

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Council: 4 March 2020

Subject: Dumbarton Common Good Budget Update 2020/21

1. Purpose of Report

- 1.1** The purpose of this report is to provide Council with an update on the Dumbarton Common Good budget for 2019/20 and seek approval for a revised budget for 2020/21.

2. Recommendations

- 2.1** Members are asked to:

- i) Note the probable outturn for 2019/20 as set out in the Appendix;
- ii) Approve the revised 2020/21 budget as set out in the Appendix;
- iii) Note the indicative budgets to 2022/23 as set out in the Appendix;
- iv) Note the projected balances carried forward of £0.455m at 31 March 2020 and £0.329m at 31 March 2021 (based upon the revised draft budget 2020/21); and
- v) Agree that Dumbarton Town Centre Common Good Fund may be used for both capital and revenue funding applications.

3. Background

- 3.1** Following a report to Council on 27 March 2019 Members agreed a budget for Dumbarton Common Good for the period from 2019/20 - 2022/23.

- 3.2** Since setting the budget there have been additional one-off and ongoing annual financial funding agreed and amendments to the likely level of spend on the Town Centre Management Budget during 2019/20 resulting in a revised budget for the year and also revisions to the 2020/21 to 2022/23 budgets (as indicated within the Appendix).

- 3.3** The budget agreed at Council on 27 March 2019, updated for in-year approvals, projected net spend of £0.240m, deducted from a net brought forward balance of £0.469m, resulting in a balance to be carried forward into 2020/21 of £0.229m.

- 3.4** The Prudential Reserve of the Common Good is £0.025m.

Dumbarton Town Centre Budget

- 3.6** Council agreed on 6 February 2013 a five year budget for Dumbarton Common Good. Part of that budget was an annual budget of £0.065m, allocated for 5 years 2013/14 to 2017/18, initially £0.040m was for capital expenditure and £0.025m for revenue expenditure. The Dumbarton Town

Centre Fund Common Good Fund application process was agreed by the Housing, Environment and Economic Development Committee in 8 May 2013 with the purpose of providing a funding scheme to assist with regeneration activity in Dumbarton High Street and town centre. However, in the first few years of the fund there was limited interest in the revenue component and the fund was changed to a capital only grant, agreed formally as part of the Council report at Council on 5 March 2018.

4. Main Issues

4.1 The Appendix provides details of the financial performance of the Common Good Budget for 2019/20, together with draft budget for 2020/21 for consideration and approval, with indicative budgets updated to 2022/23.

4.2 The probable outturn against the revised budget projects a net spend of £0.014m – resulting in a favourable variance (underspend) of £0.226m and the main variances are:

Town Centre Management not yet spent	(£0.199m)
Small Grants budget not spent	(£0.007m)
Alcoholic's Anonymous reduced property cost	(£0.004m)
Additional Income received	(£0.016m)
Total	<u>(£0.226m)</u>

4.6 Based upon this expected underspend the brought forward reserves at 31 March 2020 are now projected at £0.456m, and based on the proposed budget are projected at £0.329m by 31 March 2021.

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.

Dumbarton Town Centre Fund

4.9 The situation regarding capital funding requirements has now changed and there has been greater interest from community organisations seeking revenue funding. This is, in part, due to the changing circumstances in Dumbarton town centre and waterfront over the last couple of years. It is therefore recommended that the remaining budget for Town Centre Fund within the Common Good Fund be used for grant applications for either capital or revenue funding. This will allow flexibility in the use of the grant and support a greater range of projects.

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: 11 February 2020

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Appendices: Appendix: Financial Analysis and Revised Budget

Background Papers: Minute of Council – 6 February 2013 – *Dumbarton Common Good Fund budget 2013/14*
Report to Council – 5 March 2018 – *Dumbarton Common Good Fund budget 2018/19*
Report to Council – 27 March 2019 – *Dumbarton Common Good Fund budget 2019/20*
Reports to Council – 27 November 2019 - *Dumbarton Common Good Fund Grant Applications*
Report to Corporate Services Committee – 19 June 2019 – *Dumbarton Common Good Fund Grant Applications*
Report to Corporate Services Committee – 13 November 2019 – *Dumbarton Common Good Fund Grant Applications*

Wards Affected: 2 and 3.