

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Council: 28 March 2012

Subject: General Services Capital Plan 2012/13

1. Purpose of Report

1.1 The purpose of this report is to provide Members with an update on the draft capital plan for 2012/13.

2. Background

2.1 The draft capital plan for 2012/13 was initially reported to the CMT in December 2011. Bids received by departments have now been reviewed and updated where appropriate.

2.2 A report is due to be submitted to Council providing Members with an update on the Securitisation project. Due to the need for Securitisation projects to generate substantial cost savings it is likely that some projects may not be appropriate to be funded from this income stream and may therefore be more appropriate to fund from within the General Services capital plan.

2.3 In light of the timing surrounding Securitisation decisions the full capital plan for 2012/13 is expected to be submitted to Members for approval in June at the latest; however a delay in setting the capital plan is likely to impact of project delivery. To mitigate this impact it is recommended at this time that all projects identified as slippage within the report submitted to Council on 25 January 2012 (£7.751m) are approved at this time along with projects that are regarded as committed either due to receipt of external funding (£0.105m) or Council policy (£3.989m).

2.4 Appendix I details anticipated resources, appendix II details recommended committed expenditure for 2012/13 (taking into account the recommendation at 2.3 above) and appendix III details committed bids not recommended for approval at this time.

2.5 A summary of the overall position for the period 2012/13 is included in the table below:

Financial Year	2012/13 £000
Anticipated Resources (Appendix I)	28,863
Recommended Committed Projects (Appendix II)	11,254
Funds Available For Remaining Committed Bids	17,609
Remaining Committed Bids (Appendix III)	14,105
Funds Available For Remaining Bids	3,504

- 2.6** The balance of £3.504m above is the level of funds that are anticipated to be available to fund all remaining bids. Uncommitted bids total £15.107m (appendix IV) and should be considered for funding from this balance along with any securitisation project bids that are unsuitable to be funded from the Securitisation income stream. Included within the uncommitted bids list are two projects for which urgent approval is requested as detailed below:
- (a) Demolition of Auchentoshan Adult Training Centre total of £0.100m – It is requested that urgent approval is given to allow these works to commence due to vandalism that has occurred and the potential for damage to adjacent properties.
 - (b) Fire Safety Works to Ardlui Outdoor Education Centre total of £0.100m – it is requested that urgent approval is given to allow these works to commence due to health and safety reasons.
- 2.7** Slippage has been included at 10% of the available resources for the period 2012/13. Bids for 2012/13 are currently reported at 2011/12 price base and are not yet inflated. To increase slippage at this stage may lead to funding risks in the future.

3. Main Issues

- 3.1** Within the resources noted in 2012/13, there is an element of capital receipts identified which are only estimates at this stage and not guaranteed. These figures could change and as a result the 2012/13 capital plan may require to be altered.
- 3.2** Currently, total funds available for the capital plan are £28.863m. The recommended committed projects total £11.254m, leaving £17.609m unallocated at this time. As noted in 2.3 above in light of the timing of decisions surrounding the Securitisation projects it is recommended that all projects identified as slippage within the report submitted to Council on 25 January 2012 are approved at this time along with projects that are regarded as committed either due to receipt of external funding or Council policy.
- 3.3** It is also recommended that the projects detailed in section 2.6 above are approved to allow these projects to commence due to their urgency.
- 3.4** Included within the anticipated resources available is anticipated grant funding from the Scottish Futures Trust regarding Dumbarton Academy. The expenditure related to Dumbarton Academy is not included within the recommended committed list at present as the grant funding has not been confirmed in writing.

Other Comments

- 3.5** It is recommended at present that all slippage previously identified (£7.751m) is approved to allow spend to commence in 2012/13; however in line with year end capital procedures the final slippage balance that requires to be carried forward into 2012/13 will be adjusted to reflect actual spend incurred in 2011/12 which may result in the figure noted above either increasing or reducing as appropriate.

4. People 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:

- As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.
- If departments overspend on any capital budget in the current year then this will have a detrimental effect on final slippage balance actually carried forward into 2012/13.
- If inflation increases bids for 2012/13 may have to be reviewed upwards.

7. Equalities Impact Assessment

7.1 No equalities impact assessment was required in relation to this report.

8. Strategic Assessment

8.1 The Council has identified four main strategic priorities for 2011/2012, namely Social & Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services.

8.2 The General Services capital plan contributes to both Social & Economic Regeneration and the Asset Management Strategy in relation to regeneration and marketing of West Dunbartonshire Council, infrastructure, attainment and achievement, modern schools and care homes amongst others.

9. Conclusions and Recommendations

9.1 In 2012/13 the resources available for funding committed bids that are not recommended for approval at this time and uncommitted capital projects are inadequate to meet the requests of all departments.

9.2 Resources available amount to £28.863m and with recommended expenditure commitments totalling £11.254m there is £17.609m unallocated resources anticipated at present (including the anticipated funding from the Scottish Futures Trust re Dumbarton Academy). Remaining committed bids total £14.105m, leaving £3.504m available to fund both uncommitted bids and any securitisation project deemed unsuitable to be funded from that income stream.

9.3 Members are asked to:

(a) Approve the following projects:

- All projects identified as slippage within the report submitted to Council on 25 January 2012 (totalling £7.751m);
- Projects that are regarded as committed either due to receipt of external funding (£0.105m) or Council policy (£3.989m); and
- Uncommitted projects detailed in section 2.6 that require urgently to commence totalling £0.200m.

(b) Note that a further report on the capital plan for 2012/13 to 2014/15 will be provided to Council in June 2012.

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Date: 15 March 2012

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Appendices: Appendix I Financial Summary
Appendix II Recommended Committed Projects
Appendix III Remaining Committed Bids
Appendix IV Uncommitted Bids

Background Papers: General Services Capital Plan 2011/12 to 2014/15
- CMT 13 December 2011

Departmental Bids

Wards Affected: All wards affected.