

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Executive Director of Infrastructure and Regeneration

**Infrastructure, Regeneration & Economic Development Committee:  
20 November 2019**

**Subject: Infrastructure, Regeneration & Economic Development Budgetary Control Report 2019/20 to Period 6 (30 September 2019)**

#### **1. Purpose**

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance to 30 September 2019 (Period 6) of those services under the auspices of the Infrastructure, Regeneration & Economic Development Committee (IREC).

#### **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 £0.093m (0.4%) at the year-end;
- ii) note the net projected annual position in relation to relevant capital projects which is highlighting a projected variance of £9.438m (-19.3%) due to slippage of £9.603m (-19.67%) and an overspend of £0.164 (0.3%) 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 an efficiency saving has been reallocated to Sundry Services. The revised budget is therefore now £24.031m, as follows:

	<b>£m</b>
<b>Starting Position</b>	<b>24.211</b>
<b>Recurring variances</b>	<b>(0.286)</b>
<b>Efficiencies reallocated to Sundry Services</b>	<b>0.106</b>
<b>Revised budget</b>	<b>24.031</b>

### 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 £211.019m.

## **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 12 are showing either a favourable or nil variance with 9 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 £24.124m. As the annual budget is £24.031m there is currently a projected adverse variance for the year of £0.093m.

### 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 £9.438m of which £9.603m relates to project slippage and an in-year overspend of £0.164m. 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:

<b>Project Name</b>	<b>Slippage (£m)</b>
Gruggies Burn Flood Prevention	1.805
A811 Lomond Bridge	1.800
Depot Rationalisation	0.904
Regeneration Fund	0.851
Posties Park Sports Hub	0.828
Town Centre Fund	0.823
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.

**Richard Cairns**  
**Executive Director of Infrastructure and Regeneration**

**Date: 23 October 2019**

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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