

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council: 27 March 2019

Subject: Dumbarton Common Good Budget Update 2019/20

1. Purpose of Report

- 1.1** The purpose of this report is to provide Council with an update on the Dumbarton Common Good budget and seek approval for a revised budget for 2019/20.

2. Recommendations

- 2.1** Members are asked to:

- i) Note the probable outturn for 2018/19 as set out in the Appendix;;
- ii) Approve the revised 2019/20 budget as set out in the Appendix; and
- iii) Note the projected balances carried forward of £0.503m at 31 March 2019 and £0.361m at 31 March 2020 (based upon the revised draft budget 2019/20).

3. Background

- 3.1** Following a report to Council on 5 March 2018 Members agreed a five year budget for Dumbarton Common Good for the period from 2018/19 - 2022/23.
- 3.2** Updates to the budget and probable outturn continue to be reported to Corporate Services Committee and Council. There have been revisions to the 2019/20 budget due to the level of spend on the Town Centre Management Budget.

4. Main Issues

- 4.1** The Appendix provides details of the financial performance of the Common Good Budget for 2018/19, together with draft budget for 2019/20 for consideration and approval, with indicative budgets updated to 2022/23.
- 4.2** The probable outturn shows a favourable variance (underspend) of £0.273m and the main variances are:

Town Centre Management not yet spent	(£0.229m)
Bellsmyre Digital grant not paid as yet	(£0.036m)
Small Grants budget not spent	(£0.007m)
Total	(£0.273m)

- 4.3** The original five year budget agreed a total spend of £0.265m towards Town Centre Management with anticipated spend being in 2019/20. This is

administered through a grant process managed by the Economic Development Team. The availability of this grant fund has been advertised, however the budget is now projected to spend less than budgeted.

At present grants to the value of £0.026m have been paid with a total committed expenditure of £0.072m, but with £0.036m of this expected to be spent in 2018/19. Therefore the anticipated underspend of £0.229m will be carried into 2020/21, though around £0.036m is already committed through the approved grant applications already agreed within 2018/19, leaving £0.192m available.

- 4.4** In relation to Bellsmyre Digital the funding available for 2018/19 has not been issued as yet and discussions are ongoing, but at present it is anticipated that this will not be spent and will result in an underspend within the Common Good budget in 2018/19.
- 4.5** To date no grant applications have been processed for approval for the small grants budget, though one grant application has been received but pending awaiting further information. It is likely that this will be for consideration during 2019/20.
- 4.6** The five year budget set in March 2018 projected that reserves would be £0.515m as at 31 March 2019 with the Prudential Reserve target being £0.025m. However the actual brought-forward figure was £0.409m due to the carried-forward balance in the estimates being overstated. As a result the reserves at 31 March 2019 are now projected at £0.503m, and based on the proposed budget are projected at £0.361m by 31 March 2020 if the budget for 2019/20 were to be approved.
- 4.7** In terms of the adequacy of reserves – the prudential level of reserves is viewed as being an adequate level to deal with any financial shocks to the fund, based on previous experience and future expectations specifically in relation to income streams. As can be seen the level of reserves remains significantly above the prudential level and are therefore judged as being adequate.

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** Other than the financial position noted above, there are no financial or procurement implications.

8. Risk Analysis

8.1 The Council must consider financial and reputational risks when considering funding to external organisations. The financial risk is that the Dumbarton Common Good remains within budget and a robust budgeting being agreed and ongoing monitoring and review will ensure that this is protected. There is a risk that the voluntary organisations awarded grants don't remain financially sustainable and that grant payments made are not used for purposes expected. Organisations funded by the Common Good must comply with conditions of grant which includes providing financial accounts etc. to the Council on a regular basis. This allows officers to monitor spend as being in line with expectations as well as the financial sustainability of the organisations.

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 Legal and Financial Officers have been consulted in preparing this report.

12. Strategic Assessment

12.1 Good financial governance is essential to the delivery of each of the Council's Strategic Priorities.

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Date: 6 March 2019

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Appendices: Appendix: Financial Analysis and Revised Budget

Background Papers: Report to Council – 5 March 2018 – *Dumbarton Common Good Fund budget 2018/19*

Wards Affected: 2 and 3.

DUMBARTON COMMON GOOD FUND**Appendix****Statement of Income & Expenditure**

<u>Description</u>	<u>17/18 Final Outturn</u>	<u>18/19 Approved Budget</u>	<u>18/19 Probable Outturn</u>	<u>18/19 Variance</u>	<u>19/20 Original Budget</u>	<u>19/20 Draft Budget</u>	<u>20/21 Draft Budget</u>	<u>21/22 Draft Budget</u>	<u>22/23 Draft Budget</u>
Alcoholics Anonymous - Grant for Property Alternatives	10,074	11,700	10,000	(1,700)	11,700	11,700	11,700	11,700	11,700
Bellsmyre Digital Project	5,000	5,000	5,000	0	5,000	5,000	5,000	5,000	5,000
Bellsmyre Schools Out	35,601	35,601	0	(35,601)	35,601	35,601	35,601	35,601	35,601
Christmas Lights	6,000	6,000	6,000	0	6,000	6,000	6,000	6,000	6,000
Dumbarton Senior Citizens	15,000	15,000	15,000	0	15,000	15,000	15,000	15,000	15,000
Dumbarton Fireworks	10,000	10,000	10,000	0	10,000	10,000	10,000	10,000	10,000
Town Centre Management - Capital	9,050	9,050	9,050	0	9,050	9,050	9,050	9,050	9,050
Rockvale Rebound - Rent	7,282	265,886	36,807	(229,079)	0	229,079	0	0	0
Scottish Maritime Museum	2,600	2,630	2,630	0	2,630	2,630	2,630	2,630	2,630
Small Grants	50,000	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000
West Dunbartonshire Citizen's Advice Bureau	0	7,000	0	(7,000)	7,000	7,000	7,000	7,000	7,000
Central Admin Allocation	40,000	40,000	40,000	0	40,000	40,000	40,000	40,000	40,000
Estates Dept - Management Fee	11,280	14,000	14,000	0	14,000	14,000	14,000	14,000	14,000
	10,840	10,840	10,840	0	10,840	10,840	10,840	10,840	10,840
Total Expenditure	212,727	482,707	209,327	(273,380)	216,821	445,900	216,821	216,821	216,821
Interest on Revenue Balance / Investments	(1,604)	(1,100)	(1,100)	0	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)
Misc Income	0	(400)	0	400	(400)	0	0	0	0
Rental Income	(279,552)	(302,693)	(302,693)	0	(302,693)	(302,693)	(302,693)	(302,693)	(302,693)
Total Income	(281,156)	(304,193)	(303,793)	400	(304,193)	(303,793)	(303,793)	(303,793)	(303,793)
Net Expenditure	(68,429)	178,514	(94,466)	(272,980)	(87,372)	142,107	(86,972)	(86,972)	(86,972)
Balance b/fwd	(340,501)	(515,189)	(408,930)	106,259	(336,675)	(503,396)	(361,289)	(448,261)	(535,233)
Balance c/fwd	(408,930)	(336,675)	(503,396)	(166,721)	(424,047)	(361,289)	(448,261)	(535,233)	(622,205)