

To: All Members of the EXECUTIVE

When calling please ask for:

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Calls may be recorded for training or monitoring

Date: 23 January 2015

Membership of the Executive

Cllr Robert Knowles (Chairman)
Cllr Julia Potts (Vice Chairman)
Cllr Brian Adams
Cllr Carole King
Cllr Tom Martin

Cllr Donal O'Neill
Cllr Stefan Reynolds
Cllr Stewart Stennett
Cllr Adam Taylor-Smith
Cllr Simon Thornton

Dear Councillors

A meeting of the EXECUTIVE will be held as follows:

DATE: TUESDAY, 3 FEBRUARY 2015

TIME: 6.45 PM

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, THE BURYS,
GODALMING

The Agenda for the Meeting is set out below.

[In the event that adverse weather conditions prevent this meeting from proceeding, the meeting will be held instead at 2.00pm on Friday 6 February 2015]

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

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INVESTOR IN PEOPLE



This meeting will be webcast from the conclusion of Informal Question Time and can be viewed by visiting www.waverley.gov.uk

NOTES FOR MEMBERS

Contact Officers are shown at the end of each report and members are welcome to raise questions, make observations etc. in advance of the meeting with the appropriate officer.

Prior to the commencement of the meeting, the Chairman to receive any informal questions from members of the public, for a maximum of 15 minutes.

AGENDA

1. **MINUTES**

To confirm the Minutes of the Meeting held on 6 January 2015 (to be laid on the table for half-an-hour before the meeting).

2. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

3. **DECLARATIONS OF INTERESTS**

To receive from members, declarations of interest in relation to any items included on the agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

4. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Chairman to respond to the following question received from Celia Sandars of Farnham for which notice has been given in accordance with Procedure Rule 10:-

“What alternative locations for the Memorial Hall site did those responsible for progressing the East Street/Brightwells scheme look at when informed by the Brightwells Trustees that they would be unable to operate adequately from the new Gostrey Centre proposed as a community benefit within the development, following the allocation of additional facilities to M&S Food as a new tenant for Crest Nicholson’s town centre site?”

5. **EXECUTIVE FORWARD PROGRAMME** (Pages 13 - 18)

To adopt the Executive forward programme for the period February 2015 onwards.

6. **WAVERLEY FINANCIAL STRATEGY 2015/16 - 2018/19**

[Portfolio Holder: Councillor Julia Potts]
[Wards Affected: All Waverley Wards]

6a GENERAL FUND BUDGET 2015/16 (Pages 19 - 78)

The report outlines the General Fund Budget position for 2015/16. The Executive is reminded of the need to achieve savings throughout the four-year period covered by the Financial Strategy. Information is provided on the details of the provisional Local Government Finance Settlement 2015/16 and the Council's financial position following this and taking account of savings and other recommendations of the 'Star Chamber' process and further proposals following analysis of the Settlement.

The Executive is requested to make recommendations to Council regarding Waverley's Budget and its element of the Council Tax for 2015/16.

Recommendation

That the Executive, after considering comments from the Overview and Scrutiny Committees, makes the following recommendations to Council:

- 1. to accept the Council Tax Freeze Grant offered for 2015/16 and therefore agree a 0% increase for Waverley's element of Council Tax for 2015/16;**
- 2. to implement the proposals included on the List of Reductions as shown at Annexe 4, including any staffing changes;**
- 3. to implement the proposals included on the List of Growth Items as shown at Annexe 5 , including any staffing changes;**
- 4. approval of the changes to Fees and Charges as shown at Annexe 6;**
- 5. to agree the staff Pay Award of 1.6% from 1 April 2015;**
- 6. approval of the General Fund Budget for 2015/16, as amended by the above changes;**
- 7. that the Executive carries out a mid-year review of the General Fund Budget and takes any appropriate action in the light of the position at that time; and**
- 8. that the Financial Strategy be updated to take account of the decisions taken.**

6b GENERAL FUND CAPITAL PROGRAMME 2015/16 (Pages 79 - 90)

The report puts forward proposals for the draft 2015/2016 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 2015/2016, together with projects to be included with the Revenue Budget.

Recommendation

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

- 1. approves the list of Revenue Projects totalling £569,775 as shown at Annexe 1 to be included within the Revenue Estimates;**
- 2. approves the 2015/16 General Fund Capital Programme totalling £3,346,400, as shown at Annexe 3;**
- 3. agrees the financing proposals for 2014/2015 in 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 or the Executive if appropriate; and**
- 5. amends the Financial Strategy to reflect the above decisions.**

6c HRA ANNUAL BUSINESS PLAN 2015/2041 AND REVENUE BUDGET 2015/16 (Pages 91 - 116)

The report presents to the Executive the Housing Revenue Account (HRA) Business Plan and the revenue budget for 2015-16. It contains the following Annexes:

- Annexe 1 – Business Plan Assumptions
- Annexe 2 – Business Plan
- Annexe 3 – Star Chamber proposals
- Annexe 4 – Draft revenue estimates
- Annexe 5 – Rents Analysis
- Annexe 6 – Housing fees and charges

Recommendation

Having considered the comments from the Corporate Overview and Scrutiny Committee it is recommended that the Executive makes the following recommendations to Council, that:

- 1. the rent level of Council dwellings be increased by 2.8% from 6th April 2015 with an addition of up to £2/week for those properties below their historic target rent;**
- 2. the weekly charge for garages rented by both Council and non-Council tenants be increased by 2.8% from 6th April 2015;**
- 3. the service charge in sheltered accommodation be increased by 50p/week from 6th April 2015;**
- 4. the recharge for energy costs (as appropriate) be increased by 50p/week from 6th April 2015 with a review being carried out in 2015/16 to assess changing energy prices;**

5. **fees and charges be increased in line with the proposals at Annexe 6;**
6. **the proposals included on the List of Growth Items be implemented as shown at Annexe 3, including any staffing changes;**
7. **the resultant HRA Revenue Budget and Business Plan updated for 2015/16, which incorporate the above changes, be approved; and**
8. **for 2015/16 and 2016/17, 100% of the Business Plan Capital investment contributions be allocated to the New Affordable Homes provision.**

6d HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2015/16, NEW AFFORDABLE HOMES PROGRAMME, STOCK IMPROVEMENT PROGRAMME (Pages 117 - 154)

The report puts forward proposals for the 2015/2016 Capital Programme element of the Housing Revenue Account (HRA) Business Plan. In addition to the programme for major works to existing stock the Capital Programme also encompasses the New Affordable Homes programme and the Stock Remodelling programme. The report updates the Executive on the Housing Revenue Account (HRA) Capital Programme and Budget for 2015/16.

It contains the following Annexes

- Annexe 1 – Housing Capital Programme
- Annexe 2 – New Affordable Homes Programme
- Annexe 3 – Stock Remodelling Programme
- (Exempt) Annexe 4 – Property list

Recommendation

Having considered the comments of the Corporate Overview and Scrutiny Committee the Executive recommends to the Council that:

1. **the total spend proposed in the 2015/16 Housing Revenue Account Capital Programme as shown at Annexe 1 be approved;**
2. **the indicative 2015/16 New Affordable Homes Programme be approved with specific scheme approvals to be sought when detailed costs are available;**
3. **the indicative 2015/16 Stock Improvement Programme be approved with specific scheme approvals to be sought when detailed costs are available; and**
4. **the financing of these programmes be approved in line with the resources shown.**

7. **BUDGET MANAGEMENT REPORT** (Pages 155 - 178)
[Portfolio Holder: Councillor Julia Potts]
[Wards Affected: All Waverley Wards]

The report provides a projection of the expenditure and income position for the 2014/15 Budget compared with the approved budget for the General Fund and the Housing Revenue Account. The projection is based on the position to date.

Recommendation

It is recommended that the Executive notes the report and gives approval to

1. **undertake the invest-to-save project to install a magnetic device to reduce the gas consumption of boilers at the Central Offices, to be met from the budget for Urgent Schemes as detailed at paragraph 3.2 and Annexe 2;**
2. **virement of £260,000 within the HRA 2014-15 Capital Programme from Kitchen and Bathroom alterations (inc wash basins) to Asbestos and Structural, as detailed at paragraph 4.6;**
3. **virement of £50,000 from the cyclical maintenance to void work as detailed in paragraph 4.3; and**
4. **undertake the Free Car Park Initiative Trial, as detailed at paragraph 2.10, at an estimated cost of £15,000 from the overall additional income reported to date.**

8. **FUNDING FOR VOLUNTARY SECTOR ORGANISATIONS 2015/16** (Pages 179 - 198)
[Portfolio Holder: Councillor Stefan Reynolds]
[Wards Affected: All Waverley Wards]

The purpose of the report is to consider the applications to the Waverley Community Partnership for revenue funding in 2015/16, taking into account the observations made by the Community O&S Grants Sub-Committee and Committee on the proposed grant levels.

The report proposes to continue to protect the Council's overall level of discretionary spending on grants at £744,530 to the voluntary sector, despite significant reductions in Waverley's Government funding. At the same time, the proposal is to increase the overall amount the Council provides for services that support older people.

Recommendation

It is recommended that the Executive:

1. **confirms the overall funding to the voluntary sector at £744,530 for 2015/16;**

2. **considers the applications for Waverley Community Partnership funding in 2015/16, having regard to the comments of the Community Overview and Scrutiny Committee and Grants Sub-Committee;**
3. **recommends grant levels for each organisation, as detailed in Annexe 2 to the report, to the Council for approval;**
4. **recommends that the increased total funding of £55,000 for Rowleys is ring-fenced to support its running costs and that the full grant be held in restricted funds within the Age UK Waverley financial accounts for Rowleys;**
5. **recommends the remaining balance of the 2014/15 Emergency Funding Provision is carried over to 2015/16 to support any unexpected or urgent requests for support throughout the year;**
6. **agrees the proposed funding allocations to the seven SLA organisations and, subject to concluding negotiations with them, agrees that the Director of Finance, in consultation with the Leader, Deputy Leader and Portfolio Holder for Grants be authorised to agree the final allocations and content of the SLA documents; and**
7. **recommends a reserve fund of £19,420 be established to invest in any further opportunities to meet community needs and to enable the SLA organisations to deliver further improvements in outcomes where a clear case can be made.**

9. TREASURY MANAGEMENT FRAMEWORK 2015/16 (Pages 199 - 224)
 [Portfolio Holder: Councillor Julia Potts]
 [Wards Affected: All Waverley Wards]

The report sets out the proposed Treasury Management Framework for 2015/16, comprising:

- revised Treasury Management Policy;
- 2015/16 Treasury Management Strategy;
- 2015/16 Investment Strategy; and,
- Prudential Indicators for 2014/15 to 2017/18.

Recommendation

It is recommended that the proposed Treasury Management Framework for 2015/16 be endorsed.

10. ANNUAL PAY POLICY STATEMENT 2015/16 (Pages 225 - 230)
 [Portfolio Holder: Councillor Robert Knowles]
 [Wards Affected: All Waverley Wards]

The purpose of the report is to advise Members of the Annual Pay Policy Statement for 2015-16.

Recommendation

It is recommended that the Annual Pay Policy Statement for 2015-16 be approved and recommended to the Council for adoption.

11. EUROPEAN WASTE FRAMEWORK DIRECTIVE (Pages 231 - 244)

[Portfolio Holder: Councillor Donal O'Neill]

[Wards Affected: All Waverley Wards]

The report summarises the implications of Article 10 of the European Waste Framework Directive (EWFD), highlights the potential risk to the way in which waste and recycling services are currently provided in Waverley (via co-mingled collections), and sets out the actions that have been put in place to safeguard the Council's current approach into the future.

The report concludes that the Council's current waste collection arrangements conform with the requirements of the European Waste Framework Directive, and asks the Executive to endorse this position.

Recommendation

It is recommended that the Executive:

- 1. endorses the conclusions of the Compliance Modelling exercise for Waverley and agrees, in light of this, to continue with the current waste collection system until at least 2019 when the service will be retendered;**
- 2. acknowledges the need to keep the current assessment under review and to carry out a new assessment if and when any significant service changes take place; and**
- 3. asks Officers to continue to closely monitor best practice approaches to recycling and waste disposal across the country in order to identify any potential improvements to the current approach in Waverley.**

12. REVISION TO JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY
(Pages 245 - 274)

[Portfolio Holder: Councillor Donal O'Neill]

[Wards Affected: All Waverley Wards]

To comply with the Waste Emissions Trading Act 2003, waste authorities for a two-tier area must have a joint strategy for the management of waste from households, and must keep this strategy under review. The report introduces the second revision to the Joint Waste Management Strategy for Surrey, which was initially adopted by Waverley Borough Council in 2006. The latest revision is recommended for adoption by the Executive.

Recommendation

It is recommended that the Executive approves the adoption of the Updated Joint Municipal Waste Management Strategy Revision 2 (2015).

13. **ELECTRIC VEHICLE RAPID CHARGING POINTS WITHIN THREE WAVERLEY CAR PARKS** (Pages 275 - 282)

[Portfolio Holder: Councillor Tom Martin, Councillor Donal O'Neill]
[Wards Affected: All Waverley Wards]

The report seeks approval to install three Electric Vehicle (EV) charging points within three Waverley car parks. The project aims to create an open and accessible electric vehicle network across the South East to encourage and enable the use of EVs. The project aims to support the Government's environmental and sustainability policies relating to carbon emissions and air pollution.

Deploying EV infrastructure within the Borough actively supports Waverley's duty to improve air quality under its statutory Air Quality Action Plan as well as encourages reductions in carbon emissions. The National Planning Policy Framework also promotes air quality consideration through sustainable transport infrastructure in new developments.

Under the EV South East Network project, Waverley has been offered three EV rapid charging points which would be installed at the following car parks: Central – Farnham, Crown Court – Godalming and Stocklund Square – Cranleigh. This offer is at no capital cost to the Council. Waverley would enter into a three year agreement with the project delivery partners to operate and maintain the rapid charging points. After this period the contract agreement could be renegotiated.

Recommendation

It is recommended that the Executive:

- 1. approves in principle the implementation of up to three EV charging points in the three car parks proposed above in paragraph 7, as part of the South East Network project, subject to final site feasibility studies and satisfactory contract terms and conditions; and**
- 2. delegates authority to the Director of Finance and Resources, the Portfolio holders for Finance, Environment and Sustainability to sign off the project once the details are finalised.**

14. **CONVERSION OF PART OF ROWLAND HOUSE, CRANLEIGH** (Pages 283 - 286)

[Portfolio Holder: Councillor Stewart Stennett]
[Wards Affected: Cranleigh East]

The purpose of the report is to seek approval for the submission of a planning application to convert the unoccupied part of the HRA-owned property at

Rowland House, Cranleigh to a fully wheelchair accessible flat.

Recommendation

The Executive is recommended to approve the submission of a planning application for change of part of Rowland House, Cranleigh to a fully wheelchair accessible flat.

15. EXECUTIVE DIRECTOR'S ACTIONS

To note the following actions taken by the Executive Director after consultation with the Chairman and Vice-Chairman since the last meeting. The Register of Decisions will be laid on the table half an hour before the meeting:

i. Withdrawal of Enforcement Notice

To approve the withdrawal of an enforcement notice on land at Brookhurst Grange, Holmbury Road, Ewhurst, Cranleigh.

ii. Apprentice Salary Scale

To authorise the amendment of the Apprentice Salary Scale, to come into effect from 1 February 2015.

16. PROPERTY MATTER (Pages 287 - 292)

[Portfolio Holder: Councillor Julia Potts, Councillor Simon Thornton]

To consider the (Exempt) report attached.

17. FARNHAM POLICE HOUSES (Pages 293 - 296)

[Portfolio Holder: Councillor Stewart Stennett]

To consider the (Exempt) report attached.

18. EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation on the motion of the Chairman:-

Recommendation

That, pursuant to Procedure Rule 20, and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item(s) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified at the meeting in the revised Part 1 of Schedule 12A to the Local Government Act 1972.

19. ANY OTHER ISSUES TO BE CONSIDERED IN EXEMPT SESSION

To consider matters (if any) relating to aspects of any reports on this agenda which, it is felt, may need to be considered in Exempt session.

**For further information or assistance, please telephone
Emma McQuillan, Democratic Services Manager, on 01483 523351 or
by email at emma.mcquillan@waverley.gov.uk**

Waverley Borough Council Key Decisions and Forward Programme

This Forward Programme sets out the decisions which the Executive expects to take over forthcoming months and identifies those which are key decisions.

A key decision is a decision to be taken by the Executive which (1) is likely to result in the local authority incurring expenditure or making savings of above £20,000 and/or (2) is significant in terms of its effects on communities living or working in an area comprising two or more wards.

Please direct any enquiries about the Forward Programme to the Democratic Services Manager, Emma McQuillan, at the Council Offices on 01483 523351 or email committees@waverley.gov.uk.

Executive Forward Programme for the period 3 February 2015 onwards

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
POLICY AND GOVERNANCE, STRATEGIC HR – CLLR ROBERT KNOWLES (LEADER)						
FINANCE AND PROPERTY, WAVERLEY TRAINING SERVICES – CLLR JULIA POTTS (DEPUTY LEADER)						
1. Budget Management	Potential for seeking approval for budget variations	Executive (and possibly Council)	√	Every Executive meeting	Peter Vickers	CORP/COMM
2. Age Concern Farncombe	To agree new lease arrangements	Executive		March 2015	Kelvin Mills	CORPORATE
3. Performance Management	To receive an exception report for over and under performance in the appropriate Quarter	Executive		March 2015	Louise Norie	CORP/COMM

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
4. Property Asset Management Strategy	To agree a strategy for adoption	Executive		March 2015	Roger Standing	CORPORATE
PLANNING – CLLR BRIAN ADAMS						
1. Crownpits Conservation Area Appraisal	For adoption	Executive and Council		March 2015	Sarah Wells	COMMUNITY
2. Witley Conservation Area Appraisal	For adoption	Executive and Council		March 2015	Sarah Wells	COMMUNITY
3. Elstead and Weyburn Neighbourhood Area Plan	Designation of Area	Executive		Late March 2015	Matthew Ellis	COMMUNITY
4. WBC Local Plan	To receive a position statement update	Executive		March 2015	Matthew Evans	COMMUNITY
HOUSING OPERATIONS, COMMUNITY SAFETY, OLDER PEOPLE, HEALTH AND WELLBEING – CLLR CAROLE KING						
1. Ageing Well Strategy for Waverley	To develop and agree a Strategy	Executive and Council	√	March 2015	Kelvin Mills	COMMUNITY
2. Health and Wellbeing Plan	To develop and implement a plan for Waverley	Executive and Council	√	March 2015	Kelvin Mills	COMMUNITY

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
3. Capital Works and Professional Consultants Fees [E3]	Potential for seeking approval for procurement of services and appointment of contractors	Executive (and possibly Council)	√	March 2015	Hugh Wagstaff	CORPORATE
HOUSING STRATEGY AND DELIVERY – CLLR STEWART STENNETT						
1. Housing Delivery Board [E3]	Potential to approve and adopt policies and make decisions to assist in the delivery of affordable homes in the Borough	Executive (and possibly Council)	√	Potentially every Executive meeting	Jane Abraham	CORPORATE
2. Review of Housing Support Services to Vulnerable People across the Borough	To review options	Executive		June 2015	Jane Abraham	CORPORATE
3. Better Care Fund	To identify how to make best use of this fund for Waverley (picks up DFG future funding)	Executive		June 2015	Jane Abraham	CORPORATE
IT AND CUSTOMER SERVICES, CLIMATE CHANGE – CLLR TOM MARTIN						
1. Carbon Management Plan	To adopt a new plan	Executive and Council	√	Late March 2015	Roger Standing	CORPORATE

TOPIC	DECISION	DECISION TAKER	KEY	ANTICIPATED EARLIEST (OR NEXT) DATE FOR DECISION	CONTACT OFFICER	O AND S
ENVIRONMENT – CLLR DONAL O’NEILL						
1. Review of Corporate Health and Safety Policies	To review and update current health and safety policies across the Council	Executive and Council		March 2015	Rob Anderton	CORPORATE
2. Scrap Metal Dealers Policy	To consider a draft policy	Executive		March 2015	Rob Anderton	COMMUNITY
3. Weydon Lane	To report on the findings of the Special Interest Group	Executive (and possibly Council)	√	Late March 2015	Rob Anderton	CORPORATE
MEMBER SUPPORT AND COMMUNICATIONS, GRANTS - CLLR STEFAN REYNOLDS						
MAJOR PROJECTS AND BRIGHTWELLS, ECONOMIC DEVELOPMENT – CLLR ADAM TAYLOR-SMITH						
1. Brightwells Redevelopment, Farnham [E3]	To receive an update	Executive		March 2015	Kelvin Mills	CORP/COMM
LEISURE AND CULTURE – CLLR SIMON THORNTON						

Background Information

The agenda for each Executive meeting will be published at least 5 working days before the meeting and will be available for inspection at the Council Offices and on the Council’s Website (www.waverley.gov.uk). This programme gives at least 28 days notice of items before they are considered at a meeting of the Executive and consultation will be undertaken with relevant interested parties and stakeholders where necessary.

Exempt Information - whilst the majority of the Executive's business at the meetings listed in this Plan will be open to the public and press, there will inevitably be some business to be considered which contains confidential, commercially sensitive or personal information which will be discussed in exempt session, i.e. with the press and public excluded. These matters are most commonly human resource decisions relating to individuals such as requests for early or flexible retirements and property matters relating to individual transactions. These may relate to key and non-key decisions. If they are not key decisions, 28 days notice of the likely intention to consider the item in exempt needs to be given.

This is formal notice under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of any of the Executive meetings listed below may be held in private because the agenda and reports or annexes for that meeting contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended), and that the public interest in withholding the information outweighs the public interest in disclosing it. Where this applies, the letter [E] will appear after the name of the topic, along with an indication of which exempt paragraph(s) applies, most commonly:

[E1 – Information relating to any individual; E2 – Information which is likely to reveal the identity of an individual; E3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information); E5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings; E7 – Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime].

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 3 FEBRUARY 2015

Title:

**FINANCIAL STRATEGY 2015/16 – 2018/19
GENERAL FUND BUDGET 2015/16**

[Wards Affected: All]
[Portfolio Holder: Cllr Julia Potts]

Summary and purpose:

This report outlines the General Fund Budget position for 2015/16. The Executive is reminded of the need to achieve savings throughout the four-year period covered by the Financial Strategy. Information is provided on the details of the provisional Local Government Finance Settlement 2015/16 and the Council's financial position following this and taking account of savings and other recommendations of the 'Star Chamber' process and further proposals following analysis of the Settlement.

The Executive is requested to make recommendations to Council regarding Waverley's Budget and its element of the Council Tax for 2015/16.

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

The Council could not deliver the Corporate Priorities without a robust Budget-setting process in place.

Equality and Diversity Implications:

An Equality Impact Assessment on the Budget proposals has been carried out and no adverse implications have been identified within the final proposals.

Resource/Value for Money implications:

All decisions made with regard to the Budget will impact on Waverley's resources.

Legal implications:

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

Introduction

1. This report outlines the financial background to producing the Council's four-year Financial Strategy and outlines the approach taken to the 2015/16 Budget. It includes key financial and topical issues, reporting dates to Members, a forecast of the expected Budget position and details of the 'Star Chamber' process to examine budgets closely in order to identify savings.
2. This report contains the following Annexes:
 - Annexe 1 – draft General Fund Budget (detail as separate booklet)
 - Annexe 2 – Budget Overview

- Annexe 3 – Government Grant details
- Annexe 4 – Star Chamber proposed Reductions
- Annexe 5 – Star Chamber proposed Growth
- Annexe 6 – Schedule of Changes to Fees and Charges
- Annexe 7 – Schedule of Reserves & Balances
- Annexe 8 – Forward Budget Projections
- Annexe 9 – Council Tax
- Annexe 10 – Special Expense (Council only)

General Fund Background

3. Over the past few years Waverley has faced significant financial pressures. The Council has responded to these challenges and already delivered considerable recurring savings exceeding £9million over the past six years.

Provisional Local Government Finance Settlement

4. A further reduction has been applied to Waverley's grant in 2015/16 on top of the very substantial reductions already made. Details of the impact of the provisional Settlement on Waverley are shown at Annexe 3. Total reductions are now £4.2 million over the past four years.

New Homes Bonus

5. There is considerable uncertainty about the future level of payments to be made under the new Homes Bonus and indeed whether the scheme will continue beyond the General Election. Therefore, the Financial Strategy provides for continuing Waverley's policy of the New Homes Bonus being earmarked within the Revenue Reserve Fund, to be used for 'Invest-to-Save' schemes, so that a shortfall will not arise should the payments cease or reduce.

Council Tax Increase / Freeze Grant

6. The draft Budget figures do not allow for any council tax increase in 2015/16. On the basis of the information currently available a freeze grant of £92,000 (equivalent to a 1% increase) should be received if council tax is held at current levels. The Government have indicated that the freeze grant will be included within the baseline figures for future settlements and is, therefore, protected.

Increases in Fees and Charges

7. Many of Waverley's fees and charges will again remain unchanged for 2015/16. Areas where there will be no increase include Car Park Charges and Local Land Charges. Other charges have been reviewed as part of the budget process with proposed increases generally averaging 2%. Details of the proposed changes to fees and charges from 1 April 2015 are included at Annexe 6. The annexe does not include Car Park charges as no increases are proposed.

Inflation

8. Inflation continues to be a major variable in the Council's Budget. The Council's main contracts are indexed to the Consumer Price Index (CPI). An average annual figure of 1.5% for CPI has been assumed for General Fund Budget projections. Whilst this is higher than the current level of CPI, it is in line with the Government's longer-term projections.

Pay Award

9. The Budget proposals allow for the cost of a 1.6% pay award from 1 April 2015 and this is recommended for approval.

'Star Chamber' Proposals

10. 'Star Chamber' sessions have again taken place with Portfolio Holders and Heads of Service to examine operational and staffing budgets in detail. The Star Chamber proposals for cost savings and additional income are set out in Annexe 4. These items are subject to consideration my Members.
11. For the 2015/16 Budget, if approved, the Star Chamber proposed reductions will deliver savings of £298,000. This is in addition to other budget adjustments already included in the base estimates for 2015/16. Annexe 4 also shows that further potential additional savings are forecast for the 2016/17 budget from the proposals put forward for 2015/16. If achieved, these savings will help to balance the Budget in 2016/17.
12. The Star Chamber also considered growth items. The growth items recommended for approval are shown at Annexe 5 and total £365,620.

Revenue Contribution to Capital

13. The core funding for the General Fund Capital Programme is from Revenue Contributions via the Revenue Reserve Fund.
14. The Budget proposals include a Contribution to Capital from the Revenue Budget of £2.962million, which results from the baseline £1.3million figure and the New Homes Bonus of £1.662million.

2015/16 Draft Revenue Estimates

15. The draft Estimates for all General Fund services are shown at Annexe 1. (The detailed budget pages are in a separate booklet to all members)
16. Where appropriate, the draft Budget allows for the full-year effect of the ongoing items reported during Budget Monitoring. Annexe 2 shows a reconciliation of the draft budget to the position presented at the Finance Seminar.
17. Star Chamber reduction proposals are shown at Annexe 4. Growth items have also been considered as part of the Star Chamber process and are shown in Annexe 5. These Star Chamber reduction proposals and Growth Items have **not** yet been incorporated within the detailed budget sheets.

18. There are some areas where budget variances, which may be reductions as well as increases, have arisen. These may result from such matters as contractual commitments, projected additional income, changed levels of use, lower starting salaries for new members of staff, other changes to staff allocations, or updated asset charges.
19. Applications for grants under the Community Partnership Scheme for 2015/16 are the subject of a separate report on this agenda at this stage. The detailed estimates for 2015/16 relating to each individual organisation are blank.
20. As a result of the success of the Star Chamber process, sufficient savings have been found again to propose no reduction in the overall budget provision for Support to Community Organisations in 2015/16. It has been maintained at £744,530, despite the significant reduction in Grants received by the Council from the Government.

Statutory Services

21. Each budget page contains an indication of whether the service provided is statutory, discretionary, or a mixture of the two. There are some statutory services where the level of service provided is greater than that required by law. This analysis may assist Members in giving consideration to the resources allocated to the various services. There will of course be other factors, such as the Council's approved aims and objectives, public demand and corporate priorities.

Support Costs

22. Support costs and other central overheads are the costs of central functions that are necessary to support the delivery of front line services and projects and to discharge Waverley's statutory duties and governance requirements. These functions include internal professional services, such as legal, accountancy etc and direct service related costs, such as IT, postage, payments, offices etc. Central budgets are treated in the same way as front line service costs in the accounts except that accounting rules require Waverley to recharge the full costs of central and support costs to services and projects on an appropriate basis.
23. Waverley's central and support costs are subject to scrutiny by the Star Chamber process and Heads of Service are expected to review and justify costs and charges to services. The level of support costs and the efficiency of delivery are challenged to ensure that it is necessary and appropriate.
24. For services of a trading nature, including Land Charges, Careline, Waverley Training Services, Building Control and Car Parks, a notional apportionment of the overheads that Waverley bears but does not allocate to services is shown to give an indication of the position if all costs were allocated.

Comments from Overview and Scrutiny Committees

25. The Corporate Overview and Scrutiny Committee considered this report at its meeting on 20 January 2015. With the benefit of the clarifications provided by officers to the Committee's detailed questions, the Corporate Overview & Scrutiny Committee endorsed the recommendations for the service areas within its remit, and congratulated the Portfolio Holder and Officers for the way in which the Council had again met the challenge of the significant financial pressures for the coming year in a positive way. Any comments from the Community Overview and Scrutiny Committee on 27 January will be reported in due course.

Local Government Act 2003 – Financial Administration

26. The Local Government Act 2003 formally introduced a number of specific sections covering:
- a. Budget calculations: report on robustness of estimates;
 - b. Adequacy of reserves; and
 - c. Budget monitoring.
27. The sections were introduced to ensure sound financial management across all local authorities. Waverley's budget has always complied with best financial management practice. Prudent allowance has always been made for risk and uncertainties in budgets. Budgets are monitored by officers on a monthly basis and reported to Members on a bi-monthly basis supplemented by monthly exception reports. Waverley's financial management continues to receive favourable comments in the Annual Audit Letter.

The Robustness of the Estimates

28. Full account has been taken of potential costs and adequate provision has been made. A prudent assessment of income has been undertaken and only income that has a high level of certainty of being received is included within Waverley's budgets. Waverley's Financial Strategy, together with information presented at the Annual Finance Seminar and subsequent reports, demonstrates the financial challenges to Waverley in the future.
29. The key Financial Strategy issues for the General Fund will include:
- Increased risk associated with the new financing system that includes partial retention of some Business Rate income and greater losses should business rate income fall; and
 - Risk associated with the local Council Tax support scheme.
30. In addition to the detailed scrutiny of the Budget by officers, Councillors have taken the opportunity through the Executive and Overview and Scrutiny process to:
- i. Critically examine Budget Variations
 - ii. Continue the Star Chamber process to examine the budget in detail and advise on potential reductions

31. In view of the level of awareness amongst Members and the action taken to produce Waverley's Budget in 2015/16, the Section 151 Officer is satisfied with the robustness of the estimates presented. The Section 151 Officer is confident that overall the Budget is prudent especially in view of the track record of achievement of substantial budgeted savings over the past years.

Adequacy of Reserves

32. Waverley maintains a number of reserves, which are detailed in the Financial Strategy. Waverley aims to maintain a prudent level of balances to support revenue spending and finance unforeseen events. The two major reserves for General Fund purposes are the General Fund Working Balance and the Revenue Reserve Fund.
33. The Financial Strategy explains the purpose of each fund. The General Fund balance supports fluctuations in normal business, eg unexpected changes in inflation or interest rates, higher than anticipated expenditure or loss of income, and spending on unforeseen events. The Revenue Reserve is used to finance capital expenditure (including bridging financing of land purchase as part of the Brightwells project) and one-off costs. It is essential that adequate balances are available to meet these and unforeseen costs, particularly in the current economic climate.
34. The General Fund Working Balance and the Revenue Reserve Fund for the next four years is shown on Annexe 7, along with other key balances. It is the view of the Director of Finance and Resources that a level of £3.2m on the General Fund Working Balance, which is effectively 10% of the gross General Fund Budget or equivalent to just over one month's spending, satisfies the adequacy requirements of the Local Government Act 2003.
35. In the light of the identified future significant pressures, the levels of combined balances as detailed in this report are considered prudent, but not excessive.

Budget Monitoring

36. It is the view of Waverley's Section 151 Officer that the arrangements for budget monitoring, referred to above, satisfy the requirements of the Local Government Act 2003. Budget Monitoring in 2014/15 shows that the Council has delivered the savings assumed in the Budget and will deliver further savings at the year-end.

Assessment of Key Risks

37. The main key risks affecting Waverley's budget in the next few years, which have previously been raised at the Financial Seminar and in The Financial Strategy are:
- The level of Government Grant/Business Rates Income beyond 2015/16 under the new financial regime
 - Continuing levels of fee income
 - Failure to ensure adequate levels of balances to meet known and unforeseen pressures in the future

Forward Budget Projections – Medium-Term Financial Strategy

38. At the Finance Seminar, Members received Budget projections covering the full period of the Financial Strategy. These have been updated in line with the draft Budget proposals and Budget assumptions and are shown at Annexe 8. The indicative position for 2016/17 reflects the work carried out in looking ahead during the current Budget process. 'Invest-to-Save' schemes are particularly important in reaching the level of savings expected to be required throughout the period of the Medium-Term Financial Strategy.

Collection Fund Surplus

39. A Council Tax Collection Fund surplus of £2m has been declared for the year ending 31 March 2015. This has to be shared with the major precepting authorities. Waverley's share, estimated at £200,000, is taken into account in the Council Tax calculation at Annexe 9 and the draft 2015/16 Budget.

Council Tax Base

40. The Waverley Council Tax Base for 2015/16, as approved by the Executive in December 2014, is higher than the previous year. The underlying growth in property numbers will generate approximately £130,000 additional council tax income. This is reflected in the draft 2015/16 Budget

Council Tax Levels

41. Annexe 9 illustrates the Council Tax calculation, based on Waverley's Council Tax remaining at £161.91 for the sixth consecutive year.
42. A variation in Council Tax of 1% equates to approximately £92,000.

Special Expense

43. The Annexe 10 to be presented to Council will show the effect, in 2015/16, of the decision taken by Council on 12 October 1999 to levy a special expense from 1 April 2000 in respect of cemeteries costs. The figures to be reported to Council will accord with the Executive's recommendation regarding Council Tax levels. In practice, for the two years concerned, the special expense has been zero, thus having no impact.

Conclusion

44. As demonstrated in the report, a balanced and prudent Budget is presented for approval.
45. The final Budget proposals, including the summary and detailed estimate sheets to be presented to Council will be based on the recommendations made by the Executive, with any adjustment to the figures arising from the final budget allocation process or the final Settlement figures reflected by an adjustment to the Revenue Contribution to Capital Expenditure.

Recommendation

That the Executive, after considering comments from the Overview and Scrutiny Committees, makes the following recommendations to Council:

1. to accept the Council Tax Freeze Grant offered for 2015/16 and therefore agree a 0% increase for Waverley's element of Council Tax for 2015/16;
2. to implement the proposals included on the List of Reductions as shown at Annexe 4, including any staffing changes;
3. to implement the proposals included on the List of Growth Items as shown at Annexe 5 , including any staffing changes;
4. approval of the changes to Fees and Charges as shown at Annexe 6;
5. to agree the staff Pay Award of 1.6% from 1 April 2015;
6. approval of the General Fund Budget for 2015/16, as amended by the above changes;
7. that the Executive carries out a mid-year review of the General Fund Budget and takes any appropriate action in the light of the position at that time; and
8. that the Financial Strategy be updated to take account of the decisions taken.

Background Papers

Provisional Local Government Finance Settlement 2015/16; Financial Strategy 2015/16 – 2017/18; Revenue Budget 2014/15.

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Waverley Borough Council

Ref No	2013/2014 Actual (1)	2014/2015 Estimate (2)	Details	2015/2016 Estimate (3)	Direct Costs (4)	Support Costs (5)
General Fund Revenue Account Budget Summary 2015/2016						
	£	£		£	£	£
1	313,727	343,150	Monitoring & Returning Officer	302,980	245,070	57,910
2	2,044,701	2,055,960	Policy & Governance	2,079,610	819,500	1,260,110
3	1,943,266	2,062,110	Planning	1,784,470	831,160	953,310
4	59,484	(263,160)	Customer, IT & Office Services	(422,940)	(512,160)	89,220
5	1,234,500	1,436,710	Finance	1,550,790	830,950	719,840
6	4,384,515	4,019,930	Community	3,757,690	2,392,330	1,365,360
7	1,995,764	1,703,570	Environment	1,614,240	915,560	698,680
8	875,789	901,170	Housing	855,230	431,220	424,010
9	(210)	(206,000)	Staff Vacancy	(250,000)	(250,000)	0
	12,851,536	12,053,440		11,272,070	5,703,630	5,568,440
10		270,000	Inflation Provision and Pay Award	325,000	325,000	
11	£12,851,536	£12,323,440		£11,597,070	£6,028,630	£5,568,440
12	(1,887,804)	(1,259,440)	Depreciation/Impairment Reversal	(1,165,750)		
Movement in Reserves - Contribution (from)/to:						
13	731,815		Underspend			
14	138,657		Carry Forward from previous year- from General Fund Balance			
15	(16,600)		Supplementary Estimates - from General Fund Balance			
16	(437,079)		Revenue Reserve Fund (to cover capital transferred)			
17	2,391,360	2,685,000	Revenue Contribution to Capital	2,962,360		
18	170,000	100,000	Local Plan - contribution to reserve	100,000		
19	15,000	15,000	Borough Elections Reserve	15,000		
20	11,058	20,000	Insurance Reserve	20,000		
21			Posts funded from 14-15 Planning Income	(80,000)		
22	14,829	184,000	Business Rates Equalisation Reserve	150,000		
23	13,865		Extra redistributed grant			
24	(131,424)		Revenue Expenditure Funded from Capital Under Statute (net)			
25	59,515		Donated Assets			
26			Star Chamber Reductions Proposals	(298,000)		
27			Star Chamber Growth Proposals	365,620		
28			Revenue Projects not in draft Budget	418,680		
29	£13,924,728	£14,068,000	Waverley Spending Requirement	£14,084,980		
Financed by :-						
30	8,423,360	8,582,900	Council Tax	8,754,000		
31	2,629,716	2,101,600	Revenue Support Grant	1,573,560		
32	1,749,000	1,783,600	Retained Business Rates	1,817,640		
33	88,975	90,000	Council Tax Freeze Grant	91,820		
34	1,004,983	1,382,900	New Homes Bonus	1,662,360		
35	14,829	127,000	Business Rates in excess of Baseline	185,600		
36	13,865		Extra redistributed grant			
37	£13,924,728	£14,068,000		£14,084,980		

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Annexe 2

Waverley Borough Council

2015-16 General Fund Budget - compared to Finance Seminar position

	£'000
Indicative budget position as per Finance Seminar:	
Inflation	200
Budget Changes	230
Changes to Government Grant	630
Net savings to be identified	<u>(1,060)</u>
Total	<u>0</u>
Latest position	
Inflation 2015-16	325
Budget Changes	(600)
Star Chamber items (requiring decision)	
Savings and additional income proposals	Annexe 4 (298)
Growth proposals	Annexe 5 366
Increase in Revenue Projects from 2014-15 to 2015-16	67
Changes in Funding	
Movement in Reserves from 2014-15 to 2015-16	(114)
Collection Fund Surplus - increase in budget 2015-16	(42)
Improvement in Council Tax Base	(129)
Business Rates in excess of Baseline - movement from 2014-15 to 2015-16	(126)
Council Tax Freeze Grant 2015-16	(92)
Reduction in Government Grant	Annexe 3 643
Balance	<u><u>0</u></u>

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Government Grants 2015/16

6th January 2015

	(1)	(2)	(3)
	2014/15	2015/16 Provisional	Reduction (1)-(2)
	£'000	£'000	£'000
Revenue Support Grant *	2,102	1,574	
Council Tax Freeze grant 2014/15	91		
Council Tax Support Administration Grant	96	86	
Other Benefits Administration Grant	358	344	
Business Rate Collection Allowance	181	181	
Total	2,828	2,185	643

* RSG for 2015/16 includes 2011/12, 2013/14 & 2014/15 freeze grant

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Star Chamber Findings List of Reductions General Fund

2015-2016

Star Chamber
Saving
subject to
approval

Effect in 2016-2017

Star Chamber
Saving
(for information)

Service

**O & S
Committee**

Column 1
£

Column 2
£

Reductions

Policy and Governance	Corporate	7,000	9,000
Customer, IT and Office Services	Corporate	35,600	35,600
Finance	Corporate	26,500	41,200
Community	Community	204,900	292,900
Environment	Community	24,000	47,000

£425,700

298,000

£298,000

£127,700

Potential additional savings for 2016-2017



**Star Chamber Findings - List of Reductions
General Fund**

Star Chamber Findings - List of Reductions General Fund			2015-2016 Star Chamber Saving subject to approval	2016-2017 Star Chamber Saving (for information)	Impact Assessment of 2015-2016 Saving
Service	O & S Committee	Reduction	Column 1 £	Column 2 £	
Policy and Governance					
Democratic Representation	Corporate	Printing budget	2,000	2,000	Gradual reduction by encouraging use of electronic reports . May not be achieved .
Legal income	Corporate		5,000	7,000	Increase of fee charges
			7,000	9,000	



**Star Chamber Findings - List of Reductions
General Fund**

			2015-2016 Star Chamber Saving subject to approval	2016-2017 Star Chamber Saving (for information)	Impact Assessment of 2015-2016 Saving
Service	O & S Committee	Reduction	Column 1 £	Column 2 £	
Customer, IT and Office Services					
Property	Corporate	Electrical substations additional rental	1,500	1,500	None
Property	Corporate	Lease renewal increase	10,000	10,000	None
Office Expenses	Corporate	Printing and Postage	3,100	3,100	Result of investment in new equipment
Office Accommodation	Corporate	Annexe building rental	6,000	6,000	Need to secure tenant
Information Technology	Corporate	Software maintenance and equipment	15,000	15,000	None
			35,600	35,600	



**Star Chamber Findings - List of Reductions
General Fund**

			2015-2016 Star Chamber Saving subject to approval	2016-2017 Star Chamber Saving (for information)	Impact Assessment of 2015-2016 Saving
Service	O & S Committee	Reduction	Column 1 £	Column 2 £	
Finance					
Compensatory Grants	Corporate	cumulative 10% reduction each year	8,000	15,200	Continue established approach of 10% reduction each year. Town and Parish Councils were notified in December 2014.
Town and Parish Grant for Council Tax support	Corporate	15% reduction	8,500	16,000	Continued approach to reduce in line with Waverley's grant reduction.
Cost of Collection - Council Tax Summons costs	Corporate	Increase of £5 per summons	10,000	10,000	Inflationary catch-up uplift
			26,500	41,200	




Star Chamber Findings - List of Reductions General Fund

Star Chamber Findings - List of Reductions General Fund			2015-2016 Star Chamber Saving subject to approval	2016-2017 Star Chamber Saving (for information)	Impact Assessment of 2015-2016 Saving
Service	O & S Committee	Reduction	Column 1 £	Column 2 £	
Community					
All sites Leisure Centre Profit Share	Community	Increase in profit share expected across all sites from £150,000 in 2014-15 to £200,000 as a result of increased usage of the newly refurbished Haslemere Leisure Centre	50,000	100,000	None
Haslemere Leisure Centre	Community	Management fee & FIT - return on CHP & PV installation at centre.	20,000	35,000	None
Cranleigh Leisure Centre PVs	Community	Return on PV installation at centre	5,000	15,000	Part year impact in 2015-2016
Exercise & Mobility	Community	Proposal to deliver more outreach classes	7,000	7,000	None
Frensham Ponds car park	Community	Increased car parking charges to match National Trust at the Little Pond, but only charge in peak season.	5,000	10,000	None
Careline	Community	Pricing and Job Description restructure combined with increased customer numbers anticipated from additional marketing	55,900	55,900	None
Careline	Community	Enhanced service	40,000	40,000	Saving to offset grant reduction
WTS - Pump House	Community	Refurbishment/ relocation options regarding The Pump House.	22,000	30,000	None - see capital programme proposal
			204,900	292,900	



**Star Chamber Findings - List of Reductions
General Fund**

Star Chamber Findings - List of Reductions General Fund			2015-2016 Star Chamber Saving subject to approval	2016-2017 Star Chamber Saving (for information)	Impact Assessment of 2015-2016 Saving
Service	O & S Committee	Reduction	Column 1 £	Column 2 £	
Environment					
Improved recycling take up from communications project	Community	If 1% improvement achieved from communications project potential to save £12-18k	12,000	24,000	If communications not as successful as hoped the income from recycling credits may not improve as budgeted.
Garden Waste increased take up	Community	Natural growth	12,000	23,000	Based on 2014/15 experience. Hope to roll service out further as message rolls out.
			24,000	47,000	
Total General Fund			£298,000	£425,700	

 Star Chamber Findings Growth General Fund		2015-2016
		Growth requested subject to approval
Service	O & S Committee	£
Growth		
Monitoring and Returning Officer	Corporate	5,000
Policy and Governance	Corporate	16,530
Planning	Community	100,000
Customer, IT and Office Services	Corporate	6,900
Community	Community	49,000
Environment	Community	188,190
Total General Fund Growth		£365,620



**Star Chamber Findings - Growth
General Fund**

Star Chamber Findings - Growth General Fund			2015-2016	Justification for 2015-2016 Growth
Service	O & S Committee	Growth Item	Growth requested subject to approval	
			£	
Monitoring and Returning Officer				
Elections Reserve	Corporate	Additional contribution	5,000	Require increase to ensure sufficient reserves built up for 2019 election.
			5,000	



**Star Chamber Findings - Growth
General Fund**

Star Chamber Findings - Growth General Fund			2015-2016 Growth requested subject to approval	Justification for 2015-2016 Growth
Service	O & S Committee	Growth Item	£	
Policy and Governance				
New councillor training	Corporate	One-off budget to train members after the Election	6,000	Following Elections
Making Waves distribution	Corporate	Direct mail shot to properties not distributed to currently	4,200	To ensure all residents covered
Communications Officer	Corporate	Increase staffing hours to full time	6,330	Improve resilience and staff cover of team
Support role for Director of Finance and Leader	Corporate		Included in budget	Improve resilience and operational efficiency
			16,530	



**Star Chamber Findings - Growth
General Fund**

Star Chamber Findings - Growth General Fund			2015-2016	Justification for 2015-2016 Growth
Service	O & S Committee	Growth Item	Growth requested subject to approval	
			£	
Planning				
Additional Staffing - 2 Posts	Community	Two additional Planning Officers are required, one of whom would focus on pre-application advice.	100,000	This cost is necessary to support the significant additional planning income budgeted for in 2015-2016.
			100,000	



**Star Chamber Findings - Growth
General Fund**

Star Chamber Findings - Growth General Fund			2015-2016	Justification for 2015-2016 Growth
Service	O & S Committee	Growth Item	Growth requested subject to approval	
			£	
Customer, IT and Office Services				
Property	Corporate	Increase in hours Property Admin Officer (6 hours per week)	3,900	To ensure asset integrity and systems reconciliations as well as helping to generate revenue and capital income.
Engineers Maintenance budget	Corporate	Increase in Engineers maintenance budget	3,000	To allow for increased contract costs.
			6,900	



**Star Chamber Findings - Growth
General Fund**

Star Chamber Findings - Growth General Fund			2015-2016	Justification for 2015-2016 Growth
Service	O & S Committee	Growth Item	Growth requested subject to approval	
			£	
Community				
Careline	Community	Increased monitoring charges anticipated for 15/16 but potential uplift in costs, also a reduction in Preventative Technologies Grant.	8,000	2014-2015 preventative Technologies Grant funding budget was increased to help the service as Supporting People funding was withdrawn on 1 April 2014. The PTG funding has been reduced in 2015-2016 to match the expenditure which is fully reimbursed by SCC.
Countryside	Community	Ditches	30,000	Maintenance of ditches
Countryside - Broadwater toilets	Community	Reinstate running costs for Broadwater toilets	11,000	Capital scheme to refurbish toilets approved so need to reinstate running costs.
			49,000	



**Star Chamber Findings - Growth
General Fund**

Star Chamber Findings - Growth General Fund			2015-2016	Justification for 2015-2016 Growth
Service	O & S Committee	Growth Item	Growth requested subject to approval	
			£	
Environment				
New customer services post	Community	To help cover increased call numbers and maintain customer service level	23,190	Customer service team has been dealing with additional calls since launching green waste scheme and have struggled to maintain customer service level. An additional staff member will help to maintain good service and low call waiting times once temporary staff members have left.
MRF contract risk	Community		160,000	Worst case of MRF fees rising due to 3 year subsidy coming to an end and material prices not increasing as expected when contract tendered.
Communications project to improve recycling take up	Community	£10k for Communication campaign net of £5k improvement in income (part year effect)	5,000	Improvement in income
			188,190	
Total General Fund			£365,620	

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**Schedule of Fees and Charges
2015/2016**

Monitoring & Returning Officer
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £
Register of Electors				These are Statutory Charges
1	Electronic Data Per 1,000 names or part thereof on each register	OO	20.00	20.00
		OO	1.50	1.50 (A flat rate fee is charged plus a charge per 1,000
2	Paper Data Per 1,000 names or part thereof on each register	OO	10.00	10.00 names on each register.)
		OO	5.00	5.00

Vat Indicator: OS = Standard
 OE = Exempt
 OZ = Zero Rated
 OO = Outside Scope

Policy & Governance
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £
-------------	-------------------	------------------	-------------------------	-------------------------

Democratic Representation

Annual Charges for supply of Committee Agendas

1	Meetings of Full Council	Per Copy	OZ	42.00	42.00
2	Area Planning Committees (All)	Per Copy	OZ	95.00	95.00
3	Individual Area Planning Committee	Per Copy	OZ	32.00	32.00
4	Executive	Per Copy	OZ	63.00	63.00
5	Others	Per Copy	OZ	32.00	32.00

Other Charges

6	Photocopying (A4/A3) (Print Room Only)	Per Copy	OS	0.20	0.20
7	Copies of Committee Documents	Per Copy	OS	8.50	9.00

Policy & Governance

Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £		
Land Charges						
1	LLC1 Official Search	Per Search	OO	40.00	40.00	
2	Con29R (inc SCC)	Per Search	OO	155.00	155.00	
3	Full Land Charges Search (inc. SCC)	Per Search	OO	195.00	195.00	The fee includes LLC1
	printed Part II					
4	- Enquiries Con29O listed	per Enquiry	OO	15.00	15.00	
5	- Each Additional Enquiry	per Enquiry	OO	20.00	20.00	
6	search single part of Register	per Enquiry	OO	4.00	4.00	
7	/ Con 29R	per Questior	OO	2.50	2.50	
8	Search and Photocopying Legal Agreements, Searches etc.	Minimum Charge based upon 15-minute unit	OS	10.00	10.00 }	
					}	
					}	
					}	
9	Search and Photocopying A1 Plans/ Dyeline Copies	Per Copy	OS	10.00	10.00 }	

Vat Indicator: OS = Standard
 OE = Exempt
 OZ = Zero Rated
 OO = Outside Scope

Policy & Governance

Schedule of Fees and Charges for 2015/2016

Ref. No.		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Legal Expenses						
1	Data Protection Subject Access	Per Enquiry	OO	10.00	10.00	Statutory Maximum £10.
2	Freedom of Information/ Environmental Information Regulations	Per Enquiry	OO	By Arrangement		
3	Proof of Life Certificates		OO	35.00	35.00	

Vat Indicator: OS = Standard
OE = Exempt
OZ = Zero Rated
OO = Outside Scope

Policy and Governance
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Licences					
1	Breeding Establishments	Annual	OO	268.00	271.00]
2	Riding Establishments - 1 to 8 Horses	Annual	OO	280.00	283.00]
3	Riding Establishments - 9 to 15 Horses	Annual	OO	419.00	424.00]
4	Riding Establishments - Over 15 Horses	Annual	OO	558.00	565.00]
5	Animal Boarding Establishments] Plus Vet's Fees where applicable
	a) Non-home Boarding	Annual	OO	247.00	250.00]
	b) Home Boarding	Annual	OO	174.00	176.00]
6	Dangerous Wild Animals	2-yearly	OO	180.00	182.00]
7	Zoos	Annual	OO	244.00	247.00]
8	Pet Shops	Annual	OO	200.00	202.00]
9	Cosmetic Piercing, Electrolysis, Acupuncture	per premise	OO	174.00	176.00
10	Cosmetic Piercing, Electrolysis, Acupuncture	per person combined fee for premises and personal licence	OO	174.00	176.00
11	Cosmetic Piercing, Electrolysis, Acupuncture	per premise and personal licence	OO	266.00	269.00
12	Tattooing	per premise	OO	198.00	200.00
13	Tattooing	per person combined fee for premises and personal licence	OO	198.00	200.00
14	Tattooing	per premises and personal licence	OO	289.00	292.00
15	Semi-permanent skin colouring	per premises	OO	198.00	200.00
16	Semi-permanent skin colouring	per person combined fee for premises and personal licence	OO	198.00	200.00
17	Semi-permanent skin colouring	per premises and personal licence	OO	289.00	292.00
18	Street Trading				
	a) Sole Trader	Annual	OO	258.00	261.00
	b) Schedule 2 event - up to 50 traders	Annual	OO	169.00	171.00
	c) Schedule 2 event - 51 or more traders	Annual	OO	204.00	206.00
	d) Schedule 2 event - up to 50 traders	Single Event	OO	134.00	136.00
	e) Schedule 2 event - 51 or more traders	Single Event	OO	144.00	146.00
19	Scrap Metal Dealers Licence				
	a) Site - new application			440.00	445.00]
	b) Site - renewal			248.00	251.00]
	c) Site to collectors - variation			377.00	382.00]
	d) Collectors - new application			400.00	405.00]
	e) Collectors - renewal			208.00	210.00]
	f) Collectors to Site - variation			416.00	421.00]

Policy and Governance
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
20	Hackney Carriage - Vehicles (not adapted)				
	- less than 5 years old	Annual	OO	278.00	281.00 Including one test
	- 5 years old and over - first 6 months				281.00
	- 5 years old and over - second 6 months				82.00
21	Hackney Carriage - Vehicles (adapted)				
	- under 5 years old	Annual	OO	100.00	101.00 Including one test
	- 5 years old and over - first 6 months				101.00
	- 5 years old and over - second 6 months				82.00
22	Missed Appointments (Vehicle Test)	Per Test	OO	69.00	69.00
23	Re-testing of vehicles following failure	Per Test	OS	69.00	69.00
24	Hackney Carriage - Drivers renewal	Annual	OO	67.00	68.00
25	Private Hire - Operators	Annual	OO	180.00	182.00
26	Private Hire - Vehicles (not adapted)				
	- under 5 years old	Annual	OO	278.00	281.00 Including one test
	- 5 years and over - first 6 months				281.00
	- 5 years and over - second 6 months				82.00
27	Private Hire - Vehicles (adapted)				
	- under 5 years old	Annual	OO	100.00	101.00 Including one test
	- 5 years and over - first 6 months				101.00
	- 5 years and over - second 6 months				82.00
28	Private Hire - Drivers renewal	Annual	OO	67.00	68.00
29	New Driver Application		OO	106.00	107.00
30	Resit fee for Knowledge test	Per Test	OO	26.00	35.00
31	Knowledge test	Per Test			35.00
32	Surrender and replacement of Hackney Carriage / Private Hire Licence		OO	81.00	82.00 Including one test
33	6 Month test (vehicles over 5 years)	Per Test	OO	81.00	82.00
	Hackney Carriage and Private Hire				
34	- Replacement plate bracket		OS	10.00	10.00
35	- New/Replacement plate & window disc		OS	16.00	16.00
36	New Plate / Licence for seating alteration		OO	20.00	20.00
37	Gambling Act 2005 - Including lotteries, permits, premises, etc	Various		Please see website for individual fees	Please see website for individual fees Statutory Charge

Policy and Governance
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Licensing Act 2003					
38 - Personal	10-Yearly	OO	37.00	37.00	Statutory Charge
39 - Premises	Initial/Variation	OO	Various depending on rateable value	Various depending on rateable value	Statutory Charge
40 - Premises: Sex Establishment	from -according to RV	OO	4,690.00	4,690.00	50% charge for shops/cinemas
41 - Premises	Annual Fee	OO			Certain premises are
42 - Premises	DPS Variations, etc	OO	23.00	23.00	exempt ie Village Halls etc
43 - Temporary Event Notice	Per Event	OO	21.00	21.00	Statutory Charge
Search and Photocopying					
44 Copies of documents (general)	First page £1.00 20p per sheet thereafter	OS	1.00	1.00	
45 Data Barring Service (previously CRB)	Per Applicant	OO	44.00	50.00	£44 is the charge Waverley incurs for a DBS check

Vat Indicator: OS = Standard
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Policy and Governance
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Corporate Management					
1	Sale of Annual Financial Report	Per Copy	OZ	10.00	10.00
2	Sale of Annual Budget	Per Copy	OZ	10.00	10.00

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Planning Service
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge £	
Development Control					
1	Various	OO		Various	Statutory Charges
2	Per Annum	OZ	100.00	100.00	
<u>Search and Photocopying</u>					
3	First page £1.00 20p/sheet thereafter	OS	1.00	1.00	} In certain circumstances } supplies may be zero } rated (no change in the } charge)
4	Decision notices and other standard documents	OO	6.00	6.00	
5	Per Copy	OS	6.00	6.00	
6	Minimum Charge	OS	30.00	30.00	
7	Per Property (Minimum Charge)	OO	340.00	500.00	
Pre-Application Charges <i>(charges shown inclusive of VAT)</i>					
8	-Householder	OS	50.00	50.00	
9	-Householder	OS	75.00	75.00	
	-One dwelling & other development	OS	150.00	150.00	
	-2-5 dwellings	OS	450.00	450.00	
	-6-10 dwellings	OS	800.00	800.00	
	-10-25 dwellings	OS	1,500.00	1,500.00	
	-26+ dwellings	OS	3,000.00	3,000.00	
	Commercial Floor space				
	- 150m2 - 500m2	OS	450.00	450.00	
	- 501m2 - 1,000m2	OS	1,500.00	1,500.00	Reduced charge of 85% for local businesses.
	- 1,000+ m2	OS	3,000.00	3,000.00	
10	Development Control Consultative Forum (£2,000 + VAT)	OS	2,400.00	4,000.00	
11	Research Fee	OS	40.00	40.00	
	Validation Checks	OS	30.00	30.00	
	Listed Building & Conservation Area Advice	OS	100.00	100.00	
	Tree Advice	OS	25.00	25.00	

Planning Service
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge £	
Other Planning Services					
12	Waverley Borough Local Plan				
	- Waverley residents & organisations	Per Copy	25.00	25.00	} Local Plan being superseded by LDF process
	- Non-Waverley residents & organisations	Per Copy	40.00	40.00	
13	Local Plan - Maps				
	- Waverley residents & organisations	Per Copy	15.00	15.00	}
	- Non-Waverley residents & organisations	Per Copy	25.00	25.00	

House Name Changes

House Name Change	per House	OS	35.00	35.00
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Planning Service
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge £	
Building Control					
1	Building Control Fees	Various	OS		Locally determined fees in accordance with the Local Government Association Building Regulations Model Scheme.
2	<u>Search and Photocopying</u> Enquiries (Building Control)	Minimum Charge	OS	40.00	40.00 In certain circumstances supplies may be zero rated (no change in the charge)
3	Copy Building Control certificate		OO	6.00	6.00

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Customer, IT & Office Services
Schedule of Fees and Charges 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	Explanatory Notes
Property and Development Services					
Surveyor's Fees					
1	Request from owners/occupiers to purchase additional land	Per Request	OS	308.00	315.00 }
2	Request from owners/occupiers for the grant of a permanent easement	Per Request	OS	308.00	315.00 } Collected in advance
3	Request for access/drainage rights	Per Request	OS	308.00	315.00 }
4	Request for assignment of leases (where lease allows)	Per Request	OS	154.00	see below Minimum charge
	Residential Premises		OS	see above	150.00 Minimum charge
	Commercial Tenancies		OS	see above	350.00 Minimum charge
5	Request for landlord's consent for change of use/sub-letting/alterations etc. (where lease allows)	Per Request	OS	123.00	see below Minimum charge
	Residential Premises		OS	see above	150.00 Minimum charge
	Commercial Tenancies		OS	see above	350.00 Minimum charge
6	Grant of licence to use land or accessway	Per Request	OS	154.00	160.00 }
7	Request for a tenant's reference	Per Request	OS	103.00	105.00 }
8	Discharge of a covenant	Per Request	OS	308.00	310.00
9	Request for Wayleave	Per Request	OS	154.00	160.00
10	Grant/renewal of lease (where appropriate)	Per Request	OS	308.00	see below
	Commercial		OS	see above	350.00 Minimum charge
	Sports Clubs/Community Groups etc		OS	see above	150.00

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Finance
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	Explanatory Notes
Cost of Collection					
Summons Costs					
1	Council Tax				
	on issue of summons	OO	80.00	85.00	} The fees are determined } after consultation with the
	on granting of liability order (further charge)	OO	20.00	20.00	
2	Business Rates				} the Surrey Magistrates' } Courts Committee.
	on issue of summons	OO	100.00	105.00	
	on granting of liability order (further charge)	OO	20.00	20.00	
3	Recovery of Court Costs	OO	3.00	3.00	Court Costs are recovered in addition to the above costs
Vat Indicator: OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope					

Community Services
Schedule of Fees and Charges for 2015/2016

Ref. No.		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	Explanatory Notes
Miscellaneous						
1	Fairs	Day	OE	535.00	545.00	
2	Medium Fairs	Day	OE	432.00	440.00	
3	Small Fairs	Day	OE	267.00	275.00	
4	Fairs - Setting up	Day	OE	103.00	107.00	
5	Fetes	Day	OE		By Negotiation) Refundable Deposit) of £100 against damage) etc. payable on) booking.
6	Car Boot Sales	Day	OE	154.00	160.00	
7	Caravan Rallies - Per Unit	Night	OS	7.00	8.00	
8	Tilford Camp Site - Per Head	Night	OS	4.00	5.00	
9	Grazing Rights					By negotiation
10	Frensham Common	- Parking (any vehicle)	Day	OS	3.00	4.00
11	Balloon launches	per launch	OS	67.00	70.00	
12	Allotments	5 rod plot	per plot	37.00	40.00	
		10 rod plot	per plot	75.00	80.00	
Still Photography						
1	Advertising	Per Day (or part thereof)	OS		By Negotiation	
2	Books or Magazines		OS			
Filming						
3	Feature film or Advertising film	Per Day	OS		By Negotiation	
4	Set up and clear up days	(or	OS			
5	Television Drama or Comedy	part thereof)	OS			
6	Educational (negotiable, minimum charge)		OS			
Music						
7	Recording or video	Per Day (or part thereof)	OS		By Negotiation	

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Community Services
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	Explanatory Notes	
Recreational Open Space						
Football						
With Pavilion						
1	Seniors	Match	OS	76.00	78.00	
2	Juniors (& Schools at weekend)	Match	OS	38.00	39.00	
3	Colleges/Businesses Seniors	Match	OS	new charge	90.00	
Without Pavilion						
4	Seniors	Match	OS	64.00	65.00	
5	Juniors	Match	OS	32.00	33.00	
6	Mini	Match	OS	31.00	32.00	
7	Colleges/Businesses Seniors	Match	OS	new charge	78.00	
Rugby						
8	Seniors	Match	OS	76.00	78.00	
9	Mini Rugby	Match	OS	38.00	39.00	
10	Colleges/Businesses Seniors	Match	OS	new charge	90.00	
Training						
11	Football, Rugby etc	Session	OS	By Negotiation		
Cricket - with pavilion						
12	Seniors	Match	OS	87.00	89.00	
13	Seniors (artificial wicket)	Match	OS	74.00	75.00	
14	Colts	Match	OS	36.00	37.00	
15	Colts (artificial wicket)	Match	OS	31.00	32.00	
16	Colleges/Businesses Seniors	Match	OS	new charge	100.00	
Cricket - without pavilion						
17	Seniors	Match	OS	73.00	74.00	
18	Seniors (artificial wicket)	Match	OS	61.00	62.00	
19	Colts	Match	OS	32.00	33.00	
20	Colts (artificial wicket)	Match	OS	27.00	28.00	
21	Colleges/Businesses Seniors	Match	OS	new charge	86.00	
Tennis						
22	Seniors Per Court	Hour	OS	6.00	7.00	
23	Juniors Per Court (Up to 6pm Monday to Friday)	Hour	OS	3.00	4.00	
24	Colleges/Businesses Seniors	Hour	OS	new charge	10.00	
Bowls Club						
25	Per Green	Year	OE	3,495.00	4,000.00	
Athletics						
26	Athletics at Woolmer Hill Sports Ground, Haslemere	Year	OE	667.00	680.00	Artificial track provided and maintained by Athletics Club
27	Heights School - Use of Haslemere Recreation Ground	Year	OE	10,588.00	10,700.00	
Outdoor Keep Fit Groups						
28	Recreation Ground use	Session	OS	10.00	11.00	

Note:

1. Juniors, Colts and Mini Rugby means up to 16 years of age except under special agreement.
2. VAT is not chargeable on certain block/seasonal bookings of sports facilities.

Community Services
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	Explanatory Notes
Sunvale Cemetery, Haslemere					
Interment Fees - Earth Grave					
1	First Burial in Grave Space - 8ft)	OO	667.00	800.00	
2	Subsequent Burials)	OO	551.00	700.00	
3	Child - not exceeding one month)Per	OO	106.00	300.00	
4	Child - one month to 12 yrs)Grave	OO	158.00	300.00	
5	Ashes)	OO	158.00	300.00	
6	Non-Residents of the Parish)	OO		Fees + 100%	
Exclusive Right of Burial					
Purchase of Grave Space					
7	Earth Grave)	OO	166.00	1,000.00	
8	Cremation Section)	OO	106.00	500.00	
9	Non-Residents of the Parish)	OO		Fees + 100%	
Memorial Rights					
(Grave Space must be purchased)					
10	Head Stone (maximum height 5'))	OO	37.00	150.00	
11	Kerb Stone (maximum 7'x 3'6"))	OO	170.00	180.00	
	cross or other monument not over)				
	2' high x 1'6")				
12	Added Inscription after first)	OO			
13	Non-Residents of the Parish)	OO		Fees + 100%	
Administration					
14	Discretionary Fee	OO	51.00	52.00	To be charged where excessive time spent and no other fee charged.

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Community Services
Schedule of Fees and Charges 2015/2016

Ref. No.		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Borough Hall, Godalming						
Casual Use						
Main Hall						
1	Monday - Friday	9am - 6pm	Per Hour	OE	41.00	42.00
2	Monday - Thursday	6pm - Midnight	Per Hour	OE	49.00	50.00
Court Room						
3	Monday - Friday	9am - 6pm	Per Hour	OE	32.00	33.00
4	Monday - Thursday	6pm - Midnight	Per Hour	OE	41.00	42.00
Borough Hall Complex - Block Bookings						
5	Monday - Thursday		Per Day	OE	190.00	194.00
Borough Hall Complex						
6	Friday	4pm - 6pm	Per Hour	OE	46.00	47.00
7		6pm - 2am	Per Hour	OE	54.00	55.00
8	Saturday	9am - 6pm	Per Hour	OE	46.00	47.00
9	Childrens Party	2:30pm - 5.30pm	Per Hour	OE	36.00	37.00 New charge excludes Bar
10		6pm - 2am	Per Hour	OE	54.00	55.00
11	Sunday	9am - 1pm	Per Hour	OE	46.00	47.00
12		1pm - 6pm	Per Hour	OE	46.00	47.00
13	Childrens Party	2:30pm - 5.30pm	Per Hour	OE	36.00	37.00 New charge excludes Bar
14		6pm - 2am	Per Hour	OE	54.00	55.00
Extra Staff Member (Tiered seating, bar staff, support)						
15		9am - 6pm	Per Hour	OE	14.00	14.00 New charges reflect pay levels
16		6pm - midnight	Per Hour	OE	16.00	16.00 and customer resistance.
17		Midnight - 2am	Per Hour	OE	21.00	21.00
18		10pm - 2am	Set Rate	OE	73.00	74.00
Other						
19	Kitchen		Per Session		62.00	63.00
20	Mobile ovens				31.00	32.00
21	Tiered seating				98.00	100.00

Community Services

Schedule of Fees and Charges 2015/2016

Ref. No.		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Regular Use						
Main Hall						
22	Monday - Friday	9am - 6pm	Per Hour	OE	14.00	14.00
23	Monday - Thursday	6pm - Midnight 1 Hour	Per Hour	OE	22.00	22.00
24	Monday - Thursday	6pm - Midnight 2 Hours	Per Hour	OE	20.00	20.00
25	Monday - Thursday	6pm - Midnight 3 Hours	Per Hour	OE	18.00	18.00
Court Room/Bar						
26	Monday - Friday	9am - 6pm	Per Hour	OE	11.00	11.00
27	Monday - Thursday	6pm - Midnight 1 Hour	Per Hour	OE	16.00	16.00
	Monday - Thursday	6pm - Midnight 2 Hours	Per Hour	OE	15.00	15.00
	Monday - Thursday	6pm - Midnight 3 Hours	Per Hour	OE	14.00	14.00
Borough Hall Complex - Block Bookings						
28	Monday - Friday		Per Day	OE	63.00	65.50
Borough Hall Complex						
29	Friday, Saturdays & Sundays		Weekly user	OE		20% off
30			Monthly user	OE		15% off
31			Occasional (over 4)	OE		10% off
32			2 bookings per year	OE		5% off
33			Overnight (no staff)	OE		50% off

Notes:

- i) The court room, when used as a bar for social functions, will be closed at 11pm and cleared by 11.30pm.
- ii) The above schedule excludes the Cinema which is shown below.
- iii) Nursery School: to be agreed.
- iv) Cancellation of a Casual Booking will incur a loss of the deposit paid. Cancellation of a booking within 28 days of the booked date will incur total cost of the booking to be levied.
- v) A cash deposit of £1,000 will be secured on any public function and an insurance indemnity of £2,000,000 required. An insurance indemnity certificate of £1,000,000 is required on all bookings.
- vi) A negotiation of rates chargeable can be made in circumstances beneficial to the Council and the client especially on regular use.
- vii) Bar facilities from 7pm - 11pm are part of the bookings for our clients if required. Clients are not allowed to operate their own bar unless special permission and conditions apply
- viii) The premises must be cleared by the client and their guests by midnight.
- ix) Catering for large social functions will not be allowed to be carried out by the client unless special permission and conditions apply.
- x) The Borough Hall complex is a non-smoking area.
- xi) Regular Hirers will be charged for all pre-confirmed dates within the financial year, any cancellations by the Hirer will not be refunded.
- xii) In the event of adverse weather, the Borough Hall Management reserves the right to cancel bookings at short notice
- xiii) Regular Bookings cancelled by Management will be refunded at the end of the financial year

Cinema

34	Adult		OS	7.50	7.50
35	Senior		OS	6.50	6.50
36	Child		OS	3.50	3.50
37	Student		OS	6.50	6.50
38	Sat Childrens Film		OS	2.50	3.00
39	Group (10 or more)		OS	6.00	6.00

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Community Services
Schedule of Fees and Charges 2015/2016

Ref. No.		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £
Memorial Hall					
Main Hall					
Trade and Commercial					
1	Mon - Fri 9am - 6pm	Per Hour	OE	20.50	20.50
2	Mon - Thurs 6pm - Midnight	Per Hour	OE	24.50	24.50
3	Weekend	Per Hour	OE	44.00	44.00
Normal Lettings					
4	Mon to Fri 9am - 6pm - Regular	Per Hour	OE	15.50	15.50
5	Mon to Fri 9am - 6pm - Casual	Per Hour	OE	21.00	21.00
6	Mon to Thurs 6pm - Midnight - Regular	Per Hour	OE	17.00	17.00
7	Mon to Thurs 6pm - Midnight - Casual	Per Hour	OE	24.50	24.50
8	Friday 6pm - Midnight	Per Hour	OE	24.50	24.50
9	Saturday 9am - 1pm	Per Hour	OE	25.50	25.50
10	Saturday 1pm - 6pm	Per Hour	OE	27.50	27.50
11	Saturday 6pm - 1am (Sunday)	Per Hour	OE	41.50	41.50
12	Sunday 9am - Midnight - Regular	Per Hour	OE	17.00	17.00
13	Sunday 9am - Midnight - Casual	Per Hour	OE	26.50	26.50
Bazaars for Local Charitable Organisations					
14	Whole Day 9am - 5pm	Per Day	OE	150.00	150.00
15	Bazaars for other Non Commercial Organisations	Per Day	OE	200.00	200.00
Kitchen					
16	General Use	Per Sessior	OE	31.50	31.50
17	Tea or Coffee only (Regular hirers)	Per Sessior	OE	5.25	5.25
18	Tea or Coffee only (Casual hirers)	Per Sessior	OE	8.50	8.50
Bar Area					
19	6 pm - Midnight	Per Hour	OE	18.00	18.00
20	Clearing Up Charge	Per Hour	OS	14.00	14.00

Minimum period 4 hours

Community Services
Schedule of Fees and Charges 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Saturday Evening Bookings					
Any Saturday evening function with a bar and/or entertainment will be charged until 1am Bar extensions will end at 11.30pm, entertainment must end at 11.45pm and hall must be fully vacated by 1.00am					
21	Wedding Reception All day - Saturday 8am to Sunday 1am (including kitchen and bar)	OE	870.00	870.00	Includes £50 cleaning charge
22	Saturday night cleaning charge (1pm-2pm)	OE	75.00	75.00	
23	Performing Rights Tariff Application only to live musical performances	OE		5% of Main Hall	

Notes:

- (i) A negotiation of rates chargeable can be made in circumstances beneficial to the Council and the client especially on regular use.

Friday, Saturdays & Sundays

Monthly user

- (ii) Clients are not allowed to operate their own bar unless special permission and conditions apply

- (iii) The premises must be cleared by the client and their guests by midnight.

Community Services
Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £		
Meals on Wheels						
	- Complete meal (main course and pudding)		3.80	3.80	Operated and charged by the WRVS, subsidised by Waverley	
Careline						
1	- Careline Customers: (£4.40 plus vat)	Per Week	OS	5.28	5.28	} Additional fee of £2 per additional invoice generated } for new customers not paying by Direct Debit
2	- Housing Associations	Contracts and pricing individually agreed				
Community Care						
	Exercise and Mobility	per person per class	OS	4.00	4.00	

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Environment Services

Schedule of Fees and Charges 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £		
Special Refuse Collection						
Standard Charge						
1	1 Item	Per Visit	OO	39.00	40.00	Standard charges are designed to achieve overall full recovery of the cost of the service to the Council.
2	2 Items	Per Visit	OO	46.50	47.50	
3	3 Items	Per Visit	OO	53.50	54.50	
4	4 Items	Per Visit	OO	60.50	61.50	
5	5 Items	Per Visit	OO	68.00	69.00	
6	6 - 9 Items	Per Visit	OO	82.00	84.00	
Reduced Charge						
1	1 Item	Per Visit	OO	19.50	20.00	Reduced charges are based on 50% of the standard charge and apply to persons in receipt of benefit, ie Supplementary Benefit Income Support Housing Benefit Council Tax Support Family Tax Credit
2	2 Items	Per Visit	OO	23.00	23.75	
3	3 Items	Per Visit	OO	27.00	27.25	
4	4 Items	Per Visit	OO	30.50	30.75	
5	5 Items	Per Visit	OO	34.00	34.50	
6	6 - 9 Items	Per Visit	OO	41.00	42.00	
1	Cancellation Fee		OO	10.00	10.00	

Waste Recycling

1 Green Waste Collection

Standard Charge:

1 bin	per Annum	40.00	40.00
Purchase of bin	per Item	10.00	10.00

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Environment Services

Schedule of Fees and Charges 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	
Environmental Health					
Food					
1	Surrender Certificates for Unfit Food	OS	160.00	160.00	Food certificates, if only issued by LAs and if required to issue them by statute, are outside the scope of VAT. Food certificates are provided on request to assist with private legal cases, usually in relation to accident investigations.
2	Export Certificates for Food	OS	160.00	160.00	
3	Statement of Fact	OS	160.00	160.00	
Private Water Supply					
Risk Assessments	Per Request + Per Hour		150.00 + 50.17	150.00 + 53.98	Subject to a statutory maximum of £500 per risk assessment
Sampling	Per Request		50.00 + 47.32	54.00 + 49.18	Subject to a statutory maximum of £100 per visit
Investigations	Per Hour		50.00	54.00	Subject to a statutory maximum of £100 per investigation
Authorisations	Per Request + Per Hour		95.00 + 47.32	108.00 + 49.18	Subject to a statutory maximum of £100 per authorisation granted
Analysis	Per Request		15.00 + laboratory fees	18.00 + laboratory fees	Subject to statutory maxima: £25 for Regulation 10 analyses £100 for check monitoring analyses £500 for audit monitoring analyses
Vat Indicator:	OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope				

Environment Services

Schedule of Fees and Charges 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £		
Animal Control						
1	Stray Dogs	Per Occasion	OO	25.00	25.00	Statutory fee plus kennelling and vet's costs extra
<u>Rats and Mice</u>						
2	Domestic #	Per Treatment	OS	65.50	66.30	Rodent treatments are for a single domestic property, including immediate gardens and grounds, occupied by one family. Additional charges may be made if: the property is occupied by more than one family, or if further visits are required, or if outbuildings, stables or land where domestic pets or livestock are present.
3	Domestic - Call out		OS	33.00	33.40	
4	Reduced Charge *		OS	33.00	33.40	
5	Reduced Charge Call out *		OS	16.50	16.70	
6	Commercial	Per Hour	OS	65.50	66.30	
7	Commercial - Call out		OS	33.00	33.40	
<u>Wasps</u>						
8	Domestic	Per Visit	OS	57.50	58.20	Additional nests at the same time, +50% for each nest
9	Domestic - Call out		OS	27.50	27.80	
10	Reduced Charge *	Per Visit	OS	29.00	29.30	
11	Reduced Charge Call out *		OS	13.75	13.90	
12	Commercial	Per Hour	OS	57.50	58.20	
13	Commercial - Call out		OS	27.50	27.80	
<u>Casual Treatments / Other Insects</u> (Including Fleas)						
14	Fleas	Per Visit	OS	70.00	70.80	Charges are for up to a standard 3 bedroom house. Additional rooms are charged at £17.50 each.
15	Reduced charge*	Per Visit	OS	35.00	35.40	
16	Bed Bugs	Per Visit	OS	70.00	70.80	
17	Reduced charge*	Per Visit	OS	35.00	35.40	
18	Cockroaches	Per Visit	OS	70.00	70.80	
19	Reduced charge*	Per Visit	OS	35.00	35.40	
20	Cluster Flies	Per Visit	OS	99.00	100.20	
21	Reduced charge*	Per Visit	OS	49.50	50.10	
22	Clothes Moths	Per Visit	OS	99.00	100.20	
23	Reduced charge*	Per Visit	OS	49.50	50.10	
24	Advice visits or callout charge for missed appointments	Per Visit	OS	33.00	33.40	
25	Pharoah's Ants	Per Visit	OS	Price subject to survey		

* The reduced charge will apply to those who can demonstrate to be in receipt of Income Support, Housing Benefit, Council Tax Reduction (other than sole occupancy relief) or Disability Working Allowance or Disability Living Allowance.

Vat Indicator: OS = Standard
 OE = Exempt
 OZ = Zero Rated
 OO = Outside Scope

Housing Services

Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	
			£	£	
General Fund Housing					
Houses in Multiple Occupation (HMO)					
1	Five yearly - per property (new application)	OO	550.00	550.00	
2	Five yearly - per property (renewal)	OO	400.00	400.00	Charge for renewal of HMO licence (commences April 2013)
3	Licence Variation	OO	300.00	300.00	Material variation of existing licence. Charge to relate to amount of work involved
Caravan Site Licence Fees					
4	Site Licence Applications	OO			
	No. of pitches 1 - 5			445.90	
	6 - 24			468.40	
	25 - 99			513.30	
5	Annual Fee	OO			
	No. of pitches 1 - 5			50.00	
	6 - 24			100.00	
	25 - 99			200.00	
Property Inspections					
6	Property Inspections for Immigration/ Foreign Office/Visa Application purposes	OS	160.00	160.00	This is a non-mandatory service where a report is required to support an application.
7	Officer time for works in default (Subject to Statutory maximum charge of £300)	Per Hour OO	60.00	60.00	Statutory - where notice recipient fails to do the work and the Council does the work and recharges it.
8	Officer time for Housing Act enforcement (Subject to Statutory maximum charge of £300)	Per Hour OO	60.00	60.00	Statutory - where the Council takes enforcement action following a preliminary notice of intent

Schedule of Reserves and Balances - Actual and Projected

	31.3.2014	31.3.2015	31.3.2016			31.3.2017			31.3.2018		
	Balance	Balance Forecast	In	Out	Balance	In	Out	Balance	In	Out	Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund											
General Fund Working Balance	3,361	3,200			3,200			3,200			3,200
Revenue Reserve Fund (inc NHB)	2,486	787	2,962	(1,759)	1,990	2,962	(2,962)	1,990	2,962	(2,962)	1,990
General Fund Capital Receipts	1,174	644			644			644			644
Earmarked Leisure Financing	566	0			0			0			0
Renewals Fund	114	114		(6)	108			108			108
Insurance Fund	299	299			299			299			299
Insurance Reserve	157	157			157			157			157
Earmarked Reserves											
- LEP	1,500	1,500		(1,500)	0			0			0
- Asset Development	2,300	2,300		(2,300)	0			0			0
General Fund Total	11,957	9,001			6,398			6,398			6,398
Housing Revenue Account											
HRA Working Balance	2,000	1,964	36		2,000			2,000			2,000
HRA Revenue Reserve	2,334	1,189	6,770	(7,421)	538	6,968	(7,506)	0	7,174	(7,174)	0
HRA Capital Receipts Unapplied	11,577	12,977	825	(4,700)	9,102	825	(3,650)	6,277	825	(5,171)	1,931
New Affordable Homes	5,162	6,196	7,100	(8,000)	5,296	7,790	(6,000)	7,086	2,691	(8,000)	1,777
Stock Remodelling	6,031	8,047		(1,280)	6,767		(4,296)	2,471	2,691	(4,000)	1,162
HRA Total	27,104	30,373			23,703			17,834			6,870

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General Fund - Forward Budget Projections - February 2015 update

Estimated Variations From draft 2015/2016 Budget - Cumulative	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Inflation (2.0%) non-pay 2016/17	200	200	200	200
Inflation (2.0%) non-pay 2017/18		200	200	200
Inflation (2.0%) non-pay 2018/19			200	200
Inflation (2.0%) non-pay 2019/20				200
Pay Award April 2016	?	?	?	?
Pay Award April 2017		?	?	?
Pay Award April 2018			?	?
Pay Award April 2019				?
Revenue Support Grant net reduction	520	1,040	1,570	1,570
Benefit Admin grant- loss/UC	50	100	150	200
Loss of supporting people grant	61	61	201	201
Increased Interest Rates (0.25% each year)	(100)	(200)	(300)	(400)
April 2016 Pension Triennial Revaluation		200	200	200
New National Insurance Rates from April 2016	210	210	210	210
Local Business Rates variations	?	?	?	?
Indicative savings required*	941	1,811	2,631	2,781

*Before allowing for possible additional council tax income.

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2015/2016 Council Tax (Proposed)			
Council Tax (Waverley element only)			
		2014/2015	2015/2016
Council Tax Requirement			Freeze
		£'000	£'000
A	Waverley Spending Requirement	14,068	14,085
B	Revenue Support Grant	2,102	1,574
C	Business Rates Baseline	1,784	1,818
D	New Homes Bonus	1,383	1,662
E	Business Rates in excess of Baseline	127	185
F	Council Tax Freeze Grant	90	92
G	Net Spending Requirement	8,582	8,754
H	Collection Fund Surplus/(Shortfall)	156	200
I	Council Tax Income Required	8,426	8,554
J	Council Tax Base (Band D equivalents)	52,037.0	52,831.2
K	Band D Council Tax (Rounded for billing purposes)	£161.91	£161.91
L	Year on Year Percentage Increase		0.00%

Note: This takes account of the provisional Settlement and will be adjusted on receipt of the final settlement.

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 3 FEBRUARY 2015

Title:

FINANCIAL STRATEGY 2015/2016 – 2018/2019

DRAFT CAPITAL PROGRAMME 2015/2016

[Portfolio Holder: Cllr Julia Potts]

[Wards Affected: All]

Summary and purpose:

The report puts forward proposals for the draft 2015/2016 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 2015/2016, 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 corporate priorities, the proposals put forward support these priorities.

Equality and Diversity Implications:

There are no direct equality and diversity implications as a result of the recommendations in 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 in 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 2015/2016, as put forward by the Heads of Service and supported by the Corporate Management Team, are presented for consideration.
2. This report contains the following Annexes:
 - Annexe 1 – List of Revenue Projects
 - Annexe 2 – Revenue Project Justification Forms (separate booklet)
 - Annexe 3 – Draft Capital Programme

Revenue Projects

3. Revenue Projects will be included within the appropriate Revenue Estimate sheets and are listed at Annexe 1. The list totals £569,775, of which £45,000 will be funded externally and the balance met from Waverley's revenue budget resources. The Office Maintenance Programme has already been included within the base estimates as it forms part of the allocation process and the remaining £418,680 is included within the Budget summary pending final approval of the projects. Justification statements for the various projects are included at Annexe 2 within the separate booklet distributed to all Members.

Draft 2015/2016 Capital Programme

4. The proposed 2015/2016 Capital Programme amounts to £3,346,400 as shown at Annexe 3 to this report.
5. This Annexe also shows the proposed financing, including significant external funding and the amount to be met from Waverley's own resources including £1,062,780 from the Revenue Reserve Fund.

Resources Available 2015/2016

6. The core funding for Waverley's General Fund Capital Programme is from Revenue Contributions, via the Revenue Reserve Fund, plus any Capital Receipts available and is augmented by any external funding obtained.
7. The Budget proposals include increasing the Contribution to the Revenue Reserve Fund from the Revenue Budget to £2.962million from the current level of £2.685 million in 2014/2015. This arises from the Council's policy of using New Homes Bonus for invest-to-save schemes.
8. As shown at Annexe 3, the resources available are sufficient to finance the proposed 2014/2015 Programme.

Revenue Reserve Fund

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

Approval Process

10. Certain schemes as identified by an asterisk on the schedule will be included within the overall Programme with approval in principle, 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

11. 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 in Annexe 3 show that the draft Capital Programme is within the resources available for 2015/2016.
12. The Programme will be subject to final approval by Council on 17 February 2015.

Observations from Overview and Scrutiny Committees

13. The Corporate Overview and Scrutiny Committee considered this report at its meeting on 20 January 2015. The Committee endorsed the recommendations for the General Fund Capital Programme 2015/16 for the service areas within its remit, and had no observations to pass to the Executive. Any observations from the Community Overview and Scrutiny Committee on 27 January 2015 will be circulated separately.

Recommendation

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

1. approves the list of Revenue Projects totalling £569,775 as shown at Annexe 1 to be included within the Revenue Estimates;
2. approves the 2015/16 General Fund Capital Programme totalling £3,346,400, as shown at Annexe 3;
3. agrees the financing proposals for 2014/2015 in 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 or the Executive if appropriate; and
5. 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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CAPITAL PROGRAMME
2015/2016 REVENUE SCHEMES - GENERAL FUND

Project	2015/16				Notes	O & S Committee
	Total Programme	WBC funding	Repairs & Renewals Reserve	External Funding		
	£	£	£	£		
Customer, IT and Office Services						
Central Offices	90,000	90,000				Corporate
Miscellaneous Properties	15,000	15,000			To get several domestic properties up to decent homes standard	Corporate
Health & Safety works	20,000	20,000				Corporate
Community Services						
Sports Centres	General	100,000	100,000			Community
	Contingency	25,000	25,000			Community
Recreation	Parks Signage	20,000	20,000			Community
Arts	Borough Hall	8,275	8,275			Community
Environmental Services						
Waste & Recycling	Replacement containers	60,900	40,900		20,000	Income from sale of 2,000 green waste bins Community
Environmental Health	Contaminated Land	30,000	30,000			Community
	Weydon Lane	21,000	21,000			Community
	Air Quality	33,500	8,500		25,000	DEFRA grant funding Community
	Noise Recording Equipment	6,100		6,100		Community
Car Parks	Rolling Programme	100,000	100,000			Community
Special Projects	Development Consultancy	40,000	40,000			Corporate
General Fund Total	£569,775	£518,675	£6,100	£45,000		

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**Capital Programme
General Fund**

Project	2015/16 Total Programme £	2015/2016 Funding						2016/2017 Estimate £	2017/2018 Estimate £	Notes
		Revenue Reserve Fund £	Earmarked Reserve £	Housing Revenue Account £	New Homes Bonus £	S106 Funding £	External Funding £			
General Fund Summary										
Provision for Urgent Schemes during Year	150,000	150,000	0	0	0	0	0	0	0	
Policy & Governance	4,680	4,680	0	0	0	0	0	0	0	
Customer, IT and Office Services	539,000	288,000	0	78,000	173,000	0	0	242,000	0	
Community Services	2,212,720	447,100	500,000	0	400,000	9,760	855,860	1,301,119	267,066	
General Fund Housing Services	440,000	173,000	0	0	0	0	267,000	440,000	440,000	
Total	£3,346,400	£1,062,780	£500,000	£78,000	£573,000	£9,760	£1,122,860	£1,983,119	£707,066	

Capital Programme General Fund

Project	2015/16 Total Programme £	2015/2016 Funding						2016/2017 Estimate £	2017/2018 Estimate £	Notes
		Revenue Reserve Fund £	Earmarked Reserve £	Housing Revenue Account £	New Homes Bonus £	S106 Funding £	External Funding £			
Media Monitoring	4,680	4,680								
Total Policy & Governance	£4,680	£4,680	£0	£0	£0	£0	£0	£0	£0	

**Capital Programme
General Fund**

Project	2015/16 Total Programme £	2015/2016 Funding						2016/2017 Estimate £	2017/2018 Estimate £	Notes
		Revenue Reserve Fund £	Earmarked Reserve £	Housing Revenue Account £	New Homes Bonus £	S106 Funding £	External Funding £			
Customer, IT and Office Services										
Central Offices										
Sound insulation	25,000	25,000								
Council Chamber corridor ceiling replacement	15,000	15,000								
Office Lighting Replacement - LED at central offices	30,000				30,000					9 year payback, £3,250 revenue saving per annum
Cranleigh LC replacement of AHU	55,000				55,000					6 year payback, £9,000 revenue saving per annum
Cranleigh LC CHP unit	88,000				88,000					5.6 year payback, £15,500 revenue saving per annum
Inspection of culverted land drainage assets	25,000	25,000								
* PV systems installation on sheltered housing							242,000			6 year payback, £39,000 revenue saving per annum
IT										
Forward Programme/Legislative Changes	10,000	10,000								If any benefits changes required can use grants
Desktop/Server Upgrades	20,000	20,000								
Mobile Working Solutions	30,000	30,000								Potential £21k on building control, £1.5k on environmental health
SharePoint	10,000	10,000								
Replace Core Switch	30,000	30,000								
Windows 2003 server replacement	10,000	10,000								
Network Upgrade & Flexible Working	5,000	5,000								
Records Scanning	20,000	20,000								
Call Management - contact centre technology	20,000	20,000								
Corporate Texting Solution	10,000	10,000								
Business Continuity refresh at Mole Valley	15,000	15,000								
Aerial photography refresh	8,000	8,000								
Achieve Forms upgrade/integration	5,000	5,000								
Agrosso upgrade	30,000	30,000								
Orchard Development	25,000			25,000						
* Orchard/Agrosso Interface	15,000			15,000						
Mobile Working	15,000			15,000						
Sheltered Housing Wi-Fi	10,000			10,000						
Keystone - Asbestos Module	13,000			13,000						
Total Customer and Office Services	£539,000	£288,000	£0	£78,000	£173,000	£0	£0	£242,000	£0	

**Capital Programme
General Fund**

Project	2015/16 Total Programme £	2015/2016 Funding						2016/2017 Estimate £	2017/2018 Estimate £	Notes
		Revenue Reserve Fund £	Earmarked Reserve £	Housing Revenue Account £	New Homes Bonus £	S106 Funding £	External Funding £			
Community Services										
Central Communications (Careline)	30,000	30,000						30,000	30,000	
Day centres										
# Gostrey/Memorial Hall Community Centre	1,560,000		500,000		360,000		700,000			Potential revenue savings currently unquantified
Farncombe Day Centre	12,800	12,800						8,500	6,000	
Refurbish Pump House to create additional classroom	40,000				40,000					Expect additional return from extra learners and potential saving from closing Godalming Centre
Countryside										
Frensham Dam	18,000	18,000								
HLS Countryside Works	169,060	81,000					88,060	144,469	151,066	
Frensham Common - Site Facilities Redevelopment	75,000	30,000					45,000	800,000		
Ditch Renovation	70,000	70,000						70,000		
Alderbrook Stream - watercourse erosion control	20,000	20,000								
Blackheath Village Flood Alleviation	5,000	5,000								
Broadwater Park Boardwalk	10,000	10,000								
Arts										
Farnham Maltings (grant paid to 31.3.13 £519k)	40,000	40,000								
Borough Hall - ext decoration	25,000	25,000								
Recreation										
Pavilions - Capital Works	10,000	10,000						30,000	30,000	S106 funding dependant on works carried out
* Gostrey Meadow - pavilion development								160,000		
Playground Replacement	84,760	75,000				9,760				
Philips Memorial Garden Improvement Programme	33,100	10,300					22,800	8,150		HLF grant
Parks Infrastructure Works & DDA Improvements	10,000	10,000						50,000	50,000	
Total Community Services	£2,212,720	£447,100	£500,000	£0	£400,000	£9,760	£855,860	£1,301,119	£267,066	
# If Gostrey project above does not go ahead the following projects are requested:										
Brightwells Gostrey Centre	89,000	89,000								
Memorial Hall	150,000	150,000								

**Capital Programme
General Fund**

Project	2015/16 Total Programme £	2015/2016 Funding						2016/2017 Estimate £	2017/2018 Estimate £	Notes
		Revenue Reserve Fund £	Earmarked Reserve £	Housing Revenue Account £	New Homes Bonus £	S106 Funding £	External Funding £			
General Fund Housing Services										
House Renovation Grants										
- Disabled Facilities	400,000	143,000					257,000	400,000	400,000	no guarantee on level of grant, subject to Surrey County Council passing on funding
Warm Homes Project	40,000	30,000					10,000	40,000	40,000	repayments
Total General Fund Housing Services	£440,000	£173,000	£0	£0	£0	£0	£267,000	£440,000	£440,000	

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 3 FEBRUARY 2015

Title:

HOUSING REVENUE ACCOUNT BUSINESS PLAN 2015/2041 AND REVENUE BUDGET 2015/2016

[Portfolio Holders: Cllrs Stewart Stennett and Carole King]

[Wards Affected: All]

Summary and purpose:

This report presents to the Executive the Housing Revenue Account (HRA) Business Plan and the revenue budget for 2015-16.

It contains the following Annexes:

- Annexe 1 – Business Plan Assumptions
- Annexe 2 – Business Plan
- Annexe 3 – Star Chamber proposals
- Annexe 4 – Draft revenue estimates
- Annexe 5 – Rents Analysis
- Annexe 6 – Housing fees and charges

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

Waverley's landlord service deals with the management and maintenance of existing stock and delivering **affordable housing** which helps to **improve lives** – two of the Council's five corporate priorities. A viable business plan which takes account of these priorities needs to be in place to aid delivery

Equality and Diversity Implications:

Providing more and better affordable housing for residents of the Borough in housing need, particularly the more vulnerable in our society.

Resource/Value for Money Implications:

Resource implications are contained within the report.

Legal Implications:

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

Background

1. The self-financing regime for the HRA is now well established. The backlog of decent homes work was cleared by the end of the 2013/2014 financial year (partly funded by Government grant) and the focus is now continuing to provide high quality services to our tenants and on maintaining homes to a decent standard. Seven new affordable properties are nearing completion in Farncombe and work is now underway on the Station Road site in Godalming.
2. The staffing structure of the landlord service was refined early in 2014/15 and recruitment to the revised approved structure is ongoing.
3. The next five year projection for the Business Plan, commencing with 2015/16, are attached at Annexe 2 and the assumptions behind the plan (Annexe 1). This illustrates the updated position showing the impact of the latest assumptions and estimates. Despite unavoidable increases in some costs and assumed lower level of rent increases reflecting the low level of inflation, some £33.3m is expected to be available for investment over the next 5 years in new affordable homes and to support stock remodelling. It is proposed that for the next 2 years at least, investment contributions are all targeted at new affordable homes as there is currently sufficient funding in the Stock Remodelling reserve to fund work proposed in the short/medium term. This will be kept under review.

REVENUE BUDGET

2015/16 Draft Revenue Estimates

4. There has been rigorous scrutiny of draft budgets through the Council's 'star chamber' process involving the Directors, Portfolio Holders, and Heads of Service. Proposals for significant additional investment in day to day repairs and void work have been incorporated in the Business Plan base from 2015/16 onwards. It is also proposed to add 2 further posts to the establishment. A complaints officer to ensure more efficient turnaround of complaints received within the landlord service and a data analyst to provide additional detailed Orchard information. These proposals are summarised in Annexe 3. The budget (Annexe 4) and updated Business Plan incorporate the growth items.

Rents

5. The Council has agreed a rent setting policy that supports Waverley's Business Plan objectives with broad adherence to the Government's social rent policy. The proposed increase for 2015-16 of 2.8% (September RPI + ½%) with an addition of up to £2/week for those properties where rent is below their target rent in accordance with the Council's policy and has been included in the draft Business Plan at Annexe 2. In addition, this crucially helps to ensure the necessary investment contributions are available in the Business Plan to improve our tenants' homes. Annexe 5 analyses the numbers of properties that are below target rent.

6. Garage rents are also proposed to increase by 2.8%. During 2014/15, six garage sites were identified for redevelopment and removed from the chargeable base.
7. It is proposed that service charges in sheltered accommodation be increased by 50p/week in 2015/16 and the heating reimbursement charge by the same amount in line with previous energy increases. The position will be reviewed in 2015/16 in the light of current market conditions.
8. It is proposed that rents for Temporary Accommodation (TA) and Bed and Breakfast be increased in line with Local Housing Allowance rates when these are announced in due course.

Robustness of Estimates

9. Full account has been taken of potential costs and adequate provision has been made. A prudent assessment of income has been undertaken and only income that has a high level of certainty of being received is included within the Council's budgets.
10. The Council's Financial Strategy, together with information presented at the Annual Finance Seminar and subsequent reports demonstrate the financial challenges to Waverley Borough Council and Landlord Service in the future.
11. In view of the level of awareness amongst Members and the action taken to produce the Council's budget in 2015/16, the Director of Finance and Resources is satisfied with the robustness of the estimates presented.

Adequacy of reserves

12. Adequate reserves are necessary to meet significant cost that could not reasonably have been foreseen in the preparation of the budget. The levels of the HRA working and repairs fund balances have been reviewed and the working balance maintained at £2m. It is proposed to apply the repairs fund balance to support specific revenue projects leaving a projected balance of some £35k at the end of 2015/16.

Increases in Fees and Charges

13. The schedule of charges for various services to leaseholders and shared owners has been reviewed. This is currently being consulted on and it is proposed to replace the current flat rate leasehold management charge that applies to all. It is seen as a more transparent and fairer way of recovering costs incurred - Annexe 6.

Conclusion

14. Self-financing has opened up significant opportunities within the landlord service to improve the service to its existing tenants and maintain our homes to a high standard and also provide new homes for the future. Waverley has a robust business plan that should ensure that these objectives are achieved.

Corporate Overview and Scrutiny Committee

15. The Corporate Overview and Scrutiny Committee considered this report at its meeting on 20 January 2015. The Committee endorsed the detailed estimates and proposals in the report, including the proposed rent increase which is in line with the Council's rent policy and agreed within the Council's 30 year HRA Business Plan. In particular, the Committee endorsed the growth bid to make permanent the posts of Complaints Officer and Data Analyst, as these would be key to enabling the improvements in service delivery that were being recommended by the Committee as a result of its in-depth scrutiny review of the responsive repairs service.

Recommendation

Having considered the comments from the Corporate Overview and Scrutiny Committee it is recommended that the Executive makes the following recommendations to Council, that:

1. the rent level of Council dwellings be increased by 2.8% from 6th April 2015 with an addition of up to £2/week for those properties below their historic target rent;
2. the weekly charge for garages rented by both Council and non-Council tenants be increased by 2.8% from 6th April 2015;
3. the service charge in sheltered accommodation be increased by 50p/week from 6th April 2015;
4. the recharge for energy costs (as appropriate) be increased by 50p/week from 6th April 2015, with a review being carried out in 2015/16 to assess changing energy prices;
5. fees and charges be increased in line with the proposals at Annexe 6;
6. the proposals included on the List of Growth Items be implemented as shown at Annexe 3, including any staffing changes;
7. the resultant HRA Revenue Budget and Business Plan updated for 2015/16, which incorporate the above changes, be approved; and
8. for 2015/16 and 2016/17, 100% of the Business Plan Capital investment contributions be allocated to the New Affordable Homes provision.

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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HOUSING REVENUE ACCOUNT

Business Plan Assumptions


	2015-2016
WAVERLEY ASSUMPTIONS	
Estimated housing stock	4,835
Inflation	
Contracts	1.6%
Rents(<i>Sept RPI +0.5%</i>)	2.8%
2016/17 onwards (assumed)	3.0%
Includes Rental income Growth	0.5%
Management	1.6%
Stock growth through new homes programme Over remaining life of Business Plan	283
Average interest rate on borrowing	3.0%
Stock Loss through right-to-buys over remaining life of Business Plan	218
Percentage of voids assumed	2.125%
Provision for bad debts	£25k/year
Investment Contributions for 15/16 and 16/17 To New Affordable Homes. To be reviewed	100%
Minimal anticipated impact of new depreciation accounting	
Responsive maintenance budget realigned to reflect current demand	£200k
Revenue void work realigned	£100k

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WAVERLEY HOUSING REVENUE ACCOUNT - NEXT 5 YEARS BUSINESS PLAN

£'000	LATEST					
	2014-15	2015-16	2016-17	2017	2018	2019
		(1)	(2)	(3)	(4)	(5)
INCOME						
1 Gross Dwelling Rent income (net of subsidy penalty)	28,571	29,413	30,471	31,767	33,113	35,031
Less Voids @2.125%	-587	-629	-686	-635	-662	-701
Net rents to Revenue Account	27,984	28,784	29,785	31,131	32,451	34,331
2 Gross Garage rents	380	366	375	385	394	404
Less Voids @ 20%	-94	-73	-75	-77	-79	-81
Net rents to Revenue Account	286	293	300	308	315	323
3 Service Charges	253	261	268	274	281	288
4 Costs recovered	278	269	276	283	290	297
5 Other Income	364	348	357	366	375	384
COSTS						
6 Housing Management	-5,105	-5,306	-5,391	-5,479	-5,599	-5,697
7 Maintenance	-3,977	-4,348	-4,418	-4,488	-4,560	-4,633
8 Contribution to HRA Revenue Reserve	-6,577	-6,770	-6,932	-7,138	-7,350	-7,568
9 Other Costs	-597	-570	-570	-624	-636	-649
10 Excess of income over running costs	12,909	12,961	13,674	14,633	15,567	17,076
11 Interest	5,827	5,827	5,827	5,796	5,742	5,672
12 Transfer to Stock Improvement	3,534	0	0	2,691	3,046	3,555
13 Transfer to New Build	3,534	7,068	7,790	2,691	3,046	3,555
14 Principal repayment				3,487	3,708	4,223
15 Debt management	50	30	30	50	50	50
16 Rent Equalisation Reserve/Working Balance	-36	36	27	-82	-24	21
	12,909	12,961	13,674	14,633	15,567	17,076
17 Loan brought forward	192,035	192,035	192,035	192,035	188,548	184,840
18 Loan carried forward	192,035	192,035	192,035	188,548	184,840	180,617
19 HRA Working Balance brought forward	2,000	1,964	2,000	2,000	2,000	2,000
20 HRA Working Balance carried forward	1,964	2,000	2,000	2,000	2,000	2,000

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 Star Chamber Findings - Growth	2015-2016 Growth £
Housing Revenue Account	
Staff Growth:	
Quality Assurance/Control Officer (Grade 7)	42,775
Data Analyst (Grade 7)	42,775
Repairs & Maintenance:	
Day to day repairs	200,000
Voids	100,000
Total Housing Revenue Account	£385,550

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Landlord Services

Ref. No.	2013/2014 Actual (1)	2014/2015 Estimate (2)	Details	2015/2016 Estimate (3)	Direct Costs	Indirect Costs
Housing Revenue Account Summary						
	£	£		£		
			Expenditure			
			Premises			
1	5,494,781	4,728,200	Contribution to R & M Fund	5,104,620	4,877,593	227,027
			Administration			
			Supervision and Management			
2	2,723,873	3,047,490	- General	3,300,700	1,785,754	1,514,946
3	513,568	518,000	- Special	496,420	361,472	134,948
4	89,645	94,520	Waverley Families	131,430	92,951	38,479
5		4,260	Restructure refinement			
6	444,662	549,560	'Back-Funded' pension contributions	549,560	549,560	
			Capital Charges			
7	5,764,245	5,891,000	Depreciation	6,104,000	6,104,000	
8	38,211	42,280	Capital Work Expenses	71,790	14,826	56,964
			Special Items			
9	-	4,080	Inflation Provision	0	0	
10	25,000	25,000	Bad Debts Provision	0	0	
11	50,000	0	Uninsured Loss Reserve	0	0	
12	28,207		Emergency Flooding costs (extra ordinary)	0	0	
13	0		Revenue Cost of IT Improvements	0	0	
14	15,172,191	14,904,390	Total Expenditure	15,758,520	13,786,156	1,972,364
			Income			
15	27,702,409	28,256,110	Gross Rents	28,965,860	28,965,860	
16	286,336	304,310	Garage Rents	292,690	292,690	
17	118,917	117,200	Other Income	103,200	103,200	
18	28,107,662	28,677,620	Total Income	29,361,750	29,361,750	0
19	0	50,000	Target Reduction - Vacancy factor	50,000	50,000	
20	(12,935,471)	(13,823,230)	Net Cost of Services	(13,653,230)	(15,625,594)	1,972,364
21	5,817,637	5,877,230	Capital Finance	5,857,230	5,857,230	
22	(73,787)	(135,000)	Interest receivable	(135,000)	(135,000)	
23	(7,191,621)	(8,081,000)	Net Operating Expenditure	(7,931,000)	(9,903,364)	1,972,364
			Appropriations			
24	(139,245)	(120,000)	From major repairs reserve additional depc'n	(140,000)	(140,000)	
25	20,755	27,000	Transitional Funding of Support Costs	20,000	20,000	
26	405,703	300,000	Negative housing subsidy/Rebates Cont'n.	177,000	177,000	
27	3,455,000	3,534,000	Transfer to Stock Improvement	0	0	
28	3,455,000	3,534,000	Transfer to New Build	7,068,000	7,068,000	
29	0	-	Transfer to rent Equalisation Reserve	0	0	
30	0	770,000	Contribution to Capital Expenditure	770,000	770,000	
31		36,000	Energy saving Initiatives	36,000	36,000	
32	£5,592	(£36,000)	(Surplus)/Deficit in Year	(36,000)	(2,008,364)	1,972,364
Statement of Working Balance						
33	2,301,554	2,000,004	Balance Brought Forward	1,964,004		
34	(5,592)	(36,000)	Contribution (to)/from Revenue Expenditure	36,000		
35	£2,295,962	£1,964,004	Balance Carried Forward	£2,000,004		

EXPLANATORY NOTES

- Line 6** This payment represents the cost of backfunded pensions for HRA staff. The total Council payment to Surrey County Council is shown on page 81 in the Non-Distributed Costs budget Line 4. The ongoing cost of pensions arising from current service is contained within the employee budgets for each element of the service.
- Line 7** Includes £5,824,000 contribution to capital expenditure. Under self-financing this has been allowed in the Regulations on a transitional basis to allow local authorities time to develop a component-based approach to depreciation.
- Line 15** Includes rent increase of 2.8% plus up to £2 if below target rent

Landlord Services

Ref. No.	2013/2014 Actual (1)	2014/2015 Estimate (2)	Codes	Details	2015/2016 Estimate (3)	Direct Costs	Indirect Costs
Repairs and Maintenance Fund Main Code H2000							
	£	£			£		
			1000s	Employees			
1	654,160	581,680		Housing - Operations	613,090	478,210	134,880
2		35,890		Housing - Strategic	36,580	28,532	8,048
3	-			Planning	-		-
4	-	2,330		Policy & Governance	4,660		4,660
5	22,600	29,190		Civic & Monitoring	8,410		8,410
6	23,530	24,020		Finance	26,580		26,580
7	700,290	673,110		Total Staff Recharges	689,320	506,743	182,577
8	4,677			Continuing Professional development	-		
			1100s	Premises			
9	3,611,171	2,272,110	1104	Responsive Repairs and Voids	2,608,480	2,608,480	
10	1,037,393	1,704,680	1104	Cyclical Maintenance	1,731,950	1,731,950	
11	9,230		1163-91	Void properties	7,400	7,400	
12	65,328	-	1340	Management Surveys	-	-	
			1300s	Supplies and Services			
13	2,834	5,050	1302-12	Equipment, Tools and Materials	5,050	5,050	
14	2,009	4,500	1332	Printing	4,500	4,500	
15	1,485	2,250	1337	Books and Publications	2,250	2,250	
16	3,945		1341	Legal Fees	-	-	
17	5,660	18,500	1344	Consultants Fees	8,500	8,500	
18	5,419	4,500	1345	Out of Hours Emergency Service	5,600	5,600	
19	3,338	2,570	1351-3	Telephones	2,970	2,970	
20	-	3,000	1386	Advertising	-	-	
21	-		1387	Subscriptions	-	-	
22	2,844	3,000	1393	Heath and Safety	3,000	3,000	
23	-	1,000	1399	Company Searches	1,000	1,000	
24	-	150	1399	Sundry	150	150	
			1600s	Support Costs			
25	45,140	43,780	1600	Computer Cost Recharge	44,450		44,450
26	5,500,761	4,738,200		Gross Service Expenditure	5,114,620	4,887,593	227,027
27	5,500,761	4,738,200		Total Gross Expenditure	5,114,620	4,887,593	227,027
			2000s	Income			
28	5,981	10,000	2300	Contributions from Tenants	10,000	10,000	
29	-			Contribution from Stock Imp Reserve	-	-	
30	-			Contribution from New Aff Homes Reserve	-	-	
31	5,494,781	4,728,200		Contribution from HRA	5,104,620	4,877,593	227,027
32	5,500,761	4,738,200		Total Income	5,114,620	4,887,593	227,027
33				Contribution (to)/from balances			
34	£0	£0		Net Cost	£0	£0	£0
Memorandum Statement of R & M Working Balance							
35	363,062	363,062		Balance Brought Forward	213,062		
36		(150,000)		Contribution (to)/from Revenue Exp	(100,000)		
37				Contribution to GF Capital programme	(78,000)		
38	£363,062	£213,062		Balance Carried Forward	£35,062		

Landlord Services

Ref. No.	2013/2014 Actual (1)	2014/2015 Estimate (2)	Codes	Details	2015/2016 Estimate (3)	Direct Costs	Indirect Costs
Supervision and Management General							
Main Code H4001							
	£	£			£		
			1000s	Employees			
1	1,463,720	1,140,950		Housing - Operations	1,195,810	932,732	263,078
2	-	424,190		Housing - Strategic	423,900	330,642	93,258
3	52,300	39,100		Policy & Governance	30,340		30,340
4		21,410		Civic & Monitoring	29,300		29,300
5	3,570	5,290		Planning	5,220		5,220
6	130,000	154,760		Finance	151,980		151,980
7	66,930	76,790		Office and IT	77,030		77,030
8	1,290	1,770		Environment	1,830		1,830
9	630	540		Community Services	540		540
10	1,718,440	1,864,800		Total Staff Recharges	1,915,950	1,263,374	652,576
11	10,579			Other staff costs	202,550	106,000	96,550
12	44,708	51,960	1050s	Former Employee Costs	45,950		45,950
			1100s	Premises			
13	35,445	29,580	1131-2	Hired and Contracted Services	40,140	40,140	
14	1,405		1163-87	Property Costs	-	-	
15	63,580	65,870	1176	Council Tax/Business Rates	66,920	66,920	
16	126,344	128,710	1191	Insurances	148,770	148,770	
			1300s	Supplies and Services			
17	33,224	4,000	1302-5	Equipment and Furniture	4,000	4,000	
18	11,805	14,500	1332	Printing	14,500	14,500	
19	-	250	1337	Books and Publications	250	250	
20	14,927	10,000	1341	Legal Expenses	10,000	10,000	
21	4,291		1343	Property Fees	-	-	
22	51,789	15,100	1344	Consultants Fees	12,100	12,100	
23	17,492	9,200	1345	Hired and Contracted Services	9,200	9,200	
24	6,000	6,000	1345	Annual stock valuation Fee	6,000	6,000	
25	3,681	2,050	1351-3	Telephones	3,100	3,100	
26	4,793	14,700	1354	Postages	8,700	8,700	
27	29,300	30,000	1371	Transfer Grants	40,000	40,000	
28	2,525	2,500	1387	Subscriptions	5,000	5,000	
25	2,322	3,450	1393	Health & Safety	3,450	3,450	
26	238	1,000	1395	Other Supplies	1,000	1,000	
27	38,373	7,500	1398	Assisted removals and decants	7,500	7,500	
28	4,295	33,000	1398	Compensation(including home loss)	28,000	28,000	
29	425	9,500	1398	Vulnerable Tenant Support	5,000	5,000	
30			1399	Miscellaneous Expenses	9,500	9,500	
				Special Items			
31	19,151	17,500	H4005	Tenants' Panel Expenses:	17,500	17,500	
32	2	8,000	H4006	Social Inclusion	7,500	7,500	
33	24,289	25,000	H4007	Tenant Participation	25,000	25,000	
34	23,599	41,080	H2112	Community Safety/Estate Man'g't	40,000	40,000	
35	-	30,000	H4001	Management Projects	-	-	
36	10,212	11,000	H4008	Benchmarking costs	11,000	11,000	
37	9,596	10,000	H9120	IT upgrades	10,000	10,000	

Landlord Services

Ref. No.	2013/2014 Actual (1)	2014/2015 Estimate (2)	Codes	Details	2015/2016 Estimate (3)	Direct Costs	Indirect Costs
Supervision and Management General (Continued)							
Main Code H4001							
	£	£			£		
			1600s	Support Costs			
37	28,720	181,910	1600	Democratic Representation	183,860		183,860
38	105,850	108,500	1600	Computer Cost Recharge	110,100		110,100
39	411,380	402,470	1600	Corporate Costs	400,630		400,630
				Recharge from:-			-
40	22,840	25,280	R1011	Financial Expenses	25,280		25,280
41	2,876,567	3,164,410		Gross Expenditure	3,418,450	1,903,504	1,514,946
			2000s	Income			
42	3,713	-	2300	Services supplied	-	-	
43	54,178	46,000	2350	Service Charges	46,000	46,000	
44	53,477	58,750	2704	Rents	58,750	58,750	
45	15,537	6,000	2903	Re-imburements	8,000	8,000	
46	25,789	5,000	2906	Contributions	5,000	5,000	
47	152,694	115,750		Total Income	117,750	117,750	-
48	£2,723,873	£3,048,660		Net Cost to Revenue Account	£3,300,700	£1,785,754	£1,514,946

Waverley Families

Main Code H4999

	£	£			£		
			1000s	Employees			
1	147,580	160,580		Housing - Operations	172,540	134,581	37,959
2	140	570		Finance	520		520
3	147,720	161,150		Total Staff Recharges	173,060	134,581	38,479
			1300s	Supplies and Services			
4	-	100	1302-12	Equipment, Tools and Materials	100	100	
5	292	550	1332	Printing	550	550	
6	1,375	1,920	1351-3	Telephones	1,920	1,920	
7	-	4,000	1371	Grants and Donations	4,000	4,000	
8	1,296	1,800	1393	Health and Safety	1,800	1,800	
9	41		1383-139	Meeting Expenses	-	-	
10	150,724	169,520		Gross Service Expenditure	181,430	142,951	38,479
11	150,724	169,520		Total Gross Expenditure	181,430	142,951	38,479
			2000s	Income			
12	61,079	75,000	2100	Contributions and Grants	50,000	50,000	
13	61,079	75,000		Total Income	50,000	50,000	-
14	£89,645	£94,520		Net Cost	£131,430	£92,951	£38,479

Landlord Services

Ref. No.	2013/2014 Actual (1)	2014/2015 Estimate (2)	Codes	Details	2015/2016 Estimate (3)	Direct Costs	Indirect Costs
Supervision and Management Special Main Code H5001							
	£	£			£		
			1000s	Employees			
1	245,180	169,680		Housing - Operations	145,940	113,833	32,107
2	-	8,970		Housing - Strategic	9,140	7,129	2,011
3	9,270	22,630		Finance	21,550		21,550
4	2,100	-		Organisational Development	-	-	-
5	-	-		Democratic & Legal Services	-	-	-
6	1,460	1,770		Environment	1,830		1,830
7	71,890	77,640		Community	76,300		76,300
8	329,900	280,690		Total Staff Recharges	254,760	120,962	133,798
9	69,845	80,000	H5601	Cleaners Wages	80,000	80,000	
			1100s	Premises			
10	-	3,000	1121	Fixtures and Fittings	3,000	3,000	
11	170,743	180,410	1131-2	Hired and Contracted Services	183,290	183,290	
12	83,317	127,060	1163	Electricity	129,090	129,090	
13	35,231	37,130	1163	Landlord's lighting	37,720	37,720	
14	127,465	151,470	1164	Gas	153,900	153,900	
15	80,621	46,090	1176	Council Tax	46,830	46,830	
16	4,616	3,000	1178	Water Services	3,050	3,050	
17	5,786	6,000	1182	Cleaning Materials	6,090	6,090	
18	18,632	22,180	1184	Contract Cleaning	22,540	22,540	
19	6,296	7,610	1185	Window Cleaning	7,540	7,540	
20	3,931	2,500	1188	Cesspool Emptying	2,540	2,540	
21	10,527	12,540	1191	Insurances	12,220	12,220	
			1300s	Supplies and Services			
22	27,055	27,000	1302-5	Equipment and Furniture	32,000	32,000	
23	-	200	1332	Printing	200	200	
24	-		1333	Stationery	-	-	
25	45		1341	Legal fees	-	-	
26	4,975	6,000	1345	Contracted Services	-	-	
27	7,371	9,830	1351-3	Telephones	9,830	9,830	
28	1,164	1,250	1389	Television Services	1,250	1,250	
29	-	170	1391	Insurances	170	170	
30	3,116	1,250	1399	Miscellaneous Expenses	1,250	1,250	
31		-	1503	Supporting People contingency			
			1600s	Support Costs			
32	1,860	1,640	1600	Computer Cost Recharge	1,150		1,150
33	992,495	1,007,020		Gross Expenditure	988,420	853,472	134,948
			2000s	Income			
34	4,398	7,900	2300	Fees and Charges	7,900	7,900	
35		-	2320	Facilities Supplied		-	
36	8,600	-	2705	Rents		-	
37	245,362	288,280	2903	Central Heating	269,340	269,340	
38	220,567	192,840	2,350	Service Charges	214,760	214,760	
39	478,927	489,020		Total Income	492,000	492,000	-
40	£513,568	£518,000		Net Cost to Revenue Account	£496,420	£361,472	£134,948

Landlord Services

Ref. No.	2013/2014 Actual (1)	2014/2015 Estimate (2)	Codes	Details	2015/2016 Estimate (3)	Direct Costs	Indirect Costs
Capital Work Expenses Main Code H1010							
	£	£			£		
			1000s	Employees			
1	17,020	14,490		Housing - Operations	14,520	11,326	3,194
2				Civic & Monitoring	12,540		12,540
3	11,570	5,120		Policy & Governance	18,820		18,820
3	4,700	6,170		Finance	6,150		6,150
4	33,290	25,780		Total Staff Recharges	52,030	11,326	40,704
			1300s	Supplies and Services			
5		13,000	1345	Contracted Services - sustainability	16,260		16,260
6	4,921	3,500	1391	Insurances	3,500	3,500	
7	38,211	42,280		Gross Expenditure	71,790	14,826	56,964
8	£38,211	£42,280		Net Cost to Revenue Account	£71,790	£14,826	£56,964

Other Income Main Code H1000

	£	£			£		
			1300s	Supplies and Services			
1			1345	Fraud initiative	20,000	20,000	
2				Gross Expenditure	20,000	20,000	0
			2000s	Income			
3	35,405	36,000	2705	Solar Panel Roof Rental	36,000	36,000	
4	84,129	81,000	2905	Water Rate Commission	87,000	87,000	
5	700			Miscellaneous Income	-	-	
6				Interest			
7	84	200	2410	Mortgagors	200	200	
8				Total Income	123,200	123,200	-
9	£118,917	£117,200		Net Cost to Revenue Account	(£103,200)	(£103,200)	£0

Exchequer Subsidies Main Code H1000

	£	£			£		
			2000s	Income			
1	405,703	300,000		Housing Subsidy/Rebates contribution	186,000	186,000	
2	£405,703	£300,000		Net Cost to Revenue Account	£186,000	£186,000	£0

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Analysis of Property Proximity to Target Rent After Proposed Rent Increase

Properties within	2013-14	2014-15	2015-16
At or above target rent	4461	4479	4572
£1 below target rent	10	60	32
£2 below target rent	24	33	38
£3 below target rent	56	18	38
£4 below target rent	39	33	19
£4-£10 of target rent	168	128	49
£10 - £20 of target rent	65	54	43
£20 - £40 of target rent	7	5	3
Total Properties	4830	4810	4794

NOTE

Breakdown of the proposed 2015-16 Dwelling Rent Increase

2.8% only	4515
£2 or less adjustment	279
	4794

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Housing Services

Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	
			£	£	
General Fund Housing					
Houses in Multiple Occupation (HMO)					
1	Five yearly - per property (new application)	OO	550.00	550.00	
2	Five yearly - per property (renewal)	OO	400.00	400.00	Charge for renewal of HMO licence (commences April 2013)
3	Licence Variation	OO	300.00	300.00	Material variation of existing licence. Charge to relate to amount of work involved
Property Inspections					
5	Property Inspections for Immigration/ Foreign Office/Visa Application purposes	OS	160.00	160.00	This is a non-mandatory service where a report is required to support an application.
6	Officer time for works in default (Subject to Statutory maximum charge of £300)	Per Hour OO	60.00	60.00	Statutory - where notice recipient fails to do the work and the Council does the work and recharges it.
7	Officer time for Housing Act enforcement (Subject to Statutory maximum charge of £300)	Per Hour OO	60.00	60.00	Statutory - where the Council takes enforcement action following a preliminary notice of intent

Housing Services

Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	
			£	£	
Housing Revenue Account					
Supervision and Management Special					
4	Guest Rooms - E P Units - Single	Per Night	OS	13.00	15.00 } }
5	Guest Rooms - E P Units - Double	Per Night	OS	18.00	20.00 } }
6	Community Rooms - Residents	Session	OE	15.00	15.00 } Sessions 10am - 1pm }
7	Community Rooms - Non Resident	Session	OE	33.00	33.00 }) 2pm - 5pm }) 7pm - 10pm
Leaseholder Charges					
The following charges replace the flat rate charge currently in place					
Annual practical notes and information to leaseholder. Check of leaseholder account to ensure there are no problems and ground rent invoicing with supporting documentation.					
	Annual	OO		25.00	
Annual practical notes and information to shared owners. Check of account to ensure there are no problems, check to see if ground rent payable					
	Annual	OO		22.50	No ground rent payable
Annual practical notes and information to shared owners. Check of account to ensure there are no problems, check to see if ground rent payable					
	Annual	OO		25.00	Ground Rent payable
Service charge invoicing and supporting documentation non-shared ownership.					
	Quarterly	OO		2.50	Only if repairs/maintenance during quarter
Service charge invoicing and supporting documentation non-shared ownership.					
	Annual	OO		10.00	Only if repairs/maintenance during year
Service charge invoicing and supporting documentation shared ownership.					
		OO		25.00	
Consent to alter					
		OS		55.00	
Retrospective/ Complex consent to alter					
		OS		75.00	
Consent to underlet					
		OS		30.00	
Consent to keep pets					
		OS		30.00	
Letter to lenders and other third parties					
		OS		25.00	
Reminder in relation to arrears with full printout of account					
		OE		25.00	

Housing Services

Schedule of Fees and Charges for 2015/2016

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge
			£	£
Section 20 management		OE		35.00
Obtaining Land Registry document as requested by leaseholder		OS		10.00 Plus Land Registry cost
Provision of duplicate invoices		OS		2.50
Contacting or responding to you in relation to a problem with your flat. Non-complex replies by email will be free		OS		5.50
Written contact and liaison with you in relation to statutory requirements, such as fire and asbestos risk assessments		OE		2.50
Preliminary telephone advice for non-complex issues relating to your leasehold property				FREE
Changing leaseholder records, leaseholder responsible for advising changes in writing				FREE

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 03/02/2015

Title:

HOUSING REVENUE ACCOUNT 2015/16 CAPITAL PROGRAMME

**[Portfolio Holders: Cllrs Stewart Stennett and
Carole King]
[Wards Affected: All]**

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in the specific Paragraphs of the revised Part 1 of Schedule 12A of the Local Government Act 1972, namely:-

1. Information relating to an individual; and
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Summary and purpose:

The report puts forward proposals for the 2015/2016 Capital Programme element of the Housing Revenue Account (HRA) Business Plan. In addition to the programme for major works to existing stock the Capital Programme also encompasses the New Affordable Homes programme and the Stock Remodelling programme. This report updates the Executive on the Housing Revenue Account (HRA) Capital Programme and Budget for 2015/16.

It contains the following Annexes

- Annexe 1 – Housing Capital Programme
- Annexe 2 – New Affordable Homes Programme
- Annexe 3 – Stock Remodelling Programme
- (Exempt) Annexe 4 – Property list

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

The Council has a set of specific Capital Priorities. The HRA Capital Programme is particularly relevant to Improving Lives through the provision of decent Affordable Housing.

Equality and Diversity Implications:

The capital programme continues to make substantial targeted provision for disabled adaptations in council dwellings.

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. As part of the HRA 30-year Business Plan this report focuses on the three-year Capital Programme and in particular outlines the provisions to be included within the Business Plan and the Budget for the year ahead. The overall parameters for the Capital Programme are set out within the Council's Financial Strategy. The Business Plan provides the resources to supplement the estimated capital resources to fund the 30-year maintenance forecast and fund proposals for building new affordable homes and investment in stock remodelling.

Draft 2015/2016 Capital Programme

2. The draft Capital Programme at Annexe 1 shows the amount estimated to be spent in 2015/16 on decent homes and other maintenance work of a capital nature. A list of properties identified for the work that has informed the budget detail is included (Exempt) Annexe 4.
3. There are a number of risk areas that require a more robust approach in order to reduce risk to the Council. A 5-year programme of works has been drawn up to help ensure compliance with landlord and employee obligations and to bring systems and equipment up to standard. The significant investment required in the short term is reflected in the Health and Safety work within the capital programme.
4. The HRA Business Plan supports the capital programme to ensure that it is sufficiently funded to maintain stock in decent condition subsequent to the decent homes backlog having been cleared. The financial model in Waverley's Business Plan incorporates the transfer to the HRA Revenue Reserve to support capital expenditure.
5. The draft Capital Programme for 2015/16 and the indicative programmes for the following 2 years are based on the likely demand and priorities of differing types of work and on the resources currently available. An estimate is included for residual receipts from Right-to-Buy sales that should become available after setting aside the amount required to repay debt on the sold properties, the amount allowed to be retained for building new affordable homes and the share payable to the Government under the revised pooling regulations.
6. In compiling the draft capital programme the priorities previously agreed by the Executive have been observed with health and safety works paramount.

Draft 2015/16 New Affordable Homes Programme

7. The first 7 homes to be built by Waverley since the start of self-financing for the HRA are due to be completed in February 2015. Work has started at Station Road, Godalming where a further 14 homes are to be provided and a further 16 homes on small sites around the Borough should be completed in 2015/16. Planning permission has been granted for the proposed demolition and new build work at Ockford Ridge comprising outline permission for phase 2 and full planning approval for phase 1 (site D) where work should start before the end of the 2015/16 financial year – Annexe 2 refers.
8. Feasibility studies and preliminary work are being carried out on a number of other Council-owned sites. The estimated costs for other proposed schemes over the next three years are indicative as, in some cases, detailed schemes have not yet been prepared and costed. There is also the potential to purchase or buy back properties where this is considered to be cost effective and gives the Council an instant addition to its social housing stock

Draft 2015/16 Stock Remodelling Programme

9. The 30-year HRA Business Plan also provides resources to fund major remodelling of the existing stock to make it better fit Waverley's needs going forward. The major project at Ockford Ridge will be a combination of redevelopment and remodelling existing dwellings. Estimates at this stage are on a very broad basis and will be refined as survey work is carried out. It is anticipated that a surveyor's report will be submitted to the Housing Delivery Board in April/May 2015 with recommendations on those properties viable for refurbishment.
10. The remodelling budget also provides for the conversion of underused community rooms to lettable dwellings. This will result in the addition of a further 8 units to the housing stock. Ongoing survey work will identify further schemes to be added in due course.
11. In view of the resources already available in the Stock Remodelling Reserve (which are deemed to be sufficient to finance the programme in the medium term), it is proposed that for the next two financial years, at least, the sums available from the HRA are invested just in the New Affordable Homes Reserve. This will be kept under review and regard will be had for which schemes are ready to start. The stock remodelling programme is set out at Annexe 3.

Corporate Overview and Scrutiny Committee

12. The Corporate Overview and Scrutiny Committee considered this report at its meeting on 20 January 2015. The Committee endorsed the capital programme planned for 2015/16, including the major works capital programme, new affordable homes programme, and the stock remodelling programme, and had no additional comments to pass to the Executive.

Capital Programme 2015/2016
Housing Revenue Account - Core Programme

	2015/2016 Estimate £	Indicative 2016/2017 Estimate £	2017/2018 Estimate £
Decent Homes Work			
Newly Arising Decent Homes	4,788,900	5,239,000	5,380,450
Other Programmed Maintenance			
Health and Safety Work	701,100	500,000	513,500
Aids and Adaptations	200,000	200,000	205,400
Other Programmed Maintenance	1,180,000	1,611,000	1,654,500
Total Improvements	6,870,000	7,550,000	7,753,850
Salary Allocations	651,400	651,400	668,990
Total Housing Revenue Account	£7,521,400	£8,201,400	£8,422,840

Estimated Resources

Estimated Usable receipts b/fwd	5,980,053	6,817,683	£6,285,913
HRA Revenue reserve (MRR) b/fwd	1,189,030	437,630	0
	<u>7,169,083</u>	<u>7,255,313</u>	<u>6,285,913</u>
Decent Homes Backlog Funding	-	-	
Estimated receipts in year	300,000	300,000	300,000
R&M Working balance	100,000		
Contribution to HRA Revenue Reserve	6,770,000	6,932,000	7,138,000
Total Estimated Resources	<u>14,339,083</u>	<u>14,487,313</u>	<u>13,723,913</u>
Estimated capital programme	(7,521,400)	(8,201,400)	(8,422,840)
Resources c/fwd	£6,817,683	£6,285,913	£5,301,073

2015-16 Capital Budget Proposal

Decent Homes Work	Total	Indicative DHS Properties	Decent Homes (£)	Other inc Void	Voids Others	+ Indicative Total No of Dwellings
Kitchens	£1,810,000	292	£1,402,000	85	£408,000	377
Bathrooms	£830,000	252	£630,000	80	£200,000	332
Heating	£928,000	230	£736,000	60	£192,000	290
Windows	£324,800	94	£263,200	22	£61,600	116
Doors	£113,600	120	£96,000	22	£17,600	142
Rewiring	£221,500	198	£183,000	22	£38,500	220
Roofing	£408,000	50	£400,000	1	£8,000	51
Wall finish	£153,000	50	£150,000	1	£3,000	51
	£4,788,900		£3,860,200		£928,700	

Capital Works	Budget	Comment
Asbestos Removal	£235,000	Survey survey and programme
Fire Stopping to Party Walls	£50,000	Survey survey and programme in second half of year
Parking, Paths, Roads, Drainage etc.	£20,000	3 schemes agree schemes with T & E
Aids and Adaptations	£200,000	Survey work demand led - Survey
Garage works	£100,000	Survey To include asbestos roof, gutters and downpipe removal at £3,500 per garage
Major Structural Works	£800,000	Properties to be approved subject to decant and prioritisation
Energy Efficiency Initiatives	£50,000	Survey Projects being developed, convert to gas, voltage regulation install more efficient storage heaters, list of properties to be submitted in due course
Flood resilience (provision)	£100,000	
Community Rooms	£10,000	Work to Community Rooms slippage already proposed. Awaiting report
Works arising from Fire and Lift Surveys	£346,000	Works arising from surveys
Critical work arising in year	£70,100	Health and Safety work arising during year
Professional fees	£100,000	Fees for Structural etc
Salary	£651,400	
	£2,732,500	
Total Capital Programme	£7,521,400	

Capital Programme 2015-2016
NEW AFFORDABLE HOMES PROGRAMME

	INDICATIVE		
	2015/16 £	2016/17 £	2017/18 £
Estimated Resources			
Brought Forward from previous year	7,870,084	4,764,094	4,762,994
Estimated contribution from Business Plan	7,068,000	7,790,000	2,691,000
Commuted sums anticipated	119,878	200,000	270,000
HCA Grant Funding Offer	600,000		
Estimated income from HRA property sales	175,000		
Estimated retained Right To Buy receipts	375,000	375,000	375,000
TOTAL ESTIMATED RESOURCES	16,207,962	13,129,094	8,098,994
Estimated Costs			
Development Staff Costs	337,860	320,000	320,000
PRE-DEVELOPMENT EXPENDITURE			
Feasibility appraisals	16,000	16,000	16,000
Planning-related costs	42,500	42,500	42,500
Appraisals of market sites, s106 provision	15,000	15,000	15,000
Viability appraisal software			
Contingency	10,000	10,000	10,000
SUB-TOTAL	83,500	83,500	83,500
COMMITTED DEVELOPMENT SCHEMES			
Station Road	1,630,000		
Silo Drive, Farncombe	343,350		
Ladymead, Wonersh	439,950		
Hullmead, Shamley Green	153,809		
Ockford Ridge Site D (Indicative Cost)	1,104,000	1,104,000	
Homeloss and Compensation	100,000	100,000	100,000
SUB-TOTAL	3,771,109	1,204,000	100,000
PROPOSED SCHEMES (indicative Costs)			
Ockford Ridge (Sites A,B,C)	196,000	1,496,000	2,600,000
Wey Court redevelopment	3,929,400	436,600	
Middlefield, Farnham	690,000	-	
Nursery Hill, Shamley Green	690,000		
Other proposed schemes	526,000	4,826,000	3,722,000
LAND AND ASSET PURCHASE			
Ockford Ridge Buy-Backs	1,220,000		
Other Possible Buy-Backs	-		
SUB-TOTAL	7,251,400	6,758,600	6,322,000
TOTAL ESTIMATED COST	11,443,869	8,366,100	6,825,500

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Capital Programme 2015-2016

STOCK REMODELLING PROGRAMME

INDICATIVE

	2015/16 £	2016/17 £	2017/18 £
Estimated Resources			
Brought Forward from previous year	8,047,317	6,768,177	2,472,537
Estimated contribution to reserve	0	0	2,691,000
Virement from HRA Capital Budget			
Total Estimated Resources	8,047,317	6,768,177	5,163,537
Estimated Costs			
Scheme Design and Project Management	65,640	65,640	70,000
Approved Schemes			
Rolston House	33,500		
Potential Schemes			
Ockford Ridge Remodelling	920,000	1,830,000	1,830,000
Community Rooms Conversion	260,000	300,000	
Other potential schemes identified		2,100,000	2,100,000
SUB-TOTAL	1,213,500	4,230,000	3,930,000
TOTAL ESTIMATED COST	1,279,140	4,295,640	4,000,000

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By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 FEBRUARY 2015

Title:

BUDGET MANAGEMENT REPORT

[Portfolio Holder: Cllr Julia Potts]

[Wards Affected: All]

Summary and purpose:

This report provides a projection of the expenditure and income position for the 2014/15 Budget compared with the approved budget for the General Fund and the Housing Revenue Account. The projection is based on the position to date.

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

The monitoring and management of the Council's budgets ensures there is financial control over the services that contribute to the Corporate Priorities. Savings identified can be redirected towards Corporate Priorities or action can be taken to rectify overspends.

Equality and Diversity Implications:

There are no direct equality and diversity implications relating to this report.

Financial Implications:

This report shows the budget management position to date for the General Fund and the Housing Revenue Account. It monitors the progress of revenue expenditure and income and projects the potential year-end position, based on activity to date. The Housing Revenue Account position is given in the report.

Legal Implications:

There are no direct legal implications relating to this report.

1. Introduction

1.1 Throughout 2014/15 all budgets are being monitored on a monthly basis with budget performance reported after taking account of the following:

- Spend to date, including commitments
- Last year's outturn
- Variations to the budget based on forecast outturn that includes the effect of management action taken where required
- Consultation with managers and budget holders on service performance
- Virements identified where possible from existing budgets to cover budget pressures and budget approvals actioned as required

- Service managers review and sign off their budget forecasts and explanations

1.2 Financial position reporting will also focus on performance against financial targets such as income, establishment and Star Chamber savings. Financial risk is always inherent in service delivery and service managers will be assisted in identification, evaluation and mitigation of significant risks and will report appropriately.

2. General Fund

2.1 The General Fund forecast outturn to the year end against the approved budget is given in the table below. The table presents significant variances by service and compares the current position to that reported to the previous Executive. The latest forecast is an underspend of £605,000, after allowing for all requested approvals. This is a very small (£3,000) change in the underspend from the position reported to the Executive on 6 January 2015.

2.2 The figures are reported on an exception basis, with explanations given for changes in forecasts. Variances identified in the last report are detailed in the previous Budget Management Report presented to the Executive on 6 January 2015.

2.3 Current forecast outturn variance against budget:

	Variance on budget		
	Last Report	This Report	Change
	£'000	£'000	£'000
Service Variations			
Policy and Governance			
Land Charges – projected additional income (see 2.4)	(240)	(220)	20
Legal	(24)	(24)	0
Planning			
Development Control – projected net additional income	(150)	(150)	(0)
Community			
Waverley Training Services – net increased surplus	(15)	(15)	0
Careline- additional Income	(69)	(69)	0
Environment			
Car Parks – net additional income	(123)	(123)	0
Christmas Refuse Collections	10	10	0
Finance			
Rent Allowances	53	53	0
Audit Commission Rebates (see 2.5)		(17)	(17)
Bailiffs Fees / commission (see 2.6)			
Corporate budget			
Inflation provision not required	(50)	(50)	0
Overspend/(underspend) against budget	(608)	(605)	3

- 2.4 Land Charges – the previous estimate of additional income adjusted by £20,000 to reflect lower levels of income in last couple of months.
- 2.5 Audit Commission rebates of £17,000 have been received from the Audit Commission, reflecting the final cost of the service on closedown being lower than previously estimated.
- 2.6 Each year, an establishment vacancy management target is included within the budget to ensure that the establishment complement is scrutinised for efficiency savings and reflects the needs of ongoing service delivery. The current forecast outturn for the end of the year shows that the General Fund element of the target should be achieved.
- 2.5 The 2014/15 General Fund revenue budget was set to self-balance without the need to draw upon the General Fund balance. Projected movements in 2014/15 are illustrated in the table below. The excess of balance beyond £3.2m will be transferred to the Revenue Reserve Fund at the year end in accordance with the Financial Strategy.

Forecast General Fund Balance movement	
	£'000
Balance 1 April 2014	(3,361)
Increased by the forecast outturn variation on budget	(614)
<u>Reduced by Approvals:</u>	
Revenue carry forward from 2013/14	139
Planning Enforcement - Executive 3 June 2014	40
Transfer to Revenue Reserve Fund	596
Forecast balance 31 March 2015	(3,200)

- 2.9 Within the General Fund services there are some potential service changes and financial risks that as yet are not reflected in the forecasts due to their uncertainty, these are:
- Rent allowances and rent rebates represent £32m in income and expenditure for the council. Whilst the majority of this money is recovered from central Government, there is a performance element attached to recovery. Any fluctuation can be significant.
 - Council tax and business rates are collected on behalf of Waverley, Surrey County Council, and DCLG. The recovery is usually around 99% for council tax and business rates. Any losses in collection are shared between the preceptors. The overall cash-flow is used as collection performance indicator. There are no overall concerns to report at this stage. However, modelling of business rates and the interaction with the General Fund and the Business Rates Collection Fund predicts 2014/15 business rates to be in excess of the gross income budgeted. This may appear as a General Fund income deficit in 2014/15 and a Collection Fund surplus; to be dealt with via the Equalisation Reserve.

2.10 Free Car Park Initiative - following the recent initiative to provide free car parking on Thursday afternoons throughout December, a trial is now proposed of the provision of free car parking for one afternoon per week in the following car parks:

- Dogflud Way (Farnham)
- Chestnut Avenue (Haslemere)
- Stocklund Square (Cranleigh),
- South Street and Mill Lane Car Parks (Godalming)

2.11 The trial will involve the suspension of parking charges in these car parks between 15:00 and 19:00 every Wednesday, initially for a three-month trial period, commencing on 1 March 2015 and concluding on 31 May 2015. It will then be evaluated to determine its success. The estimated loss of income is £15,000 and this could be met from the additional car park income already reported.

3 General Fund Capital

3.1 General Fund Capital programme is on track with no significant variances on major schemes. The table below summarises the overall position and more detail is provided at Annexe 1.

General Fund Capital and Revenue Projects					
Service	Current Budget £'000	Forecast Outturn £'000	(Saving)/ Overspend £'000	Change from Last report £'000	Comment
Community	5,591	5,458	(133)	(60)	Broadwater conveniences and small changes
Customer, Office & IT	769	665	(104)	2	Small changes
Environment	396	396	0	0	
Finance	8	2	(6)	0	
Housing	498	410	(58)	0	
Planning	20	20	0	0	
Policy & Governance	101	74	(27)	0	
Special Projects	969	969	0	0	
Urgent schemes budget	6	6	0	0	
Sub-Total programme	8,358	8,000	(359)	(91)	
Reallocated Savings			63	63	Broadwater conveniences as approved
Total programme	8,358	8,000	(296)	28	

3.2 An Invest-to-Save bid has been received to install a magnetic device intended to reduce gas consumption of boilers at the Central Offices. The investment required for this project is £5,600 and this can be funded from the available balance of the urgent schemes budget. Full details are shown in the justification form at Annexe 2.

4 Housing Revenue Account (HRA)

4.1 The HRA overview is given in the table below. The overview is structured to draw attention to the different operational aspects of HRA service delivery in providing a housing landlord service, housing maintenance and development of the housing stock. Where necessary, for clarity, more detail is given in the annexes to this report.

4.2 Where there are changes identified in this report from the last report explanations are given below on an exception basis. Variances identified in the last report are detailed in the Budget Management Report presented to the Executive on 6 January 2015.

Housing Revenue Account	Current Budget £'000	Last Report £'000	Forecast Variance on budget to year end		
			This Report £'000	Change £'000	
Repairs and Maintenance				50	
Responsive repairs and voids	2372		50		
Cyclical Maintenance	1605		-50	-50	
Bellwin shortfall of Storm Damage		39	39	0	
Supervision and Management					
General (4.4)	4,489	40	20	(20)	Staff & Insurance
Special	545	-	-	-	
Rents rates taxes and other charges					
Waverley Families	95	-	-	-	
'Back-Funded' pension contributions	550	-	-	-	
Interest receivable	(135)	0	0		
Rent rebate subsidy (4.5)	300	(150)	(150)	0	Mid-year calculation
Interest on HRA debt	5,877	-	-	-	
Capital charges					
Housing capital programme (4.6)	5,413	(340)	(340)	(0)	Estimated slippage into next year and transfer to Rolston House
New Affordable Homes Programmes	3,534				
Stock Remodelling (4.8)	3,534	310	310	0	Towards Rolston House
Income					
Gross rents (4.9,4.10)	(28,256)	110	125	15	See 4.9
Garage rents	(304)	10	10	0	
Other Income	(119)	21	21	0	Solar panel income
(Surplus)/Deficit for the year	0	40	30	(5)	

- 4.3 Responsive repairs and voids and cyclical repairs budgets cover the day to day and planned maintenance of the housing stock. As the use of the interface between the Orchard system and Mears (the housing contractor) continues to bed in, greater control of expenditure will be gained. It is currently projected that day to day repairs will be achieved within the revised budget. A virement from External decorations to Voids is requested (£50,000) to cover approved work. Detail of the expenditure to date is given in Annexe 3.
- 4.4 Supervision and management includes the cost of staff salaries and accommodation related costs incurred in running the housing service. Each year, an establishment vacancy management target is included within the budget to ensure that the establishment complement is scrutinised for efficiency savings and reflects the needs of ongoing service delivery. The £20,000 is comprised of £10,000 underachievement on the vacancy target and £10k overspend on building insurance (premium increase due to claim value last year)
- 4.5 The rent rebate subsidy (repayment of housing benefit above Government targets) actual mid year calculation is below previously estimated figure. This may change at year end when final calculations are made. Notification of a prior year adjustment is currently being reviewed and will be reported next month.
- 4.6 The HRA Capital Programme detailed monitoring report is attached at Annexe 4. The current budget reflects the approved slippage of Sheltered Lighting into 2015-16. There is an additional list of properties for approval in (Exempt) Annexe 5 to replace the initial kitchen and bathroom refusals which are being investigated and will if necessary be rescheduled. A virement is required to align the budget provision to expenditure as invoices are being received where work is not sufficiently identified to enable accurate coding. The budget for kitchen and bathroom alterations (inc wash basins) £210,000 and £50,000 from soffits to be vired into asbestos £50,000 and structural work £210,000 where the expenditure has been incurred.
- 4.7 The New Affordable Homes Programme detailed approved budget, latest anticipated costs and expenditure to date are shown at (Exempt) Annexe 6.
- 4.8 The latest position for Stock Remodelling is shown at Annexe 7. The final phase of remodelling work at Rolston House is now in progress. Some minor works have been removed from the project to avoid budget overrun and these will be addressed in a subsequent year when separate budget approval has been sought.
- 4.9 The projected rental income is £125,000 lower than the annual budget. The loss of income is due to the unusually high number of decant properties due to a number of tenants at Wey Court and Clappers Meadow being displaced by flooding last winter. The major works to the properties have been completed and all the tenants have now been permanently rehoused.

5 Write-Offs

- 5.1 The Director of Finance and Resources has approved the write-off of council tax and sundry debts below £5,000 totalling £32,865 (52 cases) and £15,845 (27 cases) respectively. These debts have been approved for write-off under the delegated authority. The Director of Finance and Resources can arrange for Members of the Executive to see more detail about any of the debts written off if they so wish.

6 Conclusion

- 6.1 Generally service performance is stable against the budget. For the General Fund the underspend continues in a favourable direction. The Housing Revenue Account continues to be monitored closely. Capital spend is generally on track with no concerns to report at this stage.

Recommendation

It is recommended that the Executive notes the report and gives approval to

1. undertake the invest-to-save project to install a magnetic device to reduce the gas consumption of boilers at the Central Offices, to be met from the budget for Urgent Schemes as detailed at paragraph 3.2 and Annexe 2;
2. virement of £260,000 within the HRA 2014-15 Capital Programme from Kitchen and Bathroom alterations (inc wash basins) to Asbestos and Structural, as detailed at paragraph 4.6;
3. virement of £50,000 from the cyclical maintenance to void work as detailed in paragraph 4.3;and
4. undertake the Free Car Park Initiative Trial, as detailed at paragraph 2.10, at an estimated cost of £15,000 from the overall additional income reported to date.

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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Service	Project	Current Budget	Forecast Outturn	Rescheduled	(Saving)/ Overspend	Notes
Community	Memorial Hall	14,000	14,000			External works have been carried out.
Community	Borough Hall	7,500	7,462		-38	Works completed.
Community	Farnham Maltings	35,000	0	35,000		Not received 1st round Arts Council funding, so have resubmit. Outcome will be known in February. £35k requested slippage.
Community	Museum of Farnham	60,000	60,000			£30k from provision for urgent schemes 2/9/14. Starting work again in January.
Community	Cranleigh Arts Centre	10,000	10,000			S106 approval 4/12/14.
Community	Central Communications - Careline	30,000	30,000			Most budget now spent.
Community	PV's on Cranleigh Leisure Centre	25,000	25,000			Roof maintenance works required before installation.
Community	Energy Audits for Cranleigh & Farnham Leisu	5,000	5,000			Complete.
Community	Village Notice Board , Peper Harow	1,090	1,090			S106 approval 24/7/14.
Community	Kitchen Upgrade, Ewhurst Village Hall	1,010	1,010			S106 approval 24/7/14.
Finance	iTrent	4,000	2,000		-2,000	Project complete.
Finance	E-tendering	4,000	284		-3,716	Spend incurred in 2013/14.
Community	Day Centres	10,000	10,000			Maintenance work will be carried out as necessary.
Community	Godalming Leisure Centre	48,699	50,140		1,441	S106 approval 24/7/14. Small overspend. Contribution to Cricket Club included.
Community	Haslemere Leisure Centre	3,669,570	3,669,570			S106 approval 24/7/14. Works underway, scheduled to finish at the end of the year. Official opening in January.
Special Projects	Riverside	910,188	910,188			Construction at tennis courts and pavillion due to finish. Have planning permission for temporary car park, completion due in February.
Special Projects	Brightwells - Development Consultancy	40,000	40,000			Awaiting completion of Riverside and negotiations with developers.
Special Projects	Gostrey Day Centre	18,977	18,977			Feasibility study and consultations completed.
Customer, Office & IT	Forward Programme/Legislative Changes	14,393	14,393			Additional funding received from DWP.
Customer, Office & IT	Desktop/Server Upgrades	25,000	25,000			New server and more monitors.
Customer, Office & IT	Adelante upgrade	3,162	3,162			New system should go live in January.
Customer, Office & IT	Mobile Working Solutions	52,147	52,147			Food hygiene module installed.
Customer, Office & IT	GIS Environment upgrade	20,000	20,000			Supplier selected.
Customer, Office & IT	Records Scanning	61,281	61,281			Lots of backscanning underway, dependant on services thinning scanning.
Customer, Office & IT	Paper Free Planning	2,550	2,550			Work underway.
Customer, Office & IT	Microfiche Scanning Project	48,000	48,000			Approved Executive 2/9/14, £21k PDG funded, £28k from provision for urgent schemes. Quotes received.
Customer, Office & IT	Local Land Charges	30,250	0		-30,250	Uncertainty on land charges.
Customer, Office & IT	Network Upgrade & Flexible Working	15,000	15,000			Orders out to replace switches.
Customer, Office & IT	Implement Contact Manager	82,000	6,000		-76,000	Contact Manager not being implemented as widely as planned.
Customer, Office & IT	Orchard Modules	20,000	22,067		2,067	HRA to pick up overspend.
Customer, Office & IT	SharePoint	40,907	40,907			Implementation ongoing.
Customer, Office & IT	MS SQL Server Rationalisation & Licensing	24,000	24,000			Remainder to be spent on Oracle licensing.
Customer, Office & IT	PSN Compliance & Endpoint Management	45,000	45,000			Failed compliance, will be some spend on minor itemseg DBS checking
Customer, Office & IT	Mobile Working Solutions - Housing	30,000	30,000			Orders placed for tablets and software.
Community	Flood Risk Prevention	26,100	26,100			£16.1k from provision for urgent schemes 19/9/14 for emergency dredging works. Work completed.
Community	Wyphurst Rd, Ditch Bank	20,000	22,450		2,450	Environment Agency holding up works.
Community	Ditch Works - improving flood resilience	35,000	35,164		164	Works underway
Community	Recreation Ground Improvements	2,368	2,368			Order placed for gate, will spend remaining on fencing.
Community	Pavilions-Capital Works	40,000	40,000			High Lane heating needing replacement due to leak.
Community	Recreational Facilities for young people	6,251	6,251			Order placed for additional bin.
Community	Playground Replacement	209,881	209,881			Have shortlisted 3 designs for Holloway Hill & Farnham Park. Public consultation to be put out. Work planned to start March.
Community	Parks Signage	21,863	21,863			31 signs installed to date.
Community	Phillips Memorial Garden Improvement Progra	308,352	168,352		-140,000	Project will underspend overall due to project change over 5 year length.
Community	Parks Infrastructure works and DDA improve	83,583	83,583			Phillips memorial drainage works complete.
Community	Badshot Lea Football Club	50,000	50,000			Planning permission approved. Awaiting project plans.
Community	Herons Skatepark	101,005	101,005			S106 approval 24/7/14. Work should be completed by Christmas, site visit in January.
Community	Woodland Work	44,097	44,097			Works will be underway, will spend before end of the year.
Community	HLS Countryside Works	102,152	102,152			Contractors have been instructed.
Community	Countryside Health & Safety works	1,118	3,341		2,223	Overspent.
Community	Frensham Common - Site Facilities Redevelo	12,323	12,323			Consultant working on scheme.
Community	Farnham Football Pitch Drainage	68,000	18,000	50,000		Planned works not allowed to go ahead for archaeological reasons. Looking at other methods.
Community	Farnham Park SPA	12,086	12,086			Project underway.
Community	Tennis court resurfacing, Coxcombe rec grou	6,551	6,551			S106 approval 24/7/14.
Community	Lordshill playground	1,073	1,073			S106 approval.
Community	Drainage at Thursley Rd Rec ground	1,184	1,184			S106 approval 26/9/14.
Community	Cricket Pitch at Hascombe Rec ground	811	811			S106 approval 26/9/14.
Community	Godalming Lawn Tennis Club	50,000	50,000			Contribution paid. Work progressing.
Customer, Office & IT	Asbestos Removal - the Burys	20,000	20,000			Hope to have survey results by end of January.
Customer, Office & IT	Asbestos Removal - corporate properties	20,000	20,000			Hope to have survey results by end of December.
Customer, Office & IT	Inspection of culverted land drainage assets	25,000	25,000			Currently surveying.
Environment	Contaminated Land	46,827	46,827			Weydon Lane invoice has come in. Possible works needed at Windrush Close. Possible carry forward request.
Environment	Noise Recording Equipment	13,000	13,000			Equipment in place.
Environment	Air Quality Monitoring	19,830	19,830			£60k DEFRA funding received in 2013/14. Need to decommission the Hindhead monitoring station.
Environment	Demolition of Broadwater Park Conveniences	6,000	5,005		-995	Used to keep in use.

Environment	Replacement of Wheeled Bins	9,000	9,000		Waiting for storage space to clear of green waste bins. Orders to be placed in January & March.
Environment	Garden Waste	130,256	130,256		Additional bins required due to good take up of new service. Currently 9,500 customers.
Environment	Rolling Programme	65,000	65,000		Spend dependant on winter maintenance. If some remaining will spend on new tariff boards.
Environment	Cashless Parking/Parking Equipment	10,517	10,517		System live. Some additional machines and communication for new year.
Environment	North Street Car Park	0	260	260	Overspent
Environment	Car Park Lighting	3,411	3,832	421	Overspent
Environment	Car Park Lining	6,000	6,000		Works underway
Environment	High Street Haslemere	86,320	86,320		Waiting on consultants to report.
Policy & Governance	Agenda Management System	16,500	16,500		Procurement process has been carried out. Project on track.
Customer, Office & IT	Improved Working Environment	100,000	100,000		Ventilation, air conditioning & heating works to be carried out.
Customer, Office & IT	Office Maximisation	74,616	74,616		£9k back from Surrey County Council.
Customer, Office & IT	Office Lighting Replacement - housing	7,000	6,890	-110	Completed.
Planning	Castle Steps	11,209	11,209		Work progressing, final amount to be spent on a bin. Hoping to be completed by end of the year.
Planning	Dockenfield Sign	2,000	2,000		S106 approval.
Housing	Disabled Facilities Grants	457,900	400,000	-57,900	Received more grant than expected.
Housing	Warm Homes Project	40,000	40,000		Focusing on park homes. Holding back to try and achieve additional external funding.
Community	Client Rolling Programme	90,000	90,000		Christmas period will have lots of works underway.
Community	Client Rolling Programme - Haslemere Leisure	289,000	289,000		Allocated towards main budget.
Community	Client Rolling Programme - Contingency	25,000	25,000		Works to be carried out at Cranleigh on roofing
Community	Godalming LC equipment	5,565	5,565		S106 approval. Awaiting final order details.
Community	Farnham LC - spin bikes, table tennis, inflatables	9,025	9,025		S106 approval.
Policy & Governance	Website Upgrade & Redesign	38,500	38,500		Project due to start in September, aiming to launch June 2015.
Policy & Governance	Intranet Migration	46,200	18,720	-27,480	Underspend due as budget was speculative & much of the work will now be carried out in-house. Launch in December.
Community	Borough Hall Ceiling Survey	1,800	1,800		Exec - 4/11/14. Survey carried out, awaiting report and invoice.
Community	Museum of Farnham heating	15,000	15,000		Exec - 4/11/14. Some installed. To be completed in the new year.
Planning	Wiggins Yard	5,000	5,000		Exec - 4/11/14 S106 funded. Set up steering group, finalising the brief for quotes.
Community	Broadwater Toilets Refurbishment	63,000	63,000		Exec - 2/12/14. Funded from savings.
Community	Borough Hall PA system	5,000	5,000		S106 approval
Community	Cranleigh Leisure Centre	10,656	10,656		S106 approval
Community	Outdoor Gym Equipment, Frensham	1,200	1,200		S106 approval
Community	Replacement of equipment at Alfold Playgroup	766	766		S106 approval
Planning	Fingerpost at Shortfield Common	1,200	1,200		S106 approval
Customer, Office & IT	Watermain replacement at The Burys	9,500	9,500		Executive Directors action to be funded from urgent schemes. Work underway.
Community	Planning Application for redevelopment of Farnham Memorial Hall	40,000	40,000		Exec - 6/1/15
Budget for urgent schemes	Budget for urgent schemes	5,600	5,600		£30k to Museum of Farnham, £27k to Microfiche Scanning, £16.1k to flood risk prevention. £5k earmarked for cemetery memorial safety works. £15k for heating at Museum of Farnham heating. £1.8k for Borough Hall Ceiling Survey, £9.5k for water main replacement, £40k for redevelopment of Farnham Memorial Hall.
Community	Reallocated savings			63,000	£63k to fund broadwater toilets refurbishment.
	Total	8,443,919	8,029,456	85,000	-266,463

Project Justification Form

Project: Magnetic device to reduce gas consumption of boilers

Service: Sustainability

Officer Responsible for Project: Fotini Kallipoliti

Identification of Need:

This project aims to reduce boiler gas consumption at the Burys by using magnetic technology to enhance the combustion process.

It is an invest-to-save project that also contributes to reducing carbon emissions in accordance to Waverley's Carbon Management Plan. If this product proves effective it could be rolled out to other buildings.

More specifically, the investment required for this project is £5,600 and the proposed saving three savings scenarios are presented below.

- A 6% reduction will save £940 and will pay back in 6 years (guaranteed)
- A 8% reduction will save £1,250 and will pay back in 4.6 years
- A 10% reduction will save £1,560 and will pay back in 3.7 years

The predicted gas savings from the installation on the Magnatech technology at the Burys is of the region of 10%. The product comes with a money back guarantee of 6% saving, protecting Waverley against potential underperformance.

This payback is calculated as a snapshot of today's gas prices and does not consider increase in gas prices that are predicted to rise between 3% - 5% annually.

Demonstrate how this scheme would help achieve the Corporate Strategy objectives:

Value for money, through the efficient operation of our facilities and future proofing our buildings from rising energy prices.

Promoting Environmental Sustainability through energy and carbon reductions.
Supporting the Carbon Management Plan.

Cross Reference to Service Plan:

Reduce Waverley's own emissions by implementing the Carbon Management Plan.
Target is 25% carbon reductions by 2015.

Progress to date (including position regarding planning permission):

Quote has been received and company references have been sought.

Will the Corporate Project Management Toolkit be used? Yes / No

If no, how will the project be managed?

Not required

Key Project target dates and milestones:

This project will be delivered before the end of March 2014

Capital cost (across years):

	Year 1 £	Year 2 £	Year 3 £	Total £
Land				
Contract Costs				
Fees				
Vehicles, Plant and Equipment	5,600			
Contingency				
Other (specify) -				
Total Capital Cost	5,600			

How capital cost will be funded:

	Year 1 £	Year 2 £	Year 3 £	Total £
WBC Capital	5,600			
S106				
External Funding (specify) -				
Total Funding	5,600			

Ongoing Revenue Cost and/or savings (Invest to Save):

	Year 1 £	Year 2 £	Year 3 £	Total £
Staffing				
Other costs (specify) -				
Total Revenue Costs	0	0	0	0
Less				
Maintenance	0			
Gas savings based on 10% saving	1,560			
Estimated annual revenue effect	1,560			

Return on Capital and Payback (if appropriate):

	£		
Forecast Returns		Return on Capital	26%
Capital Cost	5,600		
Forecast Savings	1,560	Payback	3.7 Years

Identify any efficiency gains resulting from the project:

Case studies of other users of this technology have indicated savings of 9-10%. A decreased saving of 8% will payback in 4.6 years which still makes the project viable.

Identify any risks which may effect the project

A 6% saving is guaranteed therefore for savings less than that Waverley will get the money back.

Environmental Impact, including Carbon Implications:

The proposed project will reduce the total office gas consumption between 6% and 10%.

11 tonnes of CO2

Equality impact assessment carried out? N/A

How will the project be procured?

This appears to be the only product in the market that would offer the guarantee of 6% it is therefore suggested that Magnatech Ltd is the company to supply and install.

Is there scope for sharing/joint work? No

Completed by: Fotini Kallipoliti

Date:
15/12/2014

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Annexe 3

HRA Repairs and Maintenance	Current Budget £'000	Actual to date £'000
Responsive Maintenance		
Boiler Maintenance	30	15
Communal boilers	20	2
General Repair	1,649	1,170
Stock Survey	20	1
Total Responsive repairs main contract	1,718	1,188
Void Properties		
Boiler maintenance	36	10
General Repair	-	-
Internal decoration	42	9
Void works	575	419
Total: Voids	654	438
Total: Responsive repairs and voids	2,372	1,626
Cyclical Maintenance		
Boiler maintenance	592	394
Communal Boilers	70	0
Environmental analysis (asbestos)	205	77
External Decoration	397	242
Electrical work	48	20
Fire Safety	124	54
Internal decoration	26	-
Lift Servicing	41	14
Pest Control	25	7
Risk Assessment	77	15
Stock Survey	-	1
Total: Cyclical repairs	1,605	824

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HRA Capital programme	Revised budget	Actual to date	Forecast outturn	Variance on budget	Rescheduled	Comments
Decent Homes						
						Works on site, progressing well, good standard achieved
Kitchens	1,124,000	651,153	929,000	(195,000)	(195,000)	as kitchens
Bathrooms	567,300	438,228	471,300	(96,000)	(96,000)	
Heating	720,000	727,992	720,000	8,000		
Windows	255,500	110,725	255,500	0		On site
Doors	87,600	94,773	87,600	0		Work under way
Rewiring	343,000	228,226	243,000	(100,000)	(100,000)	Work under way
Roofing	400,000	393,563	400,000	0		Work under way
Wall Finish	160,000	100,000	160,000	0		Work under way
	3,657,400	2,744,659	3,266,400	(383,000)	(391,000)	
Voids						
Kitchens	425,000	419,791	437,000	12,000		Some voids from DH scheduled work
Bathrooms	263,500	242,204	263,500	0		Some voids from DH scheduled work
Heating	208,000	58,799	208,000	0		Work under way
Windows	77,000	25,000	77,000	0		Work under way
Doors	26,400	10,000	26,400	0		Work under way
Rewiring	38,500	5,000	38,500	0		work under way
Roofing	8,000	0	0	(8,000)		transferred to kitchen spend
Wall Finish	4,000	0	0	(4,000)		transferred to kitchen spend
	1,050,400	760,794	1,050,400	0	0	
MRA work						
Fire safety	87,500	92,920	91,400	5,420		Rolston - see decisions from meeting on 3.6.14
Sheltered Doors	27,500	22,300	22,500	(5,000)		£17,500 for Rolston (3.6.14), £4,800 Rolston locks (3.6.14).
Soffit and guttering	88,400	10,250	28,400	(60,000)		Finlock Guttering - Queensmead
Asbestos	125,000	115,078	175,000	50,000		£50,000 Rolston (3.6.14), virement requested
Water Supply	10,000	7,735	10,000	0		Work under way
Sewerage Plant	100,000	3,977	80,000	(20,000)	(20,000)	Tender's being evaluated
Fire walls	50,000	50,000	50,000	0		Rolston (3.6.14)
Storage Heaters	50,000	36,676	40,000	(10,000)	(10,000)	Work due to start in 6 properties
Parking and paths	80,000	1,557	50,000	(30,000)	(30,000)	committed
Aids and adaptations	300,000	227,626	300,000	0		Adhoc demand
Warden system	30,000	0	0	(30,000)	(30,000)	Work being identified
Garages	25,000	11,712	25,000	0		Work underway
Communal heating and hot water	100,000	30,000	30,000	(70,000)	(70,000)	Survey results being analysed - urgent work required
Thermal Insulation	60,000	30,928	60,000	0	(25,000)	Work underway
Wash basins	25,000	0	0	(25,000)		part of bathroom refurb
Layout alterations	200,000	0	15,000	(185,000)		part of refurb vire to asbestos / structural
Drainage	0	2,500	2,500	2,500		Adhoc demand
General repair	0	49,996	25,000	25,000		Uninsured work - Wey Court
Structural Work	400,000	434,114	710,000	310,000		List constantly being updated, vire £100k from kitchen and bathroom alterations
Damp Proofing	400,000	300,000	200,000	(100,000)		The Oval £45,000, Cavity wall removal £200,000
Energy Initiatives	100,000	78,894	100,000	0		Includes solar panel income. Bowring House new Meters to separate community facilities from main building
Community Rooms	18,500	0	0	(18,500)	(18,500)	Programme to be rescheduled into next year
Sound insulation	135,000	15,895	135,000	0		2 properties completed, improvement verification under way
Professional Fees	199,340	47,915	199,340	0		Adhoc demand
Lifts	29,600	0	28,000	(1,600)		Work to be identified
Sheltered Lighting	550,000	500,000	0	(550,000)	(550,000)	Slipped to April 2015 Approved 6.1.15
Remodelling	100,000	100,000	100,000	0		Rolston (3.6.14)
Grants / Donations / Compensation						
	3,290,840	2,170,072	2,477,140	(712,180)	(753,500)	
Total	7,998,640	5,675,525	6,793,940	(1,095,180)	(1,144,500)	
Capital programme financing reserve						
Balance 1 April 2014	5,850,787					
Estimated capital receipts in Year	250,000					
Contribution from HRA	5,913,000					
Planned capital expenditure	(6,793,940)					
Balance 31 March 2015	5,219,847					

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STOCK REMODELLING PROGRAMME

	Approved Budget 2014/15 £	Slippage B/Fwd £	Revised Position 2014/15 £	Spend to Date 2014/15 £	
Estimated Resources					
Brought Forward from previous year	6,026,760		6,026,760		
Estimated contribution to reserve	3,534,000		3,534,000		
Virement from HRA Capital Budget			310,000		
Total Estimated Resources	9,560,760		9,870,760		
Estimated Costs					
Scheme Design and Project Management	66,230		66,230		
Approved Schemes					
Rolston House provision	1,074,100	44,843	1,478,943	1,279,092	Practical completion expected 19 December 2014
Conversion of Blundon Court Guest Room			5,000		
Potential Schemes					
Conversion of Ladymead provision (now proposed new build scheme)					
Conversion of former staff accommodation	110,000		110,000		
- Faulkner Court (Provisional)	70,000		70,000		Expected start on site 12 January 2015
- Bowring House	70,000		70,000		Expected start on site 12 January 2015
Ockford Ridge Remodelling	795,000		795,000	3,391	Survey work expected to commence early 2015.
39a Parkhurst Fields		18,270	18,270		Budget carry forward likely to be sought
Community Rooms Conversion					
SUB-TOTAL	2,119,100	63,113	2,547,213	1,282,483	
TOTAL ESTIMATED COST	2,185,330	63,113	2,613,443	1,282,483	
BALANCE			7,257,317		

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 FEBRUARY 2015

Title:

FUNDING FOR VOLUNTARY SECTOR ORGANISATIONS 2015/16

[Portfolio Holder: Cllr Stefan Reynolds]

[Wards Affected: All]

Summary and purpose:

The purpose of this report is to consider the applications to the Waverley Community Partnership for revenue funding in 2015/16, taking into account the observations made by the Community O&S Grants Sub-Committee and Committee on the proposed grant levels.

The report proposes to continue to protect the Council's overall level of discretionary spending on grants at £744,530 to the voluntary sector, despite significant reductions in Waverley's Government funding. At the same time, the proposal is to increase the overall amount the Council provides for services that support older people.

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

The Waverley Community Partnership awards funding towards the running costs of organisations that provide high priority services for the benefit of Waverley residents, in partnership with the Council. The services that the partner organisations deliver across all corporate objectives and could fall in any of the 5 priority areas. In addition the Council made a specific commitment in the Corporate Plan to work with voluntary groups to meet the needs of residents. Waverley's contribution to the Waverley Voluntary Partnership also helps support organisations to deliver wellbeing activities.

Financial Implications:

The Council's overall financial package to the voluntary sector is £744,530 showing the Council's continued commitment to its partnerships with voluntary organisations. This overall budget has been maintained over the past four years, despite the Council's significant reductions in its government grant. As a proportion of the Council's overall net budget spend, the level of financial support has increased.

Summary of grant and SLA funding proposed in 2015/16

	2015/16	2014/15
Waverley Community Partnership (grants)	£158,650	£328,820
Waverley Voluntary Partnership (grants)	£42,770	£42,770
Service Level Agreements	£523,690	£327,530
Reserved Funds/Emergency Funding Provision	£19,420	£45,410
Total proposed funding to the Voluntary Sector	£744,530	£744,530

In addition to the above funding, the Council supports these and additional organisations in many other ways including assistance with accessing other sources of funding, one-off capital investment, discretionary rate relief and rent relief.

Waverley Community Partnership

At its meeting on 30 September 2014, the Executive agreed to open the 2015/16 funding round of the Waverley Community Partnership to coincide with the budget setting process. In the current year, 2014/15, the Council maintained its overall financial package for the voluntary sector and the total funding for the Waverley Community Partnership was £328,819.

The Council will receive a further 30% reduction in its grant from the Government for 2015/16 and will need to identify cost savings to balance its budget. However, Members recognise the vital services delivered in partnership with the voluntary sector and are mindful of the potential impact that any cut would have on our voluntary organisations. Members are also keen to ensure services that support Waverley's growing older population and more vulnerable residents are prioritised. It is currently proposed in the draft budget 2015/16 that the overall funding budget for voluntary organisations be maintained at the same level as the current year. Within this, the budgets for the Waverley Community Partnership, Voluntary Grants Partnership and Service Level Agreements will vary.

This clearly demonstrates Waverley's continued commitment to the voluntary sector despite the Council having to make its own budget reductions. Final grants will be approved by the Council on 17 February 2015.

Waverley Voluntary Partnership (WVP)

Despite further significant reductions in Government funding, it is proposed that the total amount of money that Waverley contributes to the Waverley Voluntary Partnership (WVP) should remain at the same level for 2015/16 at £42,770. Given this, Surrey County Council has also agreed to maintain its contribution at the same level as the current year.

Service Level Agreements (SLA)

The Council financially supports a number of other voluntary sector organisations to deliver high priority services. In 2012/13, as part of a nominated pilot project three organisations signed up to three year Service Level Agreements from 1 April 2012. The total annual funding to these organisations is currently £327,530, with Citizens Advice Waverley receiving £195,040, Farnham Maltings receiving £32,490 for the outreach service and Waverley Hoppa Community Transport receiving £100,000. Farnham Maltings also has an SLA for the management of Farnham Museum with an estimated total value of support of £78,000. The RVS is also funded through an annual Service Level Agreement for the meals on Wheels service in partnership with Surrey County Council. Waverley's contribution of £30,000 is matched by the County Council to provide a service to residents in the borough.

At its meeting on 30 September 2014, the Executive approved discussions to draw up new SLAs for the next three years from 1 April 2015 to 31 March 2018 with the three organisations. In addition the Executive agreed to move four other organisations out of the Waverley Community Partnership process on to three year SLAs from 1 April 2015. This means their combined current funding of £160,250 will be transferred out of the Waverley Community Partnership overall pot for 2015/16. It is also proposed to increase the overall SLA funding to voluntary sector organisations for the next three years, 2015 to 2018, by 6.7%. A reserve of £19,420 has been established to invest in any further opportunities to meet community needs and to enable the SLA organisations to deliver even better outcomes where a clear case can be made.

The SLAs enable key voluntary sector organisations to continue to work in partnership the Council to deliver and develop vital services for the most vulnerable residents and older people. The Council will be working to increase the number of organisations funded through SLAs in future years. Annexe 1 details the proposed allocations to these organisations.

Emergency Funding Provision

In 2013/14 the Council established an emergency funding provision for unexpected or urgent requests for support to current and new partner organisations. The remaining balance of £40,410 for 2014/15 would again support any unexpected or urgent requests for support throughout the year. It may also be used to support the delivery of identified activities for older and more vulnerable people in partnership with organisations.

Legal Implications:

Having a robust grant scheme that is reviewed annually ensures that the Council is not open to challenge under the Surrey Compact Funding Code 2009, which is consistent with funding bodies' duty to achieve value for money, principles in accounting and European Union procurement law.

Introduction

1. The principal aim of the Waverley Community Partnership is to provide financial support for not-for-profit organisations that deliver high priority services for the benefit of Waverley residents in partnership with the Council.

Applications

2. A total of 25 applications to the Waverley Community Partnership have been received with two new applications. The total level of funding requested by organisations for 2015/16 was £238,650 and Annexe 2 details all the applications received and proposed allocations.

The Waverley Community Partnership Assessment Process

3. Each grant application has been reviewed by the relevant 'link officer' within each service area. In addition, a financial assessment of each organisation's annual accounts has been undertaken to identify any changes/concerns in the financial position of partner organisations. Where appropriate, Member Representatives for organisations were invited to comment in general on their work. Members are encouraged to read the application documentation from each organisation and the summary information that was provided to the Grants Panel. Members should contact the Community Partnerships Officer for copies of the documents. Should Members require further information on each organisation they are advised to contact the appropriate link officer.
4. A Grants Panel, chaired by the Portfolio Holder for Grants, made recommendations on funding levels. The Chairman was supported by the Portfolio Holder for Partnerships and the Portfolio Holder for Leisure & Culture and officers from Finance and Communities. The Panel made proposals on levels of funding ahead of the Overview and Scrutiny Committee consideration.
5. Annexe 2 shows notes on the reasons for the proposed grant levels for some organisations where this is considered to be particularly relevant. Information on other discretionary financial support that the Council provides to partner organisations is detailed in Annexe 3.
6. Requests for funding exceeded the overall budget by £80,000 which meant the Grants Panel had to make very difficult decisions this year. The Panel's proposed allocations reflect the good performance and clear outcomes being delivered by organisations to our most vulnerable residents, including older people. This includes increases in funding for Rowleys Centre for the Community and Brightwells Gostrey Centre to support older people. Overall, the Panel proposed to increase the Waverley Community Partnership grants to 4 organisations and maintain grants for 11 organisations. Two new applications were received and one of these was recommended for a grant.

Age UK Waverley - Rowleys Centre for the Community

7. The proposed funding for Rowleys set out in this report has increased from £47,500 to £55,000. This represents a funding increase of 16% compared to last year. It is proposed that the funding for Rowleys is ring-fenced to support its running costs and specified that it should be held in restricted funds within the Age UK Waverley financial accounts. The increase recognises the excellent work that this centre does for older people in Cranleigh and will help guarantee the long-term future of this valued service. Given the positive track record being achieved, work will take place with Rowleys over the coming year to prepare them for a move to a Service Level Agreement in 2016/17, which will help strengthen their ability to meet the needs of older people in their community and provide additional certainty over future years funding levels.

Age UK Waverley – Information and Advice Service

8. Given that Waverley has a number of established information and advice providers already supporting older people, the Grants Panel proposed not to award funding to AGE UK Waverley towards the Information and Advice service due to continuing concerns about not operating a borough-wide service and not providing value for money compared to other Information and Advice providers in Waverley. Both Citizens Advice Waverley (sometimes referred to as CAB) and Age UK Surrey are already funded to deliver high quality, accredited information and advice services and are in a position to continue to extend their offer to more older residents borough-wide. It also recognises that Citizens Advice Waverley, unlike Age UK Waverley, is approved to give financial debt advice through the Financial Conduct Authority. [Note: Citizens Advice Waverley is funded by Waverley Borough Council and Age UK Surrey is funded by Surrey County Council.]
9. During 2013 and 2014 Age UK Waverley, operating from the Gate House in Cranleigh, worked with the Council and Citizens Advice Waverley to support a successful Big Lottery bid, securing a £250,000 grant. One of the key aims of the bid was for Age UK Waverley and Citizens Advice Waverley to work in collaboration and to physically co-locate to improve service outcomes for residents and reduce costs. However, Age UK Waverley has now withdrawn from the discussions to co-locate with Citizens Advice Waverley and the nature of their future participation is now unclear. Age UK Waverley's decision has inevitably put some of the £250,000 grant at risk.

Age UK Waverley – Gardening and Handyman Services

10. Age UK Waverley also delivers a gardening brokerage service which is currently funded through a number of sources including the Waverley Voluntary Grants Panel, to which the Council contributes. The Age UK Waverley Handyman Service is principally funded by Surrey County Council. The allocation of funding for 2015/16 for these sources is still to be determined.

Community Overview and Scrutiny Grants Sub-Committee

11. A Sub-Committee was established in November 2011 to review application documentation and scrutinise the Grants Panel's initial allocations. At its meeting on 18 November 2014 the Community O&S agreed to establish the Sub-Committee again this year to consider the initial allocations in more detail before bringing observations back to this Committee at its next meeting in January 2015. The Sub-Committee met on 17 December 2014 and the minutes of the meeting are attached at [Annexe 4](#).

Service Level Agreements

12. Following the work of a Member Special Interest Group (SIG) in 2011, the Executive agreed to invite three organisations to negotiate SLAs for 2012-15 as a pilot scheme for this new way of working. The organisations (Farnham Maltings outreach, Citizens Advice Waverley and Hoppa) signed SLAs in April

2012 and regular monitoring meetings are held. At its meeting on 4 October 2011 the Executive asked for the success of the pilot SLAs to be monitored and their impact reviewed before rolling out the approach to other funded organisations.

13. Officers have concluded that the SLA pilot is a success with a much closer alignment of activities with agreed priorities, more effective partnership working and the delivery of better outcomes for local communities. Outcomes have been monitored and reported to Committee. At its meeting on 30 September 2014 the Executive approved discussions with the three existing SLA organisations to draw up new SLAs from 1 April 2014 to 31 March 2018. The Executive also approved discussions to take place with four other organisations, namely The Orchard Club, The Clockhouse, Farncombe Day Centre and Cranleigh Arts Centre in order to move them out of the grants pot and on to three year SLAs from 1 April 2015.
14. The Council recognises the valued, key services delivered by the 7 SLA organisations. The SLAs enable the Council to target its funding to support priority services. In recognition of the outcomes these organisations deliver, it is recommended to increase the overall funding for these organisations, which will enable them to strengthen their support the most vulnerable residents, particularly older people.
15. Negotiations are ongoing with the 7 SLA organisations to finalise their SLA Agreement documentation and the monitoring data required by the Council. The seven draft SLA documents will be reported to the Executive as part of a separate SLA Report once the negotiations with the organisations have concluded.

Conclusion

16. Despite year on year reductions in Government funding, the Members of the Grants Panel felt that it was important to maintain the overall financial package to the voluntary sector next year while at the same time, recognising the best performing services. The proposal is to continue to maintain the overall financial support to the voluntary sector at £3/4 million for the fourth year running which enables the Council to work with voluntary organisations to deliver vital services to residents, particularly older people. This clearly demonstrates the value and continued commitment to those organisations working on the Council's behalf to deliver high quality services that meet local need.
17. Both the Member Grants Panel and Community O&S Committee have had to make difficult decisions this year as requests for financial support increases. Both have recognised the need to prioritise funding on those activities that best meet local need and recognise those organisations that have achieved good levels of performance.

18. The final approval of funding levels will not be made until the Council meeting in February 2015, four months after organisations have submitted their applications. To assist organisations with their financial planning and in the spirit of the Surrey Compact Funding Code 2009, a letter has now been sent to all applicants informing them of their initial draft grant allocations. The letter has made it clear to organisations that the proposed draft allocations are subject to Member scrutiny and final approval by the Council on 17 February 2015.

Community Overview and Scrutiny Committee

19. At its meeting on 27 January 2015, the Community Overview and Scrutiny Committee considered the applications for funding and the proposed allocations to organisations. The comments from the Committee will be circulated separately – To Follow.

Recommendation

It is recommended that the Executive

1. confirms the overall funding to the voluntary sector at £744,530 for 2015/16;
 2. considers the applications for Waverley Community Partnership funding in 2015/16, having regard to the comments of the Community Overview and Scrutiny Committee and Grants Sub-Committee;
 3. recommends grant levels for each organisation, as detailed in Annexe 2 to the report, to the Council for approval;
 4. recommends that the increased total funding of £55,000 for Rowleys is ring-fenced to support its running costs and that the full grant be held in restricted funds within the Age UK Waverley financial accounts for Rowleys;
 5. recommends the remaining balance of the 2014/15 Emergency Funding Provision is carried over to 2015/16 to support any unexpected or urgent requests for support throughout the year;
 6. agrees the proposed funding allocations to the seven SLA organisations and, subject to concluding negotiations with them, agrees that the Director of Finance, in consultation with the Leader, Deputy Leader and Portfolio Holder for Grants be authorised to agree the final allocations and content of the SLA documents; and
 7. recommends a reserve fund of £19,420 be established to invest in any further opportunities to meet community needs and to enable the SLA organisations to deliver further improvements in outcomes where a clear case can be made.
-

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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SERVICE LEVEL AGREEMENTS 2015-18, PROPOSED ALLOCATIONS

	Current Funding Levels 2014-15 (£)	Proposed SLA Funding Levels 2015-16 (£)		% increase compared to 2014/15 (%)
Existing Service Level Agreement Organisations 2012-2015				
Citizens Advice Waverley	195,040	210,000		8%
Farnham Maltings	32,490	32,490		0%
Hoppa	100,000	108,000		8%
Total	327,530	350,490		
Waverley Community Partnership Organisations Transferring to SLAs				
The Orchard Club	52,250	56,500		8%
Farncombe Day Centre	50,000	54,000		8%
The Clockhouse	40,000	43,200	£3,200 is dependent upon outcomes achieved	8%
Cranleigh Arts Centre	18,000	19,500		8%
Total	160,250	173,200		
Total funding	487,780	523,690		7%
Plus additional unallocated funds		19,420		
Total SLA pot	487,780	543,110		11%

The proposed allocations shown are for 2015-2016 although the SLAs would provide these levels of funding annually over the three year period of the Agreements. The Service Level Agreements are subject to annual review and Council approval in February each year as part of its budget setting process. Regular monitoring meetings are held with the individual SLA organisations and continued funding levels are dependent upon outcomes delivered by the organisations and performance against the monitoring information required by the Council.

The Clockhouse

It is proposed that the increase of £3,200 is dependent upon outcomes achieved by The Clockhouse during 2015/16 to develop their partnership with the Council to meet its objectives.

Unallocated Funds

A balance of £19,420 remains unallocated and the Grants Panel proposed that these funds are ring fenced to support unexpected or urgent requests for support to the SLA organisations throughout 2015/16. In particular, £3,200 will be ring-fenced to support The Clockhouse.

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Waverley Community Partnership 2015/16 Grants Panel Recommendations

ANNEXE 2

ORGANISATION	Grant Approved for 2013/14 (£)	Grant Approved for 2014/15 (£)	Grant Applied for 2015/16 (£)	Grants Panel Recommendations for 2015/16 (£)	Notes Reference
Community Themed Organisations					
Rowleys (Age UK Waverley)	47,500	See Age UK Waverley	See Age UK Waverley	See Age UK Waverley	
Brightwells Gostrey Centre	42,750	50,000	63,000	55,000	1
Farnham Assist	7,000	7,000	7,000	7,000	
Four Villages Day Centre	0	did not apply	did not apply	did not apply	
Age UK Waverley (including Rowleys)					
Age UK Waverley	30,000	20,309	25,000	0	2
Rowleys		47,500	50,000	55,000	3
Voluntary Action South West Surrey	9,000	5,000	12,000	7,500	4
St Marks Community Centre	2,500	2,500	3,250	3,000	5
Wrecclesham Community Centre	1,000	1,000	1,500	1,000	6
Jubilee Church Farnham - Community Development Worker	1,000	1,000	3,000	1,000	
Farncombe Community Street Team	1,000	did not apply	did not apply	did not apply	
Farncombe Community Centre	1,000	1,000	3,000	1,000	
Cranfold Job Seekers Club	500	500	1,000	750	7
Mediation First	0	did not apply	4,000	0	
Help In Elstead	did not apply	400	400	400	8
Surrey Save	did not apply	5,000	13,000	0	9
TALK	did not apply	1,500	3,000	0	10
Home Start	did not apply	0	did not apply	did not apply	
Sandy Hill Community Bungalow	did not apply	did not apply	3,000	3,000	11
3 Counties Money Advice	200	200	1,000	0	12
Sub-Total	143,450	142,909	193,150	134,650	

NOTES ON PANEL'S COMMENTS

1. Brightwells Gostrey Centre - The Panel recommended increasing the grant by 10%, recognising that Brightwells is expanding its services and supporting some of the most vulnerable older people in Waverley, particularly those living with dementia. It continues to operate within the constraints of the current building and the Panel recognised the effect that this has on fundraising.

2. Age UK Waverley - Information and Advice - The Panel acknowledged the application covered the Age UK Waverley information and advice service and Rowleys Centre for the Community. The requests were reviewed separately. The Panel noted the information and advice monitoring data provided and that the service continues to be Cranleigh centric due to the office being based in Cranleigh. The Panel noted that since an information and advice service is offered by other local organisations, Age UK Surrey and Citizens Advice Waverley, duplication did not offer best value for money for residents. The Panel therefore agreed to not award a grant to Age UK Waverley on the basis that other organisations would deliver information and advice for Waverley residents in future.

3. Age UK Waverley - Rowleys - Rowleys continues to perform well and is a popular place that is much valued by the community and users. The Council fully supports the Centre and the vital services it delivers to older residents. The Panel agreed to show its support by increasing the Rowleys grant by 16% so that it could continue to deliver and develop its services to meet client needs. The Panel felt that if the governance arrangements of Rowleys improved, it could be moved to a Service Level Agreement in the future.

4. VASWS - Last year the Panel recommended an award of £5,000 with a possible further £5,000 if VASWS is able to demonstrate clear service delivery and community value in Waverley. The Council is currently processing the award of the further £5,000 therefore VASWS will have received funding totalling £10,000 for 2014/15. Within the budget constraints of the grant scheme the Panel recommended reducing the 2015/16 funding to £7,500.

5. St Marks - The Panel recommended increasing the grant in recognition of the development of activities being delivered at the Centre, in addition to the key role St Marks has as part of the housing redevelopment at Ockford Ridge.

6. Wrecclesham Community Centre - Has undergone substantial redevelopment and refurbishment. Is expanding its services and delivering good work.

7. Cranfold Job Seekers Club - The Club continues to make improvements to support more people into work, with minimum funding and no paid staff. The Panel recommended increasing the grant in recognition of this.

8. Help in Elstead - Accessing isolated individuals and operates a good model.

9. Surrey Save - The Council provided financial transitional payments from direct budgets totalling £20,000 over three years to support a credit union service in Waverley through a Service Level Agreement. Following a request in 2013, SurreySave were advised to apply to the grant scheme in future years. The Panel felt the service did not support as many residents as expected and noted the application was for a specific post, which the grant scheme does not fund. Following the Council's initial three year support, it was felt that SurreySave should be self-sustaining.

10. TALK - The Panel noted that TALK had recently informed the Council that they are in the process of reviewing, and possibly changing, their delivery model. Officers are in discussion with the organisation to support them through the transition period. Following discussions with TALK it was agreed that their application should be withdrawn and that they should apply to the Commissioning Pilot, the Waverley Voluntary Partnership.

11. Sandy Hill Bungalow - The Panel recommended supporting this new application on the condition that the funding would be for one year only as the service should become self-sustaining.

12. 3 Counties Money Advice - The Panel noted that the organisation relocated from Haslemere Locality Office in 2012, which had parking facilities, and is less accessible as a result. Citizens Advice Waverley offers money and accredited debt advice to support residents across the borough and by funding both organisations this does not offer best value for money for residents.

Waverley Community Partnership 2015/16 Grants Panel Recommendations (Continued)

ORGANISATION	Grant Approved for 2013/14 (£)	Grant Approved for 2014/15 (£)	Grant Applied for 2015/16	Grants Panel Recommendations for 2015/16 (£)	Notes Reference
Environment & Leisure Themed Organisations					
Godalming Museum Trust	1,800	3,960	3,700	3,700	13
Haslemere Educational Museum	1,900	1,900	2,900	1,900	14
Haslemere Hall	3,000	3,000	3,000	3,000	
Rural Life Centre	2,700	2,500	2,000	2,000	15
Stopgap Dance Company	1,200	500	1,500	to be funded through direct budgets	16
40 Degreez	3,600	3,500	12,500	3,400	17
Disability Challengers (youth, play services)	7,650	7,500	16,900	7,500	18
High Sheriff of Surrey Youth Awards	1,000	1,000	1,000	1,000	19
Cranleigh Youth Café	did not apply	1,000	1,000	1,000	
Haslemere Fringe	did not apply	0	did not apply	did not reply	
A Place To Be Youth Group	800	800	1,000	500	20
Sub-Total	23,650	25,660	45,500	24,000	
OVERALL TOTAL FOR YEAR	167,100	168,569	238,650	158,650	

NOTES CONTINUED:

13. Godalming Museum - The Museum applied for £260 less than last year's grant award and therefore the Panel recommended awarding the amount requested for 2015/16.

14. Haslemere Museum - The Panel recognised the Museum implemented a successful fundraising campaign to safeguard its sustainability.

15. Rural Life Centre - The Centre applied for £500 less than last year's grant award and therefore the Panel recommended awarding the amount requested for 2015/16.

16. Stopgap Dance Company - the Panel noted the proposal to fund the organisation through direct budgets in 2015/16 to deliver activities in partnership with the Council.

17. 40 Degreez - the Panel noted that previous grant offers had advised 40 Degreez to expect a continual reduction in grant in future years and, within the budget constraints of the scheme, recommended a small reduction in grant for 2015/16.

18. Disability Challengers - provides play and leisure activities for disabled young people.

19. High Sheriff Youth Awards - The grant levers in funding for projects in Waverley.

20. A Place To Be - The panel recognised the organisation provides activities for young people on a Friday night but that the number of people supported is lower than expected. With the budget constraints of the scheme, the Panel recommended a reduction in grant for 2015/16.

**Overall Financial Assistance Provided to Organisations That Have Applied to the Waverley Community Partnership 2014/15
(Figures Are For 2014/15 Year To Date)**

ORGANISATION	Waverley Community Partnership 2014/15 (£)	Waverley Voluntary Grants Partnership 2014/15 (#) (£)	Discretionary Rate Relief 2014/15 (##) (£)	Rent-Related Grant 2014/15 (*) (£)	Other Miscellaneous Financial Support 2014/15 (£)	Total Financial Support to Date (£)	Notes on Support
Community Themed Organisations							
Brightwells Gostrey Centre	50,000	6,000	299		33,520	89,819	This is the amount set aside in the budget for running costs for the centre and non-emergencies throughout the year
Farnham Assist	7,000	5,650				12,650	
Age UK Waverley (including Rowleys service) Age UK Waverley	20,309	3,900				24,209	The WVGP award was for the gardening service
Rowleys	47,500	8,000	1,109			56,609	WVGP award £6,000 towards care of frail elderly and £2,000 towards trips and breaks programme
Voluntary Action South West Surrey	5,000		579		5,000	10,579	An additional award of £5,000 is being considered towards revenue costs in accordance with Grants Panel's recommendations
St Marks Community Centre	2,500					2,500	
Wrecclesham Community Centre	1,000					1,000	
Jubilee Church Farnham - Community Development Worker	1,000					1,000	
Farncombe Community Centre	1,000					1,000	
Cranfold Job Seekers Club	500					500	
Mediation First	did not apply				1,730	1,730	£1,030 allocated in housing budget for anti-social behaviour work, £700 allocated in planning budget for high hedges complaints work
Help in Elstead	400					400	
Surrey Save	5,000					5,000	
TALK	1,500	1,755				3,255	
Home Start	0					0	
3 Counties Money Advice	200					200	
Sub-Total	142,909	25,305	1,987	0	40,250	210,451	

ORGANISATION	Waverley Community Partnership 2014/15 (£)	Waverley Voluntary Grants Partnership 2014/15 (#) (£)	Discretionary Rate Relief 2014/15 (##) (£)	Rent-Related Grant 2014/15 (*) (£)	Other Miscellaneous Financial Support 2014/15 to date (£)	Total Financial Support to Date (£)	Notes on Support
Environment & Leisure Themed Organisations							
Godalming Museum Trust	3,960		940	2,380 (Museum charged rent of £4,600)	45,185	51,525	Misc support includes building maintenance, insurance and costs associated with the Council employing the Curator
Haslemere Educational Museum	1,900		8,339			10,239	
Haslemere Hall	3,000					3,000	
Rural Life Centre	2,500		145			2,645	
Stopgap Dance Company	500					500	
40 Degreez	3,500		762			4,262	
Disability Challengers (youth, play services)	7,500					7,500	
High Sheriff of Surrey Youth Awards	1,000					1,000	
Cranleigh Youth Café	1,000					1,000	
A Place To Be Youth Group	800					800	
Sub-Total	25,660	0	10,186	2,380	45,185	82,471	
OVERALL TOTAL FOR YEAR	168,569	25,305	12,173	2,380	85,435	292,922	

Notes

(#) Waverley Voluntary Grants Partnership - The amount shown is the grant-aid from the pooled arrangement with Surrey County Council. Grants are for specific services that meet the welfare or social care needs of the community

(##) Discretionary Rate Relief - the amount of grant-aid is reviewed at the time of rent review and organisations must reapply for grant-aid upon renewal of their lease.

(*) Rent-Related Grants - organisations must complete a form to apply for rate relief and satisfy certain criteria.

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MINUTES of the MEETING of the
COMMUNITY OVERVIEW &
SCRUTINY GRANTS SUB-
COMMITTEE held on 17
DECEMBER 2014 AT 9.00am

(To be read in conjunction with the Agenda for the meeting)

- * Cllr Jim Edwards
- * Cllr Brian Ellis
- * Cllr Patricia Ellis
- * Cllr Wyatt Ramsdale
- * Cllr Nick Williams

*Present

Also in attendance: Cllr Carole King,

1. APPOINTMENT OF CHAIRMAN

Cllr Jim Edwards was appointed Chairman of the Sub-Committee.

2. APOLOGIES FOR ABSENCE

All members of the Sub-Committee were present.

3. DISCLOSURE OF INTERESTS

Cllr B Ellis declared a non-pecuniary interest as he was a member of Cranleigh Parish Council who manage the Cranleigh Youth Café.

Cllr P Ellis declared a non-pecuniary interest as she was a member of Cranleigh Parish Council who manage the Cranleigh Youth Café.

Cllr Edwards declared a non-pecuniary interest as he was the Waverley representative at the Orchard Club.

4. EXCLUSION OF PRESS AND PUBLIC

At 9.18am the Sub-Committee RESOLVED that, pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 5, on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item there would be disclosure to them of exempt information (as defined by Section 100L of the Act) of the description specified in the revised Part 1 of Schedule 12A to the Local Government Act 1972, namely:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

5. INITIAL ALLOCATIONS SUGGESTED BY THE GRANTS PANEL

- 5.1 The Sub-Committee received the initial allocations suggested by the Grants Panel. Officers reported that four organisations previously funded through the Waverley Community Partnership grant process are now being funded under a Service Level Agreement. These organisations will not be considered as part of the Grants Process.
- 5.2 The Sub-Committee discussed the individual applications and the Grant Panel's proposed amounts, which are attached at Annexe 1 of the main report.
- 5.3 After considering all of the Grants Panel's initial proposals, the Sub-Committee made the following observations:

1. Brightwells Gostrey Centre

The Sub-Committee noted that the services offered by the Brightwells Gostrey Centre reflect the changing needs of the client and were pleased to note specific activities and staff training for dementia clients.

The Grants Panel recommendation was endorsed.

2. Farnham Assist

The Sub-Committee endorsed the amount proposed by the Grants Panel.

3. Age UK Waverley

The Sub-Committee were advised that the application covers both Age UK Waverley's Information and Advice Service and Rowleys 50+ centre. They considered the requests separately.

The Sub-Committee noted that Age UK Waverley also provide a gardening and handyman services, funded by Waverley Voluntary Grants partnership and Surrey County Council respectively. They expressed concern that that service users are centred in Cranleigh and noted that the same services are offered borough-wide by other organisations.

The Sub-Committee endorsed the recommendations of the Grants Panel for Age UK Waverley and noted that this would not affect the accessibility of these services to residents.

The Sub-Committee confirmed the Council's commitment to Rowleys and requested that officers work closely with Rowleys to ensure that they are not adversely affected by grant recommendations for Age UK Waverley.

The Sub-Committee endorsed the recommendations for Rowleys.

4. Voluntary Action South West Surrey
The Sub-Committee noted that this organisation has demonstrated successful working across the borough to enable voluntary organisations to access and source funding.

The Grants Panel recommendation was endorsed.
5. St Marks Community Centre
The Sub-Committee were pleased to note the good work undertaken by St Marks and commented particularly on their role administering a food bank.

The Grants Panel recommendation was endorsed.
6. Wrecclesham Community Centre
The Sub-Committee noted the good work undertaken at the centre. Officers advised that work has been undertaken on the building this year and agreed that this should be capitalised on to enable the centre to become self-financing in future years.

The Grants Panel recommendation was endorsed.
7. Jubilee Church
The Sub-Committee noted the good work undertaken through this organisation.

The Grants Panel recommendation was endorsed.
8. Farncombe Community Centre
The Sub-Committee were pleased to note that this organisation are investing in their building and working to diversify the services they offer.

The Grants Panel recommendation was endorsed.
9. Cranfold Job Seekers Club
The Sub-Committee noted the excellent work undertaken by this organisation and commended the model used to assist people into employment.

The Grants Panel recommendation was endorsed.
10. Mediation First
The Sub-Committee noted that this service is already funded by the Council through the planning service and the Housing Revenue Funding.

The Grants Panel recommendation was endorsed.
11. Help in Elstead
The Sub-Committee noted the valuable work undertaken by this organisation and endorsed the recommendation of the Grants Panel.

12. Surrey Save
The Sub-Committee noted the business plan and model for this organisation. They also noted the number of residents accessing the service and were concerned that the model did not seem to be reaching a higher number of residents. Officers reported that the Council financially assisted the setting up of Surrey Save and that they are now fully operating as a credit union. The Sub-Committee endorsed the values of credit unions but agreed that this organisation is now a self-sufficient financial organisation.
- They requested that officers continue to working closely with the organisation and agreed the Grants Panel recommendation.
13. TALK
The Sub-Committee noted that TALK are in the process of changing their delivery model and that officers are in discussions with this organisation to support them through this transition period.
- The Grants Panel recommendation was endorsed.
14. Sandy Hill Bungalow
The Sub-Committee noted the application is to support the development of the bungalow and endorsed the Grants Panel recommendation.
15. 3 Counties Money Advice
The Sub-Committee noted that the services offered by this organisation are also provided by other organisations and agreed with the Grants Panel recommendation.
16. Godalming Museum Trust
The Sub-Committee noted the financial position of this organisation and noted its ability to raise income as well as the additional financial support provided by the Council.
- The Grants Panel recommendation was endorsed with one objection from the Sub-Committee.
17. Haslemere Educational Museum
The Sub-Committee noted the financial position of this organisation and were pleased to note that the Museum is working to safeguard their financial future.
- The Sub-Committee agreed, by a majority vote, to endorse the Grants Panel recommendation.
18. Haslemere Hall Trust
The Sub-Committee noted the financial position of this organisation and agreed, by a majority vote, to endorse the Grants Panel recommendation.

19. Rural Life Centre
The Sub-Committee noted the financial position of this organisation and were pleased to note its ability to generate additional income through events and other activities. The Sub-Committee felt that they are demonstrating a good model of service delivery which is enabling them to be self-sufficient.
- The Sub-Committee therefore proposed, and agreed, that the recommendation be reduced to £1k.
20. Stopgap Dance Company
The Sub-Committee endorsed the Grants Panel recommendation.
21. 40 Degreez Centre for Young People
The Sub-Committee were pleased to note that this organisation is delivering an excellent service and are working to secure other streams of funding.
- The Sub-Committee agreed, with a majority vote, to endorse the Grants Panel recommendation.
22. Disability Challengers
The Sub-Committee endorsed the excellent of this organisation and noted that it provides a service to residents not available elsewhere in the borough.
- The Grants Panel recommendation was endorsed.
23. High Sheriff Awards
The Sub-Committee agreed the recommendation of the Grants Panel.
24. Cranleigh Youth Café
The Sub-Committee noted the contribution and commitment of Cranleigh Parish Council and felt that it is a well run and well used centre.
- The Grants Panel recommendation was endorsed.
25. A Place to be Youth Group
The Sub-Committee noted the excellent work undertaken by the organisation with limited resources. They were concerned that the Group was operating financially on a day to day basis and requested officers work with them to identify and assist them to pursue a long-term sustainable model.
- The recommendation of the Grants Panel was endorsed. A further recommendation was agreed that additional funding of up to £500 be made available to the group conditional on increased engagement with the local authority to pursue a long-term sustainable model.

The meeting concluded at 11.15am

Chairman

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 FEBRUARY 2015

Title:

TREASURY MANAGEMENT FRAMEWORK 2015/16

[Portfolio Holder: Cllr Julia Potts]

[Wards Affected: All]

Summary and purpose:

This report sets out the proposed Treasury Management Framework for 2015/16, comprising:

- revised Treasury Management Policy;
 - 2015/16 Treasury Management Strategy;
 - 2015/16 Investment Strategy; and,
 - Prudential Indicators for 2014/15 to 2017/18.
-

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

An effective treasury management function is critical to all Council services in that it ensures financial resources are available at the right time to deliver the Council's priorities and services. It supports the Council's Value for Money priority and is a key element in the management of Waverley's financial resources.

Equality and Diversity Implications:

Treasury management provides financial resources to support all services including those which promote equality and diversity.

Financial implications:

A sound treasury management policy which achieves an appropriate balance between risk and return is essential to support service provision.

Legal Implications:

The current Code of Practice on Treasury Management (the Code) produced by CIPFA supports the provisions of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 and it is expected that local authorities will apply the Code to their individual circumstances.

Introduction

1. Treasury management is the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2. For Waverley Borough Council this means managing a turnover of around £175m and investing up to £70m in financial markets at any one time and, with the introduction of HRA Self-financing in 2012/13, it now also includes borrowing of £193m.
3. The latest revision to the code by CIPFA in November 2011 incorporates the implications of the new HRA Self-Financing framework and tightens up on the requirements for the management of risk. These changes were incorporated in Waverley's Policy and approved in February 2012. Subsequently, a minor change has been made by CIPFA to 2 prudential indicators and this is reflected later in the report.
4. The code requires local authorities to maintain their Treasury Management Policy in accordance with the code and any of its revisions and with legislation. It also requires local authorities to determine their Treasury Management strategies and Investment strategies on an annual basis and their Prudential Indicators on an annual basis.
5. There are no material changes to any of the policies proposed in this report as they still comply with the requirements of the code and provide a sound operational framework.

Purpose of the Code

6. CIPFA has produced this Code and the accompanying guidance notes to help satisfy nine main purposes:
 - i. To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, and thereby to add to their credibility in the public eye.
 - ii. To emphasise the overriding importance of effective risk management, as the foundation for treasury management in all public service bodies.
 - iii. To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
 - iv. To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
 - v. To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, *"to maintain and develop the professional competence of both themselves and those they supervise"*.
 - vi. To help facilitate a standardisation and codification of treasury management policies and practices in the public services.

- vii. To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same
- viii. To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
- ix. To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

Treasury Management Statements

7. In 2012, officers, supported by treasury advisors, revised the following key documents to bring them in line with the requirements of the new Code.
 - Treasury Management Policy Statement - this document is included at Annexe 1 and it sets out the headline objectives of the Treasury Management function.
 - Treasury Management Strategy 2015/16 - this document is included at Annexe 2 and it sets out the way in which Waverley's policy objectives for Treasury Management will be achieved and the high level approach to borrowing and investment. As required by the Code, the Strategy includes a statement of Waverley's Treasury Management Practices (TMPs) which set out specific areas of note and how they will be dealt with.
 - Annual Investment Strategy 2015/16 - this document is included at Annexe 3 and it sets out how Waverley's investments will be managed, in accordance with the Treasury Management Strategy, and how this will help achieve Waverley's TM policy objectives. This Strategy is required by local government investment regulations.

Impact of Housing Revenue Account Cashflow

8. As the Housing Revenue Account approaches the end of the second year under the self-financing framework, the financial transactions and future cashflows can be projected with greater certainty, particularly as the programmes of capital spend are developed. The most significant HRA cashflow transactions relate to capital spend on new homes and, whilst surpluses have accumulated in the first two years, it is anticipated that there will be major spend in the next few years. Officers are working on more sophisticated cashflow forecasting for these large cashflows which should enable longer term investment decisions to be taken without compromising liquidity.
9. In the light of the significantly higher cash balances being experienced in 2014/15, mainly due to the HRA business plan cashflows, it has become increasingly difficult to make day to day investment decisions which utilise surplus cash balances to the best effect. The thresholds set in the current Investment Strategy rightly limit the options for investment.

Prudential Indicators 2015/16, 2016/17 and 2017/18

10. The Local Government Act 2003 requires local authorities to comply with CIPFA's Prudential Borrowing Code. This in turn requires local authorities to agree a specified set of prudential indicators relating to their investment and borrowing activities. Officers, have revised Waverley's Prudential Indicators in line with the requirements of the new Code and the current conditions which are included at Annexe 4. The prudential indicators are intended to support decision-making and are ways of targeting and measuring performance.

Corporate Overview and Scrutiny Committee

11. The Corporate Overview and Scrutiny Committee considered this report at its meeting on 20 February and endorsed the Treasury Management Framework for 2015/16. The Committee did suggest that the Council could be more proactive in exploring investment opportunities to generate income streams by exploiting the current low interest rates.

Recommendation

It is recommended that the proposed Treasury Management Framework for 2015/16 be endorsed.

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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STATEMENT OF TREASURY MANAGEMENT POLICY

Overview

The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code. The full Code is available for Members on request and identifies 3 key principles which organisations should apply:

- 1) formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of treasury management activities should be put in place,
- 2) effective management and control of risk are the prime objectives of Treasury Management and are the responsibility of the Council. Waverley's Treasury Management Strategy must make clear its appetite for risk, the use of which financial instruments are allowed for the prudent management of those risks and that priority is given first to security, then to liquidity and last to yield.
- 3) treasury management policies and practices should reflect that the pursuit of value for money is nevertheless important and performance measures are important and valid tools to be used in support of this.

Accordingly, the Council will create and maintain, as the cornerstones for effective Treasury Management:

- A treasury management policy stating the policies, objectives and approach to risk management of its treasury management activities.
- A treasury management strategy on at least an annual basis including approved treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve its policy objectives, and prescribing how it will manage and control those activities.

The content of the policy, strategy and TMPs will follow the recommendations contained in the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

The Council will receive reports on its treasury management policy and practices and the Executive will receive reports on treasury activities and performance, including as a minimum, the annual strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

The Council delegates responsibility for the regular monitoring of its Treasury Management Policy and practices to the Executive, and for the execution and administration of day to day treasury management decisions to the Director of Finance and Resources (Section 151 Officer) who will act in accordance with the Waverley's Policy, Strategy and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates the Corporate Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Overall policy:

Waverley Borough Council defines its treasury management objectives as:

The effective management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks in order to ensure that financial resources are available at the right time to deliver the Council's service priorities.

Risk:

Waverley regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

Value for money:

Waverley acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives and is therefore committed to the principles of achieving value for money in treasury management and to employing suitable performance monitoring arrangements within the context of effective risk management.

Borrowing:

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should ensure the Council is transparent and has flexibility and control over its debt.

Investment:

Waverley's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

Treasury Management Strategy Statement 2015/16 **(incorporating Treasury Management Practice statements)**

Overall policy:

The major objective of managing daily cash balances to meet cash flow commitments remains the priority.

Investments:

Waverley's policy is to give security of investment a higher priority than rate of return/yield. Waverley's strategy and day to day practice, therefore, continue to be refined, within the boundaries agreed in the Annual Investment Strategy, in response to market conditions.

Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not considered sufficiently explicit. Consequently, Waverley does not intend to use derivatives. Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

Risk:

Waverley acknowledges that no treasury management activity is without risk. The major area of risk is identified as investment risk. Risks will be mitigated in a number of ways as set out in accordance with the specified Treasury Management Practices and Annual Investment Strategy. The cornerstones of current investment strategy are:

- to restrict lending to only those institutions which fit the Council's policy in terms of financial standing, credit ratings etc;
- generally to restrict lending to the shorter-term (typically 6 months or less) or to cover precept dates for the remainder of the year, except where the Director of Finance and Resources or Head of Finance agree to an investment over a longer period if interest rates are favourable, and within Waverley's criteria;
- to fix financial limits to each institution depending the quality of their financial ratings,
- to make all cash investments in GBP sterling in order to avoid exchange rate risk,
- that Waverley's general preference is for fixed rate investments for budgetary certainty and the avoidance of yield risk.
- To consider other forms of investment, such as property acquisitions, on a case by case basis subject to a comprehensive business case being presented to Members including analysis of risk and viability.

The Council is also committed to using available market intelligence to aid investment and borrowing decision making.

Value for money:

Waverley is committed to the pursuit of value for money in its Treasury Management function and to use performance methodology in support of that aim. This will be achieved through the formal reporting process set out in the Treasury Management Practices as well as the use of comparative performance indicators (including Prudential Indicators) for its investment returns and costs.

Borrowing:

Waverley borrowed £189m in March 2012, £5m of which was borrowed internally, for the purposes of HRA self-financing implementation. The Council adopted a flexible approach to this borrowing in consultation with treasury management advisers and in accordance with the approved HRA Financing Strategy approved by Council on 21st February 2012.

The following issues will be considered prior to undertaking any external borrowing:

- Affordability
- Maturity profile of existing debt
- Interest rate and refinancing risk
- Borrowing source

It may be advantageous in future with the HRA debt, as the Business Plan is developed, to reschedule some of the debt. Waverley's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk, savings in interest costs and/or to meet changing cash demands. The rationale for undertaking any future HRA debt rescheduling would be one or more of the following:

- Interest rate savings and premiums
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

Currently there is no planned long/medium term borrowing planned in respect of General Fund services. Temporary borrowing for the purposes of financing day to day expenditure commitments is allowed for short periods if economic on the day. All borrowing activity will be reported to the Executive.

Overall, borrowing will be managed within the Authorised Limit for External Debt (See Prudential Indicator 5) and the HRA debt will not exceed the specified statutory cap.

Minimum Revenue Provision (MRP) Annual Policy Statement - The scheme of Minimum Revenue Provision (MRP) requires Local Authorities to set aside some of their revenues as provision for debt each year of an amount considered to be 'prudent'. Prudent provision should ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, the period implicit in the grant determination.

Following the implementation of International Financial Reporting Standards, finance leases may also be subject to the requirements of MRP. However, borrowing to finance capital expenditure on housing assets is not subject to MRP.

Guidance on MRP has been issued by the Department of Communities and Local Government. The guidance sets out options for making a prudent provision for MRP. If the Council undertakes borrowing requiring an MRP provision, it will apply the most appropriate option having regard to the guidance. A more detailed statement on the MRP policy adopted will then be submitted to Council.

TREASURY MANAGEMENT PRACTICES (TMP)

TMP1 RISK MANAGEMENT

General Statement

The Director of Finance and Resources, (Section 151 Officer) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and report as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in *TMP6 Reporting requirements and management information arrangements*. In respect of each of the following risks, detailed arrangements, which seek to ensure compliance with these objectives, are set out in 'Additional Information' schedules that were agreed with the Portfolio Holder for Finance and the Director of Finance and Resources in March 2010.

Credit and Counterparty Risk Management

The key risk in Waverley Borough Council's treasury management activities is the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited and will limit its investment activities to the instruments, methods and techniques referred to in *TMP4 Approved instruments methods and techniques*.

Liquidity Risk Management

Waverley Borough Council will ensure it has adequate cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

Waverley Borough Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current approved capital programme or to finance future debt maturities. The statutory HRA debt transaction has already been undertaken.

Interest Rate Risk Management

Waverley Borough Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements, as revised, in accordance with *TMP6 Reporting requirements and management information arrangements*. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications considered by the Executive as appropriate.

Exchange Rate Risk Management

Waverley Borough Council's current approved policy allows cash investments solely in GBP sterling and, accordingly, does not have an exchange rate risk management strategy at this time. Should market conditions change such that foreign currency deals become appropriate, this Treasury Management Practice will be developed to cover this.

Refinancing Risk Management

Waverley Borough Council will ensure that its borrowing is structured and documented, and the maturity profile of the debt is managed with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to Waverley as can reasonably be achieved in the light of market conditions prevailing at the time.

Legal and Regulatory Risk Management

Waverley Borough Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its TMP1[1] *credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with Waverley, particularly with regard to duty of care and fees charged.

Waverley Borough Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

Fraud, Error and Corruption, and Contingency Management

Waverley Borough Council will ensure that it has identified the circumstances, which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Market Risk Management

Waverley Borough Council will ensure that its stated treasury management policies and objectives do not expose the Council to the risk of adverse market fluctuations in the value of the principal cash sums it invests and will accordingly protect itself from the effects of such fluctuations.

TMP2 PERFORMANCE MEASUREMENT

Waverley Borough Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives.

TMP3 DECISION-MAKING AND ANALYSIS

Waverley Borough Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

Waverley Borough Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Strategy and Annual Investment Strategy, and within the limits and parameters defined in TMP1 *Risk management*.

Should Waverley decide in future to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The organisation will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products

TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

Waverley Borough Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decision, and the audit and review of the treasury management function.

If the Council has to depart from these principles, the Director of Finance and Resources will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements* and the implications properly considered and evaluated.

The Director of Finance and Resources will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements for absence cover. The responsible officer will also ensure that at all

times those engaged in treasury management will follow the policies and procedures set out.

The delegations to the Director of Finance and Resources in respect of treasury management have been agreed with the Portfolio Holder for Finance and the Director of Finance and Resources in March 2010. The Director of Finance and Resources will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and CIPFA's *Standard of Professional Practice on Treasury Management*.

TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Waverley Borough Council will ensure that regular reports are prepared and considered on:

- the implementation of its treasury management policies
- the effects of decisions taken and transactions executed in pursuit of those policies
- the implications of changes, particularly budgetary, resulting from regulatory economic, market or other factors affecting its treasury management activities
- the performance of the treasury management function.

As a minimum:

The Executive will receive:

- An annual report on the strategy to be pursued in the coming year;
- Quarterly monitoring reports on treasury management activities and risks;
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

The Corporate Overview and Scrutiny Committee will have responsibility for the scrutiny of treasury management policies and practices and will receive the annual strategy documents for comment and periodic performance reports.

TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

The Director of Finance and Resources will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement* and TMP6 *Approved instruments, methods and techniques*. The Director of Finance and Resources will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP8 CASH AND CASH FLOW MANAGEMENT

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Finance and Resources, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Director of Finance and Resources will ensure that these are adequate for the purposes of monitoring compliance with TMP1[1] liquidity risk management.

TMP9 MONEY LAUNDERING

Waverley Borough Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, the Council will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made have been agreed by the Audit Committee.

TMP10 TRAINING AND QUALIFICATIONS

Waverley Borough Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Finance and Resources will recommend and implement the necessary arrangements.

The Director of Finance and Resources will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 USE OF EXTERNAL SERVICE PROVIDERS

Waverley Borough Council recognises that responsibility for treasury management decisions remains with the Council at all times. The Council recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons, which have been submitted to a full evaluation of the costs and benefits. The Council will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Finance and Resources.

TMP12 CORPORATE GOVERNANCE

Waverley Borough Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed for review as mentioned in this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Director of Finance and Resources will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

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Annual Investment Strategy 2015-16

The Annual Investment Strategy is required under the Treasury Management code of Practice and statutory Investment Guidance issued by the Department of Communities and Local Government. Waverley's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments and the yields earned on investments are important but are secondary considerations.

The 2015/16 Strategy is framed against this backdrop of continued uncertainty in the market. On a local level, the Strategy also recognises the significant levels of cash currently held by Waverley, mainly due to the accumulated HRA funds which will be spent on new affordable homes as schemes are delivered.

The capital finance regulations require the Council to determine a number of limits and guidelines for its investment activity including 'specified' and 'non-specified' investments. Specified investments are those held in sterling with a maturity of no more than a year and must be with the UK Government, UK local authorities or "high" credit rated institutions. Non-specified investments are any investments that do not meet the above criteria.

To meet the requirements of the Regulations it is proposed that the following policy and limits apply to all of Waverley's investment activity in 2015/16:

- Cash investments only with UK Local Authorities and the UK Government and institutions assessed as having a 'high credit quality'
- 'High credit quality' means having AAA rating for sterling money market funds or a minimum rating of A- for any banks and building societies, and being considered to have high credit credentials after taking account of the factors listed below.
- Waverley will not make any non-specified cash investments, other than when the investment is non-specified by virtue of it being for a period of more than one year, subject to it being an approved counterparty and an assessment of risk.
- £10million is the maximum investment in any single specified organisation at any one time.
- £15m is the total investment with any group - £7.5m remaining the maximum with any single member of that group
- Up to date information gathered by officers, together with specialist advice if appropriate, will be used to ensure compliance with the strategy
- Every investment will have a ratings check on the day of the investment and a list of potential counterparties will be prepared and approved by the S151 Officer before 1st April each year and updated throughout the year
- The maximum total investment at any one time that can prudently be committed for more than one year is £10 million.
- If cashflow certainty can be demonstrated over a longer term, Waverley will consider investing in property provided that a business case is presented to Members including a risk and viability assessment.
- The Director of Finance and Resources can seek the approval of the Executive to change the above limits during the year if necessary, provided that it is in the best interests of the Council to do so.

The proposed boundaries set out above remain as previously. In practice, the continuing market conditions will mean that controls may be tightened further, within the bounds of the approved policy, to create as much security as possible for Waverley's investment portfolio. These measures include:

- The major objective of managing daily cash balances to meet cash flow commitments remains the priority although it is recognised that the HRA cashflows are now significant and greater certainty exists so longer term investment decisions are possible
- In addition to the thresholds above, the maximum amount invested in any single specified organisation will generally be restricted to no more than 20% of the overall total external investments at that time
- Short term lending, generally targeted at up to 6 month, is generally judged to generate the best balance of return to risk, and most of Waverley's investment will fall into this category; although any opportunities in the yield curve with longer term investments may be taken
- Investments are also monitored on a sector basis and judgments made as to the appropriate level within each sector taking into account appropriate treasury management information
- General Market information is also used to enable some targeting of investment partners and the objective views of the credit agencies still have a value and are monitored more regularly.
- Close monitoring of credit ratings at the point of transaction including consideration of the 'future outlook' assessment.
- Increased frequency of updating the list of preferred organisations for investment with reduced working maximum limits for lower rated counterparties.

In order to continually review the Council's counterparty list and to make a judgement about whether a counterparty has a 'high credit quality', officers will gather and consider information such as:

- Credit rating 'future outlook' assessments
- Published credit ratings for financial institutions
- Economic fundamentals
- Share Prices
- Corporate developments, news, articles, markets sentiment and momentum

A major problem in the current environment is acknowledged as finding an investment counterparty providing acceptable levels of counterparty risk. In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty within the limits set out in this Strategy will be set to ensure prudent diversification is achieved.

Banking - Waverley banks with HSBC. At the current time, HSBC meets the minimum credit criteria of 'A' long term. The Council continues to monitor the credit rating of HSBC and would report to Members if any major concerns emerged. If the credit rating falls

below the Authority's minimum criteria HSBC would have to be used in the short term for business continuity and liquidity requirements.

However, in practice, it would be impossible to restrict the Council's own bank, HSBC, to the same £limits as other investment counterparties because there are many instances when cash in excess of £10m is moving through the Council's HSBC bank accounts. Given also that it is likely that there will often be occasions when Waverley has more cash than the total of its approved counterparty limits, it is therefore necessary to specifically exclude HSBC's banking activities from the £10m limit. It should be noted that existing HSBC bank accounts are all instant access.

Training - CIPFA's Code of Practice requires the *responsible officer* to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Waverley's approach to training is set out in the schedule supporting Treasury Management Practice (TMP) 10.

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Prudential Indicators

To fulfil the requirements of the Prudential Code, the Council must produce and maintain a specified set of 'Prudential Indicators'. In setting and revising these indicators, and more importantly in any decision on borrowing, the Council must take into account affordability, eg implications for Council Tax and housing rents and prudence and sustainability, eg implications for external borrowing. All of the required Prudential Indicators are included below. Explanatory text is included where necessary.

The prudential indicators are there to support decision-making and are not designed to be comparative performance indicators with other councils. The indicators which require future forecasts are rolling scenarios, not fixed for the three-year period. They can be reviewed at any time by the S151 Officer, subject to Council approval. The S151 Officer must monitor performance against each indicator during the year.

There are other major decisions for the Council in the next few years that may have a significant impact on capital financing decisions, such as the ongoing development of the HRA Business Plan and the Brightwells development. As these details become available, the indicators will be reviewed and, if necessary, reconsidered by Members.

Indicator 1 - Estimates of capital expenditure

	2013-14 £000 Actual	2014-15 £000 Latest Estimate	2015-16 £000 Estimate	2016-17 £000 Estimate	2017-18 £000 Estimate
General Fund	1,675	8,016	3,417	1,993	724
HRA	12,255	17,347	21,404	17,888	20,745
Total	13,930	25,363	24,821	19,881	21,469

These estimates are as included in the capital programme report and, in the case of the previous year's actuals, as shown in the Statement of Accounts.

Indicator 2 - Estimates of the ratio of financing costs to net revenue stream

	2013-14 Actual	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
General Fund	-2.92%	-2.49%	-2.50%	-2.59%	-2.69%
HRA	19.73%	20.02%	19.14%	18.51%	17.73%

The net revenue stream is the total net expenditure to be met from Government grant and local taxpayers or, in the case of the HRA, the net amount to be met from rent income. Financing costs are the net of any interest on borrowing, interest earned on investments and any amounts made as revenue provision to repay debt.

The estimates of financing costs include current commitments and the proposals in the budget report. At 31st March 2014, investments totalling £44million were held, much of which represent balances and reserves, with the balance being held for

cash flow purposes. The projected reduction in the General Fund ratio reflects estimates of the overall draw on capital receipts and other internal resources to fund the capital programme. The HRA figures are determined by Regulations and reflect the external borrowing rate on the self-financing debt.

Indicator 3 - Capital financing requirement

	2013-14 £000 Actual	2014-15 £000 Estimate	2015-16 £000 Estimate	2016-17 £000 Estimate	2017-18 £000 Estimate
General Fund	863	1,500	0	0	0
HRA	192,793	192,793	192,793	192,793	192,793
Total	193,656	194,293	192,793	192,793	192,793

This indicator is a measure of the underlying need to borrow for capital purposes, it is not the level of actual borrowing held or required or of the actual level of other capital resources held. The requirement increases as capital expenditure is incurred or planned, and reduces when financing from capital receipts, grants or revenue is applied. The HRA self-financing debt is deemed to be capital expenditure under the regulations. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Waverley intends to finance most of its General Fund routine capital programme from existing resources in the medium term. The programme will be reviewed as part of each year's General Fund budget setting process to match planned expenditure to the level of resources available.

Indicator 4 - Actual External Debt

Actual External Debt as at 31/03/2014	£m
Borrowing	187.0
Other Long-term Liabilities	0.9
Total	187.9

This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit. The HRA self-financing transaction included internal borrowing of £5m from the General Fund which is not included in the prudential indicators.

Indicator 5 - Authorised limit for external debt

	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
General Fund	£5m	£5m	£5m	£5m
HRA	£188m	£188m	£188m	£188m
Total	£193m	£193m	£193m	£193m

The Authorised Limit sets the maximum level of external borrowing on a gross basis (ie not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet ie long and short term borrowing,

overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases.

Whilst cash flows are currently managed using the investment portfolio, it is possible that short-term borrowing may be necessary. As the indicators in this report show, other than the £187m self-financing external debt on the HRA, a significant amount of borrowing for capital purposes is not currently expected to be necessary in the short term. However, it is sensible to have in place an authorised borrowing limit at a prudent level to enable treasury activity if necessary. In approving this limit, the Council is approving the limit as required under section 3(1) of the Local Government Act 2003.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

Indicator 6 - Operational boundary for external debt

	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
General Fund	£5m	£5m	£5m	£5m
HRA	£188m	£188m	£188m	£188m
Total	£193m	£193m	£193m	£193m

The operational boundary for external debt is the most likely, prudent but not worst-case scenario, without the additional headroom allowed for in the authorised limit to allow for unusual cash movements. As the authorised limit for external debt is currently intended to cover mainly cash flow movements and the £187m HRA self-financing external borrowing, it is not necessary to set the operational boundary at a lower level. If a greater degree of borrowing for capital purposes is required in the future, both indicators will be reviewed.

Indicator 7 - Incremental impact of current capital investment decisions on the council tax

	2015-16 £000 Estimate	2016-17 £000 Estimate	2017-18 £000 Estimate
For Band D Council Tax	Nil	Nil	Nil
For average weekly housing rents	Nil	Nil	Nil

This indicator shows the impact of the capital investment decisions on the Council Tax and rent levels. It allows the totality of the Council's plans to be considered at budget setting time. Whilst this is an indicator that Members must consider when taking decisions on borrowing, it doesn't necessarily follow that council tax or rent has actually been increased by the amount shown in the indicator.

In reality, due to the pressures on Waverley's budget, any net cost of borrowing will have to be offset by savings in other budgets, therefore the impact on the council taxpayer in cash terms would be zero. This is currently the intention with any future

borrowing for General Fund capital schemes. The self-financing debt on the HRA does not impact adversely on housing rents as the HRA 30-year business plan is modelled to meet interest and principal repayments from the cessation of negative housing subsidy payments. If this position changes in the future, this indicator will be revised and reported to Members for approval.

Indicator 8 – Limits on Investments

	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
The upper limit on fixed rate investments as a % of net outstanding principal sums	100%	100%	100%
The upper limit on variable rate investments as a % of net outstanding principal sums*	10%	10%	10%

*Excludes money held in call or instant access deposit accounts

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculates these limits on net principal outstanding sums. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate reductions which could adversely impact on the revenue budget.

Indicator 9 – Maturity Structure of Borrowing

The maturity structure of borrowing (as % of overall projected fixed rate borrowing)	2015-16 Estimate		2016-17 Estimate		2017-18 Estimate	
	Upper	Lower	Upper	Lower	Upper	Lower
-under 12 months	100%	90%	100%	90%	100%	90%
-between 1 and 30 years	100%	100%	100%	100%	100%	100%

This indicator highlights the existence of any large concentrations of fixed rate debt and is intended to help protect against excessive exposures to interest rate changes in any one period. All borrowing related to the HRA.

Indicator 10 – Upper Limits on Investments >364 days

	2014-15 Estimate	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
The upper limit of principal sums invested for periods of more than 364 days	£10m	£10m	£10m	£10m

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Indicator 11 – Gross debt and the Capital Financing Requirement

	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
Gross debt (Indicator 4)	£187m	£187m	£187m
Capital Financing Requirement (Indicator 3)	£193m	£193m	£193m

In order to ensure that over the medium term debt will only be for a capital purpose, external debt should not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. Based on the definition of this indicator, Waverley's figures are showing a prudent position.

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 03/02/2015

Title:

ANNUAL PAY POLICY STATEMENT 2015/16

[Portfolio Holder: Cllr Robert Knowles]

[Wards Affected: All]

Summary and purpose:

The purpose of this report is to advise Members of the Annual Pay Policy Statement for 2015-16.

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

Value for Money: the pay policy supports Waverley's strategic aim to ensure that the Council is equipped to provide excellent services to local people and strong community leadership by creating a high performing staff team and operating first class policies and practices.

Financial Implications:

The pay policy supports the strategic aim to ensure that all spending delivers value for money.

Legal Implications:

The policy meets the requirements of the Localism Act 2011 and all other relevant legislation.

Introduction

1. The Localism Act 2011 requires all public authorities to publish Annual Pay Policy Statements.
2. The Council is required to adopt the Annual Pay Policy Statement each year and the Council is not legally permitted to depart from the policies set out in that statement when it considers actual decisions in relation to individuals' remuneration, including redundancy and/or severance.
3. The Annual Pay Policy Statement for 2015-16 has been updated in line with the requirements of the Localism Act 2011, resulting in minimal adjustment from last year and the amendments are shown as tracked changes.

Recommendation

It is recommended that the Annual Pay Policy Statement for 2015-16 be approved and recommended to the Council for adoption.

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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WAVERLEY PAY POLICY 2014~~5~~/156

PUBLISHED AS AN ANNUAL STATEMENT FROM 2012/13

In line with the Government's principles of pay accountability set out in the Localism Act 2011, Waverley has an open and transparent approach to the salaries and payments of all our staff. The Council publishes the salaries of the Executive Director, Directors and Heads of Service with a description of each role and responsibility within the authority. This means that all our senior ~~salaries~~ salaries (including all those of £58,200 and above) are easily accessible by members of the public who can see exactly what is paid for particular roles and responsibilities. Full Council will vote on any new appointment with a salary package of £100,000 or more. From April 2014, in line with the revised Code of Recommended Practice for Local Authorities on Data Transparency, the number of staff whose remuneration (including benefits) exceeds £50,000 and a list of their responsibilities, ~~will be~~ has been published on the website.

The Council's organisational structures are also published on its website with the job descriptions for our senior staff. We are committed to ensuring that our salaries and payments are subject to the principles of fairness, openness and consistency and these can be tested against value for money and equal pay. The salary structure is published on our website and this shows that salaries are linked to particular grades. Grades are determined by job evaluation giving each job description a relative value. The current salary structure was agreed by the full Council in December 2010 after consultation with staff representatives through the Council's Joint Negotiating Committee (JNC). ~~This was last updated from in April 2013⁴ and continues to apply the reflect to incorporate~~ the UK Living Wage as the minimum evaluated salary grade ~~and was updated again from January 2014 to reflect the new senior management structure~~. The Council considers whether to give a pay award each year.

The grading structure covers a wide range of jobs, ~~from Cleaners and Catering Assistants on the lowest grade to Heads of Service on the highest grade~~. The differentials between the salary grades for these jobs ~~se grades and jobs can be~~ objectively justified by our job evaluation system which takes account of equal pay for work of equal value and evaluates each job based on the level of skills, knowledge, problem solving and accountability required. The pay multiple (ratio between the Executive Director's salary and the median salary of the authority's workforce) is 1:4. ~~will be~~

More details can be found at www.waverley.gov.uk/spend.

The Council has adopted tight controls on workforce costs including salaries and payments. Any newly appointed or promoted staff start at the bottom of the grade (the "starting salary"). In exceptional circumstances, where salary benchmarking and recruitment experience demonstrates the impact of salary competitiveness on the ability to recruit suitably qualified staff, the Corporate Management Team may authorise recruitment to a higher point within the grade. Except in exceptional circumstances, Waverley is also committed to 'clean pay' for newly recruited staff and only pays staff an allowance where it is absolutely necessary such as for election duties or when overtime needs to be worked.

~~and. The Council no longer pays any market supplement or responsibility allowance to newly appointed staff.~~

The role of Returning Officer and Electoral Registration Officer is a separate responsibility ~~and which~~ is remunerated separately ~~and paid after each election in accordance with in monthly instalments. More detail can be found at www.waverley.gov.uk/spend. The Council no longer pays any market supplement or responsibility allowance to newly appointed staff.~~ the appropriate Statutory Fees and Charges Order.

The Council does not have ~~any~~ performance related pay or bonuses. The Council does not employ any staff through personal service companies, except in exceptional circumstances agreed by the Executive Director and Portfolio Holder for Strategic HR.

The Council has 12 grades on the pay scales, plus the grades for the Directors and Executive Director. Each has 5 salary increments which progressively go up from the lowest pay point to the highest, ~~(see Appendix 1)~~, except for that of Executive Director which is a spot salary. The Council has also approved, from November 2013, a professional planners salary scale with 5 grades and 5 salary increments. This incremental progression applies to all staff on the pay grades until they reach the top pay point. The progression is dependent on satisfactory performance and would normally be applied in April each year.

As a result of careful financial management and budgetary planning, the Council endeavours to avoid making compulsory redundancies and our policy is to minimise any job loss wherever possible. We only consider applications for early retirement and voluntary redundancy if there is a business case ~~which and this~~ can be justified under the principles of public interest and value for money. If a redundancy is necessary, the Council's policy is to pay at a rate of 1.5 weeks for each completed year of service. In accordance with this policy, in exceptional circumstances, the Council may decide to make a one-off termination payment in the interests of the efficiency of the Council's services. This will normally be no more than the person concerned would have received under the redundancy policy. Any proposal to make a termination payment of £100,000 or more will be approved by full Council, with a detailed breakdown of the components of the package (for example pay in lieu of notice, redundancy, pension, outstanding holiday) provided to Councillors.

The Council's ~~encourages~~ flexible retirement ~~policy can allow~~ a smoother transition between work and retirement and as a way of transferring skills and knowledge within the workforce and supporting succession planning. ~~This applies where~~ ~~Where~~ there is no financial ~~or service~~ detriment for Waverley ~~we would normally agree requests for flexible retirement subject to the needs of the service~~. Requests for early retirement, for example in the interests of the efficiency of the service, are considered on a case by case basis by full Council. If the request balances the needs of the service, tax payer and individual then ~~it they~~ may be granted.

The Council's usual policy is not to re-employ staff who have left the Council's employment and are in receipt of a pension. ~~(unless it is a flexible retirement).~~

~~Whilst there has been a significant reduction in recruitment and retention costs in the last two years,~~ ~~†~~ The Council continues to invest in successful apprenticeship and Graduate trainee schemes. We also invest in the learning and development identified through the appraisal process of all our managers and staff so that we can continuously improve the quality of service to Council Tax payers and customers.

Waverley has held Investors in People accreditation since 2004 and has again been awarded the Investors in People standard following a rigorous assessment. Waverley demonstrates key features of a “High Performing Workplace” such as the development of a high performing, highly engaged staff team, a clear appraisal system linked to structured service plans and a measurement and celebration of individual and service success.

Investors in People is a national award which recognises organisations that improve performance through the effective management and development of their people.

The Council considers that everyone should be able to understand how this Pay Policy applies in practice and therefore the salary and staff information will be updated when changes occur and at the start of each financial year following approval by ~~our~~ full ~~C~~ouncil.

Appendices:

~~Appendix 1 — The Council's pay scales from 1 January April 2014,~~

~~Appendix 2 — Current rates for travel and subsistence expenses~~

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 03/02/2015

Title:

EUROPEAN WASTE FRAMEWORK DIRECTIVE

[Portfolio Holder: Cllr Donal O'Neill]

[Wards Affected: All]

Summary and purpose:

This report summarises the implications of Article 10 of the European Waste Framework Directive (EWFD), highlights the potential risk to the way in which waste and recycling services are currently provided in Waverley (via co-mingled collections), and sets out the actions that have been put in place to safeguard the Council's current approach into the future.

The report concludes that the Council's current waste collection arrangements conform with the requirements of the European Waste Framework Directive, and asks the Executive to endorse this position.

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

This report relates to the following Corporate Priorities:

- **Value for Money**- Providing customer-focused services at the best value for money.
- **Understanding Residents' Needs**- Focusing on providing the services our residents want.
- **Environment**- Increasing Waverley's recycling rate to 60% by 2015

Financial Implications:

Any move back to a source-segregated collection system in Waverley would require significant investment, both in terms of the initial outlay for new recycling containers and in terms of the on-going additional costs of operating a more labour-intensive system, requiring additional vehicles and more manpower.

Legal Implications:

All local authorities must comply with the European Waste Framework Directive and the Waste (England and Wales) Regulations 2011 and TEEP (see below) requirements.

With effect from 1 January 2015, Regulation 13 of the Waste (England and Wales) Regulations 2011 requires the Council as a waste collection authority to separately collect waste paper, metal, plastic or glass, but only where such separate collection is necessary to ensure that waste undergoes recovery operations in accordance with Article 4 (the waste hierarchy) and Article 13 (protection of human health and the environment) of the Waste Framework Directive and to facilitate or improve recovery

(quality and quantity) and it is technically, environmentally, and economically practicable (TEEP).

This requirement applies to commercial as well as household waste.

The Council currently collects its dry recyclates co-mingled rather than separately. Accordingly, in order to ensure it is complying with the new duty in regulation 13, the Council needs to actively consider whether separate collection would improve the quantity of material that could be recycled or reused, and the quality of recyclates.

Where separate collection is considered necessary in accordance with Regulation 13(4), the assessment of “practicability” then has to be undertaken robustly.

The outcome of the Council’s assessment should be properly documented (including the evidence base for its decision) so that, if necessary, its decision can be justified to the Environment Agency and any subsequent legal challenge can be successfully resisted.

Introduction

1. Article 10 of the EWFD was introduced in order to encourage high quality recycling in Europe. This has been transposed into UK law via The Waste Regulations 2011 (and 2012 amendment).
2. In summary, The Waste Regulations 2011 (as amended) require any organisation that collects waste to:
 - a) Comply with the waste hierarchy (i.e. reduce, reuse, recycle), and to;
 - b) Collect paper, metal, plastic and glass by separate collection (i.e. separate containers for different materials), by January 2015, unless:
 - i. It is not necessary to achieve a similar level of quality and,
 - ii. It is not technically, environmentally and economically practicable (TEEP) to do so
3. Failure to comply with the legislation could result in legal challenge.
4. The legislation uses ‘source segregated’ (kerbside sort) collections as the benchmark for high quality recycling. Source segregation should therefore be viewed by authorities as the default collection system. If Local Authorities wish to move to, or retain, a commingled collection system, they will need to demonstrate that a source segregated system is not:
 - a) Necessary to facilitate or improve recovery, and
 - b) TEEP (Technically, Environmentally and Economically Practicable)

The decision-making process around TEEP is more important than the decision. Therefore it is important that each decision has a clear audit trail. It is also important to note that TEEP is not a one-off process and should be reviewed regularly in light of changing markets, improving technology etc.

The 'necessity test'

5. To demonstrate that a source segregated system is not 'necessary to facilitate or improve recovery', the quality of commingled collected material must be 'similar to that achieved with separate collection' and ensure high quality is achieved 'just as well' as from source segregated collections.

TEEP

6. In order to prove that a source segregated option is not TEEP an authority must prove that:
 - a. Technically - there's no proven way to do it, i.e. there are significant practical barriers.
 - b. Economically – a source segregated collection would incur excessive and disproportionate costs.
 - c. Environmentally - demonstrate that the negative environmental effects outweigh the ecological benefits.

How likely is a Challenge?

7. It is considered unlikely that any challenges will be forthcoming on day one of the amended regulations coming into force; it is more likely that challenges will come where contract changes / renewals are being made (which, in Waverley's case is likely to be in 2018/19).
8. For the proposed Joint Collection Contract for Surrey on the other hand, the OJEU notice is due to be issued in early spring 2015, and it is considered likely therefore that this will provide a valuable early test locally, both of whether a challenge comes and the outcome of that challenge.

Compliance Assessment

9. The progress of this legislation has been followed closely by Officers, in liaison with partners across the county. With 10 of the 11 Waste Collection Authorities in Surrey providing a 'commingled' recycling collection (and the eleventh seriously considering it) it is widely recognised that any move back to a source segregated approach would have significant operational, environmental and financial implications- as well of course as having a profound affect on customer satisfaction and engagement.
10. In order to build the case and to determine whether indeed TEEP applies, detailed modelling work has now been carried out on a borough-by-borough basis with the aim of ensuring that each District & Borough has its own position statement.
11. As the legislation is new, there is currently no established and tested methodology for this type of study, so it has been extremely important to take a thorough and robust approach; and it is reassuring to note that, given the positive progress made on this across the county, interest has been shown by a number of other councils and specialist consultants in the work carried out in Surrey.

12. The report at Annexe 1 presents the results of this compliance modelling for Waverley Borough Council.

Conclusion

13. In headline terms, the conclusions of the assessment are that, in Waverley:
 - a) Separate collections are not necessary for paper, metal or plastic, because they produce less closed-loop recycling. However they are necessary for glass, assuming that all glass from the MRF goes to open-loop recycling.
 - b) Separate collections are technically practicable as they are successfully operated in many authorities throughout England which have a wide-range of geographies.
 - c) Separate collections are not environmentally practicable when compared to either the current system or an optimised comingled system.
 - d) As separate collections appear to have no environmental benefits over the other two systems, and are significantly more expensive, it could be strongly argued that separate collections are not economically practicable in this case.

Recommendation

It is recommended that the Executive:

1. endorses the conclusions of the Compliance Modelling exercise for Waverley and agrees, in light of this, to continue with the current waste collection system until at least 2019 when the service will be retendered;
2. acknowledges the need to keep the current assessment under review and to carry out a new assessment if and when any significant service changes take place; and
3. asks Officers to continue to closely monitor best practice approaches to recycling and waste disposal across the country in order to identify any potential improvements to the current approach in Waverley.

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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Waste (England and Wales) Regulations 2011 (amended)

Compliance assessment

Waverley Borough Council

Introduction

New regulations are coming into force which aim to promote high quality recycling and move us towards becoming a recycling society.

The Waste England and Wales Regulations 2011 (as amended) (the 'Waste Regulations') require any organisation that collects waste to:

- Comply with the waste hierarchy
- Collect paper, metal, plastic and glass by separate collection (i.e. separate containers for different materials), by January 2015, unless:
 - It is not necessary to 'facilitate or improve recovery' and,
 - It is not technically, environmentally and economically practicable to do so

Failure to comply with the Waste Regulations could result in a judicial review of an authority's collection systems, possibly resulting in:

- Payment of damages & legal costs to the claimant (likely to be a reprocessor or group of reprocessors)
- Compliance, stop and/or restoration notices from the Environment Agency

The Waste Regulations are complicated and there is much uncertainty around how to comply with them. Defra have not provided any guidance, however a WRAP led consortium of local government networks have produced a 'Route Map'¹ to help local authorities assess their compliance with the regulations. This has been described by the Environment Agency as good practice.

Surrey Waste Partnership (SWP) has used the Route Map as a basis for assessing the compliance of each Waste Collection Authority (WCA) with the Waste Regulations. Surrey County Council (SCC) undertook the compliance modelling using data supplied by participating WCAs.

This report presents the results of the compliance modelling for Waverley Borough Council (WBC).

¹ Available here: <http://www.wrap.org.uk/content/requirements-waste-regulations>

Methodology

The Route Map advocates using three key ‘tests’ to see if an authority is complying with the Waste Regulations. These are the:

- Waste hierarchy test - to test if each material collected by the WCA is being managed as far up the waste hierarchy as possible
- Necessity test - to test if each of the four key materials (glass, metal, paper and plastic) needs to be collected by separate collections in order to ‘facilitate or improve recovery’
- Practicability test - to test if separate collections are technically, environmentally and economically practicable for each of the four key materials

There are many overlaps between the tests advocated by the Route Map, particularly around economic and environmental impacts. We have therefore undertaken comprehensive modelling work for WBC which compares the economic and environmental impacts of:

- Its current waste collection system
- An optimised comingled collection system
- An optimised separate collection system

The results of the modelling have produced data which tell us if the current system or an optimised comingled system is compliant under each test when compared against optimised separate collections (which act as the benchmark for compliance).

The modelling takes a whole system approach, looking at the economic and environmental impacts right from the provision of bins through to the reprocessing of materials into new products. Figure 1 summarises the main areas where costs (in £ to the WCA and SCC) and environmental impacts (total CO₂ equivalent) were estimated during the modelling.

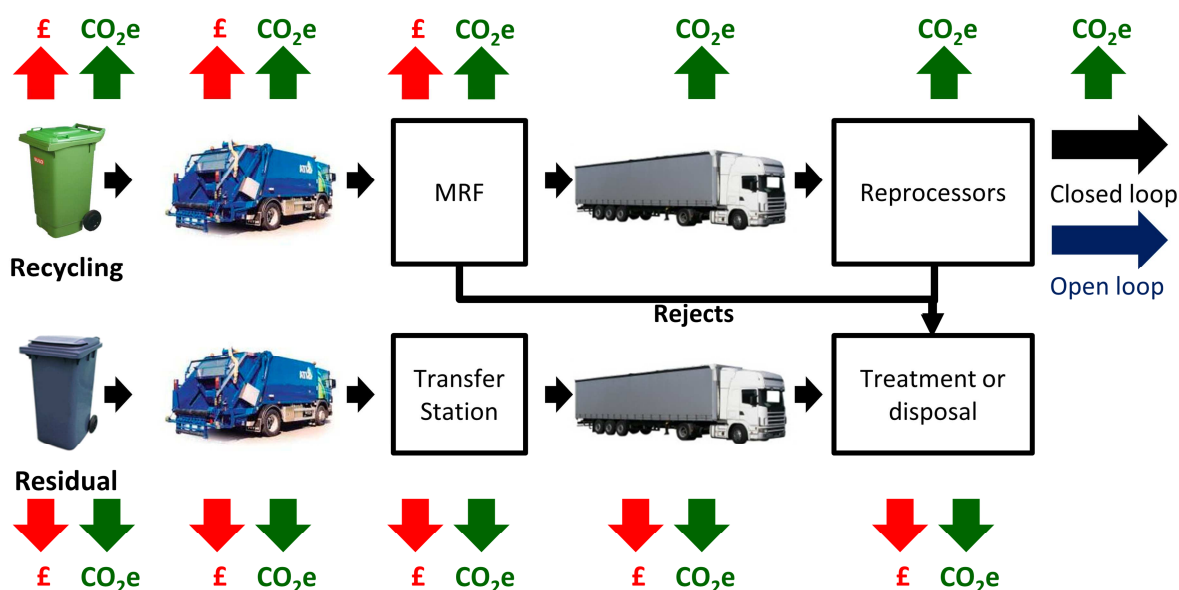


Figure 1: Summary of the variables modelled for a fully comingled collection system
The modelling was done by adapting two existing models:

- WRAP's Kerbside Assessment Tool (KAT) to model collection costs
- DEFRA's greenhouse gas emissions tool to model environmental impacts

Current collection system

WBC's current collection system collects the following waste streams using specific vehicles:

1. Fortnightly comingled collections of paper, cardboard, plastics (bottles and pots/tubs/trays), glass, metal (cans/tins) with separated food in split bodied RCVs.
2. Refuse (fortnightly) with separated food in RCVs with food pods.

Actual data from the year 2013/14 for the current collection system was provided by WBC and used to model the system's impacts in the following way:

- KAT was used to determine the collection cost of the current system, the tonnages of each material going for recycling or disposal and the fuel consumption. The fuel consumption was used to estimate the environmental impact of collection.
- Gate fee information for the MRF, material reprocessors and residual waste treatment facilities was combined with tonnage information from the previous stage to calculate the management cost of the waste materials. The environmental impacts of these facilities were calculated using energy consumption figures (per tonne) for each facility, where available. Suitable figures from similar facilities were used where actual figures were not available.
- Onward transport routes and methods were combined with tonnage and fuel consumption data from the previous stage to estimate the environmental impact of onward transportation
- Finally, DEFRA's greenhouse gas emissions factors were used with emissions data from primary research to determine the environmental impacts of reprocessing materials at their final destination

Optimised collection systems

The optimised collection systems were modelled in the same way as the current system but with the following key changes:

- Upper quartile recycling rates from a WRAP database were modelled for each type of optimised system
- Both optimised systems operate on a 'single pass' basis with all materials including food collected on the vehicle
- For the optimised comingled system, the same collection vehicles and frequencies were modelled as used by the current system
- For the optimised separate system, a kerbsider vehicle with food compartment was modelled. Recyclable collections were weekly because of the relatively small size of the recyclables boxes, but residual collections were fortnightly.
- For both systems the final destination of each material was modelled as being the nearest reprocessor that did closed-loop recycling

Boundaries of the assessment

The assessment was undertaken for WBC's core collection rounds only, as these represent by far the largest part of its waste collection service. It was not done for any other collections.

Outputs

The outputs of the modelling for the current system and both optimised systems were used in the three Route Map tests to assess compliance against the Waste Regulations.

Results

Necessity test

The necessity test is intended to determine if separate collections are required to 'facilitate or improve' recovery, i.e. deliver more 'high quality recycling'. The Route Map says that high quality recycling can be defined as closed-loop recycling i.e. reprocessing a material back into a product of similar quality to what it was originally.

The purpose of this test is, therefore, to determine the tonnages of material sent to closed loop recycling by each system. For the avoidance of doubt these tonnages do not include waste material removed as rejects along the way at sorting and reprocessing facilities. Table 1 shows the results of this assessment.

Table 1: Tonnes of material sent to closed loop recycling

Material	Current	Separate	Comingled
Paper	6,721	5,795	6,734
Glass	0	1,410	0
Metal	417	369	431
Plastic	834	1,371	1,543
Total	7,972	8,945	8,707

The current collection system produces the least closed-loop recycling overall. This is mostly because:

- WBC currently has low capture rates for plastic, these are modelled to be much higher under the other two systems
- From the data provided for the current system, it was unclear if any of the glass from WBC's MRF was sent to closed-loop recycling, so it was assumed that it was all sent to open-loop (the same assumption was used for the optimised comingled system)

The separate collection system sends the second-most material to closed-loop recycling overall, which is predominantly because a proportion of its glass goes to closed-loop recycling, which is not assumed to happen under the other systems. It also sends a larger proportion of the other materials to closed-loop recycling as there are no MRF rejects, however this is tempered by the fact that it captures a lower tonnage of some materials than the other systems.

The optimised comingled system sends the most closed-loop material to recycling for all materials except glass (which is all assumed to go to open-loop recycling). This is because this system captures the highest tonnage of each material, even accounting for the fact that some of this is lost as rejects at the MRF.

Discussion

The necessity test requires an answer to the question: ‘for each material, is separate collection necessary to facilitate or improve recovery?’ The results in Table 1 suggest that, when compared to the current system; separate collections are necessary for glass and plastic but not paper and metal. However, this is not a fair comparison as the separate system is based on achieving optimised capture rates for each material. A fairer comparison is with the optimised comingled system, which also achieves optimised capture rates. This comparison suggests that separate collections are not necessary for paper, metal or plastic, because they produce less closed-loop recycling. However they are necessary for glass, assuming that all glass from the MRF goes to open-loop recycling.

TEEP test

If separate collections pass the necessity test for any of the materials the Route Map suggests that a TEEP test should be undertaken.

The TEEP test determines if separate collections are practicable technically, environmentally and economically. Separate collections should be introduced if they pass all aspects of the TEEP test, but a failure on any one of the criteria means that they are not required.

Technical

It has been assumed that separate collections are technically practicable as they are successfully operated in many authorities throughout England which have a wide-range of geographies. There may be a small number of difficult to reach properties in Waverley where separate collections might not be possible but these have not been included as part of the test, which focuses on the core kerbside collection.

Environmental

The environmental impact of each system has been calculated for all key materials and the remaining residual waste, from production of the waste through to reprocessing or final disposal. The results are shown in Table 2 in terms of CO₂ equivalent emissions.

Table 2: Annual environmental impacts (CO₂e) of collection and management

Collection system	Production and treatment	Transport	Total	Average/tonne
Current	59,366,421	1,458,203	60,824,624	2,088
Separate	63,344,162	762,593	64,106,755	2,201
Comingled	56,753,076	1,391,388	58,144,464	1,996

The results in Table 2 show that separate collections have the highest environmental impact of the three systems. This is because separate collections recycle the least material, meaning that more material becomes residual waste which has a much higher environmental impact.

The optimised comingled system recycles the most material which is the main reason why it has the lowest overall environmental impact. It also assumes that recyclables are sent to the closest closed-loop reprocessor resulting in lower impacts from haulage than the current system. However, Table 2 shows that the difference this causes is small because transport emissions are relatively insignificant when compared to emissions from production and treatment.

The current system has the median environmental impact.

From looking at the totals, we can conclude that optimised separate collections are not environmentally practicable when compared to either the current system or an optimised comingled system.

Economic

The economic test compares the costs of each system in terms of collecting and managing the four key materials and the remaining residual waste.

The costs are modelled on a 'cost to the taxpayer' basis and include costs incurred by both WBC and SCC. Recycling credits are not included as they are a cost neutral financial mechanism that is a financial transfer between two authorities. Table 3 shows a summary of the costs for each system with a split between collection and management to provide some indication of where costs are incurred.

Table 3: Annual costs of managing each material

Collection system	Collection	Management	Provision of containers	Total
Current	£2,306,141	£2,069,836	£708,214	£5,084,192
Separate	£3,020,524	£2,019,028	£617,000	£5,656,552
Comingled	£2,306,316	£1,981,306	£672,605	£4,960,227

Table 3 shows that a separate collection system is estimated to be by far the most expensive of the three; £572,000 more than the current system and £696,000 more than the optimised comingled system.

An interesting pattern is observed in the detail of the results. For collection costs only, the current and optimised comingled systems are far cheaper than optimised separate collection. This is due to the larger number of vehicles that are required to operate separate collections. However, separate collections perform well for management costs as a result of gaining income for many of the recyclables collected, whereas under the comingled systems a gate fee must be paid to have these mixed recyclables sorted. This difference is tempered though by the separate collections having larger quantities of residual waste to manage.

Despite being very similar systems, optimised comingled costs less than the current system, because it captures more material and therefore has less expensive residual material to manage.

It is important to note that, according to the Route Map, economically practicable does not necessarily mean the cheapest option, and separate collections could still be practicable (when compared to comingled) if the cost is not excessive or disproportionate

to the benefits. However, as separate collections appear to have no environmental benefits over the other two systems, and are significantly more expensive, it could be strongly argued that separate collections are not economically practicable in this case.

Summary of the TEEP test

The sections above indicate that, while optimised separate collections are likely to be technically practicable, they are not environmentally or economically practicable when compared to either the current system or the optimised comingled system.

Waste hierarchy test

Unlike the necessity and TEEP tests, the waste hierarchy test applies to all materials collected by a WCA and the law is already in force now i.e. rather than 1 January 2015.

Under this test, each material collected by the WCA is assessed to check it is managed as high as reasonably possible on the waste hierarchy², and that any departures from the hierarchy are suitably justified. Departures from the hierarchy can be justified by any of the following principles: environmental protection, technical feasibility, economic viability, protection of resources, human health or social impacts.

To undertake the hierarchy test, we must first set a 'reasonable' hierarchy position for each material that is collected. Prevention is the ideal position, and both WBC and SWP are actively seeking to prevent waste materials arising via communication campaigns and the lobbying of central government and waste producers. After prevention, the next highest reasonable hierarchy position was chosen and compared against the actual position on the hierarchy where the waste is being managed under the current system. Any departures from the hierarchy were then justified where possible. The results of this test are shown in Appendix 1.

Appendix 1 shows that all materials, including the four key materials, are either being managed in compliance with the waste hierarchy or are justifiable departures.

Conclusions

The results of this assessment indicate that separate collections could be necessary to facilitate the high quality recycling of glass, but not the other key materials. However, they are neither economically or environmentally practicable when compared to either the current system or an optimised comingled system. The current system also appears to be operating in accordance with the waste hierarchy. Therefore this report does not recommend any changes to the format of the current collection system to ensure compliance with the Waste Regulations.

However, it may be worthwhile giving further consideration to glass (where separate collections may be necessary under the necessity test). To ensure full compliance, a further system, where glass is collected separately, could be modelled with the results compared against the other systems.

It is also important to note that WBC would benefit from increasing the current system's capture of the four key materials to the levels modelled for the optimised comingled system. This is because:

² Guidance on the waste hierarchy available here: <https://www.gov.uk/government/publications/guidance-on-applying-the-waste-hierarchy>

- More plastics would be recycled by the current system than by optimised separate collections, strengthening the case for Waste Regulations compliance.
- £88,000 per year could be saved through reduced management costs.

On-going compliance

The Route Map is clear that ‘assessing whether you comply with the law is not a “once and for all” task’ and reassessment must take place when key factors change, such as:

- The availability of recycling techniques and accessible facilities for materials that are currently difficult to recycle
- The cost of vehicles
- The cost of staff, recyclate values and the costs of energy recovery or disposal.
- Collection, treatment or vehicle contracts coming to an end

WBC must keep an eye on variables such as these and reassess compliance when necessary using the best available data and modelling tools.

Another key variable that WBC must consider in the near future is the availability of new data on the quantities of contamination in MRF outputs as a result of the MRF regulations³. WBC will need to check that the levels contamination reported by their MRF operators is similar to the levels included in the Waste Regulations modelling. Re-modelling may be required if the differences are significant. The first quarter MRF sampling results should be available in January 2015.

SWP is currently revising its joint waste strategy which includes actions to ensure ongoing compliance with the Waste Regulations. Performance against these actions will be checked at least annually as part of the strategy monitoring process, so all partners will be required to consider the need for a Waste Regulations reassessment on a regular basis in order to demonstrate compliance with the strategy.

³ Available here: http://www.legislation.gov.uk/ukxi/2014/255/pdfs/ukxi_20140255_en.pdf

**APPENDIX 1
WASTE HIERARCHY ASSESSMENT**

KERBSIDE COLLECTED WASTE

Waverley		13/14 TOTAL ARISINGS	13/14 CAPTURE	HIERARCHY REASONABLE	HIERARCHY CURRENT	DEPARTURE FROM HIERARCHY?	DEPARTURE FROM HIERARCHY
Primary	Secondary	TONNES	TONNES	MGT TYPE	MGT TYPE	YES/NO	COMMENT
Paper and Card	Low Quality Recyclable	5,799	5,517	Recycling	Recycling	No	
	Medium Quality Recyclable	2,752	2,075	Recycling	Recycling	No	
	Non-recyclable Paper & Card	916	-	Energy Recovery	Energy Recovery	No	
	Liquid Cartons	151	71	Recycling	Recycling	No	
	Corrugated Cardboard	887	744	Recycling	Recycling	No	
	Other Card Packaging	1,126	732	Recycling	Recycling	No	
	Wallpaper	5	-	Energy Recovery	Energy Recovery	No	
	Books	90	13	Recycling	Recycling	No	
Plastics	PET (Polyethylene terephthalate)	725	386	Closed loop recycling	Closed loop recycling	No	
	HDPE (High density Polyethylene)	409	280	Closed loop recycling	Closed loop recycling	No	
	HDPE (High density Polyethylene)	-	-				
	PP (Polypropolene)	354	48	Closed loop recycling	Closed loop recycling	No	
	PS (Polysterene)	200	20	Closed loop recycling	Closed loop recycling	No	
	Black pots, tubs, trays	-	-				
	LDPE (Low Density Polyethylene)	1,368	49	Closed loop recycling	Closed loop recycling	No	
Glass	PVC (Polyvinyl Chloride) and other dense plastic	570	19	Closed loop recycling	Closed loop recycling	No	
	Clear	1,375	1,059	Remelt	Other recycling	Yes	Not economically or environmentally viable. See the Waste Regulations compliance report.
	Amber	438	380	Remelt	Other recycling	Yes	
	Green	1,401	1,277	Remelt	Other recycling	Yes	
Non-Packaging Glass	88	-	Other recycling	Other recycling	Yes		
Textiles	Reusable Clothing	617	86	Recycling	Recycling	No	
	Other recyclable textiles	475	28	Recycling	Recycling	No	
	Duvets, Pillows and Soft Toys	96	-	Energy recovery	Energy recovery	No	
Metals	Ferrous	566	295	Recycling	Recycling	No	
	Non-Ferrous	295	100	Recycling	Recycling	No	
Wood	Reusable Furniture	-	-				
	Grade A - Clean	130	-	Recycling	Energy recovery	Yes	Not economically viable to collect clean wood separately, due to the low tonnage in the waste stream. Wood can also be recycled at CRCs.
	Grade B - Industrial Feedstock Grade	174	-	Energy Recovery	Energy Recovery	No	
	Grade C - Fuel Grade	114	-	Energy Recovery	Energy Recovery	No	
Offensive Waste	Grade D - Hazardous	9	-	Energy Recovery	Energy Recovery	No	
	Nappies	847	-	Other recovery	Other recovery	No	
	Incontinence	25	-	Other recovery	Other recovery	No	
	Sanitary	283	-	Other recovery	Other recovery	No	
WEEE	Non Infectious Healthcare	11	-	Other recovery	Other recovery	No	
	Cathode Ray Tubes	19	-	Recycling	Energy recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Can be recycled at CRCs
	Flourescent Tubes/CFL	4	-	Recycling	Energy recovery	No	
	Other Light Bulbs	14	-	Recycling	Energy recovery	No	
	Fridges and Freezers	-	-				
	Other domestic appliances	275	6	Recycling	Recycling	No	Bring banks used for small WEEE. Large WEEE can be taken to CRCs.
	Woody Garden Organics	77	77	Dry Anaerobic Digestion	Composting	Yes	Dry AD is not economically viable. Composting is far less costly and requires

Waverley		13/14 TOTAL ARISINGS	13/14 CAPTURE	HIERARCHY REASONABLE	HIERARCHY CURRENT	DEPARTURE FROM HIERARCHY?	DEPARTURE FROM HIERARCHY
Primary	Secondary	TONNES	TONNES	MGT TYPE	MGT TYPE	YES/NO	COMMENT
Putrescibles	Soft Garden Organics	2,194	1,654	Dry Anaerobic Digestion	Composting	Yes	less transportation.
	Cooking Oils and Other Liquid Foodstuff	88	-	Anaerobic Digestion	Disposal	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream.
	Avoidable Food	5,729	1,764	Anaerobic Digestion	Anaerobic Digestion	No	
	Non-Avoidable Food	2,983	1,123	Anaerobic Digestion	Anaerobic Digestion	No	
Hazardous	Engineering Oils	-	-				
	Paints and Varnishes	31	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Paint can be recycled at CRCs and batteries at retailers.
	Batteries: Household	26	-	Recycling	Other recovery	Yes	
	Batteries: Post-Consumer Automotive	-	-				
	Gas Bottles	4	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Can be recycled at CRCs
	Asbestos	37	-				Not household waste
	Other Hazardous Chemicals	67	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Some of these materials can be recycled at CRCs.
	Ink Toner and Cartridges	3	-	Recycling	Other recovery	Yes	
Misc - Comb	Clinical Waste	4	-			No	Not household waste
	Tyres	-	-				
	Carpet and Underlay	54	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Some of these materials can be recycled at CRCs.
	Vinyl flooring	-	-	Recycling	Other recovery	Yes	
	Mattresses	-	-				
	Misc Other	129	-	Recycling	Other recovery	Yes	
	Pet Bedding and Animal Waste	469	-	Recycling	Other recovery	Yes	Not technically viable. Markets do not currently exist to recycle these materials.
	Fines	258	-	Recycling	Other recovery	Yes	
Misc - Non Comb	Rubble	232	-				Not household waste
	Soil	248	-				Not household waste
	Ceramics	237	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream.
	Cat Litter	1,096	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. There is also not currently a market for this material.
	Plasterboard	33	-	Recycling	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Can be recycled at CRCs.
	Misc Other	37	-	Recycling	Other recovery	Yes	Not technically viable. Markets do not currently exist to recycle this material.
Misc - Reusable	Videotapes, DVDs and CDs	30	-	Re-use	Other recovery	Yes	Not economically viable to collect separately, due to the low tonnage in the waste stream. Some of these materials can be recycled at CRCs.
	Bicycles	-	-				
	Other reusable	-	-				
Bulky waste		34	16	Re-use	Re-use	No	
Street Sweepings		2,940	2,940	Other recovery	Other recovery	No	
Residual		18,138	18,138	Energy recovery (CHP)	Energy recovery (CHP)	No	55% of WBC's residual waste was shredded to RDF, then transported to a CHP energy recovery facility in Amsterdam. The remainder was sent to landfill due to a lack of available thermal treatment capacity in the southeast.
TOTAL		57,787	38,896				

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 03/02/2015

Title:

REVISION TO JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY

[Portfolio Holder: Cllr Donal O'Neill]

[Wards Affected: All]

Summary and purpose:

To comply with the Waste Emissions Trading Act 2003, waste authorities for a two-tier area must have a joint strategy for the management of waste from households, and must keep this strategy under review. This report introduces the second revision to the Joint Waste Management Strategy for Surrey, which was initially adopted by Waverley Borough Council in 2006. This latest revision is recommended for adoption by the Executive.

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

This report relates to the following Corporate Priorities:

- **Value for Money**- Providing customer-focused services at the best value for money.
- **Understanding Residents' Needs**- Focusing on providing the services our residents want.
- **Environment**- Increasing Waverley's recycling rate to 60% by 2015

Financial Implications:

The costs of producing and consulting upon the revised strategy have been kept to a minimum, with the majority of work being carried out in-house, and with the costs of consultation being met from the pooled Surrey Waste Partnership budget.

The strategy objectives will be implemented using existing resources and have the potential to yield significant efficiencies over time.

Legal Implications:

The Waste and Emissions Trading Act 2003 (WET Act) is the main source of guidance on joint waste strategies. It states that:

- Waste authorities for a two-tier area must have a joint strategy for the management of waste from households (and similar waste).
- The strategy must be kept under review.

- Before formulating policies for the purposes of producing a joint strategy, authorities must carry out such consultation as they consider appropriate.
- The waste authorities for a two-tier area must, when formulating policies and preparing statements, have regard to any guidance given by the Secretary of State.
- The strategy must be given adequate publicity and be made available for anyone to view free of charge.
- A copy should be sent to the Secretary of State and the Environment Agency.

Introduction

1. In 2006 the Surrey Waste Partnership produced a Joint Municipal Waste Management Strategy for Surrey, which was adopted by Waverley Borough Council. This was then the first of its kind, produced to comply with the Waste Emissions and Trading Act 2003, and set-out in a format required by statutory guidance.
2. To reflect the dynamic nature of waste management in Surrey, the strategy was revised in 2010.
3. Much has changed since the 2010 revision and a second revision has now been prepared in order to ensure that our joint actions for the next ten years reflect the needs of current times and aspirations for the future.
4. The revised strategy was developed by combining the input of:
 - Officers and Members of the Surrey Waste Partnership via a project steering group and scrutiny at Partnership meetings
 - Best practice examples from other joint waste strategies
 - A consultation of residents and other key stakeholders
5. The consultation exercise took place between July and October 2014 and focused on identifying residents' barriers to reducing, reusing and recycling more of their waste. Other stakeholders included the waste management industry, businesses, environment and conservation groups and other local authorities.
6. This Council was also consulted and feedback was provided by the Head of Environmental Services in liaison with the Leader of the Council and the Environment Portfolio Holder.
7. The feedback from the consultation was incorporated into the final draft of the strategy which is attached at Annexe 1.

Past Performance

8. Much has been achieved since 2006. Collection arrangements have largely been aligned across the county, the range of recycling materials able to be collected has greatly increased and waste food collection is now universal.

Surrey's recycling rate has increased from 31% in 2006 to 52% in 2013/14 and waste to landfill has decreased from 67% to only 11% during the same period.

What is different in this revision?

9. Whilst good progress has been made over the last few years, we are now facing a number of serious challenges, as follows:
 - Stalling performance
 - Changing legislation and regulation
 - Increasing population
 - Budget pressures
10. The strategy has been substantially revised in order to address these challenges. The previous revision to the strategy set out its vision as:

“To provide Surrey with a forward looking Strategy for a more sustainable future. The vision is for a County in which resources are used and managed efficiently so that by 2026 the amount of waste produced will continue to be reduced or reused; materials reused, recycled or composted will exceed 70%; and the environment will be protected and enhanced for future generations”.
11. The latest revision has a new, simpler, and more ambitious aim:

“To be the leading county area in England for waste management”
12. It is proposed that performance against the aim is measured periodically using the following indicators:
 - Household waste and recycling per person (kg)
 - Recycling and recovery rate (%)
 - Municipal waste sent to landfill (%)
 - Cost per household (£)
13. Targets for each of these indicators are presented in the revised strategy document, and to achieve the aim and meet the targets, the strategy identifies the following high level objectives:
 - To provide a high quality service
 - To work with others
 - To maximise value from waste materials
14. These objectives are then broken down into ‘work areas’ containing specific actions. The successful delivery of these will help to achieve this revised strategy’s targets.

Plan for delivery

15. To deliver the strategy successfully, each partner, including Waverley Borough Council, needs to develop an operational plan which delivers the actions (the Council's 'Recycling Improvement Plan, adopted in July 2014, performs this function). Delivery will be monitored annually, and the annual review will be considered by the Partnership. Being able to hold one another to account is key to realising the collective and individual benefits, whilst maintaining local responsibility for locally agreed operational plans is key to local governance.
16. Targets and actions will be revised periodically during the life of the strategy, and a further revision of the whole document is anticipated as being necessary in 2019/20.

Conclusion

17. This second revision of the joint waste strategy has been produced via a thorough and inclusive process. The successful completion of its actions will result in higher performing, better value waste services for Surrey. Adoption is concurrently being considered by all 12 partner authorities. Adoption is commended to Waverley Borough Council by the Waste Members' Group, and the Waste Officers' Group of the Surrey Waste Partnership.

Recommendation

It is recommended that the Executive approves the adoption of the Updated Joint Municipal Waste Management Strategy Revision 2 (2015).

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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Joint Municipal Waste Management Strategy Revision 2 (2015)

Contents

1	Introduction.....	1
2	Background.....	4
3	Aim and targets.....	8
4	Core values.....	10
5	Objectives.....	11
6	Actions and outcomes.....	11
7	Plan for delivery.....	21
8	Glossary of terms.....	22

1 Introduction

This is the Surrey Waste Partnership’s plan for managing Surrey’s waste for the next ten years, up until 2024/25. It is the second revision of a strategy which was first published in 2006 then revised in 2010. It has been updated to ensure we continue to manage Surrey’s waste in the best way and work towards higher performing, better value waste services for the future. As part of this revision, we have consulted with a wide range of residents and other interested groups, to take their views into account.

1.1 The Surrey Waste Partnership - who are we and what do we do?

We are the Surrey Waste Partnership (SWP) which is made up of Surrey County Council (SCC) and the 11 district and borough councils in Surrey (shown in Figure 1). SWP aims to manage Surrey's waste in the most efficient, effective, economical and sustainable manner.

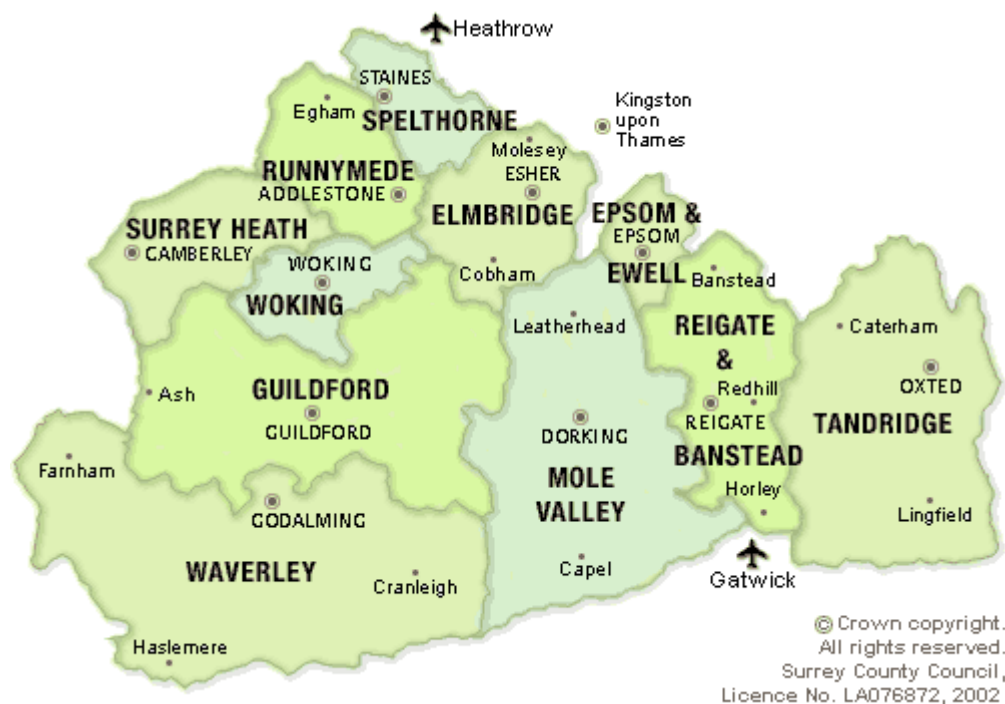


Figure 1: Map of Surrey showing the district and boroughs

The 11 district and borough councils are Waste Collection Authorities (WCAs) and are responsible for the collection of Surrey’s municipal waste which includes waste from households. SCC is the Waste Disposal Authority (WDA) and is responsible for the disposal and treatment of Surrey’s municipal waste collected at the kerbside and waste and recycling from Surrey’s Community Recycling Centres (CRCs).

The WCAs provide residents with a kerbside collection service for household waste and recycling. All WCAs currently collect recycling and residual waste on alternate weeks, alongside a weekly food waste recycling collection and an optional (charged for) garden waste collection. As part of this service, all WCAs offer the collection of the following ‘dry recyclables’:

- Glass bottles and jars
- Paper and cardboard
- Metal tins and cans
- Plastic bottles, pots, tubs and trays

Additional materials such as textiles, waste electrical items, batteries, foil, aerosols and Tetra Pak cartons are collected by some, but not all WCAs. Additionally, all WCAs provide bulky waste collections, local recycling banks or bring sites, street sweeping services and, in some cases, commercial waste collections.

SCC has two key roles as a WDA. First, it makes arrangements for the acceptance of municipal waste collected by WCAs and the provision of facilities for its treatment and disposal. Secondly, it provides CRCs for residents to recycle and dispose of their municipal waste. So far as it is practicable, CRCs are designed and operated so that all residents can use them.

1.2 Why do we have a joint waste strategy?

The roles of the WCAs and the WDA in Surrey are different, but both manage the same waste. To do this effectively, all SWP partners recognise the need to work together. We have a joint strategy to plan how the WCAs and the WDA will work with each other to manage Surrey's waste in the best way.

1.3 Why are we revising the strategy?

The waste management industry is influenced by many factors which change regularly such as: environmental laws, markets for waste materials, new technologies, economic conditions and national and local politics. It has been five years since the previous strategy revision, so it is time to revise it again to make sure that our plans are based on the most up-to-date picture of the industry. By revising the strategy, we are also:

- Ensuring that Surrey tax payers are getting a consistent and value for money waste service.
- Re-focusing the activities of SWP.
- Helping residents, businesses and other stakeholders to understand our aims and work with us to reach our objectives.
- Complying with our legal duty to have a joint waste strategy and keep it under review.

1.4 How does the strategy work?

This strategy document is broken into several sections. These are:

- **Background** - explaining how we have managed waste in the past, how we performed against the requirements of the previous strategy and the challenges that we currently face as a partnership.
- **Aim and targets** - explaining the aim of this strategy and the targets that we will use to measure our performance against the aim.
- **Core values** - these are the important considerations that will be in our minds when we implement the strategy.
- **Objectives** - high level statements of what we are planning to achieve with the strategy.
- **Actions and outcomes** - a detailed breakdown of the work required to achieve each objective and the overall aim and targets. This section will form the basis of each partner's own operational plan, which will result in improvements on the ground.
- **Plan for delivery** - this sets out: responsibilities for delivering the strategy; how we plan to monitor and evaluate our performance; and the process for revision.

Most of the above sections will remain unchanged until the strategy is next reviewed. However the 'actions and outcomes' section is more detailed and therefore sensitive to short-term changes in the waste industry, so it will be reviewed more frequently, as described in Section 7.3.

2 Background

2.1 Past performance

The vision set out in the previous version of the strategy was for a county in which resources are used and managed efficiently so that:

- the amount of waste produced will continue to be reduced or reused,
- materials reused, recycled or composted will exceed 70%, and
- the environment will be protected and enhanced for future generations.

This vision was supported by five policies and 32 actions. We have performed well against many of these actions, with achievements since 2010 that include:

- Aligning collection methodologies for nine out of the eleven WCAs.
- Providing recycling facilities for a wide range of materials including introducing kerbside food waste collections in all Surrey districts and boroughs.
- Redeveloping a number of CRCs to improve access and quality of service for the public.
- Successful behaviour change initiatives promoting activities such as food waste reduction and recycling and home composting.
- Promoting the reuse of furniture and white goods whilst supporting disadvantaged residents and low income households through the Surrey Reuse Network.
- Exploiting opportunities for partnership working including selling materials together, such as garden waste and textiles, and forming a project to join up kerbside collection services in at least four Surrey WCAs.

Performance in some of the other key areas is described below.

Waste reduction

The quantity of household waste generated in Surrey has decreased by around 50,000 tonnes since its peak in 2007/8 (see Figure 2Error! Reference source not found.) despite population increases during this time.

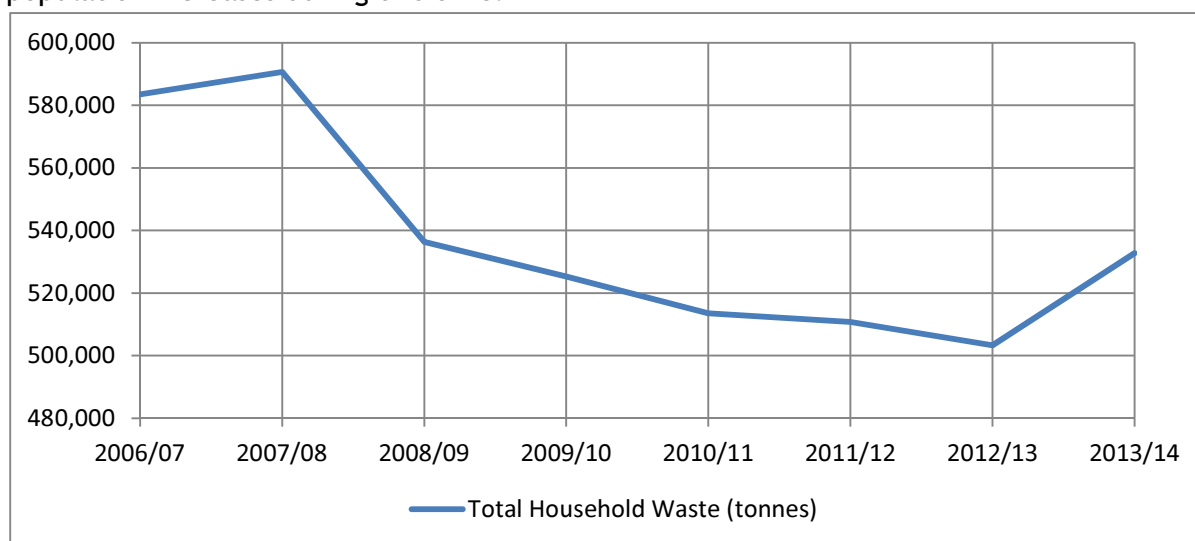


Figure 2: Total household waste produced in Surrey

The previous strategy revision aimed to continue the downward trend by reducing household waste by 30,000 tonnes between 2009/10 and 2013/14. We were on target to achieve this, with a 25,000 tonne decrease recorded in 2012/13, however there was a significant increase in 2013/14 which went against the downward trend and meant that the target was not met. This increase is thought to be caused by a combination of factors, including:

- Extreme weather in the final quarter which resulted in a large amount of extra waste from flood damage, street sweepings and power outages.
- Expansion of kerbside garden waste collections.
- Possible increases in consumerism as a result of a return to pre-financial crisis levels of economic growth.

2013/14 could have been an unusual year, but we will continue to monitor performance closely to see if this is the start of an increasing trend.

Landfill diversion and recycling

The amount of waste sent to landfill has declined dramatically from 67% in 2006/07 to 11% today (see Figure 3) making us one of the leading authorities in the country. Reducing waste to landfill even further remains a key priority.

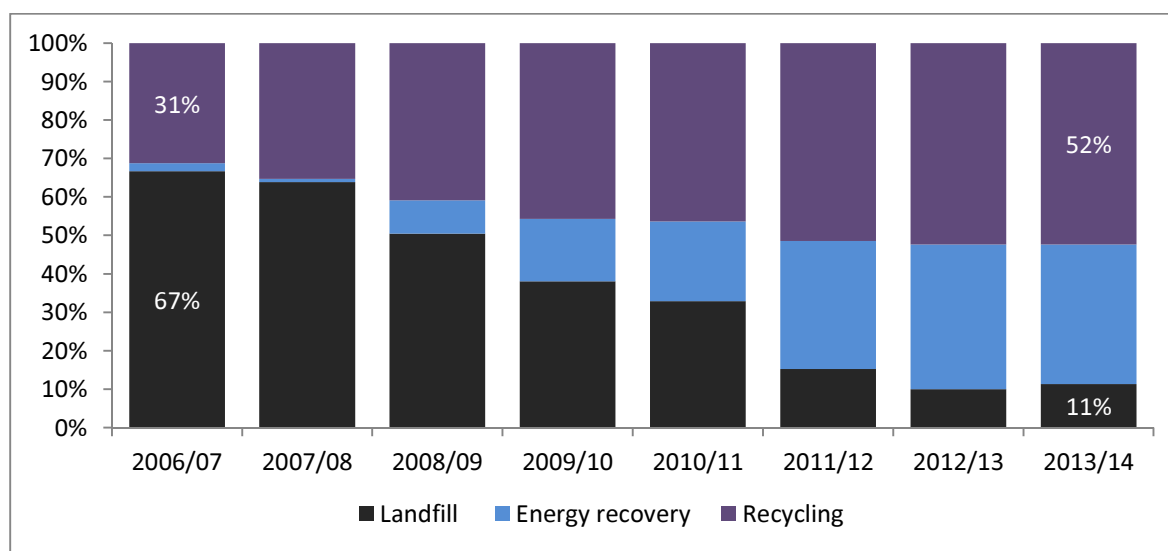


Figure 3: Proportion of waste recycled, recovered and landfilled

Recycling has increased from 31% in 2006/7 to 52% in 2013/14, which is a significant achievement, however we haven't met our aspirational target of 70% recycling. Whilst this target was always ambitious, some changes in legislation around the categorisation of waste materials (e.g. wood and leaf fall) have made reaching 70% recycling even more challenging. Yet Surrey is still a top performer nationally for recycling compared against other similar authorities.

Cost of waste management

Waste and recycling is extremely expensive to manage. The net cost of managing Surrey's waste and recycling in 2013/14 was estimated to be £76 million. However, despite a rise in population and increases in the cost of waste disposal (e.g. landfill tax and haulage cost

increases) the net cost has been contained at 2010 levels (see Figure 4). This represents a significant increase in value for money for the Surrey tax payer.

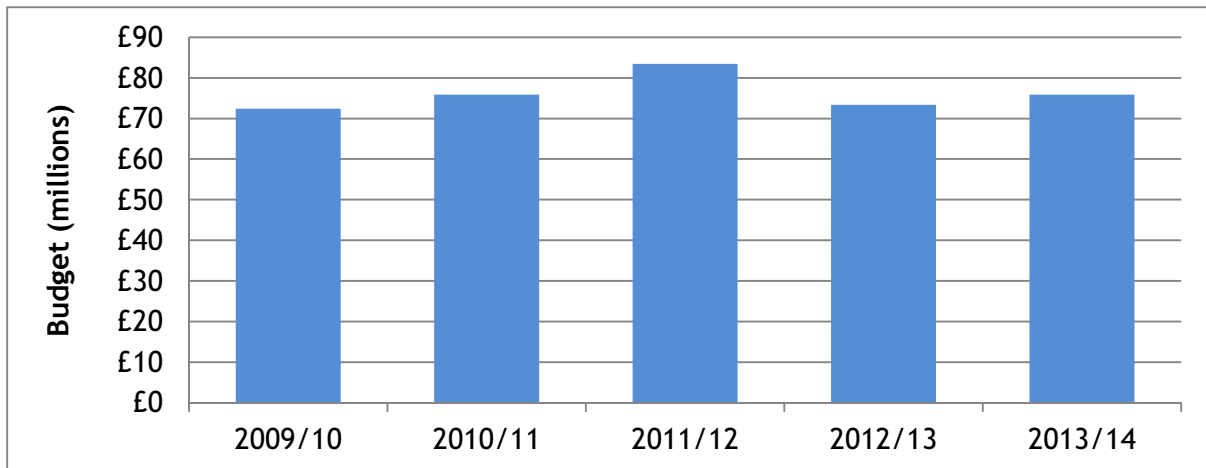


Figure 4: Budget estimates for the net total cost of waste management in Surrey

2.2 Current composition of waste

In order to manage our waste effectively we need to know what is in it. To work this out we did a detailed composition analysis of our household waste and recycling from kerbside collections and CRCs in 2013/14. The proportions of the different materials are shown in Figure 5.

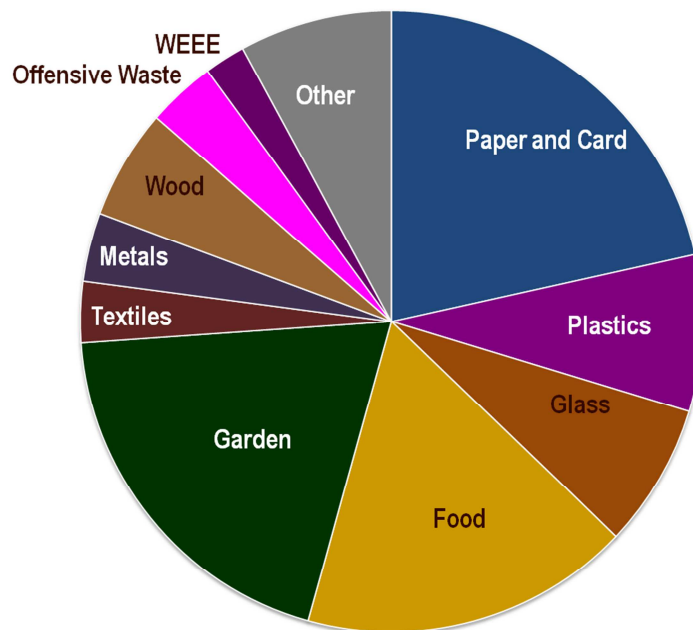


Figure 5: Composition of waste and recycling from the kerbside and CRCs in 2013/14

The composition shown in Figure 5 provides a strong indication of the types and proportions of materials that we will plan to manage as part of this strategy.

2.3 Current challenges

Whilst progress has been made over the last few years, we now have to overcome a number of challenges in order to make further improvements:

Performance has stalled

Recycling rates have started to level off and major changes will be required to make any significant improvements in the future. As Figure 6 shows, there is much variation in recycling performance amongst WCAs, with a 17% gap between the highest and lowest.

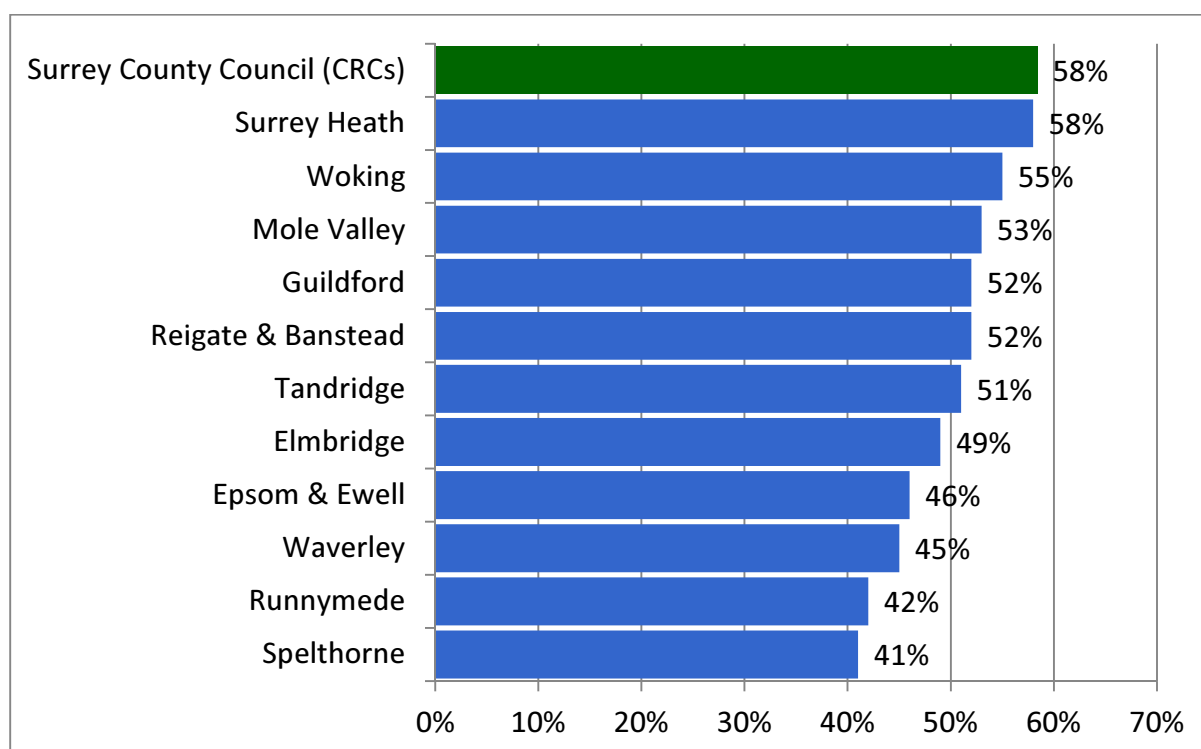


Figure 6: Household recycling rates in 2013/14 by partner authority

In addition, there was a big increase in total household waste in 2013/14 which may be the start of an increasing trend.

Changing legislation and regulation

Some waste disposal processes (e.g. composting of street-swept leaf fall) can no longer be counted towards recycling targets. In addition to this, revised Waste Regulations¹ came into force on 1 January 2015 which may mean that we need to reconsider how we collect recycling.

Increasing population

Surrey's population is projected to rise by 89,000 people (an 8% increase) over the strategy period. This along with the associated increase in new homes will result in more waste and therefore more pressure on our services.

Budget pressures

Increases in population along with continued reduction in funding from central government will put pressure on all council services. It is expected that local authorities will have to make difficult choices about the services that they can provide in the future and waste collection and management will be seen as a key area for saving money. However, this is not likely to be straightforward because of the challenges outlined above and the fact that transporting and disposing of waste is likely to get more expensive in the future.

¹ <http://www.legislation.gov.uk/uksi/2011/988/contents/made>

These challenges mean that the current situation is unsustainable and we need to look at new ways of working together to reduce costs and increase performance whilst still providing a high quality service to Surrey residents.

3 Aim and targets

Surrey is already a high performing county but we can and must continue to improve in order to succeed against the challenges described above. We have therefore adopted the following ambitious aim for this strategy: **To be the leading county area in England for waste management.**

But what makes a leading county area for waste management? There are several performance indicators that we can use to define this, and we think that the most suitable of these are as follows:

Household waste per person - By far the best way to manage waste is to prevent it occurring in the first place (see Figure 7). This indicator shows how much waste we produce each year as individuals and therefore how much we need to focus on reducing our waste. Rather than using a specific target (expressed as kg/person/year), we think that it is fairer to use a relative target, i.e. comparing Surrey to other authorities. This is because household waste per person is affected by factors outside of our control, such as the state of the economy, and as all other counties will be subject to these factors too, it is a fair way of monitoring performance.

Recycling and recovery rate - Rather than using the standard recycling rate metric, as described in Section 2, we think that a more suitable indicator takes into account both recycling and the recovery of certain materials² where recovery is preferable to recycling. The indicator that we are using is about 'doing the right thing' with each material and managing it as far up the waste hierarchy (see Figure 7) as reasonably possible, e.g. recovering energy from wood waste that is not clean enough for recycling.

The standard recycling indicator³ has been subject to changes by the government, including a ban on recycling street-swept leaves, and could be changed again in the future. By using a new indicator that we have control over, we can keep it the same during the strategy period so that it remains a valid way of assessing our performance.

Percentage of waste sent to landfill - Landfill is the least favourable way of managing waste and we want to minimise landfill as much as possible by complying with the waste hierarchy (Figure 7). This indicator will help to show how successful we have been at doing this.

² Street sweepings and non-clean wood waste

³ National Indicator 192

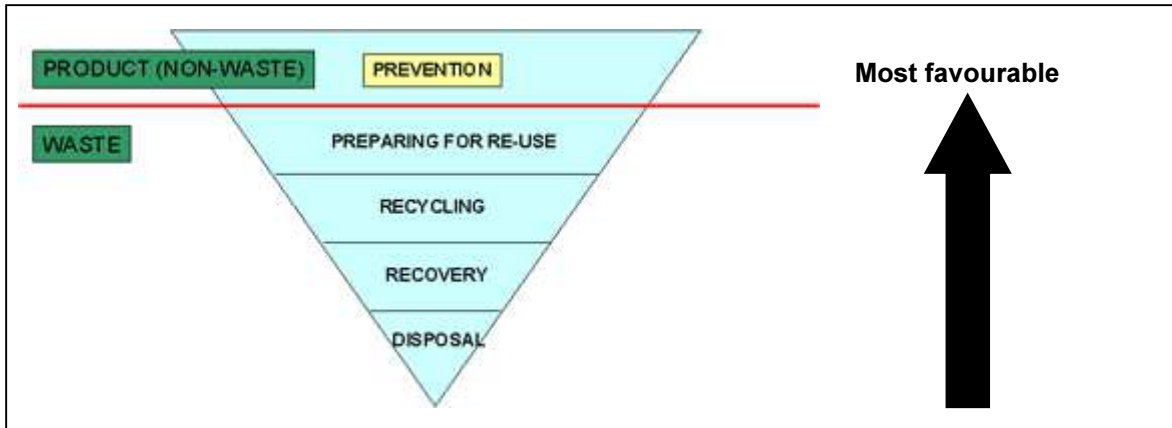


Figure 7: The waste hierarchy.

Cost of waste management per household - As Section 2 shows, waste is very expensive to manage and there is currently a strong imperative for local government to reduce its costs. This indicator will show us how well we are controlling the cost of waste for the average Surrey household.

‘The leading county area for waste management’ will perform well against all of the above indicators. However, it does not necessarily have to be the best in the country for each indicator as this may not be possible due to differences in geography. For example a rural county area is likely to have a high cost per household because houses are widely spaced which make collections less efficient.

We have looked at the performance of other county areas and assessed Surrey’s potential for improvement given its local constraints. From this we have developed targets against each indicator which are shown in Table 1.

Table 1: Strategy targets

#	Indicator	2013/14 performance	2019/20 target
1	Total household waste and recycling per person	Quartile 3 (463 kg/person)	Quartile 1
2	Recycling and recovery rate ⁴	59%	70%
3	Percentage of municipal waste sent to landfill	11%	0%
4	Cost of waste management per household	£158	No increase from 2013/14

The targets in Table 1 are to be achieved by the end of the year 2019/20 which is the middle year of the strategy period. They will be reviewed in 2019/20 for the remainder of the strategy period up to 2024/25.

⁴ Based on National Indicator 192 calculation methodology, plus recovered street sweepings and recovered wood waste

4 Core values

In order to achieve our aim and meet our targets, we must deliver the work which is described in the sections below. To ensure that we do this effectively we have produced the following core values which we will always consider when undertaking our work:

Meeting the future needs of communities

We will ensure that the actions deliver a high quality service to everyone in our communities, both now and in the future. Past disposal routes such as landfill have resulted in long term environmental impacts and costs. This strategy is designed to avoid such issues for future generations.

Working in partnership

We will seek to work with the right partners from the public, private and community sectors that can help us to achieve our aim. This will include work with government and the private sector to reduce the quantity of materials entering the waste stream and work with the community sector to develop comprehensive systems of reuse.

As SWP partners, we must also work effectively with each other. To help us do this, we will work together more collaboratively, making more joint decisions and sharing budgets where feasible.

Best value to residents

We will seek to provide the best value to our residents through delivering waste management services that are both high quality and cost effective. We will work hard to continually improve the efficiency, effectiveness and cost of the services we provide.

Sustainable environment, society and economy

We will apply the principles of sustainable development. This takes into account three 'pillars' - our environment, society and the economy⁵. The development of our waste services will seek to protect our environment, support the wellbeing of Surrey's residents and benefit our economy, both now and in the future.

Treat waste as a resource

Traditionally waste has been viewed as something to be discarded. However, in line with national government policy we want to move towards a future where waste materials are fully valued, financially and environmentally. It means we reduce, reuse and recycle all we can, and throw things away only as a last resort.

Innovative thinking

We will develop new and innovative approaches to improve waste management. As part of this, we will move away from a culture of trying to solve our 'waste problem', towards positioning ourselves as suppliers of valuable commodities and fuel.

⁵ Guiding Principles for Sustainable Development, DEFRA

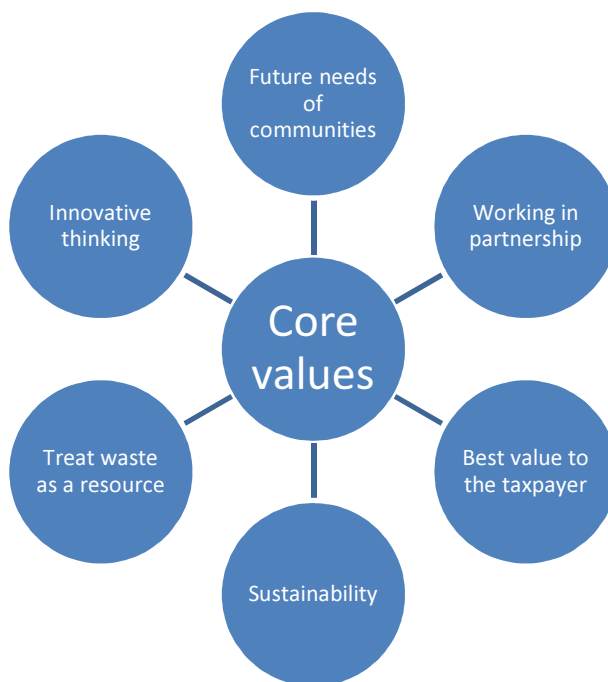


Figure 8: Our core values

5 Objectives

We have set a challenging and ambitious aim for this strategy. To achieve this, the following high level objectives set out what we are going to do:

High quality service: We will provide a high quality service that residents and businesses like, understand and use to its full potential.

Work with others: We will work innovatively with product manufacturers, community groups, other local authorities and the waste management companies to improve how we manage waste.

Maximise value: We will encourage and enable residents to deliver waste materials in the best way, then we will sustainably manage these materials to obtain maximum value.

6 Actions and outcomes

This section takes the objectives above and breaks them down further into work areas containing specific actions. These actions are detailed and represent the views of our officers, elected members, residents and other industry stakeholders on how to improve the management of Surrey’s waste.

The actions are shown in the tables below. Each action is accompanied by one or more ‘outcomes’ which are measurable indicators that will be used to show if the action has been achieved or not. The successful delivery of the actions will help to achieve this strategy’s targets. To demonstrate how each action relates to the targets, the third column in each table gives the numbers of the targets which will be most influenced.

These actions will be taken by each partner and turned into operational plans, which can then be delivered on the ground.

6.1 High quality service

Work area 1: In order to deliver a high quality service, we must take the views of residents including those with protected characteristics, and businesses into account. We will do this by:

#	Action	Outcomes	Contributes to target #	Who?
1	Regularly producing customer service surveys to find out what the barriers are to improving waste management and how we can improve the quality of the information that we provide	<ul style="list-style-type: none"> Periodic and targeted customer service surveys for waste management are produced and analysed at least once every three years. 	1,2,3,4	All partners
2	Providing simple, accessible and effective communication routes to give feedback	<ul style="list-style-type: none"> A question on the ease of accessibility of information is included in the above surveys 	1,2,3,4	All partners

Work area 2: Residents and businesses need to understand their role in waste management so that they feel engaged in the process and participate fully. We will make sure that residents including those with protected characteristics, and businesses understand their role in improving waste management by:

#	Action	Outcomes	Contributes to target #	Who?
1	Telling residents and businesses why it is important to reduce their waste and how they can do it	<ul style="list-style-type: none"> Include waste reduction as part of the county-wide communications campaigns described in Work area 7 	1,4	All partners
2	Providing all new residents with full information about their waste and recycling service	<ul style="list-style-type: none"> Information packs for new residents based on a best practice standardised format have been produced and are being issued to all new residents by 1 January 2016 	1,2,3,4	All WCAs
3	Engaging with specific residents and businesses that do not present recyclables for collection, or present contaminated recyclables for collection to understand their barriers to recycling and help overcome them	<ul style="list-style-type: none"> Each authority has a local procedure in place for following up contaminated collections by 1 January 2016 Each authority sees a year-on-year reduction in rate of contaminated recycling bin rejections 	1,2,3,4	All WCAs

4	Publishing a charter each year showing residents and businesses where their waste and recycling is being sent for treatment	<ul style="list-style-type: none"> An annual charter is issued on the SWP website by July each year 	1,2,3,4	SWP manager
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6.2 Work with others

Work area 3: We must engage with our communities to ensure they have sufficient support to improve waste management. We will support communities by:

#	Action	Outcomes	Contributes to target #	Who?
1	Engaging with and empowering volunteer and community groups	<ul style="list-style-type: none"> A partnership community engagement plan is produced by 1 January 2016 and is kept under annual review The community engagement plan includes actions that add social value to communities 	1,2,3,4	SWP manager

Work area 4: Working more effectively with other local authorities can improve performance and reduce costs due to economies of scale. We will work with other local authorities, both inside and outside of Surrey, to:

#	Action	Outcomes	Contributes to target #	Who?
1	Get better deals for goods and services e.g. new collection vehicles	<ul style="list-style-type: none"> Waste management related contracts, products and services are procured jointly unless deemed impractical after consultation with other partners The end dates of new waste management contracts are synchronised across similar contracts let by other SWP authorities to maximise opportunities for future joint procurement The costs of waste products and services reduce each year after the impact of inflation has been taken into account. 	4	All partners
2	Get better deals for contracts from waste management companies for collecting and/or managing our waste			

Work area 5: In Surrey, we work closely with the private sector in order to deliver some of our waste management services, but we could work together more effectively. We will work with the private sector companies that process our waste to:

#	Action	Outcomes	Contributes to target #	Who?
1	Clearly agree with reprocessors on what materials can be recycled, and pass on this information to our residents and businesses	<ul style="list-style-type: none"> MRF and reprocessor input contamination rates are checked quarterly by each authority and show a year-on-year reduction 	2,3,4	All partners
2	Make sure that both the Surrey taxpayer and the reprocessor get the best deal possible from selling the recyclables that we produce	<ul style="list-style-type: none"> Soft market testing is done on each material stream at least twice a year If prices are significantly worse than the market price, corrective action is taken where possible with the constraints of the contract 	4	All partners

Work area 6: The waste materials that Surrey produces are a large and valuable resource. We will use our influence as a major supplier of materials to:

#	Action	Outcomes	Contributes to target #	Who?
1	Lobby product manufacturers and retailers to design household products that minimise waste and are easy to recycle	<ul style="list-style-type: none"> The SWP is represented at all relevant forums and is in attendance at all relevant events involving waste authorities and product manufacturers 	1,2,3,4	SWP manager
2	Lobby central government to develop legislation that facilitates the reduction of waste and increases high quality recycling	<ul style="list-style-type: none"> SWP has provided a unified response to all relevant government consultations regarding waste management SWP actively lobbies central government on key matters 	1,2,3,4	SWP manager

6.3 Maximise value

Work area 7: By reducing the amount of waste produced by residents and maximising the proportion that is recycled, we can obtain more valuable recyclable materials and help the environment. We will do this by:

#	Action	Outcomes	Contributes to target #	Who?
1	Enabling residents to recycle any material where it is environmentally and financially beneficial to do so - at home, at community recycling centres and on the go	<ul style="list-style-type: none"> Waste hierarchy assessments take place as part of Waste Regulations compliance assessments (see Work area 10). These will determine if it is viable to recycle new materials. 	2,3,4	All partners
2	Ensuring controls are in place so that all new developments have sufficient space for waste and recycling containers	<ul style="list-style-type: none"> Each new development in a WCA's area has sufficient space for all recycling containers necessary to provide the full collection service 	2,3,4	All WCAs
3	Increasing the proportion of bulky waste that is reused and recycled	<ul style="list-style-type: none"> Each authority reuses and recycles at least 30% of bulky waste in 2016/17 and 40% in 2017/18 Each authority undertakes reuse and recycling using the community sector wherever possible 	2,3	All partners
4	Providing residents with as much capacity (bin space) for recycling as they need. This excludes garden waste which is chargeable throughout Surrey.	<ul style="list-style-type: none"> All WCAs provide free unlimited capacity for recycling (excluding garden waste) by 1 October 2015 	2,3,4	All WCAs
5	Reducing capacity for non-recyclable waste at the kerbside, to encourage residents to minimise their waste and use recycling bins	<ul style="list-style-type: none"> All WCAs are enforcing policies for no side-waste and closed lids on residual bins by 1 October 2015 Each WCA has provided each households with no more than 360 litres of residual waste capacity per month as standard by the end of each WCA's bin stock life or by 1 April 2020, whichever is sooner 	1,2,3,4	All WCAs

#	Action	Outcomes	Contributes to target #	Who?
6	Regularly identifying where and how recycling can be increased	<ul style="list-style-type: none"> • A high level annual assessment identifying recycling rates for individual materials is produced by SWP for each partner authority • From 1 April 2015, the WDA undertakes assessments at least once a quarter of recycling rates for each material at each CRC and identifies priority areas and improvement options • From 1 April 2015, all WCAs undertake assessments at least once a quarter, of: <ul style="list-style-type: none"> ○ MRF and reprocessor input contamination rates to determine what the contaminants are ○ Containers that are rejected because of contamination and where the problem areas are ○ Recycling rates at the individual round level to identify areas with high and low recycling rates • All WCAs undertake assessments of participation rates using the latest guidance and identify where problem areas are • Results of the above assessments are reported to SWP and summarised twice annually at the meetings 	N/A	All partners
7	Using targeted communication campaigns to increase recycling in the priority areas (identified by the six monthly analyses above)	<ul style="list-style-type: none"> • Measured improvements in priority areas for the above indicators 	1,2,3,4	All partners
8	Publicising any changes to collection services with clear and comprehensive information	<ul style="list-style-type: none"> • SWP communications guidance is used to provide clear communications • Each campaign performs well when evaluated using the SWP monitoring and evaluation template 	1,2,3,4	All WCAs

#	Action	Outcomes	Contributes to target #	Who?
9	Making communications campaigns more consistent across the county in order to increase their efficiency and maximise their impact	From 1 April 2015: <ul style="list-style-type: none"> • Have agreed a timetable for county-wide communications campaigns • Use 'Recycle for Surrey' branding on all communications • Abide by SWP guidance for consistency in local service communications • Use the SWP template for monitoring and evaluating communications campaigns 	1,2,3,4	All partners

Work area 8: We want our recyclable material to be as good quality as possible so that it can be turned into high quality products. We will maximise the quality of our recyclable materials by:

#	Action	Outcomes	Contributes to target #	Who?
1	Not collecting recycling containers containing contaminating waste materials, with clear information given to the affected resident as to why, and how they can reduce contamination in future	<ul style="list-style-type: none"> • Annual reductions in MRF and reprocessor input contamination rates • All WCAs provide regular training to crews on managing contamination by 1 January 2016 	4	All WCAs

Work area 9: We will get the best deals for all waste materials that we manage by:

#	Action	Outcomes	Contributes to target #	Who?
1	Collecting the same materials in the same way across Surrey	<ul style="list-style-type: none"> • At the end of each WCA's materials management contract for each material, or by 1 April 2020, whichever is sooner all WCAs will collect and present each household material stream in the same way • At the end of each WCA's bin stock life or by 1 April 2020, whichever is sooner, all WCAs will have an agreed form of consistent colour coding for their bins 	2,3	All WCAs

#	Action	Outcomes	Contributes to target #	Who?
2	Pooling and centrally managing all the material from each waste stream in Surrey, using economies of scale to attract the best possible prices	<ul style="list-style-type: none"> Each material waste stream is being centrally managed for all authorities once existing contracts have expired, if not before 	4	All partners
3	Investing in developing waste management infrastructure as appropriate, to give us more control over how materials are managed and help us ensure that we are getting the best deal environmentally and financially	<ul style="list-style-type: none"> An options appraisal for developing infrastructure for at least dry recyclables and textiles has been undertaken by 1 July 2015 	4	SCC

Work area 10: The way in which we collect waste is controlled by the Waste (amendment) Regulations 2011, which aims to promote high quality recycling and move us towards becoming a recycling society. Abiding by the regulations will help ensure that we collect waste in a way that is sustainable and provides best value. We will make sure that we are doing this by:

#	Action	Outcomes	Contributes to target #	Who?
1	Testing all of our collection systems against the requirements of the law and in particular assessing their cost and environmental impacts to make sure that they are compliant.	<ul style="list-style-type: none"> A Waste Regulations compliance assessment is undertaken and documented (at the individual authority level) whenever changes are proposed regarding <ul style="list-style-type: none"> The availability of recycling techniques and accessible facilities for materials that are currently difficult to recycle. The cost of vehicles. The cost of staff, value of recyclables and the costs of energy recovery or disposal. Collection, treatment or vehicle contracts coming to an end. 	4	All partners

Work area 11: Some of our WCAs already collect commercial waste, which they are allowed to charge for. This is a valuable income stream to them which helps to offset other waste management costs. We will generate more income from commercial waste by:

#	Action	Outcomes	Contributes to target #	Who?
1	Using existing collection vehicles and waste infrastructure to offer commercial waste collections across the county where financially viable	<ul style="list-style-type: none"> Each authority has been involved in an options appraisal exercise for creating or expanding commercial waste collections by 1 April 2016 Offer a commercial waste service at community recycling centres by 1 April 2016 	4	All partners
2	Offering commercial waste collection services that are excellent quality and competitively priced	<ul style="list-style-type: none"> Commercial waste collection prices are set at least annually by each partner at a level that is fair for customers and Surrey tax payers The size of the each partner's customer base and level of customer retention is assessed at least annually Each partner's customer base increases each year and customer retention levels do not decrease 	4	All partners
3	Making sure that businesses do not dispose of their waste through household waste services	<ul style="list-style-type: none"> Collection crews are trained to identify and report commercial waste abuse by 1 January 2016 Where household and commercial waste are collected together, an accurate and robust method will be used to calculate the proportions of each Cost effective measures to avoid commercial waste abuse at CRCs are implemented at all sites and monitored and recorded at least quarterly 	1,4	All partners

Work area 12: It is important that we do not forget about our existing arrangements for collecting and managing our waste. We will continually improve these by:

#	Action	Outcomes	Contributes to target #	Who?
1	Scrutinising existing arrangements regularly to identify opportunities for service improvement and cost savings	<ul style="list-style-type: none"> All contract monitoring frameworks involve constant scrutiny of performance and savings opportunities Key performance indicators for all contracts/arrangements are compared against peer authorities at least annually 	2,3,4	All partners
2	Making sure that our CRC network is optimised to provide a good service to residents whilst extracting maximum value from materials	By 1 April 2016 options have been assessed for: <ul style="list-style-type: none"> Charging for non-household waste Reducing opening days and/or hours Closing sites that are inefficient and can not be improved Selling reusable materials either on or off site 	4	SCC
3	Diverting our residual waste from landfill	<ul style="list-style-type: none"> All residual waste is diverted from landfill by 2019/20 	3,4	SCC
4	Improving our understanding of the total cost of managing waste and recycling in Surrey	<ul style="list-style-type: none"> A SWP cost assessment is undertaken by the end of each calendar year The cost capturing methodology is assessed annually prior to the assessment 	4	SWP Manager

7 Plan for delivery

7.1 Responsibilities

All SWP authorities have agreed to work together to deliver the actions of this strategy that are laid out above. The final column in each table says who is responsible for delivering each action. Where a partner has already achieved an action, they are responsible for helping other partners to do the same by providing advice and support.

Each partner will need to develop an operational plan which delivers the actions of the strategy. Partners will not be asked to submit their plans, but instead will be evaluated against the strategy's actions and outcomes as part of the annual performance review.

Working on behalf of SWP, the SWP manager is responsible for encouraging partners to deliver the strategy. They will monitor the performance of each partner closely and identify any actions that are at risk of not being delivered. They will then provide the necessary level of support to maximise the chances of successful delivery. Each partner should respect the SWP manager's position and offer them as much assistance as possible as they undertake the role.

7.2 Monitoring and evaluation process

The strategy has been set up so that each action has measurable outcomes attached to it which will help us to successfully monitor performance. The SWP manager will produce an annual review which will assess performance against each action and report on progress towards each target. This review will be in the form of a report that is presented to the SWP officer and Members' group meetings for discussion.

7.3 Revision process

This strategy's duration is ten years so that it terminates at the same time as SCC's waste disposal contract. It will be revised at the half way point - in the year 2019/20, and at the end - in 2024/25. However we recognise that both the strategy's targets and actions can quickly become outdated and need to be adjusted more regularly than once every five years. We will update the targets four times during the strategy period (as part of each revision and half way between each revision). The actions are quite specific, so we will update these every year as part of the annual performance review. The revision process is summarised in Table 2.

Table 2: Revision timetable - active years are shaded green

Year	Revision of targets	Revision of actions	Full strategy revision
2014/15			
2015/16			
2016/17			
2017/18			
2018/19			
2019/20			
2020/21			
2021/22			
2022/23			
2023/24			
2024/25			

8 Glossary of terms

Anaerobic Digestion

Anaerobic Digestion systems use natural processes to break down food wastes in the absence of oxygen to produce methane gas, which can be used as a fuel for the production of electricity.

Bring site

A bring site or bring bank is a localised collection point for recyclables such as glass, paper, cans, etc.

Bulky waste

Waste is considered 'bulky' if it weighs more than 25kg or any item that does not fit into the householder's bin; or if no container is provided, a cylindrical receptacle of 750mm in diameter and 1m high.

Community Recycling Centres (CRCs)

Sites operated by SCC where residents within a specified area can dispose of their household waste, in particularly bulky waste, free of charge.

Commercial waste

Commercial waste arises from premises used for trade, business, sport, recreation or entertainment, but excluding household and industrial waste.

Community sector

Also known as the voluntary or third sector, it includes organisations that are not-for-profit and non-governmental that undertake a duty of social activity, usually charities and non-charitable voluntary bodies.

Composting

The degradation of organic wastes in the presence of oxygen to produce a fertiliser or soil conditioner. This can either be an enclosed process (in-vessel) or operated as an 'open windrow' process.

Contamination rates

The amount of presented material that cannot be recycled as a proportion of the total amount of material that can be recycled at a MRF or other reprocessor.

Contaminated recycling

Material found in the recycling waste stream that cannot be recycled and affects the quality and value of the other material.

Dry recyclables

Materials such as paper, metals, plastics and glass that can be collected through kerbside schemes or bring banks.

The Environment Agency (England and Wales)

The Environment Agency for England was formed by the Environment Act 1995 to regulate emissions of and pollutants to air, land and water. The Agency's main role in the

management of waste is through its regulatory activities to protect the environment and human health.

Green waste

Vegetation and plant waste from household gardens and public parks and gardens.

Hazardous waste

Defined in the Landfill Regulations as any waste defined in Article 1 (4) of Directive 91/689/EEC on hazardous waste.

Household waste

Waste from domestic properties including waste from CRCs, material collected for recycling and composting, plus waste from educational establishments, nursing and residential homes and hostels, caravan parks, self-catering accommodation, prisons, places of worship, public meeting premises and street cleansing waste.

Kerbside collection

Any regular collection of recyclables from households and from commercial or industrial premises. It excludes collection services requested on demand.

Landfill sites

Landfills are areas of land in which waste is deposited, which often consist of disused quarries. In areas where there are limited, or no ready-made voids, the waste is deposited above ground and the landscape is contoured. This is known as land raising.

Market testing

Researching the cost of providing a new service or service change in current market conditions.

Material Reclamation Facility (MRF)

A place where mixed dry recycling is separated into its constituent parts - e.g. paper, card, cans, glass - usually by a mixture of specialised machines and manual sorting, before being sent elsewhere to be recycled into new products. Also sometimes known as a Materials Recycling Facility or Materials Recovery Facility.

Municipal waste

This includes all waste under the control of local authorities or agents acting on their behalf. It includes all household waste, street litter, waste delivered to council recycling points, municipal parks and garden wastes, council office waste, civic amenity site waste, and some commercial waste from shops and smaller trading estates where local authority waste collection agreements are in place.

National Indicators

Introduced on 1 April 2008, National Indicators were the only set of indicators on which central government performance managed local government. These were withdrawn in 2011, however local authorities are still obliged to report waste data and their performance against each indicator is still calculated.

Participation rates

The proportion of households that take part in a collection scheme at least once in a defined period of time, usually over three collection opportunities.

Recycling

Recycling involves the reprocessing of waste material, either into the same product or a different one. Many nonhazardous wastes such as paper, glass, cardboard, plastics and scrap metals can be recycled.

Recovery (other recovery)

The 2013 waste management plan produced by the Department for Environment, Food and Rural Affairs (Defra) says that 'other recovery' includes anaerobic digestion, incineration with energy recovery, gasification and pyrolysis which produce energy (fuels, heat and power) and materials from waste and some backfilling operations.

Reduction (prevention or minimisation)

Making less waste in the first place. Waste reduction can be accomplished through reviewing the production processes so as to optimise utilisation of raw (and secondary) materials and recirculation processes. This may lower disposal costs and the usage for raw materials and energy. Also householders can reduce waste by reusing products and buying goods with reduced packaging.

Rejects

Material that cannot be recycled or recovered by the reprocessor.

Reprocessor

A company that recycles or recovers waste.

Residual waste

Waste that has not been re-used, recycled or composted.

Re-use

The commercial sector can re-use products a number of times, such as re-usable packaging. Householders can buy refillable containers, re-use plastic bags, or donate bulky items such as furniture to re-use organisations. Re-use contributes to sustainable development and can save raw materials, energy and transport costs.

Side waste

Additional waste presented outside the container for collection e.g. an extra bag of rubbish left by your refuse bin.

Social value

A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment.

Sustainable development

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development, as defined by UK

Government [Defra. Securing the Future: delivering UK sustainable development strategy, March 2005], is the integration of social, economic and environmental objectives.

Waste Hierarchy

The Waste Hierarchy, introduced by the EU Waste Framework Directive, is an abstract framework that prioritises the options for waste management. It represents a sliding scale starting with the most sustainable option (reduction) and ending with the least sustainable option (disposal):

- reduction;
- re-use;
- recovery (i.e. recycling, composting and energy recovery); and
- disposal.

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 FEBRUARY 2015

Title:

ELECTRIC VEHICLE RAPID CHARGING POINTS WITHIN THREE WAVERLEY CAR PARKS

[Portfolio Holders: Cllrs Tom Martin and Donal O’Neill]

[Wards Affected: All]

Summary and purpose:

The report seeks approval to install three Electric Vehicle (EV) charging points within three Waverley car parks. The project aims to create an open and accessible electric vehicle network across the South East to encourage and enable the use of EVs. The project aims to support the Government’s environmental and sustainability policies relating to carbon emissions and air pollution.

Deploying EV infrastructure within the Borough actively supports Waverley’s duty to improve air quality under its statutory Air Quality Action Plan as well as encourages reductions in carbon emissions. The National Planning Policy Framework also promotes air quality consideration through sustainable transport infrastructure in new developments.

Under the EV South East Network project, Waverley has been offered three EV rapid charging points which would be installed at the following car parks: **Central – Farnham, Crown Court – Godalming and Stocklund Square – Cranleigh**. This offer is at no capital cost to the Council. Waverley would enter into a three year agreement with the project delivery partners to operate and maintain the rapid charging points. After this period the contract agreement could be renegotiated.

Overall benefits of Waverley’s participation in the project:

- Being part of a nationwide EV infrastructure network
- Taking advantage of Government funding
- Potential income opportunity
- Demonstrates that Waverley is proactive and forward thinking in delivering its core priorities

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

Environment:

Supporting the Air Quality Management Plan and carbon reduction commitments.

Financial Implications:

The installation and commissioning of the rapid charging points, worth approximately £50,000 will be fully-funded externally. There will be no capital cost to the Council.

There will be a maximum revenue cost implication associated to the project related to a three-year fixed admin and data management totalling £4,200. This will be covered by existing budgets. This fixed expenditure will be reduced on regular usage of the EV points. Detailed financial implications are outlined within the body of the report.

Legal Implications:

If the proposal is approved by Executive, a legally binding deed will have to be signed between the owner (Waverley) and the maintenance and support partners (CYC and Elektromotive Ltd).

Introduction and background

1. Waverley has been given the opportunity to participate in a project that is aiming to develop a network of linked Electric Vehicle (EV) rapid charging points, able to recharge a vehicle within 20-30 minutes, at key en-route locations across the South East.
2. The purpose of this project is to encourage and enable the use of EVs. EVs are economical to run and contribute significantly to reducing air pollution and carbon emissions.
3. Deploying EV infrastructure within the Borough actively supports Waverley's duty to improve air quality under its statutory Air Quality Action Plan as well as encourages reductions in carbon emissions. The National Planning Policy Framework also promotes air quality consideration through sustainable transport infrastructure in new developments.
4. Waverley has a dedicated EV plan incorporated into the Air Quality Action Plan to encourage the uptake of EV's through new planning applications.
5. The EV market is increasing and the Government is investing significant amounts of money to encourage the take up of this technology. Car manufacturers are also making significant investments. For example, BMW is forecasting 100 per cent of their portfolio will move to full electric and/or hybrid motors by the middle of the next decade. Since 2012, the number of electric car models has increased from six to seventeen. Between October 2013 and October 2014 almost 10,500 "plug in" electric vehicles were registered as opposed to 2,880 the year before. There are currently over 17,000 grant funded plug-in electric/hybrid vehicles on the road. Throughout the UK, there have been 7,554 charging points installed to date.
6. The EV South East Network Partnership is a consortium of local authority and private sector electric charge point owners across Sussex, Surrey, Kent and Hampshire. The partnership is led by the Sussex Air Quality Partnership (Sussex-air), who has been successfully awarded £2.4 million from the Government's Office for Low Emission Vehicles (OLEV) to develop a network of rapid charging points in the South East of England.

Proposition to Waverley

7. Under the EV South East Network project, Waverley is offered up to three EV rapid charging points installed within car parks. The selection criteria for the appropriate sites are:
 - Good access to major routes
 - 24/7 public access
 - Safe and well lit
 - Access to 3 phase power
 - Good proximity to electrical substation
 - Access to amenities (café's, toilets, etc)

With these criteria in mind. the following three car parks are being proposed to host the charging points: **Central – Farnham, Crown Court – Godalming and Stocklund Square – Cranleigh.**

8. The installation and commissioning of each rapid charging point, worth approximately £50,000 will be fully-funded externally, at no capital cost to the Council. OLEV will be offering 75% of the total cost; the remaining 25% will be covered by the project delivery partners Charge Your Car (CYC) and Elektromotive Ltd. Annexe 1 shows an image of the EV rapid charging point.
9. Waverley would enter into a three year agreement with the project delivery partners for operation and maintenance of the rapid charging points at no cost. After this period the contract agreement can be renegotiated. Annexe 2 summarises Waverley's responsibilities under this agreement.

Financial considerations

10. It is difficult to predict the take up of the scheme in the early stages. Table 1 below sets out the projected annual expenditure for all three charging points. The three scenarios presented are for 1, 2 and 3 vehicle charges per day for each of the charging points for 360 days.
11. Each customer will pay a £7.50 fee for each charge. A fee will be deducted to cover the Pay As You Go (PAYG) system and the network operation, including bank charges. The remaining income will be paid to Waverley on a quarterly basis to cover the electricity cost and a profit. The electricity cost will initially be covered by Waverley and then recovered from the quarterly profit payment.

Table 1: Projected net income from three charging points					
		Per charge	Scenario 1	Scenario 2	Scenario 3
			1 charge/day each (1080 charges)	2 charge/day each (2160 charges)	3 charge/day each (3240 charges)
Income	Customer fee/charge	£7.50			
	Revenue per 360 days	£7.50	£8,100	£16,200	£24,300
Expenditure	PAYG management fees to CYC	£2.86	£3,084	£6,168	£9,253
	Electricity cost	£2.88	£3,111	£6,222	£9,333
TOTAL	Net income (to Waverley)	£1.77	£1,905	£3,810	£5,715

12. There will be a fixed expenditure across the first three years for all three charging point and it is proposed that this will be covered by existing car park budgets. Table 2 below explains the costs.

Table 2 : Fixed expenditure in the first 3 years				
	Fixed fees for three charging point			
	Year 1	Year 2	Year 3	
Data management Annual Fee	£900	£900	£900	£2700
Admin Costs <i>energise network</i>	£0	£750	£750	£1500
Insurance implications	£960	£960	£960	£2880
Fixed total expenditure for Waverley	£1860	£2610	£2610	£7080

13. Based on Scenario 1, of one charge per day, per charging point over 360 days, Table 3 below demonstrates the level of usage required for the fixed expenditure to be recouped.

Table 3: Net Income – assuming scenario 1			
	Year 1	Year 2	Year 3
Fixed expenditure	£1860	£2610	£2610
Projected net income From scenario 1	£1905	£1905	£1905
Surplus to Waverley	£45	£705	£705

14. The worst case scenario would be that the charging points are not used at all and therefore a net cost would be incurred as shown in Table 2.

15. No loss of income is anticipated in these figures as a result of giving up parking spaces as the proposed car parks are never at full capacity. It is proposed that users will need to purchase a parking ticket for the duration of their charge.
16. Reactive maintenance call out fees for repairs not covered by the equipment warranty will apply. For repairs covered by the insurance policy the call out costs will be covered as part of the insurance claim.

Other considerations

17. Damages: The risk of vandalism of the charging points is no greater than damages being caused to playground equipment, pay and display machines, light columns in car parks, or bus shelters. If damage does occur, replacement of parts should be sufficient to rectify most problems to avoid the need of full replacement.
18. Insurance implications: Waverley does not normally hold insurance cover for items that would be considered “street furniture”. Should Waverley choose to, the insurance provider has quoted an annual cost of £960 to cover full replacement of the 3 units, if necessary.
19. Planning permission: Planning have been consulted and, in their preliminary view, the charging points are likely to be covered by permitted development. The South East partnership will however be liaising with Planning Services if permission is needed.
20. Parking charges and enforcement: in order not to lose car parking income it is proposed that parking charges do apply for the users of the charging points.
21. Timescales: If the proposal is approved, contracts should be signed imminently and the project will be completed by June 2015.

Conclusion

22. EVs currently have a minor place in the market however manufacturers and the Government are investing significant amounts of money to help develop the industry. A £35 million pot of money has recently been made available for Local Authorities to adopt ultra low emission vehicles.
23. Enabling EV operation will help contribute towards Waverley’s responsibility to deliver against the statutory Air Quality Management Plan and reduce carbon emissions.
24. This is a low risk opportunity to own equipment that would otherwise be financially unviable for Waverley to invest in. In the worst case scenario that the charging points are not used at all, Waverley would only incur a revenue expenditure of £7,080 over 3 years.
25. The car parks proposed have been chosen based on location, proximity to amenities and available electricity supply. Loss of income from parking spaces

will be minimal because either no existing spaces will be taken out or sites do not operate to full capacity.

26. The risk of vandalism of the charging points is no greater than the risk of damages being caused to playground equipment, pay and display machines, light columns in car parks, or bus shelters.

Recommendation

It is recommended that the Executive:

1. approves in principle the implementation of up to three EV charging points in the three car parks proposed above in paragraph 7, as part of the South East Network project, subject to final site feasibility studies and satisfactory contract terms and conditions; and
2. delegates authority to the Director of Finance and Resources, the Portfolio holders for Finance, Environment and Sustainability to sign off the project once the details are finalised.

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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EV rapid charger



TECHNOLOGIE CH

The Universal Quick Charger

- Full charge in less than 30 Minutes.
- Compatible with all car brands.
- Perfect solution for traffic intense locations.

QUICK CHARGER TRI-STANDARD

Station

ZE Ready



CHAdeMO



CCS Ready



CE





General presentation

Material	Stainless steel
Standard Colour	RAL9003
Installation	Indoor / Outdoor
Dimensions (HxWxD)	1840x600x700mm
Number of Charging Points	1 or 2 charging points
Number of connectors	1 tethered cable with CHAdeMO connector 1 tethered cable with CCS connector 1 tethered cable with Type 2 plug
Available Power	AC from 20 to 43kW / DC from 20 to 44kW
HMI	LCD colour screen with side buttons
Warranty	2 years

Technical features

Weight	About 350kg
IP index (solid/liquid)	IP55
Shock Resistance	K 10
Climate	-10 to +40 °C (-30 to +40°C with cold option)
Max Altitude	1000m
Humidity index	30-90%
Connector type	4m Type 2 Tethered cable for AC/43kW 4m Tethered cable CHAdeMO DC 44kW 4m Tethered cable with CCS connector DC
Rated Input	400VAC 100kVA 50Hz
Output Voltage	400V AC / 200-500V DC
Output current	0-63A AC / 0-125A DC depending on configuration
Electrical Protections	Integrated RCD 30mA (AC), 300mA (DC) and MCB
Thermo-Management	Active fan cooling / Heating system

General Structure	SEC 54294 NFC 19 100 ICEM 3004/50A/CE
CHAdeMO	SEC 55591 SEC 55592/3 annex A CHAdeMO 30k compatible 10
CCS	SEC 55591 SEC 55592/3 annex C ISO 15110
AC 43kW	SEC 55591 SEC 55592 SEC 55591 annex A ZE-Ready 12 (229-1) (2053057)



Waverley's responsibility

As part of the agreement Waverley:

- Will offer 2 parking spaces per car park for EV users.
- Must ensure operation of the associated equipment for a minimum of 3 years.
- Agrees to maintain and provide data to OLEV for 3 years after the commissioning date.
- Must insure and indemnify the equipment.
- Will cover a £300 annual fee, per rapid charging point, for data management and reporting back to OLEV.¹
- Shall be under contract to the *energise network* for the 3 year period and pay an annual fee of £250 (per rapid charging point) for year 2 and 3 only. This fee will cover admin costs.¹
- Will ensure the rapid charging points and associated equipment are connected to the eV South East Network (*energise network*), CYC network and registered on the National Charge point Register (NCR), for 3 years after the commissioning date.
- Agrees that the customer re-charging fees (for electricity provision on the PAYG system) shall be set by eV South East Network (*energise network*), for 3 years after the commissioning date to ensure a consistent approach to all fees across the network.

¹ Fees are included in Table 2

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 FEBRUARY 2015

Title:

CONVERSION OF PART OF ROWLAND HOUSE, CRANLEIGH

[Portfolio Holder: Cllr Stewart Stennett]

[Wards Affected: Cranleigh East]

Summary and purpose:

The purpose of this report is to seek approval for the submission of a planning application to convert the unoccupied part of the HRA-owned property at Rowland House, Cranleigh to a fully wheelchair accessible flat.

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

This report relates to the Council's corporate priorities of affordable housing and understanding residents' needs.

Financial Implications:

The building work will be funded by the New Affordable Homes Reserve in 2015/16, subject to achieving planning permission for change of use to residential.

Legal Implications:

The legal implications that may arise from the title search, existing lease arrangements with the neighbouring user and the sale agreement for adjacent land will be explored prior to Executive.

Background

1. Earlier this year, the tenant surrendered the lease on part of Rowland House in Victoria Road, Cranleigh, owned by the Housing Revenue Account and shown in Annexe 1. To ensure that the best use is made of the Council's assets, alternative uses for the vacant part of the building were explored, including the potential of converting the space to residential use.
2. An architect was appointed to prepare sketch plans to convert the vacant part of the building into a four-bedroom fully wheelchair accessible flat. The proposed layout is shown in Annexe 2.
3. The work involved in converting the space to residential use would include separating the utilities, which is currently underway, stripping out, drainage alterations and creating new accommodation, accessible access and parking.
4. Planning permission for change of use to residential will be required to enable the conversion to proceed. It is anticipated that a planning application will be ready to submit in March and is likely to take eight weeks to determine.

5. The costs incurred in bringing this scheme forward for planning will be covered by the approved budget for pre-development costs from the New Affordable Homes Reserve.
6. Before proceeding to the planning stage, Housing Development Team will consult with Ward Members and the neighbouring users on the proposals, and discuss the draft layout with the prospective tenants.

Conclusion

7. To meet the high level of housing need in the Borough, the Housing Development team actively explore opportunities that arise to make best use of the Council's assets to provide additional affordable homes to meet local housing need. The vacant part of the Rowland House, Cranleigh provides one such opportunity to meet housing need.

Recommendation

The Executive is recommended to approve the submission of a planning application for change of part of Rowland House, Cranleigh to a fully wheelchair accessible flat.

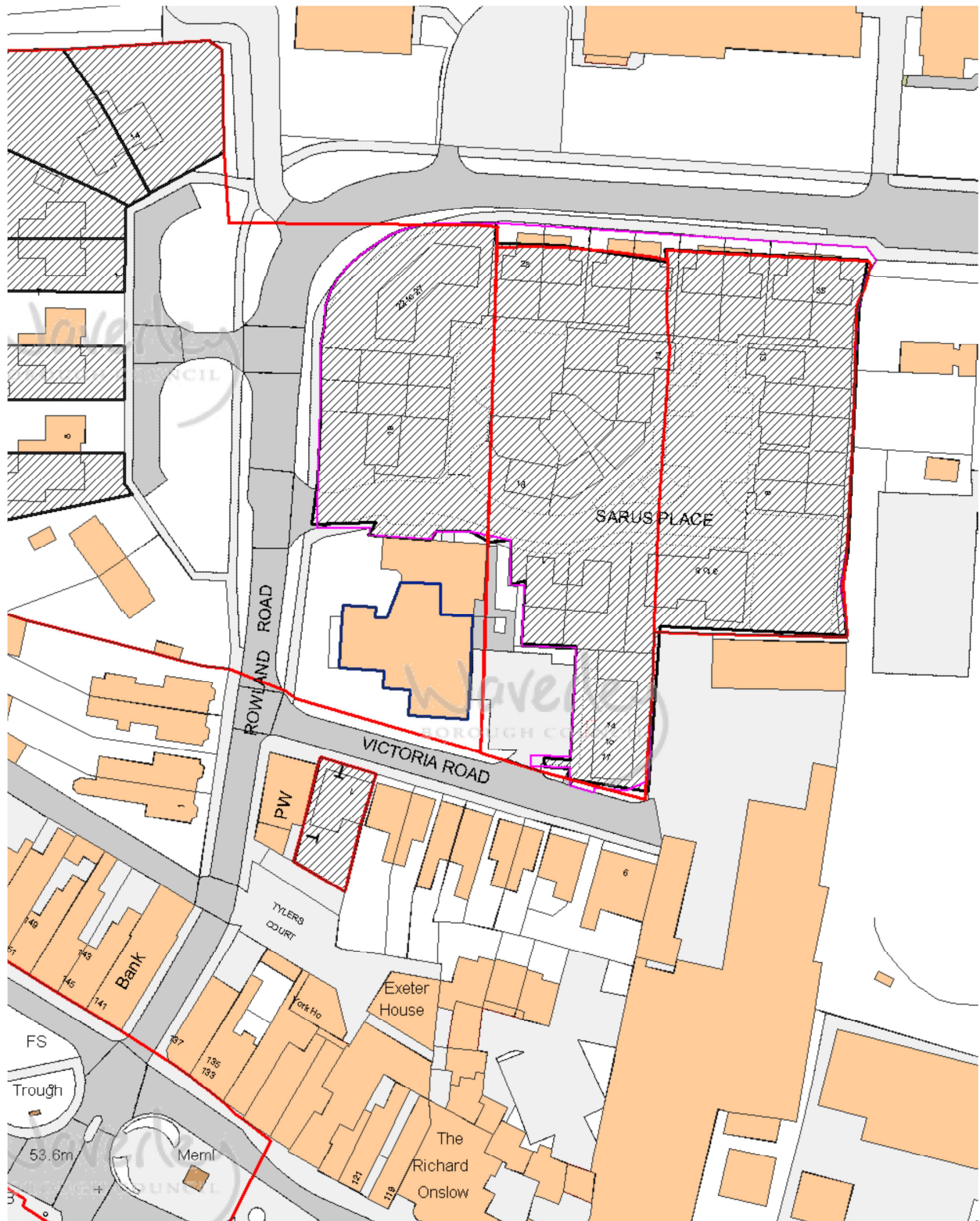
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Location plan



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