

WEST DUNBARTONSHIRE COUNCIL

Joint Report by Strategic Leads – Housing and Employability and Regeneration

Housing and Communities Committee: 2 September 2020

Subject: Financial Report 2020/21 as at Period 4 (31 July 2020)

1. Purpose

- 1.1 The purpose of the report is to provide the Committee with an update on the financial performance to 31 July 2020 (Period 4) of those services under the auspices of the Housing and Communities Committee.

2. Recommendations

2.1 Members are asked to:

- i) note the contents of this report which shows the revenue budget forecast to overspend against budget by £1,839m (62%) at the year-end;
- ii) note the net projected annual position in relation to relevant capital projects which is showing no projected variance; and
- iii) note the progress on efficiencies incorporated into budgets for 2020/21.

3. Background

3.1 Revenue Budget

At the meeting of West Dunbartonshire Council on 4 March 2020, Members agreed the revenue estimates for 2020/21.

A total net budget of £3.418 was approved for services under the remit for Housing and Communities services at that time. Adjustments have been made since that date and the revised budget now under the remit of Housing and Communities is £2.964m as per below.

| Description | £m |
|------------------------------------|--------------|
| Starting Position | 3.418 |
| Staff transfer from contact centre | 0.024 |
| ICT virement | (0.004) |
| Procurement savings | (0.224) |
| Covid savings | (0.152) |
| Recurring variances | (0.098) |
| Revised budget | 2.964 |

Capital

- 3.2** At the meeting of Council on 4 March 2020, Members also agreed the updated 10 year General Services Capital Plan for 2020/21 to 2029/30. The next three years from 2020/21 to 2022/23 have been approved in detail with the remaining 7 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 for Housing and Communities services was £0.900m.

4. Main Issues

Revenue Budget

- 4.1** Appendix 1 shows the probable outturn for the services at £4,803. As the annual budget is £2.964m there is a projected adverse variance currently projected of £1,839m. A more detailed analysis by service is given in Appendix 2. 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 2020/21 budget.
- 4.2** The restrictions imposed from lockdown due to COVID has had an impact on housing repairs and renewals activities and therefore has had an affect on the achievable surplus of the housing maintenance trading operation (HMTO). The current projected shortfall for HMTO (per Appendix 1) is £2.011m. Officers will continue to manage the budgets as closely as possible throughout the year and it is hoped that by tight budgetary control and ongoing recovery actions. that the financial impact can be minimised. Scottish Government has agreed that such lost income costs can continue to be charged to HRA, however the Council is working to minimise any such position.

Capital Budget

- 4.3** The overall programme summary report is shown in Appendix 5. The analysis shows that for the in-year planned spend there is currently no projected variance.

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.
- 6.2** Agreed management adjustments for 2020/21 are monitored with

current indications being that the saving of £0.123m will be achieved. (see Appendix 4).

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 – particularly in light of covid.
- 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.

Jim McAloon

Strategic Lead, Regeneration

Peter Barry

Strategic Lead, Housing and Employability

Date: 18 July 2020

Person to Contact:

Janice Rainey - Business Unit Finance Partner, 16 Church Street, Dumbarton, G82 1QL, telephone: 01389 737707, e-mail janice.rainey@west-dunbarton.gov.uk

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 Green (Capital)

Background Papers: None

Wards Affected: All