

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Infrastructure, Regeneration & Economic Development Committee:
17 November 2021

Subject: Infrastructure, Regeneration & Economic Development Budgetary Control Report 2021/22 to Period 6 (30 September 2021)

1. Purpose

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance to 30 September 2021 (Period 6) of those services under the auspices of the Infrastructure, Regeneration & Economic Development Committee (IREC).

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 £1.068m (9.02%) at the year-end, of which £0.462m is COVID-19 related;
- ii) note the net projected annual position in relation to relevant capital projects which is highlighting a projected variance of £5.019m (14.87%) due to slippage of £4.923m (14.58%) and an overspend of £0.096m (0.28%); and
- iii) note the progress on efficiencies incorporated into budgets for 2021/22.

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 22 March 2021, Members agreed the revenue estimates for 2021/22. A total net budget of £12.034m 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 £11.884m, as follows:

	£m
Starting Position	12.034
Transfer of staff	-0.03
Reduction in budget due to capitalisation	-0.06
Redesign of litter collection	-0.02
Procurement Savings	-0.143
Recurring Variances	0.097
Shared managers post in Greenspace	-0.04
Revised budget	11.838

Capital

- 3.2** At the meeting of Council on 4 March 2021, Members also agreed the updated 10 year General Services Capital Plan for 2021/2122 to 2030/2031. The next three years from 2021/22 to 2023/24 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 £176.997m.

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. Of the 13 services monitored 6 are showing either a favourable or nil variance with 6 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. Appendix 4 shows progress on the achievement of saving options adopted as part of the 2021/22 budget.
- 4.2** Appendix 1 shows the probable outturn for the services at £12.907m. As the annual budget is £11.884m there is currently a projected adverse variance for the year of £0.402m, of which £0.100m is COVID-19 related.
- 4.3** Officers will continue to manage the budgets as closely as possible throughout the year and it is hoped that by tight budgetary control expenditure may be brought in on line.

Capital Budget

- 4.4** 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 Appendices 6 and 7 together with additional information on action being taken to minimise or mitigate slippage and/or overspends where possible. Detail on projects within the green category are

shown in Appendix 7. The analysis shows that for the in-year planned spend there is currently a projected in-year variance of £5.019m of which £4.923m relates to project slippage and an in-year overspend of £0.96m. Officers review regularly the in-year position to consider options to maximise the effective use of capital resources.

- 4.5** From the analysis within the appendices it can be seen that there are seven projects with forecast material slippage, as listed as follows:

Project Name	Slippage (£m)
District Heating Network Expansion	2.100
New Westbridgend Community Centre	0.585
Viresco Studios and Art Centre	0.550
Dumbarton West Sports Changing	0.341
Vale of Leven Cemetery	0.300
Allotment Development	0.270
AHU upgrade Meadow Centre/Vol Pool	0.207

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 efficiencies and management adjustments are monitored with current indications showing that £0.335m of the total actions of £0.357m being monitored are currently on target to be achieved (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 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.
- 7.2** Assumptions around service demand and timing of nationally agreed changes through the phasing out of lockdown change regularly and therefore there is a significant risk that the projected year end budgetary position will change from that reported.

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.

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Date: 21 October 2021

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Appendices: 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 Red Status (Capital)
Appendix 7 - Variance Analysis Green (Capital)

Background Papers: None

Wards Affected: All