

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Council : 8 February 2007

Subject: General Services Capital Plan 2007/08

1. Purpose of Report

- 1.1 The purpose of this report is to present Members with the General Services Capital Plan for 2007/08 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 2007/08 during the 2006/07 estimates process. The first draft of the General Services Capital Plan for 2007/08 was reported to Council on 30 August 2006. These bids have now been reviewed and updated.
- 2.2 Appendices I to IV report on estimated resources, identify committed expenditure, recommended uncommitted capital bids and unfunded uncommitted departmental bids for 2007/8.
- 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 is anticipated capital receipts of £8.166m, which have been reduced by £3.155m due to temporary prudential borrowing resulting from a timing issue in receipts in 2005/06. This receipt is now anticipated to be received in 2007/08.

3. Main Issues

- 3.1** The total funds available for the capital plan are £22.024m (Appendix I). The committed projects (Appendix II) total £19.458m, therefore, the funds available for non-committed capital bids are £2.566m. 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 2006/07 to be funded from 2007/08 resources.
- 3.2** To arrive at the figures noted in 3.1, the likely resources and spend during 2006/07 have been considered and the 2007/08 draft capital plan adjusted for both income and expenditure likely to slip from 2006/07 into 2007/08.
- 3.3** During the 2007/08 revenue budget process, it has been indicated that the following amounts could be allocated to allow the Council to carry out prudential borrowing. These amounts are shown separately in Appendix I.
- (a) £0.350m would allow the Council to carry out £3.500m worth of prudential borrowing for general capital projects
- (b) £0.060m would allow the Council to carry out £0.600m worth of prudential borrowing for ringfenced roads and lighting projects.
- 3.4** When the total recommended prudential borrowing of £4.100m is added to the existing funds available for non-committed capital bids of £2.566m, the total funds available for non-committed capital bids increases to £6.666m.
- 3.5** The CMT has carefully considered all non-committed capital bids from each department and has agreed to recommend for approval bids totalling £6.666m as detailed in Appendix III.
- 3.6** Remaining uncommitted capital bids are detailed in Appendix IV and amount to £12.980m.
- 3.7** The Scottish Executive announced on 13 December 2006 that local authorities will receive additional one-off capital funding which must be used on projects that will result in efficiency savings. The specific allocation for each Authority has not been confirmed, but West Dunbartonshire Council's share is estimated to be around £1.1m. This has not been included within the available resources as this funding is ringfenced and work is underway to identify projects to meet the expected spending guidelines.

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 will either not be received or they will 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 and recommended prudential borrowing, £6.666m non-committed bids can be funded, resulting in a total programme for 2007/08 of £26.124m with £12.980m of non-committed bids remaining unfunded.

8. Recommendations

8.1 It is recommended that Members agree to:

- (a) Note the committed bids as shown in Appendix II
- (b) Note that, including recommended prudential borrowing, the funds available for uncommitted capital bids total £6.666m
- (c) Note that projects recommended for approval totalling £6.666m are detailed in Appendix III, and include bids linked to both the Best Value Improvement Plan and Revenue Savings options.
- (d) Approve the £26.124m capital plan for 2007/08 as detailed in Appendix I, including the prudential borrowing requirement and recommended projects as outlined above.
- (e) Note that the draft capital plans for 2008/2009 and 2009/2010 will be presented to Council in August 2007.

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Date: 2 February 2007

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Appendices: I, II, III and IV

Background Papers: General Services Capital Plan 2007/08 –
Council 30 August 2006.

Wards Affected: All wards affected.