

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Executive Director of Infrastructure and Regeneration

### Infrastructure, Regeneration & Economic Development Committee: 17 September 2014

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**Subject: Financial Report 2014/15 as at Period 4 (31 July 2014)**

#### **1. Purpose**

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance to 31 July 2014 (Period 4) of those services under the auspices of the Infrastructure, Regeneration & Economic Development Committee.

#### **2. Recommendations**

- 2.1** Members are asked to:

- i) consider and note the contents of this report which shows the revenue budget forecast to overspend against budget by £0.228m at the year-end;
- ii) consider and note the projected annual favourable capital variance of £1.768m (7.7%), of which £2.321m (10.0%) relates to project slippage and an in-year overspend of £0.553 (2.4%); and
- iii) note the progress on savings incorporated into budgets for 2014/15.

#### **3. Background**

##### Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 12 February 2014, Members agreed the revenue estimates for 2014/2015 and a total budget of £30.028m for the services being reported to this committee.

##### Capital

- 3.2** At the meeting of Council on 12 February 2014, Members also agreed the updated Capital Plan for 2014/15 and a total planned budgeted spend of £104.669m, for those projects being reported to this committee.

#### **4. Main Issues**

##### Revenue Budget

- 4.1** The current budgetary position is summarised in Appendix 1 with a more detailed analysis by service in Appendix 2. Comments are shown in Appendix 3 when there is a projected annual variance greater than £0.050m. Appendix 4 shows progress on the achievement of saving options adopted as part of the 2014/15 budget.

- 4.2 Appendix 1 shows the probable outturn for the services at £30.256m. As the annual budget is £30.028m there is currently a projected adverse variance for the year of £0.228m.

#### Capital Budget

- 4.3 The capital position is shown in Appendix 5 which has two sheets which show: the summary expenditure position; and a graphical summary. Information on projects that are highlighted as being within the red and amber categories is provided in Appendix 6. The analysis shows that for the in-year planned spend there is currently a projected annual favourable variance of £1.768m of which £2.321m relates to project slippage and an in-year overspend of £0.553m. Officers review regularly the in-year position to consider options to minimise slippage

### **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.
- 6.2 Agreed savings and management adjustments for 2014/15 are monitored with current indications showing that of the total target being monitored (£1.446m), the majority of actions are currently on target to be achieved. However it indicates that £0.139m is currently not on target (see Appendix 4). It should be noted that any variances are included within the service information and variances identified within this report.

### **7. Risk Analysis**

- 7.1 The main financial risks to the ongoing financial position relate to unforeseen cost being identified between now and the end of the financial year. This can affect all service areas. Virements will be considered where in-year capital underspends become apparent and regular reviews to minimise slippage will continue.

### **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.

**Richard Cairns**

**Executive Director of Infrastructure and Regeneration**

**Date: 2 September 2014**

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<b>Person to Contact:</b>	Joe Reilly - Business Unit Finance Partner (HEED), Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737707, e-mail <a href="mailto:joe.reilly@west-dunbarton.gov.uk">joe.reilly@west-dunbarton.gov.uk</a>
<b>Appendices:</b>	Appendix 1 - Summary Budgetary Position (Revenue) Appendix 2 – Detailed Budgetary Position (Revenue) Appendix 3 – Variance Analysis (Revenue) Appendix 4 – Monitoring of Savings Options Appendix 5 – Budgetary Position (Capital) Appendix 6 – Variance Analysis (Capital)
<b>Background Papers:</b>	None
<b>Wards Affected:</b>	All