

**WEST DUNBARTONSHIRE COUNCIL**  
**Report by the Strategic Lead - Resources**  
**Council: 26 February 2020**

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**Subject: General Services Budgetary Control Report to 31 January 2020  
(Period 10)**

**1. Purpose**

- 1.1** The purpose of this report is to advise on both the General Services revenue budget and the approved capital programme to 31 January 2020.

**2. Recommendations**

- 2.1** Council is asked to:

- i) note that the revenue account currently shows a projected annual favourable variance of £0.246m (0.11% of the total budget); and
- ii) note that the capital account shows that planned expenditure and resource for 2019/20 is lower than budgeted by £20.118m (25.88% of the budget), made up of £20.368m relating to project slippage, partially offset by £0.250m relating to an in year overspend (as noted within appendices 5 to 8).

**3. Background**

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 27 March 2019, Members agreed the revenue estimates for 2019/2020. A total net budget of £219.079m was approved for General Services, before use of balances.
- 3.2** Since the budget was set a revised Corporate structure has been agreed. The overall General Services budget did not change, however the changes to the service structure of the budget have been implemented within this report.
- 3.3** Since the budget was agreed, additional funding has been provided by Scottish Government and a total net budget of £223.112m is now being monitored:

	<b>£m</b>
Base Budget 19/20	219.079
Teachers Pensions – increase in employers rate (Scottish Government element)	1.132
Teachers pay award from 1 April 2019 (Scottish Government element)	2.624
Additional RSG – Licensing	0.003
Revision to Government funding assumption for counselling	0.009
Additional Funding RTTP Homelessness	0.265
Additional funding for probationers	0.207
<b>Current Revised budget</b>	<b>223.319</b>

**3.4** The additional earmarked reserve set aside for adverse weather contingency (general and for the General Election) has not yet been adjusted for as no costs have been identified through the ledger as at period 10. This may change for future months.

**3.5** Following the completion of the Annual Accounts 2018/19, an exercise was completed to identify recurring variances in all service areas. This has resulted in movement between services and the Contingency Fund, which has been incorporated into the report.

#### Capital

**3.6** At the meeting of Council on 27 March 2019, Members also agreed the updated 10 year General Services Capital Plan for 2019/2020 to 2028/29. The next three years from 2019/20 to 2021/22 have been approved in detail with the remaining years being indicative at this stage. After adjusting for anticipated slippage from 2018/19 into 2019/20, the budget agreed for 2019/20 was £62.714m.

**3.7** Since then, budget adjustments have taken place (through further 2018/19 capital slippage and additional external funding), revising the 2019/20 annual budget to £77.722m, as follows:

	<b>£m</b>
Base Budget 2019/20	33.140
Anticipated Slippage from 2018/19 – March 2019	29.574
Anticipated budget 2019/20 (Council – March 2019)	62.714
Additional slippage from 2019/20 – following year end	5.323
Revised Base Budget 2019/20 – following year end	68.037
<u>New Funding:</u>	
Town Centre Fund (Scottish Govt)	0.859
Electrical Charging Points (Transport Scotland)	0.170
Public Transport Projects (SPT)	0.500
Dalreoch/ Balloch Park & Ride (SPT)	0.050
CWSS additional grant	0.030
Improvement Cyber Security (S.Govt)	0.023
Sports pitches (Sports Scotland)	0.020
<u>Acceleration of Project:</u>	
Heritage Capital Fund	0.245

<u>Additional budget approved:</u>	
District Heating Network	4.400
Acceleration of Regeneration Budget for District Heating Commercial Costs	3.509
<u>Funding no longer available (time limited):</u>	
Footways Funding	(0.116)
Reduction in CFCR required	(0.005)
<b>Revised Budget 2019/20</b>	<b>77.722</b>

#### 4. Main Issues

##### Revenue

- 4.1 The summary report at Appendix 1 currently identifies a projected annual favourable variance (underspend) of £0.246m (0.11% of the total budget) and service reports by Strategic Leads are attached as Appendix 2.
- 4.2 Notes on the projected annual variances in excess of £0.050m are highlighted and noted within Appendix 3, with additional information on action being taken to minimise or mitigate overspends where possible.
- 4.3 Agreed savings and management adjustments actioned within 2019/20 are monitored with current indications showing that of the total target being monitored (£2.739m) and £0.152m is currently projected not to be achieved.
- 4.4 The latest budgetary control report to Health and Social Care Partnership Board 19 February 2020 reported a projected underspend of £0.520m. It is not anticipated at this time that there would be an impact on the Council.

##### Capital

- 4.5 The current progress on the capital plan is shown in Appendices 5 to 8.
- 4.6 The overall programme summary report at Appendix 5 shows that planned expenditure and resource for 2019/20 is lower than budgeted by £20.118m (25.88% of the budget), made up of £20.368m relating to project slippage, partially offset by £0.250m relating to an in year overspend.
- 4.7 Appendix 5 also provides both an analysis of the overall programme at each alert status and a summary budgetary control report. The tables at the top detail both the number of projects and the corresponding spend as a percentage of the overall programme currently at red, amber or green alert status for project life and the current year.
- 4.8 Appendix 6 details financial analysis of projects at red status and Appendix 7 is amber, with additional information on action being taken to minimise or mitigate under or overspends where possible. Appendix 8 provides an analysis of projects at green status (please note that, where appropriate, some of the project end dates were revised at start of the year). Appendix 9 provides an analysis of resources.

- 4.9 From the analysis within the appendices it can be seen that there are nine projects with material slippage, these are listed as follows:

<b>Project Name</b>	<b>Current Slippage (£m)</b>
<b>Red Projects</b>	
Vehicle Replacement	3.537
Posties Park Sports Hub	0.728
Westbridgend Community Centre	0.634
Flood Risk Management	0.518
Gruggies Burn Flood Prevention	4.170
A813 Road Improvements – phase 1	0.676
A811 Lomond Bridge	3.353
Depot Rationalisation	1.004
Regeneration Fund	0.694
<b>Amber Projects</b>	
Exxon City Deal	0.896
Town Centre Fund	0.829
<b>Total</b>	<b>17.039</b>

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

## 8. Risk Analysis

- 8.1 The main risks are as follows:

- (a) The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March and which could affect the year end results for both the revenue and capital budgets; and
- (b) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated, or may be received later than expected. A shortfall in capital receipts may affect the revenue budget position due to the assumption within the budget of £4m capital receipts being used to fund loan charges. Currently, there is a risk that the full £4m will not be achieved, however this is being closely

monitored and a mitigation was agreed at Council in January 2020 to deal with this risk.

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

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

## **10. Environmental Sustainability**

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

## **11. Consultation**

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

## **12. Strategic Assessment**

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

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Date: 20 February 2020

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**Appendices:**

- Appendix 1 - Revenue Budgetary Control 2019/20  
– Corporate Summary
- Appendix 2 - Revenue Budgetary Control 2019/20  
– Strategic Lead Summaries
- Appendix 3 - Analysis of Revenue Variances over  
£50,000
- Appendix 4 - 2019/20 Savings and Management  
Adjustments Monitoring
- Appendix 5 - Overall Capital Programme Summary  
Financials
- Appendix 6 - Analysis of Projects at Red Status
- Appendix 7 - Analysis of Projects at Amber Status
- Appendix 8 - Analysis of Projects at Green Status
- Appendix 9 - Analysis of Resources

**Background Papers:** Ledger output – period 10  
General Services Revenue Estimates 2019/20  
General Services 10 Year Capital Plan Update - Council 27  
March 2019

**Wards Affected** All Wards