

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 9 JUNE 2015

Title:

**CAPITAL PROGRAMME OUTTURN 2014/15
(GENERAL FUND, HOUSING REVENUE ACCOUNT)**

[Portfolio Holder: Cllr Wyatt Ramsdale]

[Wards Affected: All]

Summary and purpose:

This report presents the outturn for the Council's 2014/15 Capital Programme. It also seeks approval to add rescheduled expenditure and minor slippage from the 2014/15 Programme to the 2015/16 Programme.

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

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

Resource Implications:

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

Legal Implications:

This report does not have any direct legal implications.

Introduction

1. This report presents the outturn for the Council's 2014/15 Capital Programme. It also seeks approval to add rescheduled expenditure and minor slippage from the 2014/15 Programme to the 2015/16 Programme.

General Fund Capital Programme

2. Annexe 1 shows details of the 2014/15 Capital Programme Outturn, together with the proposed transfer of budgets from 2014/15 to 2015/16.
3. The original approved Programme for Waverley Capital expenditure in 2014/15 was £5,616,107. To this, slippage of £1,918,597 was added from 2013/14. During the year several additional schemes were also approved financed from further external funding that had been secured. Overall, the resulting total approved Programme for the year was £7,843,661.

4. Actual expenditure in the year against these Projects was £6,698,558. Some of this was accounted for within Revenue at the year-end to ensure compliance with accounting standards, but is still included in the capital figures presented to aid transparency; an equivalent amount is funded from the Revenue Reserve Fund to ensure there is no impact on the Revenue Budget. Slippage requests total £963,895, as detailed at Annexe 1. Included in this figure is a requirement to cover an estimated £99,500 further expenditure on the Riverside project in 2015/16 and it is proposed that money be carried forward from the overall General Fund underspend to cover this. The additional costs arise from delays to the scheme caused by adverse weather and the utilities companies moving power cables.
5. The following table analyses the General Fund Capital Programme movements during the year, which are shown in more detail at Annexe 1:

	£
Original Capital Programme for 2014/15	5,616,107
Rescheduling from 2013/14	1,918,597
Supplemented by extra External Funding	308,957
Total Approved Programme	7,843,661
Expenditure in year	-6,698,558
Proposed Rescheduling to 2015/16	-963,895
Overall Savings	-181,208

Housing Revenue Account Capital Programme

6. Annexe 2 shows details of the 2014/15 HRA Core Capital Programme Outturn, together with the proposed transfer of budgets from 2014/15 to 2015/16.
7. Good progress was made in delivering the decent homes works programme despite problems gaining access to properties and tenant refusals to have the work carried out. Annexe 2 shows a total budget to be rescheduled to 2015/16 of £1,134,625. In January 2015 the rescheduling of £500,000 from this budget was approved to fund emergency lighting in Sheltered Accommodation. It is requested that the balance of £634,625 be carried forward in relation to the kitchens, bathrooms, rewiring and other electrical work (compliance) programmes.
8. In December 2014 the Compliance Manager prepared a report that set out a 5-year compliance plan for various health and safety risk areas. The plan covers such areas as lifts, fire safety, gas supply and heating, legionella and asbestos. There is regular budget provision to cover much of this work but the balance of the decent homes work budget referred to above will help to fund work to be carried out in 2015-2016 under the first year of the plan.
9. Annexe 2 shows a total budget to be rescheduled to 2015/16 of £688,500 which includes £50,000 approved in January 2015 to fund lighting at Sheltered Schemes (see 7 above). The balance of £638,500 is requested for carry forward to 2015/16.

10. The following table analyses the HRA Core Capital Programme movements during the year:

	£
Originally Approved Programme	7,651,970
Rescheduling from 2013-14	1,010,500
Total Approved Programme	8,662,470
Expenditure in the Year	-6,213,079
Virement to Rolston House Remodelling	-310,000
Rescheduling and Slippage	-1,823,125
Savings in capital spend	-316,266

New Affordable Homes

11. The focus of the original approved capital programme of some £6.8million for 2014/15 has varied in the course of the year depending upon how individual schemes have progressed. New dwellings at Badgers Close, Warren Road and Perrior Road in Farncombe have been completed and further new dwellings should be completed at the Hullmead and Ladymead sites in the summer of 2015. The detailed outturn is attached at Annexe 3, which shows the actual expenditure in year of just over £3 million.
12. In respect of the budgets requested for carry forward, it is hoped to complete on a significant property purchase by the end of May 2015 and the programme of buy backs continues with 2 properties completed to date in 2015/2016.
13. Pre-development costs have started to be incurred for the approved Ockford Ridge redevelopment scheme together with some payments for home-loss and compensation. It is proposed to meet these costs from the underspend on the general pre-development expenditure and staff costs budgets. Other development costs will be funded from the general buy-back provision, reducing the carry forward request for this provision to £3,647,809.

Stock Remodelling

14. The remodelling of Rolston House was successfully completed during the year with a small overspend of £30,000 against the latest budget position. In addition, 2 further units of accommodation have been provided at Faulkner Court and Bowring House.
15. Provisional expenses have been incurred in relation to the proposed remodelling at Ockford Ridge and the conversion of community rooms. It is proposed to fund these costs from the unallocated, general provision for conversion of former staff accommodation. The remaining £50,000 of this budget is requested for carry forward to fund further conversion works at Blundon Court in 2015/16. Annexe 4 shows the full details.

Financing

16. The Council's total Capital Programme (General Fund, Affordable Housing Stock Remodelling and core HRA) expenditure amounted to 17,751,204, which has been financed as follows: -

	General Fund	Housing Revenue Account	Affordable Homes	Stock Remodelling	Total
	£	£	£	£	£
Use of Revenue Reserve Fund	3,092,241				3,092,241
Specific Grants and Contributions	1,188,747				1,188,747
Renewals Fund	12,875				12,875
HRA Revenue Reserve	0	4,993,209			4,993,209
Leisure Strategy Fund	566,113				566,113
Borrowing (LEP)	702,136				702,136
Stock Remodelling Reserve	0			1,703,526	1,703,526
New Affordable Homes Reserve	0		2,678,173		2,678,173
Transferred to Revenue	1,136,446	1,219,869	416,407	41,462	2,814,184
	£6,698,558	6,213,078	3,094,580	1,744,988	17,751,204

Conclusion

17. The underlying level of year-end slippage for the General Fund remains relatively low, with major schemes delivered successfully during the year.
18. Delivery of the HRA Capital Programme is now progressing well.

Recommendation

It is recommended that the Executive:-

1. notes the Capital Outturn position for 2014/15;
2. approves the transfer of budgets totalling £963,895 as shown in Annexe 1, from the 2014/15 General Fund Capital Programme to the 2015/16 General Fund Capital Programme;
3. approves the transfer of budgets totalling £1,273,125 (in addition to the £550,000 already approved) as detailed in Annexe 2 from the 2014/15 HRA Capital Programme to the 2015/16 HRA Capital Programme;

4. approves the transfer of budgets totalling £4,858,809 as detailed at Annexe 3 from the 2014/15 New Affordable Homes programme into 2015/16;
5. approves the transfer of budgets totalling £55,000 as detailed at Annexe 4 from the 2014/15 Stock Remodelling programme into 2015/16; and
6. approves the capital financing set out in paragraph 16;

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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