

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Resources

Housing and Communities Committee: 3 February 2021

Subject: Financial Report 2020/21 as at Period 9 (31 December 2020)

1. Purpose

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance to 31 December 2020 (Period 9) 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 £0.434m (8.56%) at the year-end. The adverse variance due to COVID-19 is £0.471m therefore the underlying variance after COVID-19 is £0.037m favourable;
- 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 £5.072m 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-19 adjustments	1.551
Recurring variances	(0.097)
Grant income - RRTP	0.251

Homeless winter RRTP allocation	0.153
Revised budget	5.072

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** The restrictions imposed from lockdown and ongoing social interaction measures due to COVID-19 have had a financial impact on services. The earlier projected COVID-19 related impact (£1.551m) has been transferred to the Corporate central cost centre for the financial monitoring of COVID-19 issues. The main area affected has been housing repairs and renewals activities which has had an affect on the achievable surplus of the housing maintenance trading operation (HMTO). 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 appropriate lost income can continue to be charged to HRA, however the Council is working to minimise any such position.
- 4.2** Appendix 1 shows the probable outturn for the services at £5.506m. As the annual budget is £5.072m there is a projected adverse variance currently projected of £0.434m. The adverse variance still showing in the current budgets due to COVID-19 is £0.471m therefore the underlying variance after COVID-19 is £0.037m favourable. 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.

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-19.
- 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.

Stephen West
Chief Officer, Resources

Date: 19 January 2021

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 (Revenue)
Appendix 5 - Budgetary Position (Capital)
Appendix 6 - Variance Analysis Green (Capital)

Background Papers: None

Wards Affected: All