

TITLE	Capital Programme and Strategy 2017/20
FOR CONSIDERATION BY	The Executive on 23 February 2017
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Anthony Pollock, Executive Member for Economic Development and Finance

OUTCOME / BENEFITS TO THE COMMUNITY

Effective and safe use of our resources to deliver service improvements and service continuity through capital investments.

RECOMMENDATION

The Executive is asked to recommend to Council the following:

- 1) that they approve the Capital Programme and Strategy for 2017/20, as set out in Appendix A to the report;
- 2) note the draft vision for capital investment over the next 10 years, as set out in Appendix B to the report; and
- 3) approve the developer contribution S106 and CIL as set out in Appendix C to the report noting that the S106 and CIL values are estimated and approval is sought up to the scheme budget.

SUMMARY OF REPORT

The overarching aim of the Wokingham Borough Council capital strategy is to provide a framework within which the Council's capital investment plans will be delivered and has been prepared to cover a 10 year time frame from 2017/2018 to 2026/27. However recognising that there is some uncertainty, especially in relation to needs and funding in later years, the strategy therefore focuses on 2017/18 to 2019/20.

Background

An officer led capital prioritisation group created to score, review and evaluate the current 10 year capital vision (including estimated carry-forwards) and any new capital scheme bids. This group sought to allocate scarce capital resources in line with the Council's Vision, priorities and underpinning principles.

Based on these evaluations the attached capital programme has been prepared. Members are presented with the proposed capital budget submission 2017/20 for recommendation to Council (Appendix A). This includes a summary of the sources of funding the programme (Appendix B).

Analysis of Issues

The proposed capital programme helps deliver the key priorities set over the next three years in the following key areas:

Improve educational attainment and focus on every child achieving their potential

£57.8m – this includes building to enable new school places and improvements to school buildings

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

£96.4m – this includes investment in Wokingham Town Centre regeneration and investment in affordable housing.

Ensure strong sustainable communities that are vibrant and supported by well-designed development

£128.4m – This includes maintenance/improvements in housing revenue account properties, Wokingham cycle network, the continuation of the street lighting replacement scheme, maintenance / improvement of highways infrastructure and sports and leisure provision in the borough.

Tackle traffic congestion in specific areas

£72.0m – This includes construction of 6 new relief roads in Wokingham Borough

Improve the customer experience when accessing services

£19.5m – This includes implementation/purchase of new IT systems and investment in council properties.

Summary of the capital programme

A breakdown of the capital programme and resources available by year is found below:

	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Total
Capital Expenditure	152,849	92,293	128,971	374,113
Capital Resources	(154,241)	(93,600)	(126,350)	(374,191)
In-year (Surplus)/deficit	(1,392)	(1,307)	2,621	(78)
Cumulative (Surplus)/deficit	(1,392)	(2,699)	(78)	
*2017/18 Includes re-profiled schemes from 2016/17 of £54.6m				

The total value of the programme over the three years is £374.1m

The capital resources available to fund the capital programme over the next three years are broken down below:

Section 106/ Community infrastructure levy	- £114.1m
Grants & Contributions	- £37.2m
Reserves & Capital Receipts	- £32.1m
Borrowing	- £190.8m
Total funding	- £374.1m

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£152.8m in 17/18	Yes	Capital Revenue
Next Financial Year (Year 2)	£92.3m in 18/19	Yes	Capital Revenue
Following Financial Year (Year 3)	£129.0m in 19/20	Yes	

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

Budgets and strategies are clearly monitored and do not impact on other Council services and priorities

List of Background Papers

Appendix A - 3 year Capital Programme Appendix B - 3 year Capital Resources Appendix C - Developers Contributions funded schemes Appendix D - 10 Year Capital Vision

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