

## WEST DUNBARTONSHIRE COUNCIL

### Report by Chief Officer - Resources

Council: 9 March 2022

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**Subject: Dumbarton Common Good Budget Update 2022/23**

#### 1. Purpose of Report

- 1.1 The purpose of this report is to provide Council with an update on the 2021/22 Dumbarton Common Good budget and seek approval for a revised 2022/23 budget and indicative budgets for 2023/24 and 2024/25.

#### 2. Recommendations

- 2.1 Members are asked to:

- i) Note the probable 2021/22 outturn as set out in the Appendix.
- ii) Approve the revised 2022/23 budget as set out in the Appendix.
- iii) Note the indicative budgets to 2024/25 as set out in the Appendix.
- iv) Note the projected balances carried forward of £0.497m at 31 March 2022 and £0.367m at 31 March 2023 (based upon the revised draft 2022/23 budget).

#### 3. Background

- 3.1 At Council on 22 March 2021 Members agreed a budget for the Dumbarton Common Good for 2021/22 - 2024/25. That budget projected annual net spend of £0.107m with a resultant balance to be carried forward into 2022/23 of £0.331m.
- 3.2 The Prudential Reserve of the Common Good remains at £0.025m.

#### 4. Main Issues

- 4.1 The Appendix details the 2021/22 financial performance of the Common Good, a draft 2022/23 budget for consideration and approval, and indicative budgets updated to 2024/25.
- 4.2 The probable 2021/22 outturn against budget projects a net income of £0.059m – resulting in a favourable variance (underspend) of £0.166m. The variances are:

Town Centre Management not yet spent	(£0.143m)
Small Grants budget not spent	(£0.007m)
Dumbarton Fireworks event not required	(£0.009m)
Additional Rental income now anticipated	(£0.010m)
Bellsmyre Schools Out backdated grant 20/21	<u>£0.003m</u>
<b>Total</b>	<b><u>(£0.166m)</u></b>

**4.3** Based upon this favourable 2021/22 variance the brought forward reserves at 31 March 2022 are projected to be £0.497m. Based on the proposed 2022/23 budget the reserves will decrease to £0.367m by 31 March 2023.

**4.4** In terms of the adequacy of reserves, the prudential level of reserves is considered to be adequate to deal with any unforeseen financial pressures on the fund, based on previous experience and future expectations specifically in relation to income streams. The current level of reserves remains significantly above the prudential level and are therefore judged as being adequate.

**4.5** It should be noted that the presented budgets do not assume the saving option to increase charges to the Common Good will be agreed by Members during the Council's 2022/23 budget setting process. Any increase in charges will reduce net income/ increase net spend and therefore the reserves carried forward will be adjusted accordingly.

## **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.

**Laurence Slavin**  
**Chief Officer - Resources**  
**Date: 21 February 2022**

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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 – 22 March 2021 – *Dumbarton Common Good Fund budget 2021/22*

**Wards Affected:** 2 and 3.