Supplementary Agenda

Meeting of
West Dunbartonshire Council

Date: Wednesday, 28 June 2017

Time: 17:00

Venue: Council Chamber,
Clydebank Town Hall, 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 16 June 2017 and now enclose a copy of **Items 7 and 14** which were not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

Note referred to:- /

7 DRAFT STATEMENT OF ACCOUNTS 2016/17 115 - 322

Submit report by the Strategic Lead – Resources providing a copy of the draft Annual Accounts for 2016/17 and seeking Council's agreement to delegate authority to the Audit & Performance Review Committee to formally approve the audited accounts in September 2017 assuming Council agrees the proposed Committee meeting timetable in another report to the meeting.

14 OFFICE RATIONALISATION PROGRAMME - ALEXANDRIA SOCIAL WORK OFFICE 323 – 328

Submit report by Chief Social Work Officer outlining the strategic case and rationale for moving the current Children and Families social work under 12's team from Church Street, Alexandria to Aurora House in Clydebank.

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: 20 June 2017

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council – 28 June 2017

Subject: Draft Statement of Accounts 2016/2017

1. Purpose

1.1 The purpose of this report is to provide Council with a copy of the draft Statement of Accounts for 2016/2017 and to obtain Council's agreement to delegate authority to Audit and Performance Review Committee to formally approve the audited accounts in September 2017 assuming Council agrees the proposed Committee meeting timetable in another report to this meeting.

1.2 The report also provides Council with the management's proposed timetable for the budget process 2018/19 for consideration.

2. Recommendations

2.1 Members are asked to:

(a) note the contents of this report and the attached draft Statements of Accounts, subject to the understanding that the draft accounts may change depending upon the audit of the accounts undertaken by the Council's external auditors;

(b) agree, in the event that Council agree the draft Council/Committee meeting timetable reported elsewhere on the agenda, to:

i. based on proposed Committee timetable at this meeting, delegate authority to the Audit and Performance Review Committee to formally approve the audited accounts in September 2017, prior to submission to the Accounts Commission by 30 September 2017;

ii. note that a report on the audited accounts will be submitted to Council in October 2016; and

(c) note the attached proposed 2018/19 budget timetable.

3. Background

3.1 The Council is required by law to produce its draft Statement of Accounts for audit by 30 June each year.

3.2 The Local Authority Accounts (Scotland) Regulations 2014 came into force on 10 October 2014, revoking the Local Authority Accounts (Scotland) Regulations 1985. The legislation introduced a number of changes to the Statements, including:

(a) The requirement for Council's formal consideration of the draft Management Commentary & Financial Statement of Accounts prior to 31 August each year. However, best practice is that the Statements should be reported to the Council for formal consideration prior to submission to the Accounts Commission by 30 June each year;

(b) The regulations require the notice for the public's right 'to inspect and object to the Statements requires be published no later than 19 June 2017 and the Statements to be available for inspection no later than 3 July 2017; and

(c) The requirement to 'aim' to approve the audited Annual Accounts for signature no later than 30 September 2017 (with publication no later than 31 October 2017).

3.3 A copy of the draft financial Statement of Accounts (including the Group Accounts) for the year ended 31 March 2017, is appended to this report as Appendix 1.

3.4 The management commentary within the draft Statements states that following the setting of the budget in February 2017, the projections identified current expected gaps of £7.885m in 2018/19 and a further £3.512m for 2019/20. The Council's long-term finance strategy will be reviewed and reported to a future Council later in 2017 and in setting the budget for 2018/19. The budget process for 2018/19 (including projections for 2019/20 and 2020/21) is now due to commence.

3.5 In previous years, following Council agreement, the Audit, Performance and Review Committee has approved the audited Annual Accounts to enable the Council to meet its requirement to approve the audited Accounts by no later than 30 September 2017.

4. Main Issues

4.1 The draft accounts, including the group accounts, have now been prepared and passed to the Audit Scotland to commence their audit process.

4.2 The draft accounts show that the Council has been successful in managing its expenditure within the budgets approved for both the General Fund and the Housing Revenue Account (HRA).

Management Commentary

4.3 The management commentary provides information, particularly in relation to objectives of the Council and its performance. The purpose of this commentary is to inform users of the Statement and help users assess if the Council has performed its duty to promote the success of the Council. The Commentary is on pages 1 to 12 of the Statement of Accounts.

General Fund – Revenue position

4.4 In relation to the General Fund, as at 31 March 2017, the Accounts showed a General Fund balance of £10.665m. Of this balance, £6.083m is earmarked for specified purposes, leaving an unearmarked balance of £4.582m.

4.5 The unearmarked reserve position as at 31 March 2017 has decreased from the previous year, with a number of the commitments having changed. Appendices 2 and 3 compares the budget against actual and is summarised as follows:

	£m
Unearmarked balance at 31 March 2016	**4.688**
Council commitment to fund budget 2017/18	(2.032)
	2.656
In-year surplus against original budget 2016/17	1.926
Unearmarked balance at 31 March 2017	**4.582**

4.6 The in-year surplus against original budget of £1.926m is the favourable variance against the overall budget in year. Information on variances is provided within Appendix 3.

4.7 The unearmarked balance of £4.582m is greater than the prudential reserve target of £4.104m which is considered necessary to safeguard assets and to protect services against financial risk.

4.8 Provisions for Single Status and Early Severance were also made at 31 March 2017, totalling £3.223m and this sits outwith the unearmarked balance noted above.

4.9 At the Council meeting in October 2016 the position projected for services for 2016/17 was that there would be a favourable variance of £1.077m. The final outturn shows a favourable against this by £0.849m (total favourable variance £1.926m), before taking account of the additional commitment to future budgets (£2.032m), resulting in an overall reduction in the free reserve of £0.106m.

4.10 The Council maintains statutory accounts for two trading operations under the provisions of the Local Government Scotland Act 2003: Housing Maintenance and Grounds Maintenance/Street Cleaning. These operations returned a collective surplus in the year of £3.284m and both operations have achieved a break even performance over the last three years in line with their statutory requirements.

4.11 The council tax in-year collection rate increased to 95.21% (94.45% in 2015/16).

Housing Revenue Account – Revenue position

4.12 In relation to the HRA, the accounts show a balance of £6.963m as at 31 March 2017. Of this balance £6.117m is earmarked to assist in a number of areas, including the regeneration of the Housing estate, as agreed by a previous Council decision, leaving an unearmarked balance of £0.846m, which is exactly in line with the prudential reserve target. The HRA outturn and main variances are noted in Appendices 4 and 5.

	£m	£m
Balance at 31 March 2016		6.217
Spend against earmarked balances	(0.018)	
In-year surplus against original	0.764	0.746
Balance at 31 March 2017		**6.963**
Earmarked		(6.117)
Unearmarked balance as at 31 March 2017		**0.846**

Capital Programme position

4.13 Details of the capital programmes are shown in Appendix 6 (General Fund) and Appendix 7 (HRA) and are summarised below. The appendices detail the outturn of the projects within 2016/17 and provide further information on the projects which have been identified as red status (i.e. those projects which are likely to be significantly overspent and/or to have significant delays in completion). A list of the main capital projects is given on page 7 of the Statement of Accounts. A number of projects have been reported previously to Council as having to be re-phased and the most significant are also listed on page 7. The year end position is summarised as follows:

	General Services £m	HRA £m	Total £m
Original budget	107.521	30.245	137.766
Actual Spend	68.655	20.012	88.667
Overspend	1.080	2.333	3.413
Underspend	(0.457)	(1.167)	(1.624)
Re-phased	39.489	11.399	50.888
Re-phased (%)	36.73%	37.69%	36.94%

Group Accounts

4.14 The Council is required to prepare Group Accounts in addition to its own Annual Accounts. Group Accounts are prepared when a Council has a material interest in other organisations. The purpose of the accounts is to combine its financial information with other organisations within its group. For 2016/17, the Council's group consists of:

(a) West Dunbartonshire Leisure Trust;
(b) Dunbartonshire and Argyll and Bute Valuation Joint Board;
(c) Strathclyde Partnership for Transport;
(d) Strathclyde Concessionary Travel Joint Board;
(e) Clydebank Property Company;
(f) Health and Social Care Integrated Joint Board; and
(g) Dumbarton Common Good and Trust Funds.

4.15 The effect of combining these entities on the Group Balances Sheet is to increase reserves and net assets by £15.322m creating an overall net asset of £162.541m. However, it should be noted that for two of the combining entities (the Valuation Joint Board and the Leisure Trust), there lies a net liability held on their individual Balance Sheet related to the defined pension schemes. However, as there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

Further steps in finalising

4.16 To enable the Council to meet its requirement, Members require to approve the audited Annual Accounts for signature no later than 30 September 2017. Members are asked to agree that in the event the reported draft Council / Committee meeting timetable being approved, the audited Annual Accounts be reported for approval to Audit and Performance Review in September 2017 and then to Council in October 2017 for noting.

Common Good and Charity Accounts

4.17 Appendix 8 provides Members with the accounts of the Trust Funds which are administered by the Council. These Financial Statements are also audited by our external auditors prior to submission to the Office of the Scottish Charity Regulator (OSCR). As noted in 4.14 (g), these are also included within the Council's Group position.

Financial Planning 2018/19

4.18 Following the preparation of the Council's draft Statement of Accounts 2016/17, the process for review and update of the Long-term Financial Strategy and the Draft budget for 2018/19 will commence. A management proposed timetable for this process has been prepared and is attached as Appendix 9, for consideration by Members.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 There are no financial or procurement implications.

7. Risk Analysis

7.1 No risk analysis was required.

8. Equalities Impact Assessment (EIA)

8.1 No equalities impact was required in relation to the preparation of this report.

9. Consultation

9.1 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 Sound financial practices are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan.

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Stephen West
Strategic Lead - Resources
Date: 16 June 2017

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E-mail: gillian.mcneilly@west-dunbarton.gov.uk

Appendices:
1 - Draft Financial Statement of Accounts to 31 March 2017;
2 - Year end General Services Revenue Budgetary Control Position 2016/17 (Budget versus actual);
3 - General Services Revenue Variance Analysis 2015/16 (Budget versus actual);
4 - Year end HRA Revenue Budgetary Control position 2016/17 (Budget versus actual);
5 - HRA Revenue Variance Analysis 2016/17 (Budget versus actual);
6 - Year end General Service Capital Position 2016/17;
7 - Year end HRA Capital Position 2016/17;

8 –Charity Accounts 2016/17; and
9 – Draft Budget 2018/19 Timetable

Background Papers: Report to Council 26 October 2016 showing movement budget to Probable Outturn; and
Reports to Council 22 February 2017 to set Council Tax and Housing Rents 2017/18

Wards Affected: All

West Dunbartonshire COUNCIL

Draft Annual Accounts for Year Ended 31 March 2017

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Management Commentary

Introduction
The purpose of this Management Commentary is to inform all users of these Financial Statements and help them assess how the Council has performed its duty to promote the success of the Council. It is to provide clear information about the Council's performance during the financial year 2016/17 and the financial position as at the financial year end 31 March 2017. The Management Commentary is intended to give an easy to understand guide to the most significant matters of the Council's business during the year - including progress against key performance indicators, a description of the principal risks and uncertainties facing the Council and the likely impact of the actions to mitigate these risks. In addition, it provides some detail on the Council's future plans.

The Council
Following local government reorganisation in Scotland, under the Local Government (Scotland) Act 1994, West Dunbartonshire Council was established in 1996. It is an average sized Council in Scotland at around 98 square miles and has many strengths including significant sites of natural beauty and heritage, good transport links and close proximity to Glasgow and its airport. The area has a rich past, shaped by its world-famous shipyards along the Clyde, and boasts many attractions ranging from the iconic Dumbarton Rock and the Titan Crane, to the beauty of Loch Lomond.

The Council is responsible for providing a wide range of local authority services (including education, social work, housing, environmental health, environmental services, planning, economic development, employment, highways and transport) to residents within the West Dunbartonshire area.

The Council employs approximately 5,500 staff across a range of locations within the Council area, serving a population of approximately 90,000 (1.7% of the overall population in Scotland). The Council is generally accepted to suffer from economic deprivation, for example, the percentage of total population who are income deprived is 22% (Scotland 16%); the percentage of economically active people at a working age in employment is 71.2% (Scotland 72.9%); and life expectancy is 74.8 years (Scotland 77.1 years).

The Council is led by 22 councillors, elected every five years to represent the residents within the area. From 1 April 2016, the senior management structure was revised and now consists of the Chief Executive, two Strategic Directors and eight Strategic Leads, including the Section 95 Officer (Strategic Lead - Resources), with the Health and Social Care Partnership (HSCP) being managed at a senior level by the Chief Officer and four Heads of Service.

The Strategic Plan
Nationally, the Scottish Government sets out its joint priorities and local authorities, together with their community planning partners agree a planned approach aligned to these through the Single Outcome Agreement (SOA). The Council's SOA, covering the period from 2014 to 2017, feeds through into its Strategic Plan. Within the Council's 2012/17 Strategic Plan, the Council committed to improving outcomes in key areas in order to deliver on its vision of 'a prosperous West Dunbartonshire recognised as a dynamic area within a successful Scotland'.

Following the implementation of the new management structure at the start of 2016/17 each Strategic Lead has developed service delivery plans, each highlighting priorities and objectives which are set out and designed to support the delivery of the Council's Strategic objectives. On 1 July 2015 the HSCP was formed and generated its own Strategic Plan.

The Council's Strategic Performance Scorecard (SPS) sets out, through three strategic themes and underpinning priorities, the expected performance improvements for the period of the Strategic Plan. The themes and priorities are as follows:

<u>Theme 1: Social Mission</u>
- Improve economic growth and employability;
- Improve life chances for children and young people;
- Improve care for and promote independence with older people;
- Improve local housing and environmentally sustainable infrastructure; and
- Improve the wellbeing of communities and protect the welfare of vulnerable people.

Management Commentary (Cont'd)

The Strategic Plan (Cont'd)

Theme 2: Organisational Capabilities

- Strong financial governance;
- Fit-for-purpose estate and facilities;
- Innovative use of Information Technology; and
- Committed and dynamic workforce.

Theme 3: Legitimacy and Support

- Constructive partnership working and joined up service delivery; and
- Positive dialogue with local citizens and communities.

Performance Reporting
The Council monitors and reports its performance against these key themes through the SPS; where progress within these areas are monitored through a suite of key performance indicators with 2017 targets set within the Strategic Plan. Performance is reported to Council and Committees for scrutiny and identification of any required remedial action. The Council also publishes an annual Public Performance Report which provides residents with a summary of progress being made.

In conjunction with this internal SPS, the Council (together with all Scottish local authorities) measures a common set of performance indicators called the Local Government Benchmarking Framework. Using the same indicators across all councils allows comparisons of performance, identification of best practice and enables councils to learn from each other.

Full details of the most up to date performance information are available on the Council's website at:

www.west-dunbarton.gov.uk/council/performance-and-spending/

Overview of Core Financial Statements
The Statement of Accounts contains the financial statements of the Council and its group for the year ended 31 March 2017. The Council operates two main Funds in running its services:

1. The General Fund - for all expenditure and income associated with running of all Council services except the provision of Council houses. This fund is funded mainly from Scottish Government grant and council tax; and

2. The Housing Revenue Account - all expenditure and income associated with the provision of Council housing and is funded primarily through rental income from tenants.

The Financial Statements comply fully with the Code of Practice on Local Authority Accounting in United Kingdom. Two major categories of expenditure are included in the financial statements, as follows:

1. Revenue expenditure - represents the day to day running costs incurred to provide services; and

2. Capital expenditure - is the cost of buying, constructing and improving the assets which the Council uses to provide services.

Revenue expenditure is recorded in a number of the main statements in these accounts with the purposes of these main statements being as follows:

Management Commentary (Cont'd)

Overview of Core Financial Statements (Cont'd)

- ***the Comprehensive Income and Expenditure Statement*** shows the income and expenditure for all Council services. It is shown on page 27;
- ***the Movement in Reserves Statement*** shows how the Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the General Fund for the year. It also highlights movement on all other reserves held on the Council's Balance Sheet (including the Housing Revenue Account). It is shown on page 28. Further information on each of the reserves held and how it may be used is also detailed within notes 33 and 34 on pages 95 and 96; and
- ***Housing Revenue Account*** shows the income and expenditure for Council housing services for the year. It is shown on pages 99 to 101 which also includes the statement of movement on the Housing Revenue Account Balance.

Capital expenditure is analysed in note 22 on page 83 which details the capital expenditure and the sources of finance that have been used to fund the capital plan investment in 2016/17.

The ***Balance Sheet*** on page 29 summarises the assets and liabilities of the Council. It is a statement of the resources of the Council and the means by which they have been financed. It is also a report on the Council's financial position at one particular point in time, a snapshot of its financial affairs at the close of the year expressed in accounting terms.

The ***Cash Flow Statement*** on page 30 shows the inflows and outflows of cash arising from transactions with third parties on both day to day revenue transactions and on capital activities. Cash is defined for the purpose of the statement as cash-in-hand and deposits repayable on demand less overdrafts repayable on demand.

Notes to the Core Financial Statements are provided on pages 31 to 98 which give further information and analysis relevant to each statement.

Comprehensive Income and Expenditure Statement

This account covers the day to day operational income and expenditure for each service of the Council. The format has changed from previous years and is now reported in line with the Council's committee structure. Note 3 on page 50 details the effect of this change to the 2015/16 comparative figures within the Statement.

Income from council tax, non-domestic rates and revenue support grant was £215.184m with a net expenditure on services for the year of £217.233m (as shown on page 27 - Net Cost of Services).

Due to tight financial control over service spending, the Council was able to return an in year surplus from services of £1.926m against original budget (2015/16 £2.239m). Many of the favourable variances are due to specific management action in areas such as: control of vacancies and staff cover; general process and efficiency review; specific restructuring of service delivery; spending control; and implementation of agreed savings targets. Although, there is an element of demand led favourable variances, particularly within Early Years within Educational Services, the level of favourable variance has been partially offset due to some areas of overspend.

The Council's in-year collection of council tax increased from 94.45% in 2015/16 to 95.21% in 2016/17. Uncollected council tax is pursued for collection after the end of the financial year.

After taking account of the spend against earmarked balances held at 31 March 2016, then the overall movement for the year of £0.538m is deducted from the brought forward balance from the previous year (£11.203m), resulting in an accumulated surplus at 31 March 2017 of £10.665m (as shown on page 28). This includes an earmarked amount of £6.083m leaving £4.582m available for future use.

Management Commentary (Cont'd)

Comprehensive Income and Expenditure Statement (Cont'd)

This un-earmarked balance compares with that of £4.688m as at 31 March 2016 and shows that the un-earmarked reserve position has decreased by £0.106m during the year. The Council's Prudential Reserves Policy is to retain a prudential reserve of 2% of net expenditure (excluding requisitions to Valuation, SPT, etc.) in order to safeguard assets and services against financial risk. The current target prudential reserves level for the General Fund is £4.104m and the position at financial year end exceeds this level of reserve by £0.478m.

The General Fund's budgetary performance for the year is summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use.

	Budget £000	Spend Against Budget £000	Variance £000	£000
Total General Services Reserves Held as at 31/3/16				**(11,203)**
Earmarked Balances as at 31/3/16				**6,515**
Unearmarked balance as at 31/3/16				**(4,688)**
Total Expenditure	214,125	212,133	(1,992)	
Total Income	(214,125)	(214,059)	66	
Net Budgetary Control Position			(1,926)	
Net commitment to future budgets			2,032	
Movement in Unearmarked Reserves from 1/04/16 to 31/03/17				**106**
Unearmarked Balances held as at 31/3/17				**(4,582)**
Earmarked Balances held as at 31/3/17				**(6,083)**
Total General Services Reserves Held as at 31/3/17				**(10,665)**

Housing Revenue Account

By law the Council has to maintain a separate account for the running and management of its housing stock. The number of units owned by the Council at 31 March 2017 was 10,580 (2015/16 10,748) as a result of right to buy sales and planned demolition programme, offset by the new build houses, as detailed in the table below.

Opening house numbers	**10,748**
Right to buy /disposals	(97)
Demolitions	(75)
Buy back	4
Closing house numbers	**10,580**

Following the impact of earmarked balances, the account shows an overall surplus for the year of £0.746m (see page 99). In line with the prudential reserves policy (2% of expenditure), the target reserves level for the Housing Revenue Account for 2016/17 is £0.846m. Taking account of the in-year surplus (£0.746m) the brought forward balance from the previous year £6.217m and taking account of earmarked amounts (£6.117m) the balance available to the HRA for future use is £0.846m.

The Housing Revenue Account's budgetary performance for the year is summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use.

Management Commentary (Cont'd)

Housing Revenue Account (Cont'd)

	Budget £000	Spend Against Budget £000	Variance £000	£000
Total HRA Reserves Held as at 31/3/16				**(6,217)**
Earmarked Balances as at 31/3/16				**5,362**
Unearmarked balance as at 31/3/16				**(855)**
Total Expenditure	42,777	41,661	(1,116)	
Total Income	(42,777)	(42,425)	352	
Net Budgetary Control Position			(764)	
Net transfer to earmarked balances			773	
Movement in Reserves from 1/04/16 to 31/03/17				**9**
Unearmarked Balances held as at 31/3/17				**(846)**
Earmarked Balances held as at 31/3/17				**(6,117)**
Total HRA Reserves Held as at 31/3/17				**(6,963)**

Reserves
As at 31 March 2017, the usable reserves currently held by the Council are noted below, with further information on the future use of such reserves detailed within notes 32 and 33 on pages 94 and 95.

	General Services £000	HRA £000	Total £000
Unearmarked Reserve	4,582	846	**5,428**
Earmarked Reserve	6,083	6,117	**12,200**
Total Revenue Reserve	**10,665**	**6,963**	**17,628**
Capital Receipts Reserve	0	0	**0**
Capital Grants Unapplied	466	0	**466**
Capital Reserve	3,633	0	**3,633**
Other Reserves	499	0	**499**
Total Usable Reserves	**15,263**	**6,963**	**22,226**
Prudential Target	4,104	846	

Provisions
The Council has two main provisions held on its Balance Sheet, with a total value of £3.223m (see Note 31 on page 93). The Council holds funds for future equal pay claims and for further service re-design which will allow for a number of early terminations of contracts (through early retirement and severance).

Cash Flow Statement
The Council's cash flow statement shows a increase of cash and cash equivalents of £1.743m during 2016/17 (see page 30) mainly as a result of borrowing for capital spend on non-current assets.

Management Commentary (Cont'd)

Trading Operations
The Council maintains separate accounts for two statutory trading operations under the provisions of the Local Government Scotland Act 2003:
1. Housing Property Maintenance; and
2. Grounds Maintenance and Street Cleaning.

These two operations returned a total collective surplus of £3.284m. Both operations have achieved a break even performance over the last three years, consistent with their statutory requirements. Further details are provided in note 9 on pages 60 to 61.

Balance Sheet
The Balance Sheet shows that during 2016/17, the net assets have decreased by £52.210m (from £199.428m to £147.218m). The main movement is due to the increase in the pension liability of £87.186m which is explained further below. There has also been movement within non current assets and borrowing, in line with the spend and funding agreed within the capital plan.

Pension Assets and Liabilities
The balance sheet shown on page 29 shows an assessed pension fund liability of £240.926m based on a snapshot valuation of the fund at 31 March 2017. Further information on the pension fund is provided in note 15 on pages 66 to 72. The valuation states that assets held at the valuation date were sufficient to cover 75.63% of accrued liabilities (79.71% in 2015/16).

The pension scheme liability has increased by £87.186m as advised by the appointed actuaries, and this is mainly as a result of the movement in the discount rate. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned recent increases in employers' contributions provide sufficient security and future income to meet future pension liabilities.

Non-Current Assets
The Council owns a number of different types of assets, as listed in the Balance Sheet. These assets are used for ongoing and future service delivery provided by the Council to its citizens. The remit for the Council's Strategic Asset Management Group is to ensure the most efficient use of these assets in pursuit of the Council's strategic priorities. The Group manages this through ongoing review of the overarching Strategic Asset Management Plan, which is then supported by a number of individual Asset Management Plans (including properties, infrastructure, vehicles and equipment, etc.).

The overarching Strategic Asset Management Plan was refreshed during 2016/17 and underlying individual plans have either been refreshed in 2016/17 or will be during 2017/18.

The Council requires to assess the value of assets held based on current market conditions and, while in the current year particular assets have increased in value by £136.891m. At the same time, impairment and downward revaluations have reduced the value of other assets held by the Council by £96.201m, with a net impact of £40.690m. These movements adjust either the revaluation reserve in the Balance Sheet or are included within the Net Cost of Service within the Income and Expenditure Statement, depending on the history of the asset.

Borrowing
The Council's Treasury Strategy for 2016/17 was agreed by the Council on 24 February 2016. The Council raised new long term loans of £20.000m (2015/16 £25.620m) and short term loans of £124.709m (2015/16 £69.500m) and repaid naturally maturing debt of £87.144m (2015/16 £63.029m). The total outstanding long term debt (excluding PPP debt) as at 31 March 2017 was £228.095m (2015/16 £241.009m) including £117.252m (2015/16 £137.665m) for the Council's housing stock. The total outstanding short term debt was £155.400m (2015/16 £85.067m), including £79.883m (2015/16 £48.591m) for the housing stock. The interest and expenses rate charged by the Council's loans fund was 3.62% (4.28% in 2015/16).

Management Commentary (Cont'd)

Borrowing (Cont'd)

The 10 year capital plan and the Council's Treasury Management Strategy 2016/17 were agreed by Council on 24 February 2016 and updated on 22 February 2017. These agreed plans highlight the projected capital spend and it's required resourcing. Also detailed is the impact on the Council's ongoing revenue finance and borrowing levels which the Council has committed to, through its capital plans. The Council's revenue budget is agreed following the consideration and approval of the capital plan.

Capital Finance
The Council is able to regulate its own capital spending limits within the framework recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Scottish Government. The necessary treasury indicators and safeguards have been approved by Council and have resulted in increases to both the General Services and Housing capital programmes for 2016/17 and beyond. Details of the capital expenditure and financing are shown in note 22 on page 83. Total gross capital expenditure amounted to £88.667m.

The main capital projects progressed during 2016/17 were:

General Services	**HRA**
Building upgrades	New build council houses
ICT modernisation	Demolitions
Replacement of elderly care homes	Void housing upgrades
Community capital fund	EESH compliance work
Roads infrastructure works	Heating improvements
Clydebank leisure centre	Building external component renewals
Clydebank crematorium works	Doors/window component renewals
Office rationalisation	Environmental improvement works
New build school projects	
Street lighting	
Regeneration/Local economic development	
Queens Quay	
Children and young persons/ early years	
Vehicle replacement	

During 2016/17, the Council had anticipated capital expenditure of £137.766m with an actual in year spend of £88.667m. The unspent amount (£49.099m) includes overspends, underspends and slippage, as noted within the table below. The total slippage on planned spend was £50.888m – 36.7% of the overall capital programme which is summarised in the following table:

	Original Budget £000	Actual Spend £000	Overspend £000	Underspend £000	Slippage £000
Service					
Corporate Services	2,567	1,418	0	(29)	(1,120)
Education	26,351	19,870	739	0	(7,220)
Infrastructure, Regeneration and Development	65,543	35,155	157	(418)	(30,127)
Housing and Communities	604	58	0	0	(546)
Miscellaneous Services	2,522	2,696	184	(10)	0
Health and Social Care Partnership	9,934	9,458	0	0	(476)
General Services	**107,521**	**68,655**	**1,080**	**(457)**	**(39,489)**
HRA	30,245	20,012	2,333	(1,167)	(11,399)
Total	**137,766**	**88,667**	**3,413**	**(1,624)**	**(50,888)**

Management Commentary (Cont'd)

Capital Finance (Cont'd)
The majority of the slippage has occurred within a small number of larger capital projects and is mainly due to the timing of starting individual projects, for various reasons, not all within Council control, and these projects have now fallen into capital budgets for 2017/18 and those with more significant slippage include:

General Services

Vehicle Replacement	Later date for procurement of vehicles.
Clydebank Community Sports Hub	Project was delayed pending confirmation of external funding.
Office Rationalisation	Delayed following the discovery and removal of an oil storage tank on the site.
Queens Quay Regeneration	Delays resulting from complex design solutions.
New Build School Projects	Delays due to discovery of asbestos and weather.
Levengrove Park	Delay due to issuing of the Pre-Qualification Questionnaire and in the issuing of the Invitation To Tender.
Posties Park Sports Hub	External approval process has resulted in the delay to programme.

HRA

Regeneration/demolition of surplus stock	Delays due to both tenant relocations and unforeseen disposal of materials during pre-demolition clearances.
Non-traditional Improvement works	Delay due to finalisation of scope of works and obtaining owner agreement.
EESH compliance work	Building services experienced problems in recruitment to support this project.

Public Private Partnership and other Long Term Liabilities
The Council entered into a public private partnership for the provision of three new community learning centres and a primary school. The agreement provides the Council with replacement buildings for three secondary schools which were handed over in 2009/10 with the primary school handed over during 2011/12. In accordance with statutory accounting guidance, full details of the agreement is provided within note 24 on pages 83 to 84.

On 31 March 2016, the Council entered into a 25 year 'Design, Build, Finance and Maintain' (DBFM) arrangement with the Scottish Government via the Scottish Futures Trust, for the provision of a further new secondary school. The school is due to be handed over for use by the Council during 2017/18.

Events after the Balance Sheet date
Events since the Balance Sheet date (31 March 2017) until the date of signing the draft Statement of Accounts (28 June 2017) have been taken into consideration (Note 8 on page 60).

Group Accounts
Local authorities are required to prepare group accounts in addition to their own Financial Statements where they have material interest in other organisations. The group accounts on pages 107 to 116 consolidate the Council's Financial Statements, the Common Good and Trust Funds and six other entities (including two subsidiaries – West Dunbartonshire Leisure Trust and Clydebank Property Company). The effect of combining these entities on the Group Balances Sheet is to increase reserves and net assets by £15.322m creating an overall net asset of £162.541m. This includes the combined pension liability of these organisations similar to that of the Council. However, as there is no reason to suggest the future funding to these organisations will not continue, the accounts have been prepared on a going concern basis.

Management Commentary (Cont'd)

The Financial Outlook and the Annual Budget process
During the course of the year, the Council faced a number of significant financial pressures resulting from reducing central government funding, inflationary and service demand increases and the ongoing impact of the economic position and welfare reform. The latest projections for public sector expenditure from the Treasury, as well as various financial institutions, outline a scenario where resources are anticipated to continue to decline in real terms over the next five years. At the same time demand for services is expected to continue to increase driven by demographic change and policy pressures. The Scottish Government settlement for 2017/18 was a one year settlement and reduced funding to the Council due to Scottish Government reducing general funding levels to Councils.

The Council has agreed a Long Term Financial Strategy which is reviewed annually and provides some detailed analysis of issues for the next three financial years and some potential higher level issues and risks over the next 10 years. The financial strategy aims to allow the Council to plan ahead and take appropriate action to maintain budgets within expected levels of funding.

The Council refreshed the Long Term Financial Strategy in October 2016 and in setting the Council budget for 2017/18 in February 2017. Following the setting of the budget in February 2017, the projections have identified current expected gaps of £7.885m in 2018/19 and a further £3.512m for 2019/20. The strategy will be reviewed by Council later by October 2017 and in setting the budget for 2018/19.

At Council in February 2017, the Council also updated the General Fund and HRA capital plans and set the HRA budget for 2017/18. The capital plans approved included funding for a number of projects over the next three years and the revenue impact of these investments will be built into future revenue plans.

Management of Risk
The main financial risks identified by the Council over the medium and long term are highlighted within the Council's Long Term Financial Strategy and includes:

- the unknown position from the national government on funding for future years particularly given the projected decline in Council population and the likelihood of continued austerity measures;
- the impact on the welfare reform agenda (introducing changes to the welfare benefits systems);
- changing demands and needs for Council services (particularly in relation older people);
- Council also plans major investment in a number of significant capital projects which will change the way in which some services are delivered and are partially funded through projected revenue savings – there is a risk that expected savings are not as expected.

Risks are identified with actions to minimize and/or mitigate those risks (where possible) through the Council's performance monitoring system (covalent), which is reported to Members on a regular basis. The Scottish Government changed Council Tax rules for higher banded houses from 2017/18 and there is potential for further reform of local government funding and organisation over the next few years.

Ongoing and Future Events
In recognition of the projected ongoing financial position, the Council continues to identify service redesign and business transformation options and these will be reported to appropriate Committees during 2017/18. Significant cost reductions have been generated through planned actions to generate savings and more efficient ways of working. A number of major projects have been underway during 2017/18 as follows:

Management Commentary (Cont'd)

Ongoing and Future Events (cont'd)

- Glasgow City Region City Deal – the Council, together with a number of other Scottish local authorities, is participating in the Glasgow Region City Deal. The City Deal consists of a number of significant capital projects across the area together with employability projects – in order to generate economic regeneration and additional jobs. The project within the City Deal specific to the Council is an infrastructure project at the Exxon site at Bowling to regenerate that site and to create a relief road along the A82 at Milton. The project development is progressing with the outline business case approved during 2016/17 and the final business case due for consideration by 2019;

- Development of Queens Quay and District Heating – the Council in partnership with the private sector are funding the redevelopment of Queens Quay in Clydebank – bringing a significant former industrial site back into use. This project will be home to a new Council-run care home for older people; a new medical centre run by the Greater Glasgow Health Board; around 1,000 new homes; and some commercial provision. This longer term project should support the economic development of Clydebank and is expected to generate net in-migration to West Dunbartonshire. In 2016/17 Council and the Scottish Government approved the development of an innovative district heating system on this site to provide heat to all of the existing and new provision along the waterfront and beyond; and

- Strategic Programmes – In setting the budgets for 2015/16 and 2016/17 Council approved a range of projects to generate efficiencies. Some of these are capital funded projects where funding has been approved by Council. Significant projects include: Office Rationalisation; Care Home reprovision; shared services; new Clydebank leisure Centre, amongst others. Senior management monitors progress on agreed efficiency projects through the Change Board and budgetary control reports provide updates on progress to Members. Where appropriate, business cases will be developed, and where required reports will come to future Council and Committees for consideration.

Remuneration Report
This report presents information on the remuneration of senior elected members and senior officers within the Council (pages 18 to 25).

Financial Performance Indicators
This commentary includes information on a set of financial performance indicators. These are aimed at providing the reader with a summary of key information.

Management Commentary (Cont'd)

Financial Performance Indicators (Cont'd)

2015/16			2016/17
	Housing Performance		
£0.105m	Total rent owed by tenants leaving their tenancies with arrears	Demonstrates the Council's effectiveness in collecting local housing rents	£0.063m
£430.10	Average rent owed by tenants leaving their tenancies with arrears	Demonstrates the Council's effectiveness in collecting local housing rents	£312.67
10.37%	Percentage of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	10.33%
1,038	number of current tenants owing more than 13 weeks rent, excluding those owing less than £250	Demonstrates the Council's effectiveness in collecting local housing rents	1,025
8.59%	Current / former / total tenant arrears as a percentage of net rent due in year	Demonstrates the Council's effectiveness in collecting local housing rents	7.87%
£3.261m	Amount of current/ former/ total tenant rent arrears	Demonstrates the Council's effectiveness in collecting local housing rents	£3.056m
100%	Value of free reserves expressed as a percentage of the prudential reserve target	Demostrates how much free reserves the HRA has, in comparison to the agreed minimum	100%
2.00%	Value of free reserves expressed as a percentage of the net annual budget	Demostrates the percentage of budget covered by free reserves (2% minimun target)	2.00%
(£0.034m)	Movement in the free reserve balance	Demostrates variances contributing to the overall free reserve position	(£0.016m)
96.51%	Revenue budget compared to actual outturn at year end	Demostrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	98.16%

2015/16			2016/17
	General Services Performance		
£10.26	Cost of collecting council tax (per dwelling)	Demonstrates the Council's effectiveness in collecting local taxation	£12.84
13.91%	Council tax as a percentage of overall funding	Demostrates the amount of budget raised through council tax	14.68%
94.45%	In-year council tax collection rate	Demonstrates the Council's effectiveness in collecting local taxation	95.21%
£30.133m	Amount of income due from council tax for the year that was received	Demonstrates the Council's effectiveness in collecting local taxation	£30.653m
111%	Value of free reserves expressed as a percentage of the prudential reserve target	Demostrates how much free reserves the GS has, in comparison to the agreed minimum	112%
2.19%	Value of free reserves expressed as a percentage of the net annual budget	Demostrates the percentage of budget covered by free reserves (2% minimun target)	2.18%
(£1.043m)	Movement in the free reserve balance	Demostrates variances contributing to the overall free reserve position	(£0.083m)
100.31%	Revenue budget compared to actual outturn at year end - including top up of provisions	Demostrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	99.11%

2015/16			2016/17
	Prudence And Affordability – Capital		
4.77%	Ratio of financing costs to net revenue stream – General Services	Demostrates how much of the General Fund revenue budget is used to support previous capital investment	5.06%
33.67%	Ratio of financing costs to net revenue stream – HRA	Demostrates how much of the HRA revenue budget is used to support previous capital investment	31.52%
£53.98	Impact of prudential borrowing on council tax – General Services	Illustrates the impact of new borrowing during the last financial year on council tax	£68.96
£1.59	Impact of prudential borrowing on housing rents – HRA	Illustrates the impact of new borrowing during the last financial year on housing rents	£0.68
£412.449m	Capital Financing Requirement	The amount of planned capital expenditure not yet funded	£464.275m
£321.958m	External Debt Levels	The amount of external debt held by the Council. Increases due to funding of the capital programme	£379.523m

Management Commentary (Cont'd)

Conclusion
The financial results show the Council's finances in a fairly healthy position and, considering the significant and exceptional financial pressures being faced by the Council, we have successfully managed our affairs within the budget set and the financial objectives prescribed. This is a satisfactory outcome and reflects well on both the efforts and professionalism of management, budget holders and on the Council's financial management and monitoring procedures.

Acknowledgement
The production of the Annual Financial Statements is very much a team effort and I wish to record our thanks to both Finance staff and to colleagues in all services whose efforts have contributed to the completion of these Statements of Accounts.

Councillor Jonathan McColl	Joyce White	Stephen West
Leader of the Council	Chief Executive	Strategic Lead - Resources
Date: 28 June 2017	Date: 28 June 2017	Date: 28 June 2017

Statement of Responsibilities

The Authority's Responsibilities:

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Strategic Lead – Resources (formerly known as the Head of Finance and Resources);
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far as is compatible with legislation, in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003); and
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Council at its meeting on 28 June 2017.

Signed on behalf of West Dunbartonshire Council

Councillor Jonathan McColl
Leader of the Council
Date: 28 June 2017

The Strategic Lead - Resources Responsibilities:

The Strategic Lead - Resources is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Strategic Lead - Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Strategic Lead - Resources has also:

- kept adequate accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Financial Statements give a true and fair view of the financial position of the local authority (and its group) at the reporting date and the transactions of the local authority (and its group) for the year ended 31 March 2017.

Stephen West
Strategic Lead - Resources
Date: 28 June 2017

Annual Governance Statement

The Annual Governance Statement is included within the Financial Statements to assure stakeholders on how the Council directs and controls its functions and how it relates to communities which will enhance transparency and scrutiny of the Council's activities.

Scope of Responsibility
West Dunbartonshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. It also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Council's Members and Corporate Management Team (CMT) is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has recently approved and adopted a revised Local Code of Corporate Governance (the Local Code), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government. A copy of this Code is available from the Council website at:
http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf

The concept underpinning the revised Framework is that it assists local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. This Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities;
- There is sound and inclusive decision making; and
- There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

This statement explains how the Council expects to comply with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements of the Statement on the System of Internal Financial Control.

The Local Code evidences the Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA.

The Council has also put in place a system of internal financial control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal financial control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Purpose of the Governance Framework
The governance framework comprises: the systems and processes; and culture and values - by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of the strategic objectives set out in the Strategic Plan.

The Governance Framework
The main features of our governance arrangements are described in the Local Code but are summarised below:

Annual Governance Statement (Cont'd)

The Governance Framework (cont'd)

- the overarching strategic vision and objectives of the Council are detailed in the Strategic Plan 2012/17, which sets out the key priorities of the Council;
- West Dunbartonshire Council Financial Statements for the Year Ended 31 March 2017;
- the Council operates within an established procedural framework which incorporates a scheme of delegation, standing orders and financial regulations. The Council facilitates policy and decision making through the agreed Committee structure;
- services are able to demonstrate how their own activities link to the Council's vision and priorities through their plans. Performance management and monitoring of service delivery is reported through service committees regularly. The CMT monitors performance information regularly. The Council regularly publishes information about its performance;
- the Council has adopted a Code of Conduct and associated employment policies for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members in a localised format. In addition, the Council has in place a protocol on member/ officer relations and in inter-party protocol;
- the Council's approach to risk management is set out in the risk management framework. A strategic risk register is in place and an update report on this is regularly submitted to the Audit and Performance Review Committee;
- comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development; and
- a governance framework has been in place at West Dunbartonshire Council for the year ended 31 March 2017 and up to the date of approval of the Financial Statements.

Review of Effectiveness

The Council has a responsibility for ensuring the continuing effectiveness of its governance framework and its system of internal financial control. The Council's revised Code of Good Governance was approved at the Audit & Performance Review Committee on 8 March 2017. An assessment of the Council's compliance with the Code of Good Governance was undertaken by a group of senior officers and the outcome of this assessment was reported to the Audit & Performance Review Committee on 21 June 2017.

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services. Each member of the Council's Corporate Management Team presents an annual statement of assurance on the adequacy and effectiveness of control (including financial control), governance and risk management arrangements within their service area. The Council's Audit & Risk Manager (the Council's Chief Internal Auditor) has responsibility for reviewing independently and reporting to the Audit and Performance Review Committee annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it.

The Audit and Performance Review Committee performs a scrutiny role in relation to the application of the Code of Good Governance and regularly monitors the performance of the Council's Internal Audit service.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013 and reports to the Audit and Performance Review Committee. An annual programme of work is determined and undertaken by Internal Audit, approved by the Audit and Performance Review Committee, based upon an established risk based methodology. The Audit & Risk Manager provides an independent opinion on the adequacy and effectiveness of the Council's System of Internal Financial Control.

It is our view that the Council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify areas of weakness. This is corroborated by an annual assurance statement prepared by the Audit & Risk Manager stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control systems.

Annual Governance Statement (Cont'd)

Review of Effectiveness (cont'd)
The system of governance (including the system of internal control) can provide only reasonable and not absolute assurance that the assets are safeguarded, the transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the Council's objectives have been mitigated. The following main issues and areas for improvement have been identified:

- Further enhancement of the workforce management system;
- Implementation of approved workforce planning process;
- Implementation of eBilling for Council Tax along with myAccount functionality;
- Develop new approaches to detecting fraud within the Corporate Fraud team;
- Implement Category Strategies for procurement activity;
- Enhance performance monitoring and scrutiny across the Council;
- Improve procurement processes and monitoring of contracts across the Council;
- Roll out the Procurement Request Form and Procurement Awareness Toolkit across the Council;
- Enhance compliance with Strategic Environmental Assessment Legislation;
- Further developments of ICT infrastructure to ensure consistent stability; and
- Implement "Be the Best Conversations" across the Council.

As stated above a self-evaluation review of the Council's revised Code of Good Governance has identified that current practice within the Council is mainly compliant although there are some areas for improvement including the following main themes (the report to Audit and Performance Review Committee provides more detail on these):

- Communications;
- Strategic / Service Planning;
- Benchmarking and Continuous Improvement
- Community Planning and Engagement;
- Sustainability;
- Options Appraisal Process; and
- Records Management Policy.

WDC Internal Audit has recently carried out a review of West Dunbartonshire Health and Social Care Partnership (WDHSCP) Board's Governance, Performance & Financial Management arrangements. This review confirmed that the systems examined are generally working effectively. The HSCP is currently making arrangements to consider its own compliance with the revised Code of Governance.

The Council welcomes the approach taken by external inspection agencies, through the Local Area Network to develop a comprehensive annual Local Scrutiny Plan (LSP) which is proportionate and based upon risks identified. The 2016/17 LSP identified a number of areas of risk which the Council has been working on over the last year. A recently published update to the LSP, covering 2017/18, was reported to Council on 28 June 2017 and notes 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. The LAN did not identify any specific areas from the risk assessment where specific scrutiny was required, other than scrutiny that was nationally directed or part of a planned programme of work. The LAN members followed up on some areas that were identified in the 2016/17 LSP for ongoing oversight and monitoring which are detailed below:

- Housing & Homelessness – whilst there is evidence of positive progress in Housing, the pace of change needs to continue to sustain and build on improvements already achieved;
- Staff Absence levels – requires ongoing oversight and monitoring; and
- Financial sustainability – The LAN recognises that the Council has managed its finances proactively however, as there is still uncertainty in the wider economic climate the financial position will continue to be kept under review and reported in the 2016/17 Annual Audit.

Annual Governance Statement (Cont'd)

Review of Effectiveness (Cont'd)
Delivery of Education is no longer an area which requires ongoing oversight and monitoring by the LAN. The following new risk was identified by the LAN requiring ongoing oversight and monitoring:

- Shared Services - delivering services with partners has been identified by the Council as an area where savings could be realised over the next three years. However identifying further opportunities for shared services has not progressed as quickly as initially expected and therefore the savings targets have not been achieved.

Strategic Leads have identified, through their service planning processes, actions to deliver on these four areas and the strategic / high level elements of these have been brought together in an action plan which will be separately monitored with quarterly progress reports to the Audit & Performance Review Committee. We are satisfied that these steps address the need for improvements and we will monitor their implementation and operation as part of our next annual review.

A continuing area of risk relates to the ongoing implementation of the UK Government's Welfare Reform agenda which is anticipated to continue until 2020, with likely impact on Council finances.

Financial Considerations
Statement on the role of the Chief Financial Officer in local government
CIPFA published this statement in 2010 and under the Local Code the Council is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact. The full statement is that the Chief Financial Officer in a public organisation:

- is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and
- must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:
- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

The Council considers that it complies with the above Statement.

Assurance
Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2016/17 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principle objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment with plans in place to address improvement areas.

Jonathan McColl	**Joyce White**	**Stephen West**
Leader of the Council	**Chief Executive**	**Strategic Lead - Resources**
Date: 28 June 2017	**Date: 28 June 2017**	**Date: 28 June 2017**

Remuneration Report

Introduction

The Council is required under statute to provide information on the remuneration of each senior officer and each senior elected member, together with any other officer not otherwise included whose remuneration is over £0.150m per annum. All information disclosed in the tables 1-6 and section (b) of the Remuneration Report is due to be audited by Audit Scotland. The other Sections have been reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

Remuneration - Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2016 (SSI No. 2016/6). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as the Leader of the Council, the Civic Head (Provost), Senior Councillors and Councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure. The regulations stipulate that in addition to the Leader of the Council and the Provost, West Dunbartonshire can appoint a maximum of ten Senior Councillors. The level of remuneration paid to the Leader of the Council, Provost and Senior Councillors is detailed in Table 1 below.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2016/17 the salary for the Leader of West Dunbartonshire Council was £33,789. The Regulations also state that the maximum yearly amount that may be paid to the Provost (£25,341) is 75% of the total yearly amount payable to the Leader of the Council.

The Regulations also state the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor (£25,341) is 75% of the total yearly amount payable to the Leader of the Council. For 2016/17 the total yearly amount payable by the Council for remuneration of all of its Senior Councillors shall not exceed £211,180. The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. The Council policy is to pay Senior Councillors a salary of £21,118.

During 2016/17, the Council agreed the appointment of a Council Leader, Provost and 10 Senior Councillors and the remuneration paid to the 10 Senior Councillors totalled £211,180 per annum. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become Councillor members of the pension scheme. The pension entitlements for the year to 31 March 2017 are shown in Table 5 on page 24.

The Scheme of Members Allowances which encompasses the salaries of all elected members including the Leader, Provost and Senior Councillors was agreed at a meeting of the full Council on 16 May 2012. The report to Council and the Register of Members' Expenses is available at:

https://www.west-dunbarton.gov.uk/council/councillors-and-committees/

The regulations also set out the amounts a Councillor may be paid for being a convener or vice-convener of a Joint Board. For 2016/17 the remuneration for the post of Convener of the Valuation Joint Board is £21,118 per annum.

Remuneration Report (Cont'd)

a) Table 1: Remuneration of Senior Councillors

		Year ended 31 March 2017				2015/16
Name	Position	Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses, Benefits-in kind	Total Remuneration	Total Remuneration
		£	£	£	£	£
Martin Rooney	Leader of Council Convener of Recruitment & Individual Performance; Community Alliance Committee	33,789	0	0	33,789	33,454
Douglas McAllister	Provost (Civic Head)	25,341	0	0	25,341	25,090
John Millar	Depute Provost	21,118	0	0	21,118	20,909
Patrick McGlinchey	Depute Leader Convener Infrastructure Regeneration & Economic Dev Community; Joint Consultative Forum	21,118	0	0	21,118	20,909
Gail Casey	Convener of Community Health Care Partnership; Argyll, Bute & Dunbartonshire Criminal Justice; Integrated Joint Board (HSCP)	21,127	0	0	21,127	20,844
Lawrence O'Neill	Convener of Licensing Committee; Planning Committee	21,118	0	0	21,118	20,909
Kathleen Ryall	Convener of Corporate Services Committee	21,127	0	0	21,127	20,844
Thomas Rainey	Convener of Appeals Committee	21,118	0	0	21,118	20,909
John Mooney	Convener of the Licensing Board	21,118	0	0	21,118	20,909
Michelle McGinty	Convener of Education Services Committee; Education, Grievance & Disciplinary Committee	21,118	0	0	21,118	20,909
David McBride	Convener of Housing and Communities Committee; Tendering Committee	21,118	0	0	21,118	20,909
Jonathan McColl	Leader of Opposition Convener of Audit & Performance Review Committee	21,118	0	0	21,118	20,909
James Brown	Convener of Valuation Joint Board	21,118	0	0	21,118	20,909

Note:

1. The term *Senior Councillor* means a Leader of the Council, the Civic Head or a Senior Councillor, all as defined by regulation 2 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(3).
2. Salaries allowances and expenses in 2016/17 have been included only for senior Councillors. For those Councillors still active and no longer senior, the allowances are, therefore, noted as £0.

Remuneration Report (Cont'd)

b) Remuneration paid to Councillors

The Council paid the following salaries, allowances and expenses to all Councillors (including the Senior Councillors above) during the year.

2015/16 £000		2016/17 £000
439,282	Salaries	443,500
23,922	Expenses	22,125
463,204	**Total**	**465,625**

Note:

1. The annual return of Councillors' salaries and expenses for 2016/2017 is available for any member of the public to view at all Council libraries and public offices during normal working hours and is also available on the Council's website at www.west-dunbarton.gov.uk.

c) Remuneration of Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. Circular CO/148 sets the amount of salary for the Chief Officials of West Dunbartonshire Council for the period 2015 to 2017. The post of Chief Officer Health and Social Care Partnership is a joint post between West Dunbartonshire Council and NHS Greater Glasgow and Clyde.

The only benefits received by employees are salary and employer contributions to the pension fund. There were no bonuses, compensation for loss of office or other benefits paid to senior employees during the year. The salary details for senior employees are noted in table 2.

Table 2: Remuneration of Senior Employees

Name	Position at 31/03/17	Salary, Fees and Allowances 2016/17	Total Remuneration 2015/16
		£	£
Joyce White	Chief Executive	132,526	124,615
Angela Wilson	Strategic Director of Transformation and Public Sector Reform	105,889	104,451
Richard Cairns	Strategic Director of Regeneration, Environment and Growth	105,889	104,451
*Keith Redpath	Chief Officer - Health and Social Care Partnership	53,717 (full time equivalent £107,435)	51,536 (full time equivalent £103,072)
Jackie Irvine	Strategic Lead - Children's Health, Care & Criminal Justice	85,731	84,618
Stephen West	Strategic Lead - Resources	85,731	84,197

Remuneration Report (Cont'd)

c) Remuneration of Senior Employees (Cont'd)

* Details of Mr. Redpath's remuneration are included within the accounts of the National Health Service Greater Glasgow & Clyde. The figure shown for Mr. Redpath under Salary, Fees and Allowances, represents the contribution made by West Dunbartonshire Council to NHS Greater Glasgow and Clyde towards Mr. Redpath's salary.

Notes

1. The term *senior employee* means any local authority employee:
   - who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
   - who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4); or
   - whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

2. The figure for gross salary, fees and allowances shown for the Chief Executive for the year ended 31 March 2017 would include any amounts received as the Returning Officer for West Dunbartonshire in elections. For the year to 31 March 2017 there were two elections: The Scottish Parliament Election and the EU Referendum and, therefore, amounts are included.

3. The Local Government (Discretionary Payments and Injury Benefits)(Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

d) Remuneration of Employees receiving more than £50,000

Council employees receiving more than £50,000 remuneration for the year were paid the following amounts. In accordance with the disclosure requirement of the Regulations, the information in the table shows the number of employees in bands of £5,000. This information includes the senior employees who are subject to the fuller disclosure requirements in the tables above.

Table 3: Remuneration of Employees

Remuneration Bands	Number of Employees	
	2016/17	**2015/16**
£50,000 - £54,999	41	51
£55,000 - £59,999	33	32
£60,000 - £64,999	18	12
£65,000 - £69,999	1	3
£70,000 - £74,999	1	3
£75,000 - £79,999	1	7
£80,000 - £84,999	9	3
£85,000 - £89,999	1	1
£100,000 - £104,999	1	2
£105,000 - £109,999	1	0
£110,000 - £114,999	0	1
£120,000 - £125,999	0	1
£130,000 - £134,999	1	0
Total	**108**	**116**

Remuneration Report (Cont'd)

Pension Benefits

Pension benefits for Councillors and most local government employees are provided through the Local Government Pension Scheme (LGPS). Councillors' pension benefits are based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits. The pension entitlements for the year to 31 March 2017 are shown in Table 5 on page 24. The table details the pension entitlement and contributions made by West Dunbartonshire Council in respect of all senior Councillors and senior officers of the Council who have opted to join the LGPS.

For local government employees, the LGPS 2015 is a career average pension scheme. This means that pension benefits from 01/04/2015 are based on pensionable pay with inflation added. Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 60 but are reduced if taken earlier than Normal pension Age (State Pension Age). Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.

From 1 April 2009, a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Table 4 provides information on these tiered contribution rates.

Table 4: Contribution Rates

	Contribution rate 2016/17	Contribution rate 2015/16
The tiers and members contribution rates for 2016/17 whole time pay:		
Local Government employees		
On earnings up to and including £20,500 (£20,500)	5.50%	5.50%
On earnings above £20,500 (£20,500) and up to £25,000 (£25,000)	7.25%	7.25%
On earnings above £ 25,000 (£25,000) and up to £34,400 (£34,400)	8.50%	8.50%
On earnings above £34,400 (£34,400) and up to £45,800 (£45,800)	9.50%	9.50%
On earnings above £45,800 (£45,800)	12.00%	12.00%
The tiers and members contribution rates for 2016/17 actual pay:		
Teachers		
On earnings up to and including £25,999	7.20%	7.20%
On earnings above £ 25,999 and up to £34,999	8.70%	8.70%
On earnings above £ 34,999 and up to £41,499	9.70%	9.70%
On earnings above £41,499 and up to £54,999	10.40%	10.40%
On earnings above £54,999 and up to £74,999	11.50%	11.50%
On earnings above £74,999	11.90%	11.90%

Remuneration Report (Cont'd)

Pension Benefits (Cont'd)
If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service, and not just their current appointment.

The pension entitlements for the year to 31 March 2017 for Senior Councillors are shown in table 5, together with the contribution made by West Dunbartonshire Council to each Senior Councillor's pension during the year:

Remuneration Report (Cont'd)

Pension Benefits (Cont'd)

e) Table 5: Pension Benefits of Senior Councillors and Senior Employees

		In-year pension contributions		Accrued pension benefits	
Name	**Position at 31/03/17**	**For year to 31 March 2017**	**For year to 31 March 2016**	**As at 31 March 2017**	**As at 31 March 2016**
Senior Councillors		**£**	**£**	**£**	**£**
Martin Rooney	Leader of Council Convener of Recruitment & Individual Performance Committee Convener of Community Alliance Committee	6,521	6,457	7,072	6,096
Gail Casey	Convener of Community Health Care Partnership Convener of Argyll, Bute & Dunbartonshire Criminal Justice Integrated Joint Board (SCP)	4,062	4,023	4,969	4,428
Kathleen Ryall	Convener of Corporate Services Committee	4,062	4,023	1,901	1,435
John Mooney	Convener of Licensing Board	4,076	4,035	1,912	1,446
Michelle McGinty	Convener of Education Services Committee; Education, Grievance & Disciplianry Committee	4,076	4,035	1,912	1,446
David McBride	Convener of Housing & Communities Committee Convener of Tendering Committee	4,076	4,035	4,846	4,269
Jonathan McColl	Leader of Opposition Convener of Audit & performance Review Committee	4,076	4,035	4,788	4,260
Lawrence O'Neill	Convener of Licensing Committee Convener of Planning Committee	4,076	4,035	1,223	776
Senior Employees					
Joyce White	Chief Executive	25,035	23,893	24,546	21,905
Angela Wilson	Strategic Director of Transformation and Public Sector Reform	20,361	20,159	138,064	134,546
Richard Cairns	Strategic Director of Regeneration, Environment and Growth	20,361	20,159	56,082	53,376
Keith Redpath	Chief Officer - Health and Social Care Partnership	0	0	0	0
Jackie Irvine	Strategic Lead - Children's Health, Care & Criminal Justice	16,485	16,331	50,850	48,632
Stephen West	Strategic Lead - Resources	16,485	16,331	109,750	106,983

Remuneration Report (Cont'd)

Pension Benefits (Cont'd)

All employees in table 5 above, with the exception of Mr. Redpath are members of the Local Government Pension Scheme. Mr. Redpath is a member of the NHS Superannuation Scheme (Scotland). Details of Mr Redpath's pension are included within the accounts of the National Health Service Greater Glasgow & Clyde and are therefore noted as zero in the Council accounts. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total public sector service, and not just their current appointment.

f) Table 6: Exit Packages

Banding	Number of compulsory packages		Number of other departures		Total Number		Total cost	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17 £	2015/16 £
£0 - £20,000	0	0	23	72	23	72	178,817	302,962
£20,001 - £40,000	0	0	9	7	9	7	245,043	188,836
£40,001 - £60,000	0	0	5	5	5	5	242,978	251,629
£60,001 - £80,000	0	0	0	2	0	2	0	139,959
£80,001 - £100,000	0	0	5	1	5	1	446,209	91,579
£100,001 - £150,000	0	0	4	2	4	2	452,451	239,142
£150,001 - £600,000	0	0	0	5	0	5	0	904,349
Total	**0**	**0**	**46**	**94**	**46**	**94**	**1,565,498**	**2,118,456**

The total cost of £1.565m for 2016/17 in Table 6 above includes £1.296m for exit packages that have been agreed, accrued for and charged to West Dunbartonshire Council's Comprehensive Income and Expenditure Statement.

Jonathan McColl
Leader of the Council
Date: 28 June 2017

Joyce White
Chief Executive
Date: 28 June 2017

Core Financial Statements

The financial statements comprise the following primary statements:

- Comprehensive Income and Expenditure Statement;
- Movement in Reserves Statement;
- Balance Sheet;
- Cashflow Statement; and
- Summary of significant accounting policies and other explanatory notes.

Comprehensive Income and Expenditure Statement
This statement shows the accounting cost, for 2016/17, of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the movement in reserves statement.

Movement in Reserves Statement
This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the authority's services, more details of which are shown in the comprehensive income and expenditure statement. These are different from the statutory amounts required to be charged to the general fund balance and the housing revenue account for council tax setting and dwelling rent setting purposes. The net increase/decrease before transfer to earmarked reserves line shows the statutory general fund balance and housing revenue account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Balance Sheet
The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories:

1. Usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt); and

2. Non-usable reserves, i.e. those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the MIRS line 'adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement
The cash flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Comprehensive Income and Expenditure Statement

2015/16 Gross Expenditure £000	2015/16 Gross Income £000	2015/16 Net Expenditure £000		2016/17 Gross Expenditure £000	2016/17 Gross Income £000	2016/17 Net Expenditure £000
			Service			
75,018	52,572	22,446	Corporate Services	72,733	50,477	22,256
96,223	4,769	91,454	Educational Services	98,412	5,445	92,967
67,081	26,710	40,371	Infrastructure, Regeneration and Economic Development	57,572	24,519	33,053
9,025	6,227	2,798	Housing and Communities	7,457	5,188	2,269
37,451	40,118	(2,667)	Housing Revenue Account	37,776	40,625	(2,849)
8,401	2,992	5,409	Miscellaneous Services	7,229	6,423	806
133,105	68,654	64,451	Health and Social Care Partnership	149,705	83,549	66,156
2,586	0	2,586	Requisitions	2,575	0	2,575
428,890	**202,042**	**226,848**	**Net Cost of Service (1)**	**433,459**	**216,226**	**217,233**
		861	(Gain) / loss on Disposal of Fixed Assets			(1,146)
		861	**Other Operating Expenditure (2)**			**(1,146)**
		(30,714)	Council Tax			(31,592)
		(84,053)	Non-Domestic Rates			(82,793)
		(106,095)	Revenue Support Grant			(100,799)
		(15,738)	Recognised Capital Income (Grants, Contributions & Donations)			(8,229)
		(236,600)	**Taxation and Non-specific Grant Income (3)**			**(223,413)**
		(203)	Interest Earned			(177)
		18,909	External Interest Payable / Similar Charges			18,437
		836	(Gain)/Loss early settlement of borrowing			846
		(2,721)	Surplus on Trading Undertakings not included in net cost of services			(3,284)
		7,059	Pension Interest Cost/Expected Return on Pension Assets			5,462
		23,880	**Finance/Investment Income and Expenditure (4)**			**21,284**
		14,989	**(Surplus)/Deficit on Provision of Services (5) = (1)+(2)+(3)+(4)**			**13,958**
		2,180	(Surplus)/Deficit arising from revaluation of property, plant and equipment			(38,097)
		(863)	(Surplus)/Deficit on revaluation of available for sale assets			(691)
		(77,852)	Actuarial (gains)/losses on pension fund assets and liabilities			77,040
		(76,535)	**Other Comprehensive (Income) and Expenditure (6)**			**38,252**
		(61,546)	**Total Comprehensive (Income) and Expenditure (5) + (6)**			**52,210**

Movement in Reserves Statement

		Usable Reserves								
	Note	General Fund balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
2016/17										
Opening Balance at 1 April 2016		**(11,203)**	**(6,217)**	**0**	**(484)**	**(3,824)**	**(527)**	**(22,255)**	**(177,173)**	**(199,428)**
Movement in reserve 2016/17										
(Surplus) or deficit on provision of services		12,550	1,408	0	0	0	0	**13,958**	38,252	**52,210**
Other Comprehensive Expenditure and Income	7	(11,793)	(2,154)	0	18	0	0	**(13,929)**	13,929	**0**
Net Increase/(Decrease) before Transfers to Other Statutory Reserves		**757**	**(746)**	**0**	**18**	**0**	**0**	**29**	**52,181**	**52,210**
Transfers to/from other statutory reserves		(219)	0	0	0	191	28	**0**	0	**0**
Closing Balance at 31 March 2017		**(10,665)**	**(6,963)**	**0**	**(466)**	**(3,633)**	**(499)**	**(22,226)**	**(124,992)**	**(147,218)**
2015/16										
Opening Balance at 1 April 2015		**(9,623)**	**(4,570)**	**0**	**(421)**	**(4,012)**	**(433)**	**(19,059)**	**(118,823)**	**(137,882)**
Movement in reserve 2015/16										
(Surplus) or deficit on provision of services		12,876	2,113	0	0	0	0	**14,989**	(76,535)	**(61,546)**
Adjustments between accounting basis and funding basis under regulations	7	(14,362)	(3,760)	0	(63)	0	0	**(18,185)**	18,185	**0**
Net Increase/(Decrease) before Transfers to Other Statutory Reserves		**(1,486)**	**(1,647)**	**0**	**(63)**	**0**	**0**	**(3,196)**	**(58,350)**	**(61,546)**
Transfers to/from other statutory reserves		(94)	0	0	0	188	(94)	**0**	0	**0**
Closing Balance at 31 March 2016		**(11,203)**	**(6,217)**	**0**	**(484)**	**(3,824)**	**(527)**	**(22,255)**	**(177,173)**	**(199,428)**

Balance Sheet

2015/16 £000	Notes		2016/17 £000
760,302	18	Property, Plant and Equipment	839,486
45	19	Intangible Assets	29
58		Long Term Debtors	44
1,406	21	Heritage Assets	1,406
501		Long Term Investments	501
762,312		**Long Term Assets**	**841,466**
653	20	Asset Held for Sale	7,345
922	25	Inventories	1,146
35,413	26	Short Term Debtors	37,645
12,357	28	Cash and Cash Equivalents	12,030
49,345		**Current Assets**	**58,166**
(4,643)	31	Provisions	(3,223)
(36,642)	30	Short Term Creditors	(36,955)
(86,724)		Short Term Borrowing	(157,557)
(4,788)	28	Cash and Cash Equivalents	(2,718)
(132,797)		**Current Liabilities**	**(200,453)**
678,860		**Net Assets**	**699,179**
(325,649)		Long Term Borrowing	(310,255)
(153,740)	15	Net Pensions Liability	(240,926)
(43)	12	Capital Grants Receipts in Advance	(780)
(479,432)		**Long Term Liabilities**	**(551,961)**
199,428		**Total Assets Less Liabilities**	**147,218**
		Represented by:	
22,255	MIR	Usable Reserves	22,226
177,173	MIR	Unusable Reserves	124,992
199,428		**Total Reserves**	**147,218**

The unaudited Financial Statements were issued on 28 June 2017.

Stephen West
Strategic Lead - Resources
West Dunbartonshire Council
Date: 28 June 2017

Cash Flow Statement

2015/16 £000	Notes		2016/17 £000
		Operating Activities	
14,989		Net deficit on the provision of services	13,958
(48,460)		Adjustments to net surplus or deficit on the provision of services for non-cash movements	(39,002)
15,759		Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financial activities	8,141
(17,712)	27	**Net cash inflow from Operating Activities**	**(16,903)**
48,774	27	Investing Activities	70,598
(30,296)	27	Financing Activities	(55,438)
766			**(1,743)**
8,335	28	Cash and cash equivalents at the beginning of the reporting period	7,569
7,569	28	Cash and cash equivalents at the end of the reporting period	9,312
766	28	**Movement – Increase in Cash**	**(1,743)**

Notes to the Financial Statements

Note 1 - Accounting Policies

1. General Principles

The Financial Statements summarises the Council's transactions for the 2016/17 financial year and its position at the year end of 31 March 2017. The Council is required to prepare an Annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ("the code") and the Service Reporting Code of Practice 2016/17, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Financial Statements is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when payment is made or received. In particular:

- revenue from sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and when it is probable that the economic benefits associated with the transaction will flow to the Council;

- revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction and when it is probable that the economic benefits associated with the transaction will flow to the Council;

- expenses in relation to services received are recorded as expenditure when the services are received, rather than when payment is made;

- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption their value is carried as inventories on the Balance Sheet;

- interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows fixed or determined by the contract; and

- where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and charged to revenue for the income that might not be collected.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are investments that mature in three months or less from date of acquisition and that are readily convertible to known cash amounts, with insignificant risk of change of value.

Investments held by the Council comprise solely of short term lending of surplus funds to a limited number of pre-approved UK banks and other local authorities. All deposits are held in sterling. The carrying amount is the outstanding principal receivable.

Bank balances are included in the Balance Sheet at the closing balance in the Council's ledger and include cheques payable not yet cashed.

4. Changes in Accounting policies, Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, events or conditions on the Council's financial position or performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative figures, as if the new policy has always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years only.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative figures.

5. Charges to Revenue for Property, Plant and Equipment

Council Services and Trading Accounts are debited with the following amounts to record the cost of using or holding fixed assets during the year:

- depreciation, attributable to the assets used by the relevant service or trading account;
- revaluation and impairment losses, where there is no accumulated gain in the Revaluation Reserve;
- revaluation gains, where these reverse an impairment loss previously charged to the service or trading account; and
- amortisation of intangible fixed assets.

The Council is not required to raise council tax to cover depreciation, revaluation gains or losses or impairment losses. However, it is required to make annual provision from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisations are replaced by the revenue provision in the General Fund by an adjustment within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

6. Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. computer software and/or software licences) is capitalised when it is expected that future economic or service benefits will flow from the asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Assets are measured originally at cost and only revalued where the fair value of the asset can be determined by reference to an active market.

Where an intangible asset has a finite useful life, the depreciable amount of the asset is charged over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is recognised in the Surplus or Deficit on the Provision of Services when the asset is derecognised.

Where expenditure qualifies as capital for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance and are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

7. Property, Plant and Equipment

Assets that have physical substance and are held for the supply of goods and services, either directly or indirectly, and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

<u>Recognition</u>

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the asset can be measured reliably. Expenditure that maintains, but does not add to the asset's potential to deliver future economic benefits or service potential, is charged as an expense when it is incurred.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment (Cont'd)

Measurement

Initially measured at cost, comprising of:

- purchase price;
- any costs associated with bringing the asset to the location or condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of costs for dismantling and removing the item and restoring the site on which it is located to its original state.

The Council does not capitalise borrowing costs incurred during construction of an asset.

Where property, plant or equipment are acquired in exchange for a non monetary asset or assets, or a combination of monetary and non monetary assets, the cost of the acquired item shall be measured at fair value unless there is no economic substance to the exchange transaction, or the fair value of neither the asset received nor the asset given up can be reliably measured. The acquired item is measured at fair value even if the Council cannot immediately derecognise the asset given up. The acquired item is measured at the carrying amount of the asset given up if it is not measured at fair value.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community and assets under construction assets – historical cost;
- Council dwellings – fair value, determined in accordance with existing use value of social housing (EUV-SH);
- Other buildings – fair value. Where there is no market based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of fair value; and
- Plant and equipment and other non property assets – fair value. Where assets in this class have either short useful lives or low values (or both), depreciated historical cost is considered to be a proxy for fair value where the useful life is a realistic reflection of the life of the asset and the depreciation method provides a realistic reflection of the consumption of the asset class.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment (Cont'd)

Assets included in the Balance Sheet at fair value are re-valued regularly to ensure their carrying amount is not materially different from the fair value at the year end, as a minimum every 5 years. The programme of revaluation for 2016/17 and planned each of the following four years is as follows:

- 2016/17 Crematorium/Cemeteries/operational offices/depots/stores/car parks/non HRA residential properties
- 2017/18 All Council non-operational properties; and
- 2018/19 Schools/school houses/ social work homes/adult training centres/ community education centres/early education centres.
- 2019/20 Halls/ Public conveniences/ libraries/ outdoor centres/ golf course/ pavilions/ sports centres/ swimming pools/ travellers site/ car parks
- 2020/21 Any properties not previously re-valued / general re-appraisal/ HRA Housing Stock Valuation

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, the revaluation loss is accounted by:

- where a balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total gain); or
- where no balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at the end of each financial year for evidence in impairment or a reduction in value. Where indications exist and any possible differences are estimated to be material, the recoverable amount on the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where a balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount of the asset is written down against that balance (up to the total accumulated gains); or
- where no balance of revaluation gains for the asset is held in the Revaluation Reserve – the carrying amount is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment (Cont'd)

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes apparent that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classed as either a surplus asset or an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and the fair value less sale costs. Where there is a subsequent decrease to fair value less sale costs, the loss is posted to the Surplus and Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

Assets to be scrapped are not re-classified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount in the Balance Sheet is written off to the Surplus and Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Statement as part of a gain or loss on sale. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Council's underlying borrowing requirement. Receipts are appropriated to the Reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax. It is appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided on all property, plant and equipment over their useful economic lives, with an exception made for assets without a determinable finite useful life (i.e. non depreciating land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment (Cont'd)

The useful lives of assets, as estimated and advised by a suitably qualified officer, are as follows:

• Council dwellings	40 years	straight line
• Other buildings*	20-60 years	straight line
• Infrastructure	20 years	straight line
• Vehicles, plant, equipment	5-10 years	straight line
• Intangibles	5-10 years	straight line

* Including components such as structure, mechanical and electrical, etc.

Where an item of property, plant and equipment assets has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current depreciation charged on assets and the depreciation that would be chargeable based upon historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

8. Assets Held for Sale

Assets held for sale are those where the carrying amount will be recovered principally through a sale transaction rather than through continued use. Before an asset can be classified as held for sale, the following conditions must be met:

- the asset must be available for immediate sale in its present condition;
- the sale must be highly probable and an active programme to locate a buyer and complete the plan must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

The assets are measured at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length, less costs to sell at the initial classification and at the end of each reporting date. Assets are not depreciated. Revaluation gains shall be recognised for any initial or subsequent increase in fair value less costs to sell but not in excess of the cumulative impairment loss or revaluation loss that have been recognised in the Surplus of Deficit on the Provision of Services. Impairment losses (or revaluation losses) will be recognised for any subsequent decrease to fair value less costs to sell following reclassification in the Surplus or Deficit on the Provision of Service even where there is a balance on the assets Revaluation Reserve.

9. Heritage assets

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geographical or environmental qualities that are held and maintained primarily for their contribution to knowledge and culture.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

9. Heritage assets (Cont'd)

The authority holds heritage assets of six main types:

- Models of Ships;
- Works of Art;
- Silver and Commemorative Ware;
- Civic Regalia (Robes and Chains);
- Sewing Machine Collections; and
- Listed Buildings and Scheduled Ancient Monuments.

The models of ships, works of art, silver and commemorative ware, civic robes and sewing machine collections are the responsibility of Libraries and Museums and accounts for approximately 90% of the overall collection with the remaining 10% being recorded and accessioned into the collection on a regular basis in line with museum accreditation. These works are held at the following locations:

- Collections Store, Poplar Road
- Collections Store, Stanford Street
- Council Offices, Garshake Road; and
- Clydebank Town Hall.

Ships models, works of art and silver and commemorative ware are included in the balance sheet based on the last formal valuations by Bonhams, Sotheby's and Phillips respectively. Further formal valuations will be commissioned where it is considered that there could potentially be a material change in the value of the assets held and where the value of the asset is estimated to be in excess of £10,000.

Civic chains relates to the chains of office held at Council Headquarters at Garshake Road, Dumbarton and worn by office bearers (such as the Provost and Deputy Provost) at ceremonial and civic events.

Listed buildings and scheduled ancient monuments are the responsibility of Housing, Environmental and Economic Development. These assets include memorial structures and buildings as well as statues and fountains.

Heritage assets shall be presented separately in the balance sheet from other property, plant and equipment. The assets shall be measured at historic cost or fair value. Where the Council considers that it is not practical to obtain a reliable valuation, the asset shall not be recognised on the Balance Sheet. Where assets are measured at fair value, valuations shall be made by any method that is appropriate.

The carrying amounts are reviewed where there is evidence of impairment e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

No depreciation shall be chargeable on any heritage asset, in view of the indeterminate life and residual value.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

9. Heritage assets (Cont'd)

The proceeds from any disposal of heritage assets are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Models of Ships

The models included within this collection include MV Rangitane, MV Essex and HMS Vanguard. Assets are reported in the balance sheet based on the last formal valuation by Bonhams.

Works of Art

There are 470 paintings within the works of art collection. The paintings are reported in the balance sheet based on the last formal valuation by Sotheby's and Bonhams. Where a lower and upper valuation has been provided the mid valuation has been used

Acquisitions are made by purchase or donation. Purchased assets are initially recognised at cost and donations are recognised at valuation where that value is estimated to be greater than the threshold of £10,000 as specified above.

Silver and Commemorative Ware

The items included within this collection are reported in the balance sheet based on the last formal valuation by Phillips.

Civic Regalia

Civic regalia predominately relates to the collection of provost robes and chains of office. The robes are not recognised on the balance sheet as they are considered to have no significant value. However the chains are reported in the balance sheet at insurance value. It would be relatively rare for the authority to purchase, or dispose of, items of civic regalia.

Sewing Machine Collection

There are 809 sewing machines (of various models) included within the sewing machine collection. These collections are not recognised on the balance sheet as cost information is not readily available. Nearly all the items are believed to have an immaterial value.

Listed Buildings and Scheduled Ancient Monuments

The authority holds and maintains listed buildings and ancient monuments of historic significance, many of which are tributes to the war dead. These assets are not recognised on the balance sheet as it is considered that there is a lack of available, comparable market values to establish a 'fair value'.

It is unlikely that the authority would procure such assets but is more likely to refurbish or enhance existing structures. In this respect, the cost of those works will be capitalised at cost.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

10. Construction Contract (Work in Progress)

Work in progress is valued at cost plus an appropriate proportion of overheads, together with attributable profits and allowances for foreseeable losses.

11. Employee Benefits

Benefits payable during employment

Short term employee benefits (i.e. fall due within 12 months of the year-end), such as wages and salaries, paid leave, paid sick leave, bonuses and non monetary benefits for current employees are recognised as an expense in the year in which the employees render service to the Council. An accrual is made against the services in the Surplus or Deficit on the Provision of Service for the costs of holiday entitlement and other forms of leave earned by the employee but not taken before the year end and which employees can carry forward into the next financial year. Any accrual made is required under statute to be reversed out of the General Fund balance by a credit to the Statutory Mitigation Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision made by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept a voluntary termination package in exchange for those benefits. Termination benefits do not provide the Council with future economic benefits and consequently they are recognised on an accruals basis immediately in the Surplus or Deficit on the Provision of Services line in the Comprehensive Income and Expenditure Account when the authority is demonstrably committed to provision of the termination benefits.

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purpose of the statutory transfer between the Pension Reserve and the General Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement appropriations are required to and from the Pension Reserve to remove notional debits and credits for termination benefits related to pensions enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

Post Employment Benefits

Employees of the Council are members of two separate pension schemes:

- the Teachers' Pension Scheme, administered by the Scottish Pensions Agency; and
- the Local Government Pensions Scheme, administered by Glasgow City Council

Both schemes provide defined benefits to members earned as employees of the Council. However, the arrangements for the Teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme – no liability for future payments of benefits is recognised in the Balance Sheet, and the Education Service line in the Comprehensive Income and Expenditure Account Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme in the year.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

11. Employee Benefits (Cont'd)

Post Employment Benefits (Cont'd)

The Local Government scheme is accounted for as a defined benefits scheme:

- the liabilities of the pension fund attributable to the Council are included within the Balance Sheet on an actuarial basis using the projected unit method (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based upon assumptions about mortality rates, employee turnover rates, projection of earnings for current employees, etc.;

- liabilities are discounted to their value at current prices using a discount rate based upon the indicative return rate on long dated high quality corporate bonds; and

- the assets of the local government pension fund attributable to the Council are included in the Balance Sheet at bid value and are split into quoted prices in active markets and prices not quoted in active markets. They are now shown in the notes in more detail split by:-
  - equity securities;
  - debt securities;
  - private equity;
  - real estate;
  - investment funds; and
  - derivatives cash.

- the change in the net pensions liability is analysed into seven components:

  - Current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked;

  - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;

  - Net interest expense – the expected increase in the present value of liabilities during the year as they move one year closer to being paid less the fair value of plan assets – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;

  - Gains/losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

11. Employee Benefits (Cont'd)

Post Employment Benefits (Cont'd)

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve; and

- Contributions paid to the local government pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities is not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated in accordance to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pension Reserve to remove any notional debits and credits for retirement benefits and replace them with the cash paid or payable at the year end, to the pension fund and pensioners. The negative balance that arises on the Pension Reserve measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) arising from the use of these discretionary powers are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the local government pension scheme

12. Events after the reporting period

Events after the reporting period are those events (both favourable and unfavourable) that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types have been identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements is adjusted to reflect this; and

- those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect this. However, if the event is material, a disclosure is made within the notes of the nature and financial effect.

13. Exceptional items

When items of income and expenditure are material, their nature and amount is disclosed separately, either within the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the Council's financial performance.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

14. Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based upon the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowing that the Council has this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement regulations allow the impact on the General Fund balance to be spread over future years. Premiums and discounts that were on the balance sheet as at 31 March 2007 are written off in accordance with the schedules in place at that time, however premiums and discounts that are incurred as a result of transactions that have taken place since 1 April 2007 are written off in accordance with regulations as follows:

Modified Loans

- both old and new premiums and discounts are amortised over the life of the new loan using the effective interest rate as noted above.

Unmodified Loans

- new premiums and discounts are written off over the life of the new loan (if fixed) or over a maximum of 20 years (if variable or with an option to vary);
- old premiums are written off over a maximum of 20 years; and
- old discounts are written off over a maximum of 5 years.

Straight Repayment

- both old and new premiums and discounts are written off over a maximum of 5 years.

15. Financial Assets

The reconciliation of amounts is charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

15. Financial Assets (Cont'd)

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments

Loans and receivables

Loans and receivables are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value.

They are then measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most other the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where soft loans are made and are material, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service line) for the present value of the interest that will be foregone over the life of the loan, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the community groups, with the difference increasing the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable for the financial year – the reconciliation of amounts debited or credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains or losses that arise on the de-recognition of an asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

15. Financial Assets (Cont'd)

Instruments entered into since 1 April 2006

Any financial guarantees the Council has committed to since 1 April 2006 have been recognised at fair value and assessed for probability of the guarantee being called and the likely amount payable under the guarantee. Any material provision for this has been recognised in the Financial Statements to the extent that provisions might be required or a contingent liability note is needed.

16. Fair Value Measurement

The Council measures some on its non-financial assets and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

17. Government grants and contributions

Whether paid on account, by instalments or arrears, government grants and third party contributions and donations are recognised as due by the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

17. Government grants and contributions (Cont'd)

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified for future economic benefit or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non Specific Grant Income (non ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has not yet been used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

18. Inventories

Inventories are included in the Balance Sheet at the lower of cost and current replacement cost where they are held for distribution at no charge or for a nominal charge; or consumption in the production process of goods to be distributed at no charge or for a nominal charge.

19. Leases

Leases are classified as finance leases where the terms transfer substantially all the risks and rewards incidental to ownership from the lessor to the lessee. All other leases are classified as operational. Where the lease covers both land and buildings, the elements are considered separately for classification.

Council as Lessee

Finance Leases
Assets held under finance lease are recognised in the Balance Sheet at the start of the lease at its fair value at the lease's inception, or, if lower the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay. Initial direct costs to the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged to revenue in the years they incur. Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability; and

- a finance charge (debited to the Financing and Investment income and Expenditure line in Comprehensive Income and Expenditure Statement).

The Council is not required to raise council tax to cover depreciation/ revaluation or impairment losses arising on leased assets. Assets recognised under the finance lease are accounted for using the policies applied generally to Council owned assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

19. Leases (Cont'd)

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight line basis over the life of the lease, even if it does not match the pattern of payment.

Council as Lessor

Finance Leases

When the Council grants a finance lease over an asset, the asset is written out of the Balance Sheet as a disposal. At the start of the lease the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain/loss on disposal. A gain, representing the Council's net investment in the lease is credited to the same line in the Comprehensive Income and Expenditure Statement, matched by a lease asset in the Balance Sheet Lease rentals receivable are apportioned between:

- a receipt for the acquisition of the interest in the asset – applied to write down the lease asset (together with any premiums received); and
- finance income (credited to the Financing and Investment income and Expenditure line in Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amounts due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element of the charge for the acquisition of the interest in the asset is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of the disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if it doesn't match the pattern of payment.

20. Overhead and support services

The costs of overheads and support services are charged to non General Fund services that benefit from the supply in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2016/17. The total absorption costing principle is used – the full cost of overheads and support services are shared between those users in proportion to the benefits received.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

20. Overhead and support services (Cont'd)

General Fund Services have not been charged for these support service costs, in line with the Council's budgetary reporting structure.

21. Public private partnership (PPP) and similar contracts

PPP and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the private contractor. As the Council is deemed to control the services that are provided under the PPP scheme and as ownership of the property, plant and equipment will pass to the Council at the end of the contract for no additional charge, the Council carries the asset on its Balance Sheet.

The amounts payable to the PPP operators each year is analysed into five elements:

- fair value of the services received during the year;
- finance cost – an interest charge on the outstanding Balance Sheet liability;
- contingent rent – increases in the amount to be paid for the property arising during contract;
- payment towards the liability – applied to write down the Balance Sheet liability towards the PPP contractor; and
- lifecycle replacement costs – proportion of the amounts payable posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant work is carried out.

22. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal obligation, either legal or constructive, as a result of a past event that results in a probable outflow of resources embodying economic benefits or service potential being required to settle the obligation, and a reliable estimate can be made of the amount of that obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Council becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of relevant risks and uncertainties.

When the effect of the time value of money is material, the amount of the provision recognised is the present value of the expenditures expected to be required to settle the obligation.

When payments are eventually made they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits is now required; the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle the provision is expected to be recovered from a third party, this is recognised as income for the relevant service if it is almost certain that reimbursement will be received if the authority settles the obligation.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

22. Provisions, contingent liabilities and contingent assets (Cont'd)

Contingent assets and liabilities

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existent will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits.

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed as a note to the accounts, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

23. Reserves

Reserves are created by appropriating amounts from the General Fund balance in the Movement in Reserves Statement. When expenditure is financed from a reserve, it is charged to the appropriate service to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserve Statement so that there is no net effect on council tax.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council.

24. Revenue expenditure funded from Capital under statute (deferred charges)

Expenditure incurred that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement.

25. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HM Revenues and Customs. VAT receivable is excluded from income.

Notes to the Financial Statements (Cont'd)

Note 1 - Accounting Policies (Cont'd)

26. Carbon Reduction Commitment Scheme

The Council is required to participate in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. This scheme is currently in phase 2 which started on 1 April 2014. The Council is required to purchase and surrender allowances, currently retrospectively, on the basis of emissions (i.e. Carbon dioxide is produced, as energy is used). As carbon dioxide is emitted, a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the liability which is normally at the current market price for the number of allowances required at the reporting date. The cost to the Council is recognised and reported in the costs of the Council's services.

27. Interest in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of associates/ subsidiaries and require it to prepare group accounts. In the Council's own single entity accounts, the interests of one company is recorded, as the Council has shares and full ownership of the Clydebank Property Company (purchased during 2014/15). No other interests are recorded in the Council's single entity accounts of any of other organisation.

Note 2 – Accounting Standards that have been issued but have not yet been adopted

For 2017/18, the Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2017/18 Code:

- Amendment to the reporting of pension fund scheme transaction costs; and
- Amendment to the reporting of investment concentration.

It is not anticipated that the above changes will have a material impact on the information provided in the financial statements.

The Code requires implementation of these from 1 April 2017 and therefore there is no impact on the 2016/17 Statement of Accounts.

Note 3 – Prior Year Adjustment

There has been a prior year adjustment for the detail held in the Net Cost of Service within the Comprehensive Income and Expenditure Statement due to a change within the Code. The service cost information is now reported on a similar basis to the Council's budgetary reporting structure, rather than the as prescribed by the Code.

The net expenditure shown within the Net Cost of Services remains the same, however the gross expenditure and income position has changed.

The effects of the restatement on the financial statements are as follows (only those lines that have changed are shown):

Notes to the Financial Statements (Cont'd)

Note 3 – Prior Year Adjustment (Cont'd)

	As previously Stated £000	Prior Year Adjustment £000	Restated £000
Comprehensive Income and Expenditure - Gross Expenditure			
Central Services	9,165	(9,165)	0
Cultural and Related Services	16,829	(16,829)	0
Educational Services	105,277	(105,277)	0
Environmental Services	17,471	(17,471)	0
Housing Services	50,995	(50,995)	0
Planning and Development Services	10,273	(10,273)	0
Roads and Transport Services	14,575	(14,575)	0
Social Work - Provision of Services	89,173	(89,173)	0
Social Work - Contribution to IJB	45,319	(45,319)	0
Corporate and Democratic Core	3,701	(3,701)	0
Non distributed costs	3,289	(3,289)	0
Corporate Services	0	75,018	75,018
Education	0	96,223	96,223
Infrastructure, Regeneration and Economic Development	0	67,081	67,081
Housing and Communities	0	9,025	9,025
Housing Revenue Account	0	37,451	37,451
Miscellaneous Services	0	8,401	8,401
Health and Social Care Partnership	0	133,105	133,105
Requisitions	0	2,586	2,586
Net Cost of Service	**403,518**	**25,372**	**428,890**
Comprehensive Income and Expenditure - Gross Income			
Central Services	1,448	(1,448)	0
Cultural and Related Services	881	(881)	0
Educational Services	4,111	(4,111)	0
Environmental Services	4,591	(4,591)	0
Housing Services	47,951	(47,951)	0
Planning and Development Services	7,195	(7,195)	0
Roads and Transport Services	5,439	(5,439)	0
Social Work - Provision of Services	64,716	(64,716)	0
Corporate and Democratic Core	220	(220)	0
Corporate Services	0	52,572	52,572
Education	0	4,769	4,769
Infrastructure, Regeneration and Economic Development	0	26,710	26,710
Housing and Communities	0	6,227	6,227
Housing Revenue Account	0	40,118	40,118
Miscellaneous Services	0	2,992	2,992
Health and Social Care Partnership	0	68,654	68,654
Net Cost of Service	**176,670**	**25,372**	**202,042**

Notes to the Financial Statements (Cont'd)

Note 3 – Prior Year Adjustment (Cont'd)

	As previously Stated £000	Prior Year Adjustment £000	Restated £000
Comprehensive Income and Expenditure - Net Expenditure			
Central Services	7,717	(7,717)	0
Cultural and Related Services	15,948	(15,948)	0
Educational Services	101,166	(101,166)	0
Environmental Services	12,880	(12,880)	0
Housing Services	3,044	(3,044)	0
Planning and Development Services	3,078	(3,078)	0
Roads and Transport Services	9,136	(9,136)	0
Social Work - Provision of Services	24,457	(24,457)	0
Social Work - Contribution to IJB	45,319	(45,319)	0
Corporate and Democratic Core	3,481	(3,481)	0
Non distributed costs	3,289	(3,289)	0
Corporate Services	0	22,446	22,446
Education	0	91,454	91,454
Infrastructure, Regeneration and Economic Development	0	40,371	40,371
Housing and Communities	0	2,798	2,798
Housing Revenue Account	0	(2,667)	(2,667)
Miscellaneous Services	0	5,409	5,409
Health and Social Care Partnership	0	64,451	64,451
Requisitions	0	2,586	2,586

Note 4 – Critical Judgement in Applying Accounting Policies

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies set out in Note 1. Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect are detailed below:

Holiday Entitlement - Unused holiday entitlement earned at 31 March 2017 but not taken at that date has been quantified of the basis of a sample of all non term time staff. The sample is proportionate to the number of staff within each grade. The calculation in respect of unused annual leave for term time employees is based upon entitlement earned at the year end and no estimation was required for these staff.

Public Private Partnership (PPP) - The Council has entered into a PPP for the provision of educational buildings, their maintenance and related facilities. The Council controls the services provided under the scheme and ownership of the schools will pass to the Council at the end of the contract for no additional charge. The assets used to provide services at the schools are recognised on the Council's Balance Sheet.

Notes to the Financial Statements (Cont'd)

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the authority's balance sheet as at 31 March 2017, for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainty	Potential effect
Property Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will incur in relation to those assets. The current economic climate makes it uncertain that the Council will be able to sustain its current level of spending on maintenance, bringing into doubt the useful lives assigned to assets.	If the useful lives of assets are reduced, depreciation will increase and the carrying amount of assets will fall. It is estimated that the annual depreciation charge for buildings would increase by £0.304m for every year that useful lives had to be reduced.
Provision – severance and early retiral	The Council has set aside a provision of £1.972m for future early retiral or voluntary severance costs, based upon an average historic settlement figure and estimated leavers. It is not certain that the estimate accounts for all possible voluntary leavers or that the estimated average historic cost will be applicable.	An increase over the forthcoming year of 10% in either the total number of voluntary leavers or the estimated average cost would have an effect of adding £0.197m to the provision needed.
Provision – equal pay	The Council has set aside a provision of £1.251m for the settlement of claims arising from the Equal Pay Initiative, based upon the number of claims received and an average settlement amount. It is not certain that all valid claims have been received by the Council or that precedents set elsewhere on settlement values will be applicable.	An increase over the forthcoming year of 10% in either the total number of claims or the estimated average settlement would have an effect of adding £0.125m to the provision needed.
Pension liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates used, the rate at which salaries are projected to increase by, changes to retirement ages, mortality rates and expected returns on pension assets held. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions applied.	The effect on the net liability can be measured. However, the assumptions interact in complex ways. During 2016/17 the appointed actuaries advised that the net liability had increased by £87.186m as a result of estimates being updated and an update to the assumptions.
Arrears and bad debts	As at 31 March 2017, the Council had a balance of various debtors (including council tax, sundry debtors, housing rents) of £37.645m with a sliding scale of bad debt provision written against this, depending on the age of the debt.	If collection rates were to deteriorate, the provision for bad debts would require to be reviewed to consider the appropriate level of provision. However, based upon prior experience, the bad debt provision is considered adequate.

Notes to the Financial Statements (Cont'd)

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (Cont'd)

Item	Uncertainty	Potential effect
Fair Value Measurements	When the fair value of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities. Where Level 1 inputs are not available, the Council utilises relevant experts to identify the most appropriate valuation techniques (for example for surplus assets and non-current assets held for sale, the Council's estates valuer and for financial instruments the Council's treasury advisors). Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in notes 18, 20 and 29.	The authority uses the discounted cash flow (DCF) model to measure the fair value of financial instruments. Surplus assets and non-current assets held for sale have been based on the market value approach. Market conditions are such that similar properties are marketed, purchased and sold actively. The significant observable inputs used include current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland for surplus assets and non-current assets held for sale and discount rates for financial instruments. Significant changes in any of these would result in significantly lower or higher fair value measurement for financial instruments as detailed in note 29. Significant changes to the key inputs for non-financial assets would have a significant impact on the value of the properties. However as the properties are valued annually and form a small proportion in relation to the value of the Council's overall portfolio the impact of any changes would be limited.

Notes to the Financial Statements (Cont'd)

Note 6 - Material Items of Income and Expense

Where items are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the Code requires a disclosure of the nature and amount of material items. Material items of expenditure charged to services in the year are shown in the table below:

Item	Nature	£000
Unitary Charge Payment	Public Private Partnership agreement for the provision of 3 secondary schools and one primary school	11,300
Insurances	Insurance premiums for all policies	2,235
Landfill Tax	A tax paid on the disposal of waste. It is payable to Her Majesty's Revenue and Customs (HMRC)	1,912
Housing Benefit paid	Benefit paid to support customers on low incomes with housing rent costs	45,419
Housing Benefit received	Benefit received to support customers on low incomes with housing rent costs	(43,407)
Care Homes	Cost of providing care home services by external providers	8,183
NHS Resource Transfer	Income received from NHS to support care in the community.	(8,819)
Supplementation	Residential Accommodation for adults and children with disabilities	11,546
Supplementation – supporting people	Support to allow clients to stay in their own homes	4,409
Day Support	Support to access day activities and assist with practical and life skill support	1,101
Home Care & Physical Disabilities External Suppliers	Support to allow clients to stay in their own homes	1,496

Notes to the Financial Statements (Cont'd)

Note 7 – Adjustments between funding accounting basis and funding basis under regulations

This note provides further breakdown of the adjustments summarised in the Movement in Reserves Statement on page 28. It is identified under the headings Usable and Unusable Reserves. Further detail of the reserves identified under the classification of usable is given in note 33 on page 95 and unusable is given in note 34 on page 96.

2016/17

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Total Usable Reserves £000
Usable Reserves							
Adjustments to the Revenue Resources							
Pension Costs (transferred to (or from) the Pensions Reserve)	9,948	198	0	0	0	0	**10,146**
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(8)	(9)	0	0	0	0	**(17)**
Holiday Pay (transferred to the Accumulated Absences Reserve)	(274)	(1)	0	0	0	0	**(275)**
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	11,025	13,082	0	70	0	0	**24,177**
	20,691	**13,270**	**0**	**70**	**0**	**0**	**34,031**
Adjustments between Capital and Revenue Resources							
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(1,497)	351	1,146	0	0	0	**0**
Statutory provision for the repayment of debt (transfer to/from the Capital Adjustment Account)	(6,865)	(6,093)	0	0	0	0	**(12,958)**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(536)	(5,374)	0	0	0	0	**(5,910)**
	(8,898)	**(11,116)**	**1,146**	**0**	**0**	**0**	**(18,868)**
Adjustments to the Capital Resources							
Disposal of non-current asset sale proceeds	0	0	4,305	0	0	0	**4,305**
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(5,451)	0	0	0	**(5,451)**
Application of capital grants to finance capital expenditure	0	0	0	(88)	0	0	**(88)**
	0	**0**	**(1,146)**	**(88)**	**0**	**0**	**(1,234)**
Total Adjustments	**11,793**	**2,154**	**0**	**(18)**	**0**	**0**	**13,929**

Notes to the Financial Statements (Cont'd)

Note 7 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2016/17

	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Adjustment Account £000	FIAA £000	Total Unusable Reserves £000
Unusable Reserves						
Adjustments to the Revenue Resources						
Pension Costs (transferred to (or from) the Pensions Reserve)	0	0	(10,146)	0	0	(10,146)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	17	17
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	275	0	275
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(24,177)	0	0	0	0	(24,177)
	(24,177)	**0**	**(10,146)**	**275**	**17**	**(34,031)**
Adjustments between Capital and Revenue Resources						
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	12,958	0	0	0	0	12,958
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,910	0	0	0	0	5,910
	18,868	**0**	**0**	**0**	**0**	**18,868**
Adjustments to the Capital Resources						
Disposal of non-current asset sale proceeds	(4,305)	0	0	0	0	(4,305)
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	9,421	(9,421)	0	0	0	0
Write out Revaluation Reserve of Disposals	466	(466)	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	5,451	0	0	0	0	5,451
Application of capital grants to finance capital expenditure	88	0	0	0	0	88
	11,121	**(9,887)**	**0**	**0**	**0**	**1,234**
Total Adjustments	**5,812**	**(9,887)**	**(10,146)**	**275**	**17**	**(13,929)**

Notes to the Financial Statements (Cont'd)

Note 7 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2015/16 (re-stated)

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Total Usable Reserves £000
Usable Reserves							
Adjustments to the Revenue Resources							
Pension Costs (transferred to (or from) the Pensions Reserve)	14,534	379	0	0	0	0	**14,913**
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(9)	(12)	0	0	0	0	**(21)**
Holiday Pay (transferred to the Accumulated Absences Reserve)	(815)	(19)	0	0	0	0	**(834)**
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	7,126	11,439	0	173	0	0	**18,738**
	20,836	**11,787**	**0**	**173**	**0**	**0**	**32,796**
Adjustments between Capital and Revenue Resources							
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	831	30	(861)	0	0	0	**0**
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(6,758)	(5,623)	0	0	0	0	**(12,381)**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(547)	(2,434)	0	0	0	0	**(2,981)**
	(6,474)	**(8,027)**	**(861)**	**0**	**0**	**0**	**(15,362)**
Adjustments to the Capital Resources							
Disposal of non-current asset sale proceeds	0	0	3,675	0	0	0	**3,675**
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	(2,814)	0	0	0	**(2,814)**
Application of capital grants to finance capital expenditure	0	0	0	(110)	0	0	**(110)**
	0	**0**	**861**	**(110)**	**0**	**0**	**751**
Total Adjustments	**14,362**	**3,760**	**0**	**63**	**0**	**0**	**18,185**

Notes to the Financial Statements (Cont'd)

Note 7 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2015/16 (re-stated)

	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employee Statutory Adjustment Account £000	FIAA £000	Total Unusable Reserves £000
Unusable Reserves						
Adjustments to the Revenue Resources						
Pension Costs (transferred to (or from) the Pensions Reserve)	0	0	(14,913)	0	0	(14,913)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	21	21
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	834	0	834
Reversal of entries included in the Surplus or Deficit on the Provision or Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(18,738)	0	0	0	0	(18,738)
	(18,738)	**0**	**(14,913)**	**834**	**21**	**(32,796)**
Adjustments between Capital and Revenue Resources						
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	12,381	0	0	0	0	12,381
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,981	0	0	0	0	2,981
	15,362	**0**	**0**	**0**	**0**	**15,362**
Adjustments to the Capital Resources						
Disposal of non-current asset sale proceeds	(3,675)	0	0	0	0	(3,675)
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	7,632	(7,632)	0	0	0	0
Write out Revaluation Reserve of Disposals	317	(317)	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	2,814	0	0	0	0	2,814
Application of capital grants to finance capital expenditure	110	0	0	0	0	110
	7,198	**(7,949)**	**0**	**0**	**0**	**(751)**
Total Adjustments	**3,822**	**(7,949)**	**(14,913)**	**834**	**21**	**(18,185)**

Notes to the Financial Statements (Cont'd)

Note 8 – Events After the Balance Sheet Date

The draft Financial Statements were authorised for issue by the Strategic Lead - Resources on 28 June 2017. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing as at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 9 – Trading Operations

The Local Government Scotland Act 2003 repealed the legislation governing compulsory competitive tendering. The Act introduced a requirement for statutory trading accounts to be maintained for "significant trading operations". A service is deemed to be a significant trading account where the service is provided in a competitive environment, it is charged on a basis other than straightforward recharge of cost and the service is deemed to be significant.
The Council has established two trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the Council or other organisations. Details of those units are detailed below and these figures include an interest charge for the assets as noted within the accounting policies. It is the duty of a local Council to conduct each of its significant trading operations so that, taking every year with the two previous years, total revenue is not less than expenditure. The analysis for 2014/15 to 2016/17 is as follows:

The Council operates a **Housing Property Maintenance Trading Service** which delivers an economic, efficient and effective housing repairs service to its customers.

	2014/15 £000	2015/16 £000	2016/17 £000	Cumulative £000
Turnover	17,923	18,551	20,156	56,630
Expenditure	17,387	17,880	19,023	54,290
Surplus	**536**	**671**	**1,133**	**2,340**

The Council operates a **Grounds Maintenance/Street Cleaning Trading Service** which aims to make a positive impact on the health and wellbeing of residents and visitors to the area through cleaner and well maintained Council areas.

	2014/15 £000	2015/16 £000	2016/17 £000	Cumulative £000
Turnover	9,606	9,959	9,856	29,421
Expenditure	7,953	7,909	7,705	23,567
Surplus	**1,653**	**2,050**	**2,151**	**5,854**
Surplus as noted in Comprehensive Income and Expenditure Statement	**2,189**	**2,721**	**3,284**	**8,194**

Through annual review and evaluation, the Council operates two trading services, namely grounds maintenance/street cleaning and housing property maintenance. The above table confirms that both trading accounts which have been statutory for more than three years, have met the break even target.

Notes to the Financial Statements (Cont'd)

Note 9 – Trading Operations (Cont'd)

The Trading Operations require to budget for estimated ISA19 pension expenditure. In 2016/17 the actual ISA19 pension charge resulted in an increase to expenditure within the services, creating a reduced surplus. This adjustment does not bring cash into or take cash from the trading operation, but is a technical adjustment required for accounting regulations. Trading operations are incorporated into the Comprehensive Income and Expenditure Statement.

Note 10 – Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central and Scottish Government
The Council received £183.592m (2015/16 £190.148m) of revenue government grants and £6.641m (2015/16 £11.613m) of capital grants from the Scottish Government (with £0.495m due to the Council at the year end); £43.528m (2015/16 £46.506m) from the Department of Works and Pensions (with £0.233m owed by the Council at the year end); and other grants of £2.969m (2015/16 £2.405m) as shown in Note 12 Grant Income (with £0.089m due to the Council at the year end).

Strathclyde Pension Fund
The Council is an admitted body to the local government pension scheme and has made payments as shown in Note 15 Defined Benefit Pension Schemes. The balance owed to the pension fund at the year end was £2.155m.

Joint Boards
The Council is a member of the Joint Boards for Valuation, Strathclyde Partnership for Transport and West Dunbartonshire Health and Social Care Partnership. The Council's contributions are disclosed in the Group Accounts.

Voluntary Sector
The following voluntary organisations received over £0.050m in grant funding from West Dunbartonshire Council during 2016/17:

	£000
West Dunbartonshire Citizens Advice Bureau	369
Independent Resource Centre	110
Y-Sort It Youth Information Project	191
The Environment Trust	171
Dumbarton Women's Aid	75
Clydebank Women's Aid	75

The Council has no shareholdings or investments in any of these organisations. There were no outstanding balances at the year end.

Notes to the Financial Statements (Cont'd)

Note 10 – Related Parties (Cont'd)

Elected Members
Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2016/17 is shown in the remuneration statement on pages 18 to 25. The Council maintains a register of interests for Members and reviews this for transactions carried out in the year with entities which Members have an interest. In the year ended 31 March 2017, the Council has not had any material transactions for anybody in which Members have an interest.

Senior Officers
Senior Officers require to declare an interest if he or she believes that there may be a perception that their decision making may be influenced in any way by a personal interest. Should this situation arise, the senior officer does not take part in any discussion or decision in relation to that interest.

Note 11 – Agency Services

Transactions whereby the Council provides a service on behalf of external organisations are noted below:

2015/16 Net Payment/ (receipt) £000	Organisation	Description	2016/17 Receipts £000	2016/17 Payment £000	(Debtor)/ Creditor at 31.03.17 £000
13,168	Scottish Water	Water and sewerage charges collected by Council and paid over	0	13,563	263
(77,214)	Scottish Government	Non Domestic Rates	80,253	0	(3,795)

Notes to the Financial Statements (Cont'd)

Note 12 – Grant Income

The Council credited the following grants and other contributions to Taxation and Non-specific Grant Income within the Comprehensive Income and Expenditure Statement in 2016/17.

31 March 2016 £000		31 March 2017 £000
190,148	Revenue Support Grant/ Non-Domestic Rates	183,592
642	Strathclyde Passenger Transport	110
9,466	General Services Capital Grant	3,683
137	Cycle/Walk/Safer Streets grant	98
66	Sustrans	55
1,582	Scottish Futures Trust	62
2	Sands Contribution to Dumbarton Cemetery	0
1,645	Energy Works	0
33	Mortgage to rent	0
64	Levengrove	(7)
150	Keil School Planning	0
0	Clydebank A814	8
655	Owner Occupier contributions/ roofing contributions	0
220	City Deal	397
150	Communities Fund	0
22	Balloch Charette	0
25	SFA	0
0	War Memorial Trust	16
0	Dumbarton Castle Walkway	11
0	Glasgow Airpath Flightpath Fund	3
71	Heritage Lottery	125
0	Scottish Water	25
250	Sports Scotland	0
200	New House Build	2,463
6	Information and Computer Technology Modernisation Fund	20
9	Electric Vehicle Charging Grant	0
0	Balloch Library Upgrade	38
0	New Dumbarton Office	250
17	Turnberry Homes	0
30	John Muir Trail	2
0	Overton Estate Restoration	156
614	Vale of Leven Workshops	0
0	Balloch School Campus	592
0	West Thompson St Playpark	24
(353)	Civic Heart	0
35	Insurance Receipts	98
205,886		**191,821**

Notes to the Financial Statements (Cont'd)

Note 12 – Grant Income (Cont'd)

The Council credited the following grants to Services within the Comprehensive Income and Expenditure Statement in 2016/17.

31 March 2016 £000		31 March 2017 £000
9	Food for thought	12
3	Food standards	3
25	Education Maintenance Allowance Admin	25
416	Education Maintenance Allowance	365
0	English for Speakers of Other Languages	12
22	School Milk	15
368	Private Sector Housing	364
0	STEM	135
0	Scottish Government - Transition Planning and Supp	86
44	Self directed support	0
17	Autism HSCP	0
61	Smarter Choices Smarter Places - Sustainability	35
47	Violence against woman	53
50	Waste Grant Debtors	0
33	Gaelic	47
90	Access to Education	0
6	Learning and Teaching	14
779	Scottish Attainment	1,674
0	Scottish Government - Innovation Fund	23
0	School Improvement Partnership grant	8
0	Numeracy Hub Champions Grant	5
72	Whole Systems Approach	0
86	Opportunities for all	0
5	Autism – Education	0
6	Town Centre	0
51	Business Gateway	75
25	Scottish Futures Trust	0
188	Youth Employment Grant	13
2	Vehicle Emission testing	4
2,405		**2,968**

The Council has received a number of grants that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year end are as follows:

31 March 2016 £000		31 March 2017 £000
7	Turnberry Homes	7
3	Glasgow Airpath Flightpath Fund	0
33	Wheatley Group - Balloch Library Upgrade	0
0	New Build Haldane	395
0	New Build Second Avenue	38
0	HEEPS	340
43		**780**

Notes to the Financial Statements (Cont'd)

Note 13 – Operating Leases

Council as Lessee

Finance Leases

The Council does not have any assets or liabilities under a finance lease.

Operating Leases

The Council occupies a number of properties by way of an operating lease. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2016 £000		31 March 2017 £000
706	Not later than one year	713
2,750	Later than one year and not later than five years	2,790
4,569	Later than five years	4,151
8,025		**7,654**

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.697m (2015/16 - £0.600m).

The Council has acquired grounds maintenance vehicles by entering into operating leases. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2016 £000		31 March 2017 £000
60	Not later than one year	65
175	Later than one year and not later than five years	134
0	Later than five years	0
235		**199**

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.064m (2015/16 - £0.058m).

The Council has acquired a number of photocopiers and vending machines by entering into operating leases. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2016 £000		31 March 2017 £000
214	Not later than one year	150
393	Later than one year and not later than five years	334
338	Later than five years	271
945		**755**

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.194m (2015/16 - £0.213m).

Notes to the Financial Statements (Cont'd)

Note 13 – Operating Leases (Cont'd)

Council as Lessor

Finance Leases

The Council has not entered into any finance leases.

Operating Leases

The Council leases out property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres; and
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2016 £000		31 March 2017 £000
3,747	Not later than one year	3,803
10,029	Later than one year and not later than five years	12,092
143,638	Later than five years	141,537
157,414		**157,432**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2016/17 £2.696m contingent rents were receivable by the Council (2015/16 £2.743m).

Note 14 – Termination Benefits

The Council terminated the contracts of a number of employees in 2016/17, incurring liabilities of £1.296m (£1.785m in 2015/16). These terminations were made as part of the redesign of services within the Council under voluntary severance and early retirement. There will be ongoing annual costs incurred by the Council for those staff leaving under early retirement due to ongoing pension costs

Note 15 – Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the following pension schemes:

The Local Government Pension Scheme, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The employer's contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2016/17 was 19.3%, and 2017/18 is set at 19.3%. In 2016/17, the Council paid an employer's contribution of £17.278m (2015/16 £16.358m).

Notes to the Financial Statements (Cont'd)

Note 15 – Defined Benefit Pension Schemes (Cont'd)

The Teachers' Pension Scheme (Scottish Teachers' Superannuation Scheme (STSS) which is a defined benefit scheme administered by the Scottish Public Pension Agency. The scheme is technically a multi-employer defined benefit scheme and consequently the Council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of accounts, it is accounted for on the same basis as a defined contribution scheme.

The employer pays a set contribution rate of 17.2% which is effective from 1 September 2015, prior to this it was 14.9%. This is charged directly to the revenue account for the Education service. The amount paid over in respect of employer's contribution was £6.236m (2015/16 £5.887m) in respect of expenditure for teachers added years, £0.032m payments were made (2015/16 £0.032m).

The scheme is unfunded and all contributions (payable by members or employers) are paid to the Scottish Government, and the Scottish Government then meets the costs of all the benefits. A specific amount is held by the Scottish Government for this purpose. As a proportion of the total contributions into the Scottish Teachers Superannuation Scheme 2016/17, the Council's own contribution equates to 1.62%.

The Council is not liable to the scheme for any other entities obligations under the plan.

1) Local Government Pension Scheme

Councils are also required to disclose the capital cost of discretionary increases in pension payments agreed by the Council. In 2016/17 the capitalised costs that would have arisen from the early retiral of West Dunbartonshire Council employees and from predecessor authorities were as follows:

	£000
2016/2017	8,367
In earlier years	54,794
Total	**63,161**

The Council fully complies with the International Accounting Standard (IAS 19) concerning the disclosure of information on the pension. IAS 19 states that although the pension benefits will not be paid until the employee retires, the Council has a commitment to make these payments and must disclose the cost of this in its accounts at the time employees earn their full entitlement.

The Council therefore recognises the cost of the pension commitment within the Comprehensive Income and Expenditure Account when the employees earn their pension entitlement rather than when the benefits are paid as pensions. However, the cost to the taxpayer is calculated on the basis of pension contributions paid in the year, the cost of retirement benefits under IAS19 is reversed out, to ensure there is no impact on the overall cost to be funded by council tax and government grants.

Notes to the Financial Statements (Cont'd)

Note 15 – Defined Benefit Pension Schemes (Cont'd)

The following transactions have been made in the Comprehensive Income and Expenditure Account and Movement in Reserves Statement during the year:

2015/16 £000		2016/17 £000
	Net cost of services	
26,016	Current service cost	22,986
1,177	Past service cost	2,039
27,193		**25,025**
	Financing and investment Income and Expenditure	
7,059	Net interest expense	5,462
34,252	**Total post employment benefit charged to the Surplus or Deficit on the provision of Services**	**30,487**
3,533	Expected return on assets	(119,376)
(72,050)	Actuarial gains and losses arising from changes in financial assumptions	194,636
(9,335)	Actuarial gains and losses arising from experience assumptions	1,780
(43,600)	**Total post employment benefit charged to the comprehensive income and expenditure statement**	**107,527**
	Movement in Reserves Statement	
(34,252)	Reversal of net charges made to surplus of deficit for post employment benefits	(30,487)
	Actual amount charged against the General Fund balance in the year	
19,339	Employer contributions payable to Scheme	20,341

The underlying assets and liabilities for retirement benefits attributable to the Council as at 31 March are as follows:

2015/16 £000		2016/17 £000
603,802	Fair value of plan assets	747,597
(702,748)	Present value of defined benefit obligations	(925,362)
(98,946)	**Net assets in the Strathclyde Pension Fund**	**(177,765)**
	Present Value of Unfunded Liabilities	
(23,643)	LGPS Unfunded	(28,355)
(22,770)	Teachers' pensions	(26,324)
(8,381)	Pre Local Government Reorganisation	(8,482)
(153,740)	**Net pension asset/(liability)**	**(240,926)**

Notes to the Financial Statements (Cont'd)

Note 15 – Defined Benefit Pension Schemes (Cont'd)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £240.926m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in an overall balance of £147.218m. However, the statutory arrangements for funding the deficit, means the financial position of the Council remains healthy.

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due) as assessed by the scheme actuary. Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The scheme assets have increased by £143.795m. This is due to asset returns being more favourable than anticipated.

The estimated liabilities have increased by £230.981m due to financial assumptions as at 31 March 2017 being less favourable than they were at 31 March 2016, mainly due to the discount rate falling to 2.6% (2015/16 3.5%).

1) Pension Assets and Liabilities

Liabilities have been valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, contracted by Glasgow City Council to provide all IAS19 calculations on behalf of the Councils within the Strathclyde Pension Fund. The funded obligation is noted below:

	%	Years
Active Members	65.3%	23.3
Deferred Members	7.8%	23
Pensioner Members	20.6%	12.7
Pre-Local Government Re-organisation Members	6.3%	10
	100%	**18.5**

2) Pension Assets and Liabilities

The movement during the year on the defined obligation is noted as:

2015/16 £000		2016/17 £000
804,438	Opening balance	757,542
26,016	Current service cost	22,986
25,879	Interest cost	26,651
4,839	Contributions by Members	4,995
(72,050)	Actuarial gains/losses – change in financial assumptions	194,636
(9,335)	Actuarial gains/losses – other experience	1,780
1,177	Past service costs/(gains)	2,039
(2,981)	Estimated unfunded benefits paid	(3,063)
(20,441)	Estimated benefits paid	(19,043)
757,542	**Closing Balance as at 31 March**	**988,523**

Notes to the Financial Statements (Cont'd)

Note 15 – Defined Benefit Pension Schemes (Cont'd)

2) Pension Assets and Liabilities (Cont'd)

The movement during the year on the fair value of the employer's assets is:

2015/16 £000		2016/17 £000
587,759	Opening balance	603,802
(3,533)	Expected return on assets	119,376
18,820	Interest Income	21,189
4,839	Contributions by Members	4,995
16,358	Contributions by employer	17,278
2,981	Contributions in respect of unfunded benefits	3,063
(2,981)	Estimated unfunded benefits paid	(3,063)
(20,441)	Estimated benefit paid	(19,043)
603,802	**Closing Balance as at 31 March**	**747,597**

WDC Share of the pension fund asset at 31 March 2017 comprised :

2015/16 Quoted prices in Active Markets £000	2015/16 Prices not quoted in Active Market £000	2015/16 Total £000	Asset Category	2016/17 Quoted prices in Active Markets £000	2016/17 Prices not quoted in Active Market £000	2016/17 Total £000
219,674	476	220,150	Equity Securities	274,339	142	274,481
0	1	1	Debt Securities	0	7	7
0	58,733	58,733	Private Equity	0	61,638	61,638
0	64,865	64,865	Real Estate	0	90,174	90,174
5,459	233,642	239,101	Investment funds and unit trusts	8,681	284,295	292,976
146	0	146	Derivatives	63	100	163
20,162	644	20,806	Cash and Cash Equivalent	26,916	1,242	28,158
245,441	**358,361**	**603,802**	**Totals**	**309,999**	**437,598**	**747,597**

Asset and Liability Matching Strategy (ALM)

The main fund of Strathclyde Pension Fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into narrow a range. The Fund invests in equities, bonds, properties and in cash.

The Fund has now taken account of the national change to the Local Government Pension Scheme in Scotland such as the new career average revalued earning scheme (CARE) for future accruals.

The actuarial valuation states that assets held on the valuation date were sufficient to cover 75.63% (2015/16 79.71%) of accrued liabilities at that date.

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Notes to the Financial Statements (Cont'd)

Note 15 – Defined Benefit Pension Schemes (Cont'd)

2) Pension Assets and Liabilities (Cont'd)

Asset and Liability Matching Strategy (ALM) (Cont'd)

The principal actuarial assumptions used at the Balance Sheet date are as follows:

31/03/2016		31/03/2017
	Long term expected return on assets	
2.20%	Pension increase rate	2.40%
4.20%	Salary Increase rate	4.40%
3.50%	Discount rate	2.60%
	Mortality Based on these assumptions, the average future life expectancies at the age of 65 are:	
22.1	Current pensioners –Men	22.1
23.6	Current pensioners -Women	23.6
24.8	Future pensioners –Men	24.8
26.2	Future pensioners -Women	26.2

The above excludes any Net Pension liability that the Council may have to contribute to in respect of the Joint Boards of Passenger Transport and Valuation. These costs are shown within each Joint Board's Balance Sheet and the Council may be required to make an increased constituent contribution in the years when the liability fails to be met.

The local government pension scheme's assets consist of the following categories. As at 31 March 2017 assets are now held at bid value and the historic figures are at mid-market value.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Sensitivity Analysis

In order to quantify the impact of a change in the financial assumptions used, the actuaries have calculated and compared the value of the scheme liabilities as at 31 March 2017 on varying bases. The approach taken is consistent with that adopted to derive at the IAS19 figures provided. To quantify the uncertainty around life expectancy, the actuaries have calculated the difference in cost to the employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of around 3% to 5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older ages).

The figures have been derived based on the membership profile of the Employer as at the date of the most recent actuarial valuation.

The estimation of defined benefit obligation is sensitive to the actuarial assumptions .The sensitivity regarding the principal assumptions used to measure the schemes liabilities are set out below:

Notes to the Financial Statements (Cont'd)

Note 15 – Defined Benefit Pension Schemes (Cont'd)

2) Pension Assets and Liabilities (Cont'd)

	Approximate % increase to Employer Liability	Approximate monetary Amount £000
Member life expectancy (1 year increase)	0%	0
Rate for discounting fund liabilities (0.5% decrease)	11%	106,136
Rate of pension increase (0.5% increase)	7%	66,388
Rate of increase in salaries (0.5% increase)	4%	36,502

The total contribution expected to be made to the Local Government pension scheme for 2017/18 is £16.132m.

Note 16 – External Audit Costs

In 2016/17 the Council incurred the following fees relating to external audit in respect of external audit services undertaken in accordance with the Code of Audit Practice:

2015/16 £000		2016/17 £000
277,024	Fees payable 2016/17	256,710

Note 17 – Expenditure and Funding Analysis

The analysis of income and expenditure on the face of the comprehensive income and expenditure statement is that specified by the Service Reporting Code of Practice. However decisions about resource allocation are taken by the Council on the basis of reports that are prepared on a different basis from the accounting polices used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation reserve and amortisations are charged to services in the comprehensive income and expenditure statement); and

- the cost of retirement benefits is based on cash flows (payments of employer's pensions contributions) rather than current service cost of benefits accrued in the year.

The Council's income and expenditure as noted on the comprehensive income and expenditure statement analysis can also be given by nature of spend and is analysed as follows:

Notes to the Financial Statements (Cont'd)

Note 17 – Expenditure and Funding Analysis (Cont'd)

2015/16 £000		2016/17 £000
	Expenditure	
161,435	Employee benefits expenses	157,004
227,616	Other service expenses	240,684
2,950	Support service recharges	2,987
34,303	Depreciation, amortisation, impairment	32,302
26,804	interest payments	24,745
2,586	Precepts and levies	2,554
861	Gain on the disposal of assets	(1,146)
456,555	**Total Expenditure**	**459,130**
	Income	
(202,042)	Fees, charges and other service income	(218,298)
(2,924)	Interest and investment income	(3,461)
(114,767)	Income from council tax and non-domestic rates	(114,385)
(121,833)	Government grants and contributions	(109,028)
(441,566)	**Total Income**	**(445,172)**
14,989	**Surplus / Deficit on the Provision of Services**	**13,958**

Notes to the Financial Statements (Cont'd)

Note 17 – Expenditure and Funding Analysis (Cont'd)

The income and expenditure of the Council's principal committee reporting structure recorded in the budget reports for the year is as follows:

2016/17

	Net Chargeable to the General Fund and HRA Balance £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	19,558	2,698	22,256
Education	82,577	10,390	92,967
Infrastructure, Regeneration and Economic Development	29,223	3,830	33,053
Housing and Communities	1,621	648	2,269
Housing Revenue Account	(18,617)	15,768	(2,849)
Miscellaneous Services	(1,214)	2,020	806
Health and Social Care Partnership	61,515	4,641	66,156
Requisitions	2,575	0	2,575
Net Cost of Services	**177,238**	**39,995**	**217,233**
Other Income and Expenditure	(177,446)	(25,829)	(203,275)
Surplus or Deficit on Provision of Service	**(208)**	**14,166**	**13,958**
Opening General Fund and HRA Balance as at 31 March 2016	(17,420)		
Closing General Fund and HRA Balance as at 31 March 2017	**(17,628)**		

Notes to the Financial Statements (Cont'd)

Note 17 – Expenditure and Funding Analysis (Cont'd)

2015/16

	Net Chargeable to the General Fund and HRA Balance £000	Adjustments between Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Corporate Services	19,301	3,145	22,446
Education	83,085	8,369	91,454
Infrastructure, Regeneration and Economic Development	27,255	13,116	40,371
Housing and Communities	1,729	1,069	2,798
Housing Revenue Account	(17,001)	14,334	(2,667)
Miscellaneous Services	4,695	714	5,409
Health and Social Care Partnership	60,482	3,969	64,451
Requisitions	2,586	0	2,586
Net Cost of Services	**182,132**	**44,716**	**226,848**
Other Income and Expenditure	(185,359)	(26,500)	(211,859)
Surplus or Deficit	**(3,227)**	**18,216**	**14,989**
Opening General Fund and HRA Balance as at 31 March 2015	(14,193)		
Closing General Fund and HRA Balance as at 31 March 2016	**(17,420)**		

Notes to the Financial Statements (Cont'd)

Note 17 – Expenditure and Funding Analysis (Cont'd)

This analysis details the adjustments within the Expenditure and Funding Analysis by type of adjustment.

2016/17

	Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other Differences £000	Total £000
Corporate Services	1,689	1,009	0	**2,698**
Education	9,616	938	(164)	**10,390**
Infrastructure, Regeneration and Economic Development	2,504	1,326	0	**3,830**
Housing and Communities	79	569	0	**648**
Housing Revenue Account	15,571	198	(1)	**15,768**
Miscellaneous Services	3	2,127	(110)	**2,020**
Health and Social Care Partnership	2,841	1,800	0	**4,641**
Requisitions	0	0	0	**0**
Net Cost of Services	**32,303**	**7,967**	**(275)**	**39,995**

Notes to the Financial Statements (Cont'd)

Note 17 – Expenditure and Funding Analysis (Cont'd)

2015/16

	Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000
Corporate Services	1,513	1,632	0	**3,145**
Education	7,038	1,639	(308)	**8,369**
Infrastructure, Regeneration and Economic Development	10,729	2,387	0	**13,116**
Housing and Communities	96	973	0	**1,069**
Housing Revenue Account	13,973	379	(18)	**14,334**
Miscellaneous Services	15	1,207	(508)	**714**
Health and Social Care Partnership	939	3,030	0	**3,969**
Requisitions	0	0	0	**0**
Net Cost of Services	**34,303**	**11,247**	**(834)**	**44,716**

Notes to the Financial Statements (Cont'd)

Note 18 – Property, Plant and Equipment

1) Movements in 2016/17

	Council dwellings £000	Other Land & buildings £000	Industrial Units £000	Vehicles & Plant £000	Infrastructure £000	Community £000	Surplus Assets £000	Assets Under Construction £000	Property Plant & Equipment £000
Cost/Valuation at 1 April 2016	**515,400**	**359,611**	**48,653**	**47,642**	**97,947**	**1,563**	**9,112**	**36,829**	**1,116,757**
Additions	16,639	38,865	35	2,732	4,905	31	1,898	19,265	**84,370**
Revaluations:									
- To Revaluation Reserve	156,719	6,430	286	0	0	2	(33)	0	**163,404**
- To Net cost of Service	0	(525)	(16)	0	0	(1)	2,469	(22)	**1,905**
Disposals	(3,911)	0	(241)	0	0	0	0	0	**(4,152)**
Assets reclassified to/from Held for Sale	0	(593)	0	0	0	0	(2,845)	0	**(3,438)**
Other Movements	0	26,484	52	0	0	745	179	(27,401)	**59**
As at 31 March 2017	**684,847**	**430,272**	**48,769**	**50,374**	**102,852**	**2,340**	**10,780**	**28,671**	**1,358,905**
Depreciation/Impairment at 1 April 2016	**(144,209)**	**(139,539)**	**(3,313)**	**(34,543)**	**(34,499)**	**0**	**(303)**	**(49)**	**(356,455)**
Depreciation charge	(15,525)	(10,513)	(415)	(3,404)	(4,848)	0	0	0	**(34,705)**
Depreciation:									**0**
- To Revaluation Reserve	(36,563)	(1,394)	0	0	0	0	(4)	0	**(37,961)**
Impairments:									**0**
- To Revaluation Reserve	(87,454)	0	0	0	0	0	0	0	**(87,454)**
- To Net Cost of Service	0	(1,274)	0	0	0	(1,566)	(4)	0	**(2,844)**
Disposals	0	0	0	0	0	0	0	0	**0**
Other Movement	0	0	0	0	0	0	0	0	**0**
As At 31 March 2017	**(283,751)**	**(152,720)**	**(3,728)**	**(37,947)**	**(39,347)**	**(1,566)**	**(311)**	**(49)**	**(519,419)**
Net Book Value at 31 March 2016	**371,191**	**220,072**	**45,340**	**13,099**	**63,448**	**1,563**	**8,809**	**36,780**	**760,302**
Net Book Value at 31 March 2017	**401,096**	**277,552**	**45,041**	**12,427**	**63,505**	**774**	**10,469**	**28,622**	**839,486**

Notes to the Financial Statements (Cont'd)

Note 18 – Property, Plant and Equipment (Cont'd)

2) Movements in 2015/16

	Council dwellings £000	Other Land & buildings £000	Industrial Units £000	Vehicles & Plant £000	Infrastructure £000	Community £000	Surplus Assets £000	Assets Under Construction £000	Property Plant & Equipment £000
Cost/Valuation at 1 April 2015	**496,345**	**354,762**	**48,318**	**45,498**	**87,542**	**65**	**6,827**	**14,731**	**1,054,088**
Additions	20,890	6,389	1,886	2,144	8,602	398	142	28,011	**68,462**
Revaluations:									**0**
- To Revaluation Reserve	(2,662)	(701)	79	0	0	6	381	1,066	**(1,831)**
- To Net cost of Service	0	(15)	(1,620)	0	0	0	374	(317)	**(1,578)**
Disposals	(2,147)	(319)	0	0	0	(6)	0	0	**(2,472)**
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	573	1,150	**1,723**
Other Movements	2,974	(505)	(10)	0	1,803	1,100	815	(7,812)	**(1,635)**
As at 31 March 2016	**515,400**	**359,611**	**48,653**	**47,642**	**97,947**	**1,563**	**9,112**	**36,829**	**1,116,757**
Depreciation/Impairment at 1 April 2015	**(129,974)**	**(129,787)**	**(2,894)**	**(30,856)**	**(30,164)**	**0**	**(276)**	**(49)**	**(324,000)**
Depreciation charge	(13,924)	(9,541)	(416)	(3,687)	(4,335)	0	(4)	0	**(31,907)**
Depreciation:									**0**
- To Revaluation Reserve	0	300	20	0	0	0	0	0	**320**
Impairments:									**0**
- To Revaluation Reserve	(311)	264	0	0	0	0	(23)	0	**(70)**
- To Net Cost of Service	0	(775)	(23)	0	0	0	0	0	**(798)**
Disposals	0	0	0	0	0	0	0	0	**0**
Other Movement	0	0	0	0	0	0	0	0	**0**
As At 31 March 2016	**(144,209)**	**(139,539)**	**(3,313)**	**(34,543)**	**(34,499)**	**0**	**(303)**	**(49)**	**(356,455)**
Net Book Value at 31 March 2015	**366,371**	**224,975**	**45,424**	**14,642**	**57,378**	**65**	**6,551**	**14,682**	**730,088**
Net Book Value at 31 March 2016	**371,191**	**220,072**	**45,340**	**13,099**	**63,448**	**1,563**	**8,809**	**36,780**	**760,302**

Notes to the Financial Statements (Cont'd)

Note 18 – Property, Plant and Equipment (Cont'd)

3) Capital Commitments

As at 31 March 2017, the Council has commitments on capital contracts for the construction or enhancement of property, plant and equipment for non housing and housing projects in 2016/17 budgeted to cost £25.119m (2015/16 £48.588m) and £1.519m (2015/16 £1.771m) respectively. The main commitments are:

General Services	**£000**
Our Lady and St. Patrick's High School - new build	450
Bellsmyre co-location project	670
Kilpatrick High School – new build	217
Balloch campus project	10,931
Office Rationalisation - New Dumbarton Office	9,052
Office Rationalisation - Bridge Street	315
Office Rationalisation - Data Centre	171
ICT Modernisation and Infrastructure	181
UCT Security and DR	100
Building Upgrade Works	1,170
Schools Regeneration works	811
Replacement of Elderly Care Homes and Day Care Centres	539
Energy Efficient Street Lighting Apparatus	185
Local Economic Development - Dumbarton TC and Waterfront	133
Local Economic Development - Mitchell Way	22
Local Economic Development - Clydebank Town Centre	123
Local Economic Development - Vale Workshops	49
HRA	
New Council House Build Programme	900
Demolitions	252
CCTV	60
Energy Efficiency	307

4) Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is re-valued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Notes to the Financial Statements (Cont'd)

Note 18 – Property, Plant and Equipment (Cont'd)

5) PPP Assets Included in Property, Plant and Equipment

2015/16 £000		2016/17 £000
	Cost or Valuation	
87,563	At 1 April 2016	87,563
	Revaluations	
0	To Revaluation Reserve	0
0	Additions	0
87,563	**At 31 March 2016**	**87,563**
	Accumulated Depreciation and Impairment	
(8,092)	At 1 April 2016	(11,683)
(3,591)	Depreciation Charge	(3,591)
	Depreciation written out	
0	To revaluation reserve	0
0	Impairment losses/(reversals) recognised	0
(11,683)	**At 31 March 2017**	**(15,274)**
79,471	**Opening Net Book value**	**75,880**
75,880	**Closing Net Book value**	**72,289**

6) The Council measures its surplus assets at fair value at each reporting date (the Council does not hold investment properties). The fair value of surplus assets have been based on the market value approach using current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland. Market conditions are such that similar properties are marketed, purchased and sold actively and the level of observable inputs are sufficient, leading to the properties being categorised at Level 2 in the fair value hierarchy.

There were no transfers between Levels 1 and 2 during the year and there have been no changes in the valuation techniques used during the year for surplus assets

Note 19 – Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include purchased licences.

The carrying amount of intangible assets is amortised on a straight line basis. The amortisation of £0.016m charged to revenue in 2016/17 was charged to Information Services. The charge to Information Services is then absorbed as an overhead across all the service headings in the Net Cost of services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Asset balances during the year is as follows:

Notes to the Financial Statements (Cont'd)

Note 19 – Intangible Assets (cont'd)

2015/16 £000		2016/17 £000
	Balance at 1 April 2016:	
346	Gross carrying amount	346
(293)	Accumulated amortisation	(301)
53	**Net carrying amount at start of year**	**45**
	Additions:	
(8)	Amortisation for period	(16)
45	**Net carrying amount at 31 March 2017**	**29**
	Comprising:	
346	Gross Carrying amounts	346
(301)	Accumulated amortisation	(317)
45		**29**

Note 20 – Assets Held for Sale

2015/16 £000		2016/17 £000
2,541	**Balance at 1 April 2016**	**653**
0	Assets newly classified as held for sale	0
15	Property, Plant and Equipment	3,488
(390)	Revaluation Losses	3,407
263	Revaluation Gains	0
	Assets declassified as held for sale*:-	
(1,776)	Property, Plant and Equipment	(203)
653	**As at 31 March 2017**	**7,345**

*All assets values listed are in respect of Property, Plant and Equipment

The Council measures its non-current assets held for sale at fair value at each reporting date. The fair value of non-current assets held for sale have been based on the market value approach using current market conditions and recent sales prices and other relevant information for similar assets in the West Dunbartonshire area together with evidence across the wider West of Scotland. Market conditions are such that similar properties are marketed, purchased and sold actively and the level of observable inputs are sufficient, leading to the properties being categorised at Level 2 in the fair value hierarchy.

There were no transfers between Levels 1 and 2 during the year and there have been no changes in the valuation techniques used during the year for non-current assets held for sale.

Note 21 - Heritage Assets

2015/16 £000		2016/17 £000
1,370	**Balance at 1 April 2016**	**1,406**
36	Additions	0
0	Disposals	0
0	Assets Newly Classified as Heritage Assets	0
1,406	**Balance at 31 March 2017**	**1,406**

Notes to the Financial Statements (Cont'd)

Note 22 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table (including the value of assets acquired under finance leases and PPP contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2015/16 £000		2016/17 £000
377,806	**Opening Capital Financing Requirement**	**412,449**
	Capital Investment	
68,511	Property, Plant and Equipment	84,370
68,511		**84,370**
	Less Sources of Finance	
2,814	Receipts from sale of assets	5,451
15,675	Government Grants and other Contributions	8,213
2,981	Revenue Contributions	5,910
12,398	Loan Fund Principal Repayments	12,970
33,868		**32,544**
412,449	**Closing Capital Financing Requirement**	**464,275**
0	Increase in Underlying Need to Borrow (Supported)	0
34,643	Increase in Underlying Need to Borrow (Unsupported)	51,826
34,643	**Movement in Capital Financing Requirement**	**51,826**

Note 23 – Impairment Losses

During 2016/17, the Council has recognised impairment losses of £90.297m (2015/16 £3.704m) relating to non value adding enhancement of various assets. These impairment losses have been charged as appropriate within the Comprehensive Income and Expenditure Statement and the Revaluation Reserve.

Note 24 – Private Finance Initiatives and Similar Contracts

Schools PPP Scheme

2016/17 was the eighth year of a thirty year public private partnership for provision of three secondary schools and one primary school in Clydebank and Alexandria.

The Council has rights to use the schools for core educational purposes between the hours of 7am and 6pm during term time and 8.30am and 4pm during holiday periods. In addition school facilities are available on request for Community/Other Educational Use at specified times outwith the above. The contract specifies minimum standards for the services to be provided by the contractor, with deductions from the fee payable being made if facilities are unavailable or performance is below the minimum standards.

The partnership agreement was for the design, build, finance and operation of the schools which means that the contractor took on the obligation to construct the schools and maintain them in a minimum acceptable condition and to procure and maintain the plant and equipment need to operate the schools. When the agreement ends, after thirty years, unrestricted use and operation of the buildings will be handed back to the Council at nil cost.

Notes to the Financial Statements (Cont'd)

Note 24 – Private Finance Initiatives and Similar Contracts (Cont'd)

The Termination rights are in line with the market norms reflected in the Scottish Standard Schools Contract, as approved by the Scottish Government, prior to financial close.

Property, Plant and Equipment

The school buildings are recognised on the Council's balance sheet within property, plant and equipment balance. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in note 18.

Payments

The Council makes an agreed payment each year (which is increased each year by inflation) with deductions from the fee payable being made if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PPP contract at 31 March 2017 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Repayment of Liability £000	Interest Charges £000	Operating Costs £000	Lifecycle Replacement £000	Total Unitary Payment £000
Less than 1 year	2,156	6,291	2,363	560	**11,370**
2-5 years	9,924	23,501	10,098	2,757	**46,280**
6-10 years	15,664	24,760	14,099	5,126	**59,649**
11-15 years	17,784	18,303	15,951	9,612	**61,650**
16-20 years	25,011	10,593	18,048	9,908	**63,560**
21-25 years	13,777	1,512	9,116	5,119	**29,524**
26-30 years	0	0	0	0	**0**
PPP Contractual Liability as at 31.03.17	**84,316**	**84,960**	**69,675**	**33,082**	**272,033**

Although the payments made to the contractor are described as unitary charge payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

2015/16 £000		2016/17 £000
88,091	Opening Balance	86,296
(1,795)	Repayments	(1,980)
86,296	Closing Balance	**84,316**

Note 25 – Inventories

Consumable Stores 2015/16 £000	WIP 2015/16 £000	Total 2015/16 £000		Consumable Stores 2016/17 £000	WIP 2016/17 £000	Total 2016/17 £000
824	**113**	**937**	**Balance outstanding at 01/04/16**	**866**	**56**	**922**
149	0	**149**	Purchases	45	0	**45**
(107)	(57)	**(164)**	Recognised as an expense in the year	(45)	224	**179**
866	**56**	**922**	**Balance outstanding at 31/03/17**	**866**	**280**	**1,146**

Notes to the Financial Statements (Cont'd)

Note 26 – Debtors

2015/16 £000	2015/16 £000		2016/17 £000	2016/17 £000
		Central government bodies		
0		Grant Income	23	
4,001		VAT Recoverable	4,636	
2,232	6,233	Other Debtors	3,881	8,540
	44	Other local authorities		674
	36	NHS Bodies		17
	433	Public Corporations and trading funds		305
		Other Entities and individuals		
10,031		Arrears of local taxation	10,890	
18,636	28,667	Other Debtors	17,219	28,109
	35,413			**37,645**

Note 27 – Net Cash Outflows from Operating, Financing and Investing Activities

2015/16 £000		2016/17 £000
14,989	**Net deficit on the Provision of Services**	**13,958**
	Adjustments to net deficit on the provision of services for non-cash movements	
(34,303)	Depreciation, amortisation and impairment	(32,301)
(861)	Net gain on fixed assets	1,146
(14,913)	Movement in pension liabilities	(10,146)
(15)	Movement in inventories	224
2,383	Movement in debtors	3,345
(727)	Movement in creditors and provisions	(673)
(24)	Other non-cash movements	(597)
(48,460)		**(39,002)**
	Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities	
21	Financing movements	17
15,738	Investing movements	8,124
15,759		**8,141**
(17,712)	**Net cash flow from Operating Activities**	**(16,903)**
69,727	Purchase of property, plant and equipment and intangible assets	86,112
(2,814)	Proceeds from sale of property, plant and equipment and intangible assets	(5,451)
(18,139)	Other receipts from investing activities	(10,063)
48,774	**Net cash outflows from investing activities**	**70,598**
(95,120)	Cash receipts of short-term and long-term borrowing	(144,709)
1,795	Repayment of PPP liabilities	1,980
63,029	Repayment of short-term and long-term borrowing	87,291
(30,296)	**Net cash inflows from financing activities**	**(55,438)**

Notes to the Financial Statements (Cont'd)

Note 28 – Net Cash and Cash Equivalents

Cash and Cash Equivalents	31-Mar-16 £000	Movement £000	31-Mar-17 £000
Bank Current Account	(838)	944	106
Short term deposits with UK banks	8,407	799	9,206
Total Cash and Cash equivalents	**7,569**	**1,743**	**9,312**

Note 29 – Financial Instruments

1) Types of Financial Instrument

Accounting regulations require the "financial instruments" (investment, lending and borrowing of the Council) shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the Balance Sheet are made up of the following categories of "financial instruments":

	Long-term		Current	
	31-Mar-16 £000	31-Mar-17 £000	31-Mar-16 £000	31-Mar-17 £000
Debtors				
Loans and receivables	58	45	37,739	38,785
Borrowing				
Financial liabilities at amortised cost	241,009	228,095	89,855	158,119
Other long term liabilities				
PPP and finance leases	84,640	82,160	1,657	2,156
Creditors				
Financial liabilities at contract amount	0	0	36,642	36,955

The Council does not have any of the following types of investments or borrowings:
- available for sale financial assets;
- unquoted equity investments at cost;
- financial assets at fair value through profit and loss; or
- financial liabilities at fair value through profit and loss.

The Council has considered the Code requirements for accounting for financial instruments and the following events have not taken place in 2016/17:
- reclassification of financial assets carrying value between fair value and amortised cost;
- transfer of financial assets where part or all of the financial assets does not qualify for de-recognition;
- pledging of financial assets as collateral or liabilities or contingent liabilities, as a result no carrying or fair value exists;
- recording of impairment losses in a separate account which would require a reconciliation of changes during the year;
- default on any loans payable during 2016/17;
- breaches of long term loan agreements resulting in the liability being classed as current; or
- offsetting of financial assets and liabilities where a legally enforceable right exists and intent to settle is on net basis.

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

1) Types of Financial Instrument

The Council has considered the Code requirements for accounting for financial instruments and the following disclosures are consistent with the Code:

- current liabilities are recognised as such even if refinanced post balance sheet or original term greater than twelve months; and
- if the Council has the discretion (contractually) and expects to roll forward current liabilities for over twelve months, then the obligation can be treated as long term.

2) Fair Value of Assets and Liabilities carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) and are carried in the Balance Sheet at amortised cost. Fair values have been calculated with reference to the following:

Financial Liabilities

- PWLB Loans (Level 2) - For loans from the PWLB premature repayment rates from the PWLB in force on 31 March 2017 have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, we have assessed the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value).
- Non-PWLB loans (Level 2) - For non-PWLB loans payable, the fair value of market loans are calculated using estimated interest rates of 1.41% which is the average discount rate applied to market loans for calculation of premature repayment. The fair value of local Council loans are calculated using estimated interest rates of 0.32% which is the average discount rate applied to local Council loans for calculation of premature repayment. Discount rates have been applied to provide the fair value under PWLB debt redemption procedures.
- PFI/Finance leases (Level 3) – These are not the liability of the Council as the debt is held by the PFI/lease provider. Fair value have been calculated at level 3 on a simple proxy basis. The same NPV methodology has been applied as for PWLB and non-PWLB debt.

Financial Assets

- Fixed or variable short term deposits of less than a year (including MMF's) – Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.

Policy Type Assets

- Long term debtors – Level 2.

Creditors

- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Transfers between Levels of the Fair Value Hierarchy

- There were no transfers between input levels 1 and 2 or transfers in or out of level 3 during the year.

Changes in the Valuation Technique

- There has been no change in the valuation technique used during the year for the financial instruments.

31-Mar-16			31-Mar-17	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
		Debtors		
37,797	37,797	Loans and Receivables	38,830	38,830

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

2) Fair Value of Assets and Liabilities carried at Amortised Cost (cont'd)

The fair value is equal to the carrying amount because all loans and receivables are either short term or at a fixed interest rate or a variable rate linked to base rate without significant transaction costs. The Council does not hold any equity investments in an unquoted market and, therefore, this type of investment is excluded from the above table.

31-Mar-16			31-Mar-17	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
		Borrowing		
330,864	443,633	Financial liabilities	386,214	535,094
		Other Long Term Liabilities		
86,297	121,939	PPP and Finance Lease Liabilities	84,316	156,101
		Creditors		
36,642	36,642	Financial liabilities at contract amount	36,955	36,955

The fair value is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date. The commitment to pay interest above current market rates increases the amount that the Council would have to pay if the lender requested or agreed to early repayment of the loans.

The increase in the fair value as at 31 March 2017 compared to 2016 is due to the volatility in the market which has affected the shape of the yield with downward pressure on rates which has had an effect on the cost of prematurely repaying debt.

3) Gains and Losses on Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

	31-Mar-16			31-Mar-17		
	Financial Assets: Loans & receivables £000	Financial Liabilities: amortised cost £000	Total £000	Financial Assets: Loans & receivables £000	Financial Liabilities: amortised cost £000	Total £000
Interest (investment)	202	0	202	177	0	177
Interest payable and similar charges						
Interest/expense*	0	(19,750)	(19,750)	0	(19,283)	(19,283)
Loss on de-recognition	0	(50)	(50)	0	(17)	(17)
Net (Gain)/loss in year	**0**	**(19,800)**	**(19,800)**	**0**	**(19,300)**	**(19,300)**

* Interest/Expense has been calculated on an EIR basis where appropriate for market instruments

There has been no gain/loss on either of the following classes of financial instruments, as the Council does not own them:

- available for sale financial assets; and
- financial assets or liabilities at a fair value through profit and loss.

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

4) Nature and Extent of Risks arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government (Scotland) Act 2003 and the associated regulations. During 2016/17 these required the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Local Government Investments (Scotland) Regulations 2010. Overall these procedures require the Council to manage risk in the following ways:

(i) by formally adopting the requirements of the Code of Practice;
(ii) by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders;
(iii) by approving annually in advance prudential and treasury indicators for the following three years in limiting:
- The Council's overall borrowing;
- Its maximum and minimum exposures to fixed and variable rates;
- Its maximum and minimum exposures regarding the maturity structure of debt; and
- Its maximum annual exposure to investments maturing beyond a year.

(iv) by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment.

These are required to be reported and approved prior to the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is reported to Members to assess the effectiveness of controls established.

The 2016/17 annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 24 February 2016 and is available on the Council website. The key issues within the strategy were:

- the authorised limit for 2016/17 was set at £609.300m. This is the maximum limit of external borrowing;
- the operational boundary was expected to be £588.525m This is the expected level of debt during the year;
- the maximum amounts of fixed and variable interest rate exposure were set at 100% and 50% based on the Council's net debt; and
- the maximum exposures to the maturity structure of debt is detailed with refinancing and maturity risk.

The Council has fully adopted all required CIPFA Codes and statutory regulation currently in force, and maintains written principles for overall risk management, as well as written policies and procedures covering specific areas such as credit risk, liquidity risk, refinancing/maturity risk and market risk.

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with a limited number of pre approved UK banks and building societies whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each institution.

The Council's maximum exposure to credit risk in relation to investments in banks and building societies of £11.256m cannot be assessed on a general basis as the risk of any institution failing to make interest payments or repay principle sums is specific to each individual institution, however, recent experience has shown that the institutions invested in at the year end are unlikely to default on their commitments. A risk of irrecoverability applies to all of the Council's deposits but there was no evidence at 31 March 2017 that this was likely to happen.

The following analysis summarises the Council's maximum exposure to credit risk on other financial assets, based on past experience and current market conditions.

	Amount at 31.03.17 £000	Historical experience of non-payment adjusted for market conditions at 31.03.17 %	Estimated maximum exposure to default and uncollectibility £000
Customers and other income	28,380	8	1,581

The Council does not hold any of the following in relation to financial assets:

- collateral as security in case of default of investment; or
- financial assets that would otherwise be past due or impaired but have been renegotiated.

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The Council does not generally allow credit for customers, such that £8.588m is past its due date for payment. The past due amount can be analysed by age as follows:

	£000
Less than three months	1,477
Three to six months	268
Six months to one year	1,787
More than one year	5,056
	8,588

Provisions are made in accordance with Code Guidance, whereby a judgement is made regarding the probability of collection for each category of debt. This judgement is based upon the past experience of collecting each category of debt to calculate the appropriate percentage of each debt that may not be eventually recovered.

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

Credit Risk (Cont'd)

No financial assets have been individually determined to be impaired and no collateral is held on past due or impaired financial assets, therefore the Council has not obtained financial or non financial assets during the financial year by taking possession of any collateral or calling on other credit enhancements.

Liquidity risk

The Council manages its liquidity position through the risk management procedures noted above (i.e. the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow forecast management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowing from the Money Markets to cover any day to day cash flow need if required. The Council is required to provide a balanced budget through the Local Government Finance Act 1992, which ensures that sufficient funds are raised to cover annual expenditure. There is, therefore, no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Council maintains a significant debt portfolio and whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to the maturing of longer term financial liabilities.

The approved treasury indicator limits for the maturity structure of debt are the key parameters used to address this risk and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile as appropriate through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure that sufficient liquidity is available for the Council's day to day cash flow needs.

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. No more that 50% of borrowings are due to mature within any financial year or within any rolling five-year period.

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

Refinancing and Maturity Risk (Cont'd)

The maturity analysis of financial liabilities is as follows:

	Creditors £000	PPP £000	Borrowing £000	Total £000
Less than one year	36,955	2,156	158,119	197,230
Between one and two years	0	1,946	33,060	35,006
Between two and five years	0	7,978	24,923	32,901
More than five years	0	72,236	170,112	242,348
	36,955	**84,316**	**386,214**	**507,485**

Market risk
Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charges on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer.

Changes in market rates also affect the notional "fair value" of lending and borrowing. For example, a rise in interest rates would reduce the fair value of both lending and borrowing at fixed rates. Changes in the fair value of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council:

- it is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 50% of what it borrows;
- during periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt;
- the Council takes advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructurings of existing borrowings; and
- any potential for a financial impact on the Council is also significantly limited by the Scottish Government's grant distribution mechanism that automatically adjusts for changes in interest rates in the government grant support the Council receives for "loan charges".

The interest rate profile of the Council's borrowing is as follows:

	£000	%
Fixed Interest Debt	383,386	99.3%
Variable Interest Debt	2,828	0.7%
	386,214	

Notes to the Financial Statements (Cont'd)

Note 29 – Financial Instruments (Cont'd)

4) Nature and Extent of Risks arising from Financial Instruments (Cont'd)

Market risk (Cont'd)

To illustrate the impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher at 31 March 2017, with all other variables held constant:

	£000
Impact on tax payers and rent payers	
Increase on interest payable on variable debt borrowings	5
Increase in interest receivable on variable rate investments	(229)
Increase in government grant receivable for 'loan charges'	(53)
Impact on Income and Expenditure Account	(277)
Share of overall impact due credited to the HRA	(146)
Other accounting presentational changes	
Decrease in fair value of fixed rate investments:	0
Decrease in fair value of fixed rate debt borrowings (disclosure confined to notes to the core financial statements)	(94,095)

The impact of a 1% fall in interest rates would be as above but with the changes being reversed.

Foreign Exchange Risk
The Council does not lend or borrow in foreign currencies and has no exposure to gains or losses arising from movements in exchange rates.

Note 30 – Creditors

2015/16 £000		2016/17 £000
5,049	Central government bodies	6,147
8,889	Other local authorities	11,150
158	NHS Bodies	293
145	Public Corporations and trading funds	273
22,401	Other Entities and individuals	19,092
36,642		**36,955**

Note 31 – Provisions

	Equal Pay £000	Trawl £000	Total £000
Opening Provision	2,243	2,400	**4,643**
Contributions	0	862	**862**
Released	(900)	0	**(900)**
Used in year	(92)	(1,290)	**(1,382)**
Closing Position	**1,251**	**1,972**	**3,223**

Notes to the Financial Statements (Cont'd)

Note 31 – Provisions (Cont'd)

Equal pay claims and single status payments – The Council has implemented a Single Status pay structure. This provision is held for possible future equal pay claims through outstanding tribunal cases and revised gradings from the new pay structure.

Early Severance – This provision is held for those staff accepting a severance or early retiral package with a view to leaving in 2017/18.

Note 32 – Reserves and Earmarked Balances

The Council holds reserves on the Balance Sheet in respect of General Fund and HRA brought forward surpluses:

(1) The General Fund balance stands at £10.665m on 31 March 2017, of which £6.083m is earmarked for ringfenced purposes, leaving an unearmarked balance of £4.582m.

The main earmarked income held for future specific purposes:

	£000
Welfare Reform	101
Community Loans Fund	101
Private Sector Housing Grants	300
Budget Setting 2016/17 - 2017/18	2,201
Transformational projects	1,411
Education Development	110
Developing Young Workforce/Youth Employment	215
Clydebank Property Company	227
GIRFEC	168
Business Gateway	492
Jobs Growth	300
Other Committed Spend	457
	6,083

(2) The HRA balance is currently £6.963m as at 31 March 2017, of which £6.117m is earmarked for ring fenced purposes, leaving an unearmarked balance of £0.846m.

The earmarked balance held for future specific purposes is:-

	£000
Regeneration of the stock	5,617
Welfare Reform	500
	6,117

Notes to the Financial Statements (Cont'd)

Note 33 – Usable Reserves

Usable reserves are those reserves the Council is able to apply to fund expenditure or reduce taxation and comprise of both capital and revenue reserves. Movement in the revenue reserves during the year are outlined in the Movement in Reserves Statement, however, a summary is shown below:

31-Mar-16 £000		31-Mar-17 £000
11,203	General Services	10,665
6,217	Housing Revenue Account	6,963
0	Capital Receipts Reserve	0
484	Capital Grants Unapplied	466
3,824	Capital Reserve	3,633
527	Other Reserves	499
22,255	**Total Usable Reserves**	**22,226**

General Fund Revenue Reserve
The General Fund is held for services provided by the Council through Revenue Support Grant funded through the Scottish Government and Council Tax. It excludes the Housing Revenue Account. This reserve holds funds not yet spent.

Housing Revenue Account 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. This reserve holds funds not yet spent.

Capital Receipts Reserves
Capital receipts from asset sales are retained within this Reserve and used to fund planned capital expenditure.

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.

Capital Items Replacement Fund (Other)
This reserve holds funds which are retained and used for the renewal or repair of school non-current assets.

Capital Reserve
This reserve holds funds which are retained for the funding of the Public Private Partnership (PPP) unitary charge on a specific annual phased amount.

Notes to the Financial Statements (Cont'd)

Note 34 – Unusable Reserves

Unusable reserves are those reserves that the Council is not able to utilise to provide services and comprise of:-

31-Mar-16 £000		31-Mar-17 £000
227,034	Capital Adjustment Account	232,656
122,980	Revaluation Reserve	151,381
(153,740)	Pension Reserve	(240,926)
(3,002)	Employee Statutory Adjustment Account	(2,727)
(16,099)	Financial Instruments Adjustment Account	(15,392)
177,173	**Total Unusable Reserves**	**124,992**

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. The movement in reserve statement provides detail of the source of all the transactions posted to the account.

2015/2016 £000		2016/2017 £000
223,691	Opening Balance	227,034
(24,284)	Depreciation	(25,473)
(5,101)	Impairment	(7,640)
2,229	Deficit/Surplus on Revaluations	10,041
323	Write off Revaluation Reserve Balance re Disposals	466
(3,675)	Disposal of Fixed Assets	(4,305)
15,675	Government Grants Applied	8,214
2,981	Capital Financed by Current Revenue	5,910
12,381	Long Term Debt Payment	12,958
2,814	Capital Receipts Applied	5,451
227,034	**Closing Balance**	**232,656**

Notes to the Financial Statements (Cont'd)

Note 34 – Unusable Reserves (Cont'd)

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.

2015/2016 £000		2016/2017 £000
132,632	Opening Balance	122,980
2,306	Unrealised Gains on Revaluation of Assets	126,849
(4,003)	Impairments and Losses on Revaluation of Assets	(88,561)
(323)	Write off Revaluation Reserve Balance re Disposals	(466)
(7,632)	Depreciation due to Revaluation of Assets	(9,421)
122,980	**Closing Balance**	**151,381**

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 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.

2015/2016 £000		2016/2017 £000
(216,679)	Opening Balance	(153,740)
77,852	Actuarial (Loss)/Gain	(77,040)
19,339	Employer Contributions	20,341
(34,252)	Reversal of IAS19 Entries	(30,487)
(153,740)	**Closing Balance**	**(240,926)**

Notes to the Financial Statements (Cont'd)

Note 34 – Unusable Reserves (Cont'd)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment 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.

2015/2016 £000		2016/2017 £000
(3,836)	Opening Balance	(3,002)
834	Staff Accrual Movement	275
(3,002)	**Closing Balance**	**(2,727)**

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. In the Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the account as at 31 March 2017 will be charged to the General Fund over the next forty-four years.

2015/2016 £000		2016/2017 £000
(16,985)	Opening Balance	(16,099)
836	Annual Write off of Premiums and Discounts	846
0	New Premiums and Discounts	(122)
50	Annual EIR Adjustment to Stepped Interest Instruments	(17)
(16,099)	**Closing Balance**	**(15,392)**

Note 35 – Contingent Assets or Liabilities

The Council has a potential contingent liability relating to the risk that groups of workers not currently included in the equal pay provision may be successful in claiming compensation under the terms of the equal pay legislation.

The Council is not aware of any other contingent assets or liabilities which may be outstanding.

Note 36 – Financial Guarantee

In terms of West Dunbartonshire Leisure Trust's admission to the Strathclyde Pension Scheme, the Council has guaranteed to accept liability for any unfunded pension costs should they cease to exist, withdraw from the Scheme or become unable to meet any unfunded liability. The Council has not quantified the possible liability.

Movement on the Housing Revenue Account Statement

This statement shows the movement in the year on the housing revenue account reserve. The surplus or (deficit) on the housing revenue account income and expenditure statement is reconciled to the surplus or deficit for the year on the housing revenue account balance, calculated in accordance with the Housing (Scotland) Act 1987.

Re-stated 2015/16 £000		2016/17 £000
(4,570)	**Balance on the Housing Revenue Account at the End of the Previous Year**	**(6,217)**
2,113	**Total Comprehensive Income and Expenditure**	**1,408**
	Adjustments to the revenue resource	
(379)	Pension Scheme Adjustments	(198)
12	Financial Instruments Adjustment	9
19	Holiday Pay Adjustment	1
(11,439)	Reversal of entries included in the Surplus/Deficit on the Provision of Services in relation to capital expenditure	(13,082)
(11,787)		**(13,270)**
	Adjustments between Revenue and Capital Resources	
(30)	Net gain or loss on sale of non-current assets	(351)
5,623	Statutory Repayment of Debt (Loans Fund Advances)	6,093
2,434	CFCR	5,374
8,027		**11,116**
(3,760)	**Total Statutory Adjustments 2016/17**	**(2,154)**
0	Transfers to/from Other Statutory Reserves	0
(1,647)	**(Increase)/Decrease in Year**	**(746)**
(6,217)	**Balance on the Housing Revenue Account at the end of the Current Year**	**(6,963)**

Housing Revenue Account Income and Expenditure Statement

The HRA income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2015/16 £000		2016/17 £000
	Income	
(37,713)	Dwelling Rents (net of voids)	(38,794)
(280)	Other Rents	(277)
(2,125)	Other Income	(1,554)
(40,118)		**(40,625)**
	Expenditure	
12,386	Repairs and Maintenance	11,836
8,970	Supervision and Management	8,996
13,973	Depreciation and Impairment	15,571
1,113	Bad/Doubtful Debts	999
984	Other Expenditure	349
37,426		**37,751**
(2,692)	**Net Cost of Service as Included in the Council Comprehensive Income and Expenditure Statement**	**(2,874)**
25	HRA Share of Corporate and Democratic Core	25
(2,667)	**Net Cost of HRA Services**	**(2,849)**
	HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement	
(2,534)	Recognised Capital Income (Grants, Contributions and Donations)	(2,489)
30	Gain or Loss on the Sale of HRA Non Current Assets	351
6,914	Interest Payable and Similar Charges	6,053
463	Amortisation of Premiums and Discounts	435
(93)	HRA Interest and Investment Income	(93)
4,780		**4,257**
2,113	**(Surplus)/Deficit for the year on HRA Services**	**1,408**

Notes to the Housing Revenue Account Income and Expenditure Statement

Note 1 - The number and types of dwellings in the Council's stock

The Council was responsible for managing 10,580 dwellings during 2016/17 (10,748 in 2015/16). The following shows an analysis of these dwellings by type.

Number at 31.03.16	2015/16 Average weekly rent £	Type of Dwelling	Number at 31.03.17	2016/17 Average weekly rent £
2,736	69.01	Two-apartment	2,731	71.78
4,922	71.08	Three-apartment	4,856	73.93
2,758	75.40	Four-apartment	2,677	78.52
325	80.38	Five-apartment	309	83.86
2	83.46	Six-apartment	2	86.80
1	76.01	Seven-apartment	1	79.05
3	77.56	Eight-apartment	2	86.80
1	83.46	Nine-apartment	2	86.80
10,748		**Total**	**10,580**	

Note 2 – Dwelling Rents

This is the total rental income less voids chargeable for the year of £0.848m (£1.293m in 2015/16). It excludes irrecoverables and bad debts. Average rents were £74.85 per week in 2016/17 (£70.51 per week in 2015/16).

Note 3 –Other Rents

This is the total income received from travelling person site rentals, lock-ups and shops less voids chargeable for the year, but excludes irrecoverables and bad debts. Lost rents from lock-ups in 2016/17 were £0.076m (£0.080m in 2015/16).

Note 4 - Rent arrears

As at 31 March 2017, total rent arrears amounted to £3.056m (£3.261m 31 March 2016). This is 7.85% of the total value of rents due at 31 March 2017. It should be noted that the total arrears do not all relate to 2016/17 and the year on year movement in value of arrears is a reduction of £0.205m.

Note 5 - Provision for Bad Debts

In the financial year 2016/17, the rental bad debt provision has been decreased by £0.149m (£0.077m decrease of 2015/16). The provision to cover loss of rental income stands at £2.026m as at 31 March 2017 – equivalent of 66.31% (66.73% 2015/16) of the total value of rents due at that date.

Council Tax Account

Council Taxpayers: £31.592m (2015/16 £30.714m)

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under Statute. 2016/17 represents the fourth year of operation of the Council Tax Reduction Scheme in Scotland. The Council Tax Reduction Scheme represents a new discount introduced across Scotland following the abolition of Council Tax Benefits as part of the UK government's welfare reform programme. The resultant total net income within the Council Tax Account is transferred to the Comprehensive Income and Expenditure Statement.

2015/16 £000		2016/17 £000
46,613	Gross council tax	46,669
	Less:	
(8,907)	Council Tax Reduction Scheme Discount*	(8,658)
(5,685)	Other discounts and reductions	(5,675)
(867)	Provision for bad and doubtful debts	(830)
(440)	Adjustments for prior years	86
30,714	**Transfer to General Fund**	**31,592**

The calculation of the council tax base

Band	No of Dwellings	No of Exemptions	Disabled Relief	Discounts 25%	Discounts 50%	CTRS Discount	Total Dwellings	Ratio to Band D	Band D Equivalent
A(Disabled)	0	0	24	12	0	21	5	5/9	17
Band A	7,919	483	45	4,546	109	6,290	3,658	2/3	6,068
Band B	16,898	547	(17)	7,698	184	14,318	5,886	7/9	14,653
Band C	7,493	180	(5)	2,776	62	6,583	1,826	8/9	7,099
Band D	5,859	96	17	1,756	33	5,325	650	1	5,805
Band E	4,448	38	(44)	898	25	4,129	213	1 2/9	5,219
Band F	1,651	11	(9)	217	13	1,570	47	1 4/9	2,316
Band G	781	3	(10)	91	8	741	19	1 2/3	1,260
Band H	65	1	(1)	3	9	58	0	2	116
								Total	**42,553**
								Provision for bad debt	**(714)**
								Council Tax Base	**41,839**

The nature and actual amount of each charge fixed

Gross Charges	**2015/16 £ per year**		**2016/17 £ per year**
Dwellings fall within a valuation band between 'A' to 'H' which is determined by the Assessor. The council tax charge is calculated using the council tax base i.e. band D equivalents. This charge is then decreased/ increased dependent on the band. The band D charge for 2016/17 was £1,163.	775	Band A	775
	905	Band B	905
	1,034	Band C	1,034
	1,163	Band D	1,163
	1,421	Band E	1,421
	1,680	Band F	1,680
	1,938	Band G	1,938
	2,326	Band H	2,326

Discounts, Reliefs and Exemptions

A council tax bill is reduced by 25% where a property has only one occupant or 50% where the property is empty. For council tax purposes certain students are not regarded as occupants. Certain properties may also qualify for relief if the property has been adapted for a disabled person. Properties undergoing major renovation or held pending demolition may be awarded exemption from council tax.

*Council Tax Benefit has been replaced by Revenue Support Grant received from the Scottish Government. The result of which has been to reduce the Council Tax Income due by use of a Council Tax Discount Mechanism.

Non Domestic Rates Account

Non-Domestic Rates Income £82.793m (2015/16 £84.053m)

The Non Domestic Rate Account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non Domestic Rates account. The statement shows the gross income from the rates and deductions made under Statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

Non-Domestic Rates are pooled for Scotland as a whole and redistributed to authorities on a basis which reflects population. West Dunbartonshire Council received £82.793m (2015/16 £84.053m) from the national pool. West Dunbartonshire Council's allocation from the pool now reflects the Council's duty to collect Scottish Gas utilities on behalf of all Scottish Councils. The Council's Revenue Support Grant has been adjusted to compensate for this change. In 2012/13 the Scottish Government introduced Business Rates Incentivisation Scheme (BRIS), to incentivise Councils to grow their potential business rates tax base and as a result increase rates income, a proportion of which is to be retained by Councils. Following a review of the original BRIS by a joint Scottish Government/COSLA Review Group the original scheme was suspended and a revised scheme was introduced in 2014/15. The amount of revised BRIS local targets will be linked only to the buoyancy element of the total estimated NDRI for any one year. This ensures that each Council will have the ability to influence their own local tax base. Local targets for 2016/17 were 0.9% and indications suggest the Council is not due any additional income for the year. Local provisional targets for 2017/18 are 1.7%.

The amount deemed to be collected locally was £80.674m (2015/16 £76.871m). The sum actually collected locally and contributed to the pool was £79.258m (2015/16 £76.215m), made up as follows:

2015/16 £000		**2016/17 £000**
84,959	Gross rates levied	87,880
	Less:	
(7,601)	Reliefs and other deductions	(7,397)
(850)	Provision for bad and doubtful debts	(879)
76,508	Net non-domestic rate income	79,604
(293)	Adjustments for prior years	(346)
76,215	Total Non Domestic Rate Income (before retention)	79,258
0	Non Domestic Rate Income Retained by the Council (BRIS)	0
76,215	**Contribution to National Non Domestic Rate Pool**	**79,258**

The non-domestic rates pool operates on a cash accounting basis and as such the non-domestic rate income account within West Dunbartonshire Council is calculated on a similar basis.

Analysis of rateable Values:	**£**
Rateable value at 1/4/16	172,530,915
Running roll (full year RV)	203,065
Rateable value at 31/3/17	172,733,980
Less: partially exempt	754,550
Less: wholly exempt	4,335,500
Net rateable value at 31/3/17	**167,643,930**

An explanation of the nature and amount of each rate fixed

The amount paid for non-domestic rates is determined by the rateable value placed on the property by the Assessor multiplied by the rate per £ announced each year by the government.

The national non-domestic rate poundage set by the First Minister for Scotland for 2016/17 was £0.484.

Common Good Fund

The Council administers the Dumbarton Common Good Fund Account. The Fund is applied for the benefit of the people of Dumbarton. The figures below summarise the income and expenditure for the year as well as the assets and liabilities as at 31 March 2017. The fund does not represent assets of the Council and has not been included within the Balance Sheet on page 29.

Income and Expenditure Account

2015/16 £000		2016/17 £000
	Expenditure	
144	Payments to Other Bodies	141
51	Denny Tank	50
25	General Expenditure	22
220		**213**
	Income	
277	Rent – Sites and Offices	283
157	Gain on Investments	0
1	Other Income	1
435		**284**
(215)	**Net surplus/(deficit) for year**	**(71)**
58	In Year Usable Gain	71
157	In Year Un-usable Gain	0
215		**71**
215	Balance brought forward	273
58	In Year Usable Gain	71
273	**Balance carried forward**	**344**

Balance Sheet as at 31 March 2017

2015/16 £000		Note	2016/17 £000
	Fixed Assets		
2,909	Investment properties	1	2,909
	Current Assets		
298	Investments – West Dunbartonshire Council		344
0	Debtors	2	3
	Current Liabilities		
(25)	Creditors falling due within one year	3	(3)
3,182	**Total assets**		**3,253**
	Funds		
2,909	Capital Adjustment Account		2,909
273	General Fund		344
3,182			**3,253**

Note 1 Tangible fixed assets and depreciation

All assets valued over £6,000 are capitalised and valued at market value. Depreciation is charged on assets other than Investment assets on a straight line basis over their estimated life. The Fund only holds investment assets.

Common Good Fund (Cont'd)

Note 2 Analysis of Sundry Debtors

2015/16 £000		2016/17 £000
0	Prepaid grant	3
0		**3**

Note 3 Analysis of Sundry Creditors

2015/16 £000		2016/17 £000
18	Grant	0
7	Prepayment of rent	3
25		**3**

Sundry Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds, which may be used for various purposes depending on the terms of the Trust. In all cases, the funds do not represent assets of the Council and they have not been included within the Balance Sheet on page 29. Under the provisions of the "2005 Act" and the "Accounts Regulations" above, all registered charities in Scotland are required to prepare financial statements which must be externally scrutinised. The trust funds below are registered, under one registration, with the Office of the Scottish Charity Regulator. Management has reviewed the current arrangements for the trust funds to ensure the current arrangements reflect the needs of the Council and ensure that all obligations are met. Responsibility for the compliance with the new regulations was delegated to the Strategic Lead - Resources.

Receipts and Payments Account

2015/16				2016/17		
Receipts £000	Payments £000	Surplus/ (Deficit) £000		Receipts £000	Payments £000	Surplus/ (Deficit) £000
1	0	1	**Dunbartonshire Educational Trust Scheme 1962** Endowments amalgamated to form trust	0	0	0
0	0	0	**McAuley Prize for Mathematics** Provide prizes for those studying maths & computing	0	0	0
1	0	1	**Alexander Cameron Bequest** To encourage and support one-off community activities in Clydebank	1	0	1
0	0	0	**Dr A K Glen Fund** Provide outings for Pensioners resident in Dumbarton	0	0	0
0	0	0	**War Memorial Dumbarton** For upkeep of war memorials	0	15	(15)
0	0	0	**Halkett Memorial Trust** For young writers competition and painting competition	0	3	(3)
0	0	0	**Vale of Leven Fund** For the people of the Vale of Leven	0	0	0
0	0	0	**UIE Award** For students studying apprenticeships or training in industry	0	0	0
2	**0**	**2**	**Total**	**1**	**18**	**(17)**

Statement of Balances as at 31 March 2017

	Balance as at 1/4/16 £000	Surplus/ (deficit) for year £000	Balance as at 31/3/17 £000
Bank and Cash			
Dunbartonshire Educational Trust Scheme 1962	86	0	86
McAuley Prize for Mathematics	21	0	21
Alexander Cameron Bequest	155	1	156
Dr A K Glen Fund	26	0	26
War Memorial Dumbarton	15	(15)	0
Halkett Memorial Trust	3	(3)	0
Vale of Leven Fund	8	0	8
UIE Award	24	0	24
Total	**338**	**(17)**	**321**
Investments			
Dunbartonshire Educational Trust Scheme 1962	5	0	5
Total	**5**	**0**	**5**
Overall Total	**343**	**(17)**	**326**

The Trust Funds hold no liabilities.

Group Accounts

Introduction

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) requires local authorities to consider their interests in all types of entities. This includes other local authorities or similar bodies defined in section 106 of the Local Government (Scotland) Act 1973, including statutory bodies such as Valuation and Concessionary Travel Joint Boards. Authorities are required to prepare a full set of group accounts in addition to their own Council's accounts where they have a material interest in such entities.

Combining Entities

The Group Accounts consolidate the results of the Council with six other entities:

Dunbartonshire and Argyll & Bute Valuation Joint Board (VJB);
West Dunbartonshire Health and Social Care Partnership (HSCP);
Strathclyde Partnership for Transport (SPT);
Strathclyde Concessionary Travel Joint Board (SCT);
West Dunbartonshire Leisure Trust (WDLT); and
Clydebank Property Company (CPC).

In addition to these entities, the Dumbarton Common Good and Sundry Trust Funds have also been consolidated.

The accounting period for all entities is 31 March 2017.

The Council would class an entity as an associate if they have significant influence over the financial and operating policies of the entity. The Council would class an entity as a subsidiary if they have control of the entity. The Council would class an entity as a joint venture where it has contractually agreed to share control with another party, such as significant decisions require unanimous consent and the joint venturers have rights to the net assets of the arrangement.

Under accounting standards, this Council includes the results of three of these organisations as 'associates' because it has a significant influence over their financial and operating policies (namely VJB, SPT and SCT). The Council has no shares in, nor ownership of any of these organisations which are entirely independent of the Council.

The Joint Boards are independent public bodies formed by an Act of Parliament. All local government functions that relate to these bodies have been delegated from the constituent councils that comprise the area of each Board. The members of each Board are elected Councillors and are appointed by the councils in proportions specified by legislation.

The WDLT and the CPC have been included as subsidiaries.

HSCP has been included as a joint venture.

Basis of Combination and Going Concern

The combination has been accounted for on an acquisition basis using the equity method – that is, the Council's share of the net assets and liabilities of each entity is incorporated and adjusted each year by the Council's share of the entities' results (recognised in the Group Income and Expenditure Account), and its share of other gains and losses.

For four of the six entities, the Council has a share in a net asset. The negative balance on the VJB and the Leisure Trust arise from the inclusion of liabilities related to defined benefit pension schemes as required by IAS19 and FRS102.

Group Accounts (Cont'd)

Basis of Combination and Going Concern (Cont'd)

The effects of inclusion of these entities and the Common Good and Trust Funds on the Group Balance Sheet is to increase reserves and Net Assets by £15.322m – representing the Council's share of net assets in these entities.

The Code requires Council to prepare financial statements on a going concern basis. A transfer within public services does not negate the presumption that these bodies are still a going concern.

Thus all entities consider it appropriate that their Financial Statements should follow the 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities for the deficit of the Valuation Joint Boards means that the financial position of the Board is assured.

Whilst the Balance Sheet of some entities show negative total assets, this relates primarily to defined benefit scheme pension liabilities in these entities. The financial statements of all individual group entities have been prepared on a going concern basis and, as such, the group accounts have also been prepared on this basis.

Group Accounting Policies: Disclosure of differences with main Statement of Accounting Policies

The financial statements in the Group Accounts are prepared in accordance with the accounting policies set out in Note 1 on pages 31 to 50 with additions and exceptions noted below:

- **Group Income and Expenditure Account**

  - Proceeds from disposal of fixed assets – profits and losses from the disposal of fixed assets are credited or debited to the Group Income and Expenditure Account within the net cost of services. The proceeds are then appropriated out after net operating expenditure. For those proceeds associated with the disposal of the Council's assets, appropriation is to the Group Reserves. For those proceeds associated with the disposal of associates' assets, appropriation is to the Group Income and Expenditure Reserve.

- **Group Balance Sheet**

  - Inventories – valuation methods vary slightly across the Group. The Council uses weighted average cost. The difference in valuation methods does not have a material impact on the results of the group given the levels of stock held within the organisations; and

  - Pensions – West Dunbartonshire Leisure Trust complies with the Financial Reporting Standard FRS102 concerning the disclosure of information on pensions.

Group Accounts (Cont'd)

Group Comprehensive Income and Expenditure Statement

Restated 2015/16 Gross Expenditure £000	Restated 2015/16 Gross Income £000	Restated 2015/16 Net Expenditure £000		2016/17 Gross Expenditure £000	2016/17 Gross Income £000	2016/17 Net Expenditure £000
			Service			
75,009	52,460	22,549	Corporate Services	72,732	50,353	22,379
95,830	4,760	91,070	Educational Services	97,041	5,437	91,604
62,901	26,411	36,490	Infrastructure, Regeneration and Economic Development	54,270	23,939	30,331
9,025	6,227	2,798	Housing and Communities	7,457	5,188	2,269
37,451	40,118	(2,667)	Housing Revenue Account	39,848	42,698	(2,850)
8,401	2,992	5,409	Miscellaneous Services	7,229	6,422	807
133,082	68,654	64,428	Health and Social Care Partnership	149,690	83,549	66,141
2,586	0	2,586	Requisitions	2,575	0	2,575
6,855	2,559	4,296	Subsidiaries	6,884	3,221	3,663
73,867	75,083	(1,216)	Associates Accounted for on an Equity Basis	95,674	98,529	(2,855)
505,007	**279,264**	**225,743**	**Net Cost of Service (1)**	**533,400**	**319,336**	**214,064**
		861	(Gain) / loss on Disposal of Fixed Assets			(1,146)
		861	**Other Operating Expenditure (2)**			**(1,146)**
		(30,714)	Council Tax			(31,592)
		(84,053)	Non-Domestic Rates			(82,793)
		(106,095)	Revenue Support Grant			(100,799)
		(15,738)	Recognised Capital Income (Grants, Contributions & Donations)			(8,229)
		(236,600)	**Taxation and Non-specific Grant Income (3)**			**(223,413)**
		(203)	Interest Earned			(177)
		18,909	External Interest Payable / Similar Charges			18,437
		836	(Gain)/Loss early settlement of borrowing			846
		(2,721)	Surplus on Trading Undertakings not included in net cost of services			(3,284)
		7,562	Pension Interest Cost/Expected Return on Pension Assets			5,968
		24,383	**Finance/Investment Income and Expenditure (4)**			**21,790**
		14,387	**(Surplus)/Deficit on Provision of Services (5) = (1)+(2)+(3)+(4)**			**11,295**
		2,180	(Surplus)/Deficit arising from revaluation of property, plant and equipment			(38,097)
		(863)	(Surplus)/Deficit on revaluation of available for sale assets			(691)
		(80,772)	Actuarial (gains)/losses on pension fund assets and liabilities			80,158
		(1,264)	Share of other Comprehensive Income and Expenditure of Associates			1,311
		(80,719)	**Other Comprehensive (Income) and Expenditure (6)**			**42,681**
		(66,332)	**Total Comprehensive (Income) and Expenditure (5)+(6)**			**53,976**

Group Accounts (Cont'd)

Group Movement in Reserves Statement

	Usable Reserves								Unusable Reserves			
	General Fund balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Other Reserves £000	Group Usable Reserves £000	Total Usable Reserves £000	Unusable Reserves £000	Group Unusable Reserves	Total Unusable Reserves £000	Total Reserves £000
2016/17												
Opening Balance at 1 April 2016	**(11,203)**	**(6,217)**	**0**	**(484)**	**(3,824)**	**(527)**	**(6,226)**	**(28,481)**	**(177,173)**	**(10,863)**	**(188,036)**	**(216,517)**
Movement in reserve 2016/17												
(Surplus) or deficit on provision of services	12,550	1,408	0	0	0	0	(2,210)	**11,748**	38,252	2,665	**40,917**	**52,665**
Other Comprehensive Expenditure and Income	(11,793)	(2,154)	0	18	0	0	0	**(13,929)**	13,929	1,311	**15,240**	**1,311**
Net Increase/(Decrease) before Transfers to Other Statutory Reserves	**757**	**(746)**	**0**	**18**	**0**	**0**	**(2,210)**	**(2,181)**	**52,181**	**3,976**	**56,157**	**53,976**
Transfers to/from other statutory reserves	(219)	0	0	0	191	28	0	**0**	0	0	**0**	**0**
Closing Balance at 31 March 2017	**(10,665)**	**(6,963)**	**0**	**(466)**	**(3,633)**	**(499)**	**(8,436)**	**(30,662)**	**(124,992)**	**(6,887)**	**(131,879)**	**(162,541)**
2015/16												
Opening Balance at 1 April 2015	**(9,623)**	**(4,570)**	**0**	**(421)**	**(4,012)**	**(433)**	**(5,407)**	**(24,466)**	**(118,823)**	**(6,896)**	**(125,719)**	**(150,185)**
Movement in reserve 2015/16												
(Surplus) or deficit on provision of services	12,876	2,113	0	0	0	0	(819)	**14,170**	(76,535)	(3,967)	**(80,502)**	**(66,332)**
Adjustments between accounting basis and funding basis under regulations	(14,362)	(3,760)	0	(63)	0	0	0	**(18,185)**	18,185	0	**18,185**	**0**
Net Increase/(Decrease) before Transfers to Other Statutory Reserves	**(1,486)**	**(1,647)**	**0**	**(63)**	**0**	**0**	**(819)**	**(4,015)**	**(58,350)**	**(3,967)**	**(62,317)**	**(66,332)**
Transfers to/from other statutory reserves	(94)	0	0	0	188	(94)	0	**0**	0	0	**0**	**0**
Closing Balance at 31 March 2016	**(11,203)**	**(6,217)**	**0**	**(484)**	**(3,824)**	**(527)**	**(6,226)**	**(28,481)**	**(177,173)**	**(10,863)**	**(188,036)**	**(216,517)**

Group Accounts (Cont'd)

Group Balance Sheet

2015/16 £000		2016/17 £000
765,166	Property, Plant and Equipment	843,793
45	Intangible Assets	29
11,461	Investment in associates	11,890
58	Long Term Debtors	44
501	Long term Investments	501
1,406	Heritage Assets	1,406
778,637	**Total Long Term Assets**	**857,663**
653	Asset Held for Sale	7,345
933	Inventories	1,158
35,009	Short Term Debtors	39,245
15,032	Cash and Cash Equivalents	14,925
51,627	**Current Assets**	**62,673**
(4,643)	Provisions	(3,223)
(4,788)	Cash and Cash Equivalents	(2,718)
(37,779)	Short Term Creditors	(39,859)
(86,724)	Short Term Borrowing	(157,557)
(133,934)	**Current Liabilities**	**(203,357)**
696,330	**Total Assets less Current Liabilities**	**716,979**
30	Liabilities in Associates	1,142
(325,649)	Long Term Borrowing	(310,254)
(154,151)	Net Pensions Liability	(244,546)
(43)	Capital Grants Receipts in Advance (conditions)	(780)
(479,813)	**Long Term Liabilities**	**(554,438)**
216,517	**Total Assets Less Liabilities**	**162,541**
	Represented by:	
28,481	Usable Reserves	30,663
188,036	Unusable Reserves	131,878
216,517	**Total Reserves**	**162,541**

The unaudited Financial Statements were issued on 28 June 2017.

Stephen West
Strategic Lead - Resources
West Dunbartonshire Council
28 June 2017

Group Accounts (Cont'd)

Group Cashflow Statement

There is no impact of the incorporation of the associates within the group cash flow statement, therefore, no cash flow statement is noted within the Group Accounts. The cash flow of the group is equal to the cash flow of the Council, as shown on page 30.

Group Accounts (Cont'd)

Notes to the Group Accounts

Note 1 - Details of combining entities

The notes required for the Financial Statements of West Dunbartonshire Council are disclosed separately in the preceding pages. For Strathclyde Partnership for Transport and Concessionary Travel Scheme, although the Council holds less than 20% voting rights, it has a significant influence on the bodies. The organisations have voting allocations over 11 other local councils, with no one council holding majority shares, which ensures that all 12 councils can influence decisions. The following notes provide material additional amounts and details in relation to the other combining entities.

Strathclyde Partnership for Transport is the statutory body responsible for formulating the public transport policy on behalf of the 12 local authorities in the West of Scotland. In 2016/17, the Council contributed £1.642m (2015/16 £1.642m) or 4.39% (2015/16 4.39%) of the Board's estimated running costs and its share of the year end net asset of £8.240m (2015/16 £7.866m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, Consort House, West George Street, Glasgow G2 1HN.

Strathclyde Concessionary Travel Scheme Joint Board oversees the operation of the concessionary fares scheme for public transport on behalf of the 12 local authorities in the West of Scotland. The costs of the scheme are funded through requisitions from the 12 councils and by the Scottish Executive via a 'section 70' grant. In 2016/17, the Council contributed £0.178m (2015/16 £0.178m) 4.19% (2015/16 4.19%) of the Board's estimated running costs and its share of the year end net asset of £0.071m (2015/16 £0.070m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, Consort House, West George Street, Glasgow G2 1HN.

Dunbartonshire and Argyll and Bute Valuation Joint Board was formed in 1996 at local government re-organisation by an Act of Parliament. The Board maintains the electoral, council tax and non-domestic rates registers for the three councils of West Dunbartonshire, East Dunbartonshire and Argyll and Bute. The Board's running costs are met by the three authorities, with surpluses and deficits on the Board's operations also shared between the councils. In 2016/17, the Council contributed £0.708m (2015/16 £0.718m) or 26.95% (2015/16 26.95%) of the Board's estimated running costs and its share of the year end net liability of £1.642m (2015/16 £0.775m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Valuation Joint Board, Garshake Road, Dumbarton G82 3PU.

The West Dunbartonshire Health & Social Care Partnership - the Public Bodies (Joint Working) Act (Scotland) 2014 sets out the arrangements for the integration of health and social care across the country. The Scottish Government-approved the Integration Scheme for West Dunbartonshire which details the 'body corporate' arrangement by which NHS Greater Glasgow & Clyde Health Board and West Dunbartonshire Council agreed to formally delegate health and social care services for adults and children (including criminal justice, social work services) to a third body, which is described in the Act as an Integration Joint Board. The Integration Joint Board for West Dunbartonshire is known as the West Dunbartonshire Health & Social Care Partnership Board (HSCP Board) and started operations on 1 July 2015. The Board's running costs are met by the two bodies mentioned above, with surpluses and deficits on the Boards operations also shared between them. In 2016/17, the Council contributed £61.515m or 50% of the Board's estimated running costs and its share of the year end net liability of £2.784m is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Chief Financial Officer to the Integrated Joint Board, Garshake Road, Dumbarton G82 3PU.

Group Accounts (Cont'd)

Notes to the Group Accounts (Cont'd)

Note 1 - Details of combining entities (Cont'd)

West Dunbartonshire Leisure Trust was formed in December 2011 and started trading on 5 April 2012. The Trust is a charitable company registered in Scotland and provides leisure facilities within the West Dunbartonshire area to the general public and operates sports centres, leisure centres, swimming pools, halls and community education centres owned by the Council. The Trust is paid a management fee by the Council for the provision of these services. The Trust's net liabilities at 31 March 2017 was £1.878m (2015/16 £1.115m net asset) and its surplus for the year was £0.125m (2015/16 £0.051m deficit). The accounts of the Trust are published separately and can be obtained from the Manager, Leisure Trust Headquarters, Alexandria CE Centre, Alexandria, G83 0NU which is also the company's principal place of business.

Clydebank Property Company was part of a group organisation previously known as Clydebank Rebuilt which was a pathfinder urban regeneration organisation, limited by guarantee and included a commercial letting company (industrial units) and a registered charity (the Titan Trust). On 11 August 2014, following the transfer of the Titan Crane to the Property Company, the Council bought the commercial letting company with a view to continuing its regeneration objective. The Company's net asset at 31 March 2017 was £4.168m and its surplus for the year was £0.212m (2015/16 £0.004m). The accounts of the Company are published separately and can be obtained from the Company's Headquarters, Titan Enterprise, 1 Aurora Avenue, Queen's Quay, Clydebank G81 1BF which is also the Company's principal place of business.

The Council's share of its associates and joint ventures are as follows:

	Strathclyde Partnership for Transport £000	Strathclyde Concessionary Travel Scheme Joint Board £000	Dunbartonshires and Argyll and Bute Valuation Joint Board £000	West Dunbartonshire Health & Social Care £000	Total £000
2016/17					
Surplus/ (Deficit) on Operating Activities	947	1	124	1,978	**3,050**
Non Current Assets	8,239	0	179	0	**8,418**
Current Assets	4,181	114	161	2,784	**7,240**
Non Current Liabilities	(1,918)	0	(1,955)	0	**(3,873)**
Current Liabilities	(2,262)	(43)	(27)	0	**(2,332)**
2015/16					
Surplus/ (Deficit) on Operating Activities	461	1	(112)	806	**1,156**
Non Current Assets	6,740	0	203	0	**6,943**
Current Assets	4,639	90	196	815	**5,740**
Non Current Liabilities	(1,813)	0	(1,142)	0	**(2,955)**
Current Liabilities	(1,700)	(20)	(33)	(9)	**(1,762)**

Group Accounts (Cont'd)

Notes to the Group Accounts (Cont'd)

Note 1 - Details of combining entities (Cont'd)

The Council's subsidiaries year end results are as follows:

	West Dunbartonshire Leisure Trust £000	Clydebank Property Company £000	Total £000
2016/17			
Surplus/ (Deficit) on Operating Activities	125	212	**337**
Non Current Assets	130	4,177	**4,307**
Current Assets	3,097	485	**3,582**
Non Current Liabilities	(1,486)	0	**(1,486)**
Current Liabilities	(3,620)	(493)	**(4,113)**
2015/16			
Surplus/ (Deficit) on Operating Activities	51	4	**55**
Non Current Assets	195	4,669	**4,864**
Current Assets	2,800	249	**3,049**
Non Current Liabilities	(411)	0	**(411)**
Current Liabilities	(1,469)	(435)	**(1,904)**

Dumbarton Common Good and Trust Funds are held in Trust by West Dunbartonshire Council. Although the Council does not contribute to these funds financially, they have been included within the Council's Group through materiality by nature. Net income in 2016/17 was £0.070m (2015/16 £0.058m) for the Common Good and net decrease in funds of £0.017m (2015/16 £0.002m) for the Trust Funds. Copies of the accounts may be obtained from West Dunbartonshire Council, Garshake Road, Dumbarton G82 3PU.

Note 2 – Non-Material Interest in Other Entities

The Council has an interest in a number of other organisations. The Council's share of their net assets or liabilities is not material to the fair understanding of the financial position and transactions of the Council. Accordingly, the Group Accounts do not include these organisations. Under Accounting Regulations, the Council is required to disclose the business nature of each organisation.

Scotland Excel is a joint committee established through Section 57 of the Local Government (Scotland) Act 1973. The main purpose of the committee includes co-ordination of collaborative buying initiatives, representation of interests in public sector contracts, and the development and operation of a centre of procurement expertise for Local Government in Scotland.

Group Accounts (Cont'd)

Notes to the Group Accounts (Cont'd)

Note 2 – Non-Material Interest in Other Entities (Cont'd)

Clydebank Municipal Bank is a company limited by shares set up based upon the Companies Act 1908 and 1913. It acts as banker for a number of private individuals/organisations. The Council provides services to the bank and funds any annual losses incurred. The bank's year end is 5 April. The principal business of the Municipal Bank is to accept deposits from private account holders and to invest funds with West Dunbartonshire Council. The chairman and directors of the bank are Elected Members of the Council. As per the bank's unaudited financial statements at 31 March 2017, 2,451 accounts were held with the bank (2015/16 2,443), with a total amount on deposit of £1.127m (2015/16 £0.925m), with £0.661m being invested with the Council (2015/16 £0.511m). Interest paid by the Council to the bank in the year was £0.020m (2015/16 £0.018m).

Hub West of Scotland is a public private Joint Venture development organisation established in 2012. They work with the public sector partners to plan, design, build, and fund and maintain buildings in the most efficient and effective manner delivering better value for money and ultimately improving public services. Hub West of Scotland comprises: Hub West Territory Participants, Scottish Futures Trust and The Wellspring Partnership.

West of Scotland Loans Fund is a consortium of 12 local authorities incorporated as a company limited by guarantee in June 1996. In this respect, each member local Council provides a level of loan finance for companies in their area and this is augmented by European Regional Development Funding (ERDF).

Note 3 – Financial Impact of Consolidation

The effect of inclusion of the entities on the Group Balance Sheet is to increase reserves and net assets by £15.322m (2015/16 £17.089mm) respectively representing the Council's share of the realisable surpluses/deficits in these organisations. This leaves the group account with an overall net asset of £162.541m (2015/16 £216.517m).

Note 4 – Analysis of Material Amounts in Income and Expenditure Account

The following table provides an analysis of the Council's share of the material amounts as a result of the inclusion of the associates and subsidiaries.

Contribution to Group Income and Expenditure Reserve:

2015/16 £000		2016/17 £000
7,866	Passenger Transport Authority	8,240
70	Concessionary Travel Board	71
(776)	Valuation Joint Board	(1,642)
806	West Dunbartonshire Health & Social Care	2,784
1,115	West Dunbartonshire Leisure Trust	(1,878)
4,483	Clydebank Property Company	4,168
3,525	Common Good and Trust Funds	3,579
17,089	**Total**	**15,322**

Glossary of Terms

While much of the terminology used in this report is self explanatory, the following additional definitions and interpretation of the terms used are provided for assistance. The Glossary of Terms does not comprise part of the audited financial statements.

1. Employee Costs

This includes salaries, wages, overtime, bonus, enhancements, pensions, employer's national insurance, travelling and subsistence expenses and other staff allowances.

2. Property Costs

This includes rent and rates, property insurance, repair and maintenance of property, upkeep of grounds, heating and lighting, furnishings and fittings.

3. Supplies and Services

This includes food, materials, books, uniforms and protective clothing, the purchase and maintenance of equipment and tools and various services carried out by external contractors.

4. Transport and Plant Costs

This includes the costs of operating vehicles and plant such as fuel, repairs and maintenance, tyres, licences, insurance and procurement of transport for school children.

5. Administration Costs

This includes printing and stationery, advertising, postages, telephone costs and central support services allocations for administration.

6. Payments to Other Bodies

This includes grants to individuals and organisations, bursaries and payments to other local authorities, health boards, organisations and agencies providing services complementing or supplementing the Council's work.

7. Other Expenditure

This heading covers items of expenditure which cannot be accommodated in any of the above categories.

8. Loan Charges

This represents the annual costs of financing the sums borrowed by the Council to finance its capital repayment of loans, finance leasing charges, interest charges and debt management expenses.

9. Specific Government Grants

This includes grants received from Central Government in respect of a specific purpose or service, usually calculated as a predetermined percentage of the expenditure actually incurred e.g. National Priority Action Fund, Benefits Administration.

Glossary of Terms (Cont'd)

10. General Income

This includes the charges to persons and bodies for the direct use of the Council's services.

11. Capital Expenditure

This is expenditure incurred in creating, acquiring or improving assets where the expenditure is normally financed by borrowing over a period of years, finance leases, or utilising the income from the sale of existing assets.

12. Capital Financed from Current Revenue

This is expenditure incurred in creating, acquiring or improving assets where that expenditure is charged directly to the revenue account.

13. Deferred Asset

The deferred asset represents the net value of the premium paid/discounts received by the Council on the early repayment of external long term loans.

14. Useable Capital Receipts Reserve

The Useable Capital Receipts Reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans.

15. Pension Interest Cost

The expected increase during the period in the present value of the scheme liabilities because the benefits are one year closer to settlement.

16. Expected Return of Pension Assets

The average rate of return expected over the remaining life of the related obligation on the actual assets held.

17. CIPFA

Chartered Institute of Public Finance and Accountancy

18. LASAAC

Local Council (Scotland) Accounts Advisory Committee

19. Budget

The original revenue budget as set by Members at an appropriate Council meeting.

Glossary of Terms (Cont'd)

20. Precepts

Annual payments made to other government bodies for public services given in the local area (e.g. Police, Transport).

21. Intangible Assets

Expenditure on assets such as software licences that do not have physical substance but are identifiable and controlled by the Council.

22. Corporate and Demographic Core

This includes costs relating to policy making and other councillor based activities. Also includes costs relating to the general running of the Council.

23. Non Distributing Costs

These costs represent costs which cannot be easily allocated to services and under Service Reporting Code of Practice are excluded from total cost relating to service activity.

24. Revaluation Reserve

This fund is a store of gains on the revaluations of fixed assets. It is a reserve held for technical accounting purposes and is not available for distribution.

25. Capital Adjustment Account

This fund is a store of capital resources set aside to meet past expenditure. It is an account held for technical accounting purposes and is not available for distribution.

26. Financial Instrument Adjustment Account

This account is used to balance for differences in statutory requirements and proper accounting practices for borrowing and lending. It is an account held for technical accounting purposes and is not available for distribution.

29. Associate Body

An entity other than a subsidiary or a joint venture in which the Council has an interest and over whose operating and financial policies the Council is able to exercise significant influence.

30. Entity

A body that is delivering a service or carrying on a business. It should have a separate legal personality and is legally obliged to prepare its own financial statements.

31. Statutory Additions

Additional charges levied for late payment of council tax and non domestic rates.

Glossary of Terms (Cont'd)

32. Capital Items Replacement Fund

Reserve earmarked for specific purposes within Education.

33. Available for Sale Reserve

Assets that have a quoted market price and/or do not have fixed or determinable payments.

34. Current Service Costs (Pension)

This relates to the real cost of benefit entitlement earned by employees.

35. Past Service Costs/Gains (Pension)

This relates to posts/gains from years prior to the current year and arise from decisions made in year. In 2016/17 this relates to the capitalised cost of early retirals on efficiency grounds.

36. Curtailments (Pension)

Used to reduce the number of expected years of future service for employees. In 2016/17 this relates to the capitalised cost of early retirals on efficiency grounds.

37. Interest Cost (Pensions)

The amount needed to unwind the discount applied in calculating current service cost.

38. Expected Return on Assets (Pensions)

A measure of the return on the investment assets held by the scheme for the year.

39. Public Private Partnership (PPP)/Public Finance Initiative (PFI)

A contract between the Council and a private organisation for the provision of new Educational buildings maintenance and related facilities.

40. Available for Sale Assets

These assets are in relation to Financial Instruments and include:
- Equity investments; and
- Other investments traded in an active market.

41. Heritage Assets

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities which is held for its contribution to knowledge and culture.

42. PPE

Property, Plant and Equipment.

Glossary of Terms (Cont'd)

43. CAA

Capital Adjustment Account.

44. IAS19

International Accounting Standard 19 (employee benefits).

45. FRS17

Financial Reporting Standard 17 (retirement benefits).

46. SHQS

Scottish Housing Quality Standards

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2016/2017

PERIOD END DATE **31 March 2017**

Department Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
	£000	£000	£000	%	
Resources	4,322	4,467	145	3%	↓
Regulatory	4,624	4,388	(236)	-5%	↑
People & Technology	5,698	5,627	(71)	-1%	↑
Communications, Culture and Community	5,349	5,303	(46)	-1%	↑
Education, Learning and Attainment	88,549	87,611	(938)	-1%	↑
Environment and Neighbourhood	27,969	27,409	(560)	-2%	↑
Housing and Employability	3,609	3,921	312	9%	↓
Regeneration	(1,184)	(1,333)	(149)	-13%	↑
Miscellaneous Services	5,235	5,905	670	13%	↓
Loan Charges	10,478	10,499	21	0%	↓
Requisitions (VJB / SPT)	2,576	2,575	(1)	0%	↑
Requisition (HSCP)	61,515	61,515	0	0%	→
Non GAE Allocation	(5,998)	(5,391)	607	10%	↓
Contingency Fund	1,393	0	(1,393)	-100%	↑
Total Expenditure	**214,136**	**212,497**	**(1,639)**	**-1%**	↑
Council Tax/CT Replacement Scheme	(40,800)	(40,748)	52	0%	↓
Revenue Support Grant/ NDR	(171,539)	(171,525)	14	0%	↓
Use of Reserves	(1,797)	(1,797)	0	0%	→
Total Resources	**(214,136)**	**(214,070)**	**66**	**0%**	↓
Net Expenditure	**(0)**	**(1,573)**	**(1,573)**	**-0.73%**	↑
Management Adjustments Identified - in year effect		(353)	(353)		
Net Expenditure	**(0)**	**(1,926)**	**(1,926)**	**-0.90%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2016/2017
RESOURCES SUMMARY

APPENDIX 2

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Audit	353	352	(1)	0%	↑
Finance	1,428	1,465	37	3%	↓
Rent Rebates & Allowances	(15)	122	137	915%	↓
Revenues & Benefits	2,309	2,290	(19)	-1%	↑
Debtors & Creditors	330	361	31	9%	↓
Cost of Collection of Rates	41	(0)	(41)	-101%	↑
Cost of Collection of Council Tax	(752)	(752)	0	0%	→
Procurement	628	629	1	0%	↓
Total Net Expenditure	**4,322**	**4,467**	**145**	**3%**	↓

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2016/2017

REGULATORY SUMMARY

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Administrative & Democratic Services	2,600	2,442	(158)	-6%	↑
Environmental Health/ Trading Standards	1,174	1,113	(61)	-5%	↑
Licensing	(155)	(163)	(8)	-5%	↑
Legal Services	664	584	(80)	-12%	↑
Planning	341	412	71	21%	↓
Total Net Expenditure	**4,624**	**4,388**	**(236)**	**-5%**	↑

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2016/2017

PEOPLE AND TECHNOLOGY

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Transactional Services	698	693	(5)	-1%	↑
Human Resources (including risk)	1,305	1,271	(34)	-3%	↑
Information Services	3,221	3,222	1	0%	↓
Change Support	474	441	(33)	-7%	↑
Total Net Expenditure	**5,698**	**5,627**	**(71)**	**-1%**	↑

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2016/2017

COMMUNICATIONS, CULTURE AND COMMUNITIES

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Communications & Marketing	276	266	(10)	-4%	↑
Customer Service	1,190	1,139	(51)	-4%	↑
Policy, Planning and Performance	454	448	(6)	-1%	↑
Libraries, Museums, Culture	3,152	3,120	(32)	-1%	↑
Clydebank Town Hall	277	330	53	19%	↓
Total Net Expenditure	**5,349**	**5,303**	**(46)**	**-1%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2016/2017
EDUCATION, LEARNING AND ATTAINMENT

APPENDIX 2

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Primary Schools	24,960	25,012	52	0%	↓
Secondary Schools	23,916	23,651	(265)	-1%	↑
Special Schools	14,492	14,571	79	1%	↓
Psychological Services	543	530	(13)	-2%	↑
Sport Development / Active Schools	535	546	11	0%	↓
Early Education	7,832	7,249	(582)	-4%	↑
PPP	14,019	13,874	(145)	-64%	↑
Curriculum for Excellence	226	204	(22)	-8%	↑
Central Admin	257	266	9	2%	↓
Workforce CPD	374	337	(37)	-7%	↑
Performance & Improvement	492	504	12	1%	↓
Education Development	904	865	(39)	0%	↑
Total Net Expenditure	**88,549**	**87,611**	**(939)**	**-1%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2016/2017
ENVIRONMENT AND NEIGHBOURHOOD

APPENDIX 2

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Transport, Fleet & Maintenance Services	(112)	(16)	96	86%	↓
Roads Operations	(733)	(824)	(92)	-12%	↑
Roads Services	4,410	4,153	(257)	-6%	↑
Facilities Management	325	353	28	9%	↓
Grounds Maintenance & Street Cleaning Client	7,103	7,103	0	0%	→
Outdoor Services	476	521	45	9%	↓
Events	121	114	(7)	-6%	↑
Office Accommodation	1,444	1,498	54	4%	↓
CPP Investments	0	0	0	0%	→
Leisure Management	3,418	3,463	45	1%	↓
Building Cleaning	1,649	1,411	(238)	-14%	↑
Building Cleaning PPP	(211)	(194)	17	8%	↓
Facilities Assistants	2,187	1,977	(210)	-10%	↑
Burial Grounds	(52)	0	52	-100%	↓
Crematorium	(858)	(792)	66	8%	↓
Waste Services	6,925	6,845	(80)	-1%	↑
Catering Services	4,089	3,947	(142)	-3%	↑
Depots	0	0	0	0%	→
Ground Maintenance & Street Cleaning Trading A/c	(2,212)	(2,150)	62	3%	↓
Total Net Expenditure	**27,969**	**27,409**	**(560)**	**-2%**	↑

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2016/2017

HOUSING AND EMPLOYABILITY

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Homeless Persons	(31)	170	201	-648%	↓
Private Sector housing	91	73	(18)	-20%	↑
Anti Social Behaviour	802	708	(94)	-12%	↑
Private Sector Housing Grants	(21)	(21)	0	0%	→
Working4U	2,038	2,281	243	12%	↓
Communities	730	710	(20)	-3%	↑
Total Net Expenditure	**3,609**	**3,921**	**312**	**9%**	↓

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 2**

REVENUE BUDGETARY CONTROL 2016/2017

REGENERATION

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Housing Maintenance Trading A/c	(1,020)	(1,133)	(113)	-11%	↑
Corporate Assets and Capital Investment Programme	(2,983)	(2,759)	224	8%	↓
Economic Development	526	431	(95)	-18%	↑
Central Repairs & Maintenance	1,322	1,172	(150)	-11%	↑
Consultancy Services	971	956	(15)	-2%	↑
Total Net Expenditure	**(1,184)**	**(1,333)**	**(149)**	**13%**	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2016/2017
MISCELLANEOUS

APPENDIX 2

PERIOD END DATE **31 March 2017**

Service / Subjective Summary	Total Budget 2016/17	Actual Spend	Variance 2016/17		Annual RAG Status
Service Summary	**£000**	**£000**	**£000**	**%**	
Sundry Services	2,437	3,064	627	26%	↓
Members Allowances, etc	564	560	(4)	-1%	↑
CPP	461	461	0	0%	→
European Employability	510	510	0	0%	→
Chief Executive, Directors and Strategic Leads	1,263	1,310	47	4%	↓
Total Net Expenditure	**5,235**	**5,905**	**670**	**13%**	↓

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Resources					
Rent Rebates & Allowances	(15)	122	137	915%	↓
Service Description	The Service administers rent rebates on behalf of individuals for council and private sector housing rents, and administers the income received from Central Government for this.				
Main Issues / Reason for Variance	The income received from Central Government is less than originally estimated.				
Regulatory					
Administrative & Democratic Services	2,600	2,442	(158)	-6%	↑
Service Description	This service deals with the administration functions and democratic services within the authority				
Main Issues / Reason for Variance	The main reason for the variance is due to vacancies.				
Environmental Health/ Trading Standards	1,174	1,113	(61)	-5%	↑
Service Description	This service provides environmental health and trading standards services to the public				
Main Issues / Reason for Variance	The main reason for the variance is due to vacancies and additional income being received.				
Legal Services	664	584	(80)	-12%	↑
Service Description	This service deals with providing legal advice to the Council				
Main Issues / Reason for Variance	Variance is mainly due to the current level of vacancies				
Planning	341	412	71	21%	↓
Service Description	This Service is responsible for planning applications and providing advice, information and assistance to development projects.				
Main Issues / Reason for Variance	The main variance is due to lower than anticipated income being received for fees in relation to building warrants. This income is demand led.				
Communications, Culture & Community					
Customer Service	1,190	1,139	(51)	-4%	↑
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				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Clydebank Town Hall	277	330	53	19%	↓
Service Description	The service provides civic accommodation and facilities within Clydebank				
Main Issues / Reason for Variance	This adverse variance has arisen mainly due to property charges (cleaning, refuse collection and building repairs) being higher than expected. In addition , food purchases and miscellaneous supplies were higher than anticipated.				

Education , Learning and Attainment

Primary Schools	24,960	25,012	52	0%	↓
Service Description	This service area includes all Primary Schools.				
Main Issues / Reason for Variance	There are adverse variances in transport and property costs. Property costs are higher than anticipated due to non-domestic rates charges and security costs relating to Aitkenbar Primary School. Due to a decrease in demand for school meals there is an adverse income variance. This is partially offset by employee costs being lower than anticipated due to vacancies and lower cover costs.				

Secondary Schools	23,916	23,651	(265)	-1%	↑
Service Description	This service area includes all Secondary Schools.				
Main Issues / Reason for Variance	Employee Costs has a favourable variance due to vacancies and lower than anticipated cover costs. This favourable variance is partially off-set by adverse variances in transport costs and property costs. Property costs are higher than anticipated due to non-domestic rates charges. Due to a decrease in demand for school meals and lets there is an adverse income variance.				

Special Schools	14,492	14,571	79	1%	↓
Service Description	This service area covers all additional special needs services.				
Main Issues / Reason for Variance	Payments to Other Bodies is overspent due to additional children being placed within Residential and Daycare.These services are demand-led and can fluctuate throughout the year. This overspend is partially offset by an underspends within staffing and additional income from Sale of Meals.				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Early Education	7,832	7,249	(582)	-7%	↑
Service Description	This services area includes all Early Years establishments within West Dunbartonshire.				
Main Issues / Reason for Variance	There is an underspend in employee costs due to a restructuring of the service and staffing levels being lower as nursery rolls are not yet at their maximum. There has been a decrease in the number of children being placed with childminders resulting in an underspend and some underspends in transport and property costs . There is also a favourable variance in income.				
PPP	14,019	13,874	(145)	-1%	↑
Service Description	This service area includes Vale of Leven, Clydebank High and St Peter the Apostle High Schools and St Eunan's Primary School. The costs charged to this service are Property costs and the Unitary charge.				
Main Issues / Reason for Variance	Adverse variances within property costs due to higher than anticipated non-domestic rates charges and an adverse variance within payments to other bodies due malicious damage charges.				
Environment and Neighbourhood					
Transport, Fleet & Maintenance Services	(112)	(16)	96	86%	↓
Service Description	Provision of transport services				
Main Issues / Reason for Variance	The adverse variance is due to reduced income.				
Roads Operations	(733)	(824)	(92)	-12%	↑
Service Description	This service covers the delivery of roads works orders raised				
Main Issues / Reason for Variance	There has been an underspend in direct costs such as staff , transport and contractor payments				
Roads Services	4,410	4,153	(257)	-6%	↑
Service Description	This service covers Roads design , structures, traffic management, street lighting, road safety and School Crossing Patrollers				
Main Issues / Reason for Variance	Income is more than expected due to additional rechargeable work. This has been partially offset by higher contractor costs in line with additional work required .				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Office Accommodation	1,444	1,498	54	4%	↓
Service Description	Costs associated with the provision of shared office accommodation				
Main Issues / Reason for Variance	This variance is due to unbudgeted running costs of Rosebery prior to closure / new Clydebank Office				
Building Cleaning	1,649	1,411	(238)	-14%	↑
Service Description	This service provides cleaning services across all Council buildings				
Main Issues / Reason for Variance	The favourable variance is due to managing the delivery of service more efficiently resulting in underspend being achieved .				
Facilities Assistants	2,187	1,977	(210)	-10%	↑
Service Description	This service provides janitors and cleaners throughout the public buildings				
Main Issues / Reason for Variance	The favourable variance is due to managed staffing vacancies within the service together with additional income for out of hours rechargeable work				
Burial Grounds	(52)	0	52	-100%	↓
Service Description	Provision of burial services within the authority				
Main Issues / Reason for Variance	Income ,which is demand led, is less than anticipated .				
Crematorium	(858)	(792)	66	8%	↓
Service Description	Provision of Crematorium Services				
Main Issues / Reason for Variance	Income ,which is demand led, is less than anticipated .				
Waste Services	6,925	6,845	(80)	-1%	↑
Service Description	This service provides refuse collection and refuse disposal services across the authority				
Main Issues / Reason for Variance	Refuse disposal and contractor costs are lower than anticipated and income is slightly favourable . This is partially offset by an overspend on transport costs due to fuel costs being higher than anticipated.				
Catering Services	4,089	3,947	(142)	-3%	↑
Service Description	Catering Services across WDC				
Main Issues / Reason for Variance	This favourable variance is due to a combination of reduced food costs, additional income from snacks provided to early years and lower transport costs				
Ground Maintenance & Street Cleaning Trading A/c	(2,212)	(2,150)	62	3%	↓
Service Description	Provision of street cleaning and grounds maintenance services throughout the Council area				
Main Issues / Reason for Variance	Employees costs are overspent due to low staff turnover.				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Housing and Employability					
Homeless Persons	(31)	170	201	-648%	↓
Service Description	This service seeks to prevent homelessness occurring across the authority and improves access to support services				
Main Issues / Reason for Variance	Income is less than originally anticipated mainly due to the demand for residential homeless accommodation being less than previous year when the budget was set. There is also lower than budgeted income due to later than anticipated completion of additional supported accommodation units . This is however partially offset by lower rent payments to HRA and lower payments to external providers				
Anti Social Behaviour	802	708	(94)	-12%	↑
Service Description	Provision of Anti Social Behaviour Service				
Main Issues / Reason for Variance	Staffing savings have arisen following restructure - both direct staffing costs and indirect recharge from HRA have reduced				
Working4U	2,038	2,281	243	12%	↓
Service Description	This service incorporates a number of individual services the Council provides to its residents such as advice services on benefits and debt, as well as community learning and development				
Main Issues / Reason for Variance	This adverse variance is mainly due to external funding available for employability being less than budgeted . The budget was prepared before funding reduction was known . There is also agreed overspend on salaries in respect of savings target from restructure being reduced to allow adequate welfare rights staffing provision . These adverse variances are partially offset by lower costs of modern apprentices and supplies .				
Regeneration					
Housing Maintenance Trading A/c	(1,020)	(1,133)	(113)	-11%	↑
Service Description	This service provides council housing maintenance				
Main Issues / Reason for Variance	This variance is mainly in relation to staffing vacancies, offset partially by reduced income and additional sub contractor costs				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Corporate Assets and Capital Investment Programme	(2,983)	(2,759)	224	8%	↓
Service Description	This service provides asset and estate management				
Main Issues / Reason for Variance	Income is adverse due to a reduction in rental income linked to the events surrounding the issues with BHS and anticipated reduction in recharge of employees cost to capital. Rates costs are adverse due to an increase in the rates charges for surplus properties. These are partially offset by favourable staffing variance due to vacancies.				
Economic Development	526	431	(95)	-18%	↑
Service Description	Promotion of regeneration activities within West Dunbartonshire Council				
Main Issues / Reason for Variance	The favourable variance is due to managing staff vacancies within the service				
Central Repairs & Maintenance	1,322	1,172	(150)	-11%	↑
Service Description	This service manages and undertakes repairs and maintenance to public buildings.				
Main Issues / Reason for Variance	This underspend is mainly in relation to staffing savings, offset partially by reduced income				
Miscellaneous					
Sundry Services	2,437	3,064	627	26%	↓
Service Description	This service area budgets for non departmental specific costs such as pensions costs, external grants and elderly welfare payments, external audit fees and insurance costs. The service heading also holds a number of general savings options which have still to be fully allocated				
Main Issues / Reason for Variance	Areas for shared services are currently being considered/ sought. Currently internal audit with the LL&T National Park has been agreed.				
Other					
Non GAE Allocation	(5,998)	(5,391)	607	10%	↓
Service Description	This is the allocation of support service costs to other council services - excluding General services) - such as HRA, capital, external bodies				
Main Issues / Reason for Variance	The allocation of central administration to non GAE services is lower than budgeted, resulting in this adverse variance				

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 3**

REVENUE BUDGETARY CONTROL 2016/2017

ANALYSIS FOR VARIANCES OVER £50,000

YEAR END DATE **31 March 2017**

Budget Details	Variance Analysis				
	Total Budget	Forecast Spend	Variance		RAG Status
	£000	£000	£000	%	
Contingency Fund	1,393	0	(1,393)	-100%	↑
Service Description	The contingency fund is used to accommodate externally influenced movements in departmental budgets				
Main Issues / Reason for Variance	Following a 2015/16 year end recurring variance exercise, budgets no longer required have been removed from services and transferred into the contingency fund.				

HRA BUDGETARY CONTROL REPORT **Appendix 4**
MONITORING PERIOD : 1 APRIL 2016 to 31 MARCH 2017

	2016/2017 Estimate £000s	Actual To Date £000s	forecast Variance (dav)/adv £000s	% Forecast Variance
EXPENDITURE				
EMPLOYEE COSTS	5,606	5,157	(449)	-8%
PROPERTY COSTS	1,845	1,801	(44)	-2%
TRANSPORT COSTS	125	102	(23)	-18%
SUPPLIES, SERVICES AND ADMIN	354	424	70	20%
SUPPORT SERVICES	2,136	2,164	28	1%
OTHER EXPENDITURE	183	257	74	40%
REPAIRS & MAINTENANCE	12,071	11,542	(529)	-4%
BAD DEBT PROVISION	1,060	999	(61)	-6%
COUNCIL TAX ON VOID HOUSES	385	349	(36)	-9%
LOST RENTS	1,070	924	(146)	-14%
LOAN CHARGES	17,942	17,942	0	0%
GROSS EXPENDITURE	**42,777**	**41,661**	**(1,116)**	-2.6%
INCOME				
House Rents	39,902	39,643	259	1%
Lockup Rents	227	229	(2)	-1%
Factoring/Insurance Charges	1,083	1,119	(36)	-3%
Other rents	138	124	14	10%
Interest on Revenue Balance	40	70	(30)	-75%
Miscellaneous income	112	155	(43)	-38%
Reallocated salaries	1,275	1,085	190	15%
GROSS INCOME	**42,777**	**42,425**	**352**	1%
NET EXPENDITURE	**0**	**(764)**	**(764)**	
Remove income from reserves - close cleaning			**(18)**	
In year movement on reserves - Financial Statement			**(746)**	

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 5**
HRA REVENUE BUDGETARY CONTROL 2016/2017
ANALYSIS FOR VARIANCES OVER £50,000

MONTH END DATE 31 March 2017

PERIOD 12

Budget Details		Project Life Financials					
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**%**	
EMPLOYEE COSTS		5,606	5,157	92%	(449)	-8%	↑
Subjective Description							
This budget covers all employees charged directly to the HRA including caretakers							
Variance Narrative							
Main Issues	Underspend in salary costs due to staff restructure savings and vacancies . Also staff overtime continues to be managed and is less than budget. This is partially offset by the under recovery of salary recharges as reported below.						

Budget Details		Project Life Financials					
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**%**	
REPAIRS & MAINTENANCE		12,071	11,542	96%	(529)	-4%	↑
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.						

Budget Details		Project Life Financials					
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**%**	
BAD DEBT PROVISION		1,060	999	94%	(61)	-6%	↑
Service Description							
This budget allows for the provision for bad and doubtful debts to be maintained at an appropriate level							
Variance Narrative							
Main Issues	Current tenant rent arrears are slightly less than anticipated at budget time thereby allowing a reduction in the top up of bad debt provision						

Budget Details		Project Life Financials					
Subjective Analysis	**Budget Holder**	**Budget**	**Actual to Date**	**% Spend to Date**	**forecast Variance**		**RAG Status**
		£000	**£000**	**%**	**£000**	**%**	
LOST RENTS		1,070	924	86%	(146)	-14%	↑
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.						

Budget Details		Project Life Financials					
Subjective Analysis	Budget Holder	Budget	Actual to Date	% Spend to Date	forecast Variance		RAG Status
		£000	£000	%	£000	%	
HOUSE RENTS		(39,902)	(39,643)	0%	259	-1%	↓
Service Description							
Rental income from houses							
Variance Narrative							
Main Issues	The rate of transfer of surplus stock from the letting pool has been higher than assumed in budget						

Budget Details		Project Life Financials					
Subjective Analysis	Budget Holder	Budget	Actual to Date	% Spend to Date	forecast Variance		RAG Status
		£000	£000	%	£000	%	
REALLOCATED SALARIES		(1,275)	(1,085)	0%	190	-15%	↓
Service Description							
This budget covers employee costs recharged to accounts outwith the HRA, principally HRA Capital and HMTA.							
Variance Narrative							
Main Issues	Reduction due to a number of staff leaving and the restructure of duties around this resulting in a lower recharge being appropriate						

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**

CAPITAL BUDGETARY CONTROL 2016/2017

GENERAL SERVICES CAPITAL - CORPORATE SUMMARY - BUDGET AGAINST ACTUAL

MONTH END DATE 31 March 2017

PERIOD Year End

Department Summary	Total Budget 2016/17	Actual Spend 2016/17	Actual Variance 2015/16		Slippage	Over/(Under) Spend	RAG Status
	£000	£000	£000	%	£000	£000	
Allotment Development	400	0	(400)	-100%	(400)	0	↓
Bereavement Services Office Conversion	130	2	(128)	-98%	(128)	0	↓
ICT Modernisation / Infrastructure - ICT	1,742	1,166	(576)	-33%	(548)	(28)	↓
Community Sports Facilities - Holm Park	500	0	(500)	-100%	(500)	0	↓
Replace Elderly Care Homes and Day Care Centres	9,245	8,840	(405)	-4%	(405)	0	↓
Regeneration/Local Economic Development	2,041	633	(1,408)	-69%	(1,390)	(18)	↓
Auld Street Clydebank - Bond	287	31	(256)	-89%	(256)	0	↓
Flood Risk Management	350	252	(98)	-28%	(98)	0	↓
Gruggies Burn Flood Prevention Scheme	524	39	(485)	-93%	(485)	0	↓
Integrated Housing Management System	604	58	(546)	-90%	(546)	0	↓
Vehicle Replacement	2,225	718	(1,507)	-68%	(1,494)	(13)	↓
Strathleven Park and Ride Car Park	425	0	(425)	-100%	(285)	(140)	↓
Posties Park Hub	1,676	1	(1,675)	-100%	(1,675)	0	↓
Clydebank Crematorium	94	153	59	63%	0	59	↓
Kilmaronock Cemetery Extension	225	0	(225)	-100%	(225)	0	↓
Vale of Leven Cemetery Extension	561	66	(495)	-88%	(495)	0	↓
Levengrove Park	3,427	107	(3,320)	-97%	(3,320)	0	↓
Environmental Improvement Fund	725	331	(394)	-54%	(394)	0	↓
Community Capital Fund	2,514	771	(1,743)	-69%	(1,743)	0	↓
Exxon City Deal	508	353	(155)	-31%	(155)	0	↓
Queens Quay	9,378	1,009	(8,369)	-89%	(8,369)	0	↓
Building Upgrades and H&S	3,873	2,114	(1,759)	-45%	(1,754)	(5)	↓
Community Sports Fund	1,029	41	(988)	-96%	(988)	0	↓
Invest in "Your Community Initiative"	500	37	(463)	-93%	(463)	0	↓
Office Rationalisation	11,239	8,425	(2,814)	-25%	(2,832)	18	↓
Pappert Woodland Wind Farm	294	11	(283)	-96%	(283)	0	↓
Regeneration Fund	1,000	0	(1,000)	-100%	(1,000)	0	↓
OLSP - New Build	250	790	540	216%	(190)	730	↓
Kilpatrick School - New Build	5,654	6,327	673	12%	673	0	↓
Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC co-location	3,405	3,193	(212)	-6%	(212)	0	↓
Children and young persons / Early Years	1,989	641	(1,348)	-68%	(1,348)	0	↓
Free School Meals	200	50	(150)	-75%	(150)	0	↓
New Balloch Campus	8,091	4,486	(3,605)	-45%	(3,605)	0	↓
Schools Estate Refubishment	4,619	3,431	(1,188)	-26%	(1,188)	0	↓
Upgrade of Clydebank Library	500	50	(450)	-90%	(450)	0	↓
Direct Project Support	2,512	2,696	184	7%	0	184	↓
Street Lighting and asssociated electrical infrastructure	500	297	(203)	-41%	(203)	0	↓
Leisure Energy projects	277	31	(246)	-89%	(246)	0	↓
Choices Programme	750	2	(748)	-100%	(748)	0	↓
Cashless Catering	55	3	(52)	-95%	(52)	0	↓
Clydebank Community Sports Hub	1,192	106	(1,086)	-91%	(1,086)	0	↓
Sports Facilities Upgrades	187	122	(65)	-35%	(65)	0	↑
Aids & Adaptations	678	614	(64)	-9%	(64)	0	↑
Change of heating fuel- schools	198	121	(77)	-39%	(63)	(14)	↑
Infrastructure - Roads	2,172	2,117	(55)	-3%	(55)	0	↑
Energy efficient street lighting apparatus	500	453	(47)	-9%	(47)	0	↑
Vale of Leven Workshop	46	0	(46)	-100%	(46)	0	↑
Civic Heart Works	63	19	(44)	-70%	(44)	0	↑
ICT Security and DR	156	115	(41)	-26%	(41)	0	↑
New Dalmonach Community Centre and Nursery	50	13	(37)	-74%	(37)	0	↑
Automated Switchboard Technology	44	11	(33)	-75%	(33)	0	↑
Solar panel installation 16/17	125	97	(28)	-22%	(28)	0	↑
Public non adopted paths and roads	157	136	(21)	-13%	(21)	0	↑
Antonine Wall	43	24	(19)	-44%	(19)	0	↑
E Building Standards	15	7	(8)	-53%	(8)	0	↑
Electronic Insurance System	13	6	(7)	-54%	(7)	0	↑
Free wi-fi in libraries, new care homes and one stop shops	18	11	(7)	-39%	(7)	0	↑
Turnberry Homes	7	0	(7)	-100%	(7)	0	↑
Service Redesign Bruce Street	11	4	(7)	-64%	(7)	0	↑
Workforce Management System	15	10	(5)	-33%	(5)	0	↑
Lennox PS and St Ronans' PS	306	303	(3)	-1%	(3)	0	↑
Agresso	14	13	(1)	-7%	(1)	0	↑
New Dumbarton Cemetery	140	49	(91)	-65%	0	(91)	↑
Flood Study Funding - Knowles, Gruggies & Leven	124	54	(70)	-56%	0	(70)	↑

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**

CAPITAL BUDGETARY CONTROL 2016/2017

GENERAL SERVICES CAPITAL - CORPORATE SUMMARY - BUDGET AGAINST ACTUAL

MONTH END DATE 31 March 2017

PERIOD Year End

Department Summary	Total Budget 2016/17	Actual Spend 2016/17	Actual Variance 2015/16		Slippage	Over/(Under) Spend	RAG Status
	£000	£000	£000	%	£000	£000	
SPT	145	114	(31)	-21%	0	(31)	↑
Introduction of Staff Pool Cars at Aurora House	140	121	(19)	-14%	0	(19)	↑
Working4U Client Tracking System	25	10	(15)	-60%	0	(15)	↑
Capital Contingency Fund	10	0	(10)	-100%	0	(10)	↑
New Intranet CMS (Content Management System.)	4	3	(1)	-25%	0	(1)	↑
WD Leisure Trust	6	5	(1)	-17%	0	(1)	↑
Valuation Joint Board	25	25	0	0%	0	0	↑
CCS ICT Upgrade	11	11	0	0%	0	0	↑
Civiva Corporate Fraud Module Upgrades	0	0	0	0%	0	0	↑
ICT Active Equipment	249	249	0	0%	0	0	↑
Strategic Lead - Environment and Neighbourhood	0	0	0	0%	0	0	↑
Infrastructure - Flooding	100	100	0	0%	0	0	↑
A814 Castle Street Junction Phase 2	14	14	0	0%	0	0	↑
Overtoun Estate	156	156	0	0%	0	0	↑
Cycling, Walking and Safer Streets	68	69	1	1%	0	1	↑
John Muir Trail	30	31	1	3%	0	1	↑
Bonhill and Goldenhill New Builds	88	91	3	3%	0	3	↑
Invest in Chromebooks for Schools	250	256	6	2%	0	6	↑
Footways/Cycle Path upgrades	114	120	6	5%	0	6	↑
Energy projects	8	16	8	100%	0	8	↑
36-38 Bank Street, Alexandria	25	33	8	32%	0	8	↑
Medical Centre, Alexandria	56	68	12	21%	0	12	↑
North Dalnottar Cemetery Extension	18	31	13	72%	0	13	↑
Oil to gas- 16/17	93	107	14	15%	0	14	↑
121/125 Main Street Alexandria Restatement	72	88	16	22%	0	16	↑
New Clydebank Leisure Centre	15,222	15,377	155	1%	155	0	↑
Securing Comms with un-trusted 3rd Parties	0	0	0	0%	0	0	↑
Noise Monitoring Equipment	0	0	0	0%	0	0	↑
ICT Helpdesk	0	0	0	0%	0	0	↑
ICT Security/PSN Compliance	0	0	0	0%	0	0	↑
Fine Art Conservation Programme	0	0	0	0%	0	0	↑
Electrical Vehicle Charging Infrastructure	0	0	0	0%	0	0	↑
Capital Spend - Pool Cars	0	0	0	0%	0	0	↑
Depot Rationalisation	0	0	0	0%	0	0	↑
Care Home Development 12/13	0	0	0	0%	0	0	↑
Total Expenditure	**107,521**	**68,655**	**(38,866)**	**-36%**	**(39,489)**	**623**	
Resources Carry Forward	(529)	(125)	404	-76%	404	0	↓
General Services Capital Grant	(7,500)	(7,492)	8	0%	0	8	↓
Specific Government Grant Funding	(1,578)	(1,087)	491	-31%	1,083	(592)	↓
Other Grants and Contributions	(4,860)	(935)	3,925	-81%	3,189	736	↓
Capital Receipts	(6,914)	(1,822)	5,092	-74%	6,444	(1,352)	↓
Prudential Borrowing	(85,453)	(56,658)	28,795	-34%	28,220	575	↓
CFCR	(687)	(536)	151	-22%	149	2	↓
Total Resources	**(107,521)**	**(68,655)**	**38,866**	**-36%**	**39,489**	**(623)**	
Net Expenditure	**0**	**0**	**0**	**0%**	**0**	**0**	

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS (AMBER N/A)

MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
1	**Allotment Development (Ian Bain)**						
	Project Life Financials	400	0	0%	400	0	0%
	Current Year Financials	400	0	0%	0	(400)	-100%
	Project Description	To develop an allotment site at Dumbarton Common					
	Project Lifecycle	Planned End Date	31-Mar-17		Forecast End Date	31-Mar-18	
2	**Bereavement Services Office Conversion (Ian Bain)**						
	Project Life Financials	130	2	1%	130	0	0%
	Current Year Financials	130	2	1%	2	(128)	-99%
	Project Description	Conversion of Bungalow at Clydebank Crematorium Into Bereavement Services Office					
	Project Lifecycle	Planned End Date	31-Mar-17		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

3 sites have been identified at Dillipchip Park, Havoc Park, and Mountblow and we are now working with Environmental Health to establish if there are any contamination issues. It has been identified that all 3 sites have varying degrees of contamination. Officers are currently working with Environmental Health to identify mitigating actions that can be taken to make sites suitable for allotment development and thereafter plans will then be developed to create 40 allotments at each site for community use. Officer are hopeful of an outcome re the contamination issues soon, a specific procurement officer has been assigned and a QS and architect in place - first full meeting of all staff involved took place in January to discuss project requirements. Dillichip is anticipated to be the first site to be developed and officers are hopeful that works on this site will commence by August 2017. Some community consultation has taken place for this site. Internal council site investigatin works carried out, although Envirainmental Health require specialist contractor to carry out further investigations. A quick quote will be processed for the preferred contractor, and likely to be selected Spring/Summer 2017.

Mitigating Action

Due to the contamination opportunity to mitigate is limited, however discussions continue with Environmental Health to establish suitability of land identified. It is anticipated that the allottments will comprised raised bed, therefore there is no requirement to dig.

Anticipated Outcome

Development of 120 individual allotments to take pressure off current 10 year waiting list, however completion will be later than anticipated

Main Issues / Reason for Variance

Initial rot works are now complete, although were more extensive than first anticpated therefore took longer to resolve. Building warrant application was submitted on 5th December. Drawings will be provided to the Quantity Surveyor for costings and tender preparation. We are currently awaiting project timetable from Procuemtent with regards to tender process.

Mitigating Action

For reasons detailed above the ability to mitigate is limited, however officers will continue to engage with Consultancy Services and Procurement to ensure project remains on revised programme.

Anticipated Outcome

New office accommodation for Bereavement Services.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS (AMBER N/A)

MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
3	**ICT Modernisation / Infrastructure (Patricia Kerr)**						
	Project Life Financials	7,229	6,653	92%	7,201	(28)	0%
	Current Year Financials	1,742	1,166	67%	1,166	(577)	-33%
	Project Description	This budget is to facilitate ICT infrastructure and modernise working practices					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Aug-17

Main Issues / Reason for Variance

An underspend of £0.028m has been realised in relation to project resourcing. In relation to the main ICT Modernisation budget rephasing of £0.330m is required as officers continue to define device requirements with Education to ensure most appropriate device is purchased. In addition ICT Modernisation overall test and project review is being scheduled and subsequently project retention will not be released until these stages are signed off. Timing of spend on end of live switches is slightly delayed to coincide with other project dates, however all WAN migrations are complete and thin client roll out complete at approximately 92% of the corporate location with work continuing at remaining locations. Successful pilot at St Michaels PS. In relation to HSCP ICT requirements rephasing of £0.219m is due to delays in ordering licences re Elderly Care homes and a delay in ordering laptops due to the need to determine the number of staff requiring laptops. There was a subsequent delay in the delivery of laptops due to imaging problems and netscaler compatablity with software packaging with spend starting to come though by end of May 2017 and completion anticipated by end of March 2018. External Carefirst contractor currently working on automatic payment function with spend likely to be in 17/18.

Mitigating Action

Supplier escalation discussions complete re delays and disruption and offer received. All sites are now migrated. Temporary project resourcing now complete but WDC resources are aligned to complete project tasks. Planning for remaining spend is in progress.

Anticipated Outcome

Staff mobility to support office rationalisation projects delivered (additional storage capacity, flexible telephony and thin client and additional WIFI).

4	**Community Sports Facilities - Holm Park (Ian Bain)**						
	Project Life Financials	500	0	0%	500	0	0%
	Current Year Financials	500	0	0%	0	(500)	-100%
	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-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Discussions are comtinuing to take place with Clydebank FC and Yoker FC with a view to developing a community facility at Holm Park Yoker. A business plan has been approved and can now progress to development stage, with spend anticipated in 17/18.

Mitigating Action

Opportunity to mitigate is limited due to development of business plan.

Anticipated Outcome

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

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GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS (AMBER N/A)

MONTH END DATE **31 March 2017**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
5 Replace Elderly Care Homes / Day care Centres (Chris McNeill)						
Project Life Financials	25,062	13,429	54%	25,062	0	0%
Current Year Financials	9,245	8,840	96%	8,840	(405)	-4%

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-Mar-16	Forecast End Date	31-Dec-19
Dumbarton Care Home Opening Dates	Planned Opening Date	Mar-15	Forecast Opening Date	Mar-17
Clydebank Care Home Opening Dates	Planned Opening Date	Mar-15	Forecast Opening Date	Mar-19

Main Issues / Reason for Variance

General - The total care home budget is £25.062m. The budget for Dumbarton is £13.174m with Clydebank budget at £11.888m.

Dumbarton - The build programme was scheduled to last for 72 weeks with the contract completion date of 21st February 2017, however due to ongoing build complexities actual physical completion was not achieved until 28th April 2017. Although delayed the project remains on budget including costs of fixtures and fittings.

Clydebank - Planning consent will be contingent upon the overall Queens Quay Masterplan and the installation of infrastructure works and the Health Quarter mini-masterplan between the Care Home and the Health Centre. Planning permission in principle application for the Masterplan was submitted on 30 October 2015 and is now granted. The masterplan team are proactively engaged with discharging the conditions and the care home and health centre teams have now finalised the mini masterplan. The detailed planning application for the care home was submitted 31 October 2016. The completed care home is anticipated to be handed over to WDC in February 2019 and become operational by March 2019 to allow a 4 week migration period, this allows for construction contingency and validation of the construction period through the appointment of the main contractor. Project board are keen to ensure the most efficient programme possible in order to bring the care home into use as close to the projected hand over date as possible (previously May 2018). Every effort is being made to better these dates. Positive outcome of recent consultation on 27th September 2016 and pre-application dialogue with planners has resulted in the proposal to demolish the Centenary Court wall and replace with a green screen (landscaping). This reduces the risk of the site abnormals and associated costs previously described. Risks remain associated with master plan interdependancies for programme costs and costs of any delays. Currently the project team are working towards a programme for invitation to tender with re-phasing of £0.055m into 2017/18 required at this time.

Mitigating Action

Dumbarton - Due to build complexities the opportunity to mitigate against delayed completion was limited

Clydebank - WDC will continue to liaise with Dawn Developments and the Masterplan Team. 6 weekly information sharing forum on-going with all three teams represented (Masterplan, Health Centre and Care Home).Regular meetings held with stakeholders and the project team.

Anticipated Outcome

New build care home

Clydebank - Development will proceed in synergy with development of new health centre and in the context of the Queens Quay masterplan and infrastructure projects.

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MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
6	**Local Economic Development (Michael McGuinness)**						
	Project Life Financials	2,041	633	31%	2,025	(16)	-1%
	Current Year Financials	2,041	633	31%	633	(1,408)	-69%
	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-Mar-17		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

This budget contains a number of projects that are linked to the delivery of the Economic Strategy, Infrastructure Investment Plan and Charrette Action Plans as detailed below. Realised project saving due to Garth Road Parking Bays and Mitchell Way Development costs being lower than anticipated.

Bowling Basin - Allocation of £0.050m to continue support for Scottish Canal's regeneration of the area in advance of development of a partnership agreement. One-off payment to Scottish Canals paid by end of financial year, however this was less than anticipated resulting in an underspend of £0.008m.

Dumbarton Town Centre & Waterfront - £0.544m has been allocated to this element of the regeneration budget which includes progression of the waterfront walk and cycleway project towards implementation stage, undertaking initial works for Glencairn House (£0.110m, tender approval document to be issued June 2017 and once contractor appointed would be a 12 week programme, anticipated to complete by December 2017) whilst plans for a longer term use are developed and implementation of the first phase of floodlighting for Dumbarton Rock and Castle. A planning application for the waterfront paythway was submitted in December 2016 which was approved at Committee on 29th March 2017 with works anticipated to commence late 17/18. Planning guidance on walkway was agreed at planning committee on 22nd February 2017. Given the complexity of these developments some delays will be experienced in delivering the walkway and will require approx £0.455m budget to be slipped into 17/18.

Mitchell Way Redevelopment - £0.080m has been allocated and includes the demolition of 30-40 Mitchell Way (now complete) and property advisory services to enable progress with the redevelopment of Mitchell Way. No further spend is due and the project reports a project underspend of £0.007m.

Clydebank Town Centre - this budget was adjusted from £0.288m to £0.148m to take account of a virement of £140k for the Clydebank Town Centre Office project. The remaining funding was committed to works at Bruce Street Baths, Queens Quay consultancy fees and charrette projects, however early costs in relation to district heating and queens quay advisor costs have resulted in an overspend within this budget allocation of £0.102m.

Garth Road Parking Bays - Works physically complete by end of financial year 16/17 with retention of £0.013m to be paid in 2017/18. Fifty percent of the project spend is anticipated to be funded by Clydebank Property Company on successful sale of plots 4/5 at Queens Quay, which could be over the next 3 years. The build of the car parks have been delivered by the Capital Investment Team and at this time the total project cost is anticipated to cost in the region of £0.098m which would result in a project saving of £0.102m from allocated budget.

St Eunan's Site - This project encompasses the capping and reuse of the former St Eunan's School site in Clydebank. At this time it is anticipated that the cost of this project (based on current proposals) is estimated at £1.552m. A Green Infrastructure Fund (GIF) application for £0.630m was approved in March 2017 towards the project covering 40% of the works. Part of the Council's required £0.922m of capital funding towards the project has already been approved being £0.250m from Asset Management and £0.100m from the Environmental Improvement Fund. A report was submitted to the IRED Committee in December seeking members agreement to an allocation of funds from the Local Economic Development budget towards the implementation works. Due to the complexities of the works required and the importance of community involvement in the outcome for the site significant expenditure was not incurred in 2016/17 and re-phasing of £0.795m is required.

Balloch Charrette - £0.140m has been allocated towards design development costs for Balloch Village and Station Squares, options appraisal and tourism work for Balloch Castle and Park and parking survey work. Currently working with Sustrans through a number of community consultations. Community Links application to Sustrans was submitted 17th Feb 2017 for match funding towards Balloch Village and Station Squares and associated charrette projects. Sustrans have now awarded circa £42k match funding. Delay due to Sustrans consultation process and investigating - they have agreed to lead the project and be potential future funding partner. Remaining budget of £0.118m to be slipped into 17/18.

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

Mitigating Action

Projects within this budget are currently in development and are at various stages of commitment. For the reasons stated above opportunity to mitigate against underspend in this financial year is limited.

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.

7 Auld Street Clydebank (Bond) (Raymond Walsh)

Project Life Financials	400	144	36%	400	0	0%
Current Year Financials	287	31	11%	31	(256)	-89%

Project Description: Completion of roadworks associated with Auld Street housing development

Project Lifecycle: Planned End Date 31-Mar-16 Forecast End Date 31-Aug-17

Main Issues / Reason for Variance

Developer progressing house construction however timescales are dependant on the cooperation and support of the developer to facilitate access by WDC to complete the road works. Road has been resurfaced with drainage repairs; other works still to be carried out. Anticipated to be complete by end of August 2017. Slippage of remaining budget required due to issues with developer.

Mitigating Action

Outwith our control however there is regular communications with developer to ensure access to site is achieved at the earliest date.

Anticipated Outcome

Contractor to complete roadworks as soon as possible.

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MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
8	**Flood Risk Management (Raymond Walsh)**						
	Project Life Financials	350	252	72%	350	0	0%
	Current Year Financials	350	252	72%	252	(98)	-28%
	Project Description	Enhancement of drainage infrastructure to ensure compliance with Flood Risk Management Act 2009					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-18
9	**Gruggies Burn Flood Prevention (Raymond Walsh)**						
	Project Life Financials	15,000	114	1%	15,000	(0)	0%
	Current Year Financials	524	39	7%	39	(485)	-93%
	Project Description	Commission of Gruggies Flood Prevention Scheme					
	Project Lifecycle	Planned End Date		31-Mar-20	Forecast End Date		31-Mar-20

Main Issues / Reason for Variance

Approvals from SEPA received and works complete for flood risk management schemes in Bonhill and Dumbarton. Further orders currently being received, with works continuing in various locations. Remaining budget required to be slipped into 17/18, due to delays in relation to receiving approvals from SEPA.

Mitigating Action

None available due to external approval timescales

Anticipated Outcome

Full spend not achieved in this financial year

Main Issues / Reason for Variance

Scheme optioneering has now been evaluated and the option to increase capacity at 3 bridges is being developed as the preferred option. This option will minimise inline storage requirements and the impact of raised walls along the urban stretches of the Gruggies Burn. An interim report is required in order to identify land ownership, structural/utlity/access issues, etc. Procurement have provided an updated assessment for the scope of work required, however most of the spend will be incurred in 17/18. Remaining budget required to be slipped into 17/18

Mitigating Action

If SEPA and community councils are not in agreement with proposals, scheme will require to be re-assessed with regards to extent of property protection levels being offered.

Anticipated Outcome

Scheme developed to design and planning approval stage.

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MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
10	**Integrated Housing Management System (Graham Watters)**						
	Project Life Financials	624	78	12%	624	0	0%
	Current Year Financials	604	58	10%	58	(546)	-90%
	Project Description	This is a budget to support the necessary development and on-going requirements of implementing the Council's Integrated Housing Management System.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Aug-18

Main Issues / Reason for Variance

The timetable with regards to the purchase of the IHMS IT solution and subsequent implementation was altered to allow investigation for the potential of sharing systems or services with other neighbouring authorities and housing providers. This investigation concluded that no suitable shared service opportunities existed and that therefore WDC should begin the process for procuring an IHMS IT solution from a supplier. Following the completion of the tender evaluation process, the IHMS Project agreed to appoint a preferred supplier for the ICT solution on 3 June 2016. The contract was signed on 16 February 2017. This was delayed due to commercial negotiations and the implementation plan requiring amendments to match the commercial bid of Aareon. Discussions with the Aareon around the Terms & Conditions of the contract has sought to ensure that the agreed payment plan is beneficial to WDC. Other notable expenditure in Q4 2016/17 was in relation to the purchase of trial mobile working device hardware for Homelessness Services staff, Building Services staff and Asset & Investment staff. Implementation date of system is anticipated to be June 2018.

Mitigating Action

A staffing structure for the Project Team was approved by the Project Board in March 2016. Four Technical Support Officers were recruited and in place by October 2016. Recruitment of an OD&C Facilitator and Project Officer have also taken place; the Facilitator started in June 2016 and the Project Officer officially started on 31 March 2017. This will help to mitigate any risks to further implementation slippage. The project team will monitor progress project and implementation closely for opportunities to catch up. Development work is underway relating to process mapping and data cleansing which will assist in meeting the timescales set out within the project plan.

Anticipated Outcome

Fully integrated housing management IT system procured from an approved government framework (CCS). The department will also go through service re-design during implementation to ensure the benefits that can be achieved from the system are fully maximised in order to provide maximum value. The project requires to be re-phased over 16/17 to 18/19 for full project spend.

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
11 Vehicle Replacement (Rodney Thornton)						
Project Life Financials	2,225	718	32%	2,211	(14)	-1%
Current Year Financials	2,225	718	32%	718	(1,507)	-68%
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-17	Forecast End Date		30-Sep-17

Main Issues / Reason for Variance

In relation of the replacement of vehicles scheduled for 2016/17 consultation with vehicle user departments is now complete and orders have been placed with suppliers for the relevant vehicles. In August 2016 Members approved acceleration of £0.100m from 2017/18 into 2016/17 (to enable enhanced safety features to be installed in the Council's heavy vehicle (HGV) fleet). At the same meeting Members also approved an increase of £1.4m to the current year vehicle replacement budget to fund the purchase of 110 vehicles. Due to programmed frontline service delivery workload these vehicles are currently externally hired vehicles (the majority of which have been on hire to the Council for over 3 years). A review of this provision has concluded that it would be more cost effective to purchase these vehicles with an anticipated annual revenue saving of approximately £0.222m. From Council approval, on 31 August 2016, Officers have been involved with current hired fleet users identifying the exact vehicle types for the works to be performed, sourcing and modifying vehicle specifications, liaising with Scotland Excel and TPPL on technical aspects, warranty periods and the procurement process. Orders have now been placed for all 110 vehicles to replace long-term hire vehicles however they have not all been received by 31 March 2017 therefore budget of £1.341m will be required to slip into 17/18 in relation to these orders. As part of the ongoing vehicle replacement programme, 15 vehicles have been ordered with 11 received (with savings of £0.014m) and 4 still to be received, therefore budget of £0.066m will be required to slip into 17/18 for the remaining 4 vehicles. CCTV devices have been installed in all relevant vehicles. Safe-Stop devices are still to be installed, with works anticipated to be carried out by September 2017. £0.087m required to be slipped for the cost of these works.

Mitigating Action

None available to due vehicle delivery timescales.

Anticipated Outcome

Project partially complete with spend of £0.718m by the end of financial year including additional safety enhancement works and new vehicles to replace those currently externally hired.

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
12	**Strathleven Park and Ride Car Park (Raymond Walsh)**						
	Project Life Financials	425	0	0%	285	(140)	-33%
	Current Year Financials	425	0	0%	0	(425)	-100%
	Project Description	Provision of additional car parking off Strathleven Place adjoining Church car Park. To be utilised as park and ride and overflow for town centre parking					
	Project Lifecycle	Planned End Date	31-Mar-16		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance
Planning approval was granted February 2016, however this project is part funded by SPT and at the time of project approval it was anticipated that funding of £0.215m would be received with the acknowledgement that the project could not commence until confirmation of external funding was received. External funding has now been confirmed at £0.070m and a report was submitted to IRED committee in December advising members of the funding reduction and seeking approval to commence the tendering process with the project now valued at £0.285m. A delay in progressing the project has been as a result of access issues, with budget required to slip into 17/18. SPT have agreed that funding can slip into 17/18.

Mitigating Action

There is no mitigating action that can be taken at the moment due to planning application timescales

Anticipated Outcome

Scheme to commence once tendering process completed.

13	**Posties Park Hub (Ian Bain)**						
	Project Life Financials	1,699	24	1%	1,699	0	0%
	Current Year Financials	1,676	1	0%	1	(1,675)	-100%
	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	30-Sep-16		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

Planning application was submitted in October 2016 and approved early March 2017. A stage 2 funding application was submitted to Sports Scotland for £0.500m, however notification has been received confirming that the Council were unsucessful in the funding bid. Officers will work to identify other funding sources.

Mitigating Action

Officers will work to identify other funding sources to balance the budget required.

Anticipated Outcome

Creation of sports hub by March 2018 pending identification of alternative funding sources.

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
14	**Replacement of Equipment at Clydebank Crematorium (Ian Bain)**						
	Project Life Financials	1,570	1,630	104%	1,648	78	5%
	Current Year Financials	94	153	163%	153	59	63%
	Project Description	Installation of two new cremators with associated mercury abatement equipment.					
	Project Lifecycle	Planned End Date		30-Nov-16	Forecast End Date		30-Nov-16

Main Issues / Reason for Variance

Project now complete. However there is an overspend which is due to a number of factors which include the level of asbestos found whilst carrying out upgrading works was greater than initially anticipated, site access from project approval to works commencing had deteriorated resulting in additional works to ensure the facility was DDA compliant and also the purchase of memorial bookcases.

Mitigating Action

None available as project is complete

Anticipated Outcome

New cremators fully installed and functional and building DDA compliant. Project complete but has overspent due to additional works as a result of finding asbestos.

15	**Kilmaronock Cemetery Extension (Ian Bain)**						
	Project Life Financials	225	0	0%	225	0	0%
	Current Year Financials	225	0	0%	0	(225)	-100%
	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-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Development work has commenced and an initial meeting took place with one external consultant to guage estimate of cost. Project team now in place with intial team meeting taking place in January. First task required, due to shortage in expertise, is to engage external consultant to design extension - currently awaiting confirmation of approval on consultant appointment from procurement and thereafter procurement of external works package with works anticipated to start by August 2017.

Mitigating Action

None available at this time.

Anticipated Outcome

Extension of existing cemetery at Kilmaronock

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
16	**Vale of Leven Cemetery Extension (Ian Bain)**						
	Project Life Financials	650	155	24%	650	0	0%
	Current Year Financials	561	66	12%	66	(495)	-88%
	Project Description	Extension of existing cemetery in Vale of Leven					
	Project Lifecycle	Planned End Date	31-Mar-16		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

As previously reported there has been difficulties purchasing the preferred site with the land owner appointing a land agent to negotiate on his behalf resulting in delays to the project. The Land Agent advised us of their valuation (based on a change to the business model) which was in excess of the value that WDC have placed on the land (based on agricultural rates) resulting in the land owner contacting the Estates section to request a meeting to discuss a new proposal. This meeting did not lead to a satisfactory outcome with the Council progressing with compulsory purchase of the land. The compulsory purchase valuation has identified that the purchase costs are out with the scope of the project budget. 3 others sites have been identified and estates section have commenced discussions with the land owners. We are currently at a critical point due to the number of remaining lairs with capacity for one year, there have been paths identified within the existing cemetery to create new lairs which should add an additional capacity for a further two years.

Mitigating Action

Identify suitable alternative sites.

Anticipated Outcome

A suitable site is identified and purchased to provide a sustainable burial environment.

17	**Levengrove Park (Ian Bain)**						
	Project Life Financials	3,639	319	9%	3,638	(0)	0%
	Current Year Financials	3,427	107	3%	107	(3,320)	-97%
	Project Description	Restoration and Regeneration of Levengrove Park					
	Project Lifecycle	Planned End Date	31-Mar-16		Forecast End Date	31-Mar-19	

Main Issues / Reason for Variance

The project has now been awarded a stage two pass with funding of £2.8m (£0.100m higher than anticipated) now in place. Pre-start meeting has been held with HLF and project management consultants. Finalised programme has now been developed with an anticipated start date on site of 1st August 2017, with an estimated completion date of 31st March 2019.

Mitigating Action

Regular officer liaison with Procurment to ensure programme is kept to plan.

Anticipated Outcome

Successful delivery of restoration project.

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
18	**Creation of Environmental Improvement Fund (Ian Bain)**						
	Project Life Financials	1,675	331	20%	1,675	(0)	0%
	Current Year Financials	725	331	46%	331	(394)	-54%
	Project Description	This fund has been created to deliver environmental improvement projects for communities throughout West Dunbartonshire.					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		31-Mar-18
	Main Issues / Reason for Variance						
	A report was submitted to IRED Committee in September detailing proposals to fully allocated this budget. Rephasing of £0.394m is required in relation £0.079m for Dalmuir works, £0.090m for tree planting, £0.195m to improve open space and community access and £0.030m to improve the appearance of gap sites.						
	Mitigating Action						
	None available at this time due to initial arbitrary budget phasing						
	Anticipated Outcome						
	Improved green network and environment in West Dunbartonshire.						
19	**Community Capital Fund (Ian Bain)**						
	Project Life Financials	3,569	1,826	51%	3,569	0	0%
	Current Year Financials	2,514	771	31%	771	(1,743)	-69%
	Project Description	Upgrade and improve recreational facilities throughout West Dunbartonshire.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-18
	Main Issues / Reason for Variance						
	Nine play park projects (Haldane, Bonhill, Christie Park, Dumbarton Common, Dumbarton Overburn, Hardgate, Linnvale, Goldenhill Park and Tullichewan) were delivered by end of May 2017. A delay in the tender award of these contracts resulted in a negative impact in the procurement timetable for the next set of identified projects and the full budget was not spent in this financial year. However a project team is now in place comprising procurement, QS and greenspace officers who are currently developing documentation for the next projects (17 play parks).						
	Mitigating Action						
	Officers are identifiying and developing further projects to be delivered in 2017/18.						
	Anticipated Outcome						
	Improved recreational facilities throughout WDC						

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
20	**Exxon City Deal (Michael McGuinness)**						
	Project Life Financials	27,897	544	2%	27,897	(0)	0%
	Current Year Financials	508	353	69%	353	(155)	-31%
	Project Description	As part of the City Deal project the WDC Exxon site at Bowling regeneration with alternative A82 route included.					
	Project Lifecycle	Planned End Date		31-Mar-21	Forecast End Date		31-Mar-24

Main Issues / Reason for Variance

The project is progressing towards an Outline Business Case which was approved at Council on 22nd Eebruary 2017 with an agreement of additional £0.150m budget, and was subsequently approved by the City Deal cabinet on 11th April 2017. A proposal of application notice has been submitted by WDC to planning for overall masterplan for the site. Cost expenditure will continue with exploratory and investigative studies during this period. A site access and a site sale exclusivity agreement (for a 12 month period) has been agreed with Exxon. The Head of Terms agreement is still under discussion with Exxon with a view to conclude an agreement for the acquisition of the site by October 2017. Remaining budget required to be slipped into 17/18.

Mitigating Action

Future reports to Council will be provided to expand on any further details as required to update on the Exxon Project and site development and approval of Outline Business Case.

Anticipated Outcome

Progressing the City Deal development at Exxon towards a Full Business Case.

21	**Queens Quay (Michael McGuinness)**						
	Project Life Financials	15,620	1,346	9%	15,620	(0)	0%
	Current Year Financials	9,378	1,009	11%	1,009	(8,369)	-89%
	Project Description	Queens Quay regeneration					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		30-Jun-18

Main Issues / Reason for Variance

As part of a three year commitment to spend £15.620m on infrastructure at Queens Quay, Clydebank planning application in principle has been approved and detailed applications relating to Roads and Waterfront public realm have been lodged with Planning to seek consent. The work packages have now been re-profiled with final expenditure for 2016/17 of £1.009m and anticipated spend in future years being 17/18 £13.951m and 18/19 £0.323m. There have been further delays due to design solutions which were complex and took longer than anticipated; approval of the remediation strategy was delayed by regulatory services who required additional information and clarification on a number of issues, which subsequently resulted in the road construction consent also being delayed. Although budget has slipped into the following financial year it is still anticipated the project will be complete within the original 3 year time frame with the exception of landscaping and boundary wall treatments (£0.323m in 18/19).

Mitigating Action

Regular update meetings are held with site owners. We also have an internal board for this project where budgets and risk register are discussed in detail.

Anticipated Outcome

Regeneration of Queens Quay to be completed by March 2018 with the exception of landscaping and boundary walls.

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MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
22	**Building Upgrades (John Corcoran)**						
	Project Life Financials	3,873	2,114	55%	3,867	(6)	0%
	Current Year Financials	3,873	2,114	55%	2,114	(1,760)	-45%
	Project Description	Lifecycle and reactive building upgrades					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

This budget has been allocated to a variety of projects. Notable projects are Balloch Castle works (£0.598m) which are progressing however additional toilet works have resulted in re-phasing of £0.170m being required, Municipal buildings works (£1.813m) which are progressing with Phase 1 almost complete and Phase 2 commenced on 17th October 2016 (overall programme is currently running 3 month behind schedule resulting in rephasing of £0.908m however works are anticipated to be complete by September 2017), OHR Pitch (£0.278m) where tenders have now been returned and contractor appointed with works started on site end of September 2016 with works progressing although completion is not anticipated until August 2017 resulting in re-phasing of £0.058m and Clydemuir MUGA (£0.220m) where the tender is being prepared but has not shown any spend in this financial year resulting in rephasing of £0.220m. Over slippage required into 17/18 has been confirmed as £1.754m.

Mitigating Action

Limited mitigating action available at this time

Anticipated Outcome

Full spend was not achieved in 2016/17, partly due to some costs being realigned to condition survey projects.

23	**Community Sports Fund (Ian Bain)**						
	Project Life Financials	1,130	141	13%	1,130	(0)	0%
	Current Year Financials	1,029	41	4%	41	(988)	-96%
	Project Description	Match funding of up to 75% for local sports clubs to develop business cases to improve facilities.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Continuing to receive and asses new grant applications that will be processed over the life of the fund. There are other applications that have been submitted or are in the process of being submitted which will require to be evaluated. In addition there a number of projects that are under discussion and consideration whilst groups develop their plans. Grant payments are evidenced based and therefore full spend on this budget is conditional on both receipt of applications from sports clubs which meet the grant criteria, and the successful completion of the project by the applying club resulting in the increased budget not being fully spent in 16/17. Received 5 applications which have been assessed prior to the end of December. Three have been valued at £0.125m each and one at £0.068m. Projects have been approved although it is likely that most of the spend will show in 17/18. Remaining budget will be required to slip into 17/18.

Mitigating Action

Officers will monitor and assess applications received and stop awarding grants once the full budget has been awarded/allocated to groups.

Anticipated Outcome

Improve sport facilities to a wide range of organisations WDC

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
24 Invest in "Your Community Initiative" (Amanda Coulthard)						
Project Life Financials	1,000	37	4%	1,000	0	0%
Current Year Financials	500	37	7%	37	(463)	-93%
Project Description	Capital budget to support roll out of your community. This will deliver on implementation of a participatory budgeting approach in 17 defined neighbourhoods and support spend to					
Project Lifecycle	Planned End Date	31-Mar-18		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

Project is focused on delivering capital support to localised community empowerment. Overall £0.425m has been allocated to participatory budgeting which will allow local residents to feel ownership of how money is spent in their local area with the remainder of the budget (£0.575m) allocated to invest in areas where an innovative solution of short term remedial action is required based on community led improvement. In relation to participatory budgeting applications were recieved late October 2016 with assessment and voting sessions taking place thereafter, however only approximately £0.048m of eligible bids were deemed appropriate to be funded from capital at this time resulting in a second round of applications being considered. In relation to the remainder of the budget £0.200m was allocated in 16/17 for additional lighting, cctv and bin provision. Despite the level of eligible bids and innovative funding allocations spend achieved in 2016/17 was only £0.037m for participatory budgeting with the remaining budgets requiring to be re-phased into 17/18.

Mitigating Action

The opportunity to mitigate is limited due to the leve of applications received. Officers will support groups with submission of invoicing to ensure spend is maximised.

Anticipated Outcome

Increased community participation and empowerment, in line with aspiration of new legislation. A sense of trust between community and services that action will be taken where it is required, and that services are responsive to varying local needs.

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
25 Office Rationalisation (Craig Jardine)						
Project Life Financials	21,427	10,550	49%	21,445	18	0%
Current Year Financials	11,239	8,425	75%	8,425	(2,814)	-25%

Project Description	Delivery of office rationalisation programme			
Project Lifecycle	Planned End Date	31-Oct-17	Forecast End Date	31-Jan-19
New Dumbarton Office	Planned Opening Date	May-17	Forecast Opening Date	Jan-18

Main Issues / Reason for Variance

General - The Office Rationalisation Programme budget was increased as part of the Capital Plan Refresh in February 2016 as a result of a business case refresh which allows for additional works at Bridge Street to reduce future dilapidation liabilities and enables implementation of modern working practices within the building over the remaining 8 year lease; remediation works to the new Dumbarton office arising from the discovery of a significant Gas storage tank on site; increase in base cost for Dumbarton due to higher than anticipated construction industry rates from Market return and increases in the size of the Clydebank Town Centre Office.

New Build Dumbarton - Financial Close for the main contract was achieved on 2nd September 2016 with anticipated completion by December 2017. The organisation will relocate to the new office in Dumbarton January 2018. WDC has received the formal offer of £0.5m from Historic Environment Scotland, with the first £250k payment received from HES.

Document Strategy - a sum of £0.250m was approved by Members within the capital plan refresh to take forward document strategy in anticipation of staff moving location January 2018. Remaining budget required to slip into 17/18 in particular for works to Poplar Road archive facility, in accordance with the timetable of staff relocation.
Clydebank Town Centre Office - New facility opened on Monday the 5th December. Budget required to be slipped for retention due in 17/18

Data Centre in Aurora House - successful contractor appointed, initial meeting with contractor held on the 6th December. Work commenced 9 January 2017 with expected completion end June 2017. Due to timetable of staff relocation, remaining budget required to slip into 17/18 for outstanding costs.

Bridge Street - GHI contracts are currently refurbishing the building with works on programme. Budget for retentions required to slip into 17/18.

Mitigating Action

Due to additional works required at Bridge Street and unforeseen remediation works at the New Dumbarton Office the opportunity to mitigate is limited. Additional budget requirements were included within the capital plan refresh report which was approved by Members on 24 February 2016. The project remains within budget, and works are progressing well on site in Dumbarton.

Anticipated Outcome

Delivery of the business case

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
26	**Pappert Woodland Wind Farm (Craig Jardine)**						
	Project Life Financials	3,699	11	0%	3,699	0	0%
	Current Year Financials	294	11	4%	11	(283)	-96%
	Project Description	Provision of new windfarm					
	Project Lifecycle	Planned End Date	31-Mar-19		Forecast End Date	31-Mar-21	

Main Issues / Reason for Variance

A revised scheme has been developed following the revised feed in tariff amendments made by Westminster. This has meant a smaller scheme is still viable which will include a 1.5 mega watt windfarm. This smaller scheme will still generate a substantial feed in tariff generating an annual income of £450k with a pay back of 8 years. WDC continue to meet with Lomond Energy to establish access rights and any potential for joint working. Visual impact survey and bird survey tenders have now been appointed with work underway. Update report presented to IRED Committee on 15 March 2017. Project Team to continue with development phase.

Mitigating Action

Project team communicates regularly with Lomond Energy to ensure any revised project is agreed as soon as possible. Officers cannot progress the project any faster until a revised agreement is reached with Lomond Energy.

Anticipated Outcome

Project completion generates savings in line with revised Business Case.

27	**Regeneration Fund (Michael McGuinness)**						
	Project Life Financials	12,400	0	0%	12,400	0	0%
	Current Year Financials	1,000	0	0%	0	(1,000)	-100%
	Project Description	Match funding for various regeneration projects currently in development					
	Project Lifecycle	Planned End Date	31-Mar-20		Forecast End Date	31-Mar-20	

Main Issues / Reason for Variance

This budget was created by Members late 2015/16 and officers were asked to develop spend plans and report these plans to Members at an appropriate time. Due to the time required to develop plans the capital plan refresh agreed by Members in February 16 contained an arbitrary budget phasing. A report was presented to the IRED Committee in September 2016 seeking approval of a notional budget allocation of £7m at this time to deliver key projects including works to Dumbarton Waterfront, pedestrian crossing access at the A814 in Clydebank, investment at Bowling Basin, and the introduction of two public squares in Balloch. £2m funding from Sustrans has been secured in relation to the A814 project and it is hoped that further external funding will be secured for Dumbarton Waterfront and Balloch. Each project will be subject to future Committee approval of detailed proposals/business cases. Securing external funding, although welcome, has contributed towards nil spend in this financial year. Progress has been made in 16/17 with the development of all of these projects and an update will be provide to June 2017 IRED Committee.

Mitigating Action

None required at this time

Anticipated Outcome

Regeneration of West Dunbartonshire

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
28 OLSP New Build (Craig Jardine)						
Project Life Financials	2,947	3,188	108%	3,677	730	25%
Current Year Financials	250	790	316%	790	540	216%
Project Description	Design and construction of new Secondary School in Bellsmyre, Dumbarton					
Project Lifecycle	Planned End Date		31-Dec-17	Forecast End Date		31-Dec-18
Opening Dates	Planned Opening Date		Oct-17	Forecast Opening Date		Oct-17

Main Issues / Reason for Variance

Financial Close was achieved in March 2016 and site works have already commenced and are progressing well. Due to ESA10 delay, the majority of the associated works to the new high school such as the demolition of the existing school will not be carried out this financial year. All remaining works will be carried out during financial year 2017/18. In addition to the budgeted project costs the cost of the purchase of the land from the HRA has to be taken into account in this financial year resulting in an anticipated project life overspend of £0.730m.

Mitigating Action

Construction has started as Financial Close was achieved in March 2016 (after ESA10 issue was resolved) and is progressing well. Monthly Progress Meetings to take place to review progress on site and Project Boards taking place every month.

Anticipated Outcome

New Build will be complete by Oct 2017 in line with new prgramme. Once New Build OLSP has been opened, work will commence on demolition of old OLSP building.

29 Kilpatrick School New Build (Craig Jardine)						
Project Life Financials	10,487	10,270	98%	10,607	120	1%
Current Year Financials	5,654	6,327	112%	6,327	673	12%
Project Description	Design and build of construction of Additional Support Needs School					
Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		30-Jun-18
Opening Dates	Planned Opening Date		Aug-16	Forecast Opening Date		Nov-16

Main Issues / Reason for Variance

Practical completion of Building achieved in November 2016 with the new building opening on 30 November 2016. Demolition of the old building (Phase 2) commenced in January 2017 and is progressing well and anticpate the new pitch to be completed by end of June 2017. Additional asbestos has been found in concealed locations throughout the building with forecast spend increased by £0.120m as an indicative cost, however the financial impact of this asbestos is still under review.

Mitigating Action

The opportunity to mitigate against project overspnd is limited due to the presence of asbestos and the requirement to deal with it appropriately

Anticipated Outcome

Project Phase 1 completed slightly behind schedule in line with budget. Project Phase 2 started earlier, therefore expenditure this financial year will be greater than anticipated with future budget to be reduced accordingly. However, the due to the discovery of asbestos it is anticipated at this time that there will be an overspend in the region of £0.120m.

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
30	**Aitkenbar PS / St Peter's PS Co-location (Craig Jardine)**						
	Project Life Financials	10,646	9,969	94%	10,646	0	0%
	Current Year Financials	3,405	3,193	94%	3,193	(212)	-6%
	Project Description	Design and construction of new co-located school to replace 3 separate establishments					
	Project Lifecycle	Planned End Date		31-Mar-18	Forecast End Date		30-Nov-17
	Opening Dates	Planned Opening Date		01-Aug-16	Forecast Opening Date		31-Aug-16
	Main Issues / Reason for Variance						
	School opened 23rd August 2016 as per programme. Snagging works are complete and final account to be agreed following installation of accoustic fence. Remaining budget to be spent on accoustic fence in 2017/18						
	Mitigating Action						
	None required at this time						
	Anticipated Outcome						
	Delivery of project on time and budget						
31	**Children and Young Persons / Early Years (Laura Mason)**						
	Project Life Financials	2,646	1,299	49%	2,646	0	0%
	Current Year Financials	1,989	641	32%	641	(1,348)	-68%
	Project Description	New funding announced July 2014 re the implementation of the Children and Young Persons Bill in relation to 2,3 and 4 year olds looked after or under a kinship order and additional 2 year olds from households in receipt of certain out of work benefits					
	Project Lifecycle	Planned End Date		31-Mar-16	Forecast End Date		31-Aug-18
	Main Issues / Reason for Variance						
	The budget will be used to support the expansion of Early Years provision and work is currently underway to identify appropriate developments that will enable the Council to fulfil it's requirement to expand the Early Years provision. A report on the Early Years Strategy was approved at Committee in August 2016. This budget has been allocated over 11 separate projects, 10 of which are proceeding to programme. A project to create ELCC classrooms in approximately 11 primaries is currently at the design stage and will proceed to tender for onsite works over the summer holiday 2017, to minimise distruption while the schools are closed.						
	Mitigating Action						
	Opportunity to mitigate is limited						
	Anticipated Outcome						
	Provision of improved early years services incorporating a change in delivery of services.						

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
32	**Free School Meals (Lynda Dinnie)**						
	Project Life Financials	200	50	25%	200	(0)	0%
	Current Year Financials	200	50	25%	50	(150)	-75%
	Project Description	Provision of Capital Funding from Scottish Government to implement free school meal initiative.					
	Project Lifecycle	Planned End Date		01-Aug-16	Forecast End Date		30-Aug-17

Main Issues / Reason for Variance

The FSM initiative was launched in Jan 2015 and officers ran the FSM initiative for 3/4 months to see which schools had the biggest uptake and also to identify any issues which Catering Staff and Head Teachers identified in terms of delivery. Catering Managers and Head Teachers were surveyed in June and identified issues were reviewed and a buildings upgrade action plan was developed. The preferred actions were then discussed with Consultancy Services who are undertaking survey/costing work and will pull together an implementation plan. Funding has been allocated to upgrade several school kitchens and serveries. Works will be planned and initiated by Consultancy Services - works to 2 schools are now complete (Gartocharn and Knoxland PS) with works to a further 4 schools (Christie Park, Gavinburn, St Ronan's & St Michael's PS) scheduled to take place during school summer holidays 2017 to minimise disruption to schools.

Mitigating Action

No mitigating action is possible due to scheduling works over the summer holidays to minimise disruption.

Anticipated Outcome

Full spend anticipated by August 2017

33	**New Balloch Campus (Haldane PS, St Kessog's PS, Jamestown PS & EECC) (Craig Jardine)**						
	Project Life Financials	16,464	5,550	34%	16,464	0	0%
	Current Year Financials	8,091	4,486	55%	4,486	(3,605)	-45%
	Project Description	Construction of new primary school in Balloch to incorporate St Kessog's PS, Haldane PS and Jamestown PS and EE&CC)					
	Project Lifecycle	Planned End Date		31-Aug-18	Forecast End Date		01-Feb-19
	Opening Dates	Planned Opening Date		01-Aug-17	Forecast Opening Date		01-Feb-18

Main Issues / Reason for Variance

Financial Close has been achieved and new forecast spend has been provided, taking into consideration the revised programme to accommodate the necessary works for the removal of the asbestos. Dark ground geotechnical surveys identified the presence of asbestos on the site resulting in a remediation strategy needing to be developed and further approval by WDC Planning and Environmental Health departments was also required. This has resulted in a circa 12 weeks delay and requirement for budget to slip into 17/18. Works are progressing well and opening date scheduled for February 2018.

Mitigating Action

The opportunity to mitigate is limited due to the presence of asbestos and the requirement to deal with it appropriately

Anticipated Outcome

Delivery of project on line and within revised budget. Planned project handover date is 6 February 2018, with school opening after February mid term break.

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
34	**Schools Estate Refurbishment Programme (John Corcoran)**						
	Project Life Financials	5,500	4,312	78%	5,500	0	0%
	Current Year Financials	4,619	3,431	74%	3,431	(1,188)	-26%
	Project Description	Completion of condition surveys has identified works required to bring various schools from Condition C to Condition B.					
	Project Lifecycle	Planned End Date		30-Apr-17	Forecast End Date		31-Aug-17

Main Issues / Reason for Variance

All projects have been identified projects and are progressing to programme. Total rephasing of £1.188m into 2017/18 required with the main items being condition survey works to Braehead Primary, Carleith Primary, Linnvale Primary and Whitecrook Primary (totalling £0.663m) and works to 6 schools to maintain condition B status of £0.409m. It is anticipated that these works will be carried out while schools are closed, in order to minimise disruption.

Mitigating Action

Regular discussions take place at the Schools Estates Board and SAMG.

Anticipated Outcome

Projects to be completed within revised timescale and budget

35	**Upgrade of Clydebank Library (Gill Graham)**						
	Project Life Financials	500	50	10%	500	0	0%
	Current Year Financials	500	50	10%	50	(450)	-90%
	Project Description	Refurbishment of the existing Clydebank Library to deliver a fit for purpose modern library designed around the needs of the customer. This will protect a historic landmark and original Carnegie library whilst offering the potential to build upon the development of a 'cultural quarter' focused around Clydebank Town Hall.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		01-Oct-18

Main Issues / Reason for Variance

Following a report to the Strategic Asset Management Group on 18th October 2016, the project has been incorporated into the regular reporting mechanism for the Council's capital projects in order to allow it to receive additional support from the Council's professional team and henceforward be progressed in the normal capital project manner. Following the completion of consultation with Libraries and Cultural stakeholders the revised plans were evaluated and it became evident that external refurbishment and necessary works to the fabric of the building would consume the majority of the available budget. A decision was therefore taken to split the project into two phases with Phase 1 aimed at refurbishing the structure of the building and extending lift access to the upper storey to improve accessibility. Planning permission for Phase 1 has been applied for and the tender documents have been returned indicating a potential project saving on phase 1 of £0.060m at this time. The successful contractor has been appointed and a pre start meeting has taken place. Phase 1 currently awaiting listed building consent and building warrant. Phase 2 to redesign, alter and fit-out the interior of the Library to provide a modern, flexible layout is anticipated to cost an additional £0.500m and applications to external funding providers such as Heritage Lottery Fund, RCGF, Historic Environment Scotland are underway. Once satisfactory funding has been obtained the tender for internals will go out as soon as possible. Remaining budget to slip into 17/18.

Mitigating Action

Once it became evident that the budget was insufficient to complete the entire project to the required standard a decision was taken to split the project into two phases so as avoid delays in halting the deterioration and making the building weatherproof and improving accessibility.

Anticipated Outcome

Full refurbishment of library

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	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
36	**Direct Project Support (Various)**						
	Project Life Financials	2,512	2,696	107%	2,696	184	7%
	Current Year Financials	2,512	2,696	107%	2,696	184	7%
	Project Description	Business support cost such as reallocation of architects and project support at year end					
	Project Lifecycle	Planned End Date	31-Mar-17		Forecast End Date	31-Mar-17	
	Main Issues / Reason for Variance						
	Overspend resulting from additional capitalisation of direct project support costs						
	Mitigating Action						
	None available due to level of direct support required for capital programme						
	Anticipated Outcome						
	Project support in excess of budget						
37	**Street Lighting & Associated Electrical Infrastructure (Raymond Walsh)**						
	Project Life Financials	500	297	59%	500	0	0%
	Current Year Financials	500	297	59%	297	(203)	-41%
	Project Description	WDC is responsible for the maintenance of 18,000 street lighting columns and associated illuminated signs and bollards. The life expectancy of these items is approx 25 years. Over 40% of this infrastructure exceeds design life expectancy and a phased renewal scheme is essential in order to meet statutory obligations in respect to maintaining and managing this part of the road infrastructure. Some 500 columns will require to be replaced on an annual basis. This is Year 1 of a longer programme, remainder will be considered in full capital plan refresh.					
	Project Lifecycle	Planned End Date	31-Mar-17		Forecast End Date	31-Mar-17	
	Main Issues / Reason for Variance						
	Works on replacing corroded columns continue to progress, however spend was slow to start and did not gather pace until October 2016 resulting in full spend not being achieved in 2016/17.						
	Mitigating Action						
	Due to slow start opportunity to mitigate later in the year was limited						
	Anticipated Outcome						
	Full spend not achieved in 2016/17.						

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
38 Leisure Energy Projects (Fiona McGuigan)						
Project Life Financials	277	31	11%	277	0	0%
Current Year Financials	277	31	11%	31	(246)	-89%
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-Mar-17	Forecast End Date		30-Nov-17	

Main Issues / Reason for Variance

Meadow Centre Air Handling Unit - due to costs coming back from suppliers at more than 40% over budget a decision has been taken to re-tender in the new year. VOL Pool Air Handling Unit is delayed until next year following scoping exercise anticipated costs have risen and further investigation works are required to establish overall feasibility. Heating/BMS upgrades are now complete. Lighting upgrades are almost complete, system improvement works are now complete and awaiting final account.

Mitigating Action

Ongoing meetings with the Energy Efficiency Officer.

Anticipated Outcome

A small number of projects were complete by end of year with VOL and Meadow Centre Air Handling Units anticipated to complete in 2017/18.

39 Choices Programme (Laura Mason/John Corcoran)						
Project Life Financials	750	2	0%	750	0	0%
Current Year Financials	750	2	0%	2	(748)	-100%
Project Description	Bringing together Central Support Services which will include relocation of Choices Programme.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date		01-Feb-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 bill of quantities are currently being worked up in conjunction with the service need of Choices. Forecast practical completion date of Balloch Campus is February 2018 (with retentions due 2019) after which work can commence on Choices project. A paper went to Education Committee on 7th December. Consultation has taken place, Procurement going to tender end of 2017, with work to commence early 2018. Budget required to slip into 17/18

Mitigating Action

None available at this time

Anticipated Outcome

New modern facility for Choice delivering a saving of £0.049m per annum.

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ANALYSIS OF PROJECTS AT RED ALERT STATUS (AMBER N/A)

MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
40	**Cashless Catering/Facilities Management (Lynda Dinnie)**						
	Project Life Financials	55	3	5%	55	(0)	0%
	Current Year Financials	55	3	5%	3	(52)	-95%
	Project Description	Cashless Catering within Primary Schools					
	Project Lifecycle	Planned End Date	30-Jun-14		Forecast End Date	31-Mar-18	

Main Issues / Reason for Variance

Rollout of cashless catering to Primary Schools: The Funding was allocated to roll out cashless catering in a number of Primary Schools. This is presently on hold as the Improvement Service (on behalf of Scottish Government) is taking forward a national project to promote all types of automated payments in schools. This work is being co-ordinated and led by Educational Services. Timescales are not yet fully known at this time - it is understood that Education are currently at the Procurement stage. Once a supplier is appointed Facilities Management will be able to continue with the roll-out of the cashless catering module however it is expected that expenditure will not occur until 2017/18

Mitigating Action

None available at this time

Anticipated Outcome

Cashless catering effected as part of wider cashless project

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 6**
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS (AMBER N/A)

MONTH END DATE **31 March 2017**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast / Actual Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
41	**Clydebank Community Sports Hub (Craig Jardine)**						
	Project Life Financials	3,070	131	4%	3,070	0	0%
	Current Year Financials	1,192	106	9%	106	(1,086)	-91%
	Project Description	Creation of a multi purpose sports hub in Clydebank					
	Project Lifecycle	Planned End Date	31-Dec-18	Forecast End Date		28-Feb-19	

Main Issues / Reason for Variance

The invitation to tender (ITT) was issued on 27 January 2017 to meet the programme dates driven primarily by the RCGF grant deadline of 31 March 17. The ITT communicated an anticipated maximum budget of £2.610m for tender purposes, with the remaining secured budget to cover other project related expenditure. External funding now secured is £2.130m including £1m of Regeneration Capital Grant Funding (RCGF) confirmed on 20th May 2016, £0.500m from Sportscotland, £0.300m from the Gaelic Athletic Association, £0.100m from CCSH, £0.040m from Scottish Rugby Union, £0.020m from the Scottish Landfill Communities Fund and £0.020m from the Robertson Trust. West Dunbartonshire Council funding is now confirmed at £0.885m. The project is in Royal Institute of British Architects (RIBA) Stage 4 and conditional planning consent was secured on 22nd June 2016. Now looking to mobilise and start construction in 2017/18, with an anticipated construction duration of 42 weeks, with anticipated completion in February 2018. Efforts continue to be made to secure further external funding. We await feedback from the December application to the Landfill Trust. The Sports Hub have been successful in securing their £0.100m contribution through a loan offer from Social Investment Scotland based on a business plan showing income streams from the use of the improved facilities. Asbestos removal works were completed on 3 February 2017. Focus now turns to discharging pre-commencement planning conditions with the Stage 2 building warrant now submitted.

Mitigating Action

Monthly project board meetings are held and CIT monitoring project costs and timelines. Also have specific timelines and governance through RCGF and other external funding. The Capital Investment Team will continue to engage with the Design Team as we move towards awarding the contract to the successful contractor. We continue to review external funding grant conditions for compliance purposes and provide status updates as the project progresses, as required.

Anticipated Outcome

Project delivered on time and to budget.

TOTAL PROJECTS AT RED STATUS						
Project Life Financials	211,014	78,896	37%	211,940	927	0%
Current Year Financials	85,511	47,259	55%	47,259	(38,251)	-45%

RY (WEST DUNBARTONSHIRE COUNCIL

APPENDIX 6

GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

MONTH END DATE: 31 March 2017

PERIOD: Year End

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
1	**Capital Resources Brought Forward**						
	Project Life Financials	(529)	(125)	24%	(529)	0	0%
	Current Year Financials	(529)	(125)	24%	(125)	404	-76%
	Project Description	These are grants and contributions received in 2015/16 in advance of expenditure being incurred and have been carried forward to match spend in 2016/17 in accordance with accounting regulations.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	These resources are held in the Council's balance sheet. At this time resources related to Posties Park and Auld Street Bond were not applied in 2016/17.						
2	**General Capital Grant**						
	Project Life Financials	(22,068)	(7,492)	34%	(22,060)	8	0%
	Current Year Financials	(7,500)	(7,492)	100%	(7,492)	8	0%
	Project Description	This resource is a block grant received from the Scottish Government to fund a proportion of the Council's anticipated capital expenditure each year.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	Grant income received was slightly lower than forecast						
3	**Specific Capital Grant**						
	Project Life Financials	(41,838)	(1,087)	3%	(41,838)	0	0%
	Current Year Financials	(1,578)	(1,087)	69%	(1,087)	491	-31%
	Project Description	This relates to income due from the City Deal, Regeneration Capital Fund relating to CCSH, Cycling, Walking Safer Streets and SFT funding re Balloch School Campus					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	Regeneration Capital Fund income related to Clydebank Community Sports Hub of £1m not received, unbudgeted grant income of £0.592m from SFT of £0.592m in relation to the additional cost of dealing with asbestos at Balloch School Campus received. Remaining variance of £0.092m due to City Deal grant income received being less than anticipated due to in year spend						

RY (WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 6

MONTH END DATE: 31 March 2017

PERIOD: Year End

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
4	**Other Grants / Contributions**						
	Project Life Financials	(6,013)	(936)	16%	(5,253)	760	-13%
	Current Year Financials	(4,860)	(936)	19%	(936)	3,924	-81%
	Project Description	This resource includes match funding for roads and sports related projects with the main grants being SPT (0.450m), Historic Scotland (£0.350m), Heritage Lottery Fund (£2.700m) and Sports Scotland (£0.892m)					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-19
	Main Issues / Reason for Variance						
	Heritage Lottery Funding is match funding relating to Levengrove Park and funds will be drawn down as the project progresses. Funding of £2.8m has been awarded and at this time and the funds will not be received until 2017/18 and 2018/19. External funding related to Clydebank Community Sports Hub will not be received until 2017/18. The project life adverse variance relates to the unsuccessful bid for Sports Scotland funding for Posties Park.						
5	**Capital Receipts**						
	Project Life Financials	(32,393)	(1,822)	6%	(32,393)	(0)	0%
	Current Year Financials	(6,914)	(1,822)	26%	(1,822)	5,092	-74%
	Project Description	Mainly sale of land and surplus assets but includes some sale of vehicles.					
	Project Lifecycle	Planned End Date		31-Mar-22	Forecast End Date		31-Mar-22
	Main Issues / Reason for Variance						
	Capital receipts in the current year have been affected by potential site issues, however capital receipts are still anticipated to be received in future years.						
6	**Prudential Borrowing**						
	Project Life Financials	(137,805)	(56,658)	41%	(139,334)	(1,529)	1%
	Current Year Financials	(85,453)	(56,658)	66%	(56,658)	28,795	-34%
	Project Description	Prudential borrowing required is determined by factors such as total spend incurred and whether any additional resources are achieved - such as additional capital receipts, etc.					
	Project Lifecycle	Planned End Date		31-Mar-22	Forecast End Date		31-Mar-22
	Main Issues / Reason for Variance						
	Both re-phasing of capital spend in 2016/17 and project variances have an impact on current and future prudential borrowing.						

RY (WEST DUNBARTONSHIRE COUNCIL

APPENDIX 6

GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

MONTH END DATE: 31 March 2017

PERIOD: Year End

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
7	**CFCR**						
	Project Life Financials	(687)	(536)	78%	(687)	0	0%
	Current Year Financials	(687)	(536)	78%	(536)	151	-22%
	Project Description	Capital Funded from Current Revenue					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	The value of CFCR released during the year is determined by the level of spend on the projects to be funded by this method. CFCR related to wind turbines and cashless catering were not released.						
	PRIOR RESOURCES	(75,669)	(78,034)	103%	(78,034)	(2,365)	3%
	TOTAL RESOURCES						
	Project Life Financials	(317,002)	(146,689)	46%	(320,128)	(3,126)	1%
	Current Year Financials	(107,521)	(68,655)	64%	(68,655)	38,866	-36%

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**

CAPITAL BUDGETARY CONTROL 2016/2017

HRA CAPITAL - CORPORATE SUMMARY - BUDGET AGAINST ACTUAL

MONTH END DATE 31 March 2017

PERIOD Year End

Department Summary	Total Budget 2016/17	Actual Spend 2016/17	Actual Variance 2015/16		Slippage	Over/(Under) Spend	RAG Status
	£000	£000	£000	%	£000	£000	
cctv projects	131	2	(129)	-98%	(129)	0	↓
community safety projects	155	19	(136)	-88%	(136)	0	↓
projects to deliver housing policies/strategies	562	244	(318)	-57%	(209)	(109)	↓
integrated housing management system	854	89	(765)	-90%	(765)	0	↓
targeted SHQS compliance works	600	50	(550)	-92%	(492)	(58)	↓
targeted EESSH compliance works	4,047	2,034	(2,013)	-50%	(2,013)	0	↓
building external component renewals	2,481	1,883	(598)	-24%	(476)	(122)	↓
doors/window component renewals	1,250	1,614	364	29%	0	364	↓
statutory/regulatorycompliance works (lifts/electrical/legionnella/fire etc)	256	67	(189)	-74%	0	(189)	↓
heating improvement works	600	726	126	21%	0	126	↓
energy improvements/energy efficiency works	100	4	(96)	-96%	(92)	(4)	↓
void house strategy programme	2,500	3,873	1,373	55%	0	1,373	↓
regeneration/demolition of surplus stock	2,204	654	(1,550)	-70%	(1,550)	0	↓
non traditional and traditional improvement works	2,461	2	(2,459)	-100%	(2,459)	0	↓
defective structures / component renewals	768	333	(435)	-57%	(435)	0	↓
new build housing	5,035	2,900	(2,135)	-42%	(2,480)	345	↓
clydebank east demolition/homeloss disturbance payments	180	52	(128)	-71%	(128)	0	↑
capitalised minor works	800	767	(33)	-4%	(33)	0	↑
priority projects as advised by Housing Management	259	257	(2)	-1%	(2)	0	↑
modern facilities and services	590	323	(267)	-45%	0	(267)	↑
asbestos management works	300	180	(120)	-40%	0	(120)	↑
contingencies	100	4	(96)	-96%	0	(96)	↑
secure entry component renewals	90	1	(89)	-99%	0	(89)	↑
multi-storey renewal works	240	160	(80)	-33%	0	(80)	↑
external stores/garages/bin stores/drainage component renewals	127	93	(34)	-27%	0	(34)	↑
special needs adaptations	300	300	0	0%	0	0	↑
support regeneration	0	0	0	0%	0	0	↑
housing asset management	50	72	22	44%	0	22	↑
environmental improvement works	1,405	1,436	31	2%	0	31	↑
Direct Project Support	1,800	1,873	73	4%	0	73	↑
Total Expenditure	**30,245**	**20,012**	**(10,233)**	**-34%**	**(11,399)**	**1,166**	
New Build Grant	(3,820)	(2,896)	924	-24%	924	0	↓
Capital Receipts	(586)	(3,648)	(3,062)	523%	0	(3,062)	↑
Other Grants and Contributions	0	(833)	(833)	100%	0	(833)	↑
CFCR	(2,189)	(5,374)	(3,185)	146%	0	(3,185)	↑
Prudential Borrowing	(23,626)	(7,248)	16,378	-69%	10,475	5,903	↓
Loan Repayments	(24)	(13)	11	-46%	0	11	↓
Total Resources	**(30,245)**	**(20,012)**	**10,233**	**-34%**	**11,399**	**(1,166)**	
Net Expenditure	**0**	**0**	**0**	**0%**	**0**	**0**	

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
1 CCTV Projects (Alan Young)						
Project Life Financials	131	2	2%	131	0	0%
Current Year Financials	131	2	2%	2	(129)	-98%

Project Description: This is a budget to undertake specific minor projects concerning the cctv network that covers housing estates that assist in maintaining community safety and enhance neighbourhood well-being in line with Council's housing strategy and community objectives.

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 31-Aug-17

Main Issues / Reason for Variance

Tender contract has been awarded. Project officers have advised of the need for a long lead in (approx 10 weeks) and police vetting to allow contractors to work within the CCTV monitoring station. Current year spend of £0.002m relates to initial equipment upgrade to enable the additional CCTV coverage area, however the delay in going to tender and long lead-in has impacted on the ability to complete work by year end resulting in £0.129m of budget to be re-phased into 2017/18. Project underway and anticipated to complete by end of August 2017.

Mitigating Action

Ability to mitigate is limited due to long lead in time and police vetting

Anticipated Outcome

Balance of budget to re-phase into 17/18, project will complete by end of August 2017.

2 Community Safety Projects (Alan Young)						
Project Life Financials	155	19	12%	155	0	0%
Current Year Financials	155	19	12%	19	(136)	-88%

Project Description: This is a budget to undertake specific minor projects that assist in maintaining community safety and enhance neighbourhood well-being in line with Council's housing strategy and community objectives, examples: improved lighting in and around housing areas and walkways; implementing secure entry systems to blocks where owner-occupiers have refused to participate; fencing to retain boundaries and create defendable spaces

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 31-Mar-18

Main Issues / Reason for Variance

Project has been agreed and underway although did not complete by year end. All works are now complete awaiting some final invoices to be charged. Remaining budget to slip to meet outstanding charges.

Mitigating Action

None required.

Anticipated Outcome

Project complete awaiting final invoicing to be processed.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
3 Projects to Deliver Housing Policies/Strategies (Alan Young)						
Project Life Financials	562	244	43%	453	(109)	-19%
Current Year Financials	562	244	43%	244	(318)	-57%
Project Description	This is a budget to undertake specific projects that will deliver housing policies/strategies, examples: Ex local authority and mortgage to rent buy-back scheme					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Mar-18		

Main Issues / Reason for Variance

Buy Back of Ex Local Authority Homes - Project officers are now progressing the suitable applications for Buy Back following close of RTB. This is demand led and subject to suitability. Officers will continue to progress, however this is impacted by necessary legal procedures and acceptance of offers, etc. This project was delayed until the RTB scheme had ended, in order to evaluate appropriate possible purchases.

Mortgage to Rent Buy Back - This is demand led and subject to suitability with 1 complete at year end, resulting in an underspend of £0.108m in this financial year.

Mitigating Action

The opportunity to mitigate is limited at this time due to legal processes involved in the buy back of ex local authority homes and the lack of suitable referrals from the Scottish Government.

Anticipated Outcome

Remaining budget for Buy Back to be re-phased into 17/18 with an underspend anticipated in relation to Mortage to Rent.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
4 Integrated Housing Management System (Alan Young)						
Project Life Financials	876	112	13%	876	0	0%
Current Year Financials	854	89	10%	89	(765)	-90%

Project Description: This is a budget to support the necessary development and on-going requirements of implementing the Council's Integrated Housing Management System.

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 31-Aug-18

Main Issues / Reason for Variance

The timetable with regards to the purchase of the IHMS IT solution and subsequent implementation was altered to allow investigation for the potential of sharing systems or services with other neighbouring authorities and housing providers. This investigation concluded that no suitable shared service opportunities existed and that therefore WDC should begin the process for procuring an IHMS IT solution from a supplier. Following the completion of the tender evaluation process, the IHMS Project agreed to appoint a preferred supplier for the ICT solution on 3 June 2016. The contract was signed on 16 February 2017. This was delayed due to commercial negotiations and the implementation plan requiring amendments to match the commercial bid. Discussions around the Terms & Conditions of the contract has sought to ensure that the agreed payment plan is beneficial to WDC. Other notable expenditure in Q4 2016/17 was in relation to the purchase of trial mobile working device hardware for Homelessness Services staff, Building Services staff and Asset & Investment staff. Implementation date of system is anticipated to be June 2018.

Mitigating Action

A staffing structure for the Project Team was approved by the Project Board in March 2016. Four Technical Support Officers were recruited and in place by October 2016. Recruitment of an OD&C Facilitator and Project Officer have also taken place; the Facilitator started in June 2016 and the Project Officer officially started on 31 March 2017. This will help to mitigate any risks to further implementation slippage. The project team will monitor progress project and implementation closely for opportunities to catch up. Development work is underway relating to process mapping and data cleansing which will assist in meeting the timescales set out within the project plan.

Anticipated Outcome

Fully integrated housing management IT system procured from an approved government framework (CCS). The service will also go through re-design during implementation to ensure the benefits that can be achieved from the system are fully maximised in order to provide best value. The project will require to be re-phased over 16/17 to 18/19 for full project spend.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
5 Targeted SHQS Compliance Works (Alan Young)						
Project Life Financials	600	50	8%	542	(58)	-10%
Current Year Financials	600	50	8%	50	(550)	-92%
Project Description	This budget is to focus on work required to maintain the SHQS compliance with WDC housing stock. These are spread throughout West Dunbartonshire and involve varied types of work. Where applicable the work will be carried out via the relevant work stream package					
Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Aug-17

Main Issues / Reason for Variance

This budget is for the lesser elements and targeting those in abeyance where possible, although spend is affected by tenant or owner refusals. The major elements of SHQS work is incorporated into the larger renewal programmes. Recent agreement reached to permit SHQS works to proceed, however this has not achieved spend by year end and the budget requires to re-phase to 17/18

Mitigating Action

Work to be programmed in relation to agreed elements to proceed permitting progress asap. Officers to continue to target addresses in abeyance to progress those in relation to SHQS compliance.

Anticipated Outcome

Agreed works to proceed and anticipated to complete by end of August 2017, projected value of £0.491m

6 Targeted EESH Compliance Works (Alan Young)						
Project Life Financials	4,047	2,035	50%	4,047	0	0%
Current Year Financials	4,047	2,035	50%	2,035	(2,012)	-50%
Project Description	This budget is to focus on work required to meet the standards for EESSH compliance. These are spread throughout West Dunbartonshire and involve varied types of energy improvement work.					
Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

Works are progressing with incumbent contractor, with this section completing by the end of February 2017, final costs to be agreed. Building Services are improving their position, although continue to experience problems in resourcing/recruitment to support this programme; subsequently in year budget has not been met resulting in £2.012m to be re-phased in future years. Performance and quality has improved over recent months, back-up contractors now in place. Further addresses are being scheduled via two back-up contracts to increase output and maximise spend. Programme will continue into 17/18.

Mitigating Action

Outgoing incumbent contractor phase completed at the end of February 2017, final costs to be agreed. Options were considered to maximise expenditure and back-up contractors now in place and programming of addresses is now underway pending pre-start asbestos checks to permit start. Building Services continue their programmed installations already underway and continue the recrutiment drive.

Anticipated Outcome

Building Services to continue recruitment drive. Increase output on ongoing work. Increase delivery via back-up contractor. Maximise opportunities to meet spend targets, however actual spent impacted with budget to re-phase over future years.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
7 Building External Component Renewals (Alan Young)						
Project Life Financials	2,481	1,883	76%	2,358	(123)	-5%
Current Year Financials	2,481	1,883	76%	1,883	(598)	-24%

Project Description: This budget is to focus on building external component renewals as identified and recommended from the housing stock condition survey examples; roofs, chimneys, flashings, fascia, soffits, gutters, downpipes etc.

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 31-Mar-18

Main Issues / Reason for Variance

Roof Coverings - Works are progressing and output is satisfactory. Programme target 430, completed 372. Progress has been impacted slightly due to availability of materials (shortage of tiles) resulting in budget of £0.476m requiring to be rephased into 2017/18. Workload is carried over to 2017/18 and already underway.

Roofline Works are progressing and output is satisfactory. Quantities of this work have been incorporated into the full roof renewal contract and has resulted in an underspend of £0.123m.

Mitigating Action

None available at this time.

Anticipated Outcome

Roof Coverings completion delay to 2017/18. Roofline Works to complete by end of March 2017 with an anticipated underspend. All future roofline works will be encapsulated when completed roof coverings, therefore no requirement to slip remaining roofline budget.

8 Doors/Windows Component Renewals (Alan Young)						
Project Life Financials	1,250	1,614	129%	1,614	364	29%
Current Year Financials	1,250	1,614	129%	1,614	364	29%

Project Description: This budget is to focus on the renewal of external doors and window component renewals as identified and recommended from the housing stock condition survey and appropriate council officer referrals.

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 31-Mar-17

Main Issues / Reason for Variance

Works are progressing and output is satisfactory. Programme target 270, completed 240. Overspend due to works initially proposed as revenue which met capital definitions. More works complete than originally anticipated. Additional works have been met with funding from CFCR.

Mitigating Action

Increased capital works will be funded from increased revenue contribution.

Anticipated Outcome

Project complete

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
9	**Statutory /Regulatory/Compliance Works (Alan Young)**						
	Project Life Financials	256	67	26%	67	(189)	-74%
	Current Year Financials	256	67	26%	67	(189)	-74%
	Project Description	This budget will be used to upgrade / replace components / installations in order to comply with the relevant standards / legislation / health and safety in relation to housing stock.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	Three projects are complete (Westbridgend and North Drumry Fire Door Upgrades and Kilbowie Court Lift Upgrade) with retentions of £0.058m paid in this financial year. The remaining project is Main Board renewals valued at £0.100m. Works are progressing, however access remains an issue. Officers are working to gain access, this may result in some instances of forced entry to complete. Programme target 140, completed 15, 30 in progress.						
	Mitigating Action						
	Main Board Renewals - 15 completions in year, forced entry commenced in January 2017 following issue final access request letter and forced entry notification.						
	Anticipated Outcome						
	Underspend realised in year.						
10	**Heating Improvement Works (Alan Young)**						
	Project Life Financials	600	726	121%	726	126	21%
	Current Year Financials	600	726	121%	726	126	21%
	Project Description	Carry out works to renew inefficient boilers/full systems as identified from the stock condition survey and renewal of obsolete/damaged boilers . Housing Capital Investment Team will provide address list from stock survey and further boilers will be identified as and when obsolete/damaged details are identified. These will passed to contract coordinator and notified to contractor					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	Heating Improvement Works are progressing and output is satisfactory. Programme target 400, completed 361. Overspend due to works initially proposed as revenue which met capital definitions. More works complete than originally anticipated. Additional works have been met with funding from CFCR.						
	Central Heating CMBS - No issues regarding Central Heating CMBS. Retention payment. This budget also cover the central heating redecoration payments to tenants.						
	Mitigating Action						
	Increased capital works will be funded from increased revenue contribution.						
	Anticipated Outcome						
	Heating Improvement Project to complete as planned and retention payment made by end of year. Redecoration payments to continue.						

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
11 Energy Improvements/Energy Efficiency Works (Alan Young)						
Project Life Financials	100	4	4%	96	(4)	-4%
Current Year Financials	100	4	4%	4	(96)	-96%

Project Description: This budget is to undertake the installation of energy efficiency measures targeted to improve the quality of homes and alleviate the effects of fuel poverty where possible, examples: loft insulation, pipe / tank insulation, draught exclusion.

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 30-Jun-17

Main Issues / Reason for Variance

Committed budget of £0.092m to contribute to the energy improvement upgrades in Old Kilpatrick area under the 'Capital Stimulus' project supported by the Scottish Government. Budget to be slipped into 17/18 with works anticipated to be complete by end of June 2017. The work is underway and required owners consultation and agreement which delayed the commencement of the work, it is anticipated to complete July/Aug 2017

Young Street Central Heating Upgrade - no issues. Rentention payment due to be paid by end of March 2017.

Mitigating Action

None required.

Anticipated Outcome

Capital Stimulus Project to be completed as planned. Young Street Central Heating Upgrade retention to be paid by year end.

12 Void Housing Strategy Programme (Alan Young)						
Project Life Financials	2,500	3,873	155%	3,873	1,373	55%
Current Year Financials	2,500	3,873	155%	3,873	1,373	55%

Project Description: This budget is to fund the improvement of void housing stock to improve the quality of life for tenants in buildings which are difficult to live in and are unpopular, and / or to tackle anti-social difficulties, crime and fear of crime. Investment is designed to assist in reducing the level of voids.

Project Lifecycle: Planned End Date 31-Mar-17 Forecast End Date 31-Mar-17

Main Issues / Reason for Variance

Demand led programme to meet void targets. Works are progressing as demand dictates to tunraround empty properties to be available for re-let.

Mitigating Action

None available at this time. Void management team are monitoring spend monthly.

Anticipated Outcome

Project has exceeded budget

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
13 Regeneration/ Demolition of Surplus Stock (Alan Young)						
Project Life Financials	8,899	7,397	83%	8,947	48	1%
Current Year Financials	2,204	654	30%	654	(1,550)	-70%
Project Description	The bulk of this budget is to fund 'Demolition of addresses surplus to Council requirements' and also includes homeloss and disturbance budget.					
Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-18

Main Issues / Reason for Variance

£0.939m of the demolition budget is unallocated at this time of which £0.670m is requested to be carried forward into 17/18 with the remaining unallocated budget being used to offset other demolition overspends.

Alexander Street/Creveul Court/O'Hare - Pre-demolition surveys, clearances and service disconnections being arranged at O'Hare and Alexander St sites. O'Hare site is likely to require a diversion of services of which may see costs of £0.050m. Procurement process will follow after certificates confirming service disconnections has been received by utility provider. A tenant still remains at Cruevel Court and negotiations will continue with regards to decant. Issues with sitting tenant in Cruevel Court is delaying this progress. Budget allocation of £0.3m to slip into 17/18.

Homeloss and Distrubance - Officers continue to process to meet demand levels. Spend in this financial year is lower than budget in line with the trend of demolitions spend with rephasing requirement of £0.250m into 2017/18.

Second Ave/Singer St/Crown Ave - now complete although completion took longer than anticipated due to pre-demolition clearances & unforseen disposal materials in relation to Crown Avenue. Spend is higher than budgeted at £0.520m compared to initial estimates of £0.200m due to contractor submitting additional costs claim, although this is being countered and negotiated by project QS.

Glenside/Muir Road - Allocated budget of £0.330m to be re-phased into 2017/18, however indications are that final costs may be less than budget resulting in an underspend of £0.110m.

Contribution to Dalmuir GS Regeneration of Open Spaces completed on budget

Mitigating Action

Alexander Street/Creveul Court/O'Hare - Officers to keep progress on track with all proposed demolition sites. Appropriate officers will continue focused efforts at Cruevel Court in relation to decant.

Anticipated Outcome

Remaining demolition budget to be re-phased into 17/18.

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

Budget Details	Project Life Financials					
	Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%
14 Non-Traditional and Traditional Improvement Works (Alan Young)						
Project Life Financials	2,461	2	0%	2,461	0	0%
Current Year Financials	2,461	2	0%	2	(2,459)	-100%
Project Description	This budget is for the proposed upgrade work to properties at Risk St, Dumbarton.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date		30-Sep-18	

Main Issues / Reason for Variance

Tender returns indicate potential project life savings of £0.236m, however the delivery of the full project is subject to owners agreement of returned tender costs with the risk that project completion and final spend could be impacted if owners do not agree. At this time the project is anticipated to complete late 2018 therefore anticipated project cost to be re-phased into 17/18 and 18/19.

Mitigating Action

Tender evaluation has been completed enabling cost discussion with owners to take place.

Anticipated Outcome

Tenders return and evaluated allowing further consultation with owners to determine full extent of project to be agreed to commence per block.

15 Defective Structures/Component Renewals (Alan Young)						
Project Life Financials	2,047	1,479	72%	1,914	(133)	-6%
Current Year Financials	768	333	43%	333	(435)	-57%
Project Description	This budget is to fund the continuous programme of work to address specific structural faults in a number of tenement properties in Drumry.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date		31-Mar-18	

Main Issues / Reason for Variance

Work is complete on current block and next block is anticipated to complete Spring/Summer 2017. Full spend not met by year end due to there being only one block that can be facilitated for decants. Remaining budget to re-phase to 17/18.

Mitigating Action

Project team will endeavour to progress to maximie spend. Appropriate officers will plan to keep the progress of this ongoing and reduce any delays where possible to keep project on target.

Anticipated Outcome

Current block complete, transition kept to a minimum with remaining budget to re-phase to 17/18

WEST DUNBARTONSHIRE COUNCIL **APPENDIX 7**
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

MONTH END DATE **31 March 2017**

PERIOD **Year End**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Actual / Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
16	**New Build Housing (Alan Young)**						
	Project Life Financials	34,947	16,325	47%	35,159	212	1%
	Current Year Financials	5,035	2,900	58%	2,900	(2,135)	-42%
	Project Description	This budget is to fund new build social housing programme					
	Project Lifecycle	Planned End Date		31-Mar-21	Forecast End Date		30-Sep-18

Main Issues / Reason for Variance

Hill Street, Brucehill - Retention paid beginning of February 2017 with the final outturn being £0.005m over budget.

Second Avenue, Clydebank - New Build Contractor now procured. Tender returns indicated that costs are likely to be £0.600m more than budget, however it is anticipated that this cost increase will be partially offset by an increase in grant income which is now estimated to be £2.360m compared to the initial estimate of £2.000m (this increase is due to each property attracting grant income of £0.059m per unit compared to the initial estimate of £0.050m). This results in a net increase of £0.140m which is assumed at this time to be funded within the overall new build programme project life forecast spend. Works have commenced on-site, project is running to plan at present with works anticipated to complete by end February 2018.

Central Bellsmyre - Retention payment still outstanding.

Mitigating Action

Second Avenue, Clydebank - Project team will continue to monitor and work closely with contractor to ensure work continues to run to plan.

Anticipated Outcome

New build housing at Second Avenue

TOTAL PROJECTS AT RED STATUS						
Project Life Financials	61,912	35,829	58%	63,419	1,507	2%
Current Year Financials	24,004	14,494	60%	14,494	(9,510)	-40%

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE — **31 March 2017**

PERIOD — **Year End**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
1	**New Build Capital Grant**						
	Project Life Financials	(15,334)	(7,695)	50%	(14,764)	570	-4%
	Current Year Financials	(3,820)	(2,896)	76%	(2,896)	924	-24%
	Project Description	This resources relates to the Scottish Government grant funding towards new build council house programmes					
	Project Lifecycle	Planned End Date		31-Mar-21	Forecast End Date		31-Mar-21
	Main Issues / Reason for Variance						
	Grant income in relation to Singer St/Second Avenue has not been fully received in year, however this has been partially offset by income received in relation to purchase of Queens Quay and Haldane.						
2	**Capital Receipts**						
	Project Life Financials	(586)	(3,648)	623%	(3,648)	(3,062)	523%
	Current Year Financials	(586)	(3,648)	623%	(3,648)	(3,062)	523%
	Project Description	This resource relates primarily to the sale of council houses, tenant/client contributions.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	This income relates to Council House Sales and disposal of other HRA land and assets. Income received in year is in excess of budget due to the number and value of house sales concluded in the year (£2.918m). In addition to this, income of £0.730m in relation to sale of land in Bellsmyre (site to be used for OLSP New Build) was received in 16/17.						
3	**Other Grants/Contributions**						
	Project Life Financials	0	(833)	100%	(833)	(833)	100%
	Current Year Financials	0	(833)	100%	(833)	(833)	100%
	Project Description	This resource relates primarily to the grants and other contributions received in relation to energy efficiency works, owner occupier contributions.					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	Income received in 2016/17 relates to owner occupier contributions relating to roofing works (£0.469m), Scottish Government funding related to energy efficiency works (£0.340m) and income received from Scottish Water (£0.025m).						

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE — **31 March 2017**

PERIOD — **Year End**

	Budget Details	Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Forecast Variance	
		£000	£000	%	£000	£000	%
4	**CFCR**						
	Project Life Financials	(2,189)	(5,374)	245%	(5,374)	(3,185)	145%
	Current Year Financials	(2,189)	(5,374)	245%	(5,374)	(3,185)	145%
	Project Description	Capital Funded from Current Revenue					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	CFCR is in excess to that anticipated at the start of the year						
5	**Prudential Borrowing**						
	Project Life Financials	(23,626)	(7,248)	31%	(31,274)	(7,648)	32%
	Current Year Financials	(23,626)	(7,248)	31%	(7,248)	16,378	-69%
	Project Description	Prudential borrowing required is determined by factors such as total spend incurred and whether any additional resources are achieved - such as additional capital receipts, etc.					
	Project Lifecycle	Planned End Date		31-Mar-20	Forecast End Date		31-Mar-20
	Main Issues / Reason for Variance						
	Prudential borrowing is less than required due to additional CFCR and income received from grants and other contributions along with project underspends and rephasings required						
6	**Loan Repayments**						
	Project Life Financials	(24)	(13)	54%	(13)	11	-46%
	Current Year Financials	(24)	(13)	54%	(13)	11	-46%
	Project Description	Loan repayments in relation to purchased properties					
	Project Lifecycle	Planned End Date		31-Mar-17	Forecast End Date		31-Mar-17
	Main Issues / Reason for Variance						
	Loan repayments anticipated to be less than forecast						
	Prior Year Resources Applied	(41,060)	(28,319)	69%	(28,319)	12,741	-31%
	TOTAL RESOURCES						
	Project Life Financials	(82,819)	(53,130)	64%	(84,226)	(1,407)	2%
	Current Year Financials	(30,245)	(20,012)	66%	(20,012)	10,233	-34%

DR A K GLEN & WEST DUNBARTONSHIRE TRUST FUNDS
ANNUAL REPORT AND FINANCIAL STATEMENTS

Trustees' Annual Report

Introduction

The Trustees present the annual report together with the financial statements and the Auditor's Report for the year ended 31 March 2017.

Administration Information

West Dunbartonshire Council is sole Trustee for all Trust Funds with the exception of Dunbartonshire Educational Trust Scheme 1962 and McAuley Prize for Mathematics. Details of these Trusts are shown below.

Trust Funds	Charity Number	Trustees (Corporate Services Committee on behalf of West Dunbartonshire Council)	Local Authority	Contact Address
Alexander Cameron Bequest	**SC025070**	Provost Douglas McAllister Councillor John Mooney Councillor Lawrence O' Neill Councillor Gail Casey	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
Dr AK Glen Halkett Memorial Trust UIE Award	**SC018701** **SC025070** **SC025070** **SC025070**	Councillor George Black Councillor Gail Casey Councillor Jim Finn Councillor David McBride Councillor Jonathan McColl Councillor Patrick McGlinchey Councillor John Mooney Councillor Lawrence O'Neill Councillor Tommy Rainey Councillor Gail Robertson Councillor Martin Rooney Councillor Kath Ryall	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
War Memorial Dumbarton	**SC025070**	Councillor George Black Councillor David McBride Councillor Tommy Rainey	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
Vale of Leven Fund	**SC025070**	Councillor Jonathan McColl Councillor Martin Rooney Councillor Gail Robertson	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU
Dunbartonshire Education Trust Scheme 1962 McAuley Prize for Mathematics	**SC025070** **SC025070**	Provost Douglas McAllister Councillor John Mooney Councillor Michelle McGinty Councillor David Kinniburgh Councillor Henry Councillor Gotts Councillor Jamieson Councillor Barry McCulloch Councillor Jean Jones	West Dunbartonshire Council West Dunbartonshire Council West Dunbartonshire Cuncil Argyll & Bute Council East Dunbartonshire Council East Dunbartonshire Council East Dunbartonshire Council North Lanarkshire Council North Lanarkshire Council	West Dunbartonshire Council, Council Offices, Garshake Road, Dumbarton, G82 3PU

Trustees' Annual Report (continued)

Objectives and Activities

The activities of each of the Trusts are detailed below:

SC018701 – Dr AK Glen
This fund is for the benefit of the people of Dumbarton, to assist and relieve those in need by reason of age.

SC025070 – West Dunbartonshire Trusts

- Dunbartonshire Educational Trust Scheme 1962- awards educational prizes and bursaries;
- McAuley Prize for Mathematics - provides prizes for those studying maths and computing;
- Alexander Cameron Bequest - for the benefit of the people of Clydebank to assist those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- War Memorial Dumbarton - for the upkeep of war memorials;
- Halkett Memorial Trust - for the advancement of art by supporting painting activities and competitions within primary schools in the area;
- Vale of Leven Fund - for the benefit of the people of the Vale of Leven to assist those in need by reason of age, ill health, disability, financial hardship or other disadvantage; and
- UIE Award - for students studying apprenticeships or training in industry.

Following updated governance arrangements agreed by Council in December 2015 and further updated in August 2016, The Office of the Scottish Charity Regulator (OSCR) agreed to approve the changes detailed below.

All trusts have now been advertised on West Dunbartonshire Council website and details have been passed to West Dunbartonshire Community and Volunteering Service (WDCVS) to publicise them.

Alexander Cameron Bequest
It was agreed that officers should publicise the availability of the Alexander Cameron Bequest and seek to disburse available funds arising from investment income attained.

War Memorial Dumbarton
It was agreed that the funds should be disbursed in full, as a result the full value of the Trust has been disbursed to renovate the War Memorial in Levengrove Park as part of the Council's wider plan to rejuvenate the park.

Halkett Memorial Trust
It was agreed that the funds should be disbursed in full, as a result the full value of the Trust has been disbursed by providing the funds held to the Council's Education service to provide prizes for art competitions within and amongst primary schools located within the West Dunbartonshire area.

Vale of Leven Fund
The publicising of the availability of the Trust has been undertaken during the current financial year. This would provide support to appropriate voluntary organisations within the Vale of Leven area which undertake activity aligned to the Trust's purpose.

Dr A K Glen Fund
Publicise the availability of the Trust during the current financial year and seek to disburse available funds arising from investment income attained.

Structure and Governance

Dr AK Glen and West Dunbartonshire Trust Funds are registered with the Office of the Scottish Charity Regulator (OSCR).

The governance arrangements are under the control of West Dunbartonshire Council (the Council), which appoints Trustees as required. Trustees are elected members of West Dunbartonshire Council with the exception of the Dunbartonshire Education Trust Scheme 1962 and McAuley Prize for Mathematics.

The Trustees of both the Dunbartonshire Educational Trust and the McAuley Prize for Mathematics are elected members from West Dunbartonshire Council, Argyll & Bute Council, East Dunbartonshire Council and North Lanarkshire Council.

Trustees' Annual Report (continued)

Structure and Governance (continued)

It was agreed at Council on 31 August 2016 that the Trust Funds would be delegated to sub-committees as follows:

Trust	Delegation
Alexander Cross Cameron Bequest	Vale of Leven Sub-Committee comprising those members from Corporate Services Committee representing wards 1 and 2.
Dr A K Glen Fund	Dumbarton Trust Sub-Committee comprising those members from Corporate Services Committee representing ward 3.

The Trustees have overall responsibility for ensuring that there are appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurances that:

- The Trusts are operating efficiently and effectively;
- Assets are safeguarded against unauthorised use and disposition; and
- Proper records are maintained and financial information used by the charities is reliable.
- The Trusts comply with relevant laws and regulations.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The systems of internal control follow those of the West Dunbartonshire Council itself and, as such, much of this is delegated to the Council's Strategic Lead - Resources. The Council continually seeks to improve the effectiveness of its systems of internal control so that any irregularities are either prevented or quickly detected. The systems of internal control are based on a framework of regular management information, financial regulations, financial and administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.

The Accounts and Trustees Report are prepared by the Finance section of West Dunbartonshire Council.

The appointed external auditors are Audit Scotland. The Council has agreed to meet the cost of this audit and not pass this on to the Trusts. This is to provide additional financial support to the Trusts, ensuring that core funds are not eroded, and objectives can continue to be achieved.

The Trustees only meet as and when required during the year, and will ensure that the required accounting arrangements are adhered to.

Management of Funds and Investment Policy

Decisions regarding the management of the Dr AK Glen & West Dunbartonshire Trusts are made by the Trustees. Trustees rely on the expertise of Council staff to manage the investments to ensure the maximum return at the least risk to the Trusts. In this way, the income stream for the future benefit of the Trusts is protected.

Funds available are invested each year with interest earned. Investments are made both internally and externally, with the majority invested in the Council's Loans Fund and externally managed by West Dunbartonshire Council.

Performance

Income for Dr AK Glen & West Dunbartonshire Trusts comes from investment returns. The average interest rate for any internal investments with the Council's loans fund was 0.37%.

In January 2015, 2 1/2% Consolidated Stock and 3 1/2% Conversion Stock were redeemed by HM Treasury which reduced the level of investment held. As yet the funds have not been received.

Trustees' Annual Report (continued)

Dunbartonshire Educational Trust Scheme 1962 receives income from external investment i.e. 3% Clydeport and 4% Clydeport Consolidated Stock. These investments are managed by West Dunbartonshire Council and achieved investment income of £12.

In 2016/17 the following grants were awarded:

- £15,532 from War Memorial Dumbarton to West Dunbartonshire Council to renovate the War Memorial in Levengrove Park as part of the Council's wider plan to rejuvenate the park.
- £2,653 from Halkett Memorial Trust to West Dunbartonshire Council to provide prizes for art competitions within and amongst primary schools located within the West Dunbartonshire area.

Financial Review

The total sum available to the Trusts is £325,917.

On 8th July 2016 Clydeport Operations Ltd delisted 3% and 4% stocks from the London Stock Exchange. These are stocks held by Dumbarton Educational Trust. Until further information is available it has been assumed that the balance has remained the same as the previous year.

The Trusts held cash and bank balances at 31 March 2016 of £321,226.

Reserves are held by the Council on behalf of the Trusts and revenue income, generated from capital that has not been disbursed at 31 March every year, is invested in line with the investment policy outlined above.

Declaration

This report was signed on behalf of the Trustees on 28 June 2017 by:

Councillor
West Dunbartonshire Council

Statement Receipts & Payments Account for the Year Ended 31 March 2017

Receipts 2015/16 £	Payment 2015/16 £	Surplus/ (Deficit) 2015/16 £		Receipts 2016/17 £	Payment 2016/17 £	Surplus/ (Deficit) 2016/17 £
1,162	0	1,162	Dunbartonshire Educational Trust Scheme 1962	330	0	330
90	0	90	McAuley Prize for Mathematics	80	0	80
659	0	659	Alexander Cameron Bequest	570	0	570
63	0	63	War Memorial Dumbarton	55	15,352	(15,297)
11	0	11	Halkett Memorial Trust	9	2,653	(2,644)
51	0	51	Vale of Leven Fund	44	0	44
100	0	100	UIE Award	86	0	86
107	0	107	Dr AK Glen	93	0	93
2,243	**0**	**2,243**	**Total**	**1,267**	**18,005**	**(16,738)**

Statement of Balances as at 31 March 2017

Opening Balance 2015/16 £	Surplus/ (Deficit) for year 2015/16 £	Closing Balance 2015/16 £	Cash and Bank	Opening Balance 2016/17 £	Surplus/ (Deficit) for year 2016/17 £	Closing Balance 2016/17 £
84,584	1,162	85,746	Dunbartonshire Educational Trust Scheme 1962	85,746	330	86,076
21,286	90	21,376	McAuley Prize for Mathematics	21,376	80	21,456
153,735	659	154,394	Alexander Cameron Bequest	154,394	570	154,964
15,234	63	15,297	War Memorial Dumbarton	15,297	(15,297)	0
2,633	11	2,644	Halkett Memorial Trust	2,644	(2,644)	0
8,274	51	8,325	Vale of Leven Fund	8,325	44	8,369
24,072	100	24,172	UIE Award	24,172	86	24,258
25,903	107	26,010	Dr AK Glen	26,010	93	26,103
335,721	**2,243**	**337,964**	**Total Cash and Bank**	**337,964**	**(16,738)**	**321,226**
			Investment			
4,798	(107)	4,691	Dunbartonshire Educational Trust Scheme 1962	4,691	0	4,691
4,798	**(107)**	**4,691**	**Total Investment**	**4,691**	**0**	**4,691**
340,519	**2,136**	**342,655**	**Overall Total**	**342,655**	**(16,738)**	**325,917**

The unaudited Financial Statements were issued on 28 June 2017.

Signed on behalf of the Trustees by:-

Councillor
West Dunbartonshire Council

Notes to the Financial Statements

Note 1 - Basis of Accounting

The financial statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Note 2 – Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the trustees or any connected persons during the 2016/17;
- The Trusts received interest of £1,267 from the Council at 31 March 2017, and all transactions incoming and outgoing are made via the Council's bank accounts;
- The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.

Note 3 – Grants

In 2016/17 the following grants were awarded:

- £15,532 from War Memorial Dumbarton to West Dunbartonshire Council to renovate the War Memorial in Levengrove Park as part of the Council's wider plan to rejuvenate the park.
- £2,653 from Halkett Memorial Trust to West Dunbartonshire Council to provide prizes for art competitions within and amongst primary schools located within the West Dunbartonshire area.

Note 4 – Cash and Bank Balances

During the year the Trust's balances were held by the Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Trust for this administration. The Council also acts as the banker for the Trusts and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

Note 5 – Investment

The investment valuation of £217 (shown in the table below) is the market value as was at 31 March 2016, as valued by West Dunbartonshire Council. There has been notification that the stocks have been delisted. There has been no further update on this and therefore the assumption is that the market price remains the same. In addition to stock held, there are funds held in investments for redeemed stocks where funds have not yet been received by the Trusts.

Purchase Price as at 31 March 2016 £	Market Price as at 31 March 2016 £	Investment	Purchase Price as at 31 March 2017 £	Market Price as at 31 March 2017 £
289	199	4% Clydeport Authority	289	199
35	19	3% Clydeport Authority	35	19
324	**217**	**TOTAL**	**324**	**217**

Note 6 – Audit Fee

The audit fee for the year of £2,100 was absorbed by West Dunbartonshire Council.

Appendix 9

DRAFT BUDGET TIMETABLE 2018/19

Due Date	Actions	Who is involved
30/06/2017	Budget and Planning guidance issued	Finance Manager
26/09/2017	Draft Updated Finance Strategy 2018/19 to 2020/21 to CMT	Strategic Lead – Resources / Finance Manager
25/10/2017	Updated Finance Strategy 2018/19 to 2020/21 to Council	Strategic Lead – Resources / Finance Manager
11/08/2017	Services to supply savings options to Finance (with EIAs) in Final Draft State with full involvement of Finance & HR Business Partners	Strategic Leads and Management Teams/ Finance Business Partners / HR Business Partners / Procurement Business Partners
31/08/2017	Detailed Revenue projected outturn for 2016/17 and draft budgets for 2017/18 and 2019/20 to be provided to Strategic Lead - Resources	Strategic Leads / Financial Business Partners / Finance Manager
26/09/2017	Report to Performance and Management Review Group – planned consultation process	Strategic Director -Transformation / Strategic Lead – CCC / Strategic Lead - Resources
26/09/2017	Performance and Management Review Group meet to consider budget savings options.	Performance and Management Review Group
30/09/2017	Directors / Strategic Leads to consult with Convenors on budgets and draft options	All Strategic Directors / Strategic Leads
30/09/2017	Consult with Administration / Elected Members to generate suite of options to allow public consultation as a set of proposals	Performance and Management Review Group / Administration
30/09/2017	Consult with Trades Unions	Performance and Management Review Group / Administration
30/09/2017	Strategic Leads meet individually with Chief Executive to discuss plans (including growth bids, savings options, budget pressures and burdens).	Chief Executive/ Strategic Directors and Strategic Leads / Strategic Lead - Resources / Finance Manager / Finance Business Partners
30/09/2017	Complete scrutiny of draft budgets.	Strategic Lead – Resources / Finance Manager
04/10/2017	Performance and Management Review Group meet to finalise budget savings package for report to Council.	Performance and Management Review Group / Finance Manager
11/10/2017	Performance and Management Review Group and Administration meet to consider draft budget and draft options	Performance and Management Review Group / Administration
26/10/2017	Draft Budget presented to Council together with draft proposals	Strategic Lead – Resources / Finance Manager
11/11/2017	Public consultation launched (TBC)	Strategic Lead – CCC / Strategic Directors and Leads / Strategic Lead - People & Technology
30/11/2017	Workforce consultation linked to scheduled focus groups for service planning	Strategic Lead – CCC / Strategic Directors and Leads / Strategic Lead - People & Technology

Due Date	Actions	Who is involved
08/12/2017	Settlement announced and worked through budget.	Strategic Lead – Resources / Finance Manager
13/12/2017	Update report to 20 December 2017 Council meeting	Strategic Lead – Resources / Finance Manager
07/02/2018	Finalise reports for Council meeting on 21 February 2018	Strategic Lead – Resources / Finance Manager / Strategic Lead - CCC
21/02/2018	Set budget for 2018/19	All Members

WEST DUNBARTONSHIRE COUNCIL

Report by Jackie Irvine, Chief Social Work Officer

Council: 28 June 2017

Subject: Future Location of Children and Families Health and Social Care Social Work Team

1. Purpose

1.1 This report will outline the strategic case and rationale for moving the current Children and Families Social work under 12's team from Church Street, Alexandria to Aurora House in Clydebank.

1.2 As Chief Social Work Officer (CSWO) I am making a formal recommendation to the Council through Section 3 of the Social Work (Sc) Act 1968 and further supported by Section 45 of the Local Government etc (Scotland) Act 1994. It is the role of the CSWO to advise Council on any matter that may affect the delivery of social work services; especially where a potential decision may have a detrimental impact on the effective delivery of the service.

1.3 It is my professional assessment that closing the Church Street office will have no detrimental impact on the quality of children and families service delivery.

2. Recommendations

2.1 The Council is recommended to:

i) Confirm the planned closure of the Church Street Office in Alexandria; and the relocation of the social work team to Aurora House, Clydebank.

ii) Note that the relocation of the Children and families social work team will have no detrimental impact on either the quality or accessibility of the service.

3. Background

3.1 The Office Rationalisation Programme Business Case, approved by Council in June 2014, included the closure of the Alexandria Church Street office. This facility currently is the base for one of the Under 12's Children and Families team and consists of 36 staff; 1 Team Leader, 3 Senior Social Workers, 21 social workers and 11 Clerical Staff.

3.2 Within Social Work Children and Families services there are four main areas of service delivery:

- Two Under 12's teams; currently one team in Aurora House and one team in Church Street;
- A Youth Services team; temporarily based at the Nursery in the grounds of Garshake, previously based at Bridge Street and prior to that Rosebery in Clydebank. This team has always worked from one base providing a service to the whole area;
- A Children with Disability team; currently based in Aurora House and previously Rosebery Office, Clydebank. This team covers the whole area and has always operated in this way;
- A Duty Social Work response for new referrals; currently one rotational team within Church Street and one in Aurora. Staff from across all teams provide this service on a rotational basis.

3.3 As illustrated above there is a long history of successfully providing Children with Disabilities and Youth Services from one base working across the whole of West Dunbartonshire. This has not resulted in any difficulty or adverse impact, in either coverage or in respect of our response to families in need.

4. Main Issues and Rational

4.1 In the last 18 months there has been a noticeable rise in the number of child protection and child welfare referrals coming into the children and families service. The vast majority of these referrals come into the team via telephone calls from either the public but most notably from other professionals and services/agencies.

4.2 Also for consideration is the changing nature of service delivery. There is, especially in the responsive social work service, an increasing separation between the office base and the actual service delivery. Our intervention is very much about seeing families in their own homes or within settings suitable to the child such as nursery and school.

4.3 Our service users make increasingly more contact by phone and by e mail and our staff are encouraged and supported in their working environment to be even more agile. There is therefore less of a reliance on the office base whilst maintaining and extending our reach to children and their families.

4.4 We know from monitoring the 'footfall' or direct visits to the Church Street office from families who are not currently working with the team that this is very minimal. On average 10 people a week. From analysis there are predominantly more visits regarding the application for Blue Badges for adults and older people and this service will in the future be provided from the One Stop Shop. Cases regarding children are therefore in the minority with the maximum of 3 out of 10 being child care related, per week.

4.5 It should also be noted that there has not been a older peoples social work service operating from the Alexandria and Vale area for a considerable number of years, and there has been no concern or lack of service delivery as a result of this, again due to the fact that our model of service delivery is

predominantly to visit people within their own homes and service users made contact by phone with the Older People's team based in Bridge Street at that time.

4.6 When the Church Street office closes service users will be advised to contact their local One Stop Shop, where our staff can meet with them or they can use the duty phone number, which is flexible and will be responded to by staff who can be working out of other office premises when covering duty. For example the Bridge Street Office, the Vale Centre for Health and Care or the One Stop Shop in Alexandria.

4.7 Due to this consistent rise in associated child welfare and child protection activity across all of the teams, which are often complex and challenging , it is imperative that we have a greater efficiency and utilisation of staffing resources to ensure that we can achieve an effective and safe response to all cases.

4.8 A key consideration in safely delivering this service is the need to ensure that staff have sufficient support from their line managers to advise them about the intervention or support they should provide. It is imperative that staff are supported in making often difficult decisions in this complex and high risk area of work. It is also important that there is clear management governance and oversight of the quality of service provision and the need to keep children safe.

4.9 The team in Church Street is by far smaller than the teams in Aurora House and in peak annual leave periods when managers are off it means that management coverage is even more reduced given they are managing a service over two bases. Again in holiday periods there is a better ability to assign staff and manage the workload if working from one location.

4.10 There is also significant benefit in reducing areas of duplication, for example moving from having two small rotational duty teams to one more substantive team to respond to the new referrals. This model of service delivery will also ensure greater consistency in the application of practice and staff development.

<u>Use of Alternative Office Accommodation.</u>

4.11 The plan would be that once the teams are all located within Aurora House, they would make use of the agile working space available in both the refurbished Bridge Street office and the New Dumbarton office to enable them to plan visits and reduce travel time. This would also ensure that staff are available more locally to respond to demand, both planned and unplanned.

4.12 In addition and importantly there will be space available within the Alexandria One Stop Shop (OSS). Recent analysis between 22 February and 22 May this year, of the use of offices within the OSS showed that the highest rate of

utilisation was 58.7% and the lowest rate was 17.8%. Since this study the Homeless Duty team have been relocated and therefore it is reasonable to expect demand on rooms to reduce significantly.

4.13 For family 'contact', whereby families spend some time with their children who have been accommodated by the HSCP, we have developed a contact room in the newly refurbished Bridge Street office in addition to the contact space in Aurora. Our practice is that we transport children to the office from their placement and we refund travelling costs for parents. In the past year whilst the Bridge Street office has been decanted, families from Dumbarton would most likely be offered contact in the Church Street office and this has not resulted in a detrimental impact on contacts taking place.

4.14 In addition to the offices mentioned at 4.11 and 4.12 there is also the ability for the staff to meet with professionals and /or families and children within either; the Vale Health and Care Centre or within school establishments, the latter of which is normal practice.

Conclusion

4.15 In conclusion as Chief Social Work Officer I have every confidence that we will provide a safe and effective service to the children and families of West Dunbartonshire from one office in Clydebank without diminishing the quality and effectiveness of front facing services and supports.

5. People Implications

5.1 Staff below Grade 7 who incur additional travelling in getting to work will be reimbursed for a period of two years.

6. Financial and Procurement Implications

6.1 Should Church Street remain open beyond January 2018 this will result in the following financial consequences:

- Future running costs of the building would be £44,000 per annum; based on current rates / utilities / maintenance and cleaning costs;

- There would be a loss of a capital receipt anticipated to be in the region of £130,000;

- By inputting these figures into the business case financial model, the overall savings from the project would reduce from £400,000 per annum to £327,000 per annum, taking allowance for inflation on ongoing running costs, and the need to borrow additional capital to cover the loss of the Capital Receipt. Overall a negative impact on savings of £63,000 per annum;

- It should also be noted that no funding is allocated within the Office Rationalisation Programme model for any upgrade to the current Church Street office given that the Council's decision in April 2014 was for the building to close. In order to bring the fabric and quality of the building up to the standard set across the remaining offices in West Dunbartonshire, the estimated cost of refurbishment would be in the region of £348,000.

- Given the rational and service delivery requirements, if we were to sustain the under 12's team within Church Street there would continue to be a duplication of service delivery and less flexibility to allocate work to those staff with more capacity. This will have a detrimental impact on our ability to safely address the rising child welfare and child protection concerns. In considering the potential for this I would have to advise the Council that additional qualified social workers would be essential if we were to continue to deliver the service safely and effectively. We are all aware of the scrutiny and public attention that occurs when a child is fatally injured. In order to avoid adding further pressure to an already complex and high risk service, as well as maintaining the credibility of the Council to effectively support vulnerable children and their families, it would be essential to appoint additional Social Workers. This would be in the region of 4 to 6 additional posts which would mean an additional investment of between £189,000 and £284,000.

Should Church street close as planned this would incur a cost to the HSCP of £9,000 per year for two years to cover the additional travelling costs of all staff affected. This would cover the staff affected from Church Street and staff previously working from Dumbarton.

7. Risk Analysis

7.1 As Chief Social Work Officer I have every confidence that we will be able to safely provide a service to the children and families in West Dunbartonshire from one office within Clydebank and flexibly working out of other existing offices at the Vale and Dumbarton end of the authority.

There are however significant risks to both the quality and oversight of service delivery should we require to operate over two offices with a significantly smaller and less resilient team based in Alexandria. In addition there would be an impact on the ability to allocate work effectively to ensure that there is an even spread of the case load and appropriate management support for staff.

8. Equalities Impact Assessment (EIA)

8.1 There is no need to undertake an equalities impact assessment.

9. Consultation

9.1 Consultation has taken place with managers within the service. It is our intention to consult with staff in relation to the best means of delivering a duty service that allows us to reach all areas of the patch and facilitates greater agile working.

There will be significant public information made available to the public in terms of the changes of office location and the alternative buildings and phone numbers that can be utilised.

10. Strategic Assessment

10.1 This model of service delivery will ensure that the HSCP Children and Families Social Work Service would uphold the Council's strategic priority to improve the life chances of children and young people.

10.2 Should the decision be made that Church street remains open it is the view of the Chief Social Work Officer that this will significantly reduce our ability to fulfil this strategic priority to the best of our ability and could in turn place children at greater risk.

Name:	Jackie Irvine
Designation:	Chief Social work Officer and Head of Children's Health, Care and Criminal Justice Services
Date:	19th June 2017

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Appendices: None

Background Papers: None

Wards Affected: Alexandria and the Vale