

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Infrastructure and Regeneration

Infrastructure, Regeneration & Economic Development Committee: 12 February 2020

Subject: Infrastructure, Regeneration & Economic Development Budgetary Control Report 2019/20 to Period 9 (31 January 2020)

1. Purpose

1.1 The purpose of the report is to provide the Committee with an update on the financial performance to 31 January 2020 (Period 9) of those services under the auspices of the Infrastructure, Regeneration & Economic Development Committee (IRED).

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 £0.073m (0.3%) at the year-end;
- ii) note the net projected annual position in relation to relevant capital projects which is highlighting a projected variance of £17.652m (-31.1%) due to slippage of £18.020m (-31.73%) and an overspend of £0.368 (0.63%) and;
- iii) note the progress on efficiencies incorporated into budgets for 2019/20.

3. Background

Revenue

3.1 At the meeting of West Dunbartonshire Council on 27 March 2019, Members agreed the revenue estimates for 2019/20. A total net budget of £24.211m was approved for IRED services. Since then there have been various efficiency savings. The revised budget is therefore now £23.900m, as follows:

| | £m |
|--|----------------|
| Starting Position | 24.211 |
| Recurring variances | (0.291) |
| Overtime Savings | (0.080) |
| Procurement Savings | (0.010) |
| Efficiencies reallocated to Sundry Services | 0.070 |
| Revised budget | 23.900 |

Capital

- 3.2** At the meeting of Council on 27 March 2019, Members also agreed the updated 10 year General Services Capital Plan for 2019/2020 to 2026/2027. The next three years from 2019/20 to 2021/22 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 £215.297m.

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 21 services monitored 9 are showing either a favourable or nil variance with 12 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 2019/20 budget.
- 4.2** Appendix 1 shows the probable outturn for the services at £23.973m. As the annual budget is £23.900m there is currently a projected adverse variance for the year of £0.073m.

Capital Budget

- 4.3** 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 8. The analysis shows that for the in-year planned spend there is currently a projected in-year variance of £17.652m of which £18.020m relates to project slippage and an in-year overspend of £0.368m. Officers review regularly the in-year position to consider options to maximise the effective use of capital resources.

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

| Project Name | Slippage (£m) |
|-----------------------------------|----------------------|
| Gruggies Burn Flood Prevention | 4.155 |
| Vehicle Replacement | 3.537 |
| A811 Lomond Bridge | 1.800 |
| Depot Rationalisation | 1.009 |
| Regeneration Fund | 0.810 |
| Posties Park Sports Hub | 0.728 |
| Town Centre Fund | 0.829 |
| Exxon City Deal | 0.696 |
| New Westbridgend Community Centre | 0.635 |

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 £0.593m of the total actions of £0.723m 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 main financial risks to the ongoing financial position relate to unforeseen costs being incurred 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 in-year underspends 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.

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Date: 20 January 2020

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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 Amber Status (Capital)
Appendix 8 - Variance Analysis Green (Capital)

Background Papers: None

Wards Affected: All