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## USEABLE CAPITAL RECEIPTS

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### 1 INTRODUCTION

- 1.1 This report updates the Area Committee of the current position in regards capital receipts to allow forward planning on the use and allocation of this funding.

### 2 RECOMMENDATION

- 2.1 The Area Committee is asked to note the updated detail of this report and agree that the previously agreed allocations which have not yet been spent, which are detailed at 3.2 of this report, are not likely to be required and are therefore removed, and note that when free funds become available they must be used in accordance with the conditions noted below.

### 3 DETAIL

- 3.1 Members are asked to note the up to date position regarding Useable Capital Receipts in the Oban, Lorn and the Isles Area (see table below), which summarises receipts obtained, expenditure and agreed allocations not yet spent.

3.2	<b>Receipts</b>	<b>OLI</b>
	Fmr Rds Depot, Campbeltown Rd, Tarbert	3,010.00
	Land at Lora View North Connel	800.00
	Land at Peninver Car Park	200.00
	Land at Baliscate Ind Est, Tobermory	12,600.00
	Land at Westlands Rothesay	9,010.00
	Clachan Rds Depot	3,726.60
	Land at Old Luss Rd, Helensburgh	150.00
	Land at Glengorm Rd, Tobermory	150.00
	Former St James Church, Rothesay	5,700.00
	Land at Torridon, Dervaig Rd, Tobermory	1,720.00
	Land at Marine Parade, Kirn, Dunoon	60.00
	Garage Tighnabruaich	200.00
	Claddach Centre, Shore St, Bowmore	3,545.00
	Land at Strachur, Cairndow	125.00
	Land Adj to 31 Sandhaven Sandbank Dunoon	300.00
	Land SE side of Shore Rd Innellan	150.00

Land Adj to Tigh An Easan, Nth Connel	700.00
Former Public Convenience at Corran Halls	8,000.00
Land adjacent to Ambleside, Tobermory	200.00
Land at Carrick Castle, Lochgoilhead	15.00
Fmr Store MacBrayne's Lane Lochgilphead	1,250.00
Land at Site 2, Shore Road, Innellan	150.00
Land opposite 125-Shore Road, Innellan	125.00
	<b>51,886.60</b>

<b>Actual Expenditure</b>	<b>OLI</b>
A82 Campaign	2,000.00
Tear Recycling Group	3,615.00
Esplanade Painting Railings	1,800.00
Tobermory Rd	12,000.00
Pennyghael Association	5,000.00
Power Boat Race	250.00
Plant Display for National MOD	3,158.32
Corran Halls Upgrade Sound System	5,000.00
Corran Halls 300 chairs @ £29 each	8,700.00
Corran Halls chair racks @ £1,000	1,000.00
Coll Community Centre	50,000.00
	<b>92,523.32</b>

**Current Balance in Capital Fund** **(40,636.72)**

**Projects Allocated but not yet Spent**

Power Boat Race - contribution to event	3,750.00	Event has taken place, no need for future support
George St, Oban (sand on beach)	15,000.00	Project completed
Black Lynn Burn, Oban feasibility	3,000.00	Project completed
Corran Halls Painting to Front Elevation	2,922.00	Project completed
Corran Halls Painting to Seaward Elevation	2,000.00	Project completed

3.3 Members will note that the up to date position shows receipts totalling £51,886.60 and expenditure of £92,523.32. During discussion of this matter at the January business meeting Members noted that all of the Projects where an allocation has been made but not yet spent have been completed, and asked that an update report confirming this position be tabled for consideration at the next available Area Committee meeting. If Members are therefore in agreement that no spending for these projects will be required from future Capital Receipts

this will leave a net **negative** balance of £40,636.72.

- 3.4 It is worth noting that when free capital receipts become available, the conditions that relate to their use for capital and revenue expenditure from the Capital Fund are noted below.
- 3.5 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.
- 3.6 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.
- 3.7 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.

## 4 CONCLUSION

- 4.1 Members should note that if agreement is made to remove these projects this will leave a net **negative** balance of £40,636.72 of Useable Capital Receipts in Oban, Lorn and the Isles, and should further note that when further free receipts become available they must be spent in accordance with the conditions detailed at paragraphs 3.5 to 3.7.

## 5 IMPLICATIONS

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|-----|-----------|---|
| 5.1 | Policy    | None  |
| 5.2 | Financial | The Area Committee will be able to allocate free funds from Capital Receipts once they become available |
| 5.3 | Legal     | None  |
| 5.4 | HR        | None  |

5.5 Equalities None

5.6 Risk None

5.7 Customer Service None

**Executive Director of Customer Services**

24<sup>th</sup> January 2013

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