

Agenda Item 66.

TITLE	Capital Monitoring 2018/19 - end of September 2018
FOR CONSIDERATION BY	The Executive on Thursday, 25 October 2018
WARD	None Specific;
DIRECTOR	Director of Corporate Services - Graham Ebers
LEAD MEMBER	Charlotte Haitham Taylor, Leader of Council

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Effective use of our capital resources to meet service investment priorities, offering excellent value for residents' council tax.

RECOMMENDATION

The Executive is asked to:

- 1) note the quarter two position for the capital budget as set out in Appendix A to the report;
- 2) approve and note that the overall value of the 2018/19 capital programme budget now includes the final part of the previously agreed ring-fenced capital contribution, for £200k increased contingency match- funding contribution from Wokingham Town Council for the Wokingham Town Centre Improvements capital budget.
- 3) approve and note that the overall value of the 2018/19 capital programme budget now includes £164k S106 contributions for sports facilities to increase the capital budget for the Bulmershe Sports Centre.

EXECUTIVE SUMMARY

To consider the 2018/19 Capital Monitoring Report to the end of September 2018. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 2nd quarter, and shows a nil variance forecast against budget.

BACKGROUND

The forecast variance has been arrived at by analysing the actual commitments to date and assessing how expenditure may continue to the end of the year based on the latest information available.

The current approved Capital Budget for the year 1 is £134,011k. It is now estimated that £135,502k will be spent this financial year. The remaining budget of £86,722k will be carried forward into 2019/20.

Analysis of Issues

Effective monitoring of budgets is an essential element of providing cost effective services and enables any corrective action to be undertaken, if required.

Uncommitted Capital balances (capital resources received, but not yet allocated to the capital programme) are currently estimated to be £0.5m as at 30th September 2018 (prior to any announcement about funding cuts and on the assumption that the level of capital receipts will be achieved). The estimated capital receipts received for 2018-19 are expected to be £2m.

Ring Fenced Capital Contributions-

We have been notified of the following ring fenced capital contribution to be received by the Council in 2018/19:-

Contribution for the Town Centre Improvements project from Wokingham Town Council for £200k, being their part of match funding agreement.

S106 Contribution reallocated to Bulmershe Sports Centre to increase budget by £164k, due to additional contamination having been identified during demolition below ground which will require additional mitigation, and requires supplementary funding in excess of approved budget.

These ring fenced grants and contributions are to be added to the capital programme, and must be spent in accordance with the specific activities required by the grant or contribution, or would otherwise need to be returned to the government, or third party.

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)	£135,502k	Yes	Capital
Next Financial Year (Year 2)	£86,722k	Yes	Capital

Following Financial Year (Year 3)			
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Other Financial Information
None

Stakeholder Considerations and Consultation
Stakeholders should be reassured of the effective management of the Council's resources.

Resourcing and Timeline for Next Steps
Update will be provided for quarter 3 at January 2019 Executive.

Timeline for Review and Evaluation
Reports are reviewed on a monthly basis by CLT and are reported to Executive at the next quarter.

List of Background Papers
See attached Appendix A, Capital Monitoring Summary Report to September 2018

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