

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Council : 27 February 2008

Subject: General Services Capital Plan 2008/09

1. Purpose of Report

- 1.1 The purpose of this report is to provide Council with the General Services Capital Plan for 2008/09 recommended by the Corporate Management Team (CMT).

2. Background

- 2.1 Departments were originally asked to submit capital bids for committed and non-committed projects for 2008/09 during the 2007/08 estimates process. The first draft of the General Services Capital Plan for 2008/09 was reported to Council on 29 August 2007. The plan has now been reviewed and updated.
- 2.2 Appendices I to IV report on estimated resources, identify committed expenditure, recommended uncommitted capital bids and identify unfunded uncommitted departmental bids for 2008/09.
- 2.3 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 support, architectural support, capitalised central repairs.
 - (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.
- 2.4 Within the resources available each year there is an element of capital receipts identified which are only estimates and cannot be guaranteed. These figures could change and, as a result, capital plans may require to be altered. Included within the resources are anticipated capital receipts of £5.801m, which have been reduced by £3.000m due to temporary prudential borrowing that was required to fund the late realisation of a receipt that was originally planned for 2005/06. This receipt is now anticipated to be received in 2008/09.
- 2.5 Included in the capital plan in 2008/09 are a number of decisions taken by Council on 14 February 2008 as follows:
- (a) The use of £1.000m of capital receipts for capital fund repayment.
 - (b) Additional capitalisation of £0.200m regarding central enhancements.
 - (c) Additional capitalisation of £0.020m regarding community lighting.
 - (d) Creation of a "spend to save" capital fund of £0.250m.

- 2.6** Included in the capital plan for 2008/09 is £0.250m relating to Strathleven Corridor Canal Development. Potential opportunities associated with this development require to be explored in partnership with British Waterway to undertake detailed work regarding the feasibility of the project and its economic impact. The project which will be of both local and national significance aims to link the River Leven to Loch Lomond dealing directly with flood prevention issues on a sustainable basis as well as providing a catalyst for social and economic growth. The total value of the project is likely to be in the region of £70m and the establishment of £0.250m within the capital plan to facilitate this immediate investigatory work will provide the opportunity for the Council to realise its ambitions in support of both the Community and Corporate Development Plan objectives.
- 2.7** 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 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.
- 2.8** Projects previously ring-fenced within the capital programme as detailed in 2.7 total £3.732m and have been included as committed bids in 2008/09.

3. Main Issues

- 3.1** The total funds available for the capital plan are £26.767m (Appendix I). The committed projects (Appendix II) total £22.828m; therefore, the funds available for non-committed capital bids are £3.939m. This is due to the level of resources available in year, the level of committed/ringfenced expenditure and the level of expenditure anticipated to slip from 2007/08 to be funded from 2008/09 resources.
- 3.2** To arrive at the figures noted in 3.1, the likely resources and spend during 2007/08 have been considered and the 2008/09 draft capital plan adjusted for both income and expenditure likely to slip from 2007/08 into 2008/09.
- 3.3** The CMT has carefully considered all non-committed capital bids from each department and has agreed to recommend for approval bids totalling £3.939m as detailed in Appendix III.
- 3.4** Remaining uncommitted capital bids are detailed in Appendix IV and amount to £20.689m.

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) 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.

7. Conclusions

7.1 After accounting for committed bids, £3.939m non-committed bids can be funded, resulting in a total programme for 2008/09 of £26.767m with £20.689m non-committed bids remaining unfunded.

8. Recommendations

8.1 It is recommended that Council agrees to:

- (a) Note the committed bids as shown in Appendix II
- (b) Note that the funds available for uncommitted capital bids total £3.939m
- (c) Note that projects recommended for approval totalling £3.939m are detailed in Appendix III.
- (d) Approve the capital plan for 2008/09 as detailed in Appendix I, including the prudential borrowing requirement and recommended projects as outlined above.
- (e) Note that the draft capital plans for 2009/2010 and 2010/2011 will be presented to Council in August 2008.

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Date: 20 February, 2008

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Appendices:

- I Available Resources**
- II Committed Bids 2008/09**
- III Recommended Uncommitted Bids 2008/09**
- IV Remaining Uncommitted Bids 2008/09**

Background Papers: **General Services Capital Plan 2008/09 –
Council 29 August 2007.**

Wards Affected: **All wards affected.**