						
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**Forecast Spend**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**£000**	**%**	
Repairs & Maintenance		11,716	5,283	45%	11,504	(212)	-2%	↑

Service Description	
This budget covers all repair and maintenance expenditure to houses and lockups	
Variance Narrative	
Main Issues	This favourable variance is mainly due to cost of gas/ ventilation/ lift repair and maintenance costs being less than budgeted . A large part of the budget for these costs are demand led so can fluctuate significantly from year to year.
Mitigating Action	No mitigating action is required as the variance is favourable
Anticipated Outcome	A year end underspend of is anticipated.

Budget Details		Project Life Financials						
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**Forecast Spend**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**£000**	**%**	
Lost Rents		901	356	39%	815	(86)	-10%	↑

Service Description	
Rents lost on void houses and lockups	
Variance Narrative	
Main Issues	There has been an improvement in lost rental due to management action to improve processes around voids to achieve faster turnaround and improve the appeal of harder to let properties.
Mitigating Action	No mitigating action is required as the variance is favourable
Anticipated Outcome	A year end underspend of is anticipated.

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
OVERALL PROGRAMME SUMMARY

APPENDIX 3

MONTH END DATE 30 September 2017

PERIOD 6

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	3	10.7%	25,568	85.8%	3	10.7%	2,059	33.6%
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	4	14.3%	957	3.2%	4	14.3%	845	13.8%
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	21	75.0%	3,281	11.0%	21	75.0%	3,229	52.6%
TOTAL EXPENDITURE	**28**	**100%**	**29,806**	**100%**	**28**	**100%**	**6,134**	**100%**

Project Status Analysis	Project Life Financials				Current Year Financials					
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Re-Phasing £000	Over/ (Under) £000
Red										
Projects are forecast to be overspent and/or significant delay to completion	72,772	25,568	71,984	(788)	11,311	2,059	6,086	(5,225)	(4,264)	(961)
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	7,001	957	5,525	(1,476)	6,890	845	3,497	(3,393)	(1,659)	(1,733)
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	18,528	3,281	18,428	(100)	12,377	3,229	12,277	(100)	(257)	157
TOTAL EXPENDITURE	**98,302**	**29,806**	**95,937**	**(2,364)**	**30,578**	**6,134**	**21,859**	**(8,718)**	**(6,180)**	**(2,538)**
TOTAL RESOURCES	**(98,302)**	**(29,806)**	**(95,938)**	**2,364**	**(30,578)**	**(6,134)**	**(21,859)**	**8,718**		
NET EXPENDITURE	**(0)**	**0**	**- 0**	**- 0**	**(0)**	**0**	**(0)**	**(0)**		

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 4**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Variance	
		£000	£000	%	£000	£000	%
1	**Targeted EESSH compliance works**						
	Project Life Financials	4,062	133	3%	4,062	0	0%
	Current Year Financials	4,062	133	3%	800	(3,262)	-80%
	Project Description	Low Rise Works					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

Building Services continue to experience problems in resourcing sufficient skilled operatives for this work stream (despite the recruitment drive) which has impacted severely on their ability to deliver the level of work required. Back-up contractors for this type of work have been procured, however there is a limitation within the tender award on the value of work they can undertake which is far below the level we would need them to deliver to meet the programme. Building Warrants have now been received allowing the scheduling of 4 project areas representing 117 addresses. Scheduling of this works and pre-start march in surveys are underway. A new process has begun to procure via the Scotland Excel framework for additional contractor support to deliver the level of work desired - the framework covers the type of work required and the procurement officer has completed an initial comparison of framework rates. This is now being compared against Building Services rates to determine financial suitability. At this stage a reasonable projection of spend in this financial year would be £0.800m which is approximately 20% of budget. it is anticipated that this projection may change positively over the next few months as work progresses.

Mitigating Action

Building Services will continue to drive recruitment to increase the number of appropriately skilled operatives whilst progressing the programme via current resources and existing back-up contractors.

Anticipated Outcome

Project to complete within budget and amended timescales.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 4**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
2 Regeneration/Demolition of Surplus Stock						
Project Life Financials	8,774	7,519	86%	8,058	(716)	-8%
Current Year Financials	1,550	122	8%	429	(1,121)	-72%
Project Description	Regeneration/Demolition of Surplus Stock					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

At this time it is anticipated that there will be a in year underspend of £1.121m which includes underspends in relation to unallocated budget (£0.639m) and Glenside/Muir Road (£0.286m) and slippage of £0.233m (£0.100m Creveul Court, £0130m Homeloss payments and £0.003m Glenside/Muir Rd retentions). Projects are progressing as follows: O'Hare/Alexander St - Property clearances, asbestos surveys and service disconnections are currently being arranged followed by tender preparations and issue which is anticipated for end of October; Creveul Court - Officers are working to re-house remaining tenant which is unlikely to be in 17/18. Slippage of £0.100m anticipated at this time; Homeloss and Disturbance Payments - At this time re-phasing of £0.130m is anticipated; Second Avenue / Singer Street / Crown Avenue - Project is complete and final payments are under review; Glenside / Muir Road - Project is complete and is subject to processing of final payment. It is anticipated that £0.003m will be required to slip into 18/19.

Mitigating Action

In relation of Creveul Court legal officers are following procedures to re-house remaining tenant working with other Council departments. Officers are following procedures to bring the contract to a close in connection with Second Avenue / Singer Street and Crown Avenue.

Anticipated Outcome

Tenant will be re-housed and demolition contractor will be procured during 2018/19.

3 New house build						
Project Life Financials	59,936	17,917	30%	59,863	(73)	0%
Current Year Financials	5,699	1,805	32%	4,857	(842)	-15%
Project Description	New house build					
Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23

Main Issues / Reason for Variance

This project is currently forecasting an in year underspend of £0.849m which includes £0.769m slippage (£0.074m Second Avenue, £0.300m Creveul Court and £0.395m Haldane requisition), £0.085m underspend in relation to Haldane acquisition and overspend of £0.012m (£0.005m in relation to Bellsmyre New Build houses and £0.007m in relation to Queen's Quay). Projects are progressing as follows: Second Avenue - Progressing well and forecast to complete by year end; St Andrews - It is anticipated that there will only be preparatory design, planning and legal expenses in 17/18; Creveul Court Officers working to re-house remaining tenant; Haldane Acquisition - This budget is fully funded by the Scottish Government with a grant of £0.480m anticipated, however valuation has resulted in a transfer value of £0.395m and a subsequent underspend of £0.085m which will be offset by an adverse variance in grant income. Spend is unlikely to complete by year end resulting in re-phasing of £0.395m into 2018/19; Central Bellsmyre - This project is complete with current year spend being for retention payment.

Mitigating Action

In relation to St Andrews officers are working to complete the legal and development agreement to allow appointment of the consultant while at Creveul Court officers are following procedures to re-house remaining tenant working with other Council departments. At Haldane site officers are working to keep the new build on programme to progress to clearance of existing site as soon as possible.

Anticipated Outcome

In relation to Second Avenue the anticipated outcome will be that the contract will fully complete following agreement. With regards to Creveul Court the tenant will be re-housed and demolition contractor will be procured during 2018/19.

Project Life Financials	72,772	25,568	35%	71,984	(788)	-1%
Current Year Financials	11,311	2,059	18%	6,086	(5,225)	-46%

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 5**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
1 Integrated Housing Asset Management						
Project Life Financials	876	214	24%	795	(81)	-9%
Current Year Financials	765	103	13%	427	(338)	-44%
Project Description	Integrated Housing Management System					
Project Lifecycle	Planned End Date		31-Aug-18	Forecast End Date		03-Dec-18

Main Issues / Reason for Variance

The project has been delayed by identifying potential shared service opportunities, finalising the contract documentation with the supplier and delays from incumbent system provider in the provision of access to Saffron data (which is still an ongoing issue, anticipating to be resolved beginning October 2017). Project has been re-phased with go-live date planned at end of 3rd December 2018, therefore budget of £0.257m is required to be re-phased into 18/19. As a result of the delay in completion of project, staffing is being considered to be extended to 31st March 2019 in order to support implementation of new system. At this time we are anticipating an underspend of £0.081m.

Mitigating Action

Officers will continue to seek opportunities to mitigate any further delays to the project.

Anticipated Outcome

Project is to delivered in-line with rephased project timeline with an anticipated underspend of £0.206m.

2 Building external component renewals						
Project Life Financials	3,076	661	21%	2,000	(1,076)	-35%
Current Year Financials	3,076	661	21%	2,000	(1,076)	-35%
Project Description	Building external component renewals					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Tile stocks are readily available at this time, although suppliers have cautioned that stock could go low again. Analysis of overall completions rates are projecting less completions by year end. Building Services manager has raised the issue of output and rate of completions with his team and working to increase output. Therefore, at this time it is anticipated that there will be an underspend of £1.076m.

Mitigating Action

Officers are working to maintain tile stock availability to meet demand and adjusting the programme for certain renewals to maintain a consistency of tile type and colour to be fitted. Building Services officers are conscious of the impact on completions and working to manage the impact of tile availability and overall output.

Anticipated Outcome

Overall project may not meet spend targets, and is anticipated to underspend by £1.076m.

3 Modern facilities and services						
Project Life Financials	590	74	12%	270	(320)	-54%
Current Year Financials	590	74	12%	270	(320)	-54%
Project Description	Bathrooms and Kitchens					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Condition information identifies addresses for bathroom and kitchen renewals. Tenant agreement and uptake is less than needed to meet the programme and remains a challenge, however officers continue to contact tenants by letter and telephone call in efforts to encourage uptake with brochures having been developed to show the range of options and finished examples to try and persuade them to agree. In addition the Housing Improvement Board has agreed to add showers to the bathroom specification and it is hoped that this will increase desirability and uptake. Recent response has seen an increase in uptake and projections have been adjusted to reflect this. At this time a reasonable projection of numbers would be 70 bathrooms and 60 kitchens, reporting an anticipated forecast spend of £0.270m; an underspend of £0.320m.

Mitigating Action

Officers are contacting tenants with new brochure information and shower inclusion in efforts to increase uptake. Tenants are offered additional support and assistance if required to help and mitigate with the disturbance e.g. packing up kitchens, ensuring water and cooking facilities available as soon as possible, etc.

Anticipated Outcome

Number of completions to be less than programme resulting in an anticipated underspend of £0.340m against budget.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 5**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT AMBER STATUS

MONTH END DATE **30 September 2017**

PERIOD **6**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
4 Non Traditional and Traditional Improvement Works						
Project Life Financials	2,459	8	0%	2,459	0	0%
Current Year Financials	2,459	8	0%	800	(1,659)	-67%
Project Description	Risk Street Overclad					
Project Lifecycle	Planned End Date		31-Mar-19	Forecast End Date		31-Mar-19

Main Issues / Reason for Variance

This project has taken considerable time to liaise and negotiate with owners to take this forward. Owners voting process has now concluded with the majority of owners in each block (including WDC owned shares) having voted in favour of the external insulation improvement. The result has been communicated to owners. Officers are now progressing the project in terms of contract acceptance and necessary permissions to commence work (tender has been returned and was placed on hold). At this time it is anticipated that the site start will be in November/December, following receipt of building warrant. The preferred bidder is assisting with key construction information which is required to complete the Building Warrant process, officers in Procurement and Consultancy Services are in liaison with the preferred bidder to progress this. As the contract is planned to be completed over an 18 month period, there is a resulting re-phasing of £1.660m into 2018/19. Although significant re-phasing is required at this time the main issues surrounding the ability to start this project have been resolved therefore this project is awarded Amber Status to inform of project update rather than Red Status to indicate material project concerns.

Mitigating Action

Communications have been issued to all owners with result of vote and next steps. Officers are working to complete the building warrant process. Tender acceptance and contract confirmation will be taken forward upon BW receipt. The preferred bidder is assisting with key construction information which is required to complete the Building Warrant process, officers in Procurement and Consultancy Services are in liaison with the preferred bidder to progress this. Customer Liaison officer and Project Team are coordinating the open drop in session for residents with project design details and information presentations, however this will not be finalised until the receipt of the building warrant allowing award of the contract.

Anticipated Outcome

Works anticipated be completed over 2017/18 and 2018/19, estimated for completion by end of 2018/19 delivering an major external upgrade of 6 blocks in Risk St, Dumbarton for 72 tenants and 63 owners within budget.

Project Life Financials	7,001	957	14%	5,525	(1,476)	-21%
Current Year Financials	6,890	845	12%	3,497	(3,393)	-49%

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS

Appendix 6

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Variance	
		£000	£000	%	£000	£000	%
1	**Contingencies**						
	Project Life Financials	100	0	0%	0	(100)	-100%
	Current Year Financials	100	0	0%	0	(100)	-100%
	Project Description	Contingency budget for unforeseen works					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

This is a contingent budget for unforeseen matters which may arise during the year, however at this time in is anticipated that this will not be required

Mitigating Action

None required

Anticipated Outcome

Under spend in this financial year

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
1	**New Build Grant**						
	Project Life Financials	(26,095)	(8,440)	32%	(26,405)	(310)	1%
	Current Year Financials	(2,996)	(1,244)	42%	(2,911)	85	-3%
	Project Description	Grant to facilitate the building of new build housing					
	Project Lifecycle	Planned End Date		31-Mar-22	Forecast End Date		31-Mar-22

Main Issues / Reason for Variance

Grant income relating to the Haldane acquisition £0.480m was received late 2016/17 and has been held on the balance sheet. It will not be applied until 2018/19 when the transfer of the site will take place, however the transfer value has been agreed at a value of £0.395m resulting in an underachievement of grant income of £0.080m (although this is offset by purchase cost being £0.080m less than budgeted). Grant income anticipated to be received in 17/18 includes £1.716m (Singer Avenue/Second Street), £0.500m (St Andrew's High School site) and £0.300m (Creveul Court).

Mitigating Action

None Required as income has already been received and this is purely an accounting/timing adjustment

Anticipated Outcome

Grant income will be applied in 2018/19

2	**Prudential Borrowing**						
	Project Life Financials	(64,907)	(18,473)	28%	(60,034)	4,873	-8%
	Current Year Financials	(23,762)	(1,997)	8%	(12,930)	10,832	-46%
	Project Description	Prudential borrowing to finance capital expenditure not already funded from grants/contributions, revenue contributions or capital receipts					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23

Main Issues / Reason for Variance

Prudential Borrowing is impacted by the both the total level of capital spend and the level of other capital resources. The level of prudential borrowing in 2017/18 and overall is likely to be less than anticipated for reasons identified within each project that shows re-phasing requirements in the red and amber analysis

Mitigating Action

Mitigating actions are detailed in the red and amber analysis

Anticipated Outcome

Prudential Borrowing overall likely to be less than anticipated.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE **30 September 2017**

PERIOD **6**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
3	**Capital Receipts**						
	Project Life Financials	0	(2,171)	100%	(2,171)	(2,171)	100%
	Current Year Financials	0	(2,171)	100%	(2,171)	(2,171)	100%
	Project Description	Capital receipts from the sale of land or application to purchase houses under Right to Buy Legislation prior to end of scheme					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Capital receipts were not anticipated to be received due to the closure of the Right to Buy Scheme, however receipts are still being received for applications submitted prior to the end of the scheme resulting in unbudgeted income being received.

Mitigating Action

None required due to favourable variance

Anticipated Outcome

Unbudgeted income received

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council: 25 October 2017

Subject: **Long Term Financial Strategy Refresh and General Services and Housing Revenue Account Revenue Estimates Update 2018/19 to 2020/21**

1. Purpose

1.1 The purpose of this report is to provide Members with an update of the Council's Long Term Finance Strategy, together with information on the estimates process for the General Fund and the Housing Revenue Account (HRA).

1.2 The report also provides an update on the position regarding reserves, including projections in relation to funds held for provisions, earmarked balances and free reserves.

1.3 The report provides an outline of the planned approach to consultation in relation to options to reduce the current projected gap.

2. Recommendations

2.1 Members are asked to:

(i) Note the updated strategy has developed estimates of the Council's funding position to 2020/21 and identifies cumulative anticipated revenue funding gaps within General Services of £3.375m for 2018/19; £8.378m for 2019/20; and £14.254m for 2020/21;

(ii) Note the position regarding the HRA projections to 2020/21;

(iii) Note the extension of the funding projection to a 10 year estimate to 2027/28 in line with recommendations from the Council's external auditors and the projections therein;

(iv) Approve the long term financial strategy, as attached as Appendix 1, including:
- noting the assumption of a Council Tax increase for 2018/19 onwards of 3% as described in 4.6 of the strategy; and
- the inflationary uplift for 2018/19 onwards as described in 4.12 below;

(v) Note the projected position for 2017/18 (the current year), which shows the general fund anticipated to be close to break-even;

(vi) Note the projected year-end position regarding reserves and provisions;

(vii) Note that the Corporate Management Team are in the process of generating savings options which will be reported to Council in December 2017;

(viii) Note the plans to engage with the public during January 2017;

(ix) Note the current position regarding the long term capital plan; and

(x) Note that this projected position is subject to amendment as assumptions continue to be clarified and revised between now and Council in February 2018.

3. Background

3.1 The previous iteration of the Long Term Financial Strategy was presented to and approved by Council on 26 October 2016. Updated indicative budget gaps for 2017/18 to 2019/20 were updated following the approval of the budget, as minuted from Council on 22 February 2017. This is an update to this Financial Strategy and provides information to Members of the revised position.

3.2 At the Council meeting in October 2016 the Finance Strategy was agreed which identified cumulative projected budgets gaps from 2017/18 to 2019/20 of:

- 2017/18 £3.691m;
- 2018/19 £7.110m; and
- 2019/20 £10.969m.

3.3 The Council, on 22 February 2017 agreed a budget which closed the budget gap for 2017/18 and generated revised cumulative gaps for future years, as follows:

- 2017/18 nil;
- 2018/19 £7.885m; and
- 2019/20 £11.397m.

4. Main Issues

Refresh of Long Term Finance Strategy

4.1 The Strategy (Appendix 1) provides information - in a local and national context – on financial issues affecting both funding for the Council and its anticipated spend. It provides information on estimated revenue and capital balances (both for General Services and HRA) rolled-forward in detail to 2020/21.

4.2 The figures have been revised for updated assumptions on external funding, pay and non pay inflation and superannuation changes, as well as general burdens and pressures.

4.3 A comparison of the General Services revenue cumulative budget gaps from those last reported to the current position is noted below. Annex 8 of the attached Strategy document highlights the changes in assumptions between the gap identified in February 2017 to the current projections and is summarised in the table below.

	2018/19 £m	**2019/20 £m**	**2020/21 £m**
Council meeting (February 2017)	7.885	11.397	n/a
Strategy (October 2017)	3.375	8.378	14.254
Change in identified gap	**-4.510**	**-3.019**	**14.254**

4.4 In relation to the HRA, based on current assumptions around rent increases, there are no anticipated gaps forecast to 2020/21.

4.5 The Council's external auditors, in their annual report on the Council for 2016/17 as presented to the Audit and Performance Review Committee in September 2017, recommended that Council should consider longer-term financial planning in order to ensure potential future funding issues can be identified early and plans developed to mitigate such longer-term financial risks. Annex 8 of the attached Strategy now projects the Councils General Fund position to 2027/28.

4.6 As in previous years a sensitivity analysis has also been used to show possible variations arising from changes to assumptions into the future.

4.7 The General Services anticipated reserves position is noted below. The prudential reserve target on free revenue reserves for 2017/18 is £4.104m; for 2018/19 is anticipated to be £3.995m; and is anticipated to be £3.930m for 2019/20; and anticipated to be £3.858m for 2020/21.

	31/03/17	**31/03/18**	**31/03/19**	**31/03/20**
	£m	**£m**	**£m**	**£m**
General Service Free Reserve	5.063	5.063	5.063	5.063
General Service Earmarked Reserve	8.055	2.990	0	0
Capital Item Replacement Fund	499	499	499	499
Capital Grants Unapplied	466	0	0	0
Capital Reserve: Schools Regeneration	3.633	3.281	2.929	2.577
	17.716	**11.833**	**8.491**	**8.139**

The HRA anticipated reserves position is noted below. The prudential reserve target on free revenue reserves for the period to 2020/21 is shown below.

	31/03/17	31/03/18	31/03/19	31/03/20
	£m	£m	£m	£m
HRA Free (Prudential) Reserve	846	850	869	891
HRA Earmarked Reserve	6.117	0	0	0
	6.963	**850**	**869**	**891**

4.8 The Strategy also provides information in relation to treasury management, covering levels of debt and investments, together with average interest rates thereon. This will be considered in addition to the annual treasury strategy reported to Council prior to the start of each financial year.

4.9 The Strategy also notes the population projections for the Council area as a proportion of Scotland between 2012 and 2037, by population banding. Current projections identify that between the base year and 2039, the proportion of Scotland's population residing in the Council area falls from 1.70% to 1.46%. This is anticipated to have a direct impact on Scottish Government's allocation of funding to the Council.

4.10 The Strategy also notes policies and specific strategies adhered to by the Council to ensure adequate financial controls are in place.

4.11 Annexes 2, 3 and 4 of the Strategy identifies short, medium and longer term issues with planned actions to minimise financial risks from these issues.

4.12 The Finance Strategy assumes inflationary uplifts as follows:

- on non staffing lines assumed at 0% (any inflationary uplift required will be identified as a burden); and
- on sales, fees and charges at 4%, excluding school meals, due to income levels dropping in this area. The assumption also excludes internal, statutory and identified HSCP charges which cannot be higher than the cost of service provision).

4.13 At present it has been assumed that pay awards will be 1.75% for 2018/19 and thereafter. This is subject to national agreement and may vary.

4.14 The Strategy includes assumptions around the settlement from Scottish Government. This is based on officers' expectations around the likely position, however it should be noted that settlement figures for 2018/19 won't be available until 14 December 2017 – and is expected to again be a single year settlement.

4.15 The Scottish Government in the settlement for 2017/18 removed the previous Council Tax freeze, however implemented a cap on Council Tax increases from 2017/18 at 3%. The Strategy assumes that this position continues and also that the Council will increase Council Tax to the level of the cap, i.e. by 3%. Such a rise would offset the loss of freeze funding support and if not agreed would increase the gaps identified in this report by an additional £1.2m each year.

4.16 The Strategy includes an approach around scenario planning where the main financial issues for the Council are considered through three different circumstances: Likely; Worst Case; and Best Case. The figures used to identify anticipated budget gaps going forward are based on the Likely scenario which is illustrated in Annex 8 to the Strategy.

4.17 The Strategy also provides a longer term view of the potential cost of loan charges in order than Members may consider the revenue impact of capital investment decisions under varying potential interest rate scenarios. Again, in determining the anticipated funding gaps going forward the Likely scenario has been used.

General Services and Housing Revenue Account Revenue Estimates Update 2018/19 to 2020/21

4.18 Based on the above and the information provided below and the budget submissions received from services, the Council's financial position has been projected to 2020/21, and is summarised as Appendix 2 to show the gaps identified at 4.3 above.

4.19 For 2018/19 to 2020/21 the grant settlement from the Scottish Government to the Council is expected to reduce by 3% each year. The expected reduction is due to a combination of expected funding reduction due to demographics projections and likely reductions due to expected grant reductions from the UK Government being passed-on to Councils via the Scottish Government. The estimated funding is currently estimated as:

- 2017/18 £167.829m
- 2018/19 £162.713m;
- 2019/20 £158.227m; and
- 2020/21 £153.532m.

The actual funding provided will not be known until the Scottish Government provide settlement figures later in this financial year and Members should note that these are likely to be different to the projections noted above and almost certainly will only cover 2018/19.

4.20 Within the updated figures, officers have reviewed the council tax position based upon the assumed increase of 3% per year, together with modest growth in the Council Tax base, resulting in the following estimated Council Tax income:

- 2017/18 – Budgeted charges raised of £42.239m;
- 2018/19 – Projected charges raised of £43.356m;
- 2019/20 – Projected charges raised of £44.555m; and
- 2020/21 – Projected charges raised of £45.668m.

4.21 Reports on the General Services and HRA Revenue Estimates 2018/19; and Treasury Strategy 2018/19 – which consider the impact of capital planning projections, will be presented to the Council meeting in February 2018 to ensure alignment of resources.

4.22 As at 31 March 2017, General Services resources held by the Council was:

	£m
Reserves	**13.118**
Of which:	
Earmarked	8.055
Unearmarked	5.063
Prudential Target	**4.104**
Provisions	**0.750**
Of which:	
Equal Pay	0.750

4.23 The Draft Budget Book will be issued prior to the Council meeting.

4.24 Similar to previous years, the projected budget position is based on current Council policy and projected levels of service delivery.

4.25 In relation to the Integration Joint Board (IJB), the Scottish Government in its Finance Settlement for 2017/18 set a limit to the level of funding reduction that Councils are allowed to apply to the IJB budget. For the Council in 2017/18 this limit was set at £1.560m. The finance strategy assumes that this control remains in place for 2018/19 and that the Council will reduce funding to the IJB by this sum as a share of the anticipated funding reduction to the Council in 2018/19 each year.

Projected Reserves and Provisions Position at 31 March 2018

4.26 The earmarked balances held at 31 March 2017 (per the annual accounts - £8.055m) have been reviewed and it is anticipated at this time that all funds are still required for their earmarked purposes.

4.27 The in-year position for 2017/18 has been reviewed as part of the budgetary exercise and is indicating that the current year position for the Council will be close to break-even at 31 March 2018; with a small underspend being projected for Budgetary Control report at period 6. For the purposes of this strategy a break-even is being used due to ongoing potential for variation between now and year-end. This position will be reviewed between now and Council in February 2018.

4.28 The prudential target has been re-assessed based upon the current projected budget for 2018/19, and the target of 2% of the net budget becomes £3.995m. The net effect on free balances between the adjustments described is:

	£m
Reserves as at 31 March 2017	13.118
Earmarked Reserves	8.055
Remaining Reserves	5.063
Prudential Target 2017/18	4.104
"Free" Reserves (per annual accounts 2016/17)	**0.959**
Projected Unearmarked Reserves at 31 March 2018	5.063
Prudential Target 2018/19	3.995
Revised Free Reserves	**1.068**

4.29 Members will be aware of external audit comments on the level of reserves generally and the level of the prudential target. Members will wish to consider these comments when setting the budget, with the potential to increase the value of reserves through a planned approach to generating a surplus in 2018/19 onwards.

4.30 A number of equal pay claims are in the process of being settled. At this time it is anticipated that the provision held is adequate for the settlement of these claims. This will continue to be considered and assessed again prior to the end of 2017/18.

Next Steps and Planned Consultation on the 2018/19 General Services budget

4.31 The next report on the financial projections will be presented to the December 2017 Council following the announcement by the Scottish Government of the settlement for 2018/19. At that time Members will also be provided with savings options for consideration in setting the budget. The Administration has indicated that it plans to consult on its approach to closing the budget gap. The current plan for therefore sees consultation commence on 3 January 2018, based on the Administration's approach, as follows

- Public Consultation on budget launched (online survey, email to employees, link to delivery plan and employee engagement feedback sessions);
- Consultation activity with target groups (Community Alliance, Community Councils, Tenants & Residents Organisations, Equality Forum) from 18 January 2018;
- Report to Council in February 2018 on the results of the consultation process.

Consultation on the 2018/19 HRA budget

4.32 The consultation will take place between November 2017 and January 2018, through a range of meetings with tenants and tenants groups and representative groups.

Other Issues

4.33 As noted above, the long term capital plan was approved by Council in February 2017, at this stage it is anticipated that the update to Council in February 2018 will only be for changes to expected phasings of projects and any additional burdens. Any additional projects which may be developed will require to come to Council with appropriate business cases for approval for adding to the capital plan.

4.34 Members are reminded that there are a number of assumptions within the financial projections, including national pay awards, the continuing effects of welfare reform and the Scottish Government financial settlement.
All assumptions remain subject to change and confirmation and will be further considered and any changes advised between now and Council in February 2018.

4.35 Longer-term projections, as advised above, have been made to 2027/28 and highlight, based on a range of assumptions which are detailed in the Finance Strategy a range of funding gaps to 2027/28 between £31.063m and £56.250m, based on a best and worst case scenario – with the likely position being somewhere in between, currently valued at £41.554m. Clearly as projections range further into the future uncertainty is clear, however these figures have been generated to provide Members with an insight as to the potential position going forward and allows Members and officers to generate approaches to manage such funding gaps in a planned manner.

5. People Implications

5.1 The strategy does not have any direct implications on the workforce, though clearly as options for closing the projected gaps are developed there will almost certainly be implications for the workforce.

6. Financial Implications

6.1 The strategy does not have any direct financial implications. However, it does identify in future years the Council is facing budget gaps which will require Council decisions to mitigate.

6.2 The scenario planning consideration within the Strategy illustrates how relatively small movements in assumptions can lead to significantly variable outcomes in terms of the potential future funding gaps facing the Council (General Services). A summary of this is as follows for the next three financial years:

GAP ANALYSIS UNDER DIFFERENT SCENARIOS			
	2018/19 £m	**2018/19 £m**	**2020/21 £m**
LIKELY PROJECTION	3.375	8.378	14.254
BEST	2.173	6.991	11.694
WORST	6.698	11.682	20.574

6.3 The main variables within the strategy will be refined throughout the budgeting process as more information becomes available and in particular when settlement figures are provided by the Scottish Government.

6.4 A summary of the HRA gap analysis under different scenarios is as follows:

GAP ANALYSIS UNDER DIFFERENT SCENARIOS			
	2018/19 £m	**2019/20 £m**	**2020/21 £m**
LIKELY PROJECTION	0	0	0
BEST	-0.026	-0.020	-0.020
WORST	0.303	0.795	1.616

6.5 Financial implications arising from the budget process are detailed in the report and appendices. There are no direct procurement implications arising from this report.

7. Risk Analysis

7.1 There are a number of assumptions within the Financial Strategy, these assumptions lead to the identified budget gaps. The gaps could vary from that indicated if the Council identifies further burdens, or mitigates some.

8. Equalities Impact Assessment (EIA)

8.1 An initial screening exercise undertaken has confirmed that there are no direct EIA implications as a result of the Finance Strategy.

9. Consultation

9.1 The long term financial strategy and revised budget position have been considered by the Corporate Management Team on an ongoing basis through August to October 2017 and the views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns with the report.

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 strategic priorities of the Council's Strategic Plan.

10.2 The General Services revenue budget contributes to all categories by providing funding in specific areas to help the Council achieve and develop these priorities.

……
Stephen West
Strategic Lead - Resources
Date: 19 October 2017

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Appendices:	1: Long Term Financial Strategy 2: Estimates Summary – Indicative funding gaps to 2020/21
Background Papers:	Council Budget Book 2018/19 to 2020/21; Minute of Council meeting – 22 February 2017; and Equalities Impact Screening
Wards Affected:	All

Appendix 1

LONG TERM FINANCIAL STRATEGY

DRAFT

October 2017

WEST DUNBARTONSHIRE COUNCIL

LONG TERM FINANCIAL STRATEGY

Sections		Page No.
1	Introduction	1
2	What is the point of a Financial Strategy?	4
3	Financial Summary	5
4	National Context	7
5	Local Context	9
6	Financial Management	14
7	Financial Outlook	18
8	Key Organisational Issues	24
9	Treasury Management	25
10	Reserves	27
11	Monitoring & Reporting Arrangements	28
12	Risk Management	29
13	Approach to Generating Future Budgets	29

Annexes

Annex 1	Risk Factors	30
Annex 2	Short term Issues	33
Annex 3	Medium Term issues	37
Annex 4	Long term issues	39
Annex 5	Policy on Balances and Reserves	40
Annex 6	Contingency Fund Policy	44
Annex 7	Budget assumptions 2018/19 to 2020/21	45
Annex 8	Reconciliation of movement from previous financial strategy	46

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1 Introduction

1.1 The purpose of the Financial Strategy is to allow Council to consider and plan for longer term financial issues by providing early sight of pressures arising from areas such as: Scottish government grant funding reductions; service demand changes; demographic change; etc. The Financial Strategy demonstrates that the Council is clear that the outcomes it plans to achieve for our communities link directly to the financial plans for the future and that any financial challenges identified which threaten the achievement of these outcomes are managed and prioritised in an orderly manner.

1.2 Since the last update of the strategy, in October 2016, the Scottish Government provided a single year settlement for 2017/18. To date the Council has not been provided with any information from the Scottish Government on anticipated grant funding for 2018/19 and beyond and indeed this information is not anticipated to be available until December 2017, and even then this is almost certainly going to be a single year settlement for 2018/19 only. This clearly makes it difficult to predict the quantum of grant support on an ongoing basis, though it seems clear that the trend of reducing funding to Councils will continue on an ongoing basis. Recently political commentators have been talking about the UK economy as being in a state of "perma-austerity", this view being based on future predictions around the impact of Brexit and likely impact on the UK economy.

1.3 Population projections for the Council in relation to a growing population for the rest of Scotland is likely to generate continuing reductions in Government funding for the Council on top of the impact of ongoing austerity. The level of government grant support to the Council is difficult to predict as it depends significantly on the state of the UK economy, whether the recent austerity measures continue and for how long and how deep they will impact on the grant to the Scottish Government from Westminster, and then how the Scottish Government decides to manage any such funding reductions across the range of public sector services that are funded.

In general it is anticipated that the Council will face significant financial challenges over at least the next five years. It is therefore likely that difficult choices will continue to be required – this Strategy provides a practical framework within which choices will be identified, debated and approved.

1.4 To provide clear and consistent direction for the Council, the following objectives have been identified for the Financial Strategy – it will ensure that:

- the Council has a comprehensive, coherent balanced budget for both General Services and the Housing Revenue Account;
- resources are allocated and deployed to facilitate delivery of the outcomes set out in the Strategic plan, and Local Outcome Improvement Plan. This takes account of the functions and services provided by the Council which are of a statutory nature as well as those services provided due to local need;
- all key strategic decisions on the allocation and deployment of resources are made within the appropriate financial context, with due regard to levels of risk;

- members are able to take full account of the impact of decisions on the overall financial resources of the Council in the short, medium and long term;
- the Council has flexibility to address new policy requirements, or significant changes to existing policies, within overall available financial resources;
- resources are invested effectively, efficiently and on sustainable basis;
- there is an ongoing focus on securing efficiencies across the organisation;
- there is a clear strategic financial planning linkage between Council decisions on capital planning and the revenue budgets for both the General Fund and the Housing Revenue Account; and
- there is an increased level of understanding on behalf of the wider community with regard to the finances of the Council.

1.5 The primary financial challenges facing the Council over the period of this strategy will be delivering a coherent, balanced revenue budget year on year and the ongoing development of the 10 year capital programme which was refreshed in 2016 and updated in 2017, which maintains appropriate investment in our key infrastructure. In addition the HRA capital plan has refreshed and with a longer-term approach to capital planning within the HRA.

1.6 To deliver a coherent, balanced revenue budget year on year, the Council will need to continuously review existing and revised service delivery arrangements to determine if they are effective, efficient and sustainable, consider alternative methods of service delivery where appropriate and proactively identify opportunities to secure efficiencies or reduce service provision.

1.7 There is no doubt that the information generated through this process will result in options that require hard choices – one of the main challenges for the Council over the next few years will be that, once chosen, these options will often require a lead-in period prior to implementation.

1.8 In order to ensure the link between the strategic future development of capital assets to the financial strategy, capital plans are considered alongside ongoing revenue planning. Capital plans for both General Services and HRA will continue to be approved at the same meeting of the Council that approves the subsequent revenue budgets, as both are intrinsically linked.

1.9 The level of ongoing government support for General Services capital expenditure is known for only the first year of this strategy, similar to the revenue funding position the longer term position is not known and may well come under further pressure depending on the UK policy direction. Similarly to the revenue position it is anticipated the funding for the period from 2018/19 onwards will not be known until mid-December 2017.

1.10 If the Financial Strategy is to be successful, and achieve the objectives outlined, it must be a dynamic, living document reviewed on a regular basis.

1.11 This Financial Strategy is about making sure we have sufficient resources in place when required to deliver the outcomes we want to achieve for the communities of West Dunbartonshire, as described in the Local Outcome Improvement Plan. The Financial Strategy and the other strategic plans will require to be evidenced in the development of the workforce plan.

1.12 The financial strategy undertakes some sensitivity analysis to provide a picture of best case, worst case and likely case in terms of financial projections. This allows Council to see the risk associated with the range of variables within the financial issues/pressures identified.

1.13 Recent Audit Scotland comments in relation to financial planning within Councils has suggests that longer term projections of future budget positions should be provided to allow Councils to consider making longer term decisions. This strategy therefore will seek to project budgets out to 10years into the future. It is clear that the further away from the current date that projections go the less certain the projections become, however they will allow Council to consider longer term views and options.

Councillor Jonathan McColl
Leader of the Council

Joyce White
Chief Executive

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2. What is the point of a Financial Strategy?

2.1 The purpose of a Financial Strategy is to provide clear direction, supported by a practical framework and explicitly defined parameters, on how a Council will structure and manage its financial resources in the medium to long term to ensure they are deployed effectively to achieve corporate objectives.

2.2 This is not just another financial process - the Strategy forms an integral part of our Strategic Planning and Performance Management Framework which underpins the achievement of the vision and outcomes identified in the Strategic Plan and the Local Outcome Improvement Plan.

2.3 The Council has taken into account Guidance produced by the Institute of Public Finance (IPF) for local authorities in Scotland on developing a Financial Strategy as well as best practice from other local authorities.

2.4 The ambition of the Council is to produce a single, coherent Financial Strategy that brings together the corporate objectives of the organisation along with all the relevant financial information in a clear and accessible document covering a five to ten year period (and beyond where appropriate).

2.5 The value of such a Strategy is that it should enable the Council to understand the wider policy and financial environment within which it operates, identify and respond flexibly to opportunities and threats, manage and mitigate risks and ensure that financial resources are contributing to achieving corporate objectives.

2.6 The strategy will also provide information to a range of stakeholders:

Table 1 – Stakeholder Information

Stakeholder	Purpose of finance strategy
For the Council and Elected Members	to decide how available financial resources will be used and prioritised
For Chief Officers, managers and employees	to reinforce and support their roles in financial management arrangements
For residents	to show how the Council's Financial Strategy impacts upon service provision
For Council Tax and Rent payers	to demonstrate how the Council looks after public resources
For partners	to share the Council's vision and help identify opportunities for joint working

2.7 The Strategy identifies issues that will impact beyond the period of the strategy, so that the Council can plan ahead; it includes expenditure forecasts, and projected funding, where known.

2.8 Inevitably some of the information of the Financial Strategy will be based on assumptions and these will change over time - the Strategy will be reviewed and updated regularly so that the Council can respond proactively to any such changes. This is particularly the case the longer into the future the projections are taken.

2.9 The inclusion of information in the Financial Strategy, for example on a specific project in 2018/19 onwards, does not infer approval and all financial

projections and issues will be subject to approval through the budget process and any appropriate Committee approvals.

2.10 The associated Strategic Planning and Budgeting framework will ensure there is a clear linkage between the strategic planning and budgeting processes.

2.11 This will also allow services to plan ahead, taking into account the resources available over the next three years to provide Members, management and residents information as to measures needing to be taken in year 1, detailed indicative figures for years 2 and 3 of the strategy, and less detailed longer term figures out to year 10.

2.12 A key element of the strategy's development is to proactively identify opportunities to achieve efficiencies or secure alternative funding sources in assisting to fund the Council's priorities and objectives.

3. Financial Summary

General Services Revenue Budget

3.1 The budget process for 2017/18 was progressed through the Council in the normal manner and in order to balance the 2017/18 budget, though the Council was able to set a balanced budget through the use of reserves.

3.2 Draft budget gaps for 2018/19 and 2019/20 were reported to Members during the Council Tax setting for 2017/18 on 22 February 2017. The budget agreed a range of actions which balanced the 2017/18 budget and left target efficiencies to be determined for 2018/19 of £7.3m and a further £3.5m for 2019/20.

3.3 The strategy has now been rolled-forward to 2020/21 and the reconciliation between the 2017/18 position and the 2020/21 position is provided at Annex 8. A projection to year 10 of the strategy has also been developed and is also shown at Annex 8.

3.4 A sensitivity analysis has been undertaken on the main areas of financial pressure to 2020/21 and this provides the range of anticipated outcomes in terms of future budget gaps based on a best case, worst case and likely case outcomes as follows:

Table 2 – Outcome of sensitivity analysis – General Fund Revenue projections

	2018/19 £000's	**2018/19 £000's**	**2020/21 £000's**
LIKELY PROJECTION	3,375	8,378	14,254
BEST CASE	2,173	6,991	11,694
WORST CASE	6,698	11,682	20,574

The above illustrates that following the review of the financial position and under the "Likely" set of assumptions that the gaps for 2018/19 to 2020/21 has changed due to reviewed assumptions which are highlighted in Annex 7.

The expectation is that Council will plan on the likely case outcome above, however Members may consider a prudent approach and consider the worst case.

Housing Revenue Account Budget

3.5 The Housing Revenue Account Budget for 2017/18 was agreed on 22 February 2017 with a 2.25% increase in rent for 2017/18. Draft forecasts for future years continue to indicate budget pressures in many areas: effects of the DWP Welfare Reform; the ongoing provision of housing which meet the Scottish Housing Quality Standards; and compliance with Energy Efficiency Standards. In setting the budget the expectation is that the HRA income will meet projected costs and therefore shows no funding gaps for 2018/19 to 2020/21.

3.6 A sensitivity analysis has been carried out for the HRA revenue account and shows the following range:

Table 3 – Outcome of sensitivity analysis – HRA Revenue projections

	2018/19 £000's	**2018/19 £000's**	**2020/21 £000's**
LIKELY PROJECTION	0	0	0
BEST CASE	-26	-20	-20
WORST CASE	303	795	1,616

Capital Budgets

3.7 A refresh of the General Services 10 year Capital Plan for 2016/17 to 2025/26 was agreed by Council on 24 February 2016 and an update was made and agreed at Council on 22 February 2017. The three years from 2017/18 to 20119/20 have been approved in detail with the remaining years being indicative at this stage.This long term capital plan takes into account revenue resource available to support capital investment into the future, however, as stated above a key element of the long term capital plan was to develop projects which generate funding (either capital receipts or revenue efficiencies) that can be used to fund the capital plan. Thus, the strategy considers any revenue implications to be funded to support the ongoing capital plan. The capital plan is due, based on approved policy, to be reviewed for consideration at Council in February 2019, whilst in interim years updates will be undertaken to recognise changes in phasing, etc.

3.8 The Housing Capital Plan for 2017/18 to 2021/22 was agreed at Council on 22 February 2017.

3.9 Table 4 provides a summary of the Council's projections for General Services and HRA Revenue and Capital for 2018/19 to 2020/21. At this point, Scottish Government Funding is unknown beyond 2017/18 and therefore assumptions have been made. Note these projections are based on the "likely" outcome from the sensitivity analysis identified at 3.4 and 3.6 above; together with a range of assumptions, as identified on Annexes 7 and 8.

Table 4 - Three Year Summary - Revenue and Capital

	2018/19 £000	2019/20 £000	2020/21 £000
General Services Revenue Budget	**209,444**	**211,161**	**213,454**
Funded by:			
Government Grant	(162,713)	(158,227)	(153,532)
Council Tax	(43,356)	(44,555)	(45,668)
Reserves	0	0	0
Cumulative Funding Gap	**3,374**	**8,378**	**14,254**
Housing Revenue Budget	**42,503**	**43,450**	**44,544**
Financing	(42,503)	(43,450)	(44,544)
Cumulative Funding Gap	**0**	**0**	**0**
General Services Capital Budget			
Anticipated Spend	**46,018**	**39,808**	**36,170**
Funded by:			
Prudential Borrowing	22,032	18,907	19,127
Capital Grant	17,924	17,229	14,301
Capital Receipts	5,820	3,430	2,500
Revenue Contributions	242	242	242
	46,018	**39,808**	**36,170**
Housing Capital Budget			
Anticipated Spend	**23,850**	**34,995**	**21,105**
Funded by:			
Prudential Borrowing	13,132	23,826	15,645
Capital Grant	7,185	7,135	1,871
Capital Receipts	14	14	2
Revenue Contributions	3,519	4,020	3,587
	23,850	**34,995**	**21,105**

4. National Context

The Financial Settlement

4.1 The Scottish Government has provided settlement figures for 2017/18 only at this stage. It is expected that the next settlement in December 2017 will cover only a single year – for 2018/19.

The settlement for 2017/18 provided the Council with Revenue Grant/Non-Domestic Rates Income/Specific Grant of £167.829m.

4.2 When the Council's own projection of Council Tax Income based on a 97.25% collection rate is added (£42.239m) then the gross available resource for the Council in 2017/18 is budgeted at £210.068m.

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4.3 For 2018/19 onwards there is no information available from the Scottish Government, however early indications from economic commentators suggest that for 2018/19 to 2020/21 it is very likely, based on the national UK economic situation, that the UK Government will wish to implement further austerity measures. This strategy anticipates that this is likely to result in reduced funding being made available to the Scottish Parliament and hence reductions to Council funding from 2018/19 onwards. For the purposes of this strategy it is anticipated that this reduction will be a total reduction of 3% reduction in funding to the Council in 2018/19, valued at around £5.116m. For 2019/20 and 2020/21 a reduction of a further 3% per year is assumed. These projected reductions include the anticipated impacts of demographic change (at around 0.5% per year). For 2017/18 to 2020/21 the anticipated Scottish Government funding is:

- 2017/18 £167.829m
- 2018/19 £162.713m;
- 2019/20 £158.227m; and
- 2020/21 £153.532m.

The level of funding from the Scottish Government anticipated in this strategy assumes Council will continue to meet the commitments required by the Scottish Government in future finance settlements.

In agreeing the Scottish Government budget for 2017/18 the Scottish Government provided Councils with additional funding of £120m, which for the Council was around £2.224m. Due to the nature of this additional finding and how it arrived with councils this strategy expects that this funding continues as a permanent distribution.

Funding for Social Care

4.4 For the 2017/18 settlement, whilst there was a significant funding reduction to Councils which was higher than had been anticipated, new funding was provided through the Government to support Social Care. This funding is intended to fund: new burdens in social care; the effect of expected changes to Social Care charging guidance; and the implementation of the living wage. However the Scottish Government did allow Councils to reduce funding to IJBs though this was capped, which for West Dunbartonshire meant that a reduction of £1.560m was made to the Council's contribution to the IJB budget

For 2018/19 onwards it is anticipated that the 2017/18 funding will continue to be provided by the Scottish Government. COSLA is pressing the Scottish Government to fully fund the implementation of the living wage. Within this strategy it is assumed that there is no further funding for living wage implementation from the Scottish Government.

4.5 The IJB managed the process to develop its budget taking account of the new funding from the Scottish Government alongside the funding reduction from the Council and this strategy, via the likely scenario, expects that the Council will continue to be able to reduce funding to the IJB and that this will be to a similar value as was applied in 2017/18.

Council Tax Reform

4.6 During 2016/17 the Scottish Government announced that it plans to change the way that Council Tax operates in two ways:

1. Remove the freeze on Council Tax increases, allowing Councils to increase Council Tax by a maximum of 3%. However the funding previously provided to Council to support the freeze will no longer be provided.
2. If a Council decides not to increase its Council Tax by up to 3% then this will result in reduced funding – as the freeze support funding previously provided by the Scottish Government was worth around 3% of a Council Tax freeze. As a result, this strategy assumes that WDC will increase Council Tax by 3%; otherwise additional efficiencies will require to be identified and implemented.

The Apprenticeship Levy

4.7 The UK Government has decided to implement an Apprenticeship Levy on all larger employers, as part of its approach to creating work and training opportunities to support people into work. The apprenticeship levy will come into effect in April 2017, and is payable by all employers with a paybill in excess of £3m per year at 0.5% of paybill. All employers will receive an allowance of £15,000 to offset against payment of the levy.

For West Dunbartonshire it is anticipated that the value of the levy for 2017/18 and onwards will be around £680,000.

The approach developed by the Scottish Government for the use and access to the levy means that the Council will have only limited opportunity to recoup any of the levy that it has been charged. For the purposes of this strategy therefore it has been assumed that the levy cost is an ongoing cost to the Council.

5. Local Context

5.1 The environment within which the Council operates has changed significantly in recent years and is likely to alter further over the period of this strategy due to changes in legislation, policy and other national and local developments.

The Planning Context

5.2 The overall strategic framework within which the Council operates is outlined in the Strategic Planning and Budget Process which is published annually – this framework links the budgetary development process to the Strategic Plan, and Service Plans. The framework was revised to take account of the introduction of a Local Outcome Improvement Plan with the Council and its Community Planning partners.

5.3 The Council's draft Strategic Plan for 2017-22 sets out a clear vision:

'West Dunbartonshire Council will deliver high quality services, led by priorities identified by the communities of West Dunbartonshire, in an open and transparent way'

5.4 To achieve this vision for West Dunbartonshire, the Council will work with its key partners in the public, voluntary and community sectors, as well as the business community.

5.5 Members have acknowledged the overall challenge for the Council remains the expectation of ongoing funding reductions, balanced with the need to

deliver sustainable services, encourage economic growth and develop long term management of our assets. The draft Strategic Priorities to 2017/22, to be agreed at Council on 25 October 2017 are:

- A strong local economy and improved employment opportunities
- Supported individuals, families and carers living independently and with dignity
- Meaningful community engagement with active, empowered and informed citizens who feel safe and engaged
- Open, accountable and accessible local government
- Efficient and effective frontline services that improve the everyday lives of residents

5.6 The Financial Strategy underpins the delivery of the vision, priorities and objectives identified in the Strategic Plan.

5.7 Community Planning West Dunbartonshire, (CPWD) is a partnership of agencies and groups from the public, third sector and community sector that are committed to working together to make a positive contribution to the development and well-being of the individuals and communities that reside in this area.

5.8 The Local Outcome Improvement Plan is a high level agreement between the CPWD and the Scottish Government. It identifies areas for improvement and sets out how the CPWD will deliver better outcomes for the people of West Dunbartonshire. This 10 year plan covers the period 2017-2027 and details the long term priorities for improving outcomes in West Dunbartonshire as agreed in September 2017.

5.9 The priorities agreed set the framework for the Council priorities as described in paragraph 5.5 above. The LOIP commits to reducing inequalities for our residents to deliver a West Dunbartonshire which is :

- Flourishing
- Independent
- Nurtured
- Empowered
- Safe

Demographics

5.10 One of the most significant challenges facing West Dunbartonshire is depopulation and demographic change – this has been recognised as a priority by the Council.

5.11 The 2016 mid-year population for West Dunbartonshire is 89,690; a small increase of 0.3% from 89,590 in 2015. This represents a total population loss since the 2011 census of 0.7% of the population. This continues the trend in population loss which began in the 1990's. In contrast the population of Scotland has risen by 0.7% since 2011 to its current figure of 5,404,700. The population of Scotland increased by 0.6% in the same between 2015 and 2016 mid-year estimates.

5.12 Based on the 2016 mid-year estimates, 18% of the population are under the age of 16 (17% for Scotland), with 64% of the population working age (65%

for Scotland) and persons aged 60 and over making up the 18% of West Dunbartonshire's population (18% for Scotland).

5.13 Even though the population has grown slightly, the number of households is projected to grow. The structures of households and families will continue to be complex with a growing number of single adult households driven by the continuing high divorce rate, low rate of marriage, the rising numbers of children born to unmarried mothers and the ageing of the population.

5.14 The SIMD 2016 data shows that 40% of West Dunbartonshire's 121 data zones are in the most deprived 20% of all data zones in Scotland. West Dunbartonshire is one of five local authorities with the largest proportion of data zones in the 20% most deprived category.

5.15 In terms of economic context he Council area has:

- 19% of population in income deprivation versus the average of 13% for Scotland;
- 24% of children in the area living in poverty versus the average of 17% for Scotland; and
- 3.7% of working population claim JSA versus 2.3% for Scotland

5.16 Scottish Government funding to Councils is linked to a number of indicators of need, which are known as the Primary Indicators used to generate the Grant Aided Expenditure (GAE) for all Councils in Scotland. Of the Primary indicators, 38% are linked directly to school pupil indicators and 23% are linked directly with population. In effect this means that 61% of all indicators are linked directly to demographics. If the West Dunbartonshire population (including school pupil numbers) falls, relative to the average position for the rest of Scotland, this is likely to have a direct impact on funding received from Scottish Government.

5.17 Even with additional allocations to take account of deprivation Scottish Government funding is likely to reduce in real terms if population decline in West Dunbartonshire continues in comparison with the rest of Scotland. Based on current population projections for West Dunbartonshire (in comparison to Scotland) and the primary indicators used in the generation of the GAE (pupil numbers and general population) it is anticipated that West Dunbartonshire's share of government support will continue to reduce at the same rate as was included in the movement in settlement between 2017/18 and 2018/19 and onwards (around 0.5% due to demographic change).

5.18 The future reduction in projected population to 2037 is illustrated in Table 5 which shows the Council and Scottish population projections and the proportional change expected for West Dunbartonshire. This is significant as in other population analysis the current projection to 2039 of the Scottish population shows the percentage of the Scottish population which resides in West Dunbartonshire is expected to reduce from 1.7% in 2014 to 1.46% in 2039. This is due to an expected ongoing decline in West Dunbartonshire while the total for Scotland is anticipated to increase.

Table 5 – Population projections 2012 to 2037

	West Dunbartonshire Council					
	Base Year	Projected Years				
Age Group	**2012**	**2017**	**2022**	**2027**	**2032**	**2037**
0-15	15,913	15,796	15,915	15,318	14,481	13,530
16-29	16,034	15,163	13,765	13047	13,151	13,215
30-49	24,489	21,954	20,619	20,485	19,477	18,355
50-64	18,633	19,976	19,992	17,950	15,584	14,258
65-74	8,388	9,276	10,038	11,074	12,133	11,640
75+	6,883	7,160	8,031	9,187	10,459	12,063
Total	**90,340**	**89,325**	**88,360**	**87,061**	**85,285**	**83,061**

	Scotland					
	Base Year	Projected Years				
Age Group	**2012**	**2017**	**2022**	**2027**	**2032**	**2037**
0-15	914,700	919,300	954,500	965,600	973,200	965,000
16-29	975,800	967,300	910,100	895300	909,300	938,600
30-49	1,450,700	1,387,600	1,389,000	1,436,600	1,441,400	1,424,500
50-64	1,046,600	1,109,300	1,141,800	1,077,200	1,006,500	979,100
65-74	507,300	563,900	589,500	634,700	693,400	694,400
75+	418,500	459,600	534,700	616,400	689,700	778,700
Total	**5,313,600**	**5,407,000**	**5,519,600**	**5,625,800**	**5,713,500**	**5,780,300**

	WDC as percentage of Scotland					
	Base Year	Projected Years				
Age Group	**2012**	**2017**	**2022**	**2027**	**2032**	**2037**
0-15	1.74%	1.72%	1.67%	1.59%	1.49%	1.40%
16-29	1.64%	1.57%	1.51%	1.46%	1.45%	1.41%
30-49	1.69%	1.58%	1.48%	1.43%	1.35%	1.29%
50-64	1.78%	1.80%	1.75%	1.67%	1.55%	1.46%
65-74	1.65%	1.64%	1.70%	1.74%	1.75%	1.68%
75+	1.64%	1.56%	1.50%	1.49%	1.52%	1.55%
Total	**1.70%**	**1.65%**	**1.60%**	**1.55%**	**1.49%**	**1.44%**

5.19 The chart below also indicates the forecast change in population for West Dunbartonshire Council in comparison to other council areas in Scotland between 2014 and 2039. It can be noted that this Council is projected to decline in population by 6.7% (fifth highest drop in Scotland), with the Scottish average to increase by 6.6%.

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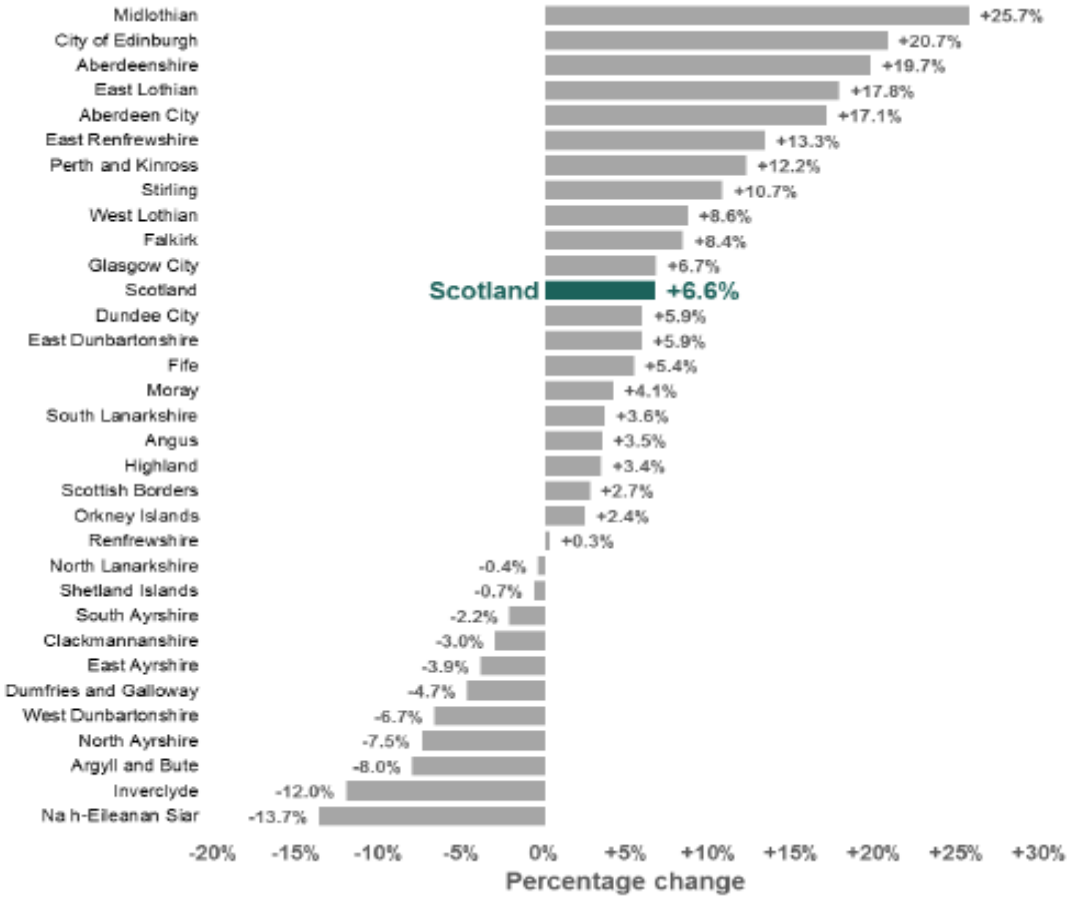
Chart 1: Projected percentage change in population, by Council area, 2014 - 2039



Source: National Records of Scotland

5.20 The projected population movement will have an impact on all service areas, particularly Education and Social Care, where there will be a need to actively manage the transition from current service delivery arrangements to new models that are built around the needs of the future population.

5.21 As can be seen from the West Dunbartonshire projections the only age groups with projected growth to 2037 is for the two bands for those aged 60 and over. This has the potential to become a significant issue if population decline in younger aged population in not halted or, ideally, reversed over this period. The Council is aiming to increase total housing supply over the period to 2022 by 5,000 houses; this may mitigate this downward trend; however it will be noted that the Scottish Government is aiming to increase house numbers across Scotland.

5.22 The deprivation profile will have major implications for services as research indicates that those vulnerable to poverty are more likely to require greater social intervention and a targeted focus to move out of poverty.

5.23 The predicted demographic changes also have other implications. A decline in younger economically active people with a growth in the older, more vulnerable age group with fewer informal carers. This is likely to result in a higher dependency on services provided, such as Social Care.

6. Financial Management

Corporate Governance

6.1 The Council positively promotes the principles of sound corporate governance within all aspects of its activities.

6.2 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Council. It is based around key principles of openness, equality, integrity and accountability.

6.3 The fundamental principles of corporate governance should be reflected in the various dimensions of Council business, including:

- Ensuring a community focus underpins the Council's vision and priorities;
- Ensuring the effective delivery of local services on a sustainable basis;
- Establishing effective management structures and processes which include clearly defined roles and responsibilities for officers;
- Developing and maintaining effective risk management systems that form part of the Council's strategic decision making process;
- Ensuring high standards of propriety and probity in the stewardship of the Council's funds and the management of the Council's affairs; and
- A commitment to openness in the Council's affairs and the provision of full, accurate and clear information to all stakeholders.

6.4 The Council's Financial Regulations and any amendments are approved by Council and are an essential component of the corporate governance of the Council.

6.5 The Chief Financial Officer (CFO) or 'Section 95 Officer' has been designated as "the proper officer" and is responsible for advising the Council on all financial matters including the determination of Accounting Policies. This role is part of the responsibility of the Strategic Lead - Resources.

6.6 The Financial Regulations are designed to facilitate the smooth running of the Council, protect its interests and the interests of members and officers, and ensure the proper administration of the Council's financial affairs.

6.7 Head Teachers must comply with the Financial Regulations, with the exception of virement which is defined for schools within the Council's scheme of Devolved Management of Resources Scheme (DMR).

Roles and Responsibilities

6.8 It is important to set out clearly the roles and responsibilities of the key parties involved in the Financial Strategy and the management of overall financial resources of the Council. Further detail is noted within the Financial Management and Control Code of Practice.

Elected Members

6.9 Council Members, through the Full Council and Committees are responsible for considering, monitoring and approving budgets and the overall Financial Strategy for the Council. Approved budgets must be financially balanced and demonstrate value for money and sustainability.

6.10 The Audit and Performance Review Committee, with representation from Members as well as lay-persons, scrutinises performance and management of resources of the Council, with internal and external audit information reported. The Council's year end position and relevant audit comments are reported and monitored at this Committee, as well as to Council.

6.11 Throughout the year Council and Committees receive reports which allow progress against approved budgets to be scrutinised. All members are provided with the opportunity to attend appropriate training in the areas of Financial Strategy, Local Government Finance and key specialist areas such as Treasury and Risk Management. Members' personal development opportunities are provided through an ongoing annual programme of seminars which will include updates on financial aspects.

Corporate Management Team

6.12 The Chief Executive, Strategic Directors and the Strategic Leads form the Corporate Management Team (CMT), chaired by the Chief Executive. The CMT is responsible, individually and collectively, for ensuring that best value and value for money is achieved across the Council, in service delivery, internal processes and systems of control, procurement of goods/services and the use of assets.

6.13 As Budget Holders, members of the CMT are responsible for the budgets delegated to deliver the services within their respective Directorates in line with the priorities of the Council. Whilst they may delegate this responsibility within their Directorate they remain accountable in exercising overall financial control.

Chief Financial Officer

6.14 The CFO has a statutory role to ensure the correct arrangements are in place for the proper administration of the financial affairs of the Council. The CFO has the authority to comment on any financial decision and advises CMT, Chief Executive and elected members on all financial matters. As noted above, this role within responsibility of the Strategic Lead - Resources, under the current structure.

Strategic Directors and Strategic Leads

6.15 Strategic Directors and Strategic Lead officers are responsible for ensuring that the services within their remit are delivered in line with the agreed policy, and support the strategic direction of the Council. As Budget Holders they are responsible for the budgets delegated to them to deliver their service in line with the priorities within the Strategic Plan.

Finance Business Partners

6.16 The main role of the service-linked Finance Business Partners is to advise the Strategic Directors and Strategic Leads and their management teams on all financial matters and to be responsible for the preparation of budget reports. They will also provide specialist advice and general guidance on financial systems including rules and procedures

6.17 However responsibility for budgetary control lies with the Strategic Directors and Strategic Leads as delegated budget holders, together with their associated Service Managers.

Internal Audit

6.18 Internal Audit provides assurance to Elected Members, the Chief Executive and management that the internal processes of the Council are being managed appropriately in line with the overarching policies and outcomes are being delivered in the most efficient and effective manner.

External Audit

6.19 The role of External Audit is to provide assurance to the Auditor General and the Accounts Commission that the Council has spent public money properly to deliver outcomes in an efficient and effective manner.

6.20 They provide assurance to elected members, the CMT and general public that the Council's performance is reported in accordance with the extant financial standards and presents a fair account of the Council's activities.

Managing the Budget

6.21 The Council has an effective method of developing both the revenue budget and capital programme that has aims to align resources with the strategic outcomes the Council wants to achieve for the area.

Revenue Budget - Pressures and Savings

6.22 The current process for considering the development of the revenue budget is undertaken collectively between the CMT and individual political groups. The process is undertaken with due consideration of, and agreement on, current policy and financial parameters for the budget, corporate and political expenditure pressures and/or savings options.

6.23 The CMT collectively evaluates all expenditure pressures and savings options to ensure that they are sufficiently robust and deliverable.

6.24 All pressures and savings options generated are evaluated in the context of the current Strategic Plan, which informs consideration by both the CMT and individual political groups. In generating these options due regard is made to the Council's equalities and environmental sustainability policies.

Public Private Partnership

6.25 In 2008/09 the Council reached financial conclusion on a PPP project. Unitary Charges became due payable in 2009/10, along with savings, Government financial support and the use of a Sinking Fund to pay for these charges. The Council's Facilities Management Service is involved in providing services to the Council (catering, grounds maintenance and cleaning services). BAM is the company contracted to provide the PPP buildings and managing the PPP project. Administration and monitoring of the project continues to be strictly managed. The new Our Lady & St.Patrick's High School is funded through the updated Scottish Government Non-Profit Distributing approach where the Scottish Government provides ongoing revenue support for the school's provision.

6.26 The Council's ongoing budget build-up takes into account the full value of the annual unitary charge for the provision of the schools.

Capital Programme

6.27 The Council is committed to developing its strategic financial planning. As referred to above, a process was developed which allowed the Council to agree a 10 year General Services capital plan in conjunction with agreeing the revenue budget. The agreement of this plan has allowed the Council to more accurately project the effect of capital projects on the revenue budget, considering both costs and efficiencies, as well as levels of prudential borrowing on spend to save initiatives. This also allows the Council to forward plan on funding aspects of the Council's strategic commitments. As stated elsewhere in this document the HRA investment plan has been reviewed in setting the budget for 2017/18 onwards with a five year plan.

Service Specific Funding (Ring-fenced funding)

6.28 With changes in Scottish Government Settlement due to the introduction of the Concordat, there remain some small areas of ring-fenced Government funding. In essence, the reduction of ring-fencing allows the Council to prioritise which services it aligns resources to, whilst recognising statutory duties, Strategic Plan priorities and our local outcome agreement. In recent years the levels of ring-fencing of new funds from the Scottish Government has increased.

Time Limited Funding

6.29 The following issues need to be considered when considering time limited funding:

- Clear monitoring that the funding is delivering and achieving the required impact, within the approved funding level;
- Such funding should not result in any ongoing commitment for the Council and the project or initiative should cease once the funding ends - this should be clear from the outset with severance costs and other termination costs factored into the overall budget for the project or initiative; and
- If this type of funding has been used to pilot a new approach to develop services in line with corporate priorities, a full evaluation of the financial and service implications would be needed before consideration is given to ongoing funding.

6.30 The overall reduction in the level of ring-fenced or time limited funding may minimise the need for this type of approach but it is important that it is included as part of the overall Financial Strategy.

Additional Income

6.31 There is a need to ensure that any additional income to the Council, for example from the Scottish Government or a partner, should be considered through a structured process that would allow initial appraisal. This will ensure that all relevant factors are taken into account and that provision is made for administration costs, any time constraint on the funding is considered and, where necessary, provision is made for severance costs.

6.32 The overall reduction in the level of ring-fencing by the Scottish Government may reduce the need for this type of approach but is important that it is part of the overall Financial Strategy.

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Income Generation

6.33 The generation of income is an important aspect of the overall financial strategy and continues to be reviewed annually by the CMT and Council, through the budget process. For the purpose of this strategy an assumption has been made that charges that are set by Council will be uplifted each year at 4% on an ongoing basis, except for those services where charges are either statutorily defined, or not permitted to exceed the cost of provision. This position will be revisited following any decision on a revision of charges.

Contingency

6.34 Based on the Contingency Fund Policy if unplanned savings are identified by services, i.e. are outwith their control, these savings are removed through virement from service budgets to the Council's Contingency Fund. Services also have the right to apply for funding from the Contingency Fund during the year for costs arising outwith their control. A copy of the policy is appended as Annex 6 to this strategy.

Freedoms and Flexibilities

6.35 Virement between budgets are allowed, subject to the limitations and approval requirements identified in the Financial Regultions. All virements require to be authorised through the Virement Approval Form to provide a clear audit trail.

Council Tax

6.36 The council tax was frozen in line with the concordat agreement with the Scottish Government since 2008/09 to 2016/17. Funding was been made available through the financial settlement equivalent to a 3.14% increase in council tax each year. As stated above the freeze was removed for 2017/18 though a cap at a 3% increase was imposed through the funding settlement. It is anticipated within this strategy that the council tax can be increased in future years subject to a 3% increase cap. Current Band D is equivalent to £1,163 in comparison to the Scottish average of £1,173.

6.37 Due to proactive debt collection management, the Council continues to show a steady and consistent improvement in collection performance over the past few years, increasing the in-year collection rate by 5.58% since 2005/06 to 95.21% in 2016/17. Full collection rates anticipated for the purposes of this strategy remain, as in recent years at 97.25%. However, due to the current financial climate (including the, as yet, unknown local economic impact of ongoing welfare reform and austerity), the levels of debt written off by the Council due to sequestrations and trust deeds, the levels of bad debt provision will be subject to annual review during the budget setting process. This will be considered during the budget process.

7. Financial Outlook

7.1 Key financial issues are known or anticipated events and activities which will have to be addressed within the Council's overall financial resources in the short-term (within three years), medium-term (within five to ten years) or long-term (over ten years). Annexes 2, 3 and 4 provide an analysis of issues in the short, medium and longer term, and some of these are discussed further in this section.

7.2 Events and activities includes efficiencies, planned savings, changes to service priorities and delivery, and known potential pressures - the financial impact of an event or activity may be one-off, recurring or time-limited.

7.3 West Dunbartonshire Council is expected to receive Scottish Government Funding of £167.829m in 2017/18.

7.4 When the Council's own projection of Council Tax Income based on 97.25% collection rate is added (£42.239m) then the budgeted gross income for the Council in 2017/18 is £210.068m.

7.5 This Financial Strategy provides detailed revenue forecasts covering the next 3 financial years, 2018/19 to 2020/21. The forecasts for the first year being more accurate as expected levels of demand and cost for Council services are more likely to be accurate in 2018/19 than in future years. The level of Scottish Government funding for 2018/19 onwards is not yet known and will be announced in mid-December 2017. The strategy projects that ongoing funding will be lower than had been assumed in the previous financial strategy, due to the likely impact of the ongoing UK austerity measures and due to demographic change.

7.6 The level of resources available to the Council to fund its revenue expenditure is also dependent on Council Tax. The Financial Strategy currently assumes an increase for 3% for each year from 2018/19 to 2020/21.

7.7 As part of the budget process for 2017/18 the Council agreed a Reserve Strategy which identifies an optimum target for an unallocated Prudential Reserve of £4.104m for General Services and £0.846m for the HRA.

At present this strategy assumes that the Prudential Reserve is calculated in the same manner for the period to 2018/19 onwards. The position regarding reserves will be reviewed in setting the budget for 2018/19 in February 2018.

7.8 In the annual report from the Council's external auditors the value of the Council's prudential or free reserves was highlighted as a risk. It was highlighted that, whilst operating within suggested prudential guidance of between 2% and 4% of the net budget, that the current policy of 2% is at the lower end of this range and the finite value of free reserves is relatively low in comparison to other Councils in Scotland.

This reserves position needs to be considered in light of the ongoing financial challenges faced by the Council and a recent historic position of a few years ago when free reserves were around £0.3m. The position has certainly improved to the current position through ongoing tight financial management. The overall position of the Reserves was considered as part of the budget process for 2017/18 and will continue to be reviewed on an annual basis, see Section 10.

7.9 In their annual report in September 2017, the Council's external auditors recommended that the Council develop a longer term approach to financial planning. To this end Annex 8 to this document projects the Council's finances for a 10 year period – to 2027/28. Clearly the longer into the future that projections are made, the less accurate the projections will be, however it is anticipated that the longer term approach will allow the Council to consider longer term approaches to financial planning.

Short to Medium Term Revenue Issues

Leisure Trust

7.10 The West Dunbartonshire Leisure Trust, commenced on 5 April 2012 and the Strategy reflects both costs and benefits going forward. Since the start of the Trust up until now the Trust has not resulted in any additional financial pressures. In February 2015 Council approved the transfer of Outdoor Recreation services to the Leisure Trust. Ongoing consideration as to whether further services should be transferred to the Trust to manage is likely to feature in future efficiency options. The recent report from the Barclay review of the operation of Non-Domestic Rates in Scotland recommended that the charitable relief provided to Leisure Trusts should be ended. The Scottish Government's response has stated that this issue will be considered and an announcement made at a future date. The risk to the Trust and the Council in terms of the Leisure Trust is around £0.760m. At present this strategy assumes that this position does not change going into the future.

DWP Welfare Reform

7.11 The UK Government's emergency budget (22 June 2010), the Comprehensive Spending Review proposals (20 October 2010) and the Welfare Reform Bill (February 2011) have confirmed a number of changes to Housing Benefit and Council Tax Benefit currently administered by the Council on behalf of the Department of Works and Pensions (DWP), as well as other Welfare Benefit changes.

Following the "emergency" UK budget of 8 July 2015 it is clear that further UK-wide steps to reduce the DWP budget will introduce further challenges for residents of West Dunbartonshire. The main impacts are likely to be in the ongoing controls being placed around benefits payments, as follows:

- No automatic housing benefit for 18- to 21-year-olds;
- Free 30 hours of childcare for three- and four-year-olds;
- Freeze working age benefits for four years;
- Rents in social housing cut by 1%;
- Child tax credits restricted to two children by 2017;
- Benefits capping; and
- Cuts to employment and support allowance payments for new claimants deemed capable of "work-related activity".

This not only has potentially significant impact on the Council financially (both in HRA and General Services budgets) but also strategically. These changes will further reduce the general spending power of the residents of the area and are likely to lead to increased elective demand for Council services, or result in further reactive spend by the Council.

7.12 The financial effects to the Council (and its residents) of Welfare Reform commenced in 2013/14 and continues. Limited information is known on the overall impact to the Council and its residents.

Assumptions have been made on the information available and this has been worked through this Financial Strategy, but will require to be reviewed on an ongoing basis as more information becomes available. Further action is being taken on non-financial strategic areas to best minimise the impact of the

reform to residents within the Council area. There is an expectation that elements of the reforms will be funded, either in full or in part, and discussions are ongoing between COSLA, the Scottish Government and the UK Government. The assumptions currently made around the continuing financial effects of Welfare Reform as it develops in this document will vary (potentially significantly) by the date of setting the budget for the years to 2018/19.

7.13 Universal Credit started to roll-out in West Dunbartonshire in February 2015 on a limited approach which will build over time and full implementation is due to commence in June 2018.

7.14 DWP continues to consider its position regarding any TUPE for current Council employees as Universal Credit when implemented will remove the majority of work currently done to administer housing benefit. As the position develops the Council requires to manage workforce implications arising from this decision.

7.15 At this time, the full impact to the Council of the changes already made by the Department of Works and Pensions are available, as many of the changes have been in place at least since 1 April 2013. The strategy has been updated to reflect the better intelligence following these implemented changes. The main financial issues arising from Welfare Reform are as follows:

- **Introduction of a benefit "cap" was introduced from July 2013.** This affects a number of residents and has a financial impact on the Homelessness budget where the Council is in receipt of Housing Benefit to cover the rental and service charge payment for people who use this service. The impact of the cap has been slower than anticipated and assumptions around the ongoing impact have been revised due to experience since July 2013. The value of the cap was reduced from November 2016 to £20,000 for a couple or person with children and £13,400 for a single person.

- **Transition from Housing Benefit to Universal Credit**
  Originally anticipated to start (by DWP) in West Dunbartonshire in May 2014, this process has now commenced in a limited manner within West Dunbartonshire since February 2015 with full implementation from June 2018.

  This change will see Universal Credit payments paid directly to claimants rather than the housing element being paid to landlords (as is currently the case). There is significant risk that this, in combination with the cap (along with other changes to in-work and out of work benefits) will see a reduction in funding to both the General Fund and the HRA, as some tenants are likely to have less capacity to pay their rents and potentially other Council charges for General Fund services. This will be implemented in a phased manner as claimants circumstances change. The impact for this has been re-assessed and due to the delays in implementation it is now estimated to impact from 2017/18 in the General Services revenue budget as this relates to homeless people where circumstances change frequently, whereas no estimate has been added at this stage to the HRA revenue budget as these tenants tend to be more stable. This will be revised as more information becomes available;

7.16 Scottish Independence referendum and Smith Commission
Following the referendum in 2014 the Government formed the Smith Commission to consider further delegation of powers to the Scottish Parliament. It is not yet clear what impact this will have on the implementation of welfare reform in Scotland.

Employee Pay Awards

7.17 Future employee pay awards have not been agreed. However, for the purpose of the Finance Strategy 1.75% has been assumed from 2018/19 onwards, as the government position on capping public sector pay awards has been removed.

Demographic Change

7.18 As identified from section 5.11 above, the population change projected by 2018/19 is expected to have an adverse effect on the Council's funding settlement from the Scottish Government and this has been built into the strategy, as described above.

Holiday Entitlement for overtime worked

7.19 Recent case law developments identify an issue regarding the appropriate payment or provision of annual leave for time worked outwith normal contractual time. This issue has the potential to result in claims for pay for holidays not provided and additional costs have been built into the projections from 2014/15. The cost of this is already built into budgets and the Council has a contingent liability noted within the annual accounts for 2016/17.

Long-Term Revenue Issues

7.20 Looking beyond 2018/19 is difficult with significant uncertainty around how local authorities will be funded let alone the level of funding likely to be available.

Depopulation and Population Change

7.21 As stated above, the most significant longer-term challenge facing West Dunbartonshire is depopulation and associated demographic change – this has been recognised as a priority by the Council and is reflected in the Strategic Plan.

7.22 The fundamental issue for the Council is that at some point if the decline in population continues then Council funding and service provision will come under increasing pressure. Population change will affect both General Fund and the Housing Revenue Account.

7.23 The population of West Dunbartonshire is projected to decrease to 83,061 by 2037, a drop of 7.01% from the current population.

7.24 In addition to population decline, the numbers of older people living within the Council area is expected to increase significantly with the pensionable age population to increase by 55% (75% in the group 75+) between 2012 and 2037. This is expected to result in additional demand for Council services such as Social Work. The Scottish Government has identified this issue as a significant risk across Scotland and has identified further funding in the shorter term to support this, however the longer-term approach of the Scottish Government is not known at this stage

7.25 Potential reductions in levels of local government funding as a result of any further UK austerity measures following the May 2015 UK General Election is a significant risk and this strategy assumes a 3% reduction in funding for 2018/19. As such, this projection of reduced funding will clearly be subject to reconsideration as the settlement becomes available in December 2017. At this time, a further reduction of 3% has been assumed for 2019/20 and 2020/21. Longer term projections of funding over a 10 year period have been made, though there is no certainty as to such assumptions.

7.26 Costs associated with sustainability including waste disposal and recycling, carbon management, energy and fuel costs and general procurement and wage inflation.

7.27 Future iterations of this strategy will continue to review the effects of the above key issues.

Capital Projections

General Fund

7.28 An update to the General Services 10 year Capital Plan for 2016/17 to 2025/26 was agreed by Council on 22 February 2017. This long term capital plan takes into account revenue resource available to support capital investment into the future. The capital plan has been reviewed to reflect new expected dates of delivery of projects as part of this strategy as part of the loan charges update. The next full review of the capital plan will take place in 2018/19.

7.29 With the current economic position and uncertainty following the EU referendum in June 2016, the risks are high that anticipated receipts will not be achieved or will be less than assumed, though as the economy has been recovering there have been some positive indications that the local land values are increasing and receipts are more likely to be achieved.

7.30 It is recognised that significant investment is required to improve the Council's asset base (as is described in the Council's Asset Management Strategy). As stated above the 10 year capital planning approach requires funding to be identified for future levels of capital investment and elements of this funding will require additional borrowing. The capital plan has been agreed in detail for 2017/18 to 2019/20 and in outline for 2020/21 onwards, thus revenue implications are now included in the gap analysis. For illustrative purposes, current interest rates suggest that an investment in new build properties will require revenue support (if funded through prudential borrowing) is estimated to be as follows:

Capital Investment	**Annual Revenue Implication**
£10m	£0.573m
£20m	£1.146m
£30m	£1.719m
£40m	£2.291m

7.31 Close management controls and monitoring arrangements require to be in place to ensure that the funding anticipated arising from efficiencies are actually generated and that other sources of funding are achieved to support

the capital investment. If there is a shortfall in these areas then the burden will fall back on the revenue budget requiring additional savings to be made.

City Deal

7.32 The Council is a member of the Clyde Valley Community Planning Partnership which has identified an opportunity for major infrastructure investment in the West of Scotland under the City Deal approach. The anticipated financial impact has been built into the capital plan as approved on 24 February 2016. The final financial impact would be considered by Council as part of the business case approval process.

Housing Revenue Account

7.33 The Council's housing stock required much investment to meet Scottish standards by 2015. This target was met in 2015 however ongoing works are required to maintain at this level and to implement improvements in relation to energy efficiency standards. This has been built into the 5 year capital plan for the HRA approved on 22 February 2017.

7.34 Since 2011/12, the Council has secured Scottish Government Grant funding towards the construction of 121 new council houses, which have been completed and are tenanted. A planned investment at Second Avenue/Singer Street, Central/Radnor Park of a further 40 units is in process. The Council is committed to the delivery of new Council homes for rent and plans for future investment are currently being updated and will be reported to a future Housing and Communities Committee.

8. Key Organisational Issues

Local Scrutiny Plan

8.1 In response to comments from Councils over several years about the burden of the range of scrutiny regimes in place, Professor Lorne Crerar was commissioned to conduct a review of regulation, audit, inspection and complaints handling of public services in Scotland. Following this review it was determined that scrutiny of public services needed to be streamlined.

8.2 The result is that the scrutiny bodies have adopted a shared risk assessment approach and the output from this collaborative approach is the Local Scrutiny Plan (LSP).

8.3 The LSP involves joint scrutiny by the following agencies:

- Audit Scotland;
- Education Scotland;
- Care Inspectorate; and
- Scottish Housing Regulator.

8.4 The LSP is a key document within the Council's improvement process.

8.5 The latest update report on the Local Scrutiny Plan: Assurance and Improvement Plan covers 2016-17 (published April 2016) stated that the LAN is of the view that the council continues to demonstrate a strong commitment to best value and has strong leadership, a clear vision and a focus on continuous improvement.

A focus on strategic leadership

8.6 The Strategic Leadership Group oversees and coordinates progress on the key issue of improving leadership. Its prime aims are:

- to develop a synergistic approach to influencing relations with Members;
- to drive the strategic priorities and Member involvement;
- to ensure a corporate approach to key initiatives, through refining decision-making processes, reviewing the progress of the key strategic priorities, overseeing better financial planning, improving scrutiny arrangements and overseeing the implementation of the Council's new self-evaluation model; and
- to ensure appropriate focus is placed on the accountability of lead officers and members and appropriate governance arrangements are maintained

Strategic Asset Management Group

8.7 This group addresses overall corporate asset issues at a strategic level with a view to maximising Council resources in the form of the Council's Asset Management Strategy

9. Treasury Management

9.1 West Dunbartonshire Council has adopted the CIPFA "Treasury Management in the Public Services – Code of Practice" which sets out good practice for treasury management governance. The Council must also comply with legal and regulatory requirements in relation to its Treasury Management activities.

9.2 The Council has appointed consultants to provide advice on Treasury Management issues, including technical issues and the formulation of views on interest rates.

9.3 In complying with the Code of Practice, the Council produces a Treasury Management Practices document which sets out how the Council will manage and control its Treasury Management activities.

9.4 The following reports and briefings are also submitted to Council and Committee in accordance with the Code of Practice:

- An annual Treasury Management Strategy submitted at the start of the financial year and which includes the Council's Prudential Indicators and covers issues such as the economic situation, the prospects for interest rates, and the Council's borrowing and investment strategy for the coming year;
- Quarterly Treasury Management Monitoring briefing notes which include details of interest rates, debt and investment positions and debt restructuring activity;
- An Annual Report for Treasury Management submitted before the end of September each year and which advises members of Treasury Management activities during the previous financial year; and
- In 2017/18 a mid-year strategy review has also been prepared and remitted to Council.

9.5 Table 6, below shows the Council's debt and investments position as at 31/03/17.

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Table 6 – Council's Debt and Investment Position – 31/03/17

Treasury position	31-Mar-17	
	Principal	Average Rate
Fixed Interest Rate Debt	£379.523m	2.99%
Variable Interest Rate Debt	£0.000m	0.00%
Total Debt	**£379.523m**	**2.99%**
Total Investments	**£11.256m**	**0.37%**
Net borrowing position	**£368.267m**	

9.6 During 2015 Audit Scotland produced a national report "Borrowing and Treasury Management in Councils". This report provided a range of recommendations for improved practice. Two of the main issues were:

- Providing longer term understanding of the revenue impact of capital investment decisions; and
- Providing a sensitivity analysis for future projections to show what impact changes in cost factors may have on the revenue position. For capital issues the main variable is the cost of borrowing.

9.6.1 The Council's revised 10 year capital plan, agreed February 2016 and updated in February 2017, provided Members with information as to how the recommended projects are planned to be funded. This includes a mixture of grant funding, capital receipts, match funding from other bodies, revenue savings arising from the improvements and prudential borrowing for the balance of financing not covered from these other funding sources.

9.6.2 The plan also advised Members as to the anticipated additional revenue impact of the element of planned investment that was not covered by specifically identified funding sources. This projected the additional revenue impact to year 10 of the capital plan and considered the affordability of the potential 10 year plan into the future, with benchmarks with other Councils provided.

9.6.3 In terms of a sensitivity analysis there are two main areas of risk:

- that anticipated funding does not materialise e.g. capital receipts; match funding not achieved; and/or revenue savings planned from capital investment not achieved; and
- significant upwards variation in the cost of borrowing.

9.6.4 In relation to the first area of risk – this is monitored on a regular basis in budgetary control reports to Council, Committees and to Management.

9.6.5 In relation to the second area of risk – the Council budgets the revenue implications of the capital plan as loan charges to the revenue accounts. The budgeted cost of loan charges is based on expected cost of borrowing at present and into the future, based on advice from the Council's independent treasury advisors. The Council operates a loans fund which pools all borrowing to generate an average loans fund cost of borrowing – this has the effect of dampening the impact of any increases or decreases to the cost of borrowing, as in general any short term reductions or increases in borrowing

will only affect new borrowing which will generally not have a significant impact on the average pooled interest rate (cost).

9.6.6 In order to provide an overall governance and control mechanism on the impact of the capital plan, the plan is refreshed on an annual basis and renewed every three years. This will allow a regular consideration of the risks associated with the capital investment plans and where appropriate plans can be varied to mitigate against financial risk implications.

9.6.7 The mid year Treasury Strategy update provides Members with analysis of the above issues.

10. Reserves

10.1 A key aspect of the consideration of the Council's Revenue Budget and Capital Programme Budgets is the position of the relevant Reserves.

10.2 The Reserves Policy (Annex 5) states that the core "Prudential" Reserve be maintained at a level of 2% of net expenditure (excluding requisitions) and it was agreed that the General Fund Reserve for 2017/18 is £4.104m and the HRA Reserve for 2017/18 is £0.846m. These figures are based on the 2017/18 revenue budgets and will be updated as budget levels change.

10.3 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows - this forms part of general reserves;
- A contingency to cushion this impact of unexpected events or emergencies which also forms part of general reserves; and
- A means of building up funds, often referred to as earmarked reserves, to meet unknown or predicted liabilities.

10.4 For each reserve held, there should be a clear protocol on:

- The reason for/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the reserve's management and control; and
- A process and timescale for review of the reserve.

10.5 The Council's estimated reserves at the beginning of 2017/18 onwards are summarised below:

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Table 7 – Reserves Projection

Revenue	31/03/17 £000s	31/03/18 £000s	31/03/19 £000s	31/03/20 £000s
General Service Free Reserve	5,063	5,063	5,063	5,063
General Service Earmarked Reserve	8,055	2,990	0	0
HRA Free Reserve	846	850	869	891
HRA Earmarked Reserve	6,117	0	0	0
	20,081	**8,903**	**5,932**	**5,954**
Capital				
Capital Item Replacement Fund	499	499	499	499
Capital Grants Unapplied	466	0	0	0
Capital Reserve: Schools Regeneration	3,633	3,281	2,929	2,577
	4,598	**3,780**	**3,428**	**3,076**
Overall total	**24,679**	**12,683**	**9,360**	**9,030**

11. Monitoring and Reporting Arrangements

11.1 The Financial Strategy will be monitored by CMT on a regular basis - there will also be capacity to review the Strategy as and when required, particularly when a new issue arises or the impact of major policy or initiative becomes clearer.

11.2 The Financial Strategy will only be revised if there are changes to estimates, projections or policy which have a major financial impact.

11.3 The de minimis level which would qualify as a major impact requiring an immediate review is based on 50% of the reserves: at £2.1m for the General Fund and £0.430m for the HRA. Any impact and decision around a requirement to implement an immediate review is always subject to the opinion of the Chief Financial Officer.

11.4 The financial management principles and expectations have been communicated and are understood by all Chief Officers and budget holders.

11.5 The Financial Strategy has been drawn up with the full involvement of the CMT and, will be communicated throughout the organisation.

11.6 During the years covered in the strategy, it is planned that the Council and Service Committees will receive budgetary control reports (capital and revenue for both General Services and HRA) from period 3 onwards, analysing variances over £0.050m. The CMT receive this information monthly from period 3 onwards.

11.7 As in previous years, the Council, Service Committees and CMT will also receive updates at the same time as the budget monitoring reports which monitor each individual agreed management adjustment and saving to ensure these are on target. This will allow issues to be identified quickly and early intervention action to be taken, when and if necessary.

11.8 The following key performance indicators around the performance of the Council's finances have been identified as follows:

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General Services

- The amount of free reserves as a percentage of the prudential reserve target – target a minimum of 100% of the prudential reserve;
- The revenue budget compared to actual outturn – target to be a maximum of 100% of budget;
- The ratio of financing costs to net revenue stream – targets will be defined on an ongoing basis via the Treasury Strategy ; and
- The rate of in-year Council Tax collection – targets, as follows:

2017/18	95.4%
2018/19	95.5%
2019/20	95.6%
2020/21	95.8%
2021/22	96.0%

Housing Revenue Account

- The amount of free reserves as a percentage of the prudential reserve target – target a minimum of 100% of the prudential reserve;
- The revenue budget compared to actual outturn - target to be a maximum of 100% of budget;
- The ratio of financing costs to net revenue stream – targets will be defined on an ongoing basis via the Treasury Strategy; and
- Improve in-year collection rates on rent charges.

12. Risk Management

12.1 The Council's strategic priorities for the next five years are the focus of the Strategic Plan together with enabling factors that contribute to the successful achievement of the strategic priorities. The strategic risks flow from this process, service risks and operational risks, including risks relating to the Financial Strategy and delivery of the Financial Strategy continue to be assessed, reviewed, and managed in line with the strategic priorities. Annex 1 identifies the range of risks which may influence future financial performance and stability of the Council.

13. Approach to Generating Future Budgets

13.1 Currently revenue budgets are generated through the traditional process known as "Cost of Current Level of Service" with "incremental budgeting". So, in general, budgets follow the current cost of delivery of Council policies allowing for known cost increases/reductions to be built-in and for unavoidable burdens/ reductions to also be recognised as part of the cost of providing a service reflecting current Council policies. In general this process should, in theory, generate a budget which reflects Council priorities on the basis that services are set up to deliver those priorities. In essence, the base position is taken from the previous year's budget and this is adjusted for known movements.

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Annex 1

Risk Factors

This list is not exhaustive

Risk	Action
Projections about the Council's level of income and expenditure are subject to change – e.g. • Government funding • Pay and price increases • Income levels • Planned savings not achieved • Unforeseen expenditure • Unanticipated increase in fuel or energy costs • Pension figures/costs may increase due to future reviews • Unforeseen financial issues following changes within the UK economic climate	• Ensure Finance Circulars are reviewed and reconciled on a regular basis • Longer term financial projections and strategy monitored by the Council to allow timely action • Aim to meet the target of the Prudential Reserve • Use of contingency fund • Budget Monitoring regularly by services, the CMT and Members (through Council and Committees) • Ongoing monitoring of savings targets built into the budget by the CMT and Members
Failing to achieve or maintain adequate reserves	• Prudential Reserve target reported to Members on a regular basis. Working with Members to work towards achieving target. • Longer term financial projections and strategy monitored by the Council to allow identification of possible issues to allow early action to be taken where necessary
Capital receipts do not materialise and/or Expenditure on capital projects is higher than anticipated	• Longer term vision on capital programme for both income and expenditure levels • Regular Strategic Asset Management Group updates feeding through to the capital budgetary control report (to both Council and CMT) • Capital Disposal Strategy with longer term vision to allow movement in the assets due sold and timing of those assets. • Capital programme being monitored by CMT, Council and Committees on a regular basis • Early identification of possible issues to allow action to reduce spend or identify further surplus assets for possible disposal to minimise shortfall.

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Risk	Action
Treasury Management, e.g.: • Loss on finances through reserves being invested in unsecure banking sector • Lower than expected investment returns due to economic climate • Interest rates on debt increase significantly, increasing the cost to borrow for capital expenditure	• Ensure the Treasury Management Practices regarding investment counterparties are adhered to. • Regular (daily) updates regarding movement in the banking sector received with the counterparty listing adjusted when necessary. • Ensure prudence in estimating level of investments and interest rates.
Money Laundering – failing to disclose to the National Criminal Intelligence Service suspicions through acquisition retention use or control of criminal property	• Ensure the Treasury Management Practices are adhered to. • Work completed by Internal and External Audit, use of the whistle blowing phone line. • Implement Money Laundering Policy
Collapse in funding for PPP – if bank goes into liquidation	• The Council has identified possible scenarios and what the effects would be. Information through Treasury Advisers and the PPP advisers would ensure the Council would be notified at an early stage
Provision not adequate to cover possible equal pay compensation costs	• Review provision on a regular basis, with updated information from the HROD and appropriate legal advice. • Identify action required at an early stage to ensure adequate.
Increase in the number of housing benefits claimants – higher risk of error, homelessness, subsidy level not achieved	• Staffing profile monitored to ensure adequate staffing resources. • Ensure staff work to same high standards • Regular contact between appropriate services/departments of the Council • Monitoring of the budget regularly by departments, the CMT and Members (through Council and/or Committee)
Current insurers of the Council become financially unviable – resulting in other providers monopolising the market, possible resulting in substantially increases in premiums	• Action to ensure early indications of financial stability of company • Appropriate measures taken at tender stage to ensure financial stability of insurers. • Aim to meet the target of the Prudential Reserve • Use of contingency fund

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Risk	Action
Breach of legislation resulting in substantial fine, e.g. Health and Safety; Disability Discrimination; Equalities.	• Ensure knowledge of relevant legislative issues is up to date • CMT ensures appropriate systems are in place to seek to ensure no legislation is breached
The Scottish Government reviews the structure of Scottish Local Government.	• Action plans discussed and updated at an early stage, if this is announced
The Council's demographic projections continue to be adverse in comparison to national statistics, resulting in further funding reductions	• Forward demographic projections for the Council, in comparison to national totals completed regularly and the affected on external funding levels will be included in within forward financial projections to members to allow timeous action by Members.
DWP reform – building in adequate costs to cover changes, e.g.: • General Services – effect of capping of rents for homelessness; • General Services – effect on Council tax benefit administrative grant • General Services/ HRA – effect on lower incomes of individuals on all debt of the council – council tax, debtors, rent, etc • HRA – housing benefit levels for individuals in homes with rent greater than capped levels	• Building into the financial projections the anticipated impact of welfare reform changes to allow Council to adequately plan • Regular monitoring of expected costs against budget to allow early intervention if necessary • Aim to retain the Prudential Reserves

The Council operates a Strategic Risk Register covering strategic financial risks to the Council. In addition the Resources Service has prepared an operational risk register which lists control measures and analysis of operational risks.

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Annex 2

Short-Term Issues

These issues, which will need to be addressed in some way within the next 3 years, were identified by senior management during consultation on the Financial Strategy and the impact can be one-off or recurring. Some shorter term issue will continue into the medium term and longer term. This list is not exhaustive.

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues	Local Scrutiny Plan	Actions agreed at Council in June 2017	CMT
	Unemployment levels within the area	Improve employability of residents through supporting training, apprenticeships, new jobs; encouraging economic regeneration by providing support to businesses; using procurement to encourage new training and job opportunities for local people; launch of Working4Business; implementation of Queen's Quay Regeneration project; and involvement in City Deal to create more employment opportunities.	Strategic Lead – Housing and Employability; Strategic Lead - Regeneration; and Strategic Lead - Resources
	Impact of major capital investment on service delivery during implementation (e.g. ICT upgrades)	Project leaders allocated to each major project with project implementation documents, risk minimisation/ mitigation action plan	All Strategic Directors and Leads
	Financing of Council budgets / Review Income Targets	3 year detailed budget prepared; Ongoing monitoring of target savings done regularly by CMT and Council/Committees	CMT Strategic Lead - Resources
	ICT Modernisation	Major capital programme identified 2012/13 & continued on ongoing basis in capital plan; Development of Agresso ongoing	Strategic Lead – People and Technology Strategic Lead - Resources
	Capital income decline	Identification of movement through Strategic Asset Management Group – reported to CMT & Council through capital budgetary control; 10 year capital plan monitoring; Asset Disposal Strategy implementation	Strategic Lead - Regeneration Strategic Lead - Resources

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues (cont.)	Work Force Planning	Workforce Management functionality system being developed further; Restructuring opportunities considered when appropriate; Implementation of Corporate Workforce Plan	Strategic Lead – People and Technology
	Asset Management Plan - Maintenance Backlog - Disability Discrimination Act - Health and Safety	Strategic Asset Management Group regular meetings; Capital resources committed for disability access; Risk Assessments where required; 10 year capital plan monitoring & development	Strategic Lead - Regeneration Strategic Lead - Resources
	Organisational structures	Ongoing and monitored regularly by management teams	CMT
	Barclay Review – potential risk to charitable relief provided for Leisure Trust, as a result of the review, currently awaiting Scottish Government response	Monitoring the position, current assumption is no impact in 2018/19 onwards	Strategic Lead - Resources
	Welfare Reform (ongoing). This incorporates homelessness rent capping, HRA rent capping, council tax benefit replacement, Social Fund replacement, and bad debt levels	Briefing notes on possible affect produced; Situation monitored, action taken as necessary, costs budgeted, Members briefing days & officer working groups; Regular updates to CMT	CMT Strategic Lead - Resources Strategic Lead – Housing and Employability

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Risk Area	Issues Identified	Action Taken	Responsible Officer
Service Issues	Increasing levels of waste - landfill tax impact	Increase recycling targets; Budgetary impact within budget	Strategic Lead – Environment & Neighbourhood
	Recycling Initiatives to meet targets	Ongoing initiatives to encourage recycling	Strategic Lead – Environment & Neighbourhood
	Planning Income & building warrant income decline	Budgetary impact within budget – finances to be monitored and action taken if necessary	Strategic Lead – Regulatory
	Investment Property income decline due to economic climate	Budgetary impact within budget – finances to be monitored and action taken if necessary	Strategic Lead - Regeneration
	Cost of vandalism and anti-social behaviour	Budget provided – any impact above this level would require monitored and action taken if necessary	Head of Housing and Community Safety
	Road Maintenance: - access to data - maintenance backlog and strategy for improvement - impact of recent weather	Additional budget provided (capital and revenue), projected require to be prioritised – any impact above this level would require monitored and action taken if necessary	Strategic Lead – Environment & Neighbourhood
	New Council Housing, Private and RSL Housing	Working group meet regularly. Grant funding approved & underway	Strategic Lead – Housing & Employability
	Structural Funds: - ERDF - ESF Impact on RSA (money for businesses)	Requires to be monitored and action taken if necessary	Strategic Lead - Regeneration

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Risk Area	Issues Identified	Action Taken	Responsible Officer
Education	PPP monitoring and funding – including use of sinking fund	Ongoing cost of PPP built into the budget and strategy	Strategic Lead – Education, Learning and Attainment Strategic Lead - Resources
	Schools Estate Regeneration	Identification on Council priority enhancements and new builds, identification of funding, identification of acceptable specifications within funding available	Strategic Lead – Education, Learning and Attainment Strategic Lead - Regeneration
WDC Integration Joint Board	Financial sustainability	Appropriate burdens and anticipated cost increases have been built into IJB cost projections and IJB identify appropriate efficiencies to manage budget allocation from WDC	Chief Officer – HSCP; S95 Officer - HSCP
Organisational Issues	Corporate Governance - Freedom of Information - Data Protection	Actions identified and in place to ensure information provided is complete and no breeches of data protection	Strategic Lead - Regulatory Services
	New Legislation (general)	Action to ensure available resources to support new legislation that will not leave the Council exposed	CMT

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Annex 3

Medium-Term Issues

Some short term issues may merge into medium term issues. Some medium term issues may become issues in the longer term. This list is not exhaustive.

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues	Scottish Government Funding levels – capital and revenue	Longer term financial strategy to help appropriate officers to identify possible risks on budget gaps to take necessary action at an early stage	Strategic Lead - Resources
	Welfare Reform – including changes in the staffing structure and the duties of the Council; the effect on HRA & GS budgets of benefits thresholds	Briefing notes on possible affect produced; Situation monitored, action taken as necessary, costs budgeted, Members briefing days & officer working groups Regular reports to CMT	CMT Strategic Lead - Resources
	Unemployment levels within the area	Improve employability of residents through supporting training, apprenticeships, new jobs (1,000 jobs in 1,000 days); encouraging economic regeneration by providing support to businesses; using procurement to encourage new training and job opportunities for local people; opening of the West Employability Hub in Dumbarton; launch of Working4Business; approval of Queen's Quay Regeneration project; and involvement in City Deal to create more employment opportunities.	Strategic Lead – Housing & Employability
	Accommodation	Identification of staffing requirements and locations through Strategic Asset Strategy Group Implementation of Office Rationalisation project – June 2014	Strategic Director - Regeneration, Environment & Growth
	Asset Management Plan - Other areas of development - Parks and open spaces - Asset replacement - Asset standards - Space standards	Asset Strategy Group Ongoing development and review of 10 year capital plan	Strategic Director - Regeneration, Environment & Growth Strategic Asset Management Group

Risk Area	Issues Identified	Action Taken	Responsible Officer
	WD Integration Joint Board - Financial sustainability	Appropriate burdens and anticipated cost increases have been built into IJB cost projections and IJB identify appropriate efficiencies to manage budget allocation from WDC IJB reserves maintained to manage unforeseen spending variations	Chief Officer – HSCP; S95 Officer - HSCP
Housing	HRA: Scottish Housing Quality Standards	Strategy to meet standards on ongoing basis – identification of capital spend and funding thereof Strategy to meet energy efficiency legislative requirements – identification of capital spend required	Strategic Lead – Housing & Employability
Education	Schools Estate Strategy	Continuation of Schools Estates Team to help identify and move forward on funding and prioritisation	Strategic Lead – Education, Learning and Attainment
	Maintaining of Teachers numbers – failure to do so leading to financial penalties	Budgetary impact within budget – finances to be monitored and action taken if necessary	Strategic Lead – Education, Learning and Attainment
Organisational Issues	Impact of BREXIT	Monitor ongoing BREXIT discussions and potential impact on the Council's finances, the wider implications for Scottish Economy, etc. Consider implications of BREXIT on European funding	Strategic Lead - Regulatory Services

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Annex 4

Long-Term Issues – over 10 Years

Some short and medium term issues may become longer term issues. This list is not exhaustive.

Risk Area	Issues Identified	Action Taken	Responsible Officer
Strategic Issues	Depopulation and Change of Demographics	Monitoring likely movement and potential impacts on Council, including funding	CMT Strategic Lead – Regeneration Strategic Lead – Resources
	WD Integration Joint Board - Financial sustainability	Appropriate burdens and anticipated cost increases have been built into IJB cost projections and IJB identify appropriate efficiencies to manage budget allocation from WDC IJB reserves maintained to manage unforeseen spending variations	Chief Officer – HSCP; S95 Officer - HSCP
	Unemployment levels within the area	Improve employability of residents through supporting training, apprenticeships, new jobs, encouraging economic regeneration by providing support to businesses; using procurement to encourage new training and job opportunities for local people; implementation of Queen's Quay Regeneration project; and implementation of City Deal projects to create more employment opportunities.	Strategic Lead – Housing & Employability Strategic Lead - Regeneration; Strategic Lead - Resources
Education	Educational ICT infrastructure refresh	Programme being implemented Impact on 10 year capital plan and current ICT Modernisation	Strategic Lead – Education, Learning and Attainment
Organisational Issues	Impact of BREXIT	Monitor ongoing BREXIT discussions and potential impact on the Council's finances, the wider implications for Scottish Economy, etc. Consider implications of BREXIT on European funding	Strategic Lead - Regulatory Services

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Annex 5

POLICY ON BALANCES AND RESERVES

Introduction

A key component to sound financial and risk management is that the Council maintains adequate reserves and balances to meet either known future commitments or expenditure arising from unforeseen, unexpected or emergency situations. Where appropriate, this policy adopts:

- The Guidance Note on Local Authority Reserves and Balances (LAAP Bulletin 55, February 2003);
- The Statutory Basis for Accounting and Disclosing Reserves in Local Authorities in Scotland (LASAAC, October 2005); and
- CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (revised annually).

The purpose of this policy is to:

- Outline the legislative and regulatory framework underpinning the creation, use or assessment of the adequacy of reserves;
- Identify the principles to be employed by the Council in assessing the adequacy of the Councils balance and reserves;
- Indicate how frequently the adequacy of the Council's balances and reserves will be reviewed, and
- Set out arrangements relating to the creation, amendment and use of reserves and balances.

In common with most local authorities in Scotland, the Council has a range of reserves and balances. These fall into two categories:

- Usable Reserves; and
- Unusable Reserves.

Usable Reserves

As the name indicates, these are reserves, available for use by the Council. They are held on the Council's Balance Sheet for use, as appropriate, through this Reserves Policy.

Usable Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows - this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies; and
- A means of building up funds to meet unknown or predicted liabilities.

For each reserve held, there should be a clear protocol on:

- The reason for/purpose of the reserve;
- How and when the reserve can be used; and
- A process and timescale for review of the reserve to ensure ongoing relevance and adequacy.

The Usable Reserves held by the Council are:

(a) General Fund Revenue Reserve
The General Fund is held for all services provided by the Council through Revenue Support Grant (RSG) provided by the Scottish Government and Council Tax paid by residents within the Council area. It excludes the Housing Revenue Account (HRA), which is funded from tenant rents.

(b) HRA Revenue Reserve
The Council is required by the Local Government and Housing Act (Scotland) 1987 to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of council dwellings and related services. The use of this account is heavily prescribed by statute and the Council is not allowed to fund any expenditure for non-housing related services from this account.

For both the General Fund and the HRA Reserves the level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Section 95 Officer (Chief Financial Officer). Where the Section 95 Officer's advice is not accepted, this should be recorded formally in the minutes of the appropriate Council meeting.

The balance of these Reserves normally comprises of three elements:

- Funds that are earmarked or set aside for specific purposes (in Scotland, Council cannot have a separate Earmarked Reserve within the Balance Sheet, but can highlight elements of the General Fund Reserve balance required for specific purposes). The identification of such funds can be highlighted from a number of sources:
    - Future use of funds for a specific purpose, as agreed by Council or Committee; or
    - Commitments made under delegated authority by departmental Directors, which cannot be accrued at specific times (e.g. year-end) due to not being in receipt of the service or goods;
- Funds which are not earmarked for specific purposes, but are set aside to deal with unexpected events or emergencies. Currently using a risk based assessment, the Council has a specific policy agreed each year and at present this 'prudential target' is set at 2% of net expenditure (excluding requisitions); and
- Funds held in excess of the prudential target and the identified earmarked sums. Reserves of this nature can be spent or earmarked at the discretion of Members.

During the Budget Process for both the General Fund and the HRA the budget report should give Council an update on:

- The estimated opening fund reserve balance for the year ahead, the addition to/withdrawal from balances and the estimated year-end balance;
- The adequacy of the reserves and the Provisions* in respect of the forthcoming year and the Council's medium term Financial Strategy; and
- The earmarked funds held within the Reserves.

(c) Capital Receipts Reserve
Under Schedule 3, paragraph 22 of the Local Government (Scotland) Act 1975, capital receipts on the sale of non-current assets received by the Council are retained within this Reserve until capital expenditure dictates the required use for the funds. Receipts for both General Fund and HRA are held separately, as specified above. Any receipts unused at 31 March will be held on the Balance Sheet as at that date.

(d) Capital Grant Unapplied Reserve
Grants and other contributions given to the Council are retained within this Reserve until all conditions agreed by the grant provider are satisfied. The use of this fund is specified within the

CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, as revised each year. Any grants unapplied at 31 March will be held on the Balance Sheet as at that date.

(e) Capital Items Replacement Fund (Other Reserve)
Scottish Councils have explicit statutory powers under schedule 3 of the Local Government (Scotland) Act 1975 to establish Renewal and Repairs Funds. This reserve is used for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining and renewing any buildings, works, plant, equipment or articles belonging to the authority. At present the Council only holds one such fund, which is held within the Education Service. Separate and specific guidance is available for the use of this Fund. Funds are used for the renewal or repair of school non-current assets, with funds being linked specifically to the individual schools committing their budget for the purpose of repairs and renewals at a future date.

(f) Capital Reserve
This reserve is *used to defray any expenditure of the Council to which capital is properly applicable, or in providing money for repayment of the principal of loans*. It holds income (either specific capital receipts income or agreed contributions from revenue) which has been earmarked by Council for the funding of the Public Private Partnership (PPP) unitary charge on a specific annual phased amount. The PPP unitary charge liability can be split into revenue and capital related charges and this Reserve is used specifically to help fund the capital related charges. The Funds can be added to this Fund as agreed by Council (e.g. the sale of specific Education non-current assets) or at the discretion of the Section 95 Officer (i.e.in the event of a review identifying a risk of shortfall in the funding structure over the life of the project). This Reserve should be reviewed on a regular basis by the Section 95 Officer.

Unusable Reserves

As the name indicates, these are not available for use by the Council. They are held on the Council's Balance Sheet for use as appropriate through the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. The Unusable Reserves held by the Council are:

(a) Capital Adjustment Account
The Capital Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation , impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings to the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The account contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

(b) Revaluation Reserve
The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

(c) Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements requires benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

(d) Statutory Mitigation Account

The Statutory Mitigation Account absorbs the differences that would otherwise arise on the general fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from this account.

(e) Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund balance to the account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on council tax.

Accounting and Disclosure

Expenditure should not be charged direct to any reserve. Any movement within Revenue Reserves is accounted for as an appropriation and is transparent. Entries within a reserve are specifically restricted to *'contributions to and from the consolidated revenue account'* with expenditure charged to the service revenue account. The appropriation is made from the reserve to the Movement in Reserves to neutralise the impact on the Council Tax or the Housing Rents.

*Provisions – Funds held on the Balance Sheet for a liability of costs with uncertain timing or amounts

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Annex 6

CONTINGENCY FUND POLICY

INTRODUCTION

1.1 The Council operates central revenue and capital contingency funds (CCF) to accommodate externally led reductions which benefit departmental budgets. These funds are also called upon to address budget increases resulting from external factors.

1.2 Budgetary control reporting is more transparent and accountable if the impact of variances outwith departmental influence was removed (or compensated) from departmental budgets.

MAIN ISSUES

2.1 It is the responsibility of the Strategic Lead - Resources to maintain a record of all budget transfers in/out of the revenue and capital CCF. It is also be the responsibility of the Strategic Lead - Resources, in discussion with the Chief Executive/Strategic Directors, to determine appropriate budget movements to transfer in/out of the CCF.

2.2 An additional line has been introduced into consolidated Council Budgetary Control reports to ensure reconciliation back to the approved budgets.

2.3 For the purposes of the CCF, a level of materiality where the individual budget line movement is greater than £50,000 has been implemented.

2.4 The CCF will apply to all revenue and capital budgets of the Council, including the Housing Revenue Account and each Trading Organisation. Transfers in/out of the Housing Revenue Account will be subject to legislative constraints.

2.5 Similarly, the impact of significant unforeseen expenditure burdens on departmental budgets would be financed by additional budget resources allocated to departmental budgets from the CCF. Departments would be invited to make appropriate application to the Strategic Lead - Resources.

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Annex 7

Assumptions built into the 2018/19, 2019/20 and 2020/21 Indicative Revenue Estimates

Government related Assumptions
The funding settlement for 2018/19 onwards is based on officer's projections of the impact of austerity measures and demographic change (actual settlement for 2018/19 expected to be received on 14 December 2017). Current assumption is a 3% reduction per year from 2018/19 to 2020/21
Council Tax for 2018/19 onwards will be at the 3% cap currently in place as likely policy from Scottish Government
That the Council's share of the additional funding to support social care from 2016/17 and 2017/18 continues into the future
That the Scottish Government continues to limit the value by which Councils can reduce funding to Integration Joint Boards at same level as in 2017/18 settlement
No additional funding is provided by Scottish Government to support implementation of the Living Wage in adult social care
That the Scottish Government policy from 2017/18 changing Council Tax bandings is permanent
That the Scottish Government additional funding of £2.224m from 2017/18 Scottish Parliament budget continues
New parliamentary bills will have no financial impact on the Council (i.e. it is assumed that funding covers the costs associated with the initiative)
The additional costs anticipated for Homelessness budgets arising from welfare reform will be phased from 2019/20 and are mitigated by the Council's Homelessness Strategy
Demographic Assumptions
Burden figures provided by HSCP for the budget projections remain valid - including: • The number of clients with physical disabilities will increase each year; • The number of clients with learning disabilities will increase; • The demand for older people residential beds will increase each year; • The demand for other services will remain similar to current levels.
Workforce Assumptions
Pay award assumed at 1.75% for 2018/19 to 2020/21
Superannuation rates to remain as at present with no actuarial advice at this point to the contrary
Equal pay provision as at 31/3/17 is adequate
Turnover at current levels on appropriate staffing types (4%)
No changes to workforce terms & conditions
Operational Assumptions
That the Council's prudential target remains at 2% of net expenditure
Income increases within Council control assumed at 4% each year (sales, fees and charges) where sustainable
Trading account surpluses do not reduce beyond level currently budgeted
Council tax base increases from 2018/19 onwards by 50 Band D equivalents
Loan charges and efficiency savings link directly to 10 year capital plan
No change to the bad debt provision on council tax (2.75% per annum), and the provision identified within the HRA budget.

WEST DUNBARTONSHIRE COUNCIL **ANNEX 8**

BUDGET GAP ANALYSIS - GENERAL SERVICES

MOVEMENT FROM 2017/18 TO 2027/28

AS AT OCTOBER 2017 - SCENARIO 1 - LIKELY

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Position per Budget Report 22 February 2017		7,885	11,397								
Variables in Assumptions Considered in Sensitivity Analysis	4.4%	2.8%	2.7%								
Underlying assumed SG settlement reduction (%)		3.0%	3.0%	3.0%	3.0%	3.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Reduction in Scottish Government Funding		331	481	4,695	4,554	4,417	1,428	1,414	1,400	1,386	1,372
Assume 3% Council Tax increase		3%	3%	-1,341	-1,382	-1,423	-1,466	-1,510	-1,555	-1,602	-1,650
Council tax base increase – additional houses				-50	-50	-50	-50	-50	-50	-50	-50
Recurring variances exercise from previous year end				-400	-400	-400	-400	-400	-400	-400	-400
Pay award 1.75% for all years		1,125	1,145	2,730	2,778	2,826	2,876	2,926	2,977	3,029	3,083
Sales, fees and charges at 4% uplift		100	100	-300	-300	-300	-300	-300	-300	-300	-300
Inflation on preserved items		-100	-100	270	270	270	270	270	270	270	270
Depot saving delay			400								
Reduced assumption of benefit from Shared Services		800	1,300								
Submission Variance/Ongoing cost pressures		-2,732	-501	2,333	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Transformational Projects		-250	-500	-500							
Loan Charges											
HSCP Net Funding Reduction		-1,560	-3,120	-1,560	-1,560	-1,560	-520	-520	-520	-520	-520
Assume ongoing additional SG funding from 17/18 budget change		-2,224	-2,224								
Gap from previous financial year				8,378	14,254	19,664	24,945	28,283	31,614	34,936	38,249
Revised (Surplus)/ Gap	**0**	**3,375**	**8,378**	**14,254**	**19,664**	**24,945**	**28,283**	**31,614**	**34,936**	**38,249**	**41,554**
Prudential Target Reserve for each financial year	**-4,104**	**-3,995**	**-3,930**	**-3,858**	**-3,795**	**-3,737**	**-3,738**	**-3,741**	**-3,745**	**-3,751**	**-3,757**
Projected Reserve at end of each preceeding financial year	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**	**-5,398**
Excess reserve going into next financial year		**-1,195**	**-1,263**	**-1,267**	**-1,267**	**-1,267**	**-1,267**	**-1,267**	**-1,267**	**-1,267**	**-1,267**

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West Dunbartonshire Council
Indicative Funding Gap 2018/19 to 2020/21

Appendix 2

	ORIGINAL BUDGET 2017/18 £000	REVISED BUDGET 2017/18 £000	P6 PROBABLE OUTTURN 2017/18 £000	DRAFT ESTIMATE 2018/19 £000	DRAFT INDICATIVE ESTIMATE 2019/20 £000	DRAFT INDICATIVE ESTIMATE 2020/21 £000
RESOURCES	4,220	4,183	4,161	4,069	4,085	4,230
REGULATORY	4,499	4,559	4,558	4,344	4,354	4,340
PEOPLE AND TECHNOLOGY	5,708	5,837	5,826	5,754	5,732	5,780
COMMUNICATIONS, CULTURE AND COMMUNITY	5,013	5,192	5,159	5,224	5,265	5,304
EDUCATION, LEARNING AND ATTAINMENT	88,615	88,050	88,012	88,164	89,145	89,704
ENVIRONMENT AND NEIGHBOURHOOD	27,180	27,360	27,349	26,419	25,971	26,065
HOUSING AND EMPLOYABILITY	4,115	4,283	4,279	4,242	4,278	4,355
REGENERATION	(1,978)	(2,019)	(2,079)	(2,438)	(2,186)	(1,999)
MISCELLANEOUS	5,939	5,967	6,045	5,655	6,044	6,235
LOAN CHARGES	11,337	11,443	11,443	10,463	10,945	12,029
REQUISITION: VALUATION JOINT BOARD	719	719	718	719	719	719
REQUISITION: SPTA	1,784	1,784	1,784	1,784	1,784	1,784
REQUISITION: HEALTH & SOCIAL CARE PARTNERSHIP	60,666	60,614	60,614	60,746	60,607	60,490
ALLOCATION OF NON GAE	(5,702)	(5,702)	(5,702)	(5,702)	(5,582)	(5,582)
TOTAL NET BUDGET POSITION	**212,115**	**212,269**	**212,167**	**209,444**	**211,161**	**213,454**
BALANCES (APPLIED)/ SAVED	(2,201)	(2,201)	(2,201)	0	0	0
NET BUDGET TO BE FUNDED	**209,914**	**210,068**	**209,966**	**209,444**	**211,161**	**213,454**
SCOTTISH GOVERNMENT FUNDING	(167,675)	(167,829)	(167,829)	(162,713)	(158,227)	(153,532)
COUNCIL TAX	(42,239)	(42,239)	(42,239)	(43,356)	(44,555)	(45,668)
GAP/(SURPLUS)	**0**	**(0)**	**(102)**	**3,375**	**8,378**	**14,254**
ASSUME GAP CLOSED WITH RECURRING SAVINGS IN 2018/19				-£3,375	-£3,375	-£3,375
ASSUME GAP CLOSED WITH RECURRING SAVINGS IN 2019/20					-£5,004	-£5,004
ASSUME GAP CLOSED WITH RECURRING SAVINGS IN 2020/21						-£5,876
BALANCED BUDGET POSITION				**£0**	**£0**	**£0**

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead – Communications, Culture and Communities

West Dunbartonshire Council: 25th October 2017

Subject: Strategic Plan 2017-2022

1 Purpose

1.1 The purpose of this report is to present the Council's Strategic Plan for 2017-2022.

2 Recommendations

2.1 It is recommended that Council agree the Strategic Plan, including the supporting performance framework.

3 Background

3.1 A five-year Strategic Plan for the Council is developed early in each new Administration. The previous plan, agreed by Council at its meeting of 26 September 2012, was developed in the format of a balanced scorecard, detailing strategic priorities and success factors under three key themes of:

- social mission;
- organisational capabilities; and
- legitimacy & support.

3.2 Work to develop the 2017-2022 Strategic Plan began in October 2016 with a review of current progress in the 2012-17 Plan, the 2016-17 Delivery Plans for each strategic lead area, the current Strategic Performance Indicator suite, the Local Government Benchmarking Framework, and key Council strategies. An outline draft proposal was agreed by senior officers at the Performance and Monitoring Review Group (PMRG). This outline was shared with the new Administration in May to assist them to provide the framework supporting their vision.

3.3 The Administration has been working with senior Council officers since August to develop their new strategic vision and aspirations for Council over the period 2017-2022.

4 Main Issues

4.1 The 2017-22 Strategic Plan (appendix 1) has a new vision that '*West Dunbartonshire Council will deliver high quality services, led by priorities identified by the communities of West Dunbartonshire, in an open and transparent way*.' This five-year plan presents a clear and focused suite of priorities and supporting outcomes which address critical issues in West Dunbartonshire, setting a statement of intent in an easy to read and concise way.

4.2 The Strategic Plan clearly illustrates how the Council will improve the lives of residents by supporting delivery of the overarching Community Planning West Dunbartonshire's (CPWD) Local Outcomes and Improvement Plan (LOIP). This will be with the support of all Community Planning partners such as Police Scotland, the Scottish Fire and Rescue Service, Health and West College Scotland.

4.3 In addition to the LOIP, the Council will also deliver on two internal organisational priorities to drive continuous improvement in how services are run for the residents of West Dunbartonshire. Combined with the LOIP priorities, this will ensure the Council is able to deliver on its overarching aspiration to reduce inequality for the people of West Dunbartonshire.

4.4 The five Strategic Priorities included in the Plan are:

- A Strong local economy and improved employment opportunities;
- Supported individuals, families and carers living independently and with dignity;
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged;
- Open, accountable and accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of residents

4.5 These priorities were developed through analysis of data, both qualitative and quantitative, as well as through reflection on the feedback from residents. This feedback includes responses to regular engagement through Citizen's Panel and Telephone Survey as well as focused engagement on priorities at a local neighbourhood and authority-wide level.

4.6 Each of the five priorities is supported by a suite of underpinning outcomes and detail on what success will look like in delivery of these priorities. In addition to this, a performance framework has been developed which details key performance indicators to track progress (appendix 2).

4.7 The indicators in the performance framework have been drawn from currently published and reported data (such as the LGBF and community planning outcome profiles) to allow long term reporting, and comparisons over time. In addition to this local indicators have been added to reflect priority areas. Each indicator details a baseline and an aspirational target to be delivered over the lifespan of the Strategic Plan. Council will monitor progress annually throughout the next five years.

4.8 The detail of delivery on an annual basis will be contained in the eight Strategic Delivery Plans of Council, agreed and reported through the relevant service committees. These Delivery Plans contain the priority actions and assessments from Strategic Services which support delivery of the long-term aspirations detailed in the Strategic Plan.

5 People Implications

5.1 There are no people implications resulting from this report.

6 Financial & Procurement Implications

6.1 The critical contribution of sound financial governance and sustainable budget management to the delivery of this Strategic Plan is recognised within the success factors identified within it.

6.2 The delivery of this five year Strategic Plan will be supported by the proposed Financial Strategy separately being presented to Council. Each priority would be underpinned by a dedicated delivery plan that would outline the specific budgetary requirements and funding implications (within the overall context of the parameters articulated within the aforementioned Financial Strategy). Any specific programmes requiring formal approval (including potential capital investment projects) would be formally presented to the relevant Committee or Council meeting for consideration.

6.3 There are no direct procurement implications from this report.

7 Risk Analysis

7.1 This report demonstrates that the Council has robust processes in place to plan and to manage and improve performance. Failure to produce a strategic plan for the 5 year term of the Council would be a significant risk.

8 Equalities Impact Assessment (EIA)

8.1 An EIA has been carried out during the development of the Strategic Plan. This highlights the aspiration of the plan to increase equality and the potential positive impacts of this for residents. No mitigating actions where required as a result of the assessment.

9 Strategic Environmental Assessment

9.1 A Strategic Environmental Assessment screening is being carried out on the Strategic Plan. This will review priority areas and any potential impact on the environment resulting from these priorities. Any actions identified as a result of this screening will be progressed through Delivery Plans.

10 Consultation

10.1 The Administration and Performance Monitoring & Review Group have been involved in the development of the Strategic Plan. In addition, residents fed their views into the process as part of a consultation held at the same time as nine local voting events for the Community Budgeting process in May and June 2017.

11 Strategic Assessment

11.1 Continuous improvement is a key feature of an improving council and supports delivery of all strategic outcomes.

Malcolm Bennie
Strategic Lead
Date: 20 September 2017

Person to Contact:	Amanda Coulthard – Performance & Strategy Manager Tel: 01389 73(7271) Email: Amanda.Coulthard@west-dunbarton.gov.uk
Appendices:	Appendix 1: Strategic Plan 2017-22 Appendix 2: Strategic Plan Performance Framework
Background Papers:	none
Wards Affected:	All Wards

WEST DUNBARTONSHIRE COUNCIL

Strategic Plan 2017 - 2022

West Dunbartonshire COUNCIL

contents

Foreword	4
Strategic Plan in context	5
Life expectancy	6
Our vision, values and ethos	7
Our strategic priorities	8
Priorities & outcomes	10

Foreword from the Leader of the Council

Significant progress has been made over the past ten years in West Dunbartonshire and we owe thanks to all those officers and elected members, past and present, who have contributed to what has been a huge positive change.

Going forward, this Council will build on those achievements and tackle areas requiring further improvement to deliver the quality public services our constituents need. This Administration wants to see West Dunbartonshire Council continue to deliver high quality services to our constituents, led by priorities identified by them, in an open and transparent way.

The role of Councillors and Council Officers is to serve and support our citizens. They are not 'Customers' and we will stop referring to them as such. The Council also needs to be accessible, friendly and open to our residents, and so we must use easy to understand language in everything we do; whether that's a letter, an online transaction, a community consultation or public documents like committee reports.

We will be a listening and caring Council, listening to and caring about our communties and exchanging ideas with our valued employees. We will continue to improve the way in which we consult with our citizens and engage with our workers; West Dunbartonshire Council recognises that ideas from the workforce will be vital in developing policy that will bring about positive changes, enabling us to deliver better services for our communities.

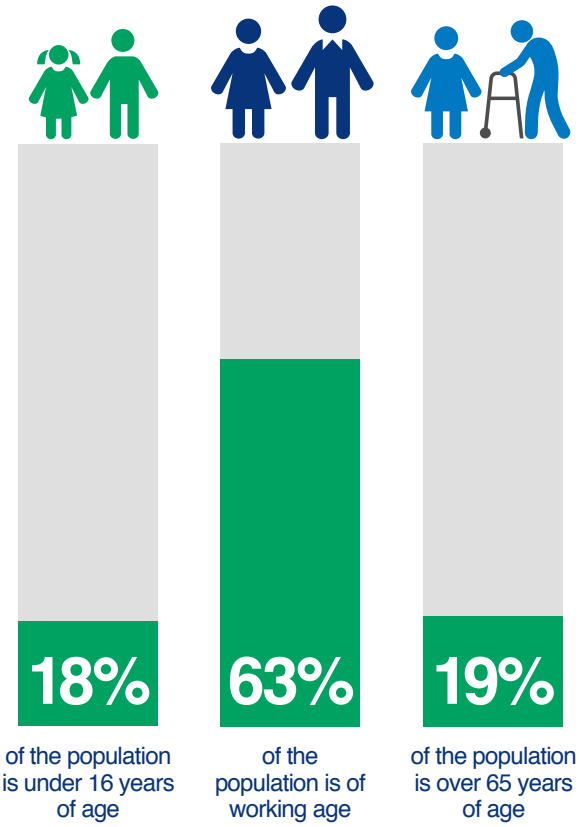
This Strategic Plan will set the vision and direction for Council services over the next five years. It will inform the delivery of Council services and provide a context for decision-making at a service level.

Jonathan McColl
Council Leader, West Dunbartonshire Council

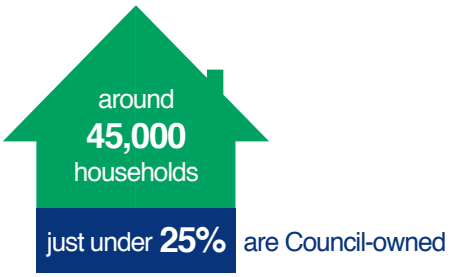
Strategic Plan in context

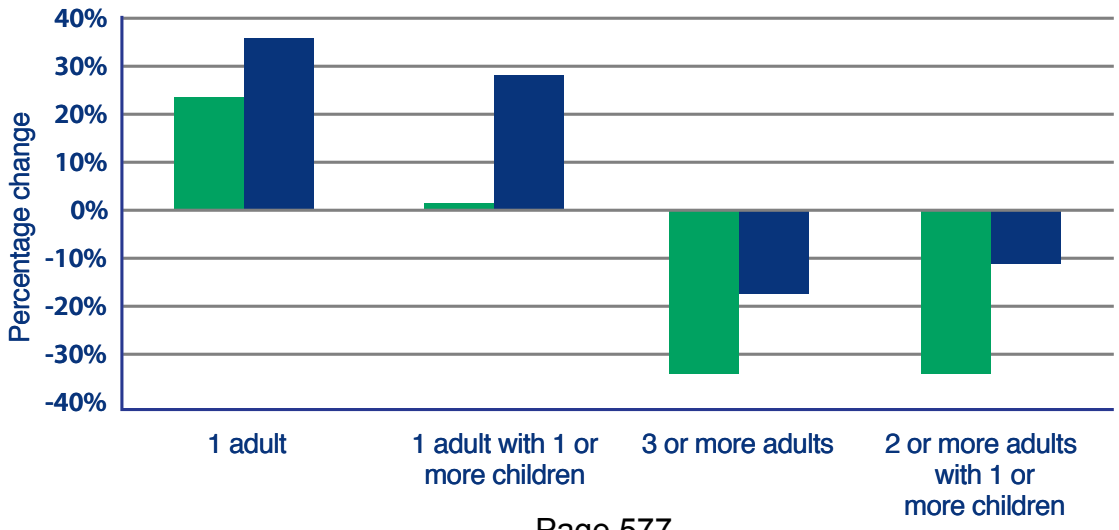
West Dunbartonshire is a diverse area with a rich industrial heritage still evident in our local communities today. Across the three main areas of Clydebank, Dumbarton and the Vale of Leven we see diversity from the densely populated urban centre of Clydebank to the more rural setting of the Loch Lomond and Trossachs National Park, sitting in and beyond the northern edge of the Authority.

Estimated population - age spilt (WD) 2015



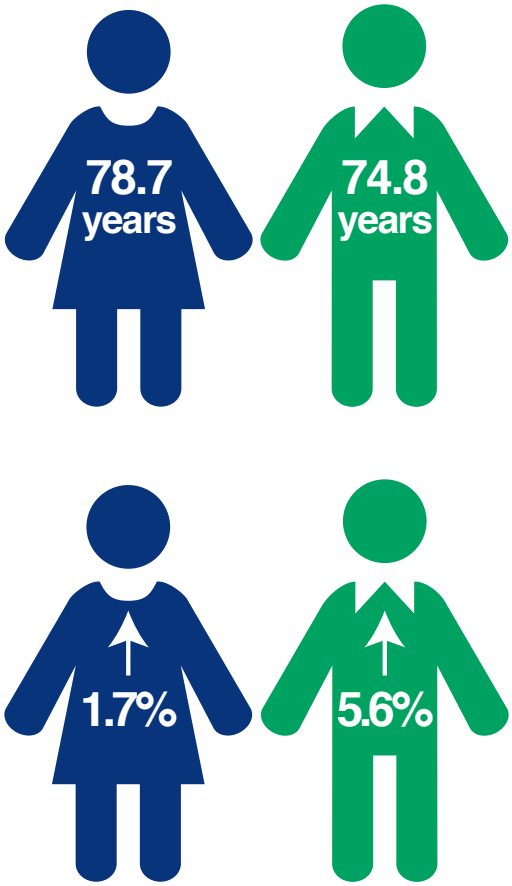
West Dunbartonshire has around 45,000 households; and just less than 25% of these homes are Council owned. Over the next 20 years it is estimated that households headed by over 60s will increase, as will the number of lone person households. At the same time, the number of larger households is projected to fall.





Life expectancy

Life expectancy at birth - WD

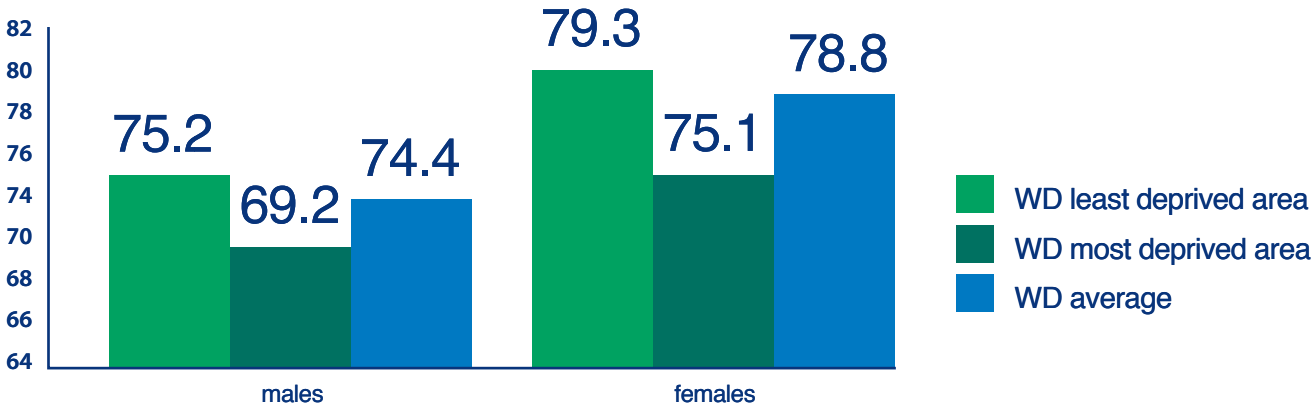


Based on the most recent figures available (2013-2015) female is greater than male life expectancy, but both were lower than the Scottish average. Male life expectancy at birth in West Dunbartonshire is improving faster than female life expectancy.

The overall picture however is showing some improvement, with the percentage change in life expectancy at birth in West Dunbartonshire improving by 5.6% for males and 1.7% for females over the last 12 years.

The effect that poverty has on life expectancy can be seen when comparing life expectancy rates in the least and most deprived areas of West Dunbartonshire. Such inequalities represent a longstanding and long-term challenge in West Dunbartonshire, just as in other parts of Scotland; for example, it took until 2016 for those living in the most deprived areas to experience the levels of life expectancy that less-deprived communities enjoyed in 1990. The chart below looks at current life expectancy rates by levels of deprivation.

Life expectancy in WD by deprivation, 2009-2013



Our vision, values and ethos

"West Dunbartonshire Council will deliver high quality services, led by priorities identified by the communities of West Dunbartonshire, in an open and transparent way"

As a Council we want every employee to have **PRIDE** in the services they deliver:

Personal
Responsibility
In
Delivering
Excellence

This ethos reflects the personal stake that every one of us has in delivering our Council's priorities and underpins our commitment to the values we have adopted as a Council:

Ambition
Confidence
Honesty
Innovation
Efficiency
Vibrancy
Excellence

At the core of what we do as a Council is a commitment to reduce inequality and tackle root causes of poverty. The strategic priorities we have adopted are focused on improving the lives of the people of West Dunbartonshire, by promoting equality for all.

Underpinning our strategic priorities are key cross cutting principles, which inform all the work that we do. We will be:

- **a listening Council**
- **an accessible Council**
- **a responsive Council**
- **an open Council**

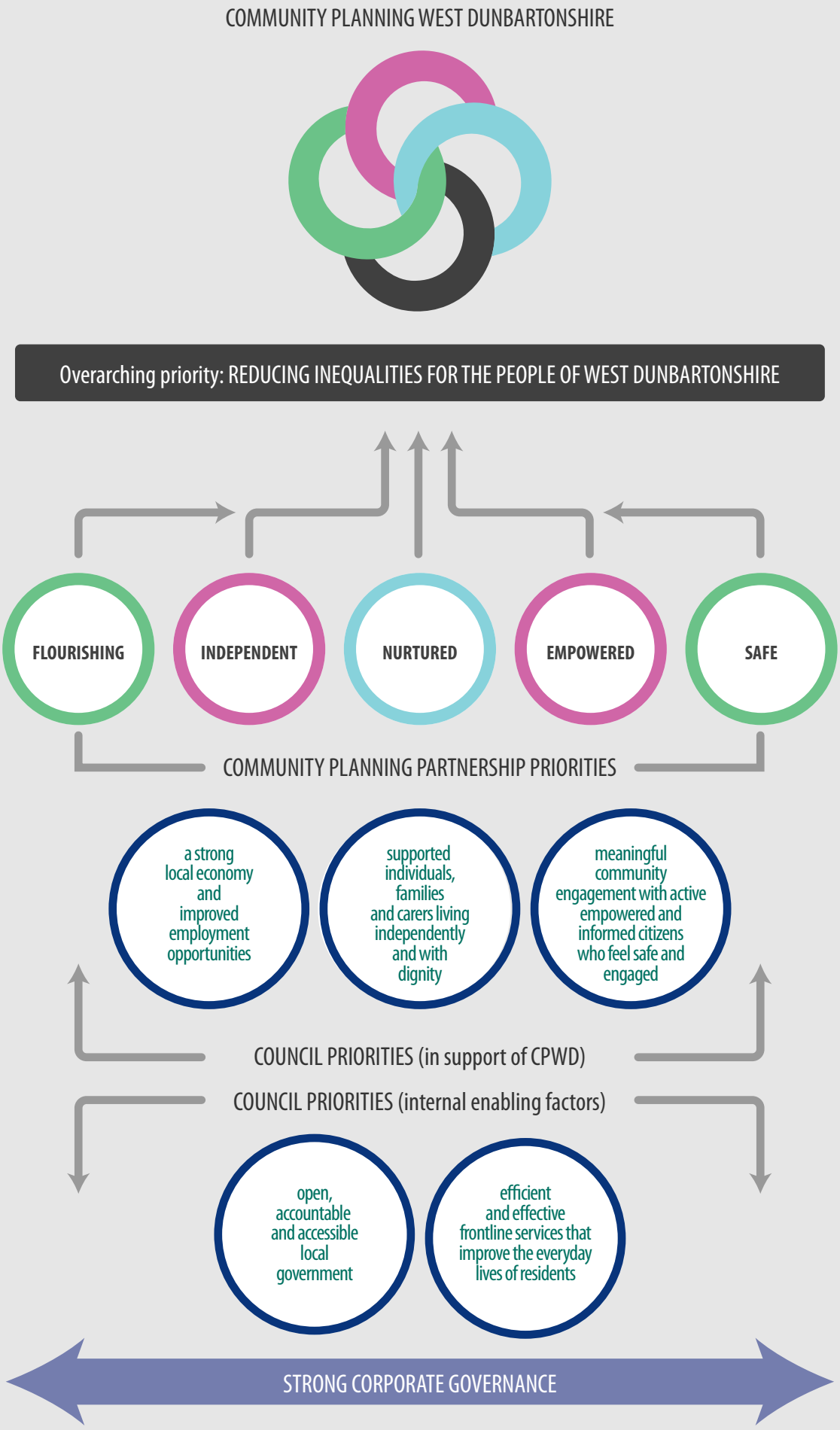
Our strategic priorities

The strategic priorities of the Council, as detailed in this plan, explain how the Council will work to improve the lives of residents. The priorities are guided by the Administration's election commitments, and support delivery of Community Planning West Dunbartonshire's (CPWD) Local Outcome Improvement Plan.

As well as clearly defining a set of Council priorities which directly support and empower residents in line with the long-term aspirations of the Community Planning Partnership, the Council has agreed two organisational priorities to inform how services are run. This will ensure the Council is able to deliver on its overarching aspiration to reduce inequality for the people of West Dunbartonshire.

Our priorities will be delivered through the Council's strategic Delivery Plans and those of our Strategic Partners in CPWD. Delivery plans provide detail on actions to be taken while also reflecting the context and challenges facing services and the organisation as a whole. This will include factors such as the increasingly challenging financial landscape for the public sector in Scotland, deprivation across our communities and areas where investment is required to accelerate outcome improvements, including national policy directives and targets such as those on climate change.

The diagram on the next page details how the Council priorities link to and support the Local Outcome Improvement Plan long-term aspirations.


COMMUNITY PLANNING WEST DUNBARTONSHIRE
Overarching priority: REDUCING INEQUALITIES FOR THE PEOPLE OF WEST DUNBARTONSHIRE
FLOURISHING
INDEPENDENT
NURTURED
EMPOWERED
SAFE
COMMUNITY PLANNING PARTNERSHIP PRIORITIES
a strong local economy and improved employment opportunities
supported individuals, families and carers living independently and with dignity
meaningful community engagement with active empowered and informed citizens who feel safe and engaged
COUNCIL PRIORITIES (in support of CPWD)
COUNCIL PRIORITIES (internal enabling factors)
open, accountable and accessible local government
efficient and effective frontline services that improve the everyday lives of residents
STRONG CORPORATE GOVERNANCE

Priorities & outcomes

in support of Community Planning West Dunbartonshire

STRATEGIC PRIORITY

A strong local economy and improved job opportunities

SUPPORTING OUTCOMES	WHAT DOES SUCCESS LOOK LIKE?
Increased skills for life & learning	• A narrowing of the poverty related attainment gap for all children and young people in West Dunbartonshire • Improved outcomes for all learners in our community - with a priority on schools and Early Learning & Childcare
Increased employment and training opportunities	• Improved support to and outcomes for residents from our employment and business supports - Working4U and Working4Business • Improved outcomes when creating and supporting positive destinations for our young people
A growing economy	• Continued long-term investment in local regeneration which takes account of the environment and sustainability • Investment in the growth and development of small and medium-sized enterprise locally

We will do this by:

	2021/22 target
Improving attainment across all levels (measured by most deprived (quintile 1) to least deprived (quintile 5))	↑
Increasing the percentage of school leavers in positive and sustained destinations	↑
Decreasing the percentage of households that are workless	↓
Improving the West Dunbartonshire Employment Rate	↑
Increasing the number of new start businesses supported	↑
Increasing the percentage of procurement spent on local small/medium enterprises	↑

STRATEGIC PRIORITY

Supported individuals, families and carers living independently and with dignity

SUPPORTING OUTCOMES	WHAT DOES SUCCESS LOOK LIKE?
More affordable and suitable housing options	• Increased investment in our housing stock to create sustainable and flexibility for residents and tenants • Ensure future housing developments are sustainable, accessible and adaptable to meet the changing needs of our population • Increasing the mixed economy of housing to create attractive places
Enhanced life chances	• Innovation in early learning and childcare to meet the needs of our communities • Residents are provided with comprehensive information and support which assists them in their life choices
Improved wellbeing	• Our communities have improved health outcomes • Unpaid carers' needs are supported • Residents are able to access learning and support which enables them to fully participate in their local community

We will do this by:

	2021/22 target
Decreasing the percentage of children living in poverty	↓
Increasing the availability of early years placements	↑
Reducing the rent income lost due to empty properties	↓
Increasing the percentage of reactive repairs completed right first time	↑
Increasing the percentage of Council housing stock which meets the Scottish Housing Quality Standard	↑
Increasing the percentage of citizens who are supported through advice services to sustain or increase income through benefit maximisation	↑
Increasing the availability of social housing	↑
Reducing the percentage of households in fuel poverty	↓

STRATEGIC PRIORITY

Meaningful engagement with active, empowered and informed citizens who feel safe and engaged

SUPPORTING OUTCOMES	WHAT DOES SUCCESS LOOK LIKE?
Strong and active communities	• Citizens are more active in their local communities • Reduced impact of antisocial behaviour in communities • More Council resource directed by Communities
Fully consulted and involved citizens who are able to make full use of the Community Empowerment Act	• A dedicated Community Empowerment Service helping the community to help themselves and supporting increased capacity in local areas • Opportunities are created for services to work in partnership with citizens, to involve them in local decision-making • More opportunities exist for involvement of our young citizens • Increased communications with residents to ensure higher awareness and satisfaction

We will do this by:

	2021/22 target
Maintaining the percentage of residents who feel safe/very safe in their local community	↔
Maintaining resident satisfaction with Council services overall	↔
Increasing the percentage of citizens who agree the Council listens to community views when designing and delivering services	↑
Increasing the percentage of residents who feel the Council communicates well with them	↑
Increasing the percentage of Council resources directed by communities	↑
Increasing the respondent reported sense of control and influence in relation to Council decision-making and service delivery	↑

Priorities & outcomes

in support of West Dunbartonshire (internal enabling factors)

STRATEGIC PRIORITY

Open, accountable & accessible local government

SUPPORTING OUTCOMES	WHAT DOES SUCCESS LOOK LIKE?
Equity of access for all residents	• Residents can access Council meetings with opportunities to ask questions and present issues • All Council publications are easy to read and understand • Residents are supported to build and utilise digital skills • Increased participation from under-represented groups • Improved parental engagement across all schools

We will do this by:

	2021/22 target
Increasing the percentage of citizens satisfied with the Council website	↑
Increasing the number of payment transactions undertaken online	↑
Increasing residents reported satisfaction with Council publications, reports and wider documents	↑
Increasing the percentage of committee agendas published within standing order timescales	↑
Increasing the percentage of Council buildings in which all public areas are suitable for and accessible to people with a disability	↑

STRATEGIC PRIORITY

Efficient and effective frontline services that improve the everyday lives of residents

SUPPORTING OUTCOMES	WHAT DOES SUCCESS LOOK LIKE?
A continuously improving Council delivering best value	• Best use of technology, resources, assets and our estate to support service delivery • All citizens able to access appropriate levels of service • Key local policy priorities show improving performance • Council generating new income through commercial opportunities to protect public services
A committed and skilled workforce	• A workforce who feel valued and recognise the importance of the work they do • Regular engagement with employees to learn from their experiences • A workforce equipped to deliver services with access to training and development • All employees have equity of support and opportunity
Sustainable & attractive local communities	• Our public spaces are attractive, friendly and welcoming • Our citizens feel pride in their local neighbourhood • Recycling levels are improved across all communities • Improved roads and pavements

We will do this by:

	2021/22 target
Increasing the percentage of income due from Council Tax received by the end of the year	↑
Increasing the percentage of income generated as a percentage of the total revenue budget	↑
Increasing the proportion of operational buildings suitable for current use	↑
Improving attendance levels	↑
Increasing the percentage of employees satisfied with the Council as a place of work	↑
Increasing the percentage of Local Government Benchmarking Framework performance indicators prioritised by the Council that have improved locally	↑
Increasing the percentage of education establishment inspections in the year which are graded at 'satisfactory' or better	↑
Increasing the street cleanliness index score	↑
Increasing the percentage of total household waste that is recycled	↑
Improving the resident reported satisfaction level with local roads maintenance	↑
Increasing the number of attendances per 1,000 population for indoor sports and leisure facilities	↑

Contact us

For further information, please contact:

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Other formats
This document can be provided in large print, Braille or audio and can be translated into different community languages. Please contact us to request this.

WEST DUNBARTONSHIRE COUNCIL

Strategic Plan 2017 - 2022

Performance Framework

West Dunbartonshire COUNCIL

PERFORMANCE FRAMEWORK

A strong local economy and improved job opportunities

INDICATOR		BASELINE (most recent full year)	2022 TARGET
Attainment by level of deprivation from most deprived (quintile 1) to least deprived (quintile 5)	Quintile 1	633	720
	Quintile 2	813	950
	Quintile 3	951	1000
	Quintile 4	1111	1250
	Quintile 5	1041	1170
% of school leavers in positive and sustained destinations		92.2%	92.6%
% of households that are workless		22.2%	21.8%
Employment Rate		71.9%	72.5%
Number of new start businesses given advice and assistance to start up		194	200
% of procurement spent on local small/medium enterprises		6%	14%

PERFORMANCE FRAMEWORK

Supported individuals, families and carers living independently and with dignity

INDICATOR	BASELINE (most recent full year)	2022 TARGET
% of children in poverty (after housing costs)	26.52%	25%
Rent lost due to empty properties	1.05%	0.8%
% of reactive repairs completed right first time	87.81%	93%
% of citizens who are supported through advice services to sustain or increase income through benefit maximisation	86%	90%
Provision of new supply social housing for rent (by 2022)	91	1000
% of households in fuel poverty	26%	23%

PERFORMANCE FRAMEWORK

Meaningful engagement with active, empowered and informed citizens who feel safe and engaged

INDICATOR	BASELINE (most recent full year)	2022 TARGET
% of residents who feel safe/very safe in their local community	98%	98%
Resident satisfaction with Council services overall	93%	93%
% of citizens who agree the Council listens to community views when designing and delivering services	86%	90%
% of residents who feel the Council communicates well with them	72%	78%
% of Council resources directed by communities	new measure baseline tbc	1%
Average score for respondents who state they feel a sense of control and influence in relation to Council decision-making and service delivery	4.5	6.2

PERFORMANCE FRAMEWORK

Open, accountable & accessible local government

INDICATOR	BASELINE (most recent full year)	2022 TARGET
% of citizens satisfied with the Council website	75%	85%
Number of transactions undertaken online	25,077	27,687
% of residents who report satisfaction with Council publications, reports and documents	new measure baseline tbc	tbc following baseline
% of committee agendas published within standing order timescales	98%	99%
% of Council buildings in which all public areas are suitable for and accessible to people with a disability	89%	92%

PERFORMANCE FRAMEWORK

Efficient and effective frontline services that improve the everyday lives of residents

INDICATOR	BASELINE (most recent full year)	2022 TARGET
% of income due from Council Tax received by the end of the year	95.21%	96%
Income generated as a % of total revenue budget	new measure baseline tbc	tbc following baseline
Proportion of operational buildings suitable for current use	91%	93%
Days lost due to absence — Teachers All other local authority employees	5.77 11.6	5 7
% of employees satisfied with the Council as a place of work	73%	78%
% of Local Government Benchmarking Framework performance indicators prioritised by the Council that have improved locally*	25%	75%
% of education establishment inspections in the year which are graded at 'satisfactory' or better	100%	100%
Street cleanliness index	92%	93%
% of total household waste that is recycled	48.8%	60%
Resident reported satisfaction with local roads maintenance	40%	42%
Increasing the number of attendances per 1,000 population for indoor sports and leisure facilities	4,577	7,000

*Local Government Benchmarking Framework prioritised indicators

Overall average tariff score

% pupils from deprived areas gaining 5+ awards at Level 6

Sickness absence days per teacher

Sickness absence days per employee *(all other local authority employees)*

The % of total waste arising that is recycled

Gross rent arrears *(all tenants)* as at 31 March each year as a percentage of rent due for the reporting year

Percentage of rent due in the year that was lost due to voids

Percentage of dwellings meeting SHQS

Average time taken to complete non-emergency repairs

% unemployed people assisted into work from Council operated/funded Employability Programmes

% of procurement spent on local small/medium enterprises

No of business gateway start-ups per 10,000 population