

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Infrastructure, Regeneration & Economic Development Committee: 22 May 2024

Subject: Infrastructure, Regeneration & Economic Development Budgetary Control Report 2023/24 to Period 10 (31 January 2024)

1. Purpose

- 1.1 This report provides an update on the financial performance to 31 January 2024 of those services under the auspices of the Infrastructure, Regeneration & Economic Development Committee (IRED).

2. Recommendations

2.1 Members are asked to:

- i) note the contents of this report showing the revenue budget forecast to overspend against budget by £1.350m (9.33%) at the year-end taking into account that this is subject to change, and
- ii) note the net projected annual position in relation to relevant capital projects which is highlighting a projected variance of £52.110m (42.28%) due to re-profiling.
- iii) note that future meetings of the IRED Committee will be presented with separate revenue and capital budgetary control reports.

3. Background

Revenue

- 3.1 At the meeting of West Dunbartonshire Council on 1 March 2023, Members agreed the revenue estimates for 2023/24. A total net budget of £14.173m was approved for IRED services. Since then there have been various adjustments and some services have moved outwith the IRED remit and the revised budget is therefore now £14.469m, as follows:

	£m
Starting Position	14.173
Staff Movements	-0.132
Allocation of pay award funding	0.484
Allocation of Income Generalisation	-0.056
Revised Budget	14.469

Capital

- 3.2** At the meeting of Council on 1 March 2023, Members also agreed the updated 10 year General Services Capital Plan for 2023/2024 to 2032/2033. The three years from 2023/24 to 2025/26 have been approved in detail with the remaining years being indicative at this stage. The total project life budget approved for projects that have either commenced or are due to commence in that period total £155.891m.

4. Main Issues

Revenue Budget

- 4.1** The current budgetary position is summarised in Appendix 1. A more detailed analysis by service is given in Appendix 2.
- 4.2** Of the 14 services monitored 2 are showing either a favourable or nil variance, with 12 services showing an adverse variance. Comments are shown in Appendix 3 when there are projected net annual variances greater than £0.050m and also where the net variance is below £0.050m but there are offsetting variances of over £0.050m within the service.
- 4.3** Appendix 1 shows the probable outturn for the services at £15.819m. As the annual budget is £14.469m there is currently a projected adverse variance for the year of £1.350m.
- 4.4** Since the budgetary control report presented at IRED committee meeting on 7 February 2024 there has been a reduction in the adverse variance of £595k. This is mainly due to a review undertaken by The Chief Officer for Roads, Neighbourhood and Transport. The main reasons for this decrease are noted below:

Service	Decrease (£,000)	Main Reasons for Variance
Roads Services	146	Projects that are being funded from capital rather than revenue.
Grounds Maintenance	220	Funds received from developer contributions
Waste Services	262	Changes to residual waste collection.

- 4.5** Appendix 4 to the report summarises the current position against the saving options agreed by council as part of setting the 2023/24 budget.

Capital Budget

- 4.6** The overall programme summary report is shown in Appendix 5. Information on projects in the red category for probable underspends or overspends in-

year and in total is provided in Appendix 6 together with additional information on action being taken to minimise or mitigate reprofiling and/or overspends where possible and detail on projects within the green category are shown in Appendix 7.

- 4.7** The analysis shows there is a projected in-year variance of £52.110m. This variance is mainly due to a comprehensive reprofiling exercise being carried out to review the profiling of all projects in the capital programme to better align the anticipated spend with project activity. Revised profiles were reflected in the updated capital programme presented to Council at the Council Budget Meeting on 6 March 2024
- 4.8** From the analysis within the appendices it can be seen there are a number of projects with identified re-profiling to date. Those with re-profiling valued at greater than £0.500m, are listed as follows:

Project Name	Period 10 Re-profiling (£m)
Waste Transfer Station	1.780
Exxon City Deal	7.845
New West Bridgend Community Centre	1.053
Strathleven Place	1.540
Regeneration/Local Economic Development	2.422
Regeneration Fund	3.824
Clydebank Can on the Canal	0.707
LUF	14.871
District Heating Network Expansion	7.109
River Leven Flood Prevention Scheme	0.620
Gruggies Burn	0.930
Vehicle Replacement Strategy	0.900
Vehicle Replacement	2.859
Depot Rationalisation	2.138

- 4.9** As detailed at the members seminar on 20 March 2024 capital monitoring is changing resulting in a separate capital report to Council and all Committees. This means this is the last combined report and from August 2024 a separate revenue monitoring report and capital monitoring report will be presented.

5. People Implications

- 5.1** There are no people implications.

6. Financial Implications

- 6.1** Other than the financial position noted above, there are no financial implications of the budgetary control report. Officers are currently reviewing budgets and projections with a view to improving the position by financial year end and progress will be highlighted in future reports to committee.

7. Risk Analysis

- 7.1** 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.

8. Equalities Impact Assessment (EIA)

- 8.1** The report is for noting and therefore no Equalities Impact Assessment was completed for this report.

9 Consultation

- 9.1** The views of both Finance and Legal services have been requested on this report and both have advised there are neither any issues nor concerns with the proposal. As the report is for noting no further consultation is envisaged.

10. Strategic Assessment

- 10.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council. This report is for noting and, therefore, does not directly affect any of the strategic priorities.

Laurence Slavin
Chief Officer – Resources
Date: 15 April 2024

Person to Contact: Jackie Thomson - Business Unit Finance Partner, 16 Church Street, Dumbarton, G81 1QL.
e-mail jackie.nicol-thomson@west-dunbarton.gov.uk

Appendices: Appendix 1 - Summary Budgetary Position (Revenue)
Appendix 2– Detailed Budgetary Position (Revenue)
Appendix 3 – Variance Analysis (Revenue)
Appendix 4 – Efficiencies & Management Adjustments
Appendix 5 – Budgetary Position (Capital)
Appendix 6 – Variance Analysis Red Status (Capital)

Appendix 7 - Variance Analysis Green (Capital)

Background Papers:	None
Wards Affected:	All