

AGENDA ITEM 7.2: APPENDIX B.2

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 4 FEBRUARY 2014

Title:

**FINANCIAL STRATEGY 2014/2015 – 2017/2018
DRAFT CAPITAL PROGRAMME 2014/2015**

[Wards Affected: All]

Summary and purpose:

The report puts forward proposals for the draft 2014/2015 Capital Programme and list of revenue projects in respect of the General Fund services for consideration by the Executive. The purpose of this report is to agree the final recommendation to Council regarding the General Fund Capital Programme for 2014/2015, together with projects to be included with the Revenue Budget. Observations from the Overview and Scrutiny Committees are expected in due course.

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

The Council has a set of specific Capital priorities, the proposals put forward 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 schemes 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 and Revenue Project proposals for 2014/2015, as put forward by the Heads of Service and supported by the Corporate Management Team and 'Star Chamber', are presented for consideration.
2. This report contains the following Annexes:

- Annexe 1 – List of Revenue Projects
- Annexe 2 – Details of Revenue Projects (separate booklet)
- Annexe 3 – draft Capital Programme
- Annexe 4 – Details of Capital Schemes (separate booklet)
- Annexe 5 –Capital Financing Proposals

Revenue Projects

3. Revenue Projects will be included within the appropriate Revenue Estimate sheets and are listed at Annexe 1. The list totals £605,000, of which £153,000 is covered from external funding obtained with £452,000 met from Waverley's own resources. The Office Maintenance Programme at £100,000 has already been included within the base estimates as it forms part of the allocation process and the remaining £352,000 is included within the Budget summary pending final approval of the projects.
4. Justification Statements detailing each of these Revenue Projects are shown at Annexe 2. (This Annexe has been sent as a separate booklet to all Members.)

Draft 2014/2015 Capital Programme

5. The draft Programme covers the completion of all works to improve the Herons Leisure Centre at Haslemere. This includes additions to the amount of £2.82m approved by Council in February 2013 to cover works now considered to be required, desirable and cost-effective. A separate report is also at Agenda Item 13, Appendix H.
6. The proposed 2014/2015 Capital Programme, including all works detailed in the preceding paragraph, amounts to £5,616,107 as shown at Annexe 3 to this report.
7. The second sheet of Annexe 3 lists all the proposed schemes for 2014/15 in portrait format for convenience; whereas the other sheets show more detailed analysis across the period of the Financial Strategy in landscape format.
8. Substantial external funding of £1.26m has been obtained, with the balance of £4.356m to be met from Waverley's own resources.
9. The Heads of Service, Corporate Management Team and Star Chamber have jointly agreed the Programme put forward to Committees, based on initial bids and resources available.

Details of Capital Schemes

10. In order to assist Members with consideration of the draft Programme, details of the schemes are shown at Annexe 4. (This annexe has been sent as a separate booklet to all Members.) These are in the form of the Justification Statements completed by the Heads of Service to support the bids submitted.

Resources Available 2014/2015

9. The core funding for Waverley's General Fund Capital Programme is from Revenue Contributions, via the Revenue Reserve Fund and any Capital Receipts available.
10. The Revenue Budget proposals include a Contribution to Capital from the Revenue Budget of £2.483million, which results from the baseline £1.1m figure and the New Homes Bonus of £1.383m.
11. As shown at Annexe 5, the resources available are sufficient to finance the proposed 2014/15 Programme.

Revenue Reserve Fund

12. Projections for the Revenue Reserve Fund are shown in the Revenue Budget report.

Approval Process

13. Certain schemes as identified by an asterisk on the schedule will be included within the overall Programme, but specific approval will be required before they proceed because further information is needed in support of these schemes. Once Council has approved the Budget, it is proposed that authority to proceed in these cases is delegated to the Director of Finance and Resources in conjunction with the Finance Portfolio Holder.

Conclusion

14. Allowance for the total of the Revenue Projects is included within the Revenue Budget proposed and individual schemes will be shown as part of the appropriate Estimate sheets when the final proposals have been agreed. The financing proposals at Annexe 5 show that the draft Capital Programme is within the resources available for 2014/2015.
15. The Programme will be subject to final approval by Council on 18 February.

Recommendation

The Executive considers any comments from the Overview and Scrutiny Committees and recommends that Council:

1. approves the list of Revenue Projects totalling £605,000 as shown at Annexe 1 to be included within the Revenue Estimates;
2. approves total additional funding of £1.034m for the Herons Refurbishment Project as detailed in this report and the report at Appendix H;
3. approves the 2014/15 General Fund Capital Programme totalling £5,616,107, as shown at Annexe 3;

4. agrees that the budgets for schemes marked with an asterisk on the schedules are approved, but spending on these projects is subject to the agreement of the Director of Finance and Resources and Finance Portfolio Holder;
5. agrees the financing proposals for 2014/15, in accordance with Annexe 5; and
6. amends the Financial Strategy to reflect the above decisions.

Background Papers

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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