

WEST DUNBARTONSHIRE COUNCIL
Report by the Chief Officer – Resources
Council: 6 March 2024

Subject: Dumbarton Common Good Budget Update 2024/25

1. Purpose

- 1.1** The purpose of this report is to provide Council with an update on the 2023/24 Dumbarton Common Good budget and seek approval for a revised 2024/25 budget and indicative budgets for 2025/26 and 2026/27.

2. Recommendations

2.1 Members are asked to:

- i) Note the Dumbarton Common Good 2023/24 outturn is currently projected to be a deficit of £126,791.
- ii) Approve the indicative 2024/25 budget of £455,949 expenditure against projected income of £322,446 representing a budgeted deficit of £133,503.
- iii) Approve the inclusion of a budget of £53,465 in 2023/24 reducing to £31,494 in 2024/25 to fund ongoing security costs at 7 Overburn Ave.
- iv) Note the indicative budgets to 2026/27 as set out in Appendix 1.
- v) Note the projected balances available for carry forward of £498,105 at 31 March 2024 and £364,602 at 31 March 2025 (based upon the revised draft 2024/25 budget).
- vi) Note that a comprehensive review of the recurring annual grant awards will be carried out during 2024/25.

3. Background

- 3.1** At Council on 1 March 2023, Members approved the 2023/24 budget for the Dumbarton Common Good and noted indicative budgets for the period to 2025/26. The 2023/24 budget, as shown on Appendix 1, has since been updated to reflect the actual figures carried forward from 2022/23, as opposed to the estimated figures which were included in the original 2023/24 budget and funding for new projects as agreed during the year by the Corporate Services Committee as detailed at paragraph 4.2.

- 3.2** The Prudential Reserve of the Common Good remains at £25,000.

4. Main Issues

- 4.1** Appendix 1 details the 2023/24 financial performance of the Common Good. It highlights that the anticipated expenditure (£447,042) is likely to be more than the income expected in-year (£320,251) for 2023/24, resulting in an in-year deficit of £126,791. This means that £126,791 will be deducted from the

reserves brought forward from 2022/23 of £624,896, resulting in a total of £498,105 being carried forward into 2024/25.

- 4.2 During the year, the following budgets were agreed by the Corporate Service Committee:

PROJECT	PURPOSE	AMOUNT
WD Community Foodshare	Funding to part cover rental costs and running costs.	£18,403 (Yr 1-3)
Food For Thought SCIO	Funding to cover rental costs.	£16,251 (Yr 1) £15,000 (Yr 2 & 3)
Corra Foundation	Funding to cover staff and other operating costs.	£13,000 (Yr 1-3)

- 4.3 Indicative budgets for 2024/25 to 2026/27 are also shown on Appendix 1. The figures indicate that in all 3 years, the spend is likely to be greater than income which means there will be the need to fund any shortfall from the reserves brought forward. For this reason, a review of the recurring annual grants, with the exception of those grants recently awarded, will be carried out during 2024/25 to ensure the sustainability of the fund in the longer term.

- 4.4 In terms of the adequacy of reserves, the prudential level of reserves is considered to be adequate to deal with any unforeseen financial pressures on the fund, based on previous experience and future expectations, specifically in relation to income streams. The current level of reserves remains significantly above the prudential level and are therefore judged as being adequate.

- 4.5 Proposed budgets going forward remain at a standstill level with the exception of the following projects, for the following reasons:

PROJECT	REASON
Alcoholics Anonymous	Annual increase reflects inflationary cost associated with utilities (as agreed by Council March 2023).
Dumbarton Fireworks	Annual increase in line with the identified inflationary pressure and will continue to do so until such time as it exceeds £20,000 as previously agreed by Members at the Corporate Services Committee on the 2 November 2022.
Central Admin Allocation	At its meeting of 20 December 2023, Council noted the need to increase the 2024/25 charge for support services to reflect cost recovery.
DCG Vacant Property costs (refer to paragraph 4.6)	A provisional budget of £31,494 has been added to 2024/25 to fund the costs associated with securing a vacant Common Good property held at 7 Overburn Ave.
WD Community Foodshare	Funding approved until 2025/26 by Committee on 24 May 2023, with the award to be subject to review in 2026 to consider if the grant should be continued further.

Food For Thought SCIO	Funding approved until 2025/26 by Committee on 16 May 2023, with the award to be subject to review in 2026 to consider if the grant should be continued further.
Corra Foundation	Funding approved until 2025/26 by Committee on 1 November 2023.

- 4.6** Appendix 1 identifies an estimated 2023/24 cost of £53,465 for “DCG vacant property costs”. This expenditure relates to the cost of security cameras and fencing required to secure a Common Good property at 7 Overburn Ave. The intention is for the building to be demolished, the cost of which will be met from a separate budget, as it is unsafe due to radium contamination. A provisional budget of £31,494 has been added to 2024/25 which assumes the continuation of security costs whilst demolition of this property is pending, however, the estimated costs budgeted may be significantly reduced once demolition is complete.

5. Option Appraisal

- 5.1** No option appraisal was required for this report.

6. People Implications

- 6.1** There are no people implications.

7. Financial and Procurement Implications

- 7.1** Other than the financial position note above, there are no financial or procurement implications.

8. Risk Analysis

- 8.1** The Council must consider financial and reputational risks when considering funding to external organisations. The financial risk is that the Dumbarton Common Good remains within budget, however with a robust budget being agreed and ongoing monitoring and review will ensure that this is protected. There is a risk that the voluntary organisations awarded grants do not remain financially sustainable and that grant payments made are not used for the purposes intended. Organisations funded by the Common Good must comply with conditions of grant which includes providing financial accounts etc. to the Council on a regular basis. This allows officers to monitor spend as being in line with expectations as well as the financial sustainability of the organisations.

9. Equalities Impact Assessment (EIA)

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

10. Environmental Sustainability

10.1 No assessment of environmental sustainability was required in relation to this report.

11. Consultation

11.1 Legal and Financial Officers have been consulted in preparing this report.

12. Strategic Assessment

12.1 Good financial governance is essential to the delivery of each of the Council's Strategic Priorities.

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Date: 8 February 2024

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Appendices: Appendix 1 – Financial Analysis and Revised Budget

Background Papers: Report to Council – 1 March 2023 – Dumbaron Common
Good Fund Budget 2023/24

Report to Corporate Service Committee – 24 May 2023 –
Grant Application to Dumbaron Common Good.

Report to Corporate Service Committee – 16 August 2023 –
Grant Application to Dumbaron Common Good.

Report to Corporate Service Committee – 1 November 2023
Grant Application to Dumbaron Common Good.

Report to Council – 20 December 2023 – Financial Update

Wards Affected 2 and 3.