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| <b>TITLE</b>                | <b>Capital Monitoring 2018/19 - end of December 2018</b>                   |
| <b>FOR CONSIDERATION BY</b> | The Executive on Thursday, 31 January 2019                                 |
| <b>WARD</b>                 | None Specific;   |
| <b>LEAD OFFICER</b>         | Deputy Chief Executive – Graham Ebers                                      |
| <b>LEAD MEMBER</b>          | Executive Member for Finance, HR and Corporate Resources – Anthony Pollock |

**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 three position for the capital budget as set out in Appendix A to the report;
- 2) approve and note new budget adjustments in the capital programme for 2018/19, as set out in Appendix B, including addition £1,177,000 grant received from Department of Transport for Highways Maintenance into the capital programme;
- 3) approve and note new budget virements in the capital programme which constitutes a change of use, as set out in Appendix C.

**EXECUTIVE SUMMARY**

To consider the 2018/19 Capital Monitoring Report to the end of December 2018. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 3rd quarter, and shows a nil variance forecast against budget.

## BACKGROUND

### BUSINESS CASE (Including Options and Evidence of Need)

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 original agreed programme for capital for 2018/19 was £221.731 million. At the start of the year officers revised their expectation of spend to give a current approved Capital Budget for the year of £134.255 million. It is now estimated that £131.226 million will be spent this financial year, with an underspend of £4.467 million. The remaining budget of £87.306 million 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 31st December 2018 (prior to any announcement about funding 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.

To date (31 December 2018) services have spent £72.593 million, which represents 53.85% of the revised annual budget.

### 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)   | £131,226k                     | Yes   | Capital             |
| Next Financial Year (Year 2)      | £87,306k                      | Yes   | Capital             |
| Following Financial Year (Year 3) |                               |   |                     |

#### Other Financial Information

None

#### Stakeholder Considerations and Consultation

Stakeholders should be reassured of the effective management of the Council's resources.

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| <b>Resourcing and Timeline for Next Steps</b>   |  |
| Outturn figure will be reported at May 2019 Executive   |  |
| <b>Timeline for Review and Evaluation</b>   |  |
| Reports are reviewed on a monthly basis by CLT and are reported to Executive at the next quarter. |  |
| <b>List of Background Papers</b>  |  |
| See attached Appendix A, Capital Monitoring Summary Report to December 2018                       |  |
| <b>Contact</b> James Sandford   | <b>Service</b> Business Services             |
| <b>Telephone</b> Tel: 0118 974 6577   | <b>Email</b> james.sandford@wokingham.gov.uk |

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