

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Council: 26 August 2009

Subject: General Services Capital Plan 2009/10, 2010/11 and 2011/12

1. Purpose of Report

- 1.1** The purpose of this report is to provide Members with an update of the current capital plan 2009/10 and capital bids for 2010/11 and 2011/12.

2. Background

- 2.1** The capital plan for 2009/10 was reported to Council on 25 March 2009. This has now been updated to take account of 2008/09 capital spend and income and slippage identified to be carried into 2009/10.
- 2.2** The first draft of the General Services Capital Plan for 2010/11 was reported to Council on 26 November 2008. The plan has now been reviewed and updated by departments, with new bids for 2011/12 added.
- 2.3** The level of capital receipts anticipated has been updated since the information was collated for the Council report in March 2009. Generally, receipts anticipated are estimated and as such could be received at an earlier or a later date, or with a higher or lower value.
- 2.4** Appendix I reports estimated resources and identifies committed expenditure for 2009/10. This takes account of the report as approved by Members in March, slippage carried forward from 2008/09 for spend during 2009/10 and changes in the receipts anticipated.
- 2.5** Appendix II reports estimated resources, identifies committed expenditure and current uncommitted departmental bids for 2010/11.
- 2.6** Appendix III reports estimated resources, identifies committed expenditure and current uncommitted departmental bids for 2011/12.
- 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 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.
- 2.8** All approved and known prudential borrowing is included for each year. It is assumed that any future prudential borrowing will be for projects outwith core bids.

- 2.9** Slippage has been included at 14% of the available resources for 2009/10 and 10% for 2010/11 and 2011/12. Bids for 2010/11 and 2011/12 are currently reported at 2009/10 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 as available each year, 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 capital plans may require to be altered.
- 3.2** The attached figures do not take account of any financial implications of the decision made by Council on 6 August 2009, in respect of Dumbarton Academy. A report on funding options arising from this decision will be submitted to the Strategic Finance Working Group and thereafter included in subsequent reports to Council.

2009/10

- 3.3** The total funds available and committed projects in the capital plan total £29.599m. Main changes since last reported to council are:

Clydebank Rebuilt	(£1.037m)
Statutory Compliance	£0.707m
Land Purchases	£0.200m
Facilities Management	£0.030m
Capital Resources b/fwd	£0.100m

- 3.4** These figures adjust for spend departments have agreed to slip from 2008/09 into 2009/10.

2010/11

- 3.5** Currently, total funds available for the capital plan are £13.521m (Appendix II). The committed projects total £12.954m, leaving £0.567m available for allocation.
- 3.6** The £12.954m for committed projects includes £1.000m for works required to Knowleburn Flooding which has been moved from uncommitted to committed following a public enquiry.
- 3.7** Bids for non-committed capital projects by department amount to £29.719m. Of this, £3.178m is in respect of projects previously supported by ring-fenced grants.
- 3.8** As a result it is recommended that no uncommitted bids should be considered at this stage.

2011/12

- 3.9** Currently, total funds available for the capital plan are £18.405m (Appendix III). The committed projects total £6.905m, leaving £11.500m available for allocation.
- 3.10** Bids for non-committed projects submitted by departments total £19.792m. Of this, £3.167m is in respect to projects previously supported by ring-fenced grants.
- 3.11** The figures noted in 3.9 do not take account of unsuccessful bids in 2010/11 - these are also available for consideration in the 2011/12 programme. However based upon the general uncertainty surrounding capital receipts as noted in 3.1 it is recommended that no uncommitted bids should be considered at this stage for commencement in 2011/12.

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) If inflation increases bids for 2010/11 and 2011/12 may have to be reviewed upwards.

7. Conclusions & Officer's Recommendations

- 7.1** In both 2010/11 and 2011/12, the resources available for funding non-committed capital projects are inadequate to meet the requests of all departments.

2009/10

- 7.2** Resources available in 2009/10 and expenditure commitments amount to £29.599m.

2010/11

- 7.3** Resources available amount to £13.521m and with expenditure commitments totalling £12.954 there is £0.567m uncommitted resources available anticipated at present.

2011/12

- 7.4** Resources available amount to £18.405m and with expenditure commitments totalling £6.905m, there is £11.500m of resources available for allocation to non-committed projects from 2011/12, with additional uncommitted bids from 2010/11 also available to be considered.
- 7.5** Members are asked to agree the updated plan for 2009/10 and note the draft programme as outlined for 2010/11 and 2011/12.

Signed by David Connell on behalf of Joyce White

Joyce White
Executive Director of Corporate Services
Date: 12 August 2009

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

Appendices:

- I Detail for Capital Programme 2009/10
- II Detail for Capital programme 2010/11
- III Detail for Capital programme 2011/12

Background Papers: General Services Capital Plan Update_March
- Council 25 March 2009

Departmental Bids

General Services Capital Plan 2009/10 and 2010/11
- Council 26 November 2008

Wards Affected: All wards affected.