

WEST DUNBARTONSHIRE COUNCIL
Report by the Executive Director of Corporate Services
Council : 24 February 2010

Subject : General Services Capital Plan 2010/11

1. Purpose of Report

- 1.1** The purpose of this report is to provide Members with the General Services Capital Plan for 2010/11 recommended by the Corporate Management Team (CMT).

2. Background

- 2.1** With the introduction of the Prudential Code, the existence of three year Scottish Government settlements, high levels of local slippage in projects (due to lead-in times), etc., it is felt that a longer term plan is a more strategic approach, allowing departments to plan their projects in advance and allow Corporate Finance to plan required borrowing at a time most beneficial to the Council.
- 2.2** A draft of the General Services Capital Plan for 2010/11 was reported to Council on 26 August 2009. These bids have now been reviewed and updated by departments.
- 2.3** Appendices I to V report on estimated resources, identify committed expenditure, priority uncommitted departmental bids, identify unfunded uncommitted departmental bids and detail anticipated capital receipts for 2010/11.
- 2.4** Expenditure can be identified as committed for a number of reasons:
- (a) Expenditure in relation to external ringfenced funding – e.g. grants.
 - (b) Expenditure due allocated to capital on an annual basis – e.g. administrative and architectural support, central buildings work.
 - (c) Expenditure which has been politically agreed – i.e. Member agreement through Committee/Council decision.
 - (d) Expenditure which has been legally committed – i.e. through the Council's ordering/tendering procedures.
- 2.5** Within the resources noted as available each year, there is an element of capital receipts identified which are only estimates at this stage and not guaranteed as noted in Appendix V. These figures could change and, as a result, the capital plans may require to be altered.

2.6 As part of a new relationship between the Scottish Government and local authorities, the level of ring-fenced capital grants has been substantially reduced. A number of previously ring-fenced annual grants have now been rolled up into a general capital grant; the Council can choose how to spend this money to best suit local needs. The main grants affected are contaminated land, school fund and strategic waste. The grant also provides for specific projects such as flood prevention, air quality monitoring, public transport and efficiency reform.

2.7 The forecast resources anticipate slippage at 14% which is consistent with that achieved over the last three years.

3. Main Issues

3.1 Currently, total funds available for the capital plan are £19.459m (Appendix I). The committed projects (Appendix II) total £15.127m; therefore, the funds available for non-committed capital bids are £4.332m. This is due to the level of resources available in year, the level of committed expenditure and the level of expenditure anticipated to slip from 2009/10 to 2010/11.

3.2 To arrive at the figures noted in 3.1, the likely resources and spend during 2009/10 has been considered and the 2010/11 draft capital plan adjusts for both income and expenditure likely to slip from 2009/10 into 2010/11.

3.3 From the £4.332m available resources noted in 3.1 departments were each allocated a capital budget.

3.4 The CMT has carefully considered all non-committed capital bids from each department and has agreed to recommend for approval bids totalling £4.332m as detailed in Appendix III.

3.5 Remaining uncommitted capital bids are detailed in Appendix IV and amount to £24.732m.

3.6 The recommended bids secures funding for the relocation of Brock Bowling Club which is required to allow the Council to proceed with plans in relation to Dumbarton Academy. The recommended bids also secure some funding for the Council's fire upgrade and other health and safety legislative commitments for 2010/11. However, it doesn't at this time meet all commitments. The shortfall will be addressed in the update report to Council in August 2010.

4. Personnel Implications

4.1 There are no personnel implications.

5. Financial implications

5.1 Based upon the recommendations, there are no additional financial implications at present.

6 Risk Analysis

6.1 The main risks are as follows:

- (a) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.
- (b) If departments overspend on any capital budget this will have a detrimental effect on the capital programme in current and future years.
- (c) Due to the shortage of funds and the need to prioritise the funds available on issues such as health and safety or legal obligations, further health and safety obligations and obligations within the corporate plan or the single outcome agreement may not be fully met due to the lack of funding allocated to these priorities.

7. Equalities Impact

7.1 No significant issues were identified in a screening for potential equality impact of this report.

8. Officers' Conclusions and Recommendations

8.1 After accounting for committed bids, £4.332m non committed bids can be funded, resulting in a total programme for 2010/11 of £19.459m with £24.732m of non committed bids remaining unfunded.

8.2 It is recommended that Members agree to:

- (a) Note the committed bids as shown in Appendix II.
- (b) Note that the funds available for uncommitted capital bids in 2010/11 are £4.332m.
- (c) Agree the projects recommended for approval totalling £4.332m as detailed in Appendix III.
- (d) Approve the capital plan for 2010/11 as detailed in Appendix I, including the recommended projects as outlined above.
- (e) Note that the draft capital plans for 2011/12 and 2012/13 will be presented to Council in August 2010.
- (f) Note that the recommended budget does not meet all health and safety legislative commitments. This and other matters will be addressed in an update report to Council in August 2010.

**Signed by David Connell
On behalf of Joyce White**

.....
Joyce White
Executive Director of Corporate Services
Date: 15 February 2010

Person to Contact: Gillian McNeilly, Manager of Accounting,
Garshake Road, Dumbarton
Telephone (01389) 737194
Email gillian.mcneilly@west-dunbarton.gov.uk

Appendices:

- I Available Resources
- II Committed Bids 2010/11
- III Recommended Uncommitted Bids 2010/11
- IV Remaining Uncommitted Bids 2010/11
- V Anticipated Capital Receipts 2010/11

Background Papers: Departmental Bids
General Services Capital Plan 2010/11 and 2011/12
- Council 26 August 2009

Wards Affected All wards affected.: