

WEST DUNBARTONSHIRE COUNCIL
Report by Executive Director of Corporate Services
Council – 16 December 2009

Subject : General Services Revenue Budgetary Control Report : Period 7 (2009/10)

1. Purpose

1.1 The purpose of this report is to advise Members of the performance of the General Services revenue budget for the period to 15 November 2009.

2. Background

2.1 At a meeting of West Dunbartonshire Council on 12 February 2009, Members agreed the revenue estimates for 2009/10. A total net budget of £243.941m was approved.

2.2 This report covers service expenditure and loan charges, which are budgeted at £208.913m. The balance of the budget comprises of requisitions, which are outwith the Council's control.

3. Main Issues

3.1 Due to debt rescheduling which has taken place since the budget was set, the loan charges budget has been reduced for the year and vired into the Contingency Fund.

3.2 Following the Strategic Finance Working Group on 25 August 2009 a freeze on the filling of vacancies, along with a freeze on all non essential spending on goods and services, was put in place on 4 September. Due to the concerns in relation to the overall budgetary position of the Council, both in the current year and looking ahead to 2010/2011, the CMT considered it necessary as a matter of urgency to take action to reduce expenditure in the remainder of this financial year.

3.3 A reduction in expenditure of £1m was targeted to be achieved during the remainder of this financial year by the actions detailed above. This sum has been removed from departmental budgets and vired into the contingency fund.

3.4 Appendix 1 notes the revised annual departmental budgets. It currently excludes the additional income, as agreed by Council on 25 November, as these apply from 2010 and have not yet been effected. It also compares the revised estimates and actual year-to-date figures, with appendix 2 detailing the variances identified in excess of £25,000.

- 3.5 The summary report brings out an adverse variance (overspend) of £0.450m (0.36% of the phased budget). The overspend is broadly in line with the position previously forecast to the Strategic Finance Working Group.
- 3.6 The report collates a large amount of information and if any Member wishes further details on any of the variances it would be appreciated if contact could be made with the undernoted officer prior to the Council meeting.
- 3.7 Although the report indicates that expenditure is slightly higher than 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 and which could affect the year end results. This position is being closely monitored by the Corporate Management Team and corrective action will be taken to bring expenditure into line with the budget.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial implications

- 5.1 At 15 November 2009, the Council's revenue budget was showing a £0.450m overspend against estimate.

6. Risk Analysis

- 6.1 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 and which could affect the year end results.

7 Officers' Conclusions and Recommendations

- 7.1 The report identifies an adverse variance against estimate of £0.450m. This position is being closely monitored by the Corporate Management Team and corrective action will be taken to bring expenditure into line with the budget.
- 7.2 This report is submitted for consideration and comment.

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Date: 4 December 2009

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Appendix: Budgetary Control Report Period 7
Variance Analysis

Background papers: Ledger Output
Revenue Estimates 2009/10

Wards affected: All