

Supplementary Agenda



Meeting of West Dunbartonshire Council

Date: Wednesday, 26 June 2019

Time: 18:00

Venue: Civic Space, Council Offices, 16 Church Street, Dumbarton

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

Dear Member

ITEMS TO FOLLOW

I refer to the agenda for the above meeting which was issued on 13 June and now enclose copies of **Items 7 and 9** which were not available for issue at that time.

Yours faithfully

JOYCE WHITE

Chief Executive

Note referred to:-

7 DRAFT STATEMENT OF ACCOUNTS 2018/19 91 - 340

Submit report by the Strategic Lead – Resources providing a copy of the draft Statement of Accounts for 2018/2019 together with information as to the outturn for 2018/19 per the draft accounts.

9 QUEENS QUAY HOUSING DEVELOPMENT 341 -348

Submit report by the Strategic Lead – Housing & Employability seeking approval to realign an element of the Council's General Services capital Regeneration Fund to fund the construction of the four commercial units within the affordable housing development at Queens Quay, Clydebank.

Distribution:-/

Distribution:-

Provost William Hendrie
Baillie 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 - Transformation & Public Service Reform

Strategic Director - Regeneration, Environment & Growth

Chief Officer - West Dunbartonshire Health & Social Care Partnership

Date of issue: 21 June 2019

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WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council – 26 June 2019

Subject: Draft Statement of Accounts 2018/2019

1. Purpose

- 1.1** The purpose of this report is to provide Council with a copy of the draft Statement of Accounts for 2018/2019 together with information as to the outturn for 2018/19 per the draft accounts.

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) note the information provided in relation to the financial performance of the Council's services and capital plan for 2018/19;
- (c) note that a report on the audited accounts will be submitted to either Council or Audit Committee in September 2019 for approval as identified at paragraph 4.20 of this report;
- (d) note that the audited Trust Fund Accounts will be presented to the Trust Committees at a meeting for approval, prior to being reported to Council; and
- (e) agree that the value of General Services free reserves in excess of the prudential target (from the Draft Financial Statements, this is £0.192m) is earmarked towards the Change Fund.

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 17 June 2019 and the Statements to be available for inspection no later than 1 July 2019; and
- (c) the requirement to 'aim' to approve the audited Annual Accounts for signature no later than 30 September each year (with publication no later than 31 October each year).

3.3 A copy of the draft financial Statement of Accounts (including the Group Accounts) for the year ended 31 March 2019, 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 March 2019, the projections identified current expected gaps of £9.816m in 2020/21 and a further £7.114m for 2021/22.

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 within the Accounts 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 2 to 15 of the Statement of Accounts.

Annual Governance Statement

4.4 The Annual Governance Statement within the Accounts explains the Council's governance arrangements and reports on the effectiveness of its system of internal controls. The Statement is on pages 17 to 24 of the Statement of Accounts.

General Fund – Revenue position

4.5 In relation to the General Fund, as at 31 March 2019, the Accounts showed a General Fund balance of £10.559m. Of this balance, £6.175m

is earmarked for specified purposes, leaving an unearmarked balance of £4.384m.

- 4.6** The unearmarked reserve position as at 31 March 2019 has increased from the previous year, with a number of the commitments having changed. Appendices 2 and 3 compare the budget against actual and is summarised as follows:

	£m
Unearmarked balance at 31 March 2018	4.304
In year use of free reserves	(0.151)
	<u>4.153</u>
In-year surplus against original budget 2018/19	0.231
Unearmarked balance at 31 March 2019	<u>4.384</u>

- 4.7** The in-year surplus against original budget of £0.231m is the favourable variance against the overall budget in year. Information on variances is provided within Appendix 3.
- 4.8** The unearmarked balance of £4.384m is greater than the prudential reserve target of £4.192m which is considered necessary to safeguard assets and to protect services against financial risk. It is recommended that the reserve balance above the prudential target is earmarked for the Council's Change Fund, for investment in future transformational projects.
- 4.9** A provision for the settlement of remaining Equal Pay claims was made at 31 March 2019, totalling £0.233m, which is outwith the unearmarked balance noted above. There is no provision for Voluntary Early Retirement / Voluntary Severance required in 2018/19 (due to the technical definition of a provision), however additional funds for Voluntary Early Retirement / Voluntary Severance are available as part of the Change Fund.
- 4.10** At the Council meeting on 27 March 2019 the position projected for services for 2018/19 was that there would be a favourable variance of £0.118m. The final outturn shows a favourable against this by £0.113m (out of a total favourable variance £0.231m).
- 4.11** At the Council meeting on 27 March 2019, Members agreed a change in policy on treatment of capital receipts, release of previously earmarked balances and to uses these funds for future budget commitments. These balances have been added to earmarked balances and as such are not reported as part of the favourable variance within the budgetary control report.
- 4.12** 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 £3.234m and both

operations have achieved a break even performance over the last three years in line with their statutory requirements.

- 4.13** The council tax in-year collection rate in 2018/19 was 95.55%, an improvement on the 95.41% achieved in 2017/18.

Housing Revenue Account – Revenue position

- 4.14** In relation to the HRA, the accounts show a balance of £1.606m as at 31 March 2019. Of this balance £0.756m 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 £0.850m, 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 2018		7.422
Use of earmarked balances	(6.072)	
In-year surplus against original budget	0.256	(5.816)
Balance at 31 March 2019		1.606
Earmarked		(0.756)
Unearmarked balance as at 31 March 2019		0.850

Capital Programme position

- 4.15** 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 2018/19 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 9 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 listed on page 10. The year end position is summarised as follows:

	General Services	HRA	Total
<u>2018/19</u>	£m	£m	£m
Original budget	83.777	33.406	117.183
Actual Spend	49.377	22.620	71.997
Overspend	2.517	2.979	5.496
Underspend	(2.122)	(0.550)	(2.672)
Re-phased	34.795	13.215	48.010
Re-phased (%)	41.5%	39.6%	41.0%
2017/18 comparator (%)	51.4%	36.6%	47.7%

- 4.16** The main areas of slippage identified in the budgetary control report are:

Project Name	Year end Slippage (£m)
General Services	
Early Learning and Childcare Funding	2.937
Vehicle Replacement	4.046
Posties Park Sports Hub	1.742
Building Upgrades	0.988
Regeneration/Local Economic Development	1.728
Queens Quay Regeneration	4.279
Regeneration Fund	1.745
Replace Elderly Care Homes and Day Care Centres	5.648
HRA	
New House Build	7.899
Targeted EESSH compliance works	2.180
Projects to deliver housing policies/strategies (Buy Backs)	0.813

Group Accounts

- 4.17** 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 2018/19 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.

- 4.18** The effect of combining these entities on the Group Balance Sheet is to increase reserves and net assets by £24.437m creating an overall net asset of £227.861m. However, it should be noted that for one of the combining entities (the Valuation Joint Board), 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.

Outstanding Issues

- 4.19** During the preparation of the Draft Financial Statements, an issue was identified regarding the valuation of the assets:

- (a) The timing of receipt of some of the required valuations didn't allow for some valuations to be included within the Draft Financial Statements and may require to be adjusted within the post audit Financial Statements; and

- (b) Some valuations of assets were significantly different from previous valuations. Following analysis and scrutiny, the most recent valuations received have been updated for 2018/19 in the Draft Financial Statements and will form part of the audit of the Statements. At this time it has been assessed that the valuations in the 2017/18 audited Financial Statements did not require to be amended.

Further steps in finalising

- 4.20** To enable the Council to meet its requirement, Members require to approve the audited Annual Accounts for signature no later than 30 September 2019. Therefore, based on the current Committee schedule, the audited accounts will be reported to Council at the 26 September 2019 meeting and then referred to Audit Committee on 12 December 2019 for further scrutiny.

It is noted that there is a motion submitted to this Council meeting which if agreed would remove the September Council meeting from the schedule. If this is agreed then the audited accounts would require to be reported to the Audit Committee on 25 September for approval and thereafter reported to the next available Council (potentially October 2019, per the motion).

Charity Accounts

- 4.21** 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 at 4.16 above these are also included within the Council's Group position.
- 4.22** The audited Trust Fund accounts will be approved by the Council, together with the Council's Financial Statements, but will be presented to the Trust Committees prior to this for Trustee approval.

5. Option appraisal

- 5.1** No option appraisal was required for this report.

6. People Implications

- 6.1** There are no people implications.

7. Financial and Procurement Implications

- 7.1** There are no direct financial or procurement implications arising from this report.

8. Risk Analysis

- 8.1** No risk analysis was required.

9. Equalities Impact Assessment (EIA)

- 9.1** No equalities impact was required in relation to the preparation of this report.

10. Environmental Sustainability

- 10.1** No assessment of environmental sustainability was required in relation to this report.

11. Consultation

- 11.1** The views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns with the report.

12. Strategic Assessment

- 12.1** 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: 21 June 2019

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Telephone (01389) 737194.
E-mail: gillian.mcneilly@west-dunbarton.gov.uk

Appendices:

- 1 - Draft Financial Statement of Accounts to 31 March 2019;
- 2 - Year end General Services Revenue Budgetary Control Position 2018/19 (Budget versus actual);
- 3 - General Services Revenue Variance Analysis 2018/19 (Budget versus actual);
- 4 - Year end HRA Revenue Budgetary Control position 2018/19 (Budget versus actual);
- 5 - HRA Revenue Variance Analysis 2018/19 (Budget versus actual);
- 6 - Year end General Service Capital Position 2018/19;
- 7 - Year end HRA Capital Position 2018/19; and
- 8 –Trust Fund Accounts 2018/19.

Background Paper: Report to Council 5 March 2018 – Budget Setting

Wards Affected: All

**DRAFT ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2019**

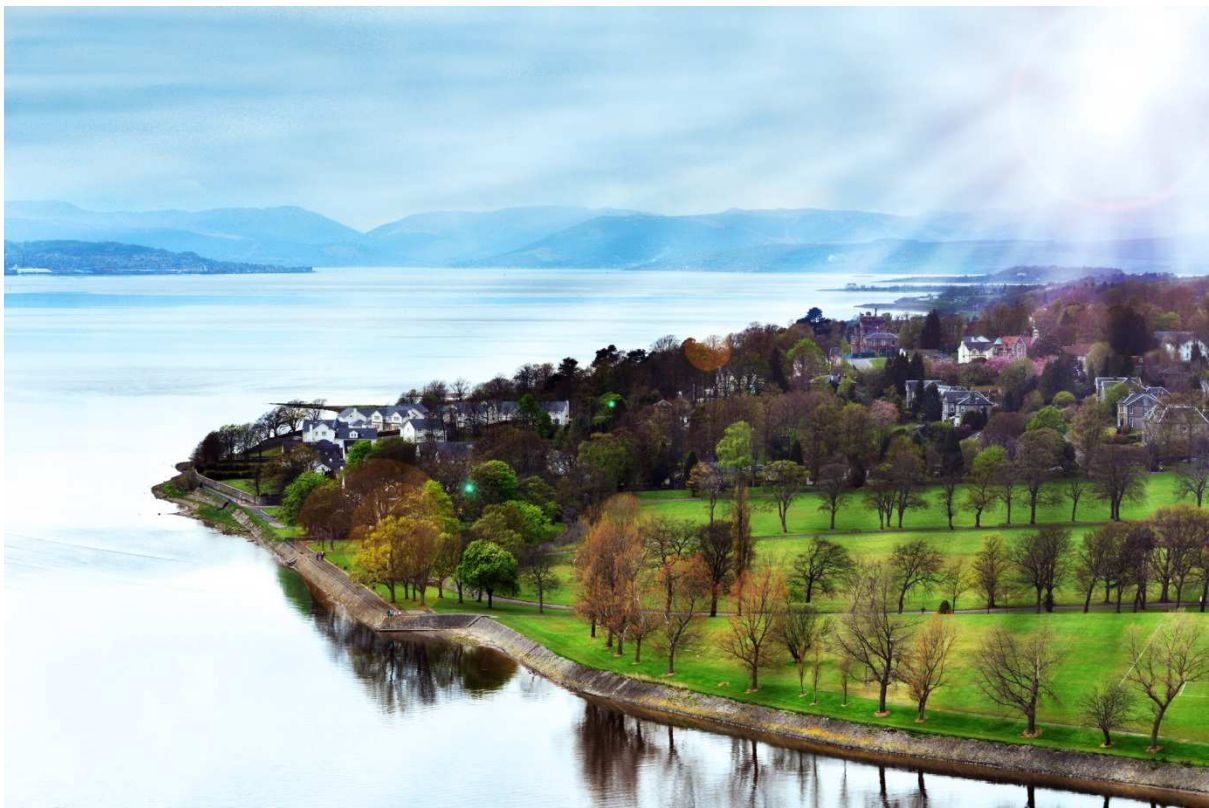


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Management Commentary

1. 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 aims to provide clear information about the council's performance during the financial year 2018/19 and the financial position as at the financial year end 31 March 2019. 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.

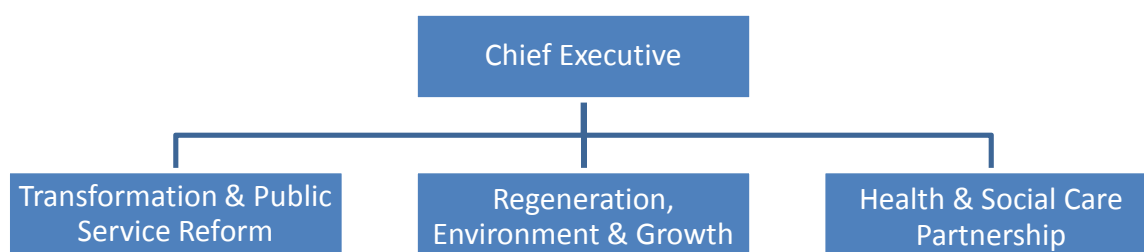
The council

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, housing, environmental health, environmental services, planning, economic development, employment, highways and transport) to residents within the West Dunbartonshire area.

Excluding casual staff, the council employed (as at 1st April 2019) a headcount of 5,734 employees (or 4,729 full time equivalent employees). These figures comprise a combination of permanent and fixed-term employees as well as apprentices, serving a population of approximately 89,130 (1.7% of overall Scotland population) from the 2018 mid-year estimates – a reduction from 89,610 from the 2017 figures, being a year-on-year reduction of 0.5% compared to a Scottish average of a 0.2% increase. 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 71.5% (Scotland 74.3%); and life expectancy at birth is 75 years (males) and 79.1 years (females) (Scotland 77 years (male) and 81.1 years (female)).

The Council is led by 22 councillors, elected every five years to represent the residents within the area. Following the Local Government elections in May 2017, the Council has a minority SNP administration with Councillor Jonathan McColl as its Leader. The senior management structure consists of the Chief Executive, Joyce White, with two Strategic Directors and eight Strategic Leads, including the Section 95 Officer (Strategic Lead - Resources), with the Integration Joint Board (referred to as Health and Social Care Partnership or HSCP) being managed at a senior level by the Chief Officer (Beth Culshaw) and four Heads of Service. The council has one Arms' Length Organisation – West Dunbartonshire Leisure Trust – which operates certain services on the council's behalf. The council also owns a regeneration company: Clydebank Property Company.



Management Commentary (Cont'd)

2. 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 Local Outcome Improvement Plan (LOIP). The council's LOIP, covering the period from 2017 to 2027, feeds through into its Strategic Plan. Within the council's 2017 to 2022 Strategic Plan, the council committed to improving outcomes in key areas in order to deliver on its vision that:

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

Supporting the Strategic Plan and 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. These plans are refreshed annually and progress reported to relevant Committees every 6 months. On 1 July 2015 the HSCP was formed and generated its own Strategic Plan, linked to the council's and to the LOIP.

The Strategic Plan identified 5 priorities aligned to the council's vision, as follows:

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

Performance Reporting

The council monitors and reports its performance against these priorities through the Strategic Plan Scorecard (SPS); where planned performance targets are monitored through a suite of key performance indicators. 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/

The Council's Budgets in 2018/19

The Council approved the 2018/19 budget on 5 March 2018 based on a band D council tax at £1,198. The revenue budget was set at £214.183m (as detailed in the table below) to be funded by Scottish Government Grant (£180.743m); council tax (£33.448m), with a net contribution to reserves for the remainder (£0.008m).

Management Commentary (Cont'd)

2. The Strategic Plan (Cont'd)

Service Area	Budget (£m)
Corporate Services	18.720
Education	88.436
Infrastructure, Regeneration & Economic Development	24.971
Housing and Employability	2.516
Health & Social Care Partnership	63.422
Loan charges	10.609
Other	5.509
Total	214.183

The budget was subsequently updated during the year for a number of variables, resulting in an increase in net expenditure to £214.523m. The resulting year end budgetary position is detailed on page 6 of this commentary.

Council also approved the revised capital plan with a planned spend in 2018/19 for General Services of £75.082m, prior to some 2017/18 re-phased capital and in-year additional projects being included. This investment to be funded from a range of sources including: government grants and the council's ongoing revenue support. Major areas of investment included economic regeneration, schools refurbishment and new build, roads and infrastructure and a range of other council assets.

Council also approved the Housing Revenue Account budget and agreed council house rents at the meeting on 5 March 2018 increasing the rent by 2.25% and a capital investment for 2018/19 of £31.726m, prior to some 2017/18 re-phased capital being included. The resulting year end budgetary position is detailed on page 7 of this commentary.

3. 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 2019. 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 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:

- **the Comprehensive Income and Expenditure Statement** - shows the income and expenditure for all council services. It is shown on page 34;
- **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 35. Further information on each of the reserves held and how it may be used is also detailed within notes 29 and 30 on pages 82 and 83; and

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (Cont'd)

- **the Housing Revenue Account** - shows the income and expenditure for council housing services for the year. It is shown on pages 88 to 90 which also includes the Statement of Movement on the Housing Revenue Account Balance.
- **Capital expenditure** is analysed in note 19 on pages 69 and 70 which details the capital expenditure and the sources of finance that have been used to fund the capital plan investment in 2018/19.
- **the Balance Sheet** on page 36 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 37 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 38 to 87 which give further information and analysis relevant to each statement, with the main accounting policies detailed on pages 103 to 117.

Comprehensive Income and Expenditure Statement

General Fund

This account covers the day to day operational income and expenditure for each service of the council and is now reported in line with the council's committee structure. There have been presentational changes to the Statement during 2018/19 - including to the council's committee reporting structure and note 1 on page 38 details the effect of these changes to the 2017/18 comparative figures within the Statement.

Income from council tax, non-domestic rates, capital and revenue support grants was £237.630m with a net expenditure on services for the year of £237.397m (shown on page 34 - 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 £0.231m against budget (2017/18 £0.351m surplus). 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, the level of favourable variance has been partially offset due spend pressures, particularly within Additional Specialist Needs and Secondary Schools within Educational Services.

The council's in-year collection of council tax increased from 95.41% in 2017/18 to 95.55% in 2018/19. Uncollected council tax is pursued for collection after the end of the financial year.

After taking account of the decrease in general earmarked balances since 31 March 2018 (£0.496m), the net commitment to future budgets (£0.151m) and the in-year budgetary position (£0.231m), the overall deficit for the year was £0.416m. This is deducted from the brought forward balance from the previous year (£10.975m), resulting in an accumulated surplus at 31 March 2019 of £10.559m (as shown on page 35). This includes an earmarked amount of £6.175m leaving £4.384m available for future use. Of the earmarked balance £2.654m is set aside for the council's Change Fund and £0.862m remains of the Apprenticeship Fund.

This un-earmarked balance compares with that of £4.304m as at 31 March 2018 and shows that the un-earmarked reserve position has increased by £0.080m 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 £4.192m and the position at financial year end exceeds this level of reserve by £0.192m. The General Fund's budgetary performance for the year is

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (Cont'd)

summarised in the following table. The table also highlights how the in-year surplus affects the overall reserves balance held for future use.

	Original Budget £000	Revised Budget £000	Spend Against £000	Variance £000	£000
Total General Services Reserves Held as at 31/3/18					(10,975)
Total Expenditure	214,183	214,523	214,582	59	
Total Income (including use of reserves)	(214,183)	(214,523)	(214,813)	(290)	
Net Budgetary Control Position				(231)	
In year use of free reserves				151	
Net movement in Earmarked balances				496	
Movement in Reserves from 1/04/18 to 31/03/19					416
Total General Services Reserves Held as at 31/3/19					(10,559)
Net decrease in the Movement in Reserves before transfer to Statutory Reserves					3,911
Transfer from statutory reserves					(3,495)
					416

The movement of £0.416m noted above is further detailed within note 14 (Expenditure and Funding Analysis) on page 59. The table below sets out a reconciliation of the deficit on the provision of services within the Comprehensive Income and Expenditure Statement (page 34) of £23.920m to the revenue budgetary outturn of £0.231m.

	£000	£000
Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement		23,920
<u>Removal of statutory adjustments not included in budget outturn (note 4):</u>		
Depreciation	(27,906)	
Impairment	(13,806)	
Capital funding	20,254	
CFCR	13,349	
Pension adjustment	(17,098)	
Statutory repayment of debt	14,025	
Transfer to other statutory reserves	(41)	
Net gain / loss on sale of non current assets	(3,352)	
Other adjustments	8	(14,567)
<u>Adjust for movements to/from other statutory reserves</u>		
HRA reserve	(5,442)	
Other reserves	(3,495)	(8,937)
Movement in General Fund Balance		416
<u>Adjustments for earmarked funds:</u>		
Net Commitment to future budget	(151)	
Release of earmarked sums	(496)	(647)
Net General Fund budgetary control position 2018/19		(231)

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (Cont'd)

Housing Revenue Account (HRA)

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 2019 was 10,397 compared to 10,457 at 31 March 2018. The movement is detailed in the table below:

Opening house numbers	10,457
Disposals	(70)
Demolitions	(25)
Buy back	7
New builds	28
Closing house numbers	10,397

Following the impact of earmarked balances, the account shows an overall surplus for the year of £0.256m. In line with the prudential reserves policy (2% of expenditure), the target reserves level for the Housing Revenue Account for 2018/19 is £0.850m. Taking account of the in-year surplus (£0.256m) the brought forward balance from the previous year £7.422m and taking account of earmarked amounts used in-year (£6.072m) the balance available to the HRA for future use is £1.606m, (made up of earmarked reserves of £0.756m and free reserves of £0.850m). The HRA prudential target remains at £0.850m. The HRA'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. Further information is noted on pages 88 to 90.

	Budget	Spend Against Budget	Variance	
	£000	£000	£000	£000
Total HRA Reserves Held as at 31/3/18				(7,422)
Total Expenditure	42,508	48,169	5,661	
Total Income	(42,508)	(48,425)	(5,917)	
Net Budgetary Control Position			(256)	
Net transfer from earmarked balances			6,072	
Movement in Reserves from 1/04/18 to 31/03/19				5,816
Total HRA Reserves Held as at 31/3/19				(1,606)

Spend relating to the net budget position of £0.256m surplus is included within note 14 (Expenditure and Funding Analysis) on page 59.

Reserves

As at 31 March 2019, the usable reserves currently held by the council are noted below, with further information on the future use of such reserves detailed within notes 29 and 30 on pages 82 and 83.

	General Services	HRA	Total
	£000	£000	£000
Unearmarked Reserve	4,384	850	5,234
Earmarked Reserve	6,175	756	6,931
Total Revenue Reserve	10,559	1,606	12,165
Capital Receipts Reserve	0	0	0
Capital Grants Unapplied	278	0	278
Capital Reserve	2,847	0	2,847
Other Reserves	362	0	362
Total Usable Reserves	14,046	1,606	15,652
Prudential Target	4,192	850	

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (Cont'd)

Provisions

The council currently has one provision held on its Balance Sheet, with a total value of £0.233m which is held for potential equal pay claims being awarded against the council (see Note 28 on page 82).

Cash Flow Statement

The council's cash flow statement shows a decrease of cash and cash equivalents of £5.644m during 2018/19 (see page 37) mainly as a result of borrowing for capital spend on non-current assets.

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 £3.234m. Both operations have achieved a break even performance over the last three years, consistent with their statutory requirements. Further details are provided in note 6 on page 47.

Balance Sheet

The Balance Sheet on page 36 shows that during 2018/19, the net assets have decreased by £44.312m (from £246.755m to £202.443m). The main movement is due to the increase in the pension liability of £66.561m 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 36 shows an assessed pension fund liability of £192.760m based on a snapshot valuation of the fund at 31 March 2019. Further information on the pension fund is provided in note 12 on pages 53 to 59. The valuation states that assets held at the valuation date were sufficient to cover 81.07% of accrued liabilities (86.05% in 2017/18).

The pension scheme liability has increased by £66.561m 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 were refreshed between 2016/17 and 2018/19.

The council requires to assess the value of assets held based on current market conditions, while in the current year particular assets have increased in value by £49.422m. At the same time, impairment and downward revaluations have reduced the value of other assets held by the council by £33.919m, resulting in a net increase in value of £15.503m. 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.

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (Cont'd)

Borrowing

The council's Treasury Strategy for 2018/19 was agreed by the Council on 5 March 2018. The council raised new long term loans of £0.331m (2017/18 £45.000m) and short term loans of £201.006m (2017/18 £153.200m) and repaid naturally maturing debt of £185.258m (2017/18 £152.432m). The total outstanding long term debt (excluding PPP debt) as at 31 March 2019 was £231.084m (2017/18 £260.000m) including £106.071m (2017/18 £119.343m) for the council's housing stock. The total outstanding short term debt was £214.371m (2017/18 £169.621m), including £98.399m (2017/18 £77.859m) for the housing stock. The interest and expenses rate charged by the council's loans fund was 2.78% (3.07% in 2017/18). Due to the current interest rates, the Council has followed a strategy to maximise the benefit in short term borrowing to fund capital expenditure.

The 10 year capital plan and the council's Treasury Management Strategy 2018/19 were agreed by Council on 5 March 2018. 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 2018/19 and beyond. Details of the capital expenditure and financing are shown in note 19 on pages 69 and 70. Total gross capital expenditure amounted to £71.997m the split between General Services and HRA is noted in the table below.

The main capital projects progressed during 2018/19 were:

General Services

Office Rationalisation
Clydebank Community Sports Hub
Upgrade to Clydebank Library
Levensale Primary School All Weather Pitch
Depot Upgrades

HRA

Void Housing Strategy Programme
Building external component renewals
Environmental Renewal Works
Targeted EESSH compliance works
Affordable Housing Supply Programme

During 2018/19, the council had budgeted capital expenditure of £117.183m with an actual in year spend of £71.997m. The unspent amount (£45.186m) includes overspends, underspends and slippage, as noted within the table below. The total slippage on planned spend was £48.010m – 40.97% 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	2,424	1,442	60	(37)	(1,005)
Education	6,165	2,858	709	(210)	(3,806)
Infrastructure, Regeneration and Development	62,756	38,420	336	(951)	(23,721)
Housing and Communities	895	350	70	0	(615)
Miscellaneous Services	2,682	3,100	658	(240)	0
Health and Social Care Partnership	8,855	3,207	684	(684)	(5,648)
General Services	83,777	49,377	2,517	(2,122)	(34,795)
HRA	33,406	22,620	2,979	(550)	(13,215)
Total	117,183	71,997	5,496	(2,672)	(48,010)

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (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 the delayed spend on these projects moved into capital budgets for 2019/20 onwards. The most significant slippage was experienced against the following projects:

General Services

Queens Quay Regeneration	Although the project has shown progress, there remain some delays resulting from complex design solutions.
Replacement of elderly care home (Clydebank)	This project links to the Queens Quay regeneration project and its delay.
Vehicle Replacement	Due to the vehicle build and delivery lead time associated with the HGV's, RCV's & Passenger Buses and the delivery lead time from the date of supply order placement for Light Commercial Vehicles and Cars, delivery and receipt of the 2018/19 scheduled replacement vehicles will be delayed to 2019/20.
Posties Park Sports Hub	Delay due to poor ground conditions and discovery of asbestos on site.
Early Years Early Learning and Childcare	Delayed whilst discussions with Care Inspectorate and Scottish Government were ongoing regarding requirement in relation to provision of service.
Regeneration/ Local Economic Development	Complex nature of projects included within budget has delayed progress.
Building Upgrades	Prioritisation of resources has resulted in higher than expected slippage to 2019/20.
HRA	
New house build	Delays in the appointment of the main contractor, planning requirements and site transfer completions.
Projects to deliver housing policies/strategies (Buy Backs)	Any Buy Back purchase is subject to stringent criteria to ensure accountability and value for money for existing tenants and involves several key stakeholders which resulted in slippage.
EESH compliance work	Additional time require to finalise specification requirements and for the contractor to set up on site.

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 21 on pages 70 to 71.

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 was handed over for use by the council during 2017/18.

Management Commentary (Cont'd)

3. Overview of Core Financial Statements (Cont'd)

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 93 to 102 consolidate the council's Financial Statements, the Common Good and Trust Funds and six other entities (including two further 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 £24.437m creating an overall net asset of £227.861m. This includes the combined pension liability of these organisations similar to that of the council. 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.

4. The Financial Outlook, Key Risks and the Future

In setting the budget for 2018/19, 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 council's Financial Strategy published in November 2018 highlighted that the pressure on public finances is expected to continue for the next 5 years. Local Government is not one of the "protected" spend areas within the Scottish Government's budget, which means it is likely that ongoing real terms funding reductions will be experienced.

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 2019/20 was a further one year settlement though the settlement was better than had been anticipated, particularly as a result of additional funds allocated by the Scottish Government in getting the budget through Parliament. It is not clear, due to single year settlement and lack of clarity around the approval of the 2019/20 settlement how the 2019/20 settlement will translate into future years.

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 November 2018 and in setting the council budget for 2019/20 in March 2019. Following the setting of the budget in March 2019, the projections have identified current expected gaps of £9.816m in 2020/21 and a further £7.114m for 2021/22. The strategy will be reviewed by council later in 2019 and in setting the budget for 2020/21.

At the Council meeting on 27 March 2019, the General Fund capital plan was agreed and at Council on 14 February 2019 the HRA capital plan was agreed, as was the HRA budget for 2019/20. 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 ongoing and projected continued decline in council population and the likelihood of continued austerity measures;
- the impact on the welfare reform agenda, with Universal Credit being implemented in the council area from November 2018;
- changing demands and needs for council services (particularly in relation to older people); and

Management Commentary (Cont'd)

4. The Financial Outlook, Key Risks and the Future (cont'd)

Management of Risk (cont'd)

- 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.

The Annual Governance Statement, shown on pages 17 to 24, details the arrangements the council has put in place for the proper governance of the council's affairs and for the management of risk. This Statement explains the system of internal control in place and sets out improvements actions to the governance framework identified from the council's ongoing review of these arrangements.

Risks are identified with actions to minimise and/or mitigate those risks (where possible) through the council's performance monitoring system (pentana), 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.

The Future

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 2019/20. 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 2018/19 as follows:

- **Glasgow City Region City Deal** – the council, together with a number of other Scottish local authorities, is participating in the Glasgow Region City Deal which will see over £1.1 billion invested in the area. 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 December 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 new 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 within Queens Quay and beyond. Significant physical progress commenced on these various elements of the wider regeneration project during 2018/19;
- **UK withdrawal from the European Union** - in line with recommendations from Audit Scotland, an assessment of the risk to the council of the UK's proposed withdrawal from the European Union as originally scheduled on 29 March 2019, was carried out during 2018/19. This allowed the Corporate Management Team to conclude that the risks to the council were generally low, but not completely defined. The council has kept a watching brief on developments and reviewed the identified risks around the UK's withdrawal on an ongoing basis.

Management Commentary (Cont'd)

4. The Financial Outlook, Key Risks and the Future (cont'd)

- **Strategic Programmes** – in the most recent Long Term Finance Strategy to November 2018 Council a number of potential change areas were identified. These are under consideration for development and implementation to assist close future funding gaps. Many of the previous projects are complete or near completion and 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; and
- **Council's More Homes Strategy** – plans have been approved for the council to deliver over 1,000 new affordable homes within the area over the period to 2021. This strategy is expected to produce net in-migration and regeneration, as well as provide modern affordable housing.

5. Other Information

Asset Management

The council has a significant investment embedded in assets, comprising offices, schools, vehicles, houses, ICT infrastructure and equipment, etc. and it is important that these are managed in an efficient and effective manner. The council has an overarching Asset Management Strategy which was refreshed in 2017 and underlying specific asset management plans for the main asset categories and these have all been refreshed over the last year or so. In addition an asset disposal strategy is in place to maximize the benefit from assets that the council no longer requires and this strategy is important in generating capital receipts to support elements of the capital plan.

Best Value Assurance Report

During 2017/18 the council was audited under the revised Best Value audit approach, where the auditors reviewed the council's approach to strategic planning, financial planning, workforce planning, partnership working, performance reporting and continuous improvement. The report by the Accounts Commission was published on 28 June 2018 and was positive and showed that the council had made significant progress since the previous Best Value report in 2006 and follow-up reports to 2010. Five areas for improvement were identified and good progress has been made on these areas – more detail is provided within the Annual Governance Statement within these accounts.

Carbon Emissions and Energy Consumption

The council takes its responsibilities with regard to reducing the effects of climate change seriously. This is most visibly demonstrated in the drafting of its second Carbon Management Plan. The council has set a target to reduce carbon emissions, the largest contributor to climate change, from its operations by just over 15% (from a 2012/13 baseline) by 2019/20.

Equality and Diversity

The council is firmly committed to the principle of equality of opportunity. The council recognises its responsibility as a community leader, service provider and employer to encourage the fair treatment of all individuals and to tackle social exclusion. The council is also committed to eradicate all forms of discrimination, direct or indirect and aims to eliminate discriminatory practices and promote measures to combat its effects. Information on the council's Equalities Mainstreaming and Outcomes Report 2017-2021 can be found on the council website at:

<http://www.west-dunbarton.gov.uk/media/4312511/equalities-outcome-report-2017-2021.pdf>

Consultation and Communication with Workforce

The council is an accredited Living Wage Employer and has in place employee governance arrangements to ensure its employees are well informed, involved in decisions, appropriately trained, treated fairly and consistently and provided with a safe environment. The council carries out periodic employee surveys, the last one being undertaken in 2017, and seeks the views of the workforce through regular consultations with staff and trade unions.

Management Commentary (Cont'd)

5. Other Information (Cont'd)

Remuneration Report

This report presents information on the remuneration of senior elected members and senior officers within the council (pages 25 to 33).

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.

2017/18 Outturn			2018/19 Target	2018/19 Outturn
	Housing Performance			
£0.092m	Total rent owed by tenants leaving their tenancies with arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	£0.107m
£394.06	Average rent owed by tenants leaving their tenancies with arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	£338.50
9.50%	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	n/a	9.20%
937	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	n/a	906
8.85%	Current / former / total tenant arrears as a percentage of net rent due in year	Demonstrates the Council's effectiveness in collecting local housing rents	8.40%	8.64%
£3.468m	Amount of current/ former/ total tenant rent arrears	Demonstrates the Council's effectiveness in collecting local housing rents	n/a	3.518m
100%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the HRA has, in comparison to the agreed minimum	n/a	100%
2.00%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2.00%	2.00%
(£0.004m)	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	(0.014m)
97.93%	Revenue budget compared to actual outturn at year end	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	99.03%
	General Services Performance			
£8.17	Cost of collecting council tax (per dwelling)	Demonstrates the Council's effectiveness in collecting local taxation	£8.00	£5.46
15.34%	Council tax as a percentage of overall funding	Demonstrates the amount of budget raised through council tax	n/a	15.76%
95.41%	In-year council tax collection rate	Demonstrates the Council's effectiveness in collecting local taxation	95.50%	95.55%
£31.985m	Amount of income due from council tax for the year that was received	Demonstrates the Council's effectiveness in collecting local taxation	n/a	£33.157m
104%	Value of free reserves expressed as a percentage of the prudential reserve target	Demonstrates how much free reserves the GS has, in comparison to the agreed minimum	100%	105%
2.03%	Value of free reserves expressed as a percentage of the net annual budget	Demonstrates the percentage of budget covered by free reserves (2% minimum target)	2%	2.04%
(£0.759m)	Movement in the free reserve balance	Demonstrates variances contributing to the overall free reserve position	n/a	£0.080m
99.83%	Revenue budget compared to actual outturn at year end - including top up of provisions	Demonstrates actual spend as a percentage of the planned budget (less than 100% indicates an underspend)	n/a	99.89%
	Prudence And Affordability – Capital			
5.34%	Ratio of financing costs to net revenue stream – General Services	Demonstrates how much of the General Fund revenue budget is used to support previous capital investment	4.91%	4.78%
27.54%	Ratio of financing costs to net revenue stream – HRA	Demonstrates how much of the HRA revenue budget is used to support previous capital investment	26.01%	24.41%
£514.349m	Capital Financing Requirement	The amount of planned capital expenditure not yet funded	£532.026m	£537.931m
£425.291m	External Debt Levels (excluding PPP)	The amount of external debt held by the Council. Increases due to funding of the capital programme	£451.379m	£441.370m

Management Commentary (Cont'd)

6. Where to find more information

In This Publication - An explanation of the Financial Statements which follow and their purpose are shown at the top of each page. The accounting policies and a glossary of terms can be found at the end of this publication and these provide an explanation of the main guidelines and terms used.

On Our Website - Further information about the council can be obtained on the council's website (www.west-dunbarton.gov.uk) or from Finance Services, 16 Church Street, Dumbarton, G82 1QL.

Conclusion

The financial results show the council's finances in a fairly healthy position and, considering the ongoing significant 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
Leader of the Council
Date: 26 June 2019

Joyce White
Chief Executive
Date: 26 June 2019

Stephen West
Strategic Lead - Resources
Date: 26 June 2019

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;
- 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 draft Annual Accounts were approved for signature by the Council at its meeting on 26 June 2019.

Signed on behalf of West Dunbartonshire Council

Councillor Jonathan McColl
Leader of the Council
Date: 26 June 2019

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 2019.

Stephen West
Strategic Lead - Resources
Date: 26 June 2019

Annual Governance Statement

The Annual Governance Statement explains the Council's governance arrangements as it meets the requirements of the "Code of Practice for Local Authority Accounting in the UK" (the Code) and reports on the effectiveness of its system of internal control, including the reliance placed on the governance frameworks of our partners. It is included within the Council's Financial Statements to assure stakeholders on how the council directs and controls its functions and how it relates to communities in order to 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) are 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 established an arms-length external organisation: West Dunbartonshire Leisure Trust – to deliver leisure services more effectively on the council's behalf, which reports regularly to Elected Members. From 1 July 2015 the West Dunbartonshire Health and Social Care Partnership was established to continue the development of the integration of social care and health services between the council and NHS Greater Glasgow and Clyde.

The Council has approved and adopted a 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*". The Local Code evidences the council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. A copy of this Code is available from the council website at:

<http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf>

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 for the Annual Governance Statement.

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 and engages with communities. It enables the council to monitor the achievement of the strategic objectives set out in the Strategic Plan. It enables the council to consider whether those objectives have led to the delivery of appropriate and value for money services.

The council has 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 governance framework has been in place at the Council for the year ended 31 March 2019 and up to the date of the approval of the Statement of Accounts.

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 2017/22, which sets out the key priorities of the council and key outcomes the council is committed to delivering with its partners, as set out in the Local Outcome Improvement Plan;
- Services are able to demonstrate how their own activities link to the council's vision and priorities through their Delivery 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 West Dunbartonshire Community Alliance, which supports Community Planning West Dunbartonshire, represents the views of community organisations, communities of interest and geographical communities. In addition the council has an Engaging Communities Framework in place which sets out our approach to engaging with citizens, community organisations and stakeholders. Consultation on the future vision and activities of the partnership is undertaken in a range of ways, including seeking the views of the Alliance and through specific service consultations and the council actively engages with its partners through community planning arrangements;
- 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 an inter-party protocol;
- The council operates within an established procedural framework which incorporates a scheme of delegation, standing orders and financial regulations. These describe the roles and responsibilities of Elected Members and officers and are subject to regular review. The council facilitates policy and decision making through the agreed committee structure;
- Responsibility for maintaining and operating an effective system of internal financial control rests with the council's Chief Financial Officer as Section 95 Officer. The system of internal financial control is based on a framework of regular management information, the Financial Regulations, administrative procedures (including separation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the council;
- 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 Corporate Services Committee. The approach is embedded within the council's strategic planning and performance management framework with regular reporting of risk management reported to service committees; and
- Comprehensive arrangements are in place to ensure members and officers are supported by appropriate training and development.

Review of Effectiveness

The council has a responsibility, at least annually, to review the effectiveness of its governance framework including the system of internal financial control. The review of effectiveness of the framework is informed by the work of the Corporate Management Team which has responsibility for the development, implementation and maintenance of the governance environment, a Chief Internal Auditor's annual report; and reports from the external auditors and other review agencies and inspectorates.

The council's current 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 Committee on 12 June 2019.

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, which are considered by the Strategic Directors who provide a composite assurance statement for their Directorate areas.

Annual Governance Statement (Cont'd)

Review of Effectiveness (cont'd)

The Audit 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.

In relation to the effectiveness of governance arrangements and systems of internal control for the council's group entities, the council places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017, and reports to the Audit Committee. An annual programme of work is determined and undertaken by Internal Audit, approved by the Audit Committee, based upon an established risk based methodology. The Audit Manager provides an independent opinion on the adequacy and effectiveness of the council's System of Internal Financial Control. The Audit Committee performs a scrutiny role in relation to the application of PSIAS and regularly monitors the performance of the Internal Audit service. The council's Audit Manager (the council's Chief Internal Auditor) has responsibility for reviewing independently and reporting to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it.

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 Manager stating that reasonable assurance can be placed upon the adequacy and effectiveness of the council's internal control systems.

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 during 2019/20 have been identified through the annual assurance statements received from either Strategic Directors or Strategic Leads:

Improvement Area 2019/20	Responsible Officer
Continue to improve the level of spend which is compliant with the Council's Financial Regulations	Strategic Leadership Team
Continue to implement the Contract and Supplier Management Policy	Procurement Manager
Review of processes and procedures for Internal Audit's approach to investigations	Audit Manager
Further develop Fraud Risk Assessment process	Audit Manager
Implementation of actions identified in the Building Standards Action Plan	Strategic Lead - Regulatory
Further develop the Workforce Management System	Business Support Manager
IT Infrastructure improvements	ICT Manager
Ensure policies and strategies are compliant with new code of practice, Well Maintained Highways	Roads & Transportation Manager
Maintenance of HRA housing rental income stream following full rollout of Universal Credit and other welfare reforms	Strategic Lead – Housing & Employability
The delivery of a whole system approach to preventing homelessness including the provision of sustainable housing support solutions.	Strategic Lead, Housing & Employability
Identify opportunities to maximise collaborative working to improve delivery of the roads service	Shared Head of Service (Roads & Transportation)
Best Value Assurance Plan – Capital Projects. Develop Action Plan following Audit Scotland recommendations.	Strategic Lead - Regeneration
Audit Fire Alarm Systems – Implement Action Plan	Strategic Lead - Regeneration

Annual Governance Statement (Cont'd)

Review of Effectiveness (cont'd)

Improvement Area 2019/20	Responsible Officer
Improve monitoring and review arrangements for the Pupil Equity Funding and Care Experienced Children's Fund to ensure full budget spend and delivery of Attainment Scotland Fund Outcomes	Strategic Lead – Education, Learning & Attainment
Consolidation of Procurement and Commissioning arrangements ensuring compliance and efficiencies.	West Dunbartonshire Health and Social Care Partnership (HSCP) – Heads of Service
Continue to develop plans in response to the ageing population	Head of Health and Community Care
Review of Learning Disability Service to improve on ways of working to ensure the service is fit for the future demands	Head of Mental Health, Addictions & Learning Disabilities
Improved case recording and assessment for children and families who receive statutory social work services.	Head of Children's Health Care and Criminal Justice
Further efforts to reduce absence, supporting both staff wellbeing and containing costs	Chief Officer - HSCP

In the 2017/18 Annual Governance Statement officers identified a range of areas for improvement during 2018/19. The following table provides an update on progress with these with a number having been completed or are areas which continue to have ongoing focus.

Improvement Area 2018/19	Responsible Officer	Status	Comments
Develop Fraud Risk Assessment process	Audit Manager	Ongoing	Process developed - will be further refined during 2019/20
Create Fraud Integrity Group	Audit Manager	Complete	First meeting arranged
Continue to ensure Public Service Network compliance and monitor ICT security whilst reducing manual effort involved	Manager of ICT	Complete	Accreditation now obtained until 18 February 2020
Implement the Contract and Supplier Management Policy	Procurement Manager	Ongoing	Corporate Services Committee approved Policy. Roll out as contacts are procured
Review Officers' Scheme of Delegation	Strategic Lead - Regulatory	Complete	Revised Scheme approved by Council in August 2018 and issued in September 2018
Develop training and awareness for the General Data Protection Regulation	Manager of Legal Services	Complete	An awareness programme was undertaken
Further develop the Workforce Management System	Business Support Manager	Ongoing	A number developments implemented in 2018/19 more are planned during 2019/20
Continue to deliver against the council's Employee Wellbeing Strategy	Strategic HR Manager	Ongoing	Progressed during 2018/19, will continue during 2019/20
Continue to embed a culture of strong safety conscious management	Section Head – Risk and Health & Safety	Ongoing	Progressed during 2018/19, will continue during 2019/20
Implement the School Governance and Regional Collaborative Improvement Structures	Strategic Lead – Education, Learning & Attainment	Complete	Improvement Collaborative now established as a subsidiary group to the Glasgow City Region Cabinet
Review and implement organisational scheme for information management	Manager of Legal Services	Complete	Scheme of Information Governance has been agreed

Annual Governance Statement (Cont'd)

Review of Effectiveness (cont'd)

Improvement Area 2018/19	Responsible Officer	Status	Comments
Implement revised processes for prevention of arrears and early intervention for those struggling with their rental payments	Strategic Lead – Resources; Strategic Lead – Housing & Employability	Complete	Housing Officers now responsible for pre-tenancy arrears prevention and early intervention. Several schemes developed or revised to assist tenants struggling with poverty, including establishment of a Tenancy Sustainment and Hardship fund
Within Social Care, develop robust commissioning and procurement arrangements with external providers across a range of services	West Dunbartonshire HSCP – Heads of Service	Ongoing	Report to HSCP Board in May 2019 detailing approaches required and planned.
Develop plans in response to the ageing population	Head of Health and Community Care	Ongoing	Programme of frailty assessments implemented. HSCP has developed and agreed a plan to create a Focussed Intervention Team, (a multi-disciplinary team to respond rapidly to people in their own homes, suffering an exacerbation in their illness or due to frailty)

The council continues to recognise the need to exercise strong management arrangements to manage financial pressures common to all local authorities and the Chief Finance Officer will continue to provide regular updates to council on this subject, including a revised long-term finance strategy.

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:

- Embedding “Be the Best” conversations;
- Partnership risk management;
- Procurement;
- Planning and performance improvement; and
- Information Governance.

In relation to **Procurement**, an Internal Audit report provided to Audit Committee in December 2018 highlighted weaknesses in the Council's procurement arrangements within Roads and Greenspace in that a number of procurement processes had been completed without following the Council's Financial Regulations. This was confirmed by an Audit Scotland review which also identified weaknesses in the controls in place to monitor revenue spend consistently against contracts across all services, and for identifying and managing potential conflicts of interest relating to staff involved in procurement activity. Improvement plans from both audits have been agreed by management which aim to increase compliance and management processes. A previous Internal Audit report had also highlighted improvement action required in relation to Fire and Security Alarms contracts.

As part of the planned Internal Audit Plan for 2019/20 a follow-up audit on the agreed action plans from the above audit and previous audits where procurement had been identified as an area for improvement has been undertaken and has found that in general audit actions have been implemented by management though within Roads and Greenspace while there have been

Annual Governance Statement (Cont'd)

Review of Effectiveness (cont'd)

improvements in practice, there are a number of further improvements required. The follow-up Internal Audit report has therefore produced a number of further recommendations.

The annual Procurement Report for 2019 was reported to the Corporate Services Committee on 22 May 2019 advising that for regulated spend in 2018/19 79.7% was compliant with Financial Regulations. It was also reported that for all spend above £2,000 (spend above which specific approaches to procurement should be followed per the Financial Regulations) for 2018/19 77.2% complied, compared to 72% in 2017/18. A target for 2019/20 has been set at 90%. A copy of this report is available from the council website at :

<http://www.west-dunbarton.gov.uk/business/suppliers-and-contractors/procurement/annual-procurement-report/>

The report provided details, as required by legislation, of areas of non-compliance, together with information on approaches that will be used to increase levels of compliance in 2019/20.

In Assurance Statements provided as part of the process to generate this Statement all service areas have identified procurement as an area of improvement in 2019/20.

The most significant areas (values greater than £1m) of non-compliance identified were as follows:

Service Area	Annual Spend 2018/19
Housing Support Services	£9,184,629
Children's Homes	£4,202,579
Disability Care Services	£3,771,492
Home Care	£1,958,847
Advice and Support Services	£1,381,523
Building Materials Suppliers	£1,195,140

Internal Audit has recently reported to Audit Committee its findings in relation to a planned audit on Tendering and Procurement in Social Care (HSCP) which was included in the 2018/19 audit plan at the request of HSCP Chief Officer. The report has identified a number of recommendations for improvement. The Internal Audit report has highlighted that a range of services are procured within the HSCP that are not fully compliant with the Financial Regulations, while recognising the different procurement requirements within the HSCP in relation to the needs of service users. It is recognised therefore that improvements are required to formalise these contractual arrangements and the HSCP and procurement team are making progress to improve levels of compliance. Progress will be monitored, reported and scrutinised by the HSCP Audit Committee throughout the coming year.

Best Value Assurance Report

Audit Scotland reported a Best Value Assurance Report on West Dunbartonshire Council to the Accounts Commission on 28 June 2018 which contained five recommendations, progress against which is summarised below:

Annual Governance Statement (Cont'd)

Review of Effectiveness (cont'd)

Audit Scotland recommendation area	Comments
Reviewing project management processes	Complete – existing programme management guidance will be subject to ongoing review.
Further development of workforce plans	On track – 3 of 4 milestones completed final milestone due by 31/8/19. Trend analysis and corporate training needs completed as planned and workforce planning completed alongside delivery plans.
Staff absence levels	On track – 4 of 5 milestones complete, final element to embed lean process improvement due to be completed by 31 October 2019.
Further developing the role of the community alliance	The new Community Empowerment Strategy will be completed by 30 June 2019 with subsequent approval by the Council and Community Empowerment West Dunbartonshire. Anticipated that this action will be fully delivered by 30 November 2019, later than originally planned.
Cross-party working amongst councillors to address the financial challenges	Complete - Leaders from all 3 groups have agreed a way forward on this activity.

Progress on the implementation of these actions has been reported to Members on an ongoing basis and most recently to Audit Committee on 12 June 2019.

Health and Social Care Integration

The council, as the funder of the Social Care services within the West Dunbartonshire Health and Social Care Partnership (HSCP) has an interest in the governance arrangements within the HSCP. Internal Audit arrangements for the HSCP is provided jointly by the council's Internal Audit service and the Health Board's Internal Audit Service, with the council's Internal Audit service providing audit arrangements for social care services and the general oversight of the HSCP's governance arrangements.

The HSCP has arrangements in place to review its own ongoing compliance with the revised Code of Governance. Due to the council's role as social care service provider Internal Audit's process outcomes on such services are reported to the council's Audit Committee as well as that of the HSCP. The Chief Social Worker provides council with an annual report on the performance of the HSCP.

The financial arrangements for the council's funding to the HSCP are aligned and budget processes run parallel to ensure that appropriate budgets for the HSCP are aligned with council policy and budgeting approaches, particularly in relation to ensuring any efficiency targets for the HSCP funding from the council are planned for and appropriate efficiencies are approved by the HSCP. On an ongoing basis council continues to receive budgetary control information in relation to HSCP services funded by the council.

Compliance with Best Practice

Statement on the role of the Chief Financial Officer in local government

The council complies with the requirements of the CIPFA Statement on *"The Role of the Chief Financial Officer in Local Government 2010"*. The council's Chief Financial Officer (Section 95 Officer) has overall responsibility for the council's financial arrangements, and is professionally qualified and suitably experienced to lead the council's finance function and to direct finance staff.

Statement on the role of the Head of Internal Audit in Public Service Organisations

The council complies with the requirements of the CIPFA Statement on *"The Role of the Head of Internal Audit in Public Service Organisations 2019"*. The council's Chief Internal Auditor has responsibility for the council's Internal Audit function and is professionally qualified and suitably experienced to lead and direct the council's Internal Audit staff. The Internal Audit service generally operates in accordance with the CIPFA "Public Sector Internal Audit Standards 2017".

Annual Governance Statement (Cont'd)

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2018/19 provides 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
Leader of the Council
Date: 26 June 2019

Joyce White
Chief Executive
Date: 26 June 2019

Stephen West
Strategic Lead – Resources
Date: 26 June 2019

Remuneration Report

Introduction

The council is required under statute to provide information on the remuneration of each senior elected member and senior officer and 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 are reviewed by Audit Scotland to ensure that they are consistent with the Financial Statements.

a) Remuneration - Councillors

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2018 (SSI No. 2018/38). 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.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2018/19 the salary for the Leader of West Dunbartonshire Council was £33,992. The Regulations also state that the maximum yearly amount that may be paid to the Provost (£25,494) 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 (£25,494) is 75% of the total yearly amount payable to the Leader of the Council. For 2018/19 the total yearly amount payable by the council for remuneration of all of its Senior Councillors shall not exceed £212,450. 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. Council policy is to pay Senior Councillors a salary of £21,245, per the decision at Council on 17 May 2017 for 2017/18 onwards.

During 2018/19, the Council agreed the appointment of a Council Leader, Provost, Bailie and 10 Senior Councillors and the remuneration due paid to the 10 Senior Councillors totalled £212,450 (£211,600 in 2017/18 based upon a full year in post). 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 2019 are shown in Table 5 on pages 31 and 32.

The Scheme of Members Allowances which encompasses the salaries of all elected members including the Leader, Provost, Bailie and Senior Councillors was agreed at a meeting of the full Council on 17 May 2017. The report to Council and the Register of Members' Expenses is available at:

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

Remuneration Report (Cont'd)

a) Remuneration – Councillors (Cont'd)

Table 1: Remuneration of Senior Councillors

Name	Position	Year ended 31 March 2019				2017/18
		Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses, Benefits-in-kind	Total Remuneration	Total Remuneration
		£	£	£	£	£
Jonathan McColl	Leader of Opposition (to 3/5/17) Convener of Audit & Performance Review Committee (to 3/5/17) Leader of Council (from 17/5/17) Convener of Community Planning West Dunbartonshire Management Board (from 17/5/17) Convener of Recruitment & Individual Performance Management Committee (from 17/5/17) Convener of Sub Committee on Scheme of Delegation (from 17/5/17)	33,992	0	0	33,992	32,114
William Hendrie	Provost (from 17/5/17)	29,193	0	0	29,193	20,623
Karen Conaghan	Depute Provost (from 17/5/17) Convener of Appeals Committee (from 17/5/17) Convener of Educational Services Committee (from 17/5/17)	21,225	0	0	21,225	19,045
Caroline McAllister	Depute Leader (from 17/5/17)	21,225	0	0	21,225	19,045
Martin Rooney	Leader of Council (to 3/5/17) Convener of Recruitment & Individual Performance Management Committee (to 3/5/17) Convener of Community Alliance Committee (to 3/5/17) Leader of Opposition (from 17/5/17) Convener of Vale of Leven Fund Committee (from 17/5/17)	N/A	0	0	N/A	22,197
Denis Agnew	Bailie (from 17/5/17)	21,245	0	0	21,245	20,623
Jim Brown	Convener of Valuation Joint Board (to 3/5/17) Convener of Licensing Board (from 17/5/17)	21,245	0	0	21,245	21,017
Ian Dickson	Convener of Corporate Services Committee (from 17/5/17)	21,225	0	0	21,225	19,045
Diane Docherty	Convener of Housing & Communities Committee (from 17/5/17)	21,225	0	0	21,225	19,045
Jim Finn	Convener of Licensing Committee (from 17/5/17) Convener of Planning Committee (from 17/5/17) Convener of Tendering Committee (from 17/5/17)	21,245	0	0	21,245	20,623
Iain McLaren	Convener of Infrastructure Regeneration & Economic Development Committee (from 17/5/17)	21,225	0	0	21,225	19,045
Marie McNair	Convener of Integration Joint Board (HSCP) (from 17/5/17)	21,245	0	0	21,245	20,623

Remuneration Report (Cont'd)

a) Remuneration - Councillors

Table 1: Remuneration of Senior Councillors (cont'd)

Name	Position	Year ended 31 March 2019				2017/18
		Salary, Fees & Allowances	Taxable Expenses	Non-cash Expenses, Benefits-in-kind	Total Remuneration	Total Remuneration
		£	£	£	£	£
John Mooney	Convener of Licensing Board (to 3/5/17) Convener of Audit Committee (from 17/5/17)	21,245	0	0	21,245	21,017
Douglas McAllister	Provost (Civic Head) (until 3/5/17)	N/A	0	0	N/A	17,711 (2,291 to 3/5/17)
John Millar	Depute Provost (until 3/5/17)	N/A	0	0	N/A	17,317 (1,909 to 3/5/17)
Gail Casey	Convener of Community Health Care Partnership (until 3/5/17) Convener of Argyll, Bute & Dunbartonshire Criminal Justice (until 3/5/17) Convener of Integration Joint Board (HSCP)(until 3/5/17) Depute Leader of the Opposition (From 17/5/17)	N/A	0	0	N/A	17,346 (1,909 to 3/5/17)
Lawrence O'Neill	Convener of Licensing Committee (until 3/5/17) Convener of Planning Committee (until 3/5/17)	N/A	0	0	N/A	17,317 (1,909 to 3/5/17)
David McBride	Convener of Housing and Communities Committee (until 3/5/17) Convener of Tendering Committee (until 3/5/17)	N/A	0	0	N/A	17,317 (1,909 to 3/5/17)
Michelle McGinty	Convener of Education Services Committee Convener of Education, Grievance & Disciplinary Committee (until 3/5/17)	N/A	0	0	N/A	1,967
Patrick McGlinchey	Depute Leader Convener of Infrastructure Regeneration & Economic Dev Community Convener of Joint Consultative Forum (until 3/5/17)	N/A	0	0	N/A	1,967
Thomas Rainey	Convener of Appeals Committee (until 3/5/17)	N/A	0	0	N/A	1,967
Kathleen Ryall	Convener of Corporate Services Committee (until 3/5/17)	N/A	0	0	N/A	1,965

Note: 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).

During the year 2018/19 elected members who did not hold a senior position have N/A shown in the total remuneration column.

Remuneration paid to all Councillors

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

Remuneration Report (Cont'd)

a) Remuneration - Councillors

Remuneration paid to all Councillors (Cont'd)

2017/18		2018/19
£		£
438,190	Salaries	441,708
22,355	Expenses	21,513
460,545	Total	463,221

Note: The annual return of Councillors' salaries and expenses for 2018/19 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 website at www.west-dunbarton.gov.uk.

b) Remuneration - Senior Employees and Senior Employees of Subsidiaries

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/150 sets the amount of salary for the Chief Officials of West Dunbartonshire Council for the period 2018 to 2021. 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; employer contributions to the pension fund; and where applicable, payment for election duties. There were no bonuses, compensation for loss of office or other benefits paid to senior employees during the year. The remuneration details for senior employees are noted in Table 2:

Table 2: Remuneration of Senior Employees and Senior Employees of Subsidiaries

Name	Position at 31/03/19	Salary, Fees and Allowances 2018/19	Election Duties 2018/19	Total Remuneration 2018/19	Total Remuneration 2017/18
		£	£	£	£
Remuneration of Senior Employees					
Joyce White	Chief Executive	124,956	0	124,956	127,698
Angela Wilson	Strategic Director of Transformation & Public Sector Reform	108,535	0	108,535	108,741
Richard Cairns	Strategic Director of Regeneration, Environment & Growth	108,535	0	108,535	106,860
Jackie Irvine	Head of Children's Healthcare & Criminal Justice (left 29/7/18)	28,470	0	28,470	86,466
Jonathan Hinds	Head of Children's Healthcare & Criminal Justice (started 12/11/18)	30,909	0	30,909	N/A
Laura Mason	Strategic Lead-Education, Learning & Attainment	83,102	0	83,102	81,504
Stephen West	Strategic Lead - Resources	88,116	0	88,116	86,856
Remuneration of Senior Employees of Subsidiaries					
John Anderson	General Manager of West Dunbartonshire Leisure	72,486	0	72,486	69,991

Total remuneration 2017/18 includes election payments for senior employees.

Details of the post of Chief Officer-Health & Social Care Partnership are included in the remuneration report of the Integration Joint Board. West Dunbartonshire Council funds 50% of this post and NHS Greater Glasgow fund the remaining 50%.

Remuneration Report (Cont'd)

b) Remuneration - Senior Employees (Cont'd)

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 2019 includes any amounts received as the Returning Officer for West Dunbartonshire in elections. There were no elections during 2018/19 and two elections during 2017/18 namely: For the Local Government Election and the General Election during 2017/18, amounts included are £4,426.
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.

c) 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.

The remuneration of employees for 2017/18 has been restated to show the accrual position rather than the actual pay received during the tax year.

Table 3: Remuneration of Employees

	Number of Employees	
	2018/19	Restated 2017/18
£50,000 - £54,999	57	36
£55,000 - £59,999	43	44
£60,000 - £64,999	33	21
£65,000 - £69,999	2	2
£70,000 - £74,999	1	2
£75,000 - £79,999	2	4
£80,000 - £84,999	8	9
£85,000 - £89,999	3	2
£105,000 - £109,999	3	2
£120,000 - £124,999	1	1
Total	153	123

Remuneration Report (Cont'd)

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 2019 are shown in Table 5 on pages 31 and 32. 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.

Pension benefits for teachers are provided through Scottish Teachers Superannuation Scheme (STSS). The STSS is a contributory scheme administered by the Scottish Public Pension Agency (SPPA). From 1 April 2015 the scheme is a career average pension scheme. Pension benefits are increased in line with inflation. Pension is accrued at 1/57 of pensionable earnings each year. Pension benefits can be accessed earlier than the normal state pension age but will be reduced if taken earlier than the normal pension age (state pension age).

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 Rate

	Contribution rate 2018/19	Contribution rate 2017/18
The tiers and members contribution rates for 2018/19 whole time pay:		
<u>Local Government employees</u>		
On earnings up to and including £21,300 (£20,700)	5.50%	5.50%
On earnings above £21,300 (£20,700) and up to £26,100 (£25,300)	7.25%	7.25%
On earnings above £26,100 (£25,300) and up to £35,700 (£34,700)	8.50%	8.50%
On earnings above £35,700 (£34,700) and up to £47,600 (£46,300)	9.50%	9.50%
On earnings above £47,600 (£46,300)	12.00%	12.00%
The tiers and members contribution rates for 2018/19 actual pay:		
<u>Teachers</u>		
On earnings up to and including £27,047 (£26,259)	7.20%	7.20%
On earnings above £27,047 (£26,259) and up to £36,410 (£35,349)	8.70%	8.70%
On earnings above £36,410 (£35,349) and up to £43,172 (£41,914)	9.70%	9.70%
On earnings above £43,172 (£41,914) and up to £57,216 (£55,549)	10.40%	10.40%
On earnings above £57,216 (£55,549) and up to £78,022 (£75,749)	11.50%	11.50%
On earnings above £78,022 (£75,749)	11.90%	11.90%

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

Remuneration Report (Cont'd)

d) Pension Benefits (Cont'd)

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.

Table 5: Pension Benefits of Senior Councillors; Senior Employees and Senior Employees of Subsidiaries

		In-year pension contributions		Accrued pension benefits	
		For year to 31 March 2019	For year to 31 March 2018	As at 31 March 2019	As at 31 March 2018
Name	Position at 31/03/19	£	£	£	£
Senior Councillors					
Jonathan McColl	Leader of Opposition (to 3/5/17) Convener of Audit & Performance Review Committee (to 3/5/17) Leader of Council (from 17/5/17) Convener of Community Planning West Dunbartonshire Management Board (from 17/5/17) Convener of Sub Committee on Scheme of Delegation (from 17/5/17) Convener of Recruitment & Individual Performance Management Committee (from 17/5/17)	6,561	6,198	6,691	5,752
Martin Rooney	Leader of Council (to 3/5/17) Convener of Recruitment & Individual Performance Management Committee (to 3/5/17) Convener of Community Alliance Committee (to 3/5/17) Leader of Opposition (from 17/5/17) Convener of Vale of Leven Committee (from 17/5/17)	N/A	4,284	N/A	7,490
Gail Casey	Convener of Community Health Care Partnership (until 3/5/17) Convener of Argyll, Bute & Dunbartonshire Criminal Justice (until 3/5/17) Convener of Integration Joint Board (HSCP)(until 3/5/17) Depute Leader of the Opposition (from 17/5/17)	N/A	3,633 (368 to 3/5/17)	N/A	5,314
Denis Agnew	Bailie (from 17/5/17)	4,100	3,980	6,234	5,694
John Mooney	Convener of Licensing Board (to 3/5/17) Convener of Audit Committee (from 17/5/17)	4,100	4,056	2,853	2,362
Jim Brown	Convener of Valuation Joint Board (to 3/5/17) Convener of Licensing Board (from 17/5/17)	4,100	3,403	804	371
Karen Conaghan	Depute Provost (from 17/5/17) Convener of Appeals Committee (from 17/5/17) Convener of Educational Services Committee (from 17/5/17)	4,089	3,767	844	410
Ian Dickson	Convener of Corporate Services Committee (from 17/5/17)	4,089	3,767	844	410
Diane Docherty	Convener of Housing & Communities Committee (from 17/5/17)	4,089	3,767	844	410
Jim Finn	Convener of Licensing Committee (from 17/5/17) Convener of Planning Committee (from 17/5/17) Convener of Tendering Committee (from 17/5/17)	4,100	3,980	3,300	2,792
Caroline McAllister	Depute Leader (from 17/5/17)	4,089	3,767	844	410
Iain McLaren	Convener of Infrastructure Regeneration & Economic Development Committee (from 17/5/17)	4,089	3,767	844	410
Kathleen Ryall	Convener of Corporate Services Committee (until 3/5/17)	N/A	592	N/A	1,981
Michelle McGinty	Convener of Education Services Committee (until 3/5/17) Education, Grievance & Disciplinary Committee (until 3/5/17)	N/A	380	N/A	1,961
David McBride	Convener of Housing & Communities Committee (until 3/5/17) Convener of Tendering Committee (until 3/5/17)	N/A	3,062 (368 to 3/5/17)	N/A	5,220
Lawrence O'Neill	Convener of Licensing Committee (until 3/5/17) Convener of Planning Committee (until 3/5/17)	N/A	3,342 (368 to 3/5/17)	N/A	1,557

Remuneration Report (Cont'd)

d) Pension Benefits (Cont'd)

Table 5: Pension Benefits of Senior Councillors; Senior Employees and Senior Employees of Subsidiaries (cont'd)

Name	Position at 31/03/19	For year to 31 March 2019 £	For year to 31 March 2018 £	As at 31 March 2019 £	As at 31 March 2018 £
Senior Employees					
Joyce White	Chief Executive	24,074	26,405	30,857	27,580
Angela Wilson	Strategic Director of Transformation & Public Sector Reform	20,910	22,149	146,171	141,575
Richard Cairns	Strategic Director of Regeneration, Environment & Growth	20,910	22,149	62,131	58,774
Jackie Irvine	Head of Children's Healthcare & Criminal Justice (left 29/7/18)	5,123	17,922	53,784	53,055
Jonathan Hinds	Head of Children's Healthcare & Criminal Justice (started 12/11/18)	6,273	N/A	52,271	N/A
Laura Mason	Strategic Lead-Education, Learning & Attainment	16,039	15,730	116,799	112,836
Stephen West	Strategic Lead - Resources	16,976	17,922	110,282	112,510
Senior Employees of Subsidiaries					
John Anderson	General Manager of West Dunbartonshire Leisure	13,965	14,507	51,579	48,326

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. The pension entitlements for the year to 31 March 2019 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. Senior councillors omitted from the table above are not members of the Local Government Pension Scheme.

During the year 2018/19 elected members who did not hold a senior position have N/A shown in the table.

e) Exit Packages

A number of exit packages were agreed, at a total cost of £0.550m for 2018/19, as shown in the following Table 6. This includes £0.514m for exit packages that have been agreed, accrued for and charged to West Dunbartonshire Council's Comprehensive Income and Expenditure Statement.

Table 6

Banding	Number of departures		Total cost	
	2018/19	2017/18	2018/19 £	2017/18 £
£0 - £20,000	10	16	81,369	176,252
£20,001 - £40,000	4	3	113,890	96,611
£40,001 - £60,000	2	3	94,914	140,439
£60,001 - £80,000	3	2	259,631	134,161
Total	19	24	549,804	547,463

Note: there were no compulsory packages in this or the previous financial year.

Remuneration Report (Cont'd)

f) Trade Union Facility Time

Facility time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers.

Details of the facility time within West Dunbartonshire Council during the year to 31 March 2019 is shown in Table 7 below.

Table 7

Education Function Employee Representatives		All Other Function Employee Representatives	
Number of Employees	FTE employee Number	Number of Employees	FTE employee Number
45	40.74	74	70.01
Percentage of Time Spent on Facility		Percentage of Time Spent on Facility	
Percentage	Number of Employees	Percentage	Number of Employees
Less < 1%	31	Less < 1%	47
1-50%	12	1-50%	24
51%-99%	2	51%-99%	1
100%	0	100%	2
Total cost of facility time		Total cost of facility time	
£58,118		£99,646	
Total pay bill		Total pay bill	
£54,901,587		£84,741,543	
Percentage of Pay Bill Spent on Facility Time		Percentage of Pay Bill Spent on facility Time	
0.10%		0.10%	
Paid TU Activities		Paid TU Activities	
3.97%		8.20%	

Further detail can be found at:

<http://www.west-dunbarton.gov.uk/council/performance-and-spending/trade-union-facility-time-reports/>

Jonathan McColl
Leader of the Council
Date: 26 June 2019

Joyce White
Chief Executive
Date: 26 June 2019

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in year, 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.

2017/18 Re-stated Gross Expenditure £000	2017/18 Re-stated Gross Income £000	2017/18 Re-stated Net Expenditure £000	Note		2018/19 Gross Expenditure £000	2018/19 Gross Income £000	2018/19 Net Expenditure £000
78,427	(51,114)	27,313		Service	76,514	(51,139)	25,375
102,926	(9,708)	93,218		Corporate Services	113,577	(9,858)	103,719
56,115	(14,535)	41,580		Educational Services	60,117	(17,477)	42,640
				Infrastructure, Regeneration and Economic Development			
9,341	(4,326)	5,015		Housing and Communities	9,441	(4,475)	4,966
33,456	(42,283)	(8,827)		Housing Revenue Account	32,641	(41,957)	(9,316)
9,688	(6,916)	2,772		Miscellaneous Services	4,939	(7,094)	(2,155)
153,061	(86,991)	66,070		Health and Social Care Partnership	161,982	(92,273)	69,709
2,481	0	2,481		Requisitions	2,459	0	2,459
445,495	(215,873)	229,622		Net Cost of Service (1)	461,670	(224,273)	237,397
		595		(Gain) / loss on Disposal of Fixed Assets			3,351
		595		Other Operating Expenditure (2)			3,351
		(32,607)		Council Tax			(33,805)
		(77,334)	9	Non-Domestic Rates			(78,812)
		(104,165)	9	Revenue Support Grant			(104,759)
		(13,169)	9	Recognised Capital Income (Grants, Contributions & Donations)			(20,254)
		(227,275)		Taxation and Non-specific Grant Income (3)			(237,630)
		(320)	26	Interest Earned			(330)
		18,329	26	External Interest Payable / Similar Charges			19,359
		0		Impairment Loss - Debtors			1,414
		0	26	(Gain)/Loss early settlement of borrowing			5
		(2,759)	6	Surplus on Trading Undertakings not included in net cost of services			(3,234)
		6,441	12	Pension Interest Cost/Expected Return on Pension Assets			3,588
		21,691		Finance/Investment Income and Expenditure (4)			20,802
		24,633		(Surplus)/Deficit on Provision of Services (5) = (1)+(2)+(3)+(4)			23,920
		(1,500)		(Surplus)/Deficit arising from revaluation of property, plant and equipment			(29,309)
		0		(Surplus)/Deficit on revaluation of available for sale assets			238
		(134,863)	12	Actuarial (gains)/losses on pension fund assets and liabilities			49,463
		(136,363)		Other Comprehensive (Income) and Expenditure (6)			20,392
		(111,730)		Total Comprehensive (Income) and Expenditure (5) + (6)			44,312

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.

		Usable Reserves									
		General Fund balance	HRA Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Capital Reserve	Capital Fund	Other Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves
	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2018/19											
Opening Balance at 1 April 2018		(10,975)	(7,422)	0	(314)	(3,269)	0	(478)	(22,458)	(224,297)	(246,755)
Movement in reserve 2018/19											
Total Comprehensive Expenditure and Income		27,315	(3,395)	0	0	0	0	0	23,920	20,392	44,312
Adjustments between accounting basis and funding basis under regulations	4	(23,404)	8,838	0	36	0	(3,430)		(17,960)	17,960	0
Net (Increase)/Decrease before Transfers to Other Statutory Reserves		3,911	5,443	0	36	0	(3,430)	0	5,960	38,352	44,312
Transfers to/from other statutory reserves		(3,495)	373	0	0	422	3,430	116	846	(846)	0
Closing Balance at 31 March 2019		(10,559)	(1,606)	0	(278)	(2,847)	0	(362)	(15,652)	(186,791)	(202,443)
2017/18 (Re-stated)											
Opening Balance at 1 April 2017		(13,118)	(6,963)	0	(466)	(3,633)	0	(499)	(24,679)	(110,346)	(135,025)
Movement in reserve 2017/18											
Total Comprehensive Expenditure and Income		31,737	(7,104)	0	0	0	0	0	24,633	(136,363)	(111,730)
Adjustments between accounting basis and funding basis under regulations	4	(29,717)	6,214	0	152	0	0	0	(23,351)	23,351	0
Net (Increase)/Decrease before Transfers to Other Statutory Reserves		2,020	(890)	0	152	0	0	0	1,282	(113,012)	(111,730)
Transfers to/from other statutory reserves		123	431	0	0	364	0	21	939	(939)	0
Closing Balance at 31 March 2018		(10,975)	(7,422)	0	(314)	(3,269)	0	(478)	(22,458)	(224,297)	(246,755)

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. Unusable 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'.

2017/18			2018/19
£000	Notes		£000
872,066	15	Property, Plant and Equipment	927,956
19	16	Intangible Assets	10
34		Long Term Debtors	27
1,406	18	Heritage Assets	1,406
497		Long Term Investments	547
874,022		Long Term Assets	929,946
9,069	17	Asset Held for Sale	5,258
957		Inventories	1,060
37,765	22	Short Term Debtors	45,341
28,271	25	Cash and Cash Equivalents	20,786
76,062		Current Assets	72,445
(470)	28	Provisions	(233)
(34,196)	27	Short Term Creditors	(47,012)
(172,334)		Short Term Borrowing	(217,467)
(5,929)	25	Cash and Cash Equivalents	(4,088)
(212,929)		Current Liabilities	(268,800)
737,155		Net Assets	733,591
(363,201)		Long Term Borrowing	(331,089)
(126,199)	12	Net Pensions Liability	(192,760)
(1,000)	9	Capital Grants Receipts in Advance	(7,299)
(490,400)		Long Term Liabilities	(531,148)
246,755		Total Assets Less Liabilities	202,443
Represented by:			
22,458	MIR	Usable Reserves	15,652
224,297	MIR	Unusable Reserves	186,791
246,755		Total Reserves	202,443

The unaudited Financial Statements were authorised for issue on 26 June 2019.

Stephen West
Strategic Lead - Resources
West Dunbartonshire Council
Date: 26 June 2019

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.

Restated 2017/18 Note £000		2018/19 £000	2018/19 £000
24,633	Operating Activities		
	Net deficit on the provision of services		23,920
(37,678)	Depreciation, amortisation and impairment	(41,712)	
(4,405)	Net gain on fixed assets	(3,351)	
(20,136)	Movement in pension liabilities	(17,098)	
(189)	Movement in inventories	103	
2,916	Movement in debtors	6,452	
(567)	Movement in creditors and provisions	(9,146)	
469	Other non-cash movements	183	
(59,590)	Adjustments to net deficit on the provision of services for non-cash movements		(64,569)
(58)	Financing movements	8	
13,169	Investing movements	20,254	
13,111	Adjustments for items included in the net surplus/deficit on the provision of services that are investing and financing activities		20,262
(21,846)	Net cash inflow from Operating Activities		(20,387)
66,554	Purchase of property, plant and equipment and intangible assets	68,106	
(3,813)	Proceeds from sale of property, plant and equipment and intangible assets	(3,430)	
(10,791)	Other receipts from investing activities	(25,379)	
51,950	Net cash outflows from investing activities		39,297
(198,200)	Cash receipts of short-term and long-term borrowing	(201,337)	
2,633	Repayment of PPP liabilities	2,813	
152,433	Repayment of short-term and long-term borrowing	185,258	
(43,134)	Financing Activities		(13,266)
(13,030)			5,644
9,312	25 Cash and cash equivalents at the beginning of the reporting period		22,342
22,342	25 Cash and cash equivalents at the end of the reporting period		16,698
(13,030)	25 Movement – Increase in Cash		5,644

Notes to the Financial Statements

Note 1 – 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 in the service responsibilities of the council's committees. The revised Comprehensive Income and Expenditure Statement, Movement in Reserves and Cashflow also adjust for a correction to the treatment of premium and EIR costs.

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

Prior Year Adjustment					
As previously stated	Restructure	Allocation of Internal Recharges	Premiums	Restated	
£000	£000	£000	£000	£000	
Comprehensive Income and Expenditure Statement					
Comprehensive Income and Expenditure - Gross Expenditure					
Corporate Services	75,922	2,559	(54)	0	78,427
Educational Services	104,693	634	(2,401)	0	102,926
Infrastructure, Regeneration & Economic Development	63,401	(2,797)	(4,489)	0	56,115
Housing and Communities	9,771	(396)	(34)	0	9,341
Miscellaneous Services	9,692	0	(4)	0	9,688
Health & Social Care Partnership	154,012	0	(951)	0	153,061
Net Cost of Services before removal of Internal Recharges	453,428	0	(7,933)	0	445,495
Removal of Internal Recharges	(7,933)	0	7,933	0	0
Comprehensive Income and Expenditure - Gross Income					
Corporate Services	(49,726)	(1,388)	0	0	(51,114)
Educational Services	(9,582)	(126)	0	0	(9,708)
Infrastructure, Regeneration & Economic Development	(23,497)	1,068	7,894	0	(14,535)
Housing and Communities	(4,811)	446	39	0	(4,326)
Miscellaneous Services	(6,916)	0	0	0	(6,916)
Net Cost of Services before removal of Internal Recharges	(223,806)	0	7,993	0	(215,813)
Removal of Internal Recharges	7,993	0	(7,993)	0	0
Comprehensive Income and Expenditure - Net Expenditure					
Corporate Services	26,196	1,171	(54)	0	27,313
Educational Services	95,111	508	(2,401)	0	93,218
Infrastructure, Regeneration & Economic Development	39,904	(1,729)	3,405	0	41,580
Housing and Communities	4,960	50	5	0	5,015
Miscellaneous Services	2,776	0	(4)	0	2,772
Health & Social Care Partnership	67,021	0	7,042	0	66,070
External Interest Payable/ Similar Charges	18,422	0	0	(93)	18,329
(Gain)/Loss Early Settlement of Borrowing	846	0	0	(846)	0
Finance/Investment Income and Expenditure	22,630	0	0	(939)	21,691
(Surplus)/ Deficit on Provision of Service	25,572	0	0	(939)	24,633
(Surplus)/ Deficit on Revaluation of available for sale assets	(939)	0	0	939	0

Notes to the Financial Statements (Cont'd)

Note 1 – Prior Year Adjustment (cont'd)

	Prior Year Adjustment				
	As previously stated	Restructure	Allocation of Internal Recharges	Premiums	Restated
	£000	£000	£000	£000	£000
Movement in Reserves					
Total Comprehensive Expenditure and Income - General Fund	32,245	0	0	(508)	31,737
Total Comprehensive Expenditure and Income - HRA	(6,673)	0	0	(431)	(7,104)
Total Comprehensive Expenditure and Income - Total Usable Reserves	25,572	0	0	(939)	24,633
Total Comprehensive Expenditure and Income - Unusable Reserve	(137,302)	0	0	939	(136,363)
Net (Increase)/ Decrease before Transfers to other Statutory Reserves - General Fund	2,528	0	0	(508)	2,020
Net (Increase)/ Decrease before Transfers to other Statutory Reserves - HRA	(459)	0	0	(431)	(890)
Net (Increase)/ Decrease before Transfers to other Statutory Reserves - Total Usable Reserves	2,221	0	0	(939)	1,282
Net (Increase)/ Decrease before Transfers to other Statutory Reserves - Unusable Reserves	(113,951)	0	0	939	(113,012)
Transfers to other Statutory Reserves - General Fund	(385)	0	0	508	123
Transfers to other Statutory Reserves - HRA	0	0	0	431	431
Transfers to other Statutory Reserves - Total Usable Reserves	0	0	0	939	939
Transfers to other Statutory Reserves - Unusable Reserves	0	0	0	939	939
Cashflow					
Net deficit on the provision of services	25,572	0	0	(939)	24,633
Other non-cash movements	(470)	0	0	939	469
Adjustments to net deficit on the provision of services for non-cash movements	(60,529)	0	0	939	(59,590)

Note 2 – 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 2019, for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Notes to the Financial Statements (Cont'd)

Note 2 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (cont'd)

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 £0.433m for every year that useful lives had to be reduced.
Provision – equal pay	The council has set aside a provision of £0.233m 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 £0.023m 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 2018/19 the appointed actuaries advised that the net liability had increased by £66.561m as a result of estimates being updated and an update to the assumptions.
Arrears and bad debts	As at 31 March 2019, the council had a balance of various debtors (including council tax, sundry debtors, housing rents) of £45.341m 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 2 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (Cont'd)

Item	Uncertainty	Potential effect
Fair Value Measurements	<p>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).</p> <p>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.</p> <p>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 15, 17 and 26.</p>	<p>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.</p> <p>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.</p> <p>Significant changes in any of these would result in significantly lower or higher fair value measurement for financial instruments as detailed in note 26. 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.</p>

Notes to the Financial Statements (Cont'd)

Note 3 - 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	11,735
Insurances	Insurance premiums for all policies	2,006
Landfill Tax	A tax paid on the disposal of waste. It is payable to Her Majesty's Revenue and Customs (HMRC)	2,179
Housing Benefit paid	Benefit paid to support customers on low incomes with housing rent costs	44,220
Care Homes	Cost of providing care home services by external providers	9,803
NHS Resource Transfer	Income received from NHS to support care in the community.	(8,700)
Supplementation	Residential Accommodation for adults and children with disabilities	18,528
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Day Support	1,272
Integration Joint Board - West Dunbartonshire Health and Social Care Partnership	Payments to Clients	3,702

Notes to the Financial Statements (Cont'd)

Note 4 – 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 35. It is identified under the headings Usable and Unusable Reserves. Further detail of the reserves identified under the classification of usable and unusable is given in notes 29 and 30 on pages 82 and 83.

2018/19

	General Fund Balance £000	HRA Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Capital Reserve £000	Capital Fund £000	Other Reserves £000	Total Usable Reserves £000
Usable Reserves								
Adjustments to the Revenue Resources								
Pension Costs (transferred to (or from) the Pensions Reserve)	(16,514)	(584)	0	0	0	0	0	(17,098)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	4	4	0	0	0	0	0	8
Holiday Pay (transferred to the Accumulated Absences Reserve)	(73)	32	0	0	0	0	0	(41)
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)	(13,810)	(7,648)	0	0	0	0	0	(21,458)
	(30,393)	(8,196)	0	0	0	0	0	(38,589)
Adjustments between Capital and Revenue Resources								
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(748)	(2,603)	3,351	0	0	0	0	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	7,737	6,288	0	0	0	0	0	14,025
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	0	13,349	0	0	0	0	0	13,349
	6,989	17,034	3,351	0	0	0	0	27,374
Adjustments to the Capital Resources								
Disposal of non-current asset sale proceeds	0	0	(6,781)	0	0	0	0	(6,781)
Transfer from the Capital Receipts Reserve to the Capital Fund	0	0	3,430	0	0	(3,430)	0	0
Application of capital grants to finance capital expenditure	0	0	0	36	0	0	0	36
	0	0	(3,351)	36	0	(3,430)	0	(6,745)
Total Adjustments	(23,404)	8,838	0	36	0	(3,430)	0	(17,960)

Notes to the Financial Statements (Cont'd)

Note 4 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2018/19

	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	17,098	0	0	17,098
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	(8)	(8)
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	41	0	41
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)	21,458	0	0	0	0	21,458
	21,458	0	17,098	41	(8)	38,589
Adjustments between Capital and Revenue Resources						
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(14,025)	0	0	0	0	(14,025)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(13,349)	0	0	0	0	(13,349)
	(27,374)	0	0	0	0	(27,374)
Adjustments to the Capital Resources						
Disposal of non-current asset sale proceeds	6,781	0	0	0	0	6,781
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	(9,548)	9,548	0	0	0	0
Write out Revaluation Reserve of Disposals	(93)	93	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	0	0
Application of capital grants to finance capital expenditure	(36)	0	0	0	0	(36)
	(2,896)	9,641	0	0	0	6,745
Total Adjustments	(8,812)	9,641	17,098	41	(8)	17,960

Notes to the Financial Statements (Cont'd)

Note 4 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2017/18

	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)	(19,548)	(588)	0	0	0	0	(20,136)
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(32)	(26)	0	0	0	0	(58)
Holiday Pay (transferred to the Accumulated Absences Reserve)	433	(13)	0	0	0	0	420
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charges to the Capital Adjustment Account)	(18,624)	(5,885)	0	0	0	0	(24,509)
	(37,771)	(6,512)	0	0	0	0	(44,283)
Adjustments between Capital and Revenue Resources							
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(392)	(203)	595	0	0	0	0
Statutory provision for the repayment of debt (transfer to/from the Capital Adjustment Account)	7,830	5,960	0	0	0	0	13,790
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	616	6,969	0	0	0	0	7,585
	8,054	12,726	595	0	0	0	21,375
Adjustments to the Capital Resources							
Disposal of non-current asset sale proceeds	0	0	(4,405)	0	0	0	(4,405)
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	3,810	0	0	0	3,810
Application of capital grants to finance capital expenditure	0	0	0	152	0	0	152
	0	0	(595)	152	0	0	(443)
Total Adjustments	(29,717)	6,214	0	152	0	0	(23,351)

Notes to the Financial Statements (Cont'd)

Note 4 – Adjustments between funding accounting basis and funding basis under regulations (cont'd)

2017/18

	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	20,136	0	0	20,136
Financial Instruments (transferred to the Financial Instruments Adjustment Account)	0	0	0	0	58	58
Holiday Pay (transferred to the Accumulated Absences Reserve)	0	0	0	(420)	0	(420)
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)	24,509	0	0	0	0	24,509
	24,509	0	20,136	(420)	58	44,283
Adjustments between Capital and Revenue Resources						
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(13,790)	0	0	0	0	(13,790)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(7,585)	0	0	0	0	(7,585)
	(21,375)	0	0	0	0	(21,375)
Adjustments to the Capital Resources						
Disposal of non-current asset sale proceeds	4,405	0	0	0	0	4,405
Depreciation adjustment between Capital Adjustment Account and Revaluation Reserve	(9,712)	9,712	0	0	0	0
Write out Revaluation Reserve of Disposals	(1,069)	1,069	0	0	0	0
Use of the Capital Receipts Reserve to finance capital expenditure	(3,810)	0	0	0	0	(3,810)
Application of capital grants to finance capital expenditure	(152)	0	0	0	0	(152)
	(10,338)	10,781	0	0	0	443
Total Adjustments	(7,204)	10,781	20,136	(420)	58	23,351

Notes to the Financial Statements (Cont'd)

Note 5 – Events After the Balance Sheet Date

The draft Financial Statements were authorised for issue by the Strategic Lead - Resources on 26 June 2019. 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 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 6 – 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 2016/17 to 2018/19 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.

	2016/17	2017/18	2018/19	Cumulative
	£000	£000	£000	£000
Turnover	20,156	20,826	25,070	66,052
Expenditure	19,023	20,439	24,518	63,980
Surplus	1,133	387	552	2,072

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.

	2016/17	2017/18	2018/19	Cumulative
	£000	£000	£000	£000
Turnover	9,856	10,608	10,612	31,076
Expenditure	7,705	8,236	7,930	23,871
Surplus	2,151	2,372	2,682	7,205
Surplus as noted in Comprehensive Income and Expenditure Statement	3,284	2,759	3,234	9,277

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.

The Trading Operations require to budget for estimated IAS19 pension expenditure. In 2018/19 the actual IAS19 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.

Notes to the Financial Statements (Cont'd)

Note 7 – 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 £183.571m (2017/18 £181.499m) of revenue government grants and £16.743m (2017/18 £12.390m) of capital grants from the Scottish Government (with £0.338m due to the council at the year end); and other grants of £53.147m (2017/18 £51.664m) as shown in Note 9 Grant Income (with £3.707m 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 12 Defined Benefit Pension Schemes. The balance owed to the pension fund at the year end was £3.305m.

Joint Boards

The council is a member of the Joint Boards for Valuation and Strathclyde Partnership for Transport and the council's contributions are disclosed within the Group Accounts. The council is also a member of the West Dunbartonshire Health and Social Care Partnership and provided funding in year of £64.318m (£60.547m 2017/18).

Voluntary Sector

The following voluntary organisations received over £0.050m in grant funding from West Dunbartonshire Council during 2018/19:

	£000
West Dunbartonshire Citizens Advice Bureau	392
Independent Resource Centre	108
Y-Sort It Youth Information Project	188
The Environment Trust	183
Dumbarton Women's Aid	159
Clydebank Women's Aid	165
Clyde Shopmobility	50

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

Key Management Personnel

Within the council's Management Team, the Chief Officer of the HSCP is employed by West Dunbartonshire Council. Details of remuneration are included within the Council's Remuneration Statement.

Elected Members

Members of the Council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2018/19 is shown in the remuneration statement on pages 25 to 33. 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 2019, the council has not had any material transactions for anybody in which Members have an interest.

Notes to the Financial Statements (Cont'd)

Note 7 – Related Parties (Cont'd)

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. There are no significant related party transactions with senior officers of the council.

Note 8 – Agency Services

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

2017/18 Net Payment/ (receipt) £000	Organisation	Description	2018/19 Receipts £000	2018/19 Payment £000	(Debtor)/ Creditor at 31.03.19 £000
13,790	Scottish Water	Water and sewerage charges collected by Council and paid over	0	14,065	344
(82,419)	Scottish Government	Non Domestic Rates	80,588	0	(2,303)

Notes to the Financial Statements (Cont'd)

Note 9 – 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 2018/19:

31 March 2018	31 March 2019
£000	£000
181,499 Revenue Support Grant/ Non-Domestic Rates	183,571
7,766 General Services Capital Grant	7,728
0 Queens Quay	6,100
110 Levensgrove	2,165
3,171 New House Build	2,049
0 Clydebank Communities Sports Hub	1,110
0 Early Year Funding	446
0 Buy Backs	245
75 Strathclyde Passenger Transport	108
100 New Dumbarton Office	100
379 City Deal	80
38 Cycle/Walk/Safer Streets grant	51
36 Gruggies Burn	44
0 Community Sports Fund	32
0 Owner Contribution	6
1,000 Regeneration Capital Grant	0
340 Energy Works	0
89 Sustrans	0
23 Owner Occupier contributions/ roofing contributions	0
22 John Muir Trail	0
20 Balloch Library Upgrade	0
0 Insurance Receipts	(10)
194,668	203,825

Notes to the Financial Statements (Cont'd)

Note 9 – Grant Income (Cont'd)

The council credited the following grants to Services within the Comprehensive Income and Expenditure Statement in 2018/19.

Re-stated	
31 March 2018	31 March 2019
£000	£000
42,717 Housing Benefit Subsidy	43,183
3,380 Pupil Equity Fund	3,426
1,865 Criminal Justice	1,988
1,190 Scottish Attainment	1,411
370 Early Learning	1,166
823 Scottish Attainment Challenge Scotland Fund	876
446 Private Sector Housing	446
298 Education Maintenance Allowance	226
77 Opportunities for all	80
63 Violence against women	68
83 Asylum seekers	54
60 Smarter Choices Smarter Places - Sustainability	47
40 Tobacco Trading Standards	40
25 Education Maintenance Allowance Admin	25
0 Intensifying Universal Support	25
6 Numeracy Hub Champions Grant	17
10 Gaelic	16
8 Vehicle Emission testing	15
22 English for Speakers of Other Languages	12
22 School milk	11
0 Air Quality	7
13 Gaelic Language	4
0 Cycling Scotland	4
56 Improving Primary Science Grant	0
38 Youth Employment Grant	0
19 Winning Foundation Grant	0
15 WW Battlefield grant	0
11 Scottish Government - Innovation Fund	0
4 Life Changes Trust	0
3 Food Standards	0
51,664	53,147

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 2018	31 March 2019
£000	£000
445 Gruggies Burn	5,920
0 Early Years Funding	1,354
0 New Build Clydebank East	17
7 Turnberry Homes	7
395 New Build Haldane	0
153 HEEPS	0
1,000	7,298

Notes to the Financial Statements (Cont'd)

Note 10 – Operating Leases

Council as Lessee

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 2018	31 March 2019
£000	£000
745 Not later than one year	729
2,873 Later than one year and not later than five years	2,699
3,517 Later than five years	2,916
7,135	6,344

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.720m (2017/18 - £0.697m).

The council has acquired vehicles and equipment by entering into operating leases. The future minimum lease payment due under non-cancellable leases in future years are:

31 March 2018	31 March 2019
£000	£000
253 Not later than one year	268
563 Later than one year and not later than five years	488
203 Later than five years	135
1,019	891

The expenditure charged to the appropriate service lines in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was £0.225m (2017/18 - £0.209m).

Council as Lessor

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 2018	31 March 2019
£000	£000
3,831 Not later than one year	3,845
10,802 Later than one year and not later than five years	10,944
140,356 Later than five years	138,403
154,989	153,192

Notes to the Financial Statements (Cont'd)

Note 10 – Operating Leases (Cont'd)

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 2018/19 £2.758m contingent rents were receivable by the council (2017/18 £2.569m, restated).

Finance Leases - The council does not have any assets or liabilities under a finance lease, either as Lessee or Lessor.

Note 11 – Termination Benefits

The council terminated the contracts of a number of employees in 2018/19, incurring liabilities of £0.514m (£0.484m in 2017/18). 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 12 – 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 2018/19 was 19.3%, and 2019/20 is set at 19.3%. In 2018/19, the council paid an employer's contribution of £16.127m (2017/18 £16.668m).

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 £6.726m (2017/18 £6.461m) in respect of expenditure for teachers added years, £0.029m payments were made (2017/18 £0.031m).

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 2018/19, the council's own contribution equates to 1.61%.

Notes to the Financial Statements (Cont'd)

Note 12 – Defined Benefit Pension Schemes (Cont'd)

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 2018/19 the capitalised costs that would have arisen from the early retiral of West Dunbartonshire Council employees and from predecessor authorities were as follows:

	£000
2018/2019	1,500
In earlier years	61,854
Total	<u>63,354</u>

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 12 – Defined Benefit Pension Schemes (Cont'd)

1) Local Government Pension Scheme

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

2017/18 £000	2018/19 £000
Net cost of services	
32,619 Current service cost	32,252
636 Past service cost	332
33,255	32,584
Financing and investment Income and Expenditure	
6,441 Net interest expense	3,588
39,696	36,172
Total post employment benefit charged to the Surplus or Deficit on the provision of Services	
(9,079) Expected return on assets	(25,257)
(929) Actuarial gains and losses arising from changes in demographic assumptions	0
(43,105) Actuarial gains and losses arising from changes in financial assumptions	(74,011)
(81,750) Actuarial gains and losses arising from experience assumptions	(709)
(95,167)	(63,805)
Total post employment benefit charged to the comprehensive income and expenditure statement	
Movement in Reserves Statement	
(39,696) Reversal of net charges made to surplus of deficit for post employment benefits	(36,172)
Actual amount charged against the General Fund balance in the year	
19,560	19,074
Employer contributions payable to Scheme	

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

2017/18 £000	2018/19 £000
778,397 Fair value of plan assets	825,803
(842,742) Present value of defined benefit obligations	(955,209)
(64,345)	(129,406)
Net assets in the Strathclyde Pension Fund	
Present Value of Unfunded Liabilities	
(28,226) LGPS Unfunded	(29,356)
(25,679) Teachers' pensions	(26,285)
(7,949) Pre Local Government Reorganisation	(7,713)
(126,199)	(192,760)
Net pension asset/(liability)	

Notes to the Financial Statements (Cont'd)

Note 12 – Defined Benefit Pension Schemes (Cont'd)

1) Local Government Pension Scheme

The liabilities show the underlying commitments that the council has in the long run to pay post-employment (retirement) benefits. The total liability of £192.760m has a substantial impact on the net worth of the council as recorded in the Balance Sheet, resulting in an overall balance of £202.443m. 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 £47.406m. This is due to asset returns being more favourable than anticipated.

The estimated liabilities have increased by £113.967m, due to financial assumptions as at 31 March 2019 being less favourable than they were at 31 March 2018, mainly due to the discount rate decreasing to 2.4% (2017/18 2.7%).

2) 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	59.3%	24.0
Deferred Members	8.9%	24.3
Pensioner Members	26.3%	13.2
Pre-Local Government Re-organisation Members	5.5%	10.4
	100%	18.2

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

2017/18		2018/19
£000		£000
988,523	Opening balance	904,596
32,619	Current service cost	32,252
25,908	Interest cost	24,620
5,117	Contributions by Members	4,875
(929)	Actuarial gains/losses – change in demographic assumptions	0
(43,105)	Actuarial gains/losses – change in financial assumptions	74,011
(81,750)	Actuarial gains/losses – other experience	709
636	Past service costs/(gains)	332
(2,892)	Estimated unfunded benefits paid	(2,947)
(19,531)	Estimated benefits paid	(19,885)
904,596	Closing Balance as at 31 March	1,018,563

Notes to the Financial Statements (Cont'd)

Note 12 – 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:

2017/18 £000	2018/19 £000
747,597 Opening balance	778,397
9,079 Expected return on assets	25,257
19,467 Interest Income	21,032
5,117 Contributions by Members	4,875
16,668 Contributions by employer	16,127
2,892 Contributions in respect of unfunded benefits	2,947
(2,892) Estimated unfunded benefits paid	(2,947)
(19,531) Estimated benefit paid	(19,885)
778,397 Closing Balance as at 31 March	825,803

WDC Share of the pension fund asset at 31 March 2019 comprised:

2017/18			Asset Category	2018/19		
Quoted prices in Active Markets £000	Prices not quoted in Active Market £000	Total £000		Quoted prices in Active Markets £000	Prices not quoted in Active Market £000	Total £000
179,560	471	180,031	Equity Securities	190,495	500	190,995
24,423	1	24,424	Debt Securities	25,911	1	25,912
0	93,015	93,015	Private Equity	0	98,680	98,680
0	70,476	70,476	Real Estate	0	74,769	74,769
255,505	76,241	331,746	Investment funds and unit trusts	271,066	80,884	351,950
16	0	16	Derivatives	17	0	17
40,071	38,618	78,689	Cash and Cash Equivalent	42,512	40,970	83,482
499,575	278,822	778,397	Totals	530,000	295,803	825,803

As at 31 March 2019 assets are now held at bid value.

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 81.07% (2017/18 86.05%) of accrued liabilities at that date.

Notes to the Financial Statements (Cont'd)

Note 12 – 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:

31/03/2018	31/03/2019
Long term expected return on assets	
2.40% Pension increase rate	2.50%
3.60% Salary Increase rate	3.70%
2.70% Discount rate	2.40%
<u>Mortality</u>	
Based on these assumptions, the average future life expectancies at the age of 65 are:	
21.40 Current pensioners – Men	21.40
23.70 Current pensioners - Women	23.70
23.40 Future pensioners – Men	23.40
25.80 Future pensioners - Women	25.80

The above excludes any net pension liability that the council may have to contribute to in respect of the Joint Boards of Partnership for 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 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 2019 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 12 – Defined Benefit Pension Schemes (Cont'd)

2) Pension Assets and Liabilities (Cont'd)

	Approximate % increase to Employer Liability	Approximate monetary Amount £000
Real Discount Rate (0.5% decrease)	10%	97,479
Salary Increase Rate (0.5% increase)	2%	17,532
Pension Increase Rate (0.5% increase)	8%	77,876

The total contribution expected to be made to the Local Government pension scheme for 2019/20 is £15.851m.

Note 13 – External Audit Costs

In 2018/19 the council incurred £0.263m (2017/18 £0.257m) in respect of its external audit services on behalf of the Council and £0.002m (2017/18 £0.002m) on behalf of the Trust Funds, undertaken in accordance with the Code of Audit Practice.

Note 14 – 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 policies 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 service expenditure noted as 'net rechargeable to the General Fund and the HRA' can also be compared to the service spend noted in the council's revenue budget monitoring table in the Management Commentary, except where there are items in the Comprehensive Income and Expenditure Statement that are reported below the net cost of service line.

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 14 – Expenditure and Funding Analysis (Cont'd)

2017/18 £000		2018/19 £000
	Expenditure	
170,604	Employee benefits expenses	176,093
231,134	Other service expenses	239,185
3,766	Support service recharges	3,740
37,678	Depreciation, amortisation, impairment	41,612
25,532	Interest payments	22,947
2,481	Precepts and levies	2,459
595	Gain on the disposal of assets	3,351
471,790	Total Expenditure	489,387
	Income	
(215,864)	Fees, charges and other service income	(224,273)
(3,079)	Interest and investment income	(3,564)
(109,941)	Income from council tax and non-domestic rates	(112,617)
(117,334)	Government grants and contributions	(125,013)
(446,218)	Total Income	(465,467)
25,572	(Surplus) / Deficit on the Provision of Services	23,920

A further breakdown of fees, charges and other service income by segmental analysis is noted below:

2017/18 £000	2018/19 £000
(49,726) Corporate Services	(51,139)
(9,582) Education	(9,858)
(15,602) Infrastructure, Regeneration and Economic Development	(17,477)
(4,773) Housing and Communities	(4,475)
(42,283) Housing Revenue Account	(41,957)
(6,907) Miscellaneous Services	(7,094)
(86,991) Health and Social Care Partnership	(92,273)
(215,864) Total Fees, Charges and other service income	(224,273)

Notes to the Financial Statements (Cont'd)

Note 14 – 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:

<u>2017/18 (Restated)</u>				<u>2018/19</u>			
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		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	
22,036	5,277	27,313	Corporate Services	19,756	5,619	25,375	
74,711	18,507	93,218	Education	82,029	21,690	103,719	
30,900	10,680	41,580	Infrastructure, Regeneration and Economic Development	31,348	11,292	42,640	
3,159	1,856	5,015	Housing and Communities	4,311	655	4,966	
(18,857)	10,030	(8,827)	Housing Revenue Account	(19,812)	10,496	(9,316)	
1,750	1,022	2,772	Miscellaneous Services	787	(2,942)	(2,155)	
59,596	6,474	66,070	Health and Social Care Partnership	63,230	6,479	69,709	
2,481	0	2,481	Requisitions	2,459	0	2,459	
175,776	53,846	229,622	Net Cost of Services	184,108	53,289	237,397	
0	595	595	(Gain)/Loss on disposal of Fixed Assets	0	3,351	3,351	
(214,106)	(13,169)	(227,275)	Taxation and Non-specific Grant Income	(217,376)	(20,254)	(237,630)	
39,460	(17,769)	21,691	Finance / Investment Income and Expenditure	42,622	(21,820)	20,802	
1,130	23,503	24,633	(Surplus) or Deficit on Provision of Service	9,354	14,566	23,920	
(20,081)			MIR Opening General Fund and HRA Balance as at 31 March 2018	(18,397)			
2,528			MIR (Surplus) or Deficit on Provision of Service (General Fund)	3,911			
(459)			MIR (Surplus) or Deficit on Provision of Service (HRA)	5,443			
(385)			MIR Transfer to/from other statutory reserves	(3,122)			
(18,397)			Closing General Fund and HRA Balance as at 31 March 2019	(12,165)			

Notes to the Financial Statements (Cont'd)

Note 14 – Expenditure and Funding Analysis (Cont'd)

<u>2017/18 (Restated)</u>				<u>2018/19</u>			
Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000	Adjustments for Capital Purposes £000	Net Change for the Pension Adjustment £000	Other differences £000	Total £000
2,710	2,567	0	5,277	2,879	2,740	0	5,619
16,408	2,643	(544)	18,507	18,712	2,478	500	21,690
7,684	2,996	0	10,680	8,941	2,351	0	11,292
0	1,856	0	1,856	13	642	0	655
9,428	589	13	10,030	9,944	584	(32)	10,496
2	909	111	1,022	(163)	(2,352)	(427)	(2,942)
1,447	5,027	0	6,474	1,385	5,094	0	6,479
0	0	0	0	0	0	0	0
37,679	16,587	(420)	53,846	41,711	11,537	41	53,289
595	0	0	595	3,351	0	0	3,351
(13,169)	0	0	(13,169)	(20,254)	0	0	(20,254)
(21,375)	3,549	57	(17,769)	(27,374)	5,562	(8)	(21,820)
3,730	20,136	(363)	23,503	(2,566)	17,099	33	14,566

Both the Movement in Reserves (page 35) and note 4 (page 43) total the adjustments between funding accounting basis and funding basis under regulations relating to the General Fund balance (£23.404m net deductions) and HRA balance (£8.838m net additions) and this matches the total adjustments above of £14.566m.

Notes to the Financial Statements (Cont'd)

Note 14 – Expenditure and Funding Analysis (Cont'd)

Adjustment for Capital Purposes

This column adds in depreciation, impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
- Financing and investment income and expenditure – the statutory charges for capital financing and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices; and
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is created with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For *services*, this represents the removal of the employers contributions made by the council as allowed by statute and the replacement with current service costs and past service costs; and
- For *financing and investment income and expenditure*, the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Other Differences

Other differences between amounts debited or credited to the Comprehensive Income and Expenditure Statement and amounts payable or receivable to be recognised under statute:

- For *services* an adjustment is made for the accrual of holiday pay and other similar entitlements, this is required under generally accepted accounting principles but the impact on the General Fund and the HRA is mitigated by statute which allows the impact to be reversed out through the Movement in Reserves; and
- For *Financing and investment income and expenditure*, the 'other differences' column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

Notes to the Financial Statements (Cont'd)

Note 15 – Property, Plant and Equipment

1) Movements in 2018/19

	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 2018	427,623	370,078	45,370	25,952	105,694	2,753	10,120	38,652	1,026,242
Additions	20,083	5,923	201	1,273	8,245	793	98	34,637	71,253
Revaluations:									
- To Revaluation Reserve	17,461	9,665	(12)	0	0	0	0	800	27,914
- To Net cost of Service	0	(33,340)	0	0	0	0	0	0	(33,340)
Disposals	(2,603)	0	(39)	0	0	0	(44)	(295)	(2,981)
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	0	0	0
Adjustments	0	(4,294)	(403)	0	0	0	0	0	(4,697)
Other Movements	3,881	1,247	(391)	(1,698)	0	0	(1)	(4,736)	(1,698)
As at 31 March 2019	466,445	349,279	44,726	25,527	113,939	3,546	10,173	69,058	1,082,693
Depreciation/Impairment at 1 April 2018	(36,573)	(57,562)	(880)	(13,843)	(43,681)	(1,566)	(71)	0	(154,176)
Depreciation charge	(9,893)	(8,680)	(395)	(3,631)	(5,282)	0	(4)	0	(27,885)
Depreciation:									
- To Revaluation Reserve	0	17,370	12	0	0	0	0	0	17,382
- To Net Cost of Service	0	17,304	0	0	0	0	0	0	17,304
Impairments:									
- To Revaluation Reserve	(9,541)	(2,774)	0	0	0	0	0	0	(12,315)
- To Net Cost of Service	0	(1,443)	0	0	0	0	0	0	(1,443)
Disposals	0	0	0	0	0	0	0	0	0
Other Movement	0	0	0	0	0	0	0	0	0
Adjustments	0	4,294	403	1,698	0	0	1	0	6,396
As At 31 March 2019	(56,007)	(31,491)	(860)	(15,776)	(48,963)	(1,566)	(74)	0	(154,737)
Net Book Value at 31 March 2018	391,050	312,516	44,490	12,109	62,013	1,187	10,049	38,652	872,066
Net Book Value at 31 March 2019	410,438	317,788	43,866	9,751	64,976	1,980	10,099	69,058	927,956

Notes to the Financial Statements (Cont'd)

Note 15 – Property, Plant and Equipment (Cont'd)

2) Movements in 2017/18

	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 2017	403,535	427,482	48,770	50,374	102,852	2,340	10,780	28,671	1,074,804
Additions	16,130	40,394	100	2,836	3,610	413	304	24,808	88,595
Revaluations:									
- To Revaluation Reserve	10,512	3,243	(1,714)	0	0	5	(40)	(291)	11,715
- To Net cost of Service	0	(7,249)	(440)	0	0	0	1,040	(155)	(6,804)
Disposals	(2,824)	(64)	(7)	0	0	(5)	(1,505)	0	(4,405)
Assets reclassified to/from Held for Sale	0	0	0	0	0	0	(244)	0	(244)
Adjustments	0	(107,790)	(1,233)	(27,258)	(768)	0	(215)	(49)	(137,313)
Other Movements	270	14,062	(106)	0	0	0	0	(14,332)	(106)
As at 31 March 2018	427,623	370,078	45,370	25,952	105,694	2,753	10,120	38,652	1,026,242
Depreciation/Impairment at 1 April 2017	(16,153)	(149,932)	(3,728)	(37,947)	(39,347)	(1,566)	(311)	(49)	(249,033)
Depreciation charge	(9,376)	(14,367)	(407)	(3,154)	(5,102)	0	(6)	0	(32,412)
Depreciation:									
- To Revaluation Reserve	0	907	2,163	0	0	0	6	0	3,076
- To Net Cost of Service	0	98	233	0	0	0	0	0	331
Impairments:									
- To Revaluation Reserve	(11,044)	(2,942)	(261)	0	0	0	0	0	(14,247)
- To Net Cost of Service	0	884	(113)	0	0	0	25	0	796
Adjustments	0	107,790	1,233	27,258	768	0	215	49	137,313
As At 31 March 2018	(36,573)	(57,562)	(880)	(13,843)	(43,681)	(1,566)	(71)	0	(154,176)
Net Book Value at 31 March 2017	387,382	277,550	45,042	12,427	63,505	774	10,469	28,622	825,771
Net Book Value at 31 March 2018	391,050	312,516	44,490	12,109	62,013	1,187	10,049	38,652	872,066

Notes to the Financial Statements (Cont'd)

Note 15 – Property, Plant and Equipment (Cont'd)

3) Capital Commitments

As at 31 March 2019, the council has commitments on capital contracts for the construction or enhancement of property, plant and equipment for non housing and housing projects in 2018/19 budgeted to cost £24.044m (2017/18 £14.313m) and £2.859m (2017/18 £0.839m) respectively. The main commitments are:

General Services	£000
Replace Elderly Care Homes and Day Care Centres	10,299
Queens Quay District Heating Network	4,898
Local Economic Development & Regeneration - various projects	2,565
Dalmonach Community Centre / Early Learning Centre	1,542
Renton Campus (part of Schools Estate Improvement Plan)	899
Building Upgrades - various projects	886
Holm Park & Yoker Athletic FC	626
Environmental Improvement Fund - Mountblow Pitch	561
Office Rationalisation	313
Community Capital Fund - various playparks	252
New Levensale Primary School All Weather Pitch	221
Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC	209
Integrated Housing Management System (General Services Element)	208
ICT Modernisation and Security	200
Exxon City Deal	150
HRA	£000
External Upgrades	2,242
Integrated Housing Management System (HRA Element)	288
Structural repairs	250

Notes to the Financial Statements (Cont'd)

Note 15 – Property, Plant and Equipment (Cont'd)

4) PPP Assets Included in Property, Plant and Equipment

2017/18 £000	2018/19 £000
Cost or Valuation	
87,563 At 1 April 2018	87,563
<u>Revaluations</u>	
0 To Revaluation Reserve	2,264
0 Additions	0
87,563 At 31 March 2019	89,827
 Accumulated Depreciation and Impairment	
(15,274) At 1 April 2018	(19,504)
(4,230) Depreciation Charge	(2,392)
<u>Depreciation written out</u>	
0 To revaluation reserve	11,801
0 To NCS	5,218
(19,504) At 31 March 2019	(4,877)
72,289 Opening Net Book value	68,059
68,059 Closing Net Book value	84,950

- 5) 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 16 – 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.

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.

Where appropriate, the carrying amount of intangible assets is amortised on a straight line basis. The amortisation of £0.009m charged to revenue in 2018/19 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 during the year was as follows:

Notes to the Financial Statements (Cont'd)

Note 16 – Intangible Assets (cont'd)

2017/18 £000		2018/19 £000
	Balance at 1 April 2018	
346	Gross carrying amount	346
(317)	Accumulated amortisation	(327)
<u>29</u>	Net carrying amount at start of year	<u>19</u>
(10)	Amortisation for period	(9)
<u>19</u>	Net carrying amount at 31 March 2019	<u>10</u>
	Comprising:	
346	Gross Carrying amounts	346
(327)	Accumulated amortisation	(336)
<u>19</u>		<u>10</u>

Note 17 – 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 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.

The movement on assets held for sale during the year was as follows:

2017/18 £000		2018/19 £000
7,345	Balance at 1 April 2018	9,069
	Assets newly classified as held for sale:-	
244	Property, Plant and Equipment	0
(695)	Revaluation Losses	0
2,175	Revaluation Gains	0
	Assets declassified as held for sale*:-	
0	Property, Plant and Equipment	(3,800)
0	Depreciation	(11)
<u>9,069</u>	As at 31 March 2019	<u>5,258</u>

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

Notes to the Financial Statements (Cont'd)

Note 18 - Heritage Assets

Heritage assets are both tangible and intangible assets with historic, artistic, scientific, technological, geographical or environmental qualities, which are held and maintained primarily for their contribution to knowledge and culture. 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 valuation of these assets held on the balance sheet as detailed below:

2017/18		2018/19
£000		£000
1,406	Balance at 1 April 2018	1,406
0	Additions/ Disposals / Newly Classified	0
<u>1,406</u>	Balance at 31 March 2019	<u>1,406</u>

The models of ships, works of art, silver and commemorative ware, civic regalia and sewing machine collections are the responsibility of the Libraries and Museums Service 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; and
- Clydebanks Town Hall.

Models of Ships - include MV Rangitane, MV Essex and HMS Vanguard.

Works of Art - there are 474 paintings within the works of art collection.

Civic Regalia - predominately relates to the collection of provost robes and chains of office. It would be relatively rare for the authority to purchase, or dispose of, items of civic regalia.

Sewing Machine Collection - there are 813 sewing machines (of various models) included within the sewing machine collection.

Listed Buildings and Scheduled Ancient Monuments - the council holds and maintains listed buildings and ancient monuments of historic significance, many of which are tributes to the war dead. As well as memorial structures and buildings, the council maintains statues and fountains.

Note 19 – 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.

Notes to the Financial Statements (Cont'd)

Note 19 – Capital Expenditure and Capital Financing (Cont'd)

31-Mar-18 £000	31-Mar-19 £000
464,275 Opening Capital Financing Requirement	514,349
Capital Investment	
88,594 Property, Plant and Equipment	71,253
88,594	71,253
Less Sources of Finance	
3,810 Receipts from sale of assets	3,430
13,322 Government Grants and other Contributions	20,290
0 Transfer to capital fund	(3,430)
7,588 Revenue Contributions	13,349
13,800 Loan Fund Principal Repayments	14,031
38,520	47,670
514,349 Closing Capital Financing Requirement	537,932
0 Increase in Underlying Need to Borrow (Supported)	0
50,074 Increase in Underlying Need to Borrow (Unsupported)	23,583
50,074 Movement in Capital Financing Requirement	23,583

Note 20 – Impairment Losses

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.

During 2018/19, the council has recognised impairment losses of £18.224m (2017/18 £15.976m) 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 21 – Private Finance Initiatives and Similar Contracts

Schools PPP Scheme and Long Term Liability (Design, Build, Finance and Maintain (DBFM) Scheme)

2018/19 was the tenth year of a thirty year public private partnership for provision of three secondary schools and one primary school in Clydebank and Alexandria. 2018/19 was the second year of a twenty-five year DBFM partnership for the provision of one secondary school in Dumbarton.

The council has rights to use the schools for core educational purposes between agreed hours. 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.

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.

Notes to the Financial Statements (Cont'd)

Note 21 – Private Finance Initiatives and Similar Contracts (Cont'd)

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 15.

Payments

The amounts payable to the PPP and DBFM 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.

Payments remaining to be made under the PPP and DBFM contracts at 31 March 2019 (excluding any estimation of inflation and availability/performance deductions) are as follows:

	Repayment of Liability	Interest Charges	Operating Costs	Lifecycle Replacement	Total Unitary Payment
	£000	£000	£000	£000	£000
Less than 1 year	3,097	7,403	2,813	788	14,101
2-5 years	13,817	27,135	12,579	4,411	57,942
6-10 years	21,084	27,767	19,004	8,173	76,028
11-15 years	23,568	19,894	23,117	13,687	80,266
16-20 years	33,342	9,471	28,130	13,850	84,793
21-25 years	8,193	888	2,708	1,505	13,294
26-30 years	0	0	0	0	0
PPP Contractual Liability as at 31.03.19	103,101	92,558	88,351	42,414	326,424

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:

2017/18 £000	2018/19 £000
84,316 Opening Balance	105,914
24,231 New Liabilities	0
(2,633) Repayments	(2,813)
105,914 Closing Balance	103,101

Notes to the Financial Statements (Cont'd)

Note 22 – Debtors

2017/18 £000	2017/18 £000		2018/19 £000	2018/19 £000
		Central government bodies		
50		Grant Income	727	
3,409		VAT Recoverable	3,358	
<u>4,145</u>	7,604	Other Debtors	<u>5,664</u>	9,749
		613 Other local authorities		108
		10 NHS Bodies		2,035
		25 Public Corporations and trading funds		27
		Other Entities and individuals		
11,422		Arrears of local taxation	12,684	
<u>18,091</u>	29,513	Other Debtors	<u>20,738</u>	33,422
	<u>37,765</u>			<u>45,341</u>

Note 23 - 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 2019. The fund does not represent assets of the council and has not been included within the Balance Sheet on page 36.

Income and Expenditure Account

2017/18 £000	Expenditure	2018/19 £000
141	Payments to Other Bodies	169
50	Denny Tank	50
<u>26</u>	General Expenditure	<u>25</u>
<u>217</u>		<u>244</u>
	Income	
(280)	Rent – Sites and Offices	(301)
(7)	Gain on Investments	(293)
<u>(2)</u>	Other Income	<u>(3)</u>
<u>(289)</u>		<u>(597)</u>
(72)	Net (surplus)/deficit for year	(353)
(65)	In Year Usable Gain	(60)
<u>(7)</u>	In Year Un-usable Gain	<u>(293)</u>
<u>(72)</u>		<u>(353)</u>
(344)	Balance brought forward	(409)
<u>(65)</u>	In Year Usable Gain	<u>(60)</u>
<u>(409)</u>	Balance carried forward	<u>(469)</u>

Notes to the Financial Statements (Cont'd)

Note 23 - Common Good Fund (cont'd)

Balance Sheet as at 31 March 2019

2017/18		2018/19
£000	Fixed Assets	£000
3,194	Investment properties	3,487
	Current Assets	
414	Investments – West Dunbartonshire Council	516
	Current Liabilities	
(5)	Creditors falling due within one year	(47)
3,603	Total assets	3,956
	Funds	
3,194	Capital Adjustment Account	3,487
409	General Fund	469
3,603		3,956

Note 24 – 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 36. 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

2017/18			2018/19		
Receipts	Payments	(Surplus)/ Deficit	Receipts	Payments	(Surplus)/ Deficit
£000	£000	£000	£000	£000	£000
(3)	0	(3) Dunbartonshire Educational Trust Scheme 1962	(1)	0	(1)
		Endowments amalgamated to form trust			
0	0	0 McAuley Prize for Mathematics	0	0	0
		Provide prizes for those studying maths & computing			
(1)	7	6 Alexander Cameron Bequest	0	30	30
		To encourage and support one-off community activities in Clydebank			
0	1	1 Dr A K Glen Fund	0	4	4
		Provide outings for Pensioners resident in Dumbarton			
0	2	2 Vale of Leven Fund	0	0	0
		For the people of the Vale of Leven			
0	0	0 UIE Award	0	1	1
		For students studying apprenticeships or training in industry			
(4)	10	6 Total	(1)	35	34

Notes to the Financial Statements (Cont'd)

Note 24 – Trust Funds (cont'd)

Statement of Balances as at 31 March 2019

	Balance as at 1/4/18 £000	(Surplus)/deficit for year £000	Balance as at 31/3/19 £000
Bank and Cash			
Dunbartonshire Educational Trust Scheme 1962	(89)	(1)	(90)
McAuley Prize for Mathematics	(21)	0	(21)
Alexander Cameron Bequest	(150)	30	(120)
Dr A K Glen Fund	(25)	4	(21)
Vale of Leven Fund	(6)	0	(6)
UIE Award	(24)	1	(23)
Total	(315)	34	(281)

The Trust Funds hold no liabilities.

Note 25 – Net 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. The investments 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.

Cash and Cash Equivalents	31-Mar-18 £000	Movement £000	31-Mar-19 £000
Bank Current Account	(1,664)	346	(1,318)
Short term deposits with UK banks	24,006	(5,990)	18,016
Total Cash and Cash equivalents	22,342	(5,644)	16,698

Note 26 – 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":

Notes to the Financial Statements (Cont'd)

Note 26 – Financial Instruments (cont'd)

1) Types of Financial Instrument (cont'd)

	Long-term		Current	
	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19
	£000	£000	£000	£000
Debtors				
Loans and receivables	34	27	54,614	53,443
Borrowing				
Financial liabilities at amortised cost	260,000	231,084	175,550	218,458
Other long term liabilities				
PPP and finance leases	103,201	100,005	2,713	3,097
Creditors				
Financial liabilities at contract amount	0	0	34,196	47,012

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 2018/19:

- 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 2018/19;
- 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.

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:

Notes to the Financial Statements (Cont'd)

Note 26 – Financial Instruments (Cont'd)

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

Financial Liabilities

- PWLB Loans (Level 2) - For loans from the PWLB premature repayment rates from the PWLB in force on 31 March 2018 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-18		31-Mar-19	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
£000	£000 Debtors	£000	£000
54,648	54,648 Loans and Receivables	53,470	53,470

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.

Notes to the Financial Statements (Cont'd)

Note 26 – Financial Instruments (Cont'd)

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

31-Mar-18		31-Mar-19	
Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Borrowing			
435,550	606,412	449,543	607,924
Other Long Term Liabilities			
105,914	185,010	103,101	184,291
Creditors			
34,196	34,196	47,012	47,012
Financial liabilities at contract amount			

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 fair value of borrowings and PPP liabilities as at 31 March 2019 are comparable to 2018 reflecting a fairly static market.

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-18			31-Mar-19		
	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)	320	0	320	330		330
Interest payable and similar charges						
Interest/expense*	0	(19,268)	(19,268)	0	(19,359)	(19,359)
Loss on de-recognition	0	(58)	(58)	0	(8)	(8)
Net (Gain)/loss in year	0	(19,326)	(19,326)	0	(19,367)	(19,367)

* 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 26 – 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 2018/19 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 2018/19 annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 5 March 2018 and is available on the council website. The key issues within the strategy were:

- the authorised limit for 2018/19 was set at £637.911m. This is the maximum limit of external borrowing;
- the operational boundary was expected to be £584.752m. 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.

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.

Notes to the Financial Statements (Cont'd)

Note 26 – Financial Instruments (Cont'd)

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

Credit Risk (Cont'd)

The council's maximum exposure to credit risk in relation to investments in banks and building societies of £19.405m 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 2019 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 31.03.19	Historical experience of non-payment adjusted for market conditions at 31.03.19	Estimated maximum exposure to default and uncollectibility
	£000	%	£000
Customers and other income	34,097	4.36%	1,414

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.

The council does not generally allow credit for customers, however currently £11.792m is past its due date for payment. The past due amount can be analysed by age as follows:

	£000
Less than three months	2,798
Three to six months	1,243
Six months to one year	1,359
More than one year	6,392
	<u>11,792</u>

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.

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.

Notes to the Financial Statements (Cont'd)

Note 26 – Financial Instruments (Cont'd)

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

Liquidity risk (Cont'd)

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 than 50% of borrowings are due to mature within any financial year or within any rolling five-year period.

The maturity analysis of financial liabilities is as follows:

	Creditors	PPP	Borrowing	Total
	£000	£000	£000	£000
Less than one year	47,012	3,096	218,459	268,567
Between one and two years	0	3,605	14,499	18,104
Between two and five years	0	10,212	11,575	21,787
More than five years	0	86,188	205,010	291,198
	47,012	103,101	449,543	599,656

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.

Notes to the Financial Statements (Cont'd)

Note 26– Financial Instruments (Cont'd)

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

Market Risk (Cont'd)

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	444,848	99.0%
Variable Interest Debt	4,695	1.0%
	<u>449,543</u>	

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 2019, with all other variables held constant:

	£000
Impact on tax payers and rent payers	
Increase on interest payable on variable debt borrowings	1
Increase in interest receivable on variable rate investments	(195)
Increase in government grant receivable for 'loan charges'	(53)
Impact on Income and Expenditure Account	<u>(247)</u>
Share of overall impact due credited to the HRA	<u>(108)</u>
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)	(95,104)

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.

Notes to the Financial Statements (Cont'd)

Note 27 – Creditors

2017/18	2018/19
£000	£000
4,797 Central government bodies	9,371
9,080 Other local authorities	10,425
1,627 NHS Bodies	219
12 Public Corporations and trading funds	0
18,680 Other Entities and individuals	26,997
34,196	47,012

Note 28 – Provisions

	Equal Pay	VER/VS	Total
	£000	£000	£000
Opening Provision	317	153	470
Contributions	0	0	0
Used in year	(84)	(153)	(237)
Closing Position	233	0	233

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.

VER/VS (Voluntary Early Retirement / Voluntary Severance) – This provision was held for known staff accepting a severance or early retiral package with a view to leaving in 2018/19. No provision was required for 2019/20.

Note 29 – 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 £10.559m on 31 March 2019, of which £6.175m is earmarked for ringfenced purposes, leaving an unearmarked balance of £4.384m (prudential target £4.192m).

The main earmarked income held for future specific purposes:

	£000
Change Fund	2,654
Apprenticeship fund	862
PEF	115
Business Gateway	214
2019/20 Budget	258
Jobs Growth	157
Food 4 Thought	200
Rape Crisis	140
Holiday Hunger Fund	400
Year of Young People Legacy Fund	500
Other Committed Spend (> £0.100m)	675
	6,175

Notes to the Financial Statements (Cont'd)

Note 29 – Reserves and Earmarked Balances (Cont'd)

- (2) The HRA balance is currently £1.606m as at 31 March 2019, of which £0.756m is earmarked for ring fenced purposes, leaving an unearmarked balance of £0.850m.

The earmarked balance held for future specific purposes is:-

	£000
Regeneration of the stock	256
Welfare Reform	500
	<u>756</u>

Note 30 – 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.

Usable reserves

Usable reserves are those that 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-18	31-Mar-19
£000	£000
10,975 General Services	10,559
7,422 Housing Revenue Account	1,606
0 Capital Receipts Reserve	0
314 Capital Grants Unapplied	278
3,269 Capital Reserve	2,847
478 Other Reserves	362
<u>22,458 Total Usable Reserves</u>	<u>15,652</u>

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.

Notes to the Financial Statements (Cont'd)

Note 30 – Reserves (Cont'd)

Capital Grant Unapplied Reserve

Grants and other contributions given to the council are retained within this Reserve until all conditions agreed by the grant provider are satisfied.

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.

Unusable reserves

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

31-Mar-18	31-Mar-19
£000	£000
239,753 Capital Adjustment Account	248,566
128,492 Revaluation Reserve	148,159
(126,199) Pension Reserve	(192,760)
(3,239) Employee Statutory Adjustment Account	(3,280)
(14,510) Financial Instruments Adjustment Account	(13,894)
224,297 Total Unusable Reserves	186,791

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.

Notes to the Financial Statements (Cont'd)

Note 30 – Reserves (Cont'd)

Capital Adjustment Account (Cont'd)

2017/2018 £000		2018/2019 £000
232,656	Opening Balance	239,753
(32,422)	Depreciation	(27,906)
(7,465)	Impairment	(16,392)
9,712	Increase in Depreciation Caused by Revaluation	9,548
2,208	Deficit/Surplus on Revaluations	2,587
(107)	Assets That Should Have been Deleted	0
1,069	Write off Revaluation Reserve Balance re Disposals	93
(4,405)	Disposal of Fixed Assets	(6,781)
13,322	Government Grants Applied	20,290
7,585	Capital Financed by Current Revenue	13,349
13,790	Long Term Debt Payment	14,025
3,810	Capital Receipts Applied	0
239,753	Closing Balance	248,566

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.

2017/2018 £000		2018/2019 £000
137,666	Opening Balance	128,492
19,291	Unrealised Gains on Revaluation of Assets	46,835
(17,684)	Impairments and Losses on Revaluation of Assets	(17,527)
	Write off Revaluation Reserve Balance re	
(1,069)	Disposals	(93)
(9,712)	Depreciation due to Revaluation of Assets	(9,548)
128,492	Closing Balance	148,159

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.

Notes to the Financial Statements (Cont'd)

Note 30 – Reserves (Cont'd)

Pension Reserve (Cont'd)

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.

2017/2018 £000		2018/2019 £000
(240,926)	Opening Balance	(126,199)
134,863	Actuarial (Loss)/Gain	(49,463)
19,560	Employer Contributions	19,074
(39,696)	Reversal of IAS19 Entries	(36,172)
<u>(126,199)</u>	Closing Balance	<u>(192,760)</u>

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.

2017/2018 £000		2018/2019 £000
(3,658)	Opening Balance	(3,239)
419	Staff Accrual Movement	(41)
<u>(3,239)</u>	Closing Balance	<u>(3,280)</u>

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 2019 will be charged to the General Fund over the next thirty-nine years.

2017/2018 £000		2018/2019 £000
(15,392)	Opening Balance	(14,510)
846	Annual Write off of Premiums and Discounts	851
0	New Premiums and Discounts	(243)
36	Annual EIR Adjustment to Stepped Interest Instruments	8
<u>(14,510)</u>	Closing Balance	<u>(13,894)</u>

Notes to the Financial Statements (Cont'd)

Note 31 – Contingent Assets or Liabilities

A contingent asset arises where an event has taken place that gives the council a possible asset whose existence 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.

The council has a residual contingent liability relating to those workers who have yet to settle their pay protection claims.

Additionally, the council has a potential contingent liability relating to paid holiday entitlement. UK employers are bound by employment law in relation to the definition of paid holiday entitlement. Case law has clarified that all pay elements intrinsically linked to the performance of a contract of employment should be included in the calculation of holiday pay, including payments made for additional working. The council adjusted the method of calculation in August 2014 (backdated in line with the leave year to April) and has included on-going costs within the long term financial strategy. The legal position remains subject to challenge however, given the action taken, any potential claim by employees for any retrospective payments is likely to be minimal. As a result, whilst recognising there may be such a requirement, it is not possible to quantify such.

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

Note 31 – 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.

2017/18 £000	2018/19 £000
(6,963) Balance on the Housing Revenue Account at the End of the Previous Year	(7,422)
(7,104) Total Comprehensive Income and Expenditure	(3,395)
Adjustments to the revenue resource	
(588) Pension Scheme Adjustments	(584)
(26) Financial Instruments Adjustment	4
(13) Holiday Pay Adjustment	32
Reversal of entries included in the Surplus/Deficit on the Provision of Services in	
(5,885) relation to capital expenditure	(7,648)
(6,512)	(8,196)
Adjustments between Revenue and Capital Resources	
(203) Net gain or loss on sale of non-current assets	(2,603)
5,960 Statutory Repayment of Debt (Loans Fund Advances)	6,288
6,969 CFCR	13,349
12,726	17,034
6,214 Total Statutory Adjustments 2018/19	8,838
431 Transfers to/from Other Statutory Reserves	373
(459) (Increase)/Decrease in Year	5,816
(7,422) Balance on the Housing Revenue Account at the end of the Current Year	(1,606)

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.

re-stated 2017/18 £000		2018/19 £000
	Income	
(39,123)	Dwelling Rents (net of voids)	(40,118)
(286)	Other Rents	(264)
(2,874)	Other Income	(1,575)
(42,283)		(41,957)
	Expenditure	
11,968	Repairs and Maintenance	12,221
10,790	Supervision and Management	10,105
9,428	Depreciation and Impairment	9,944
883	Bad/Doubtful Debts	0
387	Other Expenditure	371
33,456		32,641
(8,827)	Net Cost of Service as Included in the Council Comprehensive Income and Expenditure Statement	(9,316)
	HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement	
(3,543)	Recognised Capital Income (Grants, Contributions and Donations)	(2,297)
203	Gain or Loss on the Sale of HRA Non Current Assets	2,603
5,151	Interest Payable and Similar Charges	5,142
0	Amortisation of Premiums and Discounts	2
0	Bad/Doubtful Debts	619
(88)	HRA Interest and Investment Income	(148)
1,723		5,921
(7,104)	(Surplus)/Deficit for the year on HRA Services	(3,395)

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 10,397 dwellings during 2018/19 (10,457 in 2017/18). The following shows an analysis of these dwellings by type.

Number at 31.03.18	2017/18 Average weekly rent £	Type of Dwelling	Number at 31.03.19	2018/19 Average weekly rent £
2,719	71.84	Two-apartment	2,734	74.98
4,792	74.34	Three-apartment	4,754	77.21
2,628	79.84	Four-apartment	2,590	82.05
311	86.02	Five-apartment	312	87.91
2	88.75	Six-apartment	2	90.52
1	80.83	Seven-apartment	1	82.45
2	88.75	Eight-apartment	2	90.52
2	88.75	Nine-apartment	2	90.52
10,457		Total	10,397	

Note 2 – Dwelling Rents

This is the total rental income less voids chargeable for the year of £0.560m (£0.693m in 2017/18). It excludes irrecoverables and bad debts. Average rents were £78.18 per week in 2018/19 (£75.35 per week in 2017/18).

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 2018/19 were £0.079m (£0.076m in 2017/18).

Note 4 - Rent arrears

As at 31 March 2019, total rent arrears amounted to £3.519m (£3.468m as at 31 March 2018). This is 8.74% of the total value of rents due at 31 March 2019. It should be noted that the total arrears do not all relate to 2018/19 and the year on year movement in value of arrears is an increase of £0.051m.

Note 5 - Provision for Bad Debts

In the financial year 2018/19, the rental bad debt provision has been increased by £0.041m (£0.443m increase 2017/18). The provision to cover loss of rental income stands at £2.509m as at 31 March 2019 – equivalent of 71.31% (71.18% 2017/18) of the total value of rents due at that date.

Council Tax Account

Council Taxpayers: £33.805m (2017/18 £32.607m)

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under Statute. 2018/19 represents the sixth 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.

2017/18 £000		2018/19 £000
47,828	Gross council tax	49,494
	Less:	
(8,429)	Council Tax Reduction Scheme Discount*	(8,573)
(5,702)	Other discounts and reductions	(6,148)
(840)	Provision for bad and doubtful debts	(853)
(250)	Adjustments for prior years	(115)
32,607	Transfer to General Fund	33,805

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	26	12	0	13	32	200/360	18
Band A	7,897	531	38	4,512	142	3,377	9,349	240/360	6,233
Band B	16,826	536	(9)	7,822	153	5,399	19,319	280/360	15,026
Band C	7,509	181	(5)	2,880	54	1,701	8,208	320/360	7,296
Band D	5,908	101	19	1,795	31	595	5,933	360/360	5,933
Band E	4,580	48	(49)	975	16	198	4,401	473/360	5,378
Band F	1,682	12	(9)	215	10	41	1,640	585/360	2,369
Band G	796	8	(10)	103	5	22	766	705/360	1,276
Band H	66	1	(1)	4	6	0	62	882/360	123
Total									43,652
Provision for bad debt									(712)
Council Tax Base									42,940

The nature and actual amount of each charge fixed

Gross Charges

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 2018/19 was £1,197.89.

	2017/18 £ per year	2018/19 £ per year
775 Band A		798.59
905 Band B		931.69
1,034 Band C		1,064.79
1,163 Band D		1,197.89
1,528 Band E		1,573.89
1,890 Band F		1,946.57
2,278 Band G		2,345.87
2,849 Band H		2,934.83

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 £78.812m (2017/18 £77.334m)

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 £78.812m (2017/18 £77.334m) 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 provision target for 2018/19 was 1.8% and indications suggest the council is not due any additional income for the year.

The amount deemed to be collected locally was £80.558m (2017/18 £82.419m). The sum actually collected locally and contributed to the pool was £83.046m (2017/18 £81.268m), made up as follows:

2017/18 £000		2018/19 £000
91,604	Gross rates levied	94,260
	Less:	
(8,438)	Reliefs and other deductions	(9,480)
(916)	Provision for bad and doubtful debts	(943)
82,250	Net non-domestic rate income	83,837
(982)	Adjustments for prior years	(791)
81,268	Total Non Domestic Rate Income (before retention)	83,046
0	Non Domestic Rate Income Retained by the Council (BRIS)	0
81,268	Contribution to National Non Domestic Rate Pool	83,046
77,334	Distribution from National Non Domestic Rate Pool	78,812
3,934	Net contribution to/(from) National Non Domestic Rate Pool	4,234
 Net Non Domestic Rate Income to Comprehensive Income		
77,334	& Expenditure Statement	78,812

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:	£	An explanation of the nature and amount of each rate fixed
Rateable value at 1/4/18	187,617,505	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.
Running roll (full year RV)	(1,727,118)	
Rateable value at 31/3/19	185,890,387	The national non-domestic rate poundage set by the First Minister for Scotland for 2018/19 was £0.48.
Less: partially exempt	734,150	
Less: wholly exempt	3,326,825	
Net rateable value at 31/3/19	181,829,412	

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. West Dunbartonshire Council has accounted for its interests in each associate and joint venture using the equity method of accounting.

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 2019.

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, CPC and the Common Good and Trust Funds 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 £24.437m – representing the council's share of net assets in these entities.

The Code requires councils 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 Board 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 Accounts (Cont'd)

Group Comprehensive Income and Expenditure Statement

Restated 2017/18 Gross Expenditure £000	Restated 2017/18 Gross Income £000	Restated 2017/18 Net Expenditure £000		2018/19 Gross Expenditure £000	2018/19 Gross Income £000	2018/19 Net Expenditure £000
			Service			
78,427	(50,967)	27,460	Corporate Services	76,514	(50,931)	25,583
101,926	(9,591)	92,335	Educational Services	113,239	(9,857)	103,382
52,265	(14,409)	37,856	Infrastructure, Regeneration and Economic Development	56,031	(17,456)	38,575
9,341	(4,326)	5,015	Housing and Communities	9,441	(4,451)	4,990
33,456	(42,283)	(8,827)	Housing Revenue Account	32,641	(41,957)	(9,316)
9,688	(6,916)	2,772	Miscellaneous Services	4,939	(7,094)	(2,155)
153,059	(86,828)	66,231	Health and Social Care Partnership	161,980	(92,273)	69,707
2,481	0	2,481	Requisitions	2,459	0	2,459
7,343	(3,419)	3,924	Subsidiaries	8,352	(4,361)	3,991
447,986	(218,739)	229,247	Net Cost of Service (1)	465,596	(228,380)	237,216
			595 (Gain) / loss on Disposal of Fixed Assets			3,351
			595 Other Operating Expenditure (2)			3,351
			(32,607) Council Tax			(33,805)
			(77,334) Non-Domestic Rates			(78,812)
			(104,165) Revenue Support Grant			(104,759)
			(13,169) Recognised Capital Income (Grants, Contributions & Donations)			(20,254)
			(227,275) Taxation and Non-specific Grant Income (3)			(237,630)
			(156) Interest Earned			(330)
			18,329 External Interest Payable / Similar Charges			19,359
			0 (Gain)/Loss early settlement of borrowing			5
			0 Impairment Loss - Debtors			1,414
			(2,759) Surplus on Trading Undertakings not included in net cost of services			(3,234)
			6,545 Pension Interest Cost/Expected Return on Pension Assets			3,590
			21,959 Finance/Investment Income and Expenditure (4)			20,804
			24,526 (Surplus)/Deficit on Provision of Services			23,741
			(5) = (1)+(2)+(3)+(4)			
			(3,377) Share of other Comprehensive Income and Expenditure of Associates and Joint Ventures			380
			(1,500) (Surplus)/Deficit arising from revaluation of property, plant and equipment			(29,309)
			0 (Surplus)/Deficit on revaluation of available for sale assets			238
			(143,032) Actuarial (gains)/losses on pension fund assets and liabilities			50,321
			(147,909) Other Comprehensive (Income) and Expenditure (6)			21,630
			(123,383) Total Comprehensive (Income) and Expenditure (5)+(6)			45,371

Group Accounts (Cont'd)

Group Movement in Reserves Statement

	Usable Reserves			Unusable Reserves			
	WDC Usable Reserves £000	Group Usable Reserves £000	Total Usable Reserves £000	WDC Unusable Reserves £000	Group Unusable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
2018/19							
Opening Balance at 1 April 2018	(22,458)	(11,702)	(34,324)	(224,297)	(14,611)	(238,908)	(273,232)
Movement in reserve 2018/19							
(Surplus) or deficit on provision of services	23,920	(179)	23,741	20,392	1,124	21,516	45,257
Other Comprehensive Expenditure and Income	(17,960)	335	(17,625)	17,960	(264)	17,696	71
Net Increase/(Decrease) before Transfers to Other Statutory Reserves	5,960	156	6,116	38,352	860	39,212	45,328
Transfers to/from other statutory reserves *	846	43	889	(846)	0	(846)	43
Closing Balance at 31 March 2019	(15,652)	(11,503)	(27,319)	(186,791)	(13,751)	(200,542)	(227,861)
2017/18 (Restated)							
Opening Balance at 1 April 2017	(24,679)	(8,279)	(32,958)	(110,346)	(6,545)	(116,891)	(149,849)
Movement in reserve 2017/18							
(Surplus) or deficit on provision of services	24,633	(107)	24,526	(136,363)	(411)	(136,774)	(112,248)
Other Comprehensive Expenditure and Income	(23,351)	(3,480)	(26,831)	23,351	(7,655)	15,696	(11,135)
Net Increase/(Decrease) before Transfers to Other Statutory Reserves	1,282	(3,587)	(2,305)	(113,012)	(8,066)	(121,078)	(123,383)
Transfers to/from other statutory reserves *	775	164	939	(939)	0	(939)	0
Closing Balance at 31 March 2018	(22,622)	(11,702)	(34,324)	(224,297)	(14,611)	(238,908)	(273,232)

*The transfer of statutory reserves is in relation to dividends paid to the council by Clydebank Property Company.

Group Accounts (Cont'd)

Group Balance Sheet

Re-stated 2017/18 £000		2018/19 £000
876,346	Property, Plant and Equipment	932,246
38	Intangible Assets	31
21,484	Investment in associates	18,327
34	Long Term Debtors	27
497	Long term Investments	4,034
1,406	Heritage Assets	1,406
899,805	Total Long Term Assets	956,071
9,069	Asset Held for Sale	5,258
988	Inventories	1,078
37,416	Short Term Debtors	44,951
30,729	Cash and Cash Equivalents	23,899
78,202	Current Assets	75,186
(470)	Provisions	(233)
(5,929)	Cash and Cash Equivalents	(4,088)
(35,220)	Short Term Creditors	(48,318)
(171,834)	Short Term Borrowing	(216,461)
(213,453)	Current Liabilities	(269,100)
764,554	Total Assets less Current Liabilities	762,157
(521)	Liabilities in Associates	(976)
(363,201)	Long Term Borrowing	(331,089)
(625)	Provision for liability	(599)
(125,975)	Net Pensions Liability	(194,333)
(1,000)	Capital Grants Receipts in Advance (conditions)	(7,299)
(491,322)	Long Term Liabilities	(534,296)
273,232	Total Assets Less Liabilities	227,861
	Represented by:	
34,324	Usable Reserves	27,319
238,908	Unusable Reserves	200,542
273,232	Total Reserves	227,861

The unaudited Financial Statements were authorised for issue on 26 June 2019.

Stephen West
Strategic Lead - Resources
West Dunbartonshire Council
26 June 2019

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 37.

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.

Associates and Joint Ventures

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 2018/19, the council contributed £1.605m (2017/18 £1.609m) or 4.39% (2017/18 4.39%) of the Board's estimated running costs and its share of the year end net asset of £14.684m (2017/18 £14.429m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow G2 5JF.

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 2018/19, the council contributed £0.171m (2017/18 £0.175m), 4.19% (2017/18 4.19%) of the Board's estimated running costs and its share of the year end net asset of £0.053m (2017/18 £0.065m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow G2 5JF.

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 2018/19, the council contributed £0.688m (2017/18 £0.694m) or 26.95% (2017/18 26.95%) of the Board's estimated running costs and its share of the year end net liability of £0.977m (2017/18 £0.521m) is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Treasurer to the Valuation Joint Board, 16 Church Street, Dumbarton G82 1QL.

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 2017/18, the council contributed £64.895m towards estimated running costs and its share of the year end net asset of £3.590m is included in the Group Balance Sheet. Copies of its accounts may be obtained from the Chief Financial Officer to the Integration Joint Board, 16 Church Street, Dumbarton G82 1QL.

Group Accounts (Cont'd)

Notes to the Group Accounts (Cont'd)

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

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

	Strathclyde Partnership for Transport £000	Strathclyde Concessionary and Travel Scheme Joint Board £000	Dunbartonshires and Argyll and Bute Valuation Joint Board £000	West Dunbartonshire Health & Social Care £000	Total £000
2018/19					
Surplus/ (Deficit) on					
Operating Activities	738	(12)	(96)	519	1,149
Non Current Assets	10,965	0	171	0	11,136
Current Assets	7,821	89	184	3,590	11,684
Non Current Liabilities	(2,949)	0	(1,299)	0	(4,248)
Current Liabilities	(1,152)	(36)	(33)	0	(1,221)
2017/18					
Surplus/ (Deficit) on					
Operating Activities	4,008	5	(148)	287	(4,141)
Non Current Assets	9,313	0	173	0	9,486
Current Assets	7,713	103	185	3,071	11,072
Non Current Liabilities	(1,681)	0	(846)	0	(2,527)
Current Liabilities	(915)	(38)	(33)	0	(986)

Subsidiaries

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 asset at 31 March 2019 was £0.064m (2017/18 £2.228m net asset) and its surplus for the year was £0.174m (2017/18 £0.272m surplus). 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 2019 was £3.304m and its deficit for the year before payment of a dividend was £0.019m (2017/18 £0.047m surplus). 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.

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 usable income in 2018/19 was £0.353m (2017/18 £0.065m) for the Common Good and net decrease in funds of £0.034m (2016/17 £0.009m decrease) for the Trust Funds. For the purposes of the Group Accounts, two Trust Funds managed by the council (Dunbartonshire Educational Trust and McAulay Prize for Mathematics Trust) have been included pro rata to the council's share. This has resulted in 2017/18 re-statement of the Group Accounts. Copies of the accounts may be obtained from West Dunbartonshire Council, 16 Church Street, Dumbarton G82 1QL.

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	Common Good £000	Trust Funds £000	Total £000
<u>2018/19</u>					
Surplus/ (Deficit) on Operating Activities	174	(19)	353	(34)	474
Non Current Assets	1,313	4,004	3,487	0	8,804
Current Assets	2,609	433	516	221	3,779
Non Current Liabilities	(1,573)	(599)	0	0	(2,172)
Current Liabilities	(1,745)	(534)	0	0	(2,279)
<u>2017/18 (Re-stated)</u>					
Surplus/ (Deficit) on Operating Activities	272	47	72	(6)	385
Non Current Assets	634	4,165	3,194	0	7,993
Current Assets	2,995	269	414	255	3,933
Non Current Liabilities	224	(625)	0	0	(401)
Current Liabilities	(1,625)	(444)	0	0	(2,069)

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.

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 2019, 2,471 accounts were held with the bank (2017/18 2,463), with a total amount on deposit of £1.345m (2017/18 £1.234m), with £1.131m being invested with the council (2017/18 £0.861m). Interest paid by the council to the bank in the year was £0.028m (2017/18 £0.021m).

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.

Group Accounts (Cont'd)

Notes to the Group Accounts (Cont'd)

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

Business Loans Scotland Ltd was formed in March 2017 with 27 Scottish local authorities full members, including West Dunbartonshire Council, and the remaining 5 Scottish local authorities becoming associate members. In this respect, each member local council provides a level of loan finance for companies in their area under Phase 1, augmented in Phase 2 by Scottish Growth Scheme and 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 £24.437m (2017/18 £26.313m – re-stated) 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 £227.861m (2017/18 £273.232m re-stated).

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:

Re-stated 2017/18 £000	2018/19 £000
14,429 Partnership for Transport	14,686
65 Concessionary Travel Board	53
(521) Valuation Joint Board	(977)
3,071 West Dunbartonshire Health & Social Care	2,590
2,228 West Dunbartonshire Leisure Trust	604
3,199 Clydebank Property Company	3,304
3,842 Common Good and Trust Funds	4,177
26,313 Total	24,437

General Accounting Policies

Note 33 - Accounting Policies

1. General Principles

The Financial Statements summarises the council's transactions for the 2017/18 financial year and its position at the year end of 31 March 2018. The council is required to prepare an Annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014. 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 2018/19 ("the code") and the Service Reporting Code of Practice 2018/19, 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. The convention also adopts the assumption that the council will continue as a going concern for the foreseeable future.

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.

3. 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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

4. Charges to Revenue for Property, Plant and Equipment

Council Services and Trading Accounts are debited/ credited 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.

5. Intangible assets

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.

6. 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.

Recognition

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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

6. 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:

Asset Type	Valuation Method
Infrastructure, community and assets under construction assets	Historic 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
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

Revaluation

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 2018/19 and planned each of the following four years is as follows:

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

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

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;
2021/22	Offices / depots/ cemeteries/ crematorium lodges; and
2022/23	All council non-operational properties.

In addition to assets being revalued within the programme of revaluation assets will be revalued in any given year if any of following 3 criteria is met:

- When the historic cost of the building is less than £2m but the combined value of the building historic cost and any enhancement expenditure incurred since the last revaluation date exceeds £2m then the asset will be revalued and (if new valuations exceeds £2m) componentised if necessary;
- Where the historic cost of the building exceeds £2m (and is therefore already componentised) and where any enhancement expenditure incurred since the last revaluation date exceeds 25% of the historic cost of the building then the asset will be revalued; and
- Where the combined value of building historic cost and any enhancement expenditure incurred since the last revaluation date spend is less than £2m but the value of the enhancement expenditure exceeds 50% of building historic cost and in value is more than £0.500m then the asset will be revalued.

Valuations in 2018/19 have been carried out by an external valuer. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

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

Where impairment losses are identified, they are accounted for in the same way as revaluation decreases.

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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

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

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.

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

When an asset is disposed of or decommissioned, both the carrying amount in the Balance Sheet and receipts from disposal are transferred 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. 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 credited to either the Capital Receipts Reserve or the Capital Fund and can only be used for new capital investment, set aside to reduce the council's underlying borrowing requirement, to fund the principal element of loan charges or to fund premium charges. Receipts are appropriated to these reserves 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).

The useful lives of assets have been revised during 2018/19 and estimated and advised by suitably qualified officers of the council with appropriate expertise, are as follows:

Council dwellings	10 to 80 years	straight line
Other buildings	15 to 80 years	straight line
Regeneration activity	10 to 120 years	straight line
Open spaces	10 to 120 years	straight line
Infrastructure	15 to 120 years	straight line
Vehicles, plant, equipment	5 to 20 years	straight line
Intangibles	5 to 10 years	straight line
Other	10 to 120 years	straight line

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

This change in policy has been applied prospectively for property assets that have been revalued during 2018/19 and for all other assets that are newly depreciated in 2018/19.

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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

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

Tangible fixed assets and depreciation – Common Good Assets

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 estimates life. The Fund only holds investment assets.

7. Assets Held for Sale

These 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. 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.

8. Heritage assets

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

Type of asset	Valuation method for Balance Sheet purposes
Ship models/ Silver and Commemorative wear	The last formal valuations were by Bonhams, Sotheby's and Phillips. Further formal valuations will be commissioned where it is considered that there could potentially be a material change in value and where the value of the asset is estimated to be in excess of £10,000
Works of art	The last formal valuations by Bonhams, Sotheby's and Phillips. Where a lower and upper valuation has been provided the mid valuation has been used. 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
Civic Regalia	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.
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	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 council 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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

9. Construction Contract (Work in Progress)

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. 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.

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.

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

10. 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 defined pension schemes:

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

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

10. Employee Benefits (cont'd)

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.

11. 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 are 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.

12. 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.

13. 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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

13. Financial liabilities (Cont'd)

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.

14. Financial Assets

Financial assets are classified using a principles based approach with the accounting treatment being determined by both the particular characteristics of the individual instrument and the overarching investment strategy under which the instrument has been acquired or originated. Three classes of financial asset have been identified:

- amortised cost;
- fair value through other comprehensive income; and
- fair value through profit or loss

Amortised Cost

For assets carried at amortised cost interest is credited (using the effective interest rate) and movements in impairment loss allowances are debited or credited to surplus or deficit on the provision of services with no recognition of gains or losses in fair value until reclassification or derecognition of the asset.

Fair Value Through Other Comprehensive Income

For assets carried at fair value through other comprehensive income movements in amortised cost are debited or credited to the surplus or deficit on the provision of services with movements in fair value debited or credited to other comprehensive income and expenditure.

Fair Value Through Profit or Loss

For assets carried at fair value through profit or loss all gains or losses are posted to surplus or deficit on the provision of services as they arise.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

14. 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. Where considered material movements in impairment loss allowances are also debited or credited as appropriate. 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.

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.

15. Fair Value Measurement

The council measures some of 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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

15. Fair Value Measurement (Cont'd)

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.

16. Government grants and contributions

Government grants and other contributions 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.

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.

17. Inventories

Inventories are held by a number of council services, such as asset maintenance services, roads, services, school technician services, hospitality services, etc., and include consumable stock and work in progress, where appropriate.

Consumable stock is included in the Balance Sheet on a cost price basis, with inventory quantities based on physical stock at the end of the year.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

18. Leases (Cont'd)

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 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).

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.

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

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

18. Leases (Cont'd)

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.

19. 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 2017/18. 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. General Fund Services have not been charged for these support service costs, in line with the council's budgetary reporting structure.

20. 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.

21. Provisions

Provisions are made where an event has taken place that gives the council a legal obligation or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential 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 payments are 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 required; the provision is reversed and credited back to the relevant service.

22. 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 an investment in the Balance Sheet, 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.

General Accounting Policies (Cont'd)

Note 33 - Accounting Policies (Cont'd)

23. VAT

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

Note 34 – Accounting Standards that have been issued but have not yet been adopted

For 2018/19, 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 2019/20 Code:

- IAS40 – Investment Property: Transfers of Investment Property – this clarifies guidance regarding transfers in/ out of investment properties where there is evidence of a change in use and the asset now meets (or ceases to meet) the definition of an investment property;
- Improvements to IFRS Standards 2014 to 2016. This includes:
 - IFRS1 – alleviates concerns regarding the deletion of short term exemptions for first time adoption of International Financial Reporting Standards;
 - IFRS12 – applies to the disclosure requirements of an entity's interests which are classified as held for sale/ distribution or as a discontinued operation, in accordance with IFRS5 (Non-current Assets Held for Sale and Discontinued Operations);
 - IAS28 – clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity is available for each individual investment in an associate or joint venture, upon initial recognition;
- IFRIC22 – Foreign Currency Transactions and Advanced Consideration – this applies to foreign currency transactions where a non-monetary asset or liability arises from either a payment or a receipt of an advanced consideration, before recognition of the related asset, expense or income;
- IFRIC23 – Uncertainty over Income Tax Treatments – this clarifies the accounting uncertainties in income taxes and should be used when determining taxable profits/loss, tax bases, unused tax losses/ credits and tax rates where there is an element of uncertainty over income tax treatment under IAS12; and
- IFRS9 amendments – Financial Instruments (prepayment features with negative compensation) – this alters the existing requirements in IFRS9 regarding termination rights in order to allow measurement at amortised cost.

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 2019 and therefore there is no impact on the 2018/19 Statement of Accounts.

Note 35 – 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 32. 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 2019 but not taken at that date has been quantified on 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.

General Accounting Policies (Cont'd)

Note 35 – Critical Judgement in Applying Accounting Policies (Cont'd)

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.

Public Sector Funding – There is a high degree of uncertainty about future levels of funding for local government. However, the council has determined that this uncertainty is not yet sufficient to provide an indication that the assets held might be impaired as a result of a need to close facilities and reduce levels of service provision.

Note 36 - 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 32 on pages 103 to 116 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 cost price basis. 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. There is no difference in the Profit and Loss Account by using this method in comparison with IAS19 (which is used by other group entities) therefore there is no impact on the results of the group.

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 benefit expenses**
This includes salaries, wages, overtime, bonus, enhancements, pensions, employer's national insurance, travelling and subsistence expenses and other staff allowances.
- 2. Other service expenses**
This includes:
 - property costs (e.g. rent, rates, insurance, repairs and maintenance, upkeep of grounds, heating and lighting);
 - supplies and services (e.g food, materials, books, uniforms and protective clothing, purchase/ maintenance of equipment);
 - transport costs (e.g. fuel, repairs and maintenance, tyres, licences, insurance and procurement of transport for school children);
 - administration costs (e.g. printing and stationery, advertising, postages, telephone costs);
 - Payments to Other Bodies (e.g. grants and payments to individuals, organisations and agencies providing services complementing or supplementing the Council's work.
- 3. 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.
- 4. General Income**
This includes the charges to persons and bodies for the direct use of council services.
- 5. 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.
- 6. 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.
- 7. 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.
- 8. 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.
- 9. 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
- 10. Expected Return of Pension Assets**
The average rate of return expected over the remaining life of the related obligation on the actual assets held.
- 11. CIPFA**
Chartered Institute of Public Finance and Accountancy
- 12. LASAAC**
Local Council (Scotland) Accounts Advisory Committee
- 13. Budget**
The original revenue budget as set by Members at an appropriate Council meeting.
- 14. Intangible Assets**
Expenditure on assets such as software licences that do not have physical substance but are identifiable and controlled by the Council.
- 15. 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.

Glossary of Terms (Cont'd)

- 16. Capital Adjustment Account (CAA)**
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.
- 17. Financial Instrument Adjustment Account (FIAA)**
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.
- 18. Associate Body**
An entity other than a subsidiary or a joint venture in which the council has an interest and over who's operating and financial policies the council is able to exercise significant influence.
- 19. 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.
- 20. Statutory Additions**
Additional charges levied for late payment of council tax and non domestic rates.
- 21. Capital Items Replacement Fund**
Reserve earmarked for specific purposes within Education
- 22. Available for Sale Reserve**
Assets that have a quoted market price and/or do not have fixed or determinable payments.
- 23. Current Service Costs (Pension)**
This relates to the real cost of benefit entitlement earned by employees.
- 24. 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 2017/18 this relates to the capitalised cost of early retirements on efficiency grounds.
- 25. Curtailments (Pension)**
Used to reduce the number of expected years of future service for employees. In 2018/19 this relates to the capitalised cost of early retirements on efficiency grounds.
- 26. Interest Cost (Pensions)**
The amount needed to unwind the discount applied in calculating current service cost.
- 27. Expected Return on Assets (Pensions)**
A measure of the return on the investment assets held by the scheme for the year.
- 28. 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.
- 29. Available for Sale Assets**
These assets are in relation to Financial Instruments and include:
 - Equity investments; and
 - Other investments traded in an active market.
- 30. Heritage Assets**
An asset with historical, artistic, scientific, technological, geophysical or environmental qualities which is held for its contribution to knowledge and culture.
- 31. PPE**
Property, Plant and Equipment.

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
SUMMARY

APPENDIX 2

PERIOD END DATE 31 March 2019

Department Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19	Annual RAG Status	
	£000	£000	£000	%	
Resources	6,508	6,163	(344)	-5%	↑
Regulatory	2,645	2,333	(312)	-12%	↑
People & Technology	5,916	5,896	(20)	0%	↑
Communications, Culture and Community	5,873	5,836	(37)	-1%	↑
Education, Learning and Attainment	89,709	90,900	1,191	1%	↓
Environment and Neighbourhood	24,678	24,966	288	1%	↓
Housing and Employability	4,378	4,082	(296)	-7%	↑
Regeneration	(2,537)	(2,048)	489	-19%	↓
Miscellaneous Services	6,551	6,365	(186)	-3%	↑
Loan Charges	10,609	10,219	(390)	-4%	↑
Requisition (VJB)	718	718	0	0%	→
Requisition (SPT)	1,748	1,741	(7)	0%	↑
Requisition (HSCP)	64,318	64,318	0	0%	→
Non GAE Allocation	(6,833)	(6,906)	(73)	1%	↑
Contingency Fund	243	0	(243)	-100%	↑
Total Expenditure	214,523	214,582	59	0%	↓
Council Tax	(33,448)	(33,805)	(357)	1%	↑
Revenue Support Grant/ NDR	(180,931)	(180,864)	67	0%	↓
Use of Reserves	(144)	(144)	0	0%	→
Total Resources	(214,523)	(214,813)	(290)	0%	↑
Net Expenditure	(0)	(231)	(231)	-0.11%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
RESOURCES SUMMARY

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Audit	211	210	(1)	0%	↑
Central Administration Support	2,497	2,474	(23)	-1%	↑
Finance	1,453	1,476	23	2%	↓
Rent Rebates & Allowances	22	(316)	(337)	-1563%	↑
Revenues & Benefits	2,153	2,108	(45)	-2%	↑
Finance Business Centre	310	290	(20)	-6%	↑
Cost of Collection of Rates	18	68	50	278%	↓
Cost of Collection of Council Tax	(771)	(790)	(19)	2%	↑
Procurement	615	643	28	5%	↓
Total Net Expenditure	6,508	6,163	(344)	-5%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
REGULATORY SUMMARY

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Democratic and Registration Service	678	677	(1)	0%	↑
Environmental Health/ Trading Standards	707	666	(41)	-6%	↑
Licensing	(172)	(221)	(49)	28%	↑
Legal Services	914	887	(27)	-3%	↑
Planning	518	324	(194)	-37%	↑
Total Net Expenditure	2,645	2,333	(312)	-12%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
PEOPLE AND TECHNOLOGY

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Transactional Services	663	700	37	6%	↓
Human Resources (including risk)	1,219	1,152	(67)	-5%	↑
Information Services	3,667	3,673	6	0%	↓
Change Support	367	371	4	1%	↓
Total Net Expenditure	5,916	5,896	(20)	0%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
COMMUNICATIONS, CULTURE AND COMMUNITIES

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Communications & Marketing	372	357	(15)	-4%	↑
Citizen Services	1,263	1,232	(31)	-2%	↑
Performance & Strategy	323	317	(6)	-2%	↑
Libraries, Museums, Culture	1,714	1,691	(23)	-1%	↑
Arts and Heritage	475	493	18	4%	↓
Office Accommodation	1,424	1,493	68	5%	↓
Clydebank Town Hall	302	253	(49)	-16%	↑
Total Net Expenditure	5,873	5,836	(37)	-1%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
EDUCATION, LEARNING AND ATTAINMENT

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Primary Schools	25,429	25,461	32	0%	↓
Secondary Schools	23,902	24,451	549	2%	↓
Specialist Educational Provision	13,924	14,787	863	6%	↓
Psychological Services	496	468	(28)	-6%	↑
Sport Development / Active Schools	559	559	0	0%	→
Early Education	7,896	7,786	(110)	-1%	↑
PPP	14,746	14,712	(34)	0%	↑
Cultural Services	467	480	13	3%	↓
Curriculum for Excellence	177	92	(85)	-48%	↑
Central Admin	202	273	71	35%	↓
Workforce CPD	356	301	(55)	-15%	↑
Performance & Improvement	454	451	(3)	-1%	↑
Education Development	1,102	1,079	(23)	-2%	↑
Raising Attainment - Primary	0	(0)	(0)	0%	↑
Raising Attainment - Secondary	0	0	0	0%	↓
Pupil Equity Fund (including LAC PEF)	0	0	0	0%	→
Total Net Expenditure	89,709	90,900	1,191	1%	↓

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
ENVIRONMENT AND NEIGHBOURHOOD

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19	Annual RAG Status
Service Summary	£000	£000	£000	%
Transport, Fleet & Maintenance Services	(398)	(375)	23	-6%
Catering Services	4,043	4,063	19	0%
Building Cleaning	1,448	1,444	(4)	0%
Building Cleaning PPP	(227)	(251)	(24)	11%
Facilities Assistants	2,051	1,844	(207)	-10%
Facilities Management	354	321	(33)	-9%
Roads Operations	(911)	(746)	165	-18%
Roads Services	4,049	3,869	(180)	-4%
Grounds Maintenance & Street Cleaning Client	7,366	7,366	(0)	0%
Outdoor Services	229	278	49	21%
Leisure Management	3,358	3,412	54	2%
Events	118	113	(5)	-4%
Burial Grounds	(148)	(126)	22	-15%
Crematorium	(907)	(821)	86	-9%
Waste Services	6,980	7,292	312	4%
CPP Investments	0	0	0	0%
Depots	0	0	0	0%
Ground Maintenance & Street Cleaning Trading A/c	(2,727)	(2,718)	9	0%
Total Net Expenditure	24,678	24,966	288	1%

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
HOUSING AND EMPLOYABILITY

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Working 4 U	2,800	2,693	(107)	-4%	↑
Communities	790	786	(4)	0%	↑
Homeless Persons	147	71	(76)	-52%	↑
Private Sector housing	46	47	2	4%	↓
Anti Social Behaviour	595	485	(111)	-19%	↑
Total Net Expenditure	4,378	4,082	(296)	-7%	↑

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
REGENERATION

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19	Annual RAG Status
Service Summary	£000	£000	£000	%
Housing Maintenance Trading A/c	(1,586)	(552)	1,034	-65% ↓
Housing Asset and Investment	40	5	(35)	-88% ↑
Corporate Assets and Capital Investment Programme	(2,042)	(2,332)	(290)	14% ↑
Economic Development	299	285	(14)	-5% ↑
Central Repairs & Maintenance	(42)	(333)	(291)	693% ↑
Private Sector Housing Grants	82	64	(18)	-22% ↑
Consultancy Services	712	815	103	14% ↓
Total Net Expenditure	(2,537)	(2,048)	489	-19% ↓

WEST DUNBARTONSHIRE COUNCIL
REVENUE BUDGETARY CONTROL 2018/2019
MISCELLANEOUS

APPENDIX 2

PERIOD END DATE

31 March 2019

Service / Subjective Summary	Total Budget 2018/19	Annual Spend	Variance 2018/19		Annual RAG Status
Service Summary	£000	£000	£000	%	
Sundry Services	4,070	3,917	(153)	-4%	↑
Members Allowances, etc	590	573	(17)	-3%	↑
CPP	27	13	(14)	-52%	↑
European Employability	510	510	0	0%	→
Chief Executive, Directors and Strategic Leads	1,354	1,351	(3)	0%	↑
Total Net Expenditure	6,551	6,365	(186)	-3%	↑

YEAR END DATE

31 March 2019

Budget Details	Variance Analysis			
	Total Budget	Annual Spend	Variance	RAG Status
	£000	£000	£000	%

Resources

Rent Rebates & Allowances	22	(316)	(337)	-1563%	↑
Service Description	This service provides rent relief for council and private sector tenants, mainly funded by Central Government				
Main Issues / Reason for Variance	The main reason for the underspend is due to an increase in the overpayment recoveries due received.				

Regulatory

Planning	518	324	(194)	-37%	↑
Service Description	This Service provides Building & Planning services				
Main Issues / Reason for Variance	The main reason for the favourable variance is income is higher than budgeted this year. This is a demand led budget and can fluctuate throughout the year.				

People & Technology

Human Resources (including risk)	1,219	1,152	(67)	-5%	↑
Service Description	This service provides Strategic Human Resources and Risk services to the				
Main Issues / Reason for Variance	The main reasons for the favourable variance is staff vacancies within the service, also there was a reduction in the amount paid to HMRC for Tax Benefits				

Communications, Culture & Community

Office Accommodation	1,424	1,493	68	5%	↓
Service Description	Provision of shared office accommodation				
Main Issues / Reason for Variance	The main reason for adverse variance is additional rates being incurred due to later than anticipated demolition of Garshake (132K) . This is partially offset by lower employee and property costs in respect of 16 Church Street				

Education , Learning and Attainment

Secondary Schools	23,902	24,451	549	2%	↓
Service Description	This service area includes all Secondary Schools.				
Main Issues / Reason for Variance	Teacher costs were over-budget due to higher than expected average employee costs though non-teacher employee costs were slightly under-budget. Property Costs are over budget due to higher than anticipated costs relating to non-domestic rates.				

Specialist Educational Provision	13,924	14,787	863	6%	↓
Service Description	This service area covers all ASN Services.				
Main Issues / Reason for Variance	Payments to Other Bodies are overspent due to more children being placed within daycare (up 4% to March on last year) and residential placements (up 3% to March on last year). An additional pressure has been the 13% increase in the average cost of residential placements reflecting the more demanding nature of such placements. Both Daycare and Residential services are demand-led. In addition, there has been a sharp decline in income from other local authorities for placements within WDC schools.				

YEAR END DATE

31 March 2019

Budget Details	Variance Analysis				RAG Status
	Total Budget	Annual Spend	Variance		
	£000	£000	£000	%	
Early Education	7,896	7,786	(110)	-1%	↑
Service Description	This services area includes all Early Years establishments within West Dunbartonshire.				
Main Issues / Reason for Variance	There was an underspend against core employee costs as a result of vacancies throughout most of 2018/19. Service delivery was not impacted as rolls were lower over this period.				
Curriculum for Excellence	177	92	(85)	-48%	↑
Service Description	This service area is designed to achieve a transformation in education by providing a coherent, more flexible and enriched curriculum from the ages of 3 to 18.				
Main Issues / Reason for Variance	Supported study budget was underspent as expenditure was covered by previous year's carry forward				
Central Admin	202	273	71	35%	↓
Service Description	This service area covers Education Directorate				
Main Issues / Reason for Variance	This overspend is linked with expenditure on period poverty and costs associated with XMA web licenses				
Workforce CPD	356	301	(55)	-15%	↑
Service Description	This service covers teacher training and professional development				
Main Issues / Reason for Variance	The reason for the favourable variance is the receipt of income from a staff secondment				
Environment and Neighbourhood					
Facilities Assistants	2,051	1,844	(207)	-10%	↑
Service Description	This service provides Facility Assistants throughout WDC buildings				
Main Issues / Reason for Variance	There has been a reduction in Facilities Assistant costs for a variety of reasons - such as: rationalisation of schools estate and campus approach; timing of filling vacant posts; reduction in overtime due to less out of hours requests				
Roads Operations	(911)	(746)	165	-18%	↓
Service Description	This service covers the delivery of roads works orders raised				
Main Issues / Reason for Variance	This overspend is offset by an underspend in Roads Services, as it is due to rechargeable work between the two services.				
Roads Services	4,049	3,869	(180)	-4%	↑
Service Description	Management of Roads including street lighting , traffic management and school crossing patrol				
Main Issues / Reason for Variance	This underspend is offset by an overspend in Roads Operations, as it is due to rechargeable work between the two services.				
Leisure Management	3,358	3,412	54	2%	↓
Service Description	Payment to WDLT for leisure services				
Main Issues / Reason for Variance	The main reason for this variance is due to community facility saving not being achieved in year				
Crematorium	(907)	(821)	86	-9%	↓
Service Description	This service provides crematorium services within the Council area				
Main Issues / Reason for Variance	The main reason for the adverse variance is due to income from cremations being less than anticipated				

YEAR END DATE

31 March 2019

Budget Details	Variance Analysis				RAG Status
	Total Budget	Annual Spend	Variance		
	£000	£000	£000	%	
Waste Services	6,980	7,292	312	4%	↓
Service Description	Waste Collection and Refuse disposal services				
Main Issues / Reason for Variance	Estimated additional costs incurred resulting from the closure of Greenlight total £167K. The remaining overspend is due to cover costs being higher than anticipated and increased cost of diesel. This is partially offset by additional income.				

Housing and Employability

Working 4 U	2,800	2,693	(107)	-4%	↑
Service Description	This is the provision of Working 4u service				
Main Issues / Reason for Variance	There is an underspend in relation to projects starting later than anticipated, which is partially offset by income being less than budgeted				

Homeless Persons	147	71	(76)	-52%	↑
Service Description	This service seeks to prevent homelessness occurring across the authority and improves access to support services				
Main Issues / Reason for Variance	Repairs and decoration costs less than budgeted				

Anti Social Behaviour	595	485	(111)	-19%	↑
Service Description	This is the provision of the anti social behaviour service within the Council area				
Main Issues / Reason for Variance	This favourable variance is due to vacant posts being held pending service restructure however does not impact on service delivery.				

Regeneration

Housing Maintenance Trading A/c	(1,586)	(552)	1,034	-65%	↓
Service Description	This service provides council housing maintenance				
Main Issues / Reason for Variance	There are three main factors contributing to the overall adverse variance. There is an adverse variance (£719k) due to a technical accounting adjustment for pension costs being higher than anticipated (offset by a favourable variance within Sundry Services). Also, the surplus contribution from external wall insulation is less than expected (due to a lower level of spend on this work stream). These adverse variances are partially offset by payments to subcontractors and spend on direct purchases being less than anticipated.				

Corporate Assets and Capital Investment Programme	(2,042)	(2,332)	(290)	14%	↑
Service Description	This service provides asset and estate management				
Main Issues / Reason for Variance	Reason for the underspend is due to staff vacancies, an underspend in repairs and income received being higher than anticipated.				

Central Repairs & Maintenance	(42)	(333)	(291)	693%	↑
Service Description	This service manages and undertakes repairs and maintenance to public buildings.				
Main Issues / Reason for Variance	The main reason for the favourable variance is due to additional income anticipated due to undertaking more internal capital works than had been budgeted				

YEAR END DATE

31 March 2019

Budget Details	Variance Analysis				RAG Status
	Total Budget	Annual Spend	Variance		
	£000	£000	£000	%	
Consultancy Services	712	815	103	14%	↓
Service Description	This area provides architectural services				
Main Issues / Reason for Variance	Reason for the overspend is additional staffing costs incurred to support the strategic housing investment plan and other capital projects. Recharge income shown as part of non GAE allocation				
Miscellaneous					
Sundry Services	4,070	3,917	(153)	-4%	↑
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	There are a number of additional charges such as: vacant care home property charges being charged to this account for NDR, water rates, gas and electricity (relief has already been fully applied). The Council's insurance charge was higher than anticipated due to excesses and staffing turnover for PAMG was not achieved. However, this is more than offset by an accounting technical adjustment for annual pension costs which results in a favourable variance within sundry services and an adverse variance within HMTA.				
Other					
Loan Charges	10,609	10,219	(390)	-4%	↑
Service Description	This budget covers the servicing of the Council's external borrowing				
Main Issues / Reason for Variance	A favourable variance is anticipated due to a combination of the final level of capital borrowing required in 2017/18 & the interest charges allocated.				
Non GAE Allocation	(6,833)	(6,906)	(73)	1%	↑
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	This favourable variance is due to the allocation of central administration to non GAE services being slightly higher than budgeted				
Contingency Fund	243	0	(243)	-100%	↑
Service Description	The contingency fund is used to accommodate externally influenced movements in service budgets				
Main Issues / Reason for Variance	The balance held in the contingency fund relates the completion of the annual recurring variance exercise				
Council Tax	(33,448)	(33,805)	(357)	1%	↑
Service Description	This details amounts of income anticipated to be collected from residents in the form of Council tax				
Main Issues / Reason for Variance	Level of Council Tax charges are anticipated to be higher than budgeted due to the level of debt write off through sequestration, etc being less than anticipated, leading to a reduced level of bad debt provision top up				
Revenue Support Grant/ NDR	(180,931)	(180,864)	67	0%	↓
Service Description	This represents the funding from Scottish Government				
Main Issues / Reason for Variance	The Councils allocation of specific financial support (allocated late in the year) was not as anticipated				

WEST DUNBARTONSHIRE COUNCIL
HRA REVENUE BUDGETARY CONTROL 2018/2019

Appendix 4

PERIOD END DATE

31 March 2019

Subjective Summary	Total Budget 2018/19 £000	Outturn £000	Variance 2018/19 £000	%	Annual RAG Status
Employee Costs	4,409	4,489	80	2%	↓
Property Costs	1,795	1,653	(142)	-8%	↑
Transport Costs	101	81	(20)	0%	↑
Supplies, Services And Admin	379	335	(44)	-12%	↑
Support Services	2,668	2,562	(106)	-4%	↑
Other Expenditure	291	435	144	49%	↓
Repairs & Maintenance	11,693	11,885	192	2%	↓
Bad Debt Provision	1,060	763	(297)	-28%	↑
Void Loss (Council Tax/Lost Rents)	1,084	866	(218)	-20%	↑
Loan Charges	19,028	25,100	6,072	32%	↓
Total Expenditure	42,508	48,169	5,661	13%	↓

House Rents	40,822	40,678	144	0%	↓
Lockup Rents	230	228	2	1%	↓
Factoring/Insurance Charges	1,114	1,159	(45)	-4%	↑
Other rents	132	115	17	13%	↓
Interest on Revenue Balance	70	93	(23)	-33%	↑
Miscellaneous income	140	6,152	(6,012)	-4294%	↑
Total Income	42,508	48,425	(5,917)	-14%	↑

Net Expenditure	0	(256)	(256)
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MONTH END DATE

31 March 2019

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
EMPLOYEE COSTS	4,409	4,489	80	2%	↓
Subjective Description					
This budget covers all employees charged directly to the HRA including caretakers.					
Variance Narrative					
Main Issues	The main reason for this adverse variance relates to an increase in the proportion of staffing costs recharged from other accounts of the authority, namely Homeless Persons and HMT0. Reviews by both services have identified that a higher percentage of staff time is spent on HRA activities, which was reflected in an increase in charge at the year end.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
PROPERTY COSTS	1,795	1,653	(142)	-8%	↑
Service Description					
This budget covers electricity, gas, rates, rents, cleaning and insurance costs.					
Variance Narrative					
Main Issues	The main reason for this favourable variance relates to a one year saving in respect of a provision for prior years unbilled electricity costs which is now not required.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
SUPPORT SERVICES	2,668	2,562	(106)	-4%	↑
Service Description					
This budget covers central support recharges to the HRA.					
Variance Narrative					
Main Issues	A review of the support services allocation across all services was undertaken during 2017/18 to reflect the revised current service structures. This resulted in the amount to be recharged to the HRA to be less than budgeted.				

MONTH END DATE

31 March 2019

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
OTHER EXPENDITURE	291	435	144	49%	↓
Service Description					
This budget covers strategy expenditure as well as legal fees, bank charges, rent abatements, tenancy sustainment work and factor's commission.					
Variance Narrative					
Main Issues	There are a number of reasons for this overspend, the main reasons being an increase in legal expenses (£25k) in relation to summons costs and monthly court fees, and an increase in rent abatements (£119k) due to void initiatives.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
REPAIRS & MAINTENANCE	11,693	11,885	192	2%	↓
Service Description					
This budget covers all repair and maintenance expenditure to houses and lockups.					
Variance Narrative					
Main Issues	The main reason for this overspend relates to the increased cost of void repairs. The main aim of 18/19 had been focus on maximising the number of void properties brought up to acceptable standard for re-letting and also reducing the time between lets.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
Bad Debt Provision	1,060	763	(297)	-28%	↑
Service Description					
This budget allows for the provision for bad and doubtful debts to be maintained at an appropriate level.					
Variance Narrative					
Main Issues	The budgeted provision is based upon prior year actual outturns. The 18/19 budget was set, prior to the end of 17/18, taking into account the outturn for 16/17. The actual bad debt provision was less than budget and was reflective of the 17/18 actual outturn.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
VOID LOSS	1,084	866	(218)	-20%	↑
Service Description					
This budget covers the rents lost on void houses and lockups and the cost of council tax on void properties					
Variance Narrative					
Main Issues	An improvement in the number of void properties is reflected in a lower than anticipated void loss on rents (£99k) and on the associated cost of council tax (£12k). A refund of void council tax of approximately £108k was also received for properties which were previously identified for demolition.				

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Budget Details		Variance Analysis				
Subjective Analysis		Budget	Forecast Spend	forecast Variance		RAG Status
		£000	£000	£000	%	
Loan Charges		19,028	25,100	6,072	32%	↓
Service Description						
Loan Charges comprise of 4 elements which are repayments of principle sums, the payments of interest and expenses and the cost of capital funded from current reserves (CFCR)						
Variance Narrative						
Main Issues	Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock. As noted in the report to Council on the 14 February 2019, £6.072m of the £7.422m of reserves was in respect of the regeneration of stock and therefore an additional £6.072m CFCR has been applied in year which explains the reason for this adverse variance. This is offset by the contribution from the reserves as shown within the miscellaneous income section.					

Budget Details		Variance Analysis				
Subjective Analysis		Budget	Forecast Spend	forecast Variance		RAG Status
		£000	£000	£000	%	
HOUSE RENTS		(40,822)	(40,678)	144	0%	↓
Service Description						
Rental income from houses						
Variance Narrative						
Main Issues	This budget is based on the expected numbers of stock available for rent and makes assumptions about when surplus stock will be removed from the letting pool. The rate of transfer of surplus stock from the letting pool was higher than assumed in the budget.					

Budget Details		Variance Analysis				
Subjective Analysis		Budget	Forecast Spend	forecast Variance		RAG Status
		£000	£000	£000	%	
MISCELLANEOUS INCOME		140	6,152	6,012	4294%	↑
Service Description						
Any other miscellaneous Income						
Variance Narrative						
Main Issues	The main reason for this favourable variance relates to additional income received in year from the revenue reserves which offsets the adverse variance reported within the loan charges section above, in relation to the additional CFCR applied in year (£6.072m). This is offset to a small extent by reduced income in several areas such as laundry and shared property costs.					

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OVERALL PROGRAMME SUMMARY

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PERIOD Year End

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	45	45.5%	94,090	54.2%	45	45.5%	37,992	76.9%
Amber								
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	17	17.2%	38,854	22.4%	17	17.2%	6,093	12.3%
Green								
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	37	37.4%	40,737	23.5%	37	37.4%	5,291	10.7%
TOTAL EXPENDITURE	99	100%	173,682	100%	99	100%	49,377	100%

Project Status Analysis	Project Life Financials				Current Year Financials			
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Spend to Date £000	Actual Spend £000	Actual Variance £000
Red								
Projects are forecast to be overspent and/or significant delay to completion	202,472	94,090	203,485	1,013	69,565	37,992	37,992	(31,572)
Amber								
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	82,947	38,854	82,708	(238)	8,339	6,093	6,093	(2,246)
Green								
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	46,998	40,737	46,908	(90)	5,873	5,291	5,291	(583)
TOTAL EXPENDITURE	332,417	173,682	333,102	685	83,777	49,377	49,377	(34,400)

TOTAL RESOURCES	(332,417)	(173,682)	333,102	(685)	83,777	(49,377)	49,377	34,400
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NET EXPENDITURE	0	0	0	0	0	0	0	(0)
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WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT RED ALERT STATUS

APPENDIX 6

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	Transformation of Infrastructure Libraries and Museums						
	Project Life Financials	421	5	1%	421	0	0%
	Current Year Financials	421	5	1%	5	(416)	-99%
	Project Description	To improve performance and efficiency of Council's Libraries and Cultural Services.					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The capital project to transform the infrastructure of Libraries and Museums has slipped due to unplanned absences in the senior management team, and competing priorities within other Council teams supporting this project. Officers are disappointed the investment is not being made as planned but are committed to delivering this project successfully in 2019/20 so remaining 2018/19 budget of £0.416m is required to be rephased to 2019/20.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Project will be delivered although will be later than originally planned.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

2	Choices Programme - to assist young people who require additional support					
	Project Life Financials	750	565	75%	750	(0) 0%
	Current Year Financials	731	547	75%	547	(185) -25%
	Project Description	Bringing together Central Support Services which will include relocation of Choices Programme.				
	Project Lifecycle	Planned End Date	01-Feb-19	Actual End Date		31-Aug-19
	Main Issues / Reason for Variance					
	Further works have being delayed to May 2019 due to various contributing factors which include the prioritisation of resources, the unknown volume of rot work and repairs required to roof trusses (which was unknown until the areas were exposed), and various structural works (again which were unknown until exposed). Previous plaster finishes have covered up the poor condition of the stone/brickwork behind and the unsafe roof structure bearing on this. As a result of the delay £0.185m is required to be rephased to 2019/20.					
	Mitigating Action					
	None available at this time.					
	Anticipated Outcome					
	Project delivered within budget albeit later than anticipated.					

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

3

Kilpatrick School - New Build						
Project Life Financials	10,571	10,515	99%	10,818	247	2%
Current Year Financials	61	5	8%	5	(56)	-92%
Project Description	Design and build of construction of Additional Support Needs School.					
Project Lifecycle	Planned End Date	30-Jun-18	Actual End Date	30-Nov-17		
Main Issues / Reason for Variance						
Phase 2 physical works completed and practical completion achieved. WDC continue to request missing asbestos information from Hub West Scotland, however some of this information has been received and is being assessed. Project was physically complete November 2017 with retentions due to be paid as soon as all defects and snagging items have been rectified. At this time there are 2 defects still to be resolved. It is anticipated retention release will occur in 2019/20. Japanese Knotweed reliance letter is in place, however the final account (including final asbestos costs) is still outstanding and anticipated to exceed budget with the most recently reported overspend being circa £0.247m however there is a risk that this figure could be exceeded.						
Mitigating Action						
Opportunities to mitigate are limited. We are contractually obliged to pay for the asbestos removal if and when adequate documentation and records are provided. We are also contractually obliged to pay retention monies at the point when the Making Good Defects certificate is issued.						
Anticipated Outcome						
Final account is yet to be agreed. The project is anticipated to exceed available budget and is forecast to overspend.						

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast/ Actual Spend	Forecast Variance		
	£000	£000	%	£000	£000	%

4	OLSP - New Build						
	Project Life Financials	3,677	4,084	111%	4,084	407	11%
	Current Year Financials	177	584	329%	584	407	229%
	Project Description	Design and construction of new Secondary School in Bellsmyre, Dumbarton.					
	Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date	31-Mar-19		
	Main Issues / Reason for Variance						
	Project handed over and school opened on 25 October 2017, snagging process is complete and retentions have been released in relation to the new build. Originally £0.264 was contained within the budget for demolition but this was exceeded by £0.134m. Demolition is now complete and retentions on demolition project are due January 2020. The remaining overspend of £0.273m is in relation to late contractor change notices.						
Mitigating Action							
None available at this time due to cost of demolition being in excess of budgetary provision.							
Anticipated Outcome							
New Build opened to pupils on 25 October 2017 in line with the programme, however due to late contractor change notices and the tender for the demolition being in excess of budgetary provision the project will report an overspend of £0.407m.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

5	New Balloch Campus						
	Project Life Financials	16,464	16,667	101%	16,704	240	1%
	Current Year Financials	206	414	201%	414	208	101%
	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	28-Feb-19	Forecast End Date	31-Mar-19		
	Main Issues / Reason for Variance						
	The main construction project reached the end of the defect rectification period on 9 February 2019. The Demolition Contract was awarded following approval at the October 2018 Tendering Committee. Demolition works commenced on site December 2018 and were certified complete March 2019. The overall project is reporting an anticipated overspend of £0.240m at this time and is expected to be financially complete by 31 March 2020.						
	Mitigating Action						
	Continue to meet with contractor monthly to review defect rectifications. Final account is concluded for the main works, however spend continues for the Haldane demolition with retention release due March 2020.						
	Anticipated Outcome						
	Delivery of project greater than originally budgeted.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

6	Early Years Early Learning and Childcare Funding						
	Project Life Financials	8,522	2,085	24%	8,562	40	0%
	Current Year Financials	3,383	446	13%	446	(2,937)	-87%
	Project Description	Early learning and childcare funding awarded to West Dunbartonshire Council to facilitate the expansion in entitlement to funded ELCC to 1140 hours from August 2020.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	This budget relates to early learning and childcare funding awarded to West Dunbartonshire Council to facilitate the expansion in entitlement to funded ELCC to 1140 hours from August 2020. Works complete to Ferryfield, Auchnacraig, and St Mary's. Works onsite at Andrew Cameron, Braehead, Levenvale and Dalmonach due to complete in 2019/20. Following care inspectorate engagement and analysis of need within West Dunbartonshire Council, the implementation plan has been approved. This includes various amendments to the original scope of works required and accordingly reprofiling of projects and spend resulting in project reprofiling of £2.937m. All projects will be complete by August 2020 with the possible exception of Renton depending on capacity of building services.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
The project will be delivered but at a later date than originally planned.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

7	Vehicle Replacement						
Project Life Financials		4,012	(34)	-1%	4,012	0	0%
Current Year Financials		4,012	(34)	-1%	(34)	(4,046)	-101%
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-19	Forecast End Date		31-Mar-20
Main Issues / Reason for Variance							
<p>The Contract Authorisation Report for the Provision of Heavy Goods Vehicles (HGV's) and Refuse Collection Vehicles (RCV's) and Associated Services was submitted to and approved at the Tendering Committee held on 14 November 2018 and orders have now been placed for the vehicles in this category. The Contract Authorisation Report for the Provision of Passenger Buses is scheduled for the September 2019 Tendering Committee and the Contract Authorisation Report for Light Commercial Vehicles and Cars is provisionally scheduled for the October 2019 Tendering Committee. Due to the vehicle build and delivery lead time associated with the HGV's, RCV's & Passenger Buses and the delivery lead time from the date of supply order placement for Light Commercial Vehicles and Cars, it is anticipated that delivery and receipt of the 2018/19 scheduled replacement vehicles will be delayed to 2019/20. The Safe Stop installation programme is currently ongoing with 17 vehicles having had the Safe Stop system fitted (but not yet commissioned due to a technical issue which is currently being addressed) and 3 vehicles are pending for installation and commissioning. On this basis there will be slippage of £4.046m to 2019/20.</p>							
Mitigating Action							
None available at this time due to build lead in times for HGV and buses.							
Anticipated Outcome							
Replacement of fleet later than anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

8	Allotment Development						
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.					
Project Lifecycle		Planned End Date		31-Mar-19	Forecast End Date		31-Mar-20
Main Issues / Reason for Variance							
<p>Proposed main site (Townend Road) is anticipated to cost £0.300m and was previously identified on the local plan for housing. This has resulted in an initial delay to the project while Estates marketed the site as such, however due to lack of demand for housing in this site it has now been agreed that the site can be used for allotments. Site investigation works returned a positive result that the site can indeed be used for allotments as intended. Plans are now being made to progress with meetings set with procurement and consultancy services early 2019/20 to progress the project. 2 further satellite sites have been identified and are estimated to cost £0.093m in total - again site investigation works are ongoing to determine the suitability of these sites for use as allotment developments and are due to be returned in due course. At this time both the main site and satellite sites are anticipated to be completed by 31 March 2020 with retentions due in March 2021, however these dates are subject to favourable site investigation results for the further 2 satellite sites. Plans for a further mini site at Alexandria Library budgeted to cost approximately £0.007m are ongoing with Work Connect having commenced work on the smaller area of garden immediately behind the rear entrance to the library, although works however have been delayed slightly due to scaffolding that has been erected in the allotment area to replace library windows. Full budget is therefore required to be rephased to 2019/20.</p>							
Mitigating Action							
Ability to mitigate has been limited due to requirement for officers to assess site suitability with Environmental Health.							
Anticipated Outcome							
Development of allotments to take pressure off current 10 year waiting list.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

9 Community Capital Fund						
Project Life Financials	3,431	3,043	89%	3,611	180	5%
Current Year Financials	1,454	887	61%	887	(566)	-39%
Project Description	Upgrade and improve recreational facilities throughout West Dunbartonshire.					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Oct-19		
Main Issues / Reason for Variance						
Slippage of £0.566m relates to Balloch Park Slip Way Play Area, Dillichip Park, Castlehill MUGA upgrade, and Inler park, park upgrade. With regards to Balloch Park Slipway, plans are currently being developed and expected to progress in early 2019/20. At Dillichip Park, works commenced February 2019 and due to be complete early 2019/20. The Castlehill MUGA upgrade delay was due to specialist consultants being appointed to pull together tender documentation. Works commenced March 2019 with completion expected in 2019/20. With Inler Park, this project had an anticipated start date of February 2018 but was delayed due to engineering problems. Discussions were ongoing with SEPA & Planning to come up with an engineering solution and subsequently tenders returned over budget therefore value engineering was required, which delayed the project further. Works commenced March 2019 and are expected to complete October 2019. As a result of the issues noted, the remaining budget is required to be rephased to 2019/20.						
Mitigating Action						
Discussions are ongoing with SEPA & Planning to come up with engineering solution to mitigate flooding risk - these discussions re nearing completion, however further mitigation with regard to project slippage is limited to due to the nature of the works involved and the timescales of when this work is suited to being carried out.						
Anticipated Outcome						
Improved recreational facilities throughout WDC anticipated to be delivered slightly over budget and later than anticipated.						

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

10	Holm Park & Yoker Athletic FC						
	Project Life Financials	750	436	58%	750	0	0%
	Current Year Financials	750	436	58%	436	(314)	-42%
	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-Jul-19		
	Main Issues / Reason for Variance						
	Works commenced on site December 2018 and progressing towards an anticipated completion date of July 2019. Additional works have been scoped and will commence June 2019. As a result remaining budget of £0.314m is required to be rephased to 2019/20.						
Mitigating Action							
Project progress will be monitored through regular site meetings.							
Anticipated Outcome							
Project to be delivered on budget but later than expected.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

11	Environmental Improvement Fund						
	Project Life Financials	1,690	1,077	64%	1,690	0	0%
	Current Year Financials	915	301	33%	301	(614)	-67%
	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-Aug-19		
	Main Issues / Reason for Variance						
	Due to the specialist nature of the work required for Mountblow 3G Pitch the Council has been required to engage the services of Specialist Sports Field Consultants who were required to pull together tender documentation. Tender was awarded in October 2018 and works commenced January 2019. The revised physical completion date is August 2019 with retentions due in August 2020. £0.614m required to be rephased to 2019/20.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Mountblow 3G pitch to be completed within available budget albeit later than anticipated.							

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Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

12	Dalmonach CE Centre						
	Project Life Financials	1,150	269	23%	1,150	(0)	0%
	Current Year Financials	1,110	229	21%	229	(881)	-79%
	Project Description	To create new community facilities with additional space for early years provisions.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Jul-19		
	Main Issues / Reason for Variance						
	Project was delayed in the early stage due to initial costs being in excess of the available budget. Following clarification and value engineering, the additional costs related to early learning and childcare enhancements will be funded from new early years funding advised in May 2018. Works are progressing on site and it is anticipated that the project will be physically complete end of July 2019 therefore the remaining budget of £0.881m is required to be rephased to 2019/20.						
Mitigating Action							
Project being reported and monitored through WDC Leisure Management Meetings, Schools Estate Board Meetings and SAMG updates. Officers have assessed the required spend on the Early Years element of the project and there is expected to be sufficient capacity within the Scottish Government capital grant funding from Early Years to fund the Early Years element of this project.							
Anticipated Outcome							
To create a new community facilities with additional space for early years provisions, over original budget and later than first anticipated.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

13	Kilmaronock Cemetery Extension						
	Project Life Financials	225	8	4%	225	0	0%
	Current Year Financials	225	8	0%	8	(217)	-96%
	Project Description	Extension of existing cemetery at Kilmaronock.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The original planned project to extend the current cemetery is no longer viable due to soil depth and land being unsuitable. Another adjacent field has been identified as potentially being suitable, however this land is currently owned by Church of Scotland. Estates have made contact with Church of Scotland who have acknowledged the request but have not yet granted permission to carry out the necessary site investigation works to see if the ground is suitable to be used for the cemetery extension. Discussions between Church of Scotland and Estates are ongoing and should permission not be granted Officers will be required to consider further possible alternatives. As a result of the delay out with Council control, £0.217m is required to be rephased to 2019/20.						
Mitigating Action							
Officers are engaging with Church of Scotland regarding possible use of land in field adjacent to take the project forward.							
Anticipated Outcome							
To provide further burial space at Kilmaronock Cemetery although later than anticipated.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

14	Posties Park Sports Hub - New sports hub to include Gym & running track					
	Project Life Financials	1,802	60	3%	1,802	(0) 0%
	Current Year Financials	1,742	0	0%	0	(1,742) -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	30-Apr-20	
	Main Issues / Reason for Variance					
	Initial cost estimates indicated a budget shortfall of £0.300m due to ground conditions meaning that the foundations had to be designed to be more substantial than first anticipated and decontamination was required due to asbestos discovered on site, however value engineering exercises have been undertaken and designs were amended. Tenders were returned at end of 2018/19 and in excess of allocated budget so as a result follow up meetings are scheduled with procurement, design team and preferred contractor to investigate value engineering options with a view of getting the tender on budget in 2019/20. It is still hopeful physical completion will be achieved by April 2020 and retentions of 5% due by April 2021.					
Mitigating Action						
Value engineering options being explored.						
Anticipated Outcome						
Creation of sports hub later than first anticipated of December 2018 but now April 2020.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

15	Sports Facilities Upgrades						
	Project Life Financials	124	2	1%	124	0	0%
	Current Year Financials	124	2	1%	2	(122)	-99%
	Project Description	Project is part of wider investment in sporting facilities and is dependent on match funding from Sport Scotland. Agreement in principle to wider WDC strategic priorities.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Jan-20		
	Main Issues / Reason for Variance						
	The budget has been allocated for construction of 3 All weather tennis courts at Argyll Park. This project is estimated to cost £0.650m and it was hopeful that with application to The Lawn Tennis Association, match funding would be received, however following discussions with The Lawn Tennis Association in April 2018 they have only offered 25% funding. Match funding of 25% has been provided by Sports Scotland. Project has been tendered for specialist sports field consultants to develop designs for tender issue. Work anticipated to commence August 2019 and complete January 2020, with retentions then due January 2021, therefore budget on this project will be required to be rephased to future years. As it stands for 2019/20, £0.080m external funding has been granted, £0.040m internal capital funds, £0.040m funded by revenue.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
To deliver project within budget albeit later than first anticipated.							

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

16	Vale of Leven Cemetery Extension						
	Project Life Financials	650	165	25%	650	0	0%
	Current Year Financials	490	4	1%	4	(485)	-99%
	Project Description	Extension of existing cemetery in Vale of Leven.					
	Project Lifecycle	Planned End Date	31-Mar-16	Forecast End Date	31-Jul-20		
	Main Issues / Reason for Variance						
	Difficulties in purchasing the preferred site resulted in early delays to this project. Site investigation works on the preferred site are now complete and the land was deemed suitable in October 2018. Negotiations are now complete and approval granted at February IRED committee to purchase land and Legal are now in the process of concluding the purchase. Once purchase is complete the project will go to tender and it is hopeful works will commence July 2019, with physical completion by July 2020 and retentions due July 2021 so remaining budget is required to be rephased to 2019/20.						
Mitigating Action							
Opportunities to mitigate are limited due to ongoing discussions with regards to purchase of land.							
Anticipated Outcome							
A suitable site has been identified and is in the process of being purchased to provide a sustainable burial environment, the project will be delivered on budget albeit later than originally planned.							

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	£000	£000	%	£000	£000	%

17	New Westbridgend Community Centre						
	Project Life Financials	675	40	6%	675	(0)	0%
	Current Year Financials	635	0	0%	0	(635)	-100%
	Project Description	New Westbridgend Community Centre.					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Due to the delays in forming the new community group, changes to office bearers and time required to take forward Oscar application only the demolition of the old Community Centre was carried out in 2018/19 which was completed end of October 2017 with retentions paid October 2018. An application for community asset transfer was discussed at IRED in May 2019 and is progressing into next financial year. Project budget rephased to 2019/20.						
	Mitigating Action						
	None available at this time due to the difficulty in forming community group, and changing group members.						
	Anticipated Outcome						
Project to be delivered later than anticipated due to difficulty in forming community group but still anticipated to deliver within budget.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

18	New Sports Changing Facility at Duntocher						
	Project Life Financials	300	0	0%	300	0	0%
	Current Year Financials	300	0	0%	0	(300)	-100%
	Project Description	New Sports Changing Facility at Duntocher.					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Dec-19		
	Main Issues / Reason for Variance						
	Resource issues have delayed project commencement, however planning application is currently being prepared for submission. Costs have been returned from contractor but are over allocated budget and value engineering process is ongoing. £0.300m required to be rephased to 2019/20.						
Mitigating Action							
Continue to liaise with consultancy services to take the project forward and prevent further delay.							
Anticipated Outcome							
New sports facility within budget but albeit later than first anticipated.							

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	£000	£000	%	£000	£000	%

19	Online Payment System for Education Establishments						
	Project Life Financials	52	0	0%	52	0	0%
	Current Year Financials	52	0	0%	0	(52)	-100%
	Project Description	Cashless Catering within Primary Schools.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance							
<p>The Funding was allocated to roll out cashless catering in a number of primary schools which is being co-ordinated and led by Educational Services and the contract for the provision of online school payments was approved at the Tendering Committee on 15 November 2017. Due to the timescales for contract initiation it is wasn't possible to make progress in 2017/18 resulting in the budget being rephased into 2018/19. The current position is that Education is progressing with the pilot of their Parentpay system. There however appears to be some issues in relation to integrating the Parentpay system with the existing CRB cashless modules. Until such time as this has been resolved there will be no further spend on rollout of the CRB system. There has been no further progress in 2018/19 given that there have been a number of compatibility issues between the existing system and the overarching new automated payments system installed by Education. Work is ongoing to resolve the issues and it is hopeful Officers will be in a better position to expand the Cashless system in 2019/20 resulting in the project being rephased to next financial year.</p>							
Mitigating Action							
None available at this time.							
Anticipated Outcome							
To provide payment system for schools within budget albeit later than first anticipated.							

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	£000	£000	%	£000	£000	%

20	Free School Meals						
	Project Life Financials	200	68	34%	200	0	0%
	Current Year Financials	138	6	4%	6	(132)	-96%
	Project Description	Provision of Capital Funding from Scottish Government to implement free school meal initiative.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Awaiting confirmation from Building Services that they can carry out enabling works to Christie Park and Gavinburn Primary Schools. Due to the nature of the newly assessed works this will be required to be carried out during holiday period and a new programme will be confirmed with £0.132m being required to be rephased to 2019/20.						
Mitigating Action							
Opportunities to mitigate are limited due to need for work to be carried out around school holidays and building services resources. Officers will continue to discuss with both building services and facilities management to minimise further delay and look at other options should building services be unable to complete works.							
Anticipated Outcome							
Project completed within budget albeit later than anticipated.							

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	£000	£000	%	£000	£000	%

21	Auld Street Clydebank - Bond						
	Project Life Financials	400	212	53%	400	0	0%
	Current Year Financials	188	0	0%	0	(188)	-100%
	Project Description	Completion of roadworks associated with Auld Street housing development.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The timing of further works have been dependent on the progress of the builder on site, as the Council cannot proceed until the builder substantially completes his works. Currently awaiting confirmation of completion, after which the Council works can proceed. £0.188m is required to be rephased to 2019/20.						
	Mitigating Action						
	None available due to dependency on 3rd party contractor.						
	Anticipated Outcome						
Works complete within budget albeit later than anticipated.							

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	£000	£000	%	£000	£000	%

22	Flood Risk Management						
	Project Life Financials	757	176	23%	757	0	0%
	Current Year Financials	757	176	23%	176	(581)	-77%
	Project Description	Enhancement of drainage infrastructure to ensure compliance with Flood Risk Management Act 2009.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Oct-19		
	Main Issues / Reason for Variance						
	Contractor has been engaged to take on flood risk management. Renton Road installation of new drainage completed in February. While flood modelling of River Leven and other projects were under construction along with works to improve water courses Balloch and Dumbarton, however works delayed to 2019/20 due to consultants capacity. Works to Carrochan Burn (Balloch) were anticipated to commence February 2019, however have now been put on hold due to poor contractor response. Tender will be reissued through quick quote system in 2019/20 to take the project forward. £0.581m therefore required to be rephased to 2019/20.						
	Mitigating Action						
	Ability to mitigate is limited due to time lost due to SEPA restrictions and delay to contractual arrangements.						
	Anticipated Outcome						
	Project completed within budget albeit later than anticipated.						

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	£000	£000	%	£000	£000	%

23	Footways/Cycle Path Upgrades						
	Project Life Financials	180	34	19%	180	0	0%
	Current Year Financials	180	34	19%	34	(146)	-81%
	Project Description	Renewal and/or enhancement of failed footpaths/cycle paths through West Dunbartonshire.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Works planned for 2018/19 have not progressed as planned due to firstly prioritisation of resources, then due to surrounding road closures as a consequence of works firstly by Network Rail and then emergency gas works by Scottish Gas Networks. Works now re-scheduled for 2019/20 include resurfacing of Glasgow Road from St James' Retail Park to Greenhead Road, and the Cycle Path along the A82 (Dumbuck Hotel to Eastend Park). As a result budget is required to be rephased to 2019/20.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Project completed within budget, albeit later than first anticipated.							

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	£000	£000	%	£000	£000	%

24	Gruggies Burn Flood Prevention						
	Project Life Financials	15,000	195	1%	15,000	(0)	0%
	Current Year Financials	349	44	13%	44	(305)	-87%
	Project Description	Commission of Gruggies Flood Prevention Scheme.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-22		
	Main Issues / Reason for Variance						
	Project design is ongoing as optioneering has produced alternative design solutions. Project yet to be tendered as discussions ongoing with consultants (these are taking longer than anticipated) and a Scottish Environment Protection Agency (SEPA) contractor to produce a buildability statement. Ground investigation works due to commence early summer 2019 with works expected to take a few weeks following which officers will be in a position to take a design to tender. Project expected to complete in 2022 with retentions due in 2023. £0.305m is required to be rephased to 2019/20.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Project delivered within budget although later than anticipated.							

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	£000	£000	%	£000	£000	%

25	Infrastructure - Roads					
	Project Life Financials	5,016	4,379	87%	5,016	00%
	Current Year Financials	5,016	4,379	87%	4,379	(638)-13%
	Project Description	Infrastructure - Roads.				
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20	
	Main Issues / Reason for Variance					
	2018/19 budget is at full allocation, however some works are required to be rephased to 2019/20. Works scheduled in Dumbarton have not progressed as anticipated due to major road closures and diversion routes put in place as a subsequence of works firstly by Network Rail (which over ran) and then by emergency gas works by Scottish Gas Networks. £0.171m for work to resurface Renton Road was required to be delayed to 2019/20 as this road was used as a diversion route during Network Rail works. £0.223m relating to resurfacing works on A814 that were anticipated to be complete before March 2019, however are now required to be rephased to 2019/20 due to works being carried out by Scottish Gas Networks beforehand, £0.104m for retentions for works completed by external contractors in 2018/19 and the remaining £0.140m of rephasing relates to works to footpaths and structural patching in Dumbarton, Clydebank and Alexandria which is planned for 2019/20.					
Mitigating Action						
None available.						
Anticipated Outcome						
Projects completed later than anticipated.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

26	Protective overcoating to 4 over bridges River Leven						
	Project Life Financials	540	0	0%	540	0	0%
	Current Year Financials	270	0	0%	0	(270)	-100%
	Project Description	To overcoat 4 bridges over River Leven					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	30-Jun-20		
	Main Issues / Reason for Variance						
	Remedial work required to Bonhill Bridge, Dumbarton Bridge, Artizan Bridge and Footbridge from Renton to Vale of Leven Industrial Estate. Works delayed due to preparation of tender documents and work packages required for the structures. Physical works anticipated to commence summer 2019 and fully complete by summer 2020. Expenditure that was expected in 2018/19 related to preparation works required before physical works commence however this has now been rephased to 2019/20 and preparation works will now be carried out immediately before physical works commence.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Project will be delivered later than originally anticipated.							

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	£000	£000	%	£000	£000	%

27	Strathclyde Partnership for Transport - Bus, cycling and walking infrastructure improvements						
	Project Life Financials	425	38	9%	38	(387)	-91%
	Current Year Financials	425	38	9%	38	(387)	-91%
	Project Description	Strathclyde Partnership for Transport - Bus, cycling and walking infrastructure improvements					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Works have not progressed as anticipated in 2018/19. Congestion works on the A814 have been delayed due to discussions with stakeholders taking longer than expected on the schematic design, which have caused a delay in progression. While lighting works were complete in 2017/18 plans to complete the central reservation were anticipated to complete during 2018/19 but are now being rephased to 2019/20 due to service diversion issues and possible dialogue with Scottish Canals. As a result new grant offers from Strathclyde Partnership for Transport to be issued for 2019/20 to cover works required to continue from 2018/19 for A814 congestion reduction measures and bus infrastructure improvements.						
Mitigating Action							
None Required at this time as request being made to carry forward funds to 2019/20.							
Anticipated Outcome							
To deliver improved specified, bus, cycling and walking routes within West Dunbartonshire.							

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	£000	£000	%	£000	£000	%

28	Street lighting and associated electrical infrastructure						
	Project Life Financials	109	22	20%	109	0	0%
	Current Year Financials	109	22	20%	22	(87)	-80%
	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 2 of a longer programme, remainder will be considered in full capital plan refresh.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Works planned for 2018/19 were delayed due to the termination period of street lighting contracts and will be carried out in house or through quick quote in 2019/20. £0.014m is required for refurbishment of two under passes in Dumbarton, £0.020m is required for removal of old street lighting columns from previous capital schemes and £0.053m is required for planned works to replace control pillars. Therefore the full £0.087m is required to be rephased to 2019/20.						
	Mitigating Action						
	None available.						
	Anticipated Outcome						
Project completed within budget albeit later than anticipated.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

29	New Sports Changing Facility at Lusset Glen in Old Kilpatrick						
	Project Life Financials	150	0	0%	150	0	0%
	Current Year Financials	150	0	0%	0	(150)	-100%
	Project Description	New Sports Changing Facility at Lusset Glen in Old Kilpatrick					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Jul-19		
	Main Issues / Reason for Variance						
	Project is currently at design phase and is anticipated to be delivered during 2019/20 due to work being carried out by Scottish Gas Networks. Scottish Gas Networks works due to complete in early 2019/20 and site investigation works will commence soon after. Cost returned from contractor but are over allocated budget and value engineering process is ongoing, therefore budget of £0.150m is required to be rephased to 2019/20.						
Mitigating Action							
None available due to gas works being carried out.							
Anticipated Outcome							
Works to be carried out as planned.							

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	£000	£000	%	£000	£000	%

30	Mandatory 20mph Residential communities						
	Project Life Financials	500	5	1%	500	0	0%
	Current Year Financials	395	0	0%	0	(395)	-100%
	Project Description	Mandatory 20mph Residential communities.					
	Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The Scottish Government are currently reviewing 20mph legislation and officers are currently awaiting clarity from them before works can resume. This review is taking longer than anticipated resulting in only spend incurred in 2018/19 being the retention payment for traffic calming works in Howatshaws Road carried out the previous year. The remaining £0.395m is required to be rephased to 2019/20 while Scottish Government review legislation.						
Mitigating Action							
None available at this time as timing of review is out with Council control.							
Anticipated Outcome							
Project to be delivered within budget albeit later than first anticipated.							

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	£000	£000	%	£000	£000	%

31	Invest in "Your Community Initiative"						
	Project Life Financials	1,000	572	57%	1,000	(0)	0%
	Current Year Financials	565	137	24%	137	(428)	-76%
	Project Description	Capital budget to support the roll out of Your Community, an initiative designed to achieve coordinated service delivery in response to community need. This is complemented by community capacity building, empowering WD citizens to do more for their own communities (leading to less reliance on council). Also included is the implementation of participatory budgeting to support and build capacity in communities.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The main element of this budget relates to the Improvement Fund which is subject to the work of a tactical group who meets every 6 weeks and are working to identify suitable projects (the focus being on environmental projects in response to individual neighbourhood needs). There is also a review ongoing of the Your Community Initiative the aim of which is to streamline processes and deliver projects in a more timely fashion. Delay in spend is due to the fact that to date many of the improvements delivered via the Your Community approach have been funded from existing service budgets, resulting in insufficient spend from the Improvement Fund. Officers are actively researching investment opportunities in which this capital budget can be spent in the most beneficial way for the communities, with latest investment being in the new MUGA's at Castlehill in partnership with the Community Capital Fund. Other various proposals to utilise this budget are being presented and being evaluated at present to take the project forward therefore £0.428m is required to be rephased to 2019/20.						
Mitigating Action							
Opportunities to mitigate have been limited due to the need to liaise with communities. The group continues to liaise with groups regularly to ensure funds are utilised for the benefit of the communities.							
Anticipated Outcome							
Full budget spend anticipated albeit later than originally planned.							

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	£000	£000	%	£000	£000	%

32	Pappert Woodland Wind Farm						
	Project Life Financials	6,900	37	1%	6,900	0	0%
	Current Year Financials	169	6	0%	6	(163)	-97%
	Project Description	Provision of new windfarm.					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	The project team continues to explore partnership opportunities and consult with statutory consultees, however this is taking longer than anticipated due to land issues. A further meeting has taken place with WDC Planning to review options and further consult with statutory consultees.						
Mitigating Action							
Project team will continue to consult with Planning and other statutory consultees once revised scheme has been finalised.							
Anticipated Outcome							
Project completion generates savings in line with revised financial analysis.							

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	£000	£000	%	£000	£000	%

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Building Upgrades and H&S - lifecycle & reactive building upgrades						
Project Life Financials	5,222	4,234	81%	5,222	(0)	0%
Current Year Financials	5,222	4,234	81%	4,234	(988)	-19%
Project Description	Lifecycle and reactive building upgrades.					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance						
Budget had been fully allocated in 2018/19 and Officers have identified a number of projects which they anticipated would complete by end March 2019, however £0.988m of rephasing is required to 2019/20 due to various factors including prioritisation of internal resources and capacity within external subcontractors. This principally effects four main projects including Bridge Street Refurbishment, Mountblow Pavilion, St Martin's Primary School and The Concorde Centre. Retentions contribute £0.077m of the overall slippage to 2019/20.						
Mitigating Action						
Ongoing regular meetings seeking to mitigate any possible delays to projects.						
Anticipated Outcome						
Project delivered within budget and amended timescales.						

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	£000	£000	%	£000	£000	%

34	Oil to Gas Conversion (Braehead PS, Carleith PS & Hub CEC)						
	Project Life Financials	187	0	0%	187	0	0%
	Current Year Financials	187	0	0%	0	(187)	-100%
	Project Description	Oil to Gas Conversion (Braehead PS, Carleith PS & Hub CEC).					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Aug-19		
	Main Issues / Reason for Variance						
	Project has not progressed as originally planned due to a change in personnel and prioritisation of workload and resources. Works have to be completed during school closure so the project was being scoped during 2018/19 with works to be carried out during school summer recess in summer 2019. As a result £0.187m budget is required to be rephased to 2019/20.						
Mitigating Action							
None available at this time due to time required to fully scope project works.							
Anticipated Outcome							
Project will be delivered later than anticipated.							

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Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date	Forecast/ Actual	Forecast	Variance	
	£000	£000	%	£000	£000	%

35	Leisure Energy projects - air handling units, upgrade lighting, circulating pumps, and draught proofing					
Project Life Financials	277	59	21%	290	13	5%
Current Year Financials	244	27	11%	27	(218)	-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-18	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance						
Main reason for variance is due to Air Handling Unit (AHU) upgrades at Meadow Centre/Vale Swimming Pool which is budgeted at £0.225m. This project was first delayed in 2017/18 due to an unsuccessful initial tender and higher priorities within the Procurement service in relation to other required procurement activities resulting in remaining budget of £0.244m required to be rephased into 2018/19 from 2017/18. Following this first delay it was then anticipated that this work would be carried out in November 2018 with project completion anticipated in 2018/19 and retentions being required to be rephased into 2019/20. To facilitate this workstream a 2nd tender was issued in June 2018 based on historic specification however only 3 returns were received at end of July 2018 with only one bid being a legitimate bid which was over budget (the others being discounted - one due to timing of submission and incomplete status of the other). Officers have subsequently been liaising with the Leisure Trust regarding possible solutions ranging from just a refurbishment of the unit to mounting a unit outside as it has become apparent that installing an internal unit would have a detrimental effect on the operation of the centre due to the significant down time involved. To mounting the unit outside would require structural approval, planning approval and a building warrant (not to mention a new specification) thereby making it impossible to meet the deadline workings that were set for end of November. Structural engineers have completed scheduled soil samples at The Meadow Centre and results have been received and confirmed the ground is suitable to build an external base for the required Air Handling Unit, however the project has been faced with further delay in that design and details of the new foundation slab requires to be re-configured due to the discovery of the unusually large projection of the foundation from the face of the main building. This has altered the concept of the design of the proposed foundations so further works are required to take to tender which is anticipated to be July 2019 with returns due August 2019. £0.218m is required to be rephased to 2019/20.						
Mitigating Action						
None available at this time as the tender return was over budget resulting in a new plan and specification/approval requirements.						
Anticipated Outcome						
To install air handling units, upgrade lighting, circulating pumps and draught proofing to improve energy efficiency in leisure centres. Project expected to deliver within budget albeit later than first anticipated.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

36	Installation of Solar Panels (OHR PS and Whitecrook PS)						
	Project Life Financials	135	0	0%	135	0	0%
	Current Year Financials	135	0	0%	0	(135)	-100%
	Project Description	Installation of Solar Panels (OHR PS and Whitecrook PS).					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	30-Apr-20		
	Main Issues / Reason for Variance						
	Project has not progressed as originally planned due to a change in personnel and prioritisation of workload and resources. Works are anticipated to start in spring 2019, following approval of planning application, and expected to complete in 2019/20 therefore £0.135m required to be rephased to 2019/20.						
	Mitigating Action						
	None available at this time due to scoping and planning requirements.						
	Anticipated Outcome						
Project will be delivered later than anticipated.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

37	Upgrade Lighting (Alexandria CEC, Carleith PS, Dumbarton Library, WDAC & Whitecrook PS)						
	Project Life Financials	95	0	0%	95	0	0%
	Current Year Financials	95	0	0%	0	(95)	-100%
	Project Description	Upgrade Lighting (Alexandria CEC, Carleith PS, Dumbarton Library, WDAC & Whitecrook PS)					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Aug-19		
	Main Issues / Reason for Variance						
	Project has not progressed as originally planned due to a change in personnel and prioritisation of workload and resources. Project will be scoped in this financial year with works being rephased to 2019/20 when they are anticipated to commence early 2019/20 starting at Alexandria CEC, Dumbarton Library and West Dumbarton Activity Centre, before progressing to Carleith and White crook Primary School during the school summer recess. Carleith, White crook & Dumbarton Library designs complete and have went to Building Services for confirmation of install over summer period. £0.095m required to be rephased to 2019/20.						
Mitigating Action							
None available at this time due to scoping requirements.							
Anticipated Outcome							
Project will be delivered later than anticipated.							

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	£000	£000	%	£000	%

38	Regeneration/Local Economic Development				
Project Life Financials	2,319	591	25%	2,174	(146) -6%
Current Year Financials	2,319	591	25%	591	(1,728) -75%
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-19	Forecast End Date	31-Mar-20	
Main Issues / Reason for Variance					
There are two main issues to report with this budget. The first relates to the St Eunan's project where the anticipated cost is less than previously reported resulting in a projected underspend of £0.188m at this time. This underspend relates to the external grant funding from Green Infrastructure Fund so is not available for reallocation. This project also reports slippage of £1.3m due to the time taken to work through the legal and regulatory implications of an additional unanticipated conditions requested by Planning Committee, which has now been satisfied. Due to delay in executing the planning condition and with unrelated Scottish Water works required on-site the main works are now anticipated to commence in July 2019 with completion March 2020 and retention payments due March 2021. Costs in 2018/19 of £0.016m relate to contaminated land fees and site investigation works with the balance of £1.3m being required to be carried forward to future years. The second issue which should be noted relates to the Mitchell Way development site where spend will not take place until developer planning approval is achieved resulting in slippage of £0.250m. The Council is in discussions with Lidl as lead developer for the site and will progress the development over the next six months. There was also £0.030m budgeted for the resurface of Lomond Industrial Estate, however due to prioritisation of resources in the Roads department, this has had to be rephased to 2019/20.					
Mitigating Action					
Opportunities to further mitigate the slippage at St Eunan's is limited due to the timing of main works.					
Anticipated Outcome					
Significant progress with transformational projects including Dumbarton Waterfront, strategic disposal sites, Alexandria town centre and further progress with implementing Charrette Action Plans.					

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

39	Queens Quay - Regeneration						
	Project Life Financials	15,620	11,341	73%	15,620	0	0%
	Current Year Financials	11,763	7,484	64%	7,484	(4,279)	-36%
	Project Description	Queens Quay regeneration.					
	Project Lifecycle	Planned End Date	30-Jun-18	Forecast End Date	30-Nov-19		
	Main Issues / Reason for Variance						
	This project has experienced delays compared to the original timetable in order to coordinate and deliver the benefits of New Clydebank Health Centre, Care Home, and District Heating, resulting in forecast end date being extended to November 2019. However the spend related to these works is now well underway. Work on Quay walls is complete, with the exception of The District Heating Pumping Chamber which is progressing as planned and cathodic protection which will all be completed by the end of May 2019. The remediation works around the care home site have now been completed and contractor is on site with steelwork coming out of the ground. Roads infrastructure works are now underway and will continue throughout the year with a completion date of early November 2019. Actual spend in 2018/19 was £7.484m with £4.279m required to be rephased to 2019/20 with only works on Titan Boulevard and landscaping being the major items still outstanding.						
	Mitigating Action						
	A number of mitigating actions are being monitored through the risk register by the Management Group. Fortnightly meetings with the development partner take place to progress the project and make every attempt to reduce delays and slippage.						
	Anticipated Outcome						
	Regeneration of Clydebank Waterfront in line with budget, but delayed to co-ordinate with District Heating project.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

40	Exxon City Deal						
	Project Life Financials	34,050	1,317	4%	34,050	(0)	0%
	Current Year Financials	792	304	38%	304	(488)	-62%
	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-24	Forecast End Date	31-Mar-24		
Main Issues / Reason for Variance							
Regular updates are provided at every Council meeting, with City Deal papers presented at each meeting. The main issues contained within the new Council's approved Outline Business Case are still valid, which include Exxon's remediation strategy, land transfer arrangements and issues relating to adjoining owners. Until Exxon remediation strategy is approved and land transfer arrangements are resolved, only limited work can be undertaken (e.g. EIA) As the remediation strategy is being led by ESSO Mobil, at this time it is difficult to determine when it will be approved. ESSO Mobil is still in discussions with SEPA and WDC-Environmental Health to agree several items before it can be approved, however the timescales of this is out with Council control. £0.488m is required to be rephased to 2019/20.							
Mitigating Action							
Contained within Risk register monitored by Exxon Management Board. Technical reviews are being carried between our consultant PBA and Exxon consultants WSP to assess the proposed remediation strategy and to review historical data and reports. WDC officers are engaged with EXXON representatives in order to assess any programme implications. EXXON is progressing with the discussions with the planning department and SEPA as well as providing any technical information required.							
Anticipated Outcome							
Delivery of the project on time and within the increased budget.							

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

41

Queens Quay District Heating Network						
Project Life Financials	15,100	12,321	82%	15,100	0	0%
Current Year Financials	10,153	10,975	108%	10,975	821	8%
Project Description	Queens Quay District Heating Network.					
Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance						
Delay to project is due to time taken to appointment of the Energy Centre Operator (ECO) contractor as the returned tenders were unaffordable resulting in the need to secure additional funding from the Council to cover the Capital costs. An additional £3m of capital funding approved by Members at June Council, has been phased into 2019/20 and tender negotiations have been finalised and Letters of Intent have been issued. The project is currently running behind programme, however an accelerated programme is in place which Officers are hopeful will help to minimise the delay now the ECO contractor has been appointed. The £6m grant funding has been fully spent which fulfils the grant conditions and protects this income resource. Grant income of £6.1m recorded in 2018/19 accounts, with £0.821m of budget accelerated from 2019/20 to 2018/19.						
Mitigating Action						
Further discussions are to take place to identify Value Engineering items which will identify savings. Once this work has been carried out, Project Board to decide next steps as required.						
Anticipated Outcome						
Project will be delivered over original budget but a recovery plan is in place to deliver no later than anticipated.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

42	Regeneration Fund						
	Project Life Financials	12,400	105	1%	12,400	0	0%
	Current Year Financials	1,850	105	6%	105	(1,745)	-94%
	Project Description	Funding to implement major regeneration projects linked to community charrettes. (Created through underspend from Education)					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	Final spend for 2018/19 £0.105m with the remaining £1.745m of the budget required to be rephased to 2019/20. Projects experiencing slippage are detailed below. It has been determined that the Bowling Basin project does not provide a sufficient return for either Scottish Canals or the Council to invest the necessary capital and the project is unlikely to progress as planned with a report being presented to November IRED committee confirming this, resulting in slippage of £0.250m. In relation to Dumbarton Charrette planned foreshore works have been delayed due to discovery of invasive species across the site. This has led to protracted discussions with the land owners regarding removal of invasive species and therefore £0.500m is required to be rephased into 2019/20. Works are ongoing to improve public realm at Balloch Village Square. £0.105m has been spent this financial year on Balloch Village Square. These works commenced 21 January 2019 and expected to complete by the end of June 2019 resulting in the remaining budget of £0.495 being required to be rephased to 2019/20. In relation to Clydebank Charrette A814 a report was presented to Planning Committee in November 2018 and approved. The procurement process has commenced and the scape framework is being considered as an appropriate route for delivery, however no spend was anticipated in 2018/19 resulting in £0.500m being rephased to 2019/20 for this element of the project.						
Mitigating Action							
Project complexity and the need to programme some works to avoid busy tourism periods and reliance on third parties means that mitigation is challenging.							
Anticipated Outcome							
Progress towards delivery of planned projects from Economic Development Strategy and Charrette Action Plans albeit later than originally anticipated.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

43	Purchase of 3 Welfare Units						
	Project Life Financials	78	0	0%	78	0	0%
	Current Year Financials	78	0	0%	0	(78)	-100%
	Project Description	At Council meeting on 30th August 2017 it was agreed to purchase 3 Welfare Units as a spend-to-save proposal.					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Budget is required to be rephased into 2019/20 due to time taken to review available options, in which the purchase of mobile welfare units is deemed most suitable.						
	Transport and procurement are sourcing mobile welfare units and reviewing Scotland Excel framework contract to allow purchase in-line with the council's procurement and financial regulation policies. It is anticipated this budget will be fully spent in 2019/20.						
Mitigating Action							
None required at this time.							
Anticipated Outcome							
Project will be delivered later than anticipated, in 2019/20.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

44

Replace Elderly Care Homes and Day Care Centres						
Project Life Financials	27,463	16,297	59%	27,463	(0)	0%
Current Year Financials	8,146	2,498	31%	2,498	(5,648)	-69%
Project Description	Design and construction of replacement elderly care homes and day care centres in Dumbarton and Clydebank areas.					
Project Lifecycle	Planned End Date	31-Jan-19	Forecast End Date	30-Apr-20		
Main Issues / Reason for Variance						
Dumbarton Care Home achieved practical completion on 28 April 2017. The Statement of Final Account was agreed between Hub West Scotland and WDC in March 2019 within agreed budget. The Making Good Defects certificate was issued on 26 March 2019 with the vast majority of retention monies released. There is one outstanding recorded defect yet to be rectified relating to the CHP engine and accordingly £0.005m retention has been withheld but forecast to be released in 2019/20. With regards to Clydebank Care Home, CCG have been in possession of the site since the end of October 2018 and are progressing well against programme generally, however, current contractor's report states a loss of 24 hours due to adverse weather. It is anticipated that works will be complete on site by end April 2020 and operational by Summer 2020.						
Mitigating Action						
Due to the complexity of both the relationships and co-dependencies with other neighbouring projects being developed at the same time the ability to mitigate within the project scope of control is limited – corporately, mitigation rests with delivery of programmes for overall Queens Quay Masterplan and in particular District Heating System. Now that the contract has been awarded there will be greater control over the project and it's spend.						
Anticipated Outcome						
New Care home provision in Clydebank currently delayed as indicated by the overall forecast end date above.						

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

45	Direct Project Support						
	Project Life Financials	2,682	3,100	100%	3,100	418	16%
	Current Year Financials	2,682	3,100	100%	3,100	418	16%
	Project Description	Business support cost such as reallocation of architects and project support at year end					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-19		
	Main Issues / Reason for Variance						
	Over budget due to additional capital support in 2018/19.						
	Mitigating Action						
	Limited mitigating action due to year end central support reallocation.						
	Anticipated Outcome						
Direct project support costs allocated as appropriate.							

TOTAL PROJECTS AT RED STATUS							
<u>Project Life Financials</u>							
CSC	421	5	1%	421	0	0%	
HSCP	27,463	16,297	59%	27,463	(0)	0%	
IREC	130,722	40,133	31%	130,383	(339)	0%	
H&C	1,000	572	57%	1,000	(0)	0%	
EDUC	40,184	33,984	85%	41,118	934	2%	
GEN	2,682	3,100	0%	3,100	418	16%	
Project Life Financials	202,472	94,090	46%	203,485	1,013	1%	
Current Year Financials	69,565	37,992	55%	37,992	(31,572)	-45%	

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	Replacement GIS system and upgrade to						
	Project Life Financials	51	0	0%	51	0	0%
	Current Year Financials	51	0	0%	0	(51)	-100%
	Project Description	Replacement GIS system and upgrade to					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	The award of the tender for the supply and maintenance of a new GIS system was approved at the Tendering Committee on 16 January 2019. The capital element of this project will cost £0.051m which will be funded by the existing capital budget of £0.046m and a revenue contribution of £0.005m. Installation is expected early 2019/20 therefore the budget is required to be rephased to the new financial year.						
Mitigating Action							
None Required							
Anticipated Outcome							
GP/GIS in Planning.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

2

ICT Modernisation						
Project Life Financials	1,265	890	70%	1,292	27	2%
Current Year Financials	1,265	890	70%	890	(402)	-32%
Project Description	This budget is to facilitate ICT infrastructure and modernise working practices.					
Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance						
Device replacement spend committed and WDC requested that some devices be stored by supplier while build for Windows 10 is being finalised so as a result £0.081m required to be rephased to 2019/20 for device replacement. Awaiting supplier to bill WDC for ICT modernisation retention value following successful resilience test therefore remaining budget will be required to be rephased to 2019/20 to cover the cost of the retention due.						
Mitigating Action						
The ability to mitigate is limited as retentions held until resilience test is successfully completed.						
Anticipated Outcome						
To update ICT systems within budget albeit later than first anticipated.						

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

3	Aitkenbar PS, St Peters PS, Andrew Cameron EE&CC						
	Project Life Financials	10,636	10,318	97%	10,426	(210)	-2%
	Current Year Financials	460	142	31%	142	(318)	-69%
	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	30-Nov-17	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Final retention payment to contractor was expected to be released late 2018/19, with a projected underspend of £0.210m, however this was subject to the satisfactory completion of one remaining defect regarding drainage in which the contractor continues to work to rectify. This had not been completed as at 31 March 2019 with works expected to be carried out during summer recess to minimise disruption to staff and pupils. As a result there is a requirement to carry forward £0.108m into 2019/20. Once all defects works are complete and repairs have been successfully monitored the retention will be released.						
Mitigating Action							
None required.							
Anticipated Outcome							
Delivery of project on programme and under budget.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

4

Schools Estate Improvement Plan						
Project Life Financials	20,000	208	1%	20,000	0	0%
Current Year Financials	570	208	36%	208	(362)	-64%
Project Description	Completion of condition surveys has been carried out to identify works required to bring various schools from Condition C to Condition					
Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20		
Main Issues / Reason for Variance						
At the Educational Services Committee on 06 June 2018, members approved appraisal which includes St Marys' refurbishment and the new build Renton PS. The new build of Renton PS includes the new language & communication unit, and Riverside ELCC new build. With regards to Renton Campus phase 1 (new building) is due to be complete and in operation by August 2021 with phase 2 (MUGA pitch, demolition of existing Renton PS) due to be complete April 2022. Project life forecast to end with release of the final retention April 2023. There was a slight overspend of £0.008m in 2018/19 which has been accelerated from the 2019/20 budget for site investigations, survey works and professional fees within the professional services contract. With regards to St Marys, St Mary's works commenced June 2018 and internal condition survey works were due to complete by March 2019 but due to nature of the works, these will now extend into 2019/20 to complete early 2019/20 due to prioritisation of resources. As of March there was a delay in scheduled roofing works due to weather and further unforeseen issues. Multi Use Games Area (MUGA) is due to commence in summer recess and dining kitchen extension is at design phase at 31 March 2019. £0.370m is required to be rephased to 2019/20 for this element of the project. At this time £4m remains unallocated from the overall budget until a revised school estate management plan is approved.						
Mitigating Action						
Project monitored regularly with site meetings and reported to Schools Estate Project Board.						
Anticipated Outcome						
Funds anticipated to be utilised by 2020 subject to consultation.						

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

5	St. Patrick's PS New Play Upgrades						
	Project Life Financials	200	106	53%	200	0	0%
	Current Year Financials	200	106	53%	106	(94)	-47%
	Project Description	Purchase of Education ICT Active equipment.					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-May-19		
	Main Issues / Reason for Variance						
	Project was anticipated to be complete by 31 March 2019 however was delayed due to poor ground conditions. Works were ongoing at 31 March 2019 and due to be complete early 2019/20, with retentions due 12 months thereafter. Remaining budget of £0.094m required to be rephased to 2019/20.						
Mitigating Action							
Continue to monitor and liaise with legal and procurement and monitoring meetings in relation to spend will be ongoing.							
Anticipated Outcome							
Project to be delivered on budget but later than originally planned.							

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	Budget	Spend to Date	Forecast/ Actual	Forecast Variance		
	£000	£000	%	£000	£000	%

6	Clydebank Community Sports Hub						
	Project Life Financials	3,865	3,861	100%	3,915	50	1%
	Current Year Financials	2,386	2,436	102%	2,436	50	2%
	Project Description	Upgrade and improve recreational facilities throughout West Dunbartonshire.					
	Project Lifecycle	Planned End Date	31-Aug-19	Forecast End Date	30-Jun-19		
Main Issues / Reason for Variance							
Practical completion was achieved 26 October 2018 and facility became available for use. Officers were advised of the outcome of an adjudication proceeding between CBC and one of their Sub-Contractors which required WDC to pay extra over variation costs for site de-watering and an apportionment of legal cost in March 2019. This led to an overspend in the region of £0.040m which will require to be funded from WDC capital. Officers continue to work with CBC to agree the Final Account and forecast spend in 2019/20 relates to the final retention release and pitch maintenance payments due until November 2019.							
Mitigating Action							
We are contractually obliged to pay the projected overspend. We continue to meet with the project QS and CBC regularly, with a view to agreeing the final account at the earliest opportunity.							
Anticipated Outcome							
Project handed over and open to the public in line with target of October 2018. Project reporting a projected overspend.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

7	Public non-adopted paths and roads						
	Project Life Financials	179	81	45%	179	0	0%
	Current Year Financials	179	81	45%	81	(98)	-55%
	Project Description	Upgrades to drainage and lighting to enhance the lifespan of paths and roads within facilities in public parks, cemeteries and civic					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Numerous projects have been identified and will be carried out by Roads Services, however due to prioritisation of resources, £0.098m is required to be rephased into 2019/20.						
Mitigating Action							
Works to be complete as soon as possible.							
Anticipated Outcome							
Upgraded footpaths.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

8	New Sports Changing Facility Dumbarton West (Old OLSP site)						
	Project Life Financials	350	0	0%	350	0	0%
	Current Year Financials	150	0	0%	0	(150)	0%
	Project Description	New Sports Changing Facility Dumbarton West (Old OLSP site).					
	Project Lifecycle	Planned End Date	31-May-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Demolition is complete and site investigations complete. Start date of construction works to be confirmed. Project life budget has been increased by additional £0.050m which was required to complete pitch work as approved by Members in August 2018 and now included in the 2019/20 budget. Cost returned from contractor but are over allocated budget and value engineering process is ongoing, therefore £0.150m is required to be rephased to 2019/20.						
Mitigating Action							
None available at this time due to timescale of demolition of school building. Request for additional capital will be made to Council to fund anticipated overspend.							
Anticipated Outcome							
To deliver new sports changing facility, on time albeit over budget.							

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	£000	£000	%	£000	£000	%

9	Cycling, Walking and Safer Streets						
	Project Life Financials	114	52	45%	52	(63)	-55%
	Current Year Financials	114	52	45%	52	(63)	-55%
	Project Description	Introduction of enhanced walking routes and traffic calming schemes to introduce safer streets within West Dunbartonshire.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Works have not progressed in 2018/19 as anticipated due to prioritisation of resources. Works which have completed in 2018/19 include various dropped down kerbs, Station Road footpath resurface, New cycle barrier installed between Dumbarton and Cardross. Plans for 2019/20 include resurfacing part of cycle path in Dumbarton between Fourth Avenue and Dumbuck Road in the winter with further works for to be phased out through 2019/20.						
Mitigating Action							
Aiming to complete works as soon as possible.							
Anticipated Outcome							
Works complete within budget albeit later than anticipated.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

10	Infrastructure - Flooding						
	Project Life Financials	100	39	39%	100	0	0%
	Current Year Financials	100	39	39%	39	(61)	-61%
	Project Description	Essential renewal of failed drainage assets to minimise flood risk within West Dunbartonshire.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Works at Dumbarton Road and Duntocher installation of drainage kerb works complete April 2018. Further drainage works complete in July 2018 at Taylor Street Clydebank, Old Luss Rd, and Main St Renton. Works scheduled for 2019/20 include works at Shandon Crescent with inspection of watercourses with further works to follow. A810 Duntocher Main Street works imminent and Livingstone Street flooding works due to be carried out prior to scheduled resurfacing, which is now being rephased to 2019/20 due to prioritisation of resources.						
Mitigating Action							
None required at this time.							
Anticipated Outcome							
Project completed on time and within budget.							

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	£000	£000	%	£000	£000	%

11	A811 Infrastructure Works						
	Project Life Financials	1,500	1,226	82%	1,500	0	0%
	Current Year Financials	1,500	1,226	82%	1,226	(274)	-18%
	Project Description	A811 Infrastructure Works					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Road reconstruction requirements spanning Drymen Road, Balloch to Kilmaronock Church have been identified with infrastructure improvement with new drainage. Project is substantially complete however £0.274m is required to be rephased to 2019/20 for retention payment for first element of resurfacing works, further resurfacing due, Siemens charge due for traffic loops, and also for a signage review that is required to be conducted.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Project will be delivered on time and within budget with slippage related to retention payments only.							

12	A811 Lomond Bridge						
	Project Life Financials	3,900	17	0%	3,900	0	0%
	Current Year Financials	100	17	17%	17	(83)	-83%
	Project Description	Upgrade of Lomond Bridge					
	Project Lifecycle	Planned End Date	31-Mar-20	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	There has been a delay in project progression due to external consultants being required to pull together tender documentation. Project is expected to progress in 2019/20 and as a result £0.083m is required to be rephased to 2019/20.						
Mitigating Action							
None available at this time.							
Anticipated Outcome							
Upgrade of Lomond Bridge.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

13	Electrical Charging Points - Rapid Charge						
	Project Life Financials	165	0	0%	0	(165)	-100%
	Current Year Financials	165	0	0%	0	(165)	-100%
	Project Description	Funding has been awarded from Transport Scotland for the Installation of electrical charging points					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Funding of £0.165m has been awarded from Transport Scotland for the installation of Rapid Charge electrical car charging points. Locations have been confirmed for Kilbowie Road Clydebank Park & Ride and Woodyard Road in Dumbarton and the intention is also to install a charging point at a Richmond Street Depot. Procurement process is taking longer than originally anticipated due to lack of in-house resource so project is now expected to complete in 2019/20 with Transport Scotland confirmed that new grant offer will be issued in 2019/20.						
Mitigating Action							
None required at this time.							
Anticipated Outcome							
Installation of rapid charge electrical car charging points.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

14	New Play & Recreation at Radnor Park, including MUGA						
	Project Life Financials	260	98	38%	260	0	0%
	Current Year Financials	250	88	35%	88	(162)	-65%
	Project Description	New Play & Recreation at Radnor Park, including MUGA.					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Oct-19		
	Main Issues / Reason for Variance						
	Phase 1 (play area) of works is now complete. Phase 2 (MUGA) has been delayed due to consultation and tender issues works commenced May 2019. Revised completion date for Phase 2 is 31 October 2019, with retentions due October 2020. As a result £0.162m is required to be rephased into 2019/20.						
Mitigating Action							
Opportunities to mitigate so far have been limited as there was a need for public consultation, however contractor has been appointed and project should progress to revised timescales.							
Anticipated Outcome							
Provision of new Play & Recreation at Radnor Park, including MUGA delivered within budget.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

15

Integrated Housing Management System						
Project Life Financials	624	437	70%	624	0	0%
Current Year Financials	331	213	0%	213	(117)	0%
Project Description	This is a budget to support the necessary development and on-going requirements of implementing the Council's Integrated Housing					
Project Lifecycle	Planned End Date	31-Mar-17	Forecast End Date	31-Mar-19		
Main Issues / Reason for Variance						
The IHMS Project will enter the go-live phase of implementation on 17 June 2019 with the final switch on of the system to happen in summer 2019, with the final date pending agreement of the final stage project plan and agreement of consultant availability with the system supplier, Aareon. Logic and evaluation of risk was based on safety for staff, potential financial loss to the organisation, tenant satisfaction, ensuring business continuity and maximising buy-in for the 670 staff members who will utilise the system on a daily basis. User Acceptance testing was carried out thoroughly across all service areas and all issues identified have been attributed with a RAG rating for Impact and Probability. Based on the status issues deemed critical will receive the final required changes to ensure go-live readiness. All remaining non-critical issues will be managed as per an updated project plan throughout the go-live stage and 2019. A full project review will be completed upon conclusion of the project and presented to Change Board and Committee in 2019.						
Mitigating Action						
Officers will continue to seek opportunities to mitigate any further delays to the project.						
Anticipated Outcome						
Project is to delivered in-line with rephased project timeline and within project life budget.						

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	£000	£000	%	£000	£000	%

16	Office Rationalisation						
	Project Life Financials	21,702	21,472	99%	21,825	123	1%
	Current Year Financials	418	580	139%	580	163	39%
	Project Description	Delivery of office rationalisation programme.					
	Project Lifecycle	Planned End Date	22-Dec-18	Forecast End Date	30-Sep-19		
	Main Issues / Reason for Variance						
	New Dumbarton Office has been opened to staff from 21 May 2018. Historic Environment Scotland (HES) have contacted the Council regarding the remaining £0.050m of the Historic Environment Scotland Grant due and all documentation has been submitted, grant monies will be received this financial year. Defect works for Bridge Street commenced in September 2018, are now complete, and final payment will be made this financial year. Contractor was awarded following the December 2018 Tender Committee to carry out the demolition for Garshake. Demolition commenced 25 February with a 36 week programme. The forecasted project life overspend is due to variations and the cost of the demolition being higher than originally anticipated.						
Mitigating Action							
None required at this time.							
Anticipated Outcome							
Project delivered later than anticipated.							

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	£000	£000	%	£000	£000	%

17	Depot Rationalisation						
	Project Life Financials	18,035	51	0%	18,035	0	0%
	Current Year Financials	100	16	16%	16	(84)	-84%
	Project Description	Depot Rationalisation.					
	Project Lifecycle	Planned End Date	31-Mar-22	Forecast End Date	31-Mar-22		
Main Issues / Reason for Variance							
Revised business case is in the process of being developed. Keppie Design appointed as the approved contractor and Project Boards have been set up. Stage 1 which involves research and consultation is near completion and managers and staff workshops are also underway. Spend incurred in 2018/19 of £0.016m relates to the research and consultation stage. The remaining current year budget of £0.084m is required to be rephased to 2019/20 due to the delay in the appointment of design team, which postponed confirmation of the commercial status of potential Depot locations, and therefore delayed access for site investigations.							
Mitigating Action							
None required at this time.							
Anticipated Outcome							
Project business case will be brought back to project board and Council when the implication of shared services is known.							

TOTAL PROJECTS AT AMBER STATUS							
	Project Life Financials	82,947	38,854	47%	82,708	(238)	0%
	Current Year Financials	8,339	6,093	73%	6,093	(2,273)	-27%

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	Budget	Spend to Date		Forecast/ Actual Spend	Variance	
	£000	£000	%	£000	£000	%

1	Community Sports Fund						
	Project Life Financials	472	380	81%	472	0	0%
	Current Year Financials	201	109	54%	109	(92)	-46%
	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-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	2017/18 was the final year of a project to fund external/community sports groups which is now closed to new applications. Officers have evaluated submissions received within the final round of applications. Full spend has been committed, however the timing of spend is dependent on external groups proceeding with projects as planned. £0.201m is already committed to sports groups, however some are not expected to be paid out until 2019/20 so the remaining £0.092m is required to be rephased to 2019/20.						
	Mitigating Action						
	Officer will continue to liaise with community groups to ensure progress is made with projects						
	Anticipated Outcome						
Improve sport facilities to a wide range of organisations WDC.							
2	New Clydebank Leisure Centre						
	Project Life Financials	23,810	23,755	100%	23,758	(52)	0%
	Current Year Financials	432	377	87%	377	(55)	-13%
	Project Description	Provision of new leisure centre.					
	Project Lifecycle	Planned End Date	31-Mar-18	Actual End Date	31-Mar-17		
	Main Issues / Reason for Variance						
	Currently concluding final minor expenditure items with an underspend of £0.052m. Rephasing £0.003m to 2019/20 required for final minor expenditure to be carried out in new financial year.						
	Mitigating Action						
	None required at this time.						
	Anticipated Outcome						
Project delivered on time and within budget.							

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	£000	£000	%	£000	£000	%

3	Levensgrove Park - Restoration & Regeneration						
	Project Life Financials	3,639	3,430	94%	3,639	0	0%
	Current Year Financials	2,160	1,951	90%	1,951	(209)	-10%
	Project Description	Restoration and Regeneration of Levensgrove Park.					
	Project Lifecycle	Planned End Date	30-Aug-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Early delays due to timescales involved in securing external funding which impacted the procurement timescales. The project started August 2017 and Pavilion is now complete and handed over. Minor works at the depot remain outstanding and are anticipated to be complete early 2019/20. The Retention payment of £0.135m is required to be rephased to 2019/20 along with £0.074m for final capital expenditure.						
Mitigating Action							
None required.							
Anticipated Outcome							
Project delivered.							

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	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	Resources Carried Forward						
	Project Life Financials	(964)	(232)	24%	(916)	48	-5%
	Current Year Financials	(765)	(81)	11%	(81)	684	-89%
	Project Description	These are resources that have been received in previous years relating to ICT Modernisation, Insurance receipts, HRA contribution re Dalmuir works, Turnberry Homes, Posties Park Sports Hub and Auld Street Bond					
	Project Lifecycle	Planned End Date	31-Mar-18	Forecast End Date	31-Mar-20		
	Main Issues / Reason for Variance						
	Not all resources were required in 2018/19 and those that will require to be carried forward are Keil School Planning Gain re Posties Park (£0.060m), Auld Street (£0.187m) and Gruggies Burn (0.400m) with the reasons for the under application of resources as detailed in the appropriate status updates.						
Mitigating Action							
Mitigating actions are detailed within the appropriate status updates.							
Anticipated Outcome							
Application of resources held on balance sheet in 2018/19 as appropriate.							

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	£000	£000	%	£000	£000	%

2	General Services Capital Grant						
	Project Life Financials	(95,055)	(36,085)	38%	(94,970)	85	0%
	Current Year Financials	(8,557)	(8,472)	99%	(8,472)	85	-1%
	Project Description	This is a general grant received from the Scottish Government in relation to General Services capital spend					
	Project Lifecycle	Planned End Date	31-Mar-26	Forecast End Date	31-Mar-26		
	Main Issues / Reason for Variance						
	General services capital grant applied to capital spend slightly less than forecast.						
Mitigating Action							
None required at this time							
Anticipated Outcome							
General services capital grant applied to capital spend slightly less than forecast.							

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	£000	£000	%	£000	£000	%

3 Ring Fenced Government Grant Funding							
Project Life Financials		(54,715)	(14,993)	27%	(53,844)	871	-2%
Current Year Financials		(8,682)	(6,677)	77%	(6,677)	2,005	-23%
Project Description		This is ring fenced grant funding which is primarily anticipated to be received from the Scottish Government and relates to Cycling, Walking, Safer Streets, Early Years, Gruggies Burn Flood works, Early Years funding and City Deal					
Project Lifecycle		Planned End Date		31-Mar-26	Forecast End Date		31-Mar-26
Main Issues / Reason for Variance							
Main variance relates to Exxon City Deal grant not received and Early Years funding not fully applied in 2018/19 due to spend as detailed in the red status update.							
Mitigating Action							
Mitigating actions are detailed within the appropriate status updates.							
Anticipated Outcome							
Specific grants received were less anticipated in 2018/19							

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	£000	£000	%	£000	£000	%

4	Match Funding / Other Grants and Contributions							
	Project Life Financials		(19,341)	(4,158)	21%	(6,995)	12,345	-64%
	Current Year Financials		(10,822)	(3,508)	32%	(3,508)	7,314	-68%
	Project Description		This is match funding from various bodies with the main funding being anticipated for Levensgrove Park, Posties Park and Clydebank Community Sports Hub					
	Project Lifecycle		Planned End Date		31-Mar-19	Forecast End Date		31-Mar-20
	Main Issues / Reason for Variance							
	Main variance relates to an underachievement of income in 2018/19 related to Queens Quay district heating income accrual and income related to St Eunan's regeneration project.							
Mitigating Action								
Mitigating actions are detailed within the appropriate status updates.								
Anticipated Outcome								
Capital receipts received less than forecast								

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	£000	£000	%	£000	£000	%

5	Capital Receipts						
	Project Life Financials	(39,895)	(4,427)	11%	(37,940)	1,955	-5%
	Current Year Financials	(10,264)	0	0%	0	10,264	-100%
	Project Description	These are capital receipts that are anticipated from sales of land and buildings both as part of the normal disposal programme and also as part of the business case investment in office rationalisation, new school building and new care home development					
	Project Lifecycle	Planned End Date	31-Mar-26	Forecast End Date	31-Mar-26		
	Main Issues / Reason for Variance						
	Although capital receipts of £3.472m were received in year these receipts have been applied to fund principal repayments and are therefore not available to fund capital expenditure impacting on the level of prudential borrowing required in year. This strategy is consistent with that outlined in the March 2019 budget report.						
Mitigating Action							
While market conditions are out with officers control all potential receipts will be explored.							
Anticipated Outcome							
Capital receipts received less than forecast							

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	£000	£000	%	£000	£000	%

6	Prudential Borrowing					
	Project Life Financials	(119,728)	(113,131)	94%	(135,962)	(16,234)14%
	Current Year Financials	(44,316)	(30,639)	69%	(30,639)	13,676-31%
	Project Description	Prudential borrowing is long term borrowing from financial institutions that has been approved for the purposes of funding capital expenditure				
	Project Lifecycle	Planned End Date	31-Mar-24	Forecast End Date	31-Mar-26	
	Main Issues / Reason for Variance					
	Prudential borrowing in 2018/19 less than budgeted due to programme re-phasing.					
Mitigating Action						
Prudential borrowing is impacted by programme delivery therefore mitigating action is detailed in the red and amber analysis.						
Anticipated Outcome						
While prudential borrowing requirement is likely to be less than budgeted in the current financial year this is anticipated to catch up over the programme life.						

WEST DUNBARTONSHIRE COUNCIL
GENERAL SERVICES CAPITAL PROGRAMME
ANALYSIS OF RESOURCES WHERE CURRENT YEAR VARIANCE IS OVER £0.050M

APPENDIX 6

MONTH END DATE

31 March 2019

PERIOD

Year End

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast/ Actual Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

7	CFCR						
	Project Life Financials	(2,721)	(656)	24%	(2,476)	245	-9%
	Current Year Financials	(370)	0	0%	0	370	-100%
	Project Description	This is capital spend which is funded by revenue budgets					
	Project Lifecycle	Planned End Date	31-Mar-19	Forecast End Date		31-Mar-20	
	Main Issues / Reason for Variance						
	CFCR was not applied in 2018/19 due to lack of spend on the Wind Turbine project, online payments for educational establishments and regeneration activity.						
	Mitigating Action						
	Mitigating actions are detailed within the appropriate status updates.						
	Anticipated Outcome						
	CFCR required less than anticipated in 2018/19						

TOTAL RESOURCES							
	Project Life Financials	(332,417)	(173,682)	52%	(333,102)	(685)	0%
	Current Year Financials	(83,777)	(49,377)	59%	(49,377)	34,400	-41%

MONTH END DATE 31 March 2019

Project Status Analysis	Project Life Status Analysis				Current Year Project Status Analysis			
	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status	Number of Projects at RAG Status	% Projects at RAG Status	Spend to Date £000	% Project Spend at RAG Status
Red								
Projects are forecast to be overspent and/or experience material delay to completion	6	22.2%	11,864	52.4%	6	22.2%	11,864	52.4%
Amber								
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	5	18.5%	4,995	22.1%	5	18.5%	4,995	22.1%
Green								
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	16	59.3%	5,761	25.5%	16	59.3%	5,761	25.5%
TOTAL EXPENDITURE	27	100%	22,620	100%	27	100%	22,620	100%

Project Status Analysis	Project Life Financials				Current Year Financials				
	Budget £000	Spend to Date £000	Forecast Spend £000	Forecast Variance £000	Budget £000	Actual £000	Variance £000	Slippage £000	Over/(Under) £000
Red									
Projects are forecast to be overspent and/or significant delay to completion	125,461	11,864	125,461	0	19,239	11,864	(7,375)	(10,079)	2,704
Amber									
Projects are either at risk of being overspent and/or delay in completion (although this is unquantifiable at present) or the project has any issues that require to be reported at this time	27,768	4,995	27,768	0	7,337	4,995	(2,342)	(2,532)	190
Green									
Projects are on target both in relation to overall budget and the forecast stages in the project life cycle and no issues are anticipated at this time	33,456	5,761	32,916	(540)	7,075	5,761	(1,314)	(849)	(465)
TOTAL EXPENDITURE	186,685	22,620	186,145	(540)	33,651	22,620	(11,031)	(13,460)	2,429
TOTAL RESOURCES	186,685	22,620	186,145	(540)	33,651	22,620	(11,031)		
NET EXPENDITURE	0	0	0	0	0	0	0		

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1	New house build						
	Project Life Financials	86,753	2,547	3%	86,753	0	0%
	Current Year Financials	10,446	2,547	24%	2,547	(7,899)	-76%
	Project Description	New house build					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	Delays as a result of the procurement exercise to appoint CCG (Scotland) as the main contractor to deliver the majority of the West Dunbartonshire Affordable Housing Supply Programme was a significant factor impacting on the in year variance. It should be noted that Housing Development has a degree of complexities, however in terms of significant spend this is markedly accelerated when projects move to the construction site stage. An update on the progress on each side was reported to the Housing & Communities committee on 1 May 2019.						
	Mitigating Action						
	Progress on this programme will be closely monitored on a regular basis through the More Homes Project Board and reported to the Housing and Communities Committee on a quarterly basis.						
	Anticipated Outcome						
	New build programme will be delivered in line with the overall March 2021 target date.						

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details		Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Variance	
		£000	£000	%	£000	£000	%
2	Void House Strategy Programme						
	Project Life Financials	9,000	4,857	54%	9,000	0	0%
	Current Year Financials	2,500	4,857	194%	4,857	2,357	94%
	Project Description	Void House Strategy Programme					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance							
Despite the successful letting of many long-term voids in recent years, the remaining properties which have sat in abeyance for several years have required proportionately more work to bring them back into use. A focus on tackling these high value void properties and a reflection of accelerating this works programme has led to an overspend. It is anticipated that with this concentrated effort in 18/19, the spend in 19/20 will be lower representing the cost of turning around a normal void that occurs during the letting process.							
Mitigating Action							
2019/20 should see a large reduction on spend since the majority of problematic properties have been dealt with in 2018/19. Overall, it is anticipated that the programme will come in on budget by the end of the project life.							
Anticipated Outcome							
Project to complete as planned and on budget over the project life.							

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
3 Modern facilities and services						
Project Life Financials	1,962	549	28%	1,962	0	0%
Current Year Financials	380	549	144%	549	169	44%
Project Description	This budget is to undertake the continuation of West Dunbartonshire's commitment to upgrading the kitchens and bathrooms of all housing stock and contribution to maintaining standards for SHQS.					
Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance						
An increase in tenant uptake resulted in an acceleration to the planned works programme as reflected in an in-year overspend. However, it is anticipated that this project will complete on budget by the end of the overall project life.						
Mitigating Action						
Overall, it is anticipated that the project will complete on budget by the end of the project life.						
Anticipated Outcome						
Project to complete as planned and on budget over the project life.						

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
4 Defective Structures/Component Renewals						
Project Life Financials	1,998	656	33%	1,998	0	0%
Current Year Financials	563	656	117%	656	93	17%
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-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance						
Programmed works was completed as planned. However, this programme of work is completed by our in-house Building Services and has been ongoing for a number of years now. Over this period, increases have been realised in staff costs, materials, plant etc. which have affected the core costs per block resulting in an in-year overspend.						
Mitigating Action						
Housing officers to agree/locate decants for next block to keep a smooth transition. Despite an in-year anticipated overspend, it is anticipated that the project will complete on budget over the project life.						
Anticipated Outcome						
Project to complete as planned and on budget over the project life.						

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details		Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Variance	
		£000	£000	%	£000	£000	%
5	Asbestos Management						
	Project Life Financials	1,000	285	29%	1,000	0	0%
	Current Year Financials	200	285	143%	285	85	43%
	Project Description	This budget is to fund work associated with the management of current asbestos legislation and the Council's asbestos policy within housing stock.					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
	Main Issues / Reason for Variance						
	This is a contingent budget for unforeseen asbestos management works that are generated via revenue and meet capital criteria. Officers monitor this budget spend and periodically transfer from revenue to capital as appropriate. Despite, the in-year adverse variance, it is anticipated that this project will spend on budget by the end of the project life.						
	Mitigating Action						
	It is anticipated that the project will complete on budget by the end of the project life.						
	Anticipated Outcome						
	Project to complete as planned and on budget over the project life.						

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details		Project Life Financials					
		Budget	Spend to Date		Forecast Spend	Variance	
		£000	£000	%	£000	£000	%
6	Targeted EESSH compliance works						
	Project Life Financials	24,748	2,970	12%	24,748	0	0%
	Current Year Financials	5,150	2,970	0%	2,970	(2,180)	-42%
	Project Description	This budget enables the council's continued commitment to achieving the Government's standards in relation to energy efficiency.					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
Main Issues / Reason for Variance							
The Targeted EESSH (EWI) programme completed a significant amount of workload by the year end, however the full amount of completions did not meet our initial expectations. The target was ambitious considering that work on site commenced towards the end of 2018. Officers and the contractor made every effort to maximise the year end outturn to close this gap as much as possible. The programme continues into 2019 and the output is maintaining good performance and the contractor is increasing labour and resources to increase this further. Whilst the 2018/19 year end outturn was less than planned, the progress is positive for 2019/20. The remaining balance will re-phase into 2019/20.							
Mitigating Action							
It is anticipated that the project will complete on budget by the end of the project life.							
Anticipated Outcome							
Project to complete as planned and on budget over the project life.							

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

Project Life Financials	125,461	11,864	9%	125,461	0	0%
Current Year Financials	19,239	11,864	62%	11,864	(7,375)	-38%

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1	Non Traditional and Traditional Improvement Works (Risk St)						
	Project Life Financials	2,452	491	20%	2,452	0	0%
	Current Year Financials	1,200	491	41%	491	(709)	-59%
	Project Description	Risk Street Over clad					
	Project Lifecycle	Planned End Date		31-Mar-20	Forecast End Date		31-Mar-20
	Main Issues / Reason for Variance						
	Despite significant progress on this longstanding high profile project, the year end outturn was less than anticipated. The remaining in-year budget will re-phase into 2019/20 for completion of this project. The overall project is going very well, officers and contractor are closely engaged and very happy with progress. Feedback from the residents involved and elected members is very positive with the first two full blocks nearing completion by year-end.						
Mitigating Action							
It is anticipated that the project will complete on budget by the end of the project life.							
Anticipated Outcome							
Project to complete on budget as planned.							

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

2	Doors/Window Component renewals					
Project Life Financials	7,500	852	11%	7,500	0	0%
Current Year Financials	1,500	852	57%	852	(648)	-43%
Project Description	Doors/Windows Component Renewals					
Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance						
Project not completed as planned and year-end spend lower than the revised projected outturn. This is due to the underperformance of the new window supply contractor which has been reported for some time. Despite early engagement directly with the supplier when this became apparent, the performance did not improve quickly enough to mitigate the situation. The supplier performance did improve in the last quarter of 2018/19 but not soon enough to significantly increase spend to target. Performance has continued to improve and it is anticipated that this should be sustained and increase further. Remaining balance to re-phase to 2019/20						
Mitigating Action						
Building Services are in close contact with the supplier to improve performance and in conjunction with capital team, are working to complete previous no-access addresses, where materials are already supplied. A revised address list has been provided to ensure sufficient addresses are available to allow workflow.						
Anticipated Outcome						
Project to complete as planned and on budget over the project life.						

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

3 Projects to deliver housing policies/strategies (Buy Backs)

Project Life Financials	3,330	517	16%	3,330	0	0%
Current Year Financials	1,330	517	0%	517	(813)	-61%

Project Description This is a budget to undertake specific projects that will deliver housing policies/strategies, example: Ex local authority and mortgage to rent buy-back scheme

Project Lifecycle Planned End Date 31-Mar-21 Forecast End Date 31-Mar-21

Main Issues / Reason for Variance

The main objective of the Buy Back Scheme is to bring former council properties that were sold via the RTB scheme, back into council use. These properties must assist the council with reducing housing need on the waiting list and where appropriate assist with external capital works. For these reasons, any purchase is subject to stringent criteria to ensure accountability and value for money for existing tenants. With several key stakeholders involved, this does mean that there is potential for slippage. However, there is no shortage of suitable properties and plans are in place to ensure full spend next year.

Mitigating Action

Officers will work to maximise buy-backs, in an effort to increase spend and minimise slippage. There are a number of properties identified and we would anticipate the acquisitions will complete in Quarter 1 of 2019/20.

Anticipated Outcome

Project to complete as planned and on budget over the project life.

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

4	Environmental Renewals (paths, fences, walls, parking)						
	Project Life Financials	5,485	1,145	21%	5,485	0	0%
	Current Year Financials	1,505	1,145	0%	1,145	(360)	-24%
	Project Description	This budget is to enable continued planning and programming of environmental projects such as paths, car parks and landscaped areas under the curtilage of housing management.					
	Project Lifecycle	Planned End Date		31-Mar-23	Forecast End Date		31-Mar-23
	Main Issues / Reason for Variance						
	Project did not meet year-end spend target. Despite efforts by project officers and contract delivery team to maximise completions, the successful delivery of this programme is affected by owner involvement and agreement to improve common access paths in shared ownership locations. This resulted in lower final spend than planned. Remaining budget will re-phase into 2019/20						
Mitigating Action							
It is anticipated that the project will complete on budget by the end of the project life.							
Anticipated Outcome							
Project to complete as planned and on budget over the project life.							

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

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

5 Direct Project Support						
Project Life Financials	9,000	1,990	22%	9,000	0	0%
Current Year Financials	1,800	1,990	0%	1,990	190	11%
Project Description	This budget is to fund central support and salary recharges.					
Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date		31-Mar-21	
Main Issues / Reason for Variance						
A year end overspend has occurred due to an increased charge via the central support allocation (£0.068m) and an increased recharged of employee costs from HRA revenue (£0.122m) which is the result of a review by the service which identified a higher percentage of staff time spent on HRA capital activities, it also includes the 18/19 pay award.						
Mitigating Action						
It is anticipated that the project will complete on budget by the end of the project life.						
Anticipated Outcome						
Project to complete as planned and on budget over the project life.						

Project Life Financials	27,767	4,995	18%	27,767	0	0%
Current Year Financials	7,335	4,995	68%	4,995	(2,340)	-32%

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

1	Targeted SHQS Compliance Works						
	Project Life Financials	1,519	157	10%	1,057	(462)	-30%
	Current Year Financials	719	157	22%	157	(562)	-78%
	Project Description	This budget is to focus on work required to maintain the SHQS compliance with WDC housing stock.					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
	Main Issues / Reason for Variance						
	Current year end position shows a favourable variance of £0.562m. £0.100m of planned works will be slipped into 19/20 with the balance of £0.462m identified as being an underspend. Overall project life to complete under budget (£0.462m). No issues with regards the general SHQS budget. No issues in relation to the planned works at 5 Grey Street. Internal upgrades, roof, windows, close and EWI works all complete.						
Mitigating Action							
None required at this time.							
Anticipated Outcome							
Project to complete as planned and under budget.							

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

2	Clydebank East Demolition/homeloss & disturbance						
	Project Life Financials	5,704	14	0%	5,631	(73)	-1%
	Current Year Financials	87	14	16%	14	(73)	-84%
	Project Description	Clydebank East Homeloss/Disturbance Payments					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
	Main Issues / Reason for Variance						
	No issues. Project to complete under budget.						
Mitigating Action							
None required							
Anticipated Outcome							
Project to complete as planned and under budget.							

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

3 Capitalised Minor Works

Project Life Financials	2,400	487	20%	2,400	0	0%
Current Year Financials	600	487	81%	487	(113)	-19%

Project Description This is a budget to undertake specific minor ad hoc capital projects that arise on demand throughout the financial year.

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

No Issues, projected to complete and meet overall spend target.

Mitigating Action

None required.

Anticipated Outcome

Project to complete as planned and on budget over the project life.

**WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000**

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

4 Integrated Housing Management System

Project Life Financials	460	350	76%	460	0	0%
Current Year Financials	460	350	76%	350	(110)	-24%

Project Description Integrated Housing Management System

Project Lifecycle Planned End Date 31-Mar-19 Forecast End Date Summer 2019

Main Issues / Reason for Variance

The IHMS project will enter the go-live phase of implementation on 17 June 2019 with the final switch on of the system to happen in Summer 2019, with the final date pending agreement of the final stage project plan and agreement of consultant availability with the system supplier, Aareon.

Mitigating Action

None required at this time.

Anticipated Outcome

Project to complete as planned.

**WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000**

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

5 Building external component renewals

Project Life Financials	13,710	2,854	21%	13,710	0	0%
Current Year Financials	3,134	2,854	91%	2,854	(280)	-9%

Project Description Building external component renewals

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

Works are progressing. Pitched roofing remains behind overall target although recent output is showing improvement. Capital team are tracking progress and output. Additional flat roof works have been identified and accelerated to increase overall completions as these are completed via a back-up specialist contractor.

Mitigating Action

Capital officers are monitoring progress and targets. Additional roofs, including flat roofs, have being identified and provided.

Anticipated Outcome

Project to complete as planned and on budget over the project life.

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

6 **Secure Entry Component Renewals**

Project Life Financials	320	66	21%	320	0	0%
Current Year Financials	130	66	51%	66	(64)	-49%

Project Description This budget is to focus on secure door entry component renewals as identified and recommended from the housing stock condition survey and appropriate council officer referrals.

Project Lifecycle Planned End Date 31-Mar-23 Forecast End Date 31-Mar-23

Main Issues / Reason for Variance

No Issues, projected to complete and meet overall spend target.

Mitigating Action

None required.

Anticipated Outcome

Project to complete as planned .

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%

7	Contingencies					
	Project Life Financials	500	155	31%	500	00%
	Current Year Financials	100	155	155%	155	5555%
	Project Description	This is a contingent budget for unforeseen matters which may arise during the year.				
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23	
	Main Issues / Reason for Variance					
	This is a contingent budget for unforeseen matters. Overspend in relation to a high cost fire damage replacement being capitalised.					
Mitigating Action						
None required						
Anticipated Outcome						
Project to complete as planned and within overall project life budget.						

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF PROJECTS AT GREEN STATUS OVER £50,000

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Spend to Date		Forecast Spend	Variance	
	£000	£000	%	£000	£000	%
TOTAL GREEN						
Project Life Financials	33,456	5,761	17%	32,916	(540)	-2%
Current Year Financials	7,075	5,761	81%	5,761	(1,314)	-19%

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Income to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

1	New Build Grant						
	Project Life Financials	(38,779)	(1,915)	5%	(38,779)	0	0%
	Current Year Financials	(6,338)	(1,915)	30%	(1,915)	4,423	-70%
	Project Description	Grant to facilitate the building of new build housing					
	Project Lifecycle	Planned End Date	31-Mar-21	Forecast End Date	31-Mar-21		
	Main Issues / Reason for Variance						
	Reprofiling of the new house build program as reported to the Housing and Communities Committee on the 6th February, will result in changes to timing of Scottish Government Grant drawdown.						
Mitigating Action							
None required - timing issue only.							
Anticipated Outcome							
Further Scottish Government Grant drawdowns will be made in 2019/20 to match expenditure.							

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Income to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

2	Prudential Borrowing						
	Project Life Financials	(120,768)	(7,346)	6%	(120,224)	544	0%
	Current Year Financials	(19,117)	(7,346)	38%	(7,346)	11,771	-62%
	Project Description	Prudential borrowing to finance capital expenditure not already funded from grants/contributions, revenue contributions or capital receipts					
	Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
	Main Issues / Reason for Variance						
	Prudential Borrowing is impacted by the both the total level of capital spend and the level of other capital resources. The level of prudential borrowing in 2018/19 and overall is likely to be less than anticipated for reasons identified within each project that shows re-phasing requirements in the red analysis.						
Mitigating Action							
Mitigating actions are detailed in the red analysis.							
Anticipated Outcome							
Prudential Borrowing was less than anticipated.							

WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
ANALYSIS OF RESOURCES

APPENDIX 7

MONTH END DATE

31 March 2019

Budget Details	Project Life Financials					
	Budget	Income to Date		Forecast Spend	Forecast Variance	
	£000	£000	%	£000	£000	%

3

CFCR						
Project Life Financials	(23,955)	(13,349)	56%	(23,955)	0	0%
Current Year Financials	(7,429)	(13,349)	180%	(13,349)	(5,920)	80%
Project Description	Capital Funded from Current Revenue					
Project Lifecycle	Planned End Date	31-Mar-23	Forecast End Date	31-Mar-23		
Main Issues / Reason for Variance						
Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock, therefore an additional CFCR has been applied in year.						
Mitigating Action						
No issues						
Anticipated Outcome						
The CFCR was more than original budgeted						

TOTAL RESOURCES						
Project Life Financials	(186,685)	(22,620)	12%	(186,145)	(540)	0%
Current Year Financials	(33,651)	(22,620)	67%	(22,620)	(11,031)	33%

Dr AK Glen and West Dunbartonshire Trust Funds
Draft Financial Statements for the year ended 31 March 2019

Trustees' Annual Report

Introduction

The Trustees present the annual report together with the Financial Statements for the year ended 31 March 2019.

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. The table below identifies the Trustees for 2018/19.

Trust Funds	Charity Number	Trustees	Local Authority	Contact Address
Alexander Cameron Bequest	SC025070	Provost William Hendrie Councillor John Mooney Councillor Jim Brown Councillor Marie McNair Councillor Diane Docherty Councillor Jim Finn Councillor Daniel Lennie Councillor Douglas McAllister Councillor Lawrence O'Neill Bailie Denis Agnew (resigned 2018/19) Councillor Gail Casey (resigned 2018/19)	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
Dr AK Glen	SC018701	Councillor Karen Conaghan Councillor David McBride Councillor Ian McLaren Councillor Brian Walker	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
UIE Award	SC025070	Councillor Jim Brown Councillor Ian Dickson Councillor Diane Docherty Councillor Jim Finn Councillor Daniel Lennie Councillor Caroline McAllister Councillor David McBride Councillor Jonathon McColl Councillor Iain McLaren Councillor John Mooney Councillor Martin Rooney	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL

Dr AK Glen and West Dunbartonshire Trust Funds
Draft Financial Statements for the year ended 31 March 2019

Trustees' Annual Report (continued)

Trust Funds	Charity Number	Trustees	Local Authority	Contact Address
Vale of Leven Trust	SC025070	Councillor Jonathon McColl Councillor Martin Rooney Councillor Sally Page Councillor James Bollan Councillor Ian Dickson Councillor Caroline McAllister Councillor John Millar	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
Dunbartonshire Education Trust	SC025070	Councillor Karen Conaghan	West Dunbartonshire Council	West Dunbartonshire Council, Council Offices, Church Street, Dumbarton, G82 1QL
McAuley Prize for Mathematics	SC025070	Councillor John Mooney	West Dunbartonshire Council	
		Councillor Graham Archibald Hardie	Argyll & Bute Council	
		Councillor John Jamieson	East Dunbartonshire Council	
		Councillor Gillian Fannan	North Lanarkshire Council	
		Councillor Thomas Johnston	North Lanarkshire Council	

Objectives and in-year activity

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

- 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;
- 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;
- UIE Award - for students studying apprenticeships or training in industry;
- Dunbartonshire Educational Trust Scheme 1962- awards educational prizes and bursaries; and
- McAuley Prize for Mathematics - provides prizes for those studying maths and computing.

All trusts are advertised on West Dunbartonshire Council's website and details have been passed to West Dunbartonshire Community and Volunteering Service (WDCVS) to publicise them.

Dr A K Glen Fund

The Trust seeks to disburse available funds arising from investment income attained, with one grants being awarded during 2018/19, totalling £864.

Alexander Cameron Bequest

The Alexander Cameron Bequest seeks to disburse available funds arising from investment income attained. Eight grants were awarded during 2018/19, totalling £29,640 (£250 of one grant was returned during year and it has been advised that a further £850 grant will be returned in 2019/20, as neither were subsequently required).

Trustees' Annual Report (continued)

Vale of Leven Fund

It was agreed by Trustees during 2016/17 that the funds should be disbursed in full, with publicising of the availability of the Trust being undertaken. However, the funds have not yet been disbursed in full, with only one grant being awarded in 2018/19, totalling £4,106.96 (with £468 of this being subsequently returned as not required).

Trusts with no in-year activity

The UIE Award Trust did not meet during 2018/19, with no funding applications received and no grant funding awarded. Work continues to review and modernise the Trust's governance arrangements to encourage funding applications in the future.

The Trustees for the Dunbartonshire Educational Trust Scheme 1962 and the McAuley Prize for Mathematics did not meet during 2018/19. The Trustees continue to seek clarification as to amendments to the governance arrangements. As these Trusts are governed by statute, discussions are ongoing between the Council (as Administrator) and Scottish Ministers and Office of the Scottish Charity Regulator (OSCR) regarding these arrangements.

Structure and Governance

Dr AK Glen and West Dunbartonshire Trust Funds are registered with the 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.

Following a review of the governance documents, it was agreed at Council on 31 August 2016 that the remaining Trust Funds would be delegated to sub-committees as follows:

Trust	Delegation
Alexander Cameron Bequest	Alexander Cameron Committee
Vale of Leven Fund	Vale of Leven Sub-Committee
Dr A K Glen Fund	Dumbarton Trust Sub-Committee

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 Trusts 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 responsible 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;
- Proper records are maintained and financial information used by the charities is reliable; and
- The trusts comply with relevant laws and regulations.

Trustees' Annual Report (continued)

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 Financial Statements and Trustees Report are prepared by the Finance Service within 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 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 0.58%.

Dunbartonshire Educational Trust Scheme 1962 continues to receive income from external investments i.e. 3% Clydeport and 4% Clydeport Consolidated Stock. These investments are managed by West Dunbartonshire Council and achieved investment income of £10 in 2018/19.

Financial Review

The total balance on the Trusts as at 31 March 2019 (including stocks) is £283,130.

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 of this stock has remained the same as the previous year (£218).

Trustees' Annual Report (continued)

The trusts held cash and bank balances at 31 March 2019 of £282,912. Reserves are held by the Council on behalf of the trusts and revenue income, generated from investment interest 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 26 June 2019 by:

Councillor Jonathon McColl
West Dunbartonshire Council
26 June 2019

Dr AK Glen and West Dunbartonshire Trust Funds
Draft Financial Statements for the year ended 31 March 2019

Statement of Receipts and Payments Account

Receipts	Payments	(Surplus)		Receipts	Payments	(Surplus)
2017/18	2017/18	/Deficit		2018/19	2018/19	/Deficit
£000	£000	£000		£000	£000	£000
(3)	0	(3)	Dunbartonshire Educational Trust Scheme 1962	(1)	0	(1)
0	0	0	McAuley Prize for Mathematics	0	0	0
(1)	7	6	Alexander Cameron Bequest	(0)	30	30
0	2	2	Vale of Leven Fund	0	4	4
0	0	0	UIE Award	0	0	0
0	1	1	Dr AK Glen	0	1	1
(4)	10	6	Total	(1)	35	34

Dr AK Glen and West Dunbartonshire Trust Funds
Draft Financial Statements for the year ended 31 March 2019

Statement of Balances

Opening Balance 2017/18 £000	(Surplus) /Deficit 2017/18 £000	Closing Balance 2017/18 £000	Note		Opening Balance 2018/19 £000	(Surplus) /Deficit 2018/19 £000	Closing Balance 2018/19 £000
(86)	(3)	(89)		Cash and Bank			
				Dunbartonshire Educational Trust Scheme 1962	(89)	(1)	(90)
(21)	0	(21)		McAuley Prize for Mathematics	(21)	0	(21)
(156)	6	(150)		Alexander Cameron Bequest	(150)	30	(120)
(8)	2	(6)		Vale of Leven Fund	(6)	4	(2)
(24)	0	(24)		UIE Award	(24)	0	(24)
(26)	1	(25)		Dr AK Glen	(25)	1	(24)
(321)	6	(315)		Total Cash and Bank	(315)	34	(281)
				Investment			
(3)	3	0	5	Dunbartonshire Educational Trust Scheme 1962	0	0	0
(3)	3	0		Total Investment	0	0	0
(324)	9	(315)		Overall Total	(315)	34	(281)

All funds are unrestricted which means they may be used for any purpose relevant to the Trust Fund.

The unaudited Financial Statements were issued on 26 June 2019.

Signed on behalf of the Trustees by:-

Councillor Jonathon McColl
West Dunbartonshire Council
26 June 2019

Notes to the Financial Statements

Note 1 - Basis of Accounting

The Financial Statements have been prepared on a receipts and payments basis and 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 2018/19;
- The Trusts received interest of £1,717 from the Council at 31 March 2019, and all transactions incoming and outgoing are made via the Council's bank accounts; and
- The Council has not charged the charity any fees for legal, financial or administrative services provided during the year.

Note 3 – Grants

In 2018/19 the following grants were awarded:

Alexander Cameron Bequest

- £2,400 to Clydebank G81 Trust for the purchase of an acoustic curtain;
- £5,000 to Faifley Community Council as a contribution towards the Summer Fete;
- £5,000 to Double L Centre to assist with the refurbishment of their kitchen area;
- £4,000 to Clydebank Musical Society towards the cost of the use of an orchestra;
- £6,400 to St Mary's Duntocher Parent Council for the purchase of play equipment;
- £2,490 to Epic Assist Charity, Scotland to provide social space for teenagers;
- £3,500 to Clydebank East Community Council towards their Gala Day (with £250 returned as not required, therefore £3,250 was the net payment made); and
- £850 to Old Kilpatrick Community Council as a contribution towards a celebration of the end of the First World War (it has been advised that this will be returned in full to the Trust in 2019/20 as no longer required).

Vale of Leven Fund

- £4,106.96 to West Dunbartonshire Community Food Share as a contribution towards rent and a stock controller. The group returned £468 in respect of a lets refund. Therefore £3,638.96 was the net payment made; and

DR A.K. Glen Fund

- £864 to West Bridgend Tenants and Residents Association to fund an upgrade to a door entry system and an outing, both for the benefit of elderly residents.

Notes to the Financial Statements (continued)

Note 4 – Cash and Bank Balances

During the year the trusts balances were held by the Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the trusts 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 £218 (shown in the table below) is the market value as at 31 March 2016, as valued by West Dunbartonshire Council. Notification was received that the stocks were delisted in July 2016. There has been no further update on this and therefore the assumption is that the market price remains the same.

Purchase Price as at 31 March 2018 £	Market Price as at 31 March 2018 £		Purchase Price as at 31 March 2019 £	Market Price as at 31 March 2019 £
(289)	(199)	4% Clydeport authority	(289)	(199)
(35)	(19)	3% Clydeport Authority	(35)	(19)
(324)	(218)	Total	(324)	(218)

Note 6 – Audit Fee

The audit fee for the year of £2,100 (£2,100 2017/18) was absorbed by West Dunbartonshire Council.

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead, Housing and Employability

Council: 26 June 2019

Subject: Queens Quay Affordable Housing Development

1. Purpose

- 1.1** The purpose of this report is to seek approval to realign an element of the Council's General Services capital Regeneration Fund to fund the construction of the four commercial units within the affordable housing development at Queens Quay, Clydebank. This will help ensure the successful delivery of the affordable housing which will in turn accelerate the delivery of over 1,000 new homes within the Queens Quay major regeneration site.

2. Recommendations

2.1 It is recommended that Council:

- (i) Approves the acceleration of funding of £0.475m from the Council's General Fund capital regeneration fund, from 2020/21 into 2019/20, to finance the construction of the four commercial units in the affordable housing development within Queens Quay;
- (ii) Approves the transfer of Site A, Queens Quay to Cube Housing Association (part of Wheatley Group) and Clydebank Housing Association at nil cost to meet the intended housing development priorities, and note that Sites B and C will be retained within Council ownership;
- (iii) Authorises the Strategic Lead for Housing and Employability and Strategic Lead Regulatory to agree a development agreement with Wheatley Group as detailed in paragraph 4.12 of this report; and
- (iv) Authorises the Strategic Lead, Regulatory to conclude the above transactions subject to such legal conditions that are considered appropriate.

3. Background

- 3.1** This social housing project is the first and most significant residential development on Queens Quay. It will deliver social homes of the highest quality as the first development on the site and will set the standard for, and serve to attract future, private housing development. In 2015, the Council entered into a Development and Regeneration Agreement with Clydeside

Regeneration Limited (CRL), the owners of the former John Brown Yard. A masterplan with the required infrastructure works was approved by Council in March 2016. This was inclusive of the requirement for the site to contain an element of social housing. That original Development Agreement states that the Council and CRL will jointly share in income from land sales and related development revenue income (inclusive of any future commercial rental income), which is reflected in the Council's capital plan relating to the Council's capital investment in Queens Quay.

- 3.2** In February 2017, the Housing and Communities Committee approved the acquisition of 1.178 hectares of ground or thereby at Queens Quay, Clydebank from CRL at the following values at Site A and B for £1.46m; and £0.360m for Site C.
- 3.3** The acquisition of these sites within the Queens Quay priority regeneration area was fully funded by the Scottish Government's Affordable Housing Supply Programme (AHSP). Acquisition of the site allowed the Council in their role as strategic housing authority to facilitate the development of the site as part of More Homes West Dunbartonshire programme to deliver more than 1,000 new social rented homes across West Dunbartonshire before the end of 2021. The Scottish Government funding effectively provided additional grant of £1.820m in addition to the Resource Planning Assumption (RPA) 2016/17.
- 3.4** The acquisition was completed on 31 March 2017 and the Council entered into a Development and Sale Agreement with CRL. This included the obligation that as part of the social housing development five commercial units would be provided to shell specification; the provision of such had been reflected within the price the Council paid for this land. During the design and planning stage of the social housing development it was agreed to reduce the obligation from five to four commercial units to shell specification.
- 3.5** In accordance with the Development and Regeneration Agreement referenced in paragraph 3.1 of this report, the Council received 49% of the acquisition income for the sale of Sites A, B and C (£0.892m).
- 3.6** The delivery of the affordable housing at Sites A and B inclusive of the commercial units received full planning approval in March 2019.

4. Main Issues

- 4.1** The social housing development within Queens Quay has taken two years of intensive work to reach the point of final agreement and will provide an exemplar affordable housing scheme within this priority regeneration area. It will be key in setting high standards and acting as a catalyst for the delivery of over 1,000 new homes in this area of Clydebank. The development is a contemporary, place-making design and of an extremely high quality that reflects the Council's overall stated vision for the Queens Quay development. It received full planning permission in March 2019.

- 4.2** The delivery of the social housing within Queens Quay was identified as a RSL (Registered Social Landlord) development opportunity since the approval of the masterplan in 2016 and has been identified as such since its inclusion within the SHIP (Strategic Housing Investment Plan) in November 2016. The Scottish Government who provide key funding, and the Council have been working with the Council's strategic housing partner Wheatley Group and the local community based housing association Clydebank Housing Association to deliver the new social rented homes within the agreed timeframe. Wheatley Group has nominated Cube Housing Association, one of its member organisations to take forward the proposed development.
- 4.3** The provision of the four commercial units will all be contained within the curtilage of Site A which is a flatted development comprising 117 new homes, which will include 30 three bed flats, 68 two bed flats and 19 one bed flats. Nine of the flats will be fully wheelchair accessible. The building has been designed in a 'U' shape providing three street facing elevations to Glasgow Road, the soon to be created Titan Boulevard, and the Boulevard's basin area. The building will vary between 5 and 7 storeys in height.
- 4.4** As highlighted in paragraph 3.4 of this report the provision of commercial units to shell specification is an obligation contained within the Development and Sale agreement agreed by the Council. These units are an essential element of the place making aspirations of the social housing projects and for Queens Quay as a whole. They will provide the space for local commercial amenities which are fundamental to making attractive places and are built to commercial market specifications. The two corner units will be double height. The other smaller units on Titan Boulevard may accommodate commercial units which provide services for users for Health Centre and Care Home.
- 4.5** The Council's Economic Development team advises that these commercial units will not be in direct competition with the Regional Shopping Centre in Clydebank, as they will be providing local small scale amenities for residents and visitors to Queens Quay.
- 4.6** As the design was being developed, Wheatley Group advised that following discussion with the Scottish Housing Regulator the two Housing Associations cannot fund the cost of the delivery of the commercial units to shell specification as described in paragraph 3.4 and 4.4 of this report. The Scottish Government has also advised that affordable housing supply funding cannot be used for the provision of the commercial unit element.
- 4.7** This scenario creates a funding gap and time pressure as the Scottish Government funding is dependent on completion of the social housing programme by March 2021. Failure to deliver this will mean the Council area will lose considerable grant funding and not deliver much needed new homes. The only remaining option available to mitigate against this risk is for the Council, as signatories of the Development and Sale Agreement, to provide funding to allow the project to be fully funded. This would be achieved by financing the delivery of the four commercial units to shell specification. In

discussion with the two Housing Associations, this undertaking included the in-principle agreement that the 29 houses on Site B would be transferred to the Council, alongside the opportunity for the Council to develop Site C, as already agreed and reported to Members. The full construction cost of the units would be met within the Housing Revenue Account Affordable Housing Supply capital funding, and this increases the Council housing stock and secures rental income in perpetuity, as outlined in paragraph 4.9 of this report.

- 4.8** The Housing (Scotland) Act 1987 provides the Council with a legal power to provide additional buildings which will serve a beneficial purpose in connection with the requirements of the persons for whom the accommodation is provided. Legal services have confirmed that the provision of such units would legitimately fall within this power. Schedule 15 of the same Act is also clear that the Housing Revenue Account (HRA) cannot be used for such a specific purpose, therefore the cost of the provision of the commercial units to shell specification requires to be met by another means. One such means is for the Council to fund it from its General Fund.
- 4.9** To use this power officers have reached the in principle agreement (as referenced in paragraph 4.7 of this report) with the two Housing Associations that Queens Quay Sites B and C will become part of the Council's affordable housing development programme. Site B will be developed by Wheatley Group for the Council alongside their development of Site A. Wheatley Group and the Council will enter a development agreement for this purpose. While a suitable scheme is yet to be developed for Site C, it is anticipated that the overall development will result in an additional 60 new Council homes across Queens Quay (Site B/C). The Housing and Communities Committee approved the inclusion of Site C in the Council's affordable housing supply programme in February 2019.
- 4.10** As a result of this in principle agreement officers have re-examined the housing opportunities within Site B and this will now comprise of 29 flatted units, consisting of five three bedroom, 17 two bedroom and seven one bed flats which all will be suitable for supported living. Five of these units will be fully wheelchair accessible. Senior Housing officers are presently in discussion with the HSCP to identify preferred client groups for the new homes; this will have a positive outcome in terms of delivering positive housing solutions for some of our most vulnerable citizens and will also have a beneficial impact on HSCP finances and service provision. These benefits when fully assessed will be reported to members.
- 4.11** Legal Services has indicated that the proposal has State Aid implications which will require to be addressed if the proposal is to proceed. Any agreement to proceed in line with the recommendations is therefore dependent on such matters being satisfactorily addressed. At the time of writing the report, specialist external legal advice is being sought on this matter.

- 4.12** In respect of work being undertaken to procure, manage and deliver the new homes and the commercial units to shell specification at Sites A and B, Queens Quay, the Council will enter into an agreement with Wheatley Group who will take on responsibility for all development and risk management in relation to the overall project. A fee of £0.150m from the Housing Revenue Account (HRA) is proposed to provide the development and risk management requirements which equates to 3% of the total construction cost for the delivery of the new homes within Site B. There is no development management fee related to delivery of the commercial units. As both Housing Associations are parties who are entitled to provide services to the Council in terms of the Local Government (Goods and Services) Act 1970, there are no problems with proceeding in this manner from the viewpoint of compliance with procurement legislation.
- 4.13** It was previously envisaged in discussions with the Scottish Government that all three sites would be transferred to the two developing housing associations to facilitate the new social homes at nil cost and the grant which had been provided to acquire all three sites be reallocated. The proposed new arrangements require now only Site A to be transferred and this paper seeks approval to do so and this has been agreed with the Scottish Government.
- 4.14** The delivery of the social housing within the wider Queens Quay regeneration strategy is at a critical stage in its development. Facilitating the funding of commercial units to shell specification is a key element to unlock the delivery of 146 new social homes for rent and secure £15m of Scottish Government affordable housing grant funding to the RSL and the Council. It is anticipated that the development will start in August 2019.
- 4.15** An update on the development plans for Site C, Queens Quay will be provided to the Housing and Communities Committee in August 2019. Updates will also be provided to each Housing and Communities Committee on progress with the new build homes within Site A and Site B.
- 4.16** The cost of developing the commercial units at Site A is estimated at £0.475m and this spend is expected to be required during 2019/20.
- 4.17** In considering options to fund this development it is suggested that an element of the undistributed portion of the General Fund capital budget held for Regeneration be used. This budget has £6.133m unallocated and a further £1m held in contingency. This budget is currently phased for future years, with £2m planned for spend in 2020/21 and can accommodate the proposed expenditure with no detriment to other opportunities. In order to fund the required £0.475m in 2019/20 it will be necessary to accelerate this budget from 2020/21 into 2019/20.

5. People Implications

- 5.1** There are no people implications as a result of this report as the project will be taken forward and managed from existing staff resources.

6. Financial and Procurement Implications

- 6.1** It is proposed that the required total cost of the funding the delivery of the four commercial units identified as £0.475m at 4.12 above will be met from the Council's budgeted capital Regeneration Fund. An anticipated capital receipt for the commercial units could be in the region of around £1.7m or a rental income of approximately £160,000. The rental income would depend on prospective tenants that the Council were able to attract and the demand at the time of similar units. As noted at 4.17 above, it will be necessary to accelerate this budget from 2020/21 into 2019/20.
- 6.2** The Development and Regeneration Agreement for this site ensures that 49% of the income received for of these commercial units will return to the Council.
- 6.3** The other financial aspects of the cost of construction of the new homes and the proposed development management agreement as detailed at 4.7, 4.9 and 4.12 above are funded through the Housing Revenue Account (HRA) with provision for this expenditure within the HRA Capital Programme for new build Council housing, which was approved by Council on 14 February 2019.
- 6.4** It is estimated that the proposed 60 new council homes at Sites B and C within the Queens Quay development will have an average net unit cost of £120,000. This projection has been run through the Council's HRA Business Plan and is affordable with no negative impact to the future viability of the HRA.
- 6.5** The proposed social housing development within Sites and A & B will see the construction of 146 new homes and will also facilitate the delivery of four new commercial units, it is estimated that this would generate income to the Council in the region of £0.180m per annum based on the Council Tax based on Band D rating. In addition it is estimated that it will generate £74,000 in business rates per annum.
- 6.6** The appointment of Wheatley Group to provide development management services can be facilitated through the provisions of Local Government (Goods and Services) Act 1970 subject to the terms of the proposed Development Agreement.

7. Risk Analysis

- 7.1** As outlined in paragraph 4.7 of this report without the proposed Council intervention, the development will not proceed. The inability to provide social housing on Queens Quay threatens and undermines the wider regeneration

ambitions and consequently the economic benefits. It also poses a clear reputational risk to the Council.

- 7.2** As noted above there is a further risk that these proposals may contravene state aid regulations. To assess this risk the Council will engage external legal advisers to provide suitable advice in relation to State-Aid compliance.

8. Equalities Impact Assessment (EIA)

- 8.1** An Equality Impact Screening did not indicate any further action required in relation to any recommendations. The provision of modern, adaptable social housing enhances the Council's provision for disadvantaged groups

9. Consultation

- 9.1** The social housing development within Queen Quay has progressed and secured planning permission with relevant consultation forming part of this process. The and report have been scrutinised and agreed by Strategic Lead Resources who, along with the Strategic Lead Regulatory, have no concerns or issues regarding this report.

- 9.2** In addition in terms of the affordable housing development there have been extensive discussions with Scottish Government's More Homes Division, Wheatley Group and Clydebanks Housing Association to get to an agreed solution to deliver the affordable housing within Queens Quay and significantly contribute to the Council's wider regeneration aims.

10. Strategic Assessment

- 10.1** At its meeting on 25 October 2017, the Council agreed that its five main strategic priorities for 2017 - 2022 are as follows:

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

- 10.2** This proposals within this report are in line with the Council's strategic priorities as stated above a follows:

- The delivery of the first housing on Queens Quay will be a major milestone in the largest economic development and regeneration project in the Council's history
- The design of the houses and development and the agreement with the social landlords, combined with the provision of local amenities will

adjacent to a new Health Centre and Care Home will deliver one of the best residential developments in Scotland, for social tenants

- The process of developing Queen's Quay, and this particular scheme, has been subject to wide consultation through the Charrette and planning processes

Peter Barry
Strategic Lead Housing and Employability

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Appendices: None

Background Papers: Equalities Impact Assessment Screening, June 2019
Queens Quay Development and Regeneration Agreement, CRL/West Dunbartonshire Council 2015
Queens Quay Development and Sale Agreement, March 2017
West Dunbartonshire Strategic Housing Investment Plan 2019-24
Report to Planning Committee, 20 March 2019 entitled DC18/272 – Erection of 146 flatted dwellings and four commercial units, associated car parking, amenity space and landscaping by the Wheatley Group
Report to IRED Committee, 21 November 2018, entitled Regeneration Fund Update
Report to Housing and Communities Committee, 22nd February 2017, entitled Provision of Social Housing – Queen Quay Regeneration Acquisition of 1.178 hectares (2.91 acres) or thereby of ground

Wards Affected: Ward 6.