

TITLE	Capital Programme and Strategy 2019/22
FOR CONSIDERATION BY	The Executive on Thursday, 21 February 2019
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive- Graham Ebers
LEAD MEMBER	Executive Member for Finance, HR and Corporate Resources - Anthony Pollock

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

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 strategy for 2019/22 - Appendix A;
- 2) that they approve the 3 year capital programme 2019/22 – Appendix B;
- 2) note the draft vision for capital investment over the next 10 years - Appendix C;
- 3) approve the developer contributions S106 and CIL as set out in Appendix D. The S106 and CIL values are estimated and approval is sought up to the scheme budget;
- 4) note the commercial activities of the Council – Appendix E.

EXECUTIVE SUMMARY

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 2019 to 2029. However recognising that there is some uncertainty, especially in relation to needs and funding in later years, the strategy therefore focuses on 2019/20 to 2021/22.

BACKGROUND

The current 10 year capital vision and any new capital scheme bids are periodically reviewed. The Council seeks to allocate scarce capital resources in line with the Council's borough plan, 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 & strategy 2019/22 for recommendation to Council. A summary by Exec member can be found in appendix A, section 7. The sources of funding for this programme are outlined in appendix A, section 8.

BUSINESS CASE (including Options and Evidence of Need)

The proposed capital programme helps deliver the key priorities of the borough plan and is set over the next three years. Most schemes deliver across more than one priority area; the schemes are have been allocated to the most significant priority.

Capital Programme by Borough Plan Priorities	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Total
	£'000	£'000	£'000	£'000
Promoting Quality of Life for Vulnerable Adults	2,774	3,873	3,392	10,039
Affordable Housing	22,470	20,692	10,338	53,500
Traffic Congestion	6,484	10,530	6,948	23,962
Clean, Green and Enjoyable Spaces	1,504	469	419	2,392
Sustainable Towns and Parishes	101,052	81,580	58,515	241,147
Economic Prosperity	70,576	12,806	15,726	99,108
Ensuring Opportunity for all Children	22,118	7,667	3,323	33,108
Encouraging Physical and Mental Wellbeing	10,219	12,825	75	23,119
Total	237,197	150,442	98,736	486,375

The Council's plans to make capital investment of £484 million over the next 10 years. Appendix C shows every scheme by asset type. A summary of these investments are:

	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Total
Asset area greater than 10m in year 1	£'000	£'000	£'000	£'000
Strategic asset enhancement/New build	64,655	1,100	4,175	69,930
Road & Highways infrastructure improvement scheme	47,729	62,478	46,261	156,468
Town Centre Regeneration	42,276	11,482	3,951	57,709
Schools-enhancements, extensions and new build	20,558	7,667	3,323	31,548
Social Housing	22,470	20,692	10,338	53,500
Subtotal	197,688	103,419	68,048	369,155
Assets area less than 10m in year	39,509	47,023	30,688	117,220
Total	237,197	150,442	98,736	486,375

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)	£237,197,000	Yes	Capital
Next Financial Year (Year 2)	£150,442,000	Yes	
Following Financial Year (Year 3)	£98,736,000	Yes	

Other Financial Information
None

Stakeholder Considerations and Consultation
N/A

Resourcing and Timeline for Next Steps
N/A

Timeline for Review and Evaluation
N/A

List of Background Papers
Appendix A - Capital Strategy for 2019/22 Appendix B - 3 Year Capital Programme 2019/22 Appendix C – Capital Investment over 10 Years

Appendix D – Schemes Funded by Developer Contributions Appendix E – Commercial Activities
--

Contact Martin Jones	Service Business Services
Telephone Tel: 0118 974 6877	Email martin.jones@wokingham.gov.uk