

APPENDIX B.2

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 3 JUNE 2014

Title:

**CAPITAL PROGRAMME OUTTURN 2013/14
(GENERAL FUND, HOUSING REVENUE ACCOUNT)**

[Portfolio Holder: Cllr Julia Potts]

[Wards Affected: All]

Summary and purpose:

This report presents the outturn for the Council's 2013/14 Capital Programme. It also seeks approval to add rescheduled expenditure and minor slippage from the 2013/14 Programme to the 2014/15 Programme.

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

The Capital Programme is a key way of delivering the Council's Corporate Priorities.

Equality and Diversity Implications:

This report does not have any direct equality and diversity implications, although the budgets enable important work in these areas to be undertaken.

Climate Change Implications:

This report does not have any direct climate change implications.

Resource/Value for Money Implications:

The report details the expenditure during the past year and compares this with the previously approved budgets. Significant external funding has been obtained in some areas, thereby achieving improved value for money.

Legal Implications:

This report does not have any direct legal implications.

Introduction

1. This report presents the outturn for the Council's 2013/14 Capital Programme. It also seeks approval to add rescheduled expenditure and minor slippage from the 2013/14 Programme to the 2014/15 Programme.

General Fund Capital Programme

2. Annexe 1 shows details of the 2013/14 Capital Programme Outturn, together with the proposed transfer of budgets from 2013/14 to 2014/15.
3. The original approved Programme for Capital and Revenue Projects for Waverley expenditure in 2013/14 was £5,212,700. To this, slippage of £1,631,225 was added from 2012/13. During the year several additional schemes were also approved financed from further external funding that had been secured. Rescheduling of £2.15million for the Herons Leisure Centre scheme to 14/15 was approved in December 2013. Overall, the resulting total approved Programme for the year was £5,365,011.
4. Actual expenditure in the year against these Projects was £3,268,401. £1,180,960 of this was accounted for within Revenue at the year-end to ensure compliance with accounting standards, but is still included in the capital figures presented to aid transparency; this amount is funded from the Revenue Reserve Fund. Slippage requests total £1,918,597, as detailed at Annexe 1.
5. The following table analyses the General Fund Capital Programme movements during the year, which are shown in more detail at Annexe 1:

	£
Original Capital Programme for 2013/14	4,678,200
Original Revenue Projects for 2013/14	534,500
Rescheduling from 2012/13	1,631,225
Supplemented by extra External Funding	402,829
Other Changes approved by the Executive	268,257
<u>Less rescheduling of the Herons to 14/15-approved Dec 13</u>	<u>-2,150,000</u>
Total Approved Programme	5,365,011
Expenditure in year	3,268,401
Rescheduling of Riverside works due to Environmental Impact Assessment requirements and flooding	910,188
Rescheduling of other projects to 2014/15	1,008,409
Savings	178,013

Housing Revenue Account Capital Programme

6. Annexe 2 shows details of the 2013/14 HRA Capital Programme Outturn, together with the proposed transfer of budgets from 2013/14 to 2014/15.
7. Due to the cost saving and value for money (noted last year) within the windows and doors contract, part of the slippage (£500,000) from 2012/13 into 2013/14 has not been required. It is requested that this budget is transferred to 2014/15 and then vired to enable essential capital works in the Sheltered Units to be undertaken, which is a key priority. This will be subject to a separate report to the Council in July.

8. The HRA Capital Programme for 2013/14 initially suffered from slow programme implementation due to negotiating and letting of contracts (in particular kitchen and bathrooms) and contractor mobilisation. The programme has been closely monitored and revised, in part due to the revision in the Decent Homes Grant funding strategy. The attached Annexe 2 therefore shows the Outturn compared to the revised approved programme. Progress in the year has enabled the full £5.7million Decent Homes grant to be claimed. The following table analyses the HRA Capital Programme movements during the year:

	£
Originally Approved Programme	12,390,080
Rescheduling from 2012-13 and other changes	1,726,192
Total Approved Programme	14,116,272
Expenditure in the Year	-12,164,089
Rescheduling and slippage at year-end	-1,010,500
Savings in capital spend to offset HRA revenue costs	-941,683

New Affordable Homes

9. An indicative capital programme of some £3.4million was originally approved for new homes expenditure in 2013/14. Work at the Station Road site has been delayed due to the required archaeological work. Other schemes have also been rescheduled to 2014/15. The detailed outturn is attached at Annexe 3, which shows the actual expenditure in year of £1.05m.
10. Building work is about to start at a number of small sites in Farncombe which should be completed during 2014/15. Build at Station Road should be substantially completed by the end of 2014/15 together with the redevelopment of the Ladymead site in Wonersh where four new homes will replace the dwelling formerly used for homeless accommodation.

Stock Remodelling

11. As shown at Annexe 4 there is an underspend of some £63,000 against the revised position on this budget. The main project of converting Rolston House into modern, self-contained flats is progressing well and should be completed by November 2014
12. A schedule of work is currently being prepared that will enable 39 Parkhurst Fields to be leased out as a non-licensed HMO and it is requested that the budget for this work is slipped into 2014/15

Financing

13. The Council's total Capital Programme (General Fund, Affordable Housing Stock Remodelling and core HRA) expenditure amounted to £16,803,352 which has been financed as follows: -

	General Fund	Housing Revenue Account	Affordable Homes	Stock Remodelling	Total
	£	£	£	£	£
Use of Revenue Reserve Fund	1,303,653	0	0	0	1,303,653
Specific Grants and Contributions	741,273	5,758,000	0	0	6,499,273
HRA Revenue Reserve	0	5,650,189	0	0	5,650,189
Leisure Strategy Fund	0	0	0	0	0
Borrowing (LEP)	671,613	0	0	0	671,613
Stock Remodelling Reserve	0	0	0	354,512	354,512
New Affordable Homes Reserve	0	0	1,016,350	0	1,016,350
Revenue Funding*	551,862	755,900	0	0	1,307,762
	£3,268,401	£12,164,089	£1,016,350	£354,512	£16,803,352

* Includes General Fund Revenue Projects

Conclusion

14. The underlying level of year-end slippage for the General Fund remains relatively low, with major schemes delivered successfully during the year.
15. The HRA Capital Programme suffered initially from a slow start. Following the re-procurement of the maintenance contracts there is evidence of cost saving and value for money especially within doors & windows and heating as more properties have been upgraded and/or the work completed at a lower than estimated cost.

Recommendation

It is recommended that the Executive:-

1. notes the Capital Outturn position for 2013/14;
2. approves the transfer of budgets totalling £1,918,597, as shown in Annexe 1, from the 2013/14 General Fund Capital Programme and Revenue Projects to the 2014/15 General Fund Capital Programme and Revenue Projects;
3. approves the transfer of budgets totalling £1,010,500 as detailed in Annexe 2 from the 2013/14 HRA Capital Programme to the 2014/15 HRA Capital Programme;
4. approves the transfer of budgets totalling £404,365 as detailed at Annexe 3 from the 2013/14 New Affordable Homes programme into 2014/15;

5. approves the transfer of budgets totalling £63,113 as detailed at Annexe 4 from the 2013/14 Stock Remodelling programme into 2014/15;
6. approves the capital financing set out in paragraph 15, noting the HRA Capital savings proposals detailed in Annexe 2, which will enable the additional expenditure on responsive and cyclical repairs to be met from not making the planned HRA revenue contribution of £770,000 to the capital budget; and
7. recommends to the Council that £500,000 of the capital slippage be vired to the housing sheltered schemes capital budget in 2014/15.

Background Papers

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

CONTACT OFFICERS:

Name:	Brian Long	Telephone:	01483 523253
		E-mail:	brian.long@waverley.gov.uk
	Fiona Hardy	Telephone:	01483 523477
		E-mail:	fiona.hardy@waverley.gov.uk