

WEST DUNBARTONSHIRE COUNCIL
Report by the Strategic Lead - Resources
Council: 27 November 2019

**Subject: General Services Budgetary Control Report to 31 October 2019
(Period 7)**

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 October 2019.

2. Recommendations

- 2.1** Council is asked to:

- i) note that the revenue account currently shows a projected annual favourable variance of £0.650m (0.29% 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 £11.447m (15.43% of the budget), made up of £11.897m (16.04% of the budget) relating to project slippage, partially offset by £0.450m 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 £222.838m is now being monitored:

	£m
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
Current Revised budget	222.838

- 3.4** 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

- 3.5** 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.

- 3.6** Since then, budget adjustments have taken place (through further 2018/19 capital slippage and additional external funding), revising the 2019/20 annual budget to £74.177m, as follows:

	£m
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
Cycling, Walking & Safer Streets (Transport Scotland)	0.030
<u>Acceleration of Project:</u>	
Heritage Capital Fund	0.247
<u>Additional budget approved:</u>	
District Heating Network	4.400
<u>Reduction in funding:</u>	
Footways Funding	(0.116)
Revised Budget 2019/20	74.177

4. Main Issues

Revenue

- 4.1** The summary report at Appendix 1 currently identifies a projected annual favourable variance (underspend) of £0.650m (0.29% 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 on 2 October 2019 reported a projected overspend of £1.030m. The report advised that management were working on plans to mitigate this overspend, including a draft recovery plan and drawdown from earmarked reserves. 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 £11.447m (15.43% of the budget), made up of £11.897m relating to project slippage, partially offset by £0.450m 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 where the variance is over £0.050m.
- 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:

Project Name	Current Slippage (£m)
Red Projects	
Posties Park Sports Hub	0.728
Westbridgend Community Centre	0.635
A813 Road Improvements – phase 1	0.536
Depot Rationalisation	0.904
Regeneration Fund	0.810
Amber Projects	
Gruggies Burn Flood Prevention	3.805
A811 Lomond Bridge	1.800
Exxon City Deal	0.696
Town Centre Fund	0.859
Total	10.773

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. 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 reduce loan charges. Currently, it is anticipated that the £4m will be achieved. This is being closely monitored and any issues will be reported to Council.

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: 18 November 2019

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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 7
General Services Revenue Estimates 2019/20
General Services 10 Year Capital Plan Update - Council 27
March 2019

Wards Affected All Wards