

APPENDIX B.2

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 6 JANUARY 2009

Title:

**FINANCIAL STRATEGY 2009/2010 – 2012/2013
DRAFT CAPITAL PROGRAMME 2009/2010**

[Portfolio Holder: Cllr Mike Band]
[Wards Affected: All]

Summary and purpose:

The report puts forward proposals for the draft 2008/2009 Three-Year Capital Programme in respect of the General Fund services. The proposals will be the subject of consideration by meetings of the Overview and Scrutiny committees during January.

How this report relates to the Council's Corporate Priorities:

The Council has a set of specific Capital Priorities, the Capital Programme proposed supports these priorities.

Equality and Diversity Implications:

There are no direct equality and diversity implications as a result of the recommendations of this report.

Resource/Value for Money implications:

Resource implications are contained throughout the report.

Legal implications:

There are no direct legal implications as a result of the recommendations of this report.

Introduction

1. Each year, the Council reviews its three-year Capital Programme and in particular agrees the provisions to be included within the Budget for the year ahead. The overall parameters for the Capital Programme are set out within the Council's Financial Strategy. The Capital Programme proposals for 2009/2010, as supported by the Heads of Service and the Corporate Management Team, are attached for consideration by the Executive at Annexe 1. The draft Capital Programme will be the subject of detailed consideration during January and final confirmation by Council on 17 February 2008.

Draft 2009/2010 Capital Programme

2. The draft 2009/2010 Capital Programme is based on the three-year Capital Projection as agreed within the existing Financial Strategy. It also includes any planned slippage from 2008/2009 where this is likely to occur. An indication of the likely slippage has been identified in the Budget Monitoring reports.
3. The proposed 2009/2010 Capital Programme amounts to £5,525,200.
4. Members are reminded that the Council's approved capital priorities are (in order):
 1. Health and Safety
 2. Disabled Facilities Grant
 3. Disabled Discrimination Act (DDA) Grants
 4. Schemes that deliver the Leisure Strategy
 5. Schemes that maintain an income stream or reduce revenue costs
 6. Maintaining the Council's assets
 7. Maintaining services
 8. I.T. initiatives to improve customer service
 9. Farnham Maltings grant
 10. Partnership funding and other service developments

Prioritisation

5. Initial bids for the 2009/10 Capital Programme totalled £6,398,500. Of this £3,686,000 represented the agreed Leisure Strategy, for which funding has previously been agreed; £570,800 was in respect of external funding for projects; with the discretionary element of the Programme funded from Waverley's resources comprised of bids totalling £2,191,700.
6. Most years some extent of prioritisation is necessary to match the amount available to fund the discretionary element of the Programme. This year Heads of Service were set a more ambitious target in order to provide some flexibility in the overall Budget Strategy for 2009/10; particularly if it was not possible to make the full £1.6m revenue contribution to capital from the General Fund given the financial pressures. The prioritised discretionary Programme put forward by Heads of Service and the Corporate Management Team totals £1,268,400. This represents a reduction in the region of £400,000 that could be used to reduce revenue contributions as part of the Budget Strategy for 2009/10.

Three-Year Capital Programme

7. The new three-year Capital Programme includes the years to 2011/2012 and schemes proposed accord with Waverley's Capital Strategy.

Resources Available 2009/2010 – 2011/12

8. As shown at Annexe 2, resources are available to finance the prioritised draft 2009/10 Capital Programme. The balance of some £400,000 could be regarded as available for future capital purposes, or could result in reduced revenue contributions as part of the Budget Strategy for 2009/10.

9. At this stage, projected resources also cover the full three-year Capital Programme to 31 March 2012.

Revenue Reserve Fund

10. Detailed projections for the Revenue Reserve Fund are shown at Annexe 3.

Prudential Borrowing

11. The Council's approved Leisure Procurement Strategy involves Prudential Borrowing of £5m for improvements to Farnham, Godalming and Cranleigh Leisure Centres. In practice, the decision to undertake Prudential Borrowing will be subject to revision nearer the time, taking account of prevailing interest rates, income streams and the extent of internal funding available. On 16th December the Council took the decision to redirect the resources previously allocated for refurbishment of Godalming Leisure Centre to the construction of a new centre at Godalming. The Capital Programme has been amended accordingly.

Conclusion

12. The Executive is asked to support the draft 2009/2010 General Fund Capital Programme as a basis for consideration by the Overview and Scrutiny Committees in January.

Recommendation

It is recommended that the Executive gives initial consideration to the draft Capital Programme for General Fund services and supports the proposed prioritisation as a basis for consideration by the Overview and Scrutiny Committees in January.

Background Papers (DCE)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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