

Agenda Item 98.

TITLE	Capital Programme and Strategy 2018/21
FOR CONSIDERATION BY	The Executive on 22 February 2018
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Julian McGhee-Sumner, Executive Member for 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 2018/21, Appendix A to the report;
- 2) note the draft vision for capital investment over the next 10 years, Appendix B to the report; and
- 3) approve the developer contributions S106 and CIL as set out in Appendix C to the report. 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 2018/19 to 2028. However recognising that there is some uncertainty, especially in relation to needs and funding in later years, the strategy therefore focuses on 2018/19 to 2020/21.

Background

The current 10 year capital vision and any new capital scheme bids is periodically reviewed. The Council seeks to allocate scarce capital resources in line with the Council's Vision, priorities and underpinning principles by scoring and evaluating the capital programme.

Based on these evaluations the attached capital programme has been prepared. Members are presented with the proposed capital budget submission 2018/21 for recommendation to Council (Appendix A). The sources of funding for the programme are outlined in 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. Most schemes deliver across more than one priority area; the schemes are have been allocated to the most significant priority.

Improve educational attainment and focus on every child achieving their potential £49.3m – 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

£170.0m – 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

£52.7m – 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

£158.0m – This includes construction of 6 new relief roads in Wokingham Borough.

Improve the customer experience when accessing services

£104.5m – 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:

Wokingham Borough Council Capital Program 2018-2021

Asset Type	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total
Car parking	2,535	900	1,214	4,649
Cultural enhancement/new build	1,050	1,136	0	2,186
cycle infrastructure improvement scheme	950	950	950	2,850
Developer contributions to forward funded schemes	7,006	2,954	506	10,466
Flood Alleviation / Drainage	1,099	1,090	190	2,379
Foot/bridal/cycle ways enhancements/new build	1,320	1,095	1,045	3,460
Mandatory Disabled Facility Grants	806	806	806	2,418
Safety / Crash Barriers	713	713	713	2,139
Social Housing	5,900	8,100	7,300	21,300
Street Lighting Asset Replacement & column testing	19	19	19	57
Waste Schemes	80	580	100	760
Ensure strong sustainable communities that are vibrant and supported by well-designed development	21,478	18,343	12,843	52,664
Enhancing Provision for Children & Young People with Disabilities	71	71	71	213
Schools	8,740	17,072	23,321	49,133
Improve educational attainment and focus on every child achieving their potential	8,811	17,143	23,392	49,346
Adult social care asset enhancement/new build	95	95	95	285
IT Systems (including hardware/software)	566	585	856	2,007
Strategic asset enhancement/New build	45,710	55,733	733	102,176
Improve the customer experience when accessing services	46,371	56,413	1,684	104,468
Affordable housing future schemes (to be approved)	0	8,579	11,340	19,919
Affordable housing initiatives	21,135	0	967	22,102
Country parks & play areas	1,945	965	360	3,270
Leisure facilities	4,982	40	17,245	22,267
Strategic Capital Reserve	2,000	2,000	2,000	6,000
Strategic Development	442	749	95	1,286
Town Centre Regeneration	29,804	29,713	16,101	75,618
Wokingham Housing Limited	6,000	7,590	6,000	19,590
Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth	66,308	49,636	54,108	170,052
Highway Bridges	494	1,900	1,378	3,772
Highways and Maintenance	2,280	2,280	2,280	6,840
Highways Footway Structural Maintenance & improvement	95	95	95	285
Road & Highways infrastructure improvement scheme	34,140	60,997	51,981	147,118
Provision for Super-Fast Broadband	0	0	0	0
Tackle traffic congestion in specific areas	37,009	65,272	55,734	158,015
Total	179,977	206,807	147,761	534,545

The total value of the programme over the three years is £534.5m

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

Funding Stream	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total
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	£'000	£'000	£'000	£'000
Developers contribution (S106 & CIL)	(60,564)	(33,681)	(39,185)	(133,430)
Major Repairs Reserve	(4,100)	(4,100)	(4,100)	(12,300)
Forward Funding	(13,105)	(44,899)	(43,920)	(101,924)
Borrowing	(78,127)	(75,004)	(19,452)	(172,582)
Grants	(12,127)	(23,969)	(21,250)	(57,346)
Capital Receipts	(11,950)	(25,150)	(19,850)	(56,950)
Total	(179,977)	(206,807)	(147,761)	(534,545)

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)	£179.98m in 18/19	Yes	Capital
Next Financial Year (Year 2)	£206.81m in 19/20	Yes	Capital
Following Financial Year (Year 3)	£147.76m in 20/21	Yes	Capital

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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