

**AREA CAPITAL RECEIPTS**

**1 INTRODUCTION**

1.1 This report advises area committees of an estimated level of capital receipts to allow forward planning on the use and allocation of this funding.

**2 RECOMMENDATION**

2.1 Area committees note the terms of this report.

**3 DETAIL**

3.1 This report provides an estimate of the likely capital receipts that area committees can expect to receive during 2009-10. Area committees should use the estimate as a working assumption in developing a planned approach to use of capital receipts for 2009-10.

3.2 In 2008-09, area committees were each advised to anticipate an estimated £62,500 in respect of capital receipts for the year. This was in addition to brought forward capital budgets.

	2008-09 Estimate £	2007-08 b/f Capital £	Total £
Mid Argyll, Kintyre & Islay	62,500	69,024.63	131,524.63
Oban, Lorn & The Isles	62,500	57,827.75	120,327.75
Bute & Cowal	62,500	36,089.11	98,589.11
Helensburgh & Lomond	62,500	53,778.57	116,278.57

3.3 Actual capital receipts received during 2008-09 were allocated to areas as follows:

Mid Argyll, Kintyre & Islay	£35,508.20
Oban, Lorn & The Isles	£35,346.60
Bute & Cowal	£43,281.60
Helensburgh & Lomond	£28,721.60

3.4 Combining actual capital receipts and the brought forward capital budgets gives a total for each area as shown below.

	Actual Receipts £	2007-08 b/f Capital £	Total £
Mid Argyll, Kintyre & Islay	35,508.20	69,024.63	104,532.83
Oban, Lorn & The Isles	35,346.60	57,827.75	93,174.35
Bute & Cowal	43,281.60	36,089.11	79,370.71
Helensburgh & Lomond	28,721.60	53,778.57	82,500.17

- 3.5 The current position in respect of the brought forward capital receipts from 2007-08 for each area is as follows:

	2007-08 b/f Capital £	Allocated Projects £	Funds still to be Allocated £
Mid Argyll, Kintyre & Islay	69,024.63	59,530.00	9,494.63
Oban, Lorn & The Isles	57,827.75	36,000.00	21,827.75
Bute & Cowal	36,089.11	35,414.00	675.11
Helensburgh & Lomond	53,778.57	2,720.97	51,057.60

This funding can only be allocated to capital projects.

- 3.6 The current position for each area, taking into account the actual receipts and the value of projects allocated from the Capital Fund in 2008-09 is shown below. Capital receipts and projects allocated by each area are outlined in Appendix 1.

	Actual Receipts £	Allocated Projects £	Under/(Over) Allocation £
Mid Argyll, Kintyre & Islay	35,508.20	69,990.00	(34,481.80)
Oban, Lorn & The Isles	35,346.60	46,415.00	(11,068.40)
Bute & Cowal	43,281.60	18,260.00	25,021.60
Helensburgh & Lomond	28,721.60	8,000.00	20,721.60

Bute & Cowal and Helensburgh & Lomond still have funds of £25,021 and £20,721 to allocate. Mid Argyll, Kintyre & Islay and Oban, Lorn & The Isles cannot allocate funds to any further projects until further receipts of £34,482 and £11,068 are received / expected.

- 3.7 The capital plan assumes a total level of capital receipts of £500,000 for 2009-10. The share for area committees is £250,000. From a planning point of view it can be assumed each area committee will have £62,500 available to spend. This figure will need to be adjusted by any over/under allocation in 2008-09. The total available for each area committee to spend in 2009-10 is as follows.

	2009-10 Estimate £	2008-09 Surplus/ (Deficit) £	Capital or Revenue Total	Capital Only 2007-08 Surplus/ (Deficit) £
Mid Argyll, Kintyre & Islay	62,500	(34,481.80)	28,018.20	9,494.63
Oban, Lorn & The Isles	62,500	(11,068.40)	51,431.60	21,827.75
Bute & Cowal	62,500	25,021.60	87,521.60	675.11
Helensburgh & Lomond	62,500	20,721.60	83,221.60	51,057.60

- 3.8 The conditions that relate to the use of area capital receipts funding for capital and revenue expenditure from the Capital Fund are noted below.

- 3.9 Area Committees must use funds in a way that contributes to the Corporate Plan and Statement of Intent. Funding can be used as a contribution to projects in

either the revenue or capital budget.

3.10 Where funding is being used for a capital project then the criteria for capital expenditure is as follows:

- The expenditure must result in the creation of an asset owned by the Council.
- The expenditure must be in respect of an asset already owned by the Council and must significantly:
  - Increase the value of the asset.
  - Extend the useful life of an asset.
  - Enhance the operating capability of the asset.

3.11 Where funding is being used for revenue expenditure then the expenditure, in addition to contributing to the Corporate Plan and Statement of Intent, must relate to:

- Repair & maintenance of public sector infrastructure
- A one off contribution to an external body towards the capital cost of a community asset or a contribution to an event.
- A one off contribution towards the cost of an event that has a significant impact on the corporate objectives of the Council.

Payments must not be made to support revenue costs and must not create an ongoing commitment on the Council's revenue budget.

Bruce West  
Head of Strategic Finance  
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