

WEST DUNBARTONSHIRE COUNCIL
Report by the Chief Officer – Resources
Corporate Services Committee: 1 February 2023

**Subject: Corporate Services Budgetary Control Report to 30 November 2022
(Period 08)**

1. Purpose

1.1 The purpose of this report is to advise the Committee on the performance of the Corporate Services budget for the period to 30 November 2022.

2. Recommendations

2.1 Members are asked to:

- i) note that the revenue account currently shows a projected annual adverse variance of £0.054m (0.16% of the total budget) and
- ii) note that the capital account is showing a projected in-year underspend of -£3.293m (-43.9% of in-year budget) due to 6 projects showing projected underspends as a result of delays to these projects with explanations for delays detailed in Appendices 5 and 6. The project life projection is currently showing a projected underspend of £-0.047m (-0.42% of project life budget).

3. Background

3.1 Revenue Budget

At the meeting of West Dunbartonshire Council on 9 March 2022, Members agreed the revenue estimates for 2022/23.

A total net budget of £33.919m was approved for services under the remit for Corporate Services at that time.

Since then the following adjustments have been made to the original budget agreed:

Description	£m
Budget Agreed March 2021	33.919
June Council - Cost of Living Fund Allocation	0.073
Vacant posts removed to sundry services	-1.058
Centralisation of Mobile Phones to ICT	0.014
* Excess Welfare Fund budget moved to sundry services	-0.065
Pay Award additional Funding	1.316

Recurring Variances removed	-0.016
ISDN Budget Centralisation to ICT	0.063
	34.246

* Welfare fund budget includes an element of Administration costs which are normally budgeted for in Sundry Services but these were included in the main stream budget in error. This budget movement is correcting the error.

3.2 Due to the current financial challenges facing the Council recruitment restrictions have been implemented and the filling of vacancies is subject to active review. For variances linked to this action (beyond the budgeted turnover targets), in year savings through not filling vacancies, are now being removed from services and held in a central code. This has resulted in a number of favourable service variance being removed from services and held centrally (currently £1.058m). This has no impact on the overall projected outturn of the Council, just on how that outturn is reported.

3.3 With vacancy savings being removed from service budgets and transferred to a central budget, other projected overspends identified within services are now more clearly reported. This demonstrates that, if the Council were to only meet the budgeted turnover level of vacancies there would be a far more significant overspend which highlights the extent to which the Council cannot afford to operate with its current full establishment.

3.4 Capital Budget

At the meeting of Council on 9 March 2022, Members also agreed the updated 10 year General Services Capital Plan for 2022/2023 to 2031/32. The three years from 2022/23 to 2024/25 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 Corporate Services was £11.091m.

4. Main Issues

Revenue Budget

4.1 The summary report at Appendix 1 identifies a projected annual adverse variance (overspend) of £0.054m (0.16% of the total budget). Detailed service reports are attached as Appendix 2.

4.2 There are nine projected annual variances in excess of £0.050m. Notes on these variances are highlighted and noted within Appendix 3, with additional information on action being taken to minimise or mitigate overspends where possible.

4.3 Although the report indicates that expenditure is adverse in comparison to that anticipated during the budget exercise, the present variance should be viewed

in the knowledge that there are a number of variable factors which could arise between now and 31 March 2023 and which could affect the year end results.

Capital Budget

- 4.4 Appendices 4 to 6 highlight 9 projects showing an in-year underspend, 9 projects on target and 3 projects showing an in-year overspend. The overall Corporate Services programme summary report at Appendix 5 shows that there is a projected £3.342m (30.1% of the total programmed budget) to be re-phased in future years.

There are five significant variances within the Capital Budget, these are shown in the following table. See Appendices 5 and 6 for more details.

Project	Variance £m
ICT Security & DR	-0.347
ICT Modernisation	-0.522
ICT 365 Implementation	-0.053
Cost of Living Fund	-0.750
Strathleven	-1.590

5. People Implications

- 5.1 There are no people implications.

6. Financial and Procurement Implications

- 6.1 Other than the financial position noted above, there are no financial or procurement implications from this budgetary control report.

7. Risk Analysis

- 7.1 The main financial risks to the ongoing financial position relate to unforeseen costs being identified between now and the end of the financial year. This can affect all service areas

8. Equalities Impact Assessment (EIA)

- 8.1 No equalities impact assessment was required in relation to this report.

9. Consultation

- 9.1 All services involved in delivering the revenue and capital budgets have been consulted in the compilation of this report.

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 5 strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

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Date: 09 January 2023

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Appendices:

- Appendix 1 - Revenue Budgetary Control 2022/23 – Summary Report
- Appendix 2 - Revenue Budgetary Control 2022/23 – Service Reports
- Appendix 3 - Analysis of Revenue Variances over £50,000
- Appendix 4 - Overall Capital Programme Summary Financials
- Appendix 5 - Capital Programme – Red Status
- Appendix 6 - Capital Programme – Green Status

Background Papers:

- Ledger output – Period 08
- General Services Revenue Estimates 2022/23 – Council 9 March 2022
- General Services Capital Strategy 2021/22 to 2030/31 - Council 9 March 2022

Wards Affected All Wards