

<b>TITLE</b>	<b>Capital Monitoring 2021/22 - Quarter 1</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 29 July 2021
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers
<b>LEAD MEMBER</b>	Executive Member for Finance and Housing - John Kaiser

## **PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

Effective use of our capital resources to meet the Council Plan investment priorities, and delivering value for money for residents.

## **RECOMMENDATION**

The Executive is asked to:

- 1) approve and note the proposed rephrasing to the Capital Programme following the annual budget profiling review from the Medium Term Financial Plan, to get more realistic profiling for financial management and cashflow purposes, as set out in paragraph 3 and Appendix B of the report;
- 2) note the position of the capital programme at the end of Quarter 1 (to 30 June 2021) as summarised in the report below and set out in detail in Appendix A to the report;
- 3) note and approve additional budget added to the capital programme for a parcel of land at Winnersh Triangle Stations, for the Park and Ride project, to the value of £175k. Funded by a transfer of a nearby parcel of land to the same third party, also for £175k.

## **EXECUTIVE SUMMARY**

1. This report informs the Executive of the progress of the Council in delivering its capital programme for the financial year 2021/2022. The Executive have previously agreed to consider Capital Monitoring Reports on a quarterly basis and this report highlights the capital monitoring as at the end of the first quarter of the financial year (30 June 2021).
2. The COVID 19 pandemic continues to have a financial impact on the Council's finances, in terms of both its revenue and capital resources. It is therefore essential that the capital programme is closely reviewed to assess the assuredness of funding sources and if there have been any changes in service requirements. The Council on the other hand must recognise that capital investment will play an important role in local and regional recovery from the impact of the crisis.
3. The Council's finance team working with services across the council have conducted a review of the programme to identify rephrasing of projects to match expected

delivery, taking account of the impact on the service delivery and project cost. This work supports more accurate financing monitoring and cashflow analysis. The review has identified £152.7 million of rephasing of budgets into future years as at end of quarter 1; a full list of the adjusted projects is at 'Appendix B - List of proposed rephasing of projects in Quarter 1' and Executive is asked to approve the updated rephasing of these projects.

4. The programme will continue to be monitored and reviewed throughout the financial year and any further rephasing will be notified to Executive for approval. Review of capital projects has identified a £0.7m savings (further detail in note 5 and on Appendix A), which can be reinvested into future funding of capital schemes in the capital programme.

Capital Monitoring Forecast Outturn Position for 2021/2022 (as at 30 June 2021):-

	£'million
Capital Programme approved at Council (Feb 2021)	204.4
Budget rephased from prior years (existing projects)	209.2
New Budgets added in quarter 1	0.3
<b>Capital Approved Budget</b>	<b>413.9</b>
Budget rephased to later years	(152.7)
<b>Working Capital Programme</b>	<b>261.2</b>
Forecast variances to the programme – savings	(0.7)
<b>Forecast Capital Outturn</b>	<b>260.5</b>

5. As at 30 June 2021, there are £(0.7)m savings variances to the capital programme identified. This are made up as follows:

<u>Analysis of material budget savings identified as at 30 June 2021</u>	£'million
<b>Resources &amp; Assets –</b>	
Town Centre Regeneration (Strategic acquisitions) –	(0.714)
<b>Total</b>	<b>(0.714)</b>

6. All projects that have been rephased have been made in consultation with the project / programme managers and they confirm there is a nil or negligible impact of the re-phased programme on service delivery and the rephasing does not increase the cost of the project or have a revenue impact on the service area.
7. Note and approve additional budget added to the capital programme as acquisition of a parcel of land at Winnersh Triangle Station, required for the Park and Ride project, to the value of £175k (professionally valued). Funded by a transfer of a nearby parcel of land to the same third party Winnersh Midco S.à.r.l. (also professionally valued at £175k). This will show in the accounts the true cost of the land transfer to enable this project to proceed.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£260.5m	Yes	Capital
Next Financial Year (Year 2)	£152.7m	Yes	Capital
Following Financial Year (Year 3)	To be agreed in MTFP in Feb'22		

### **Other Financial Information**

None

### **Stakeholder Considerations and Consultation**

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

### **Public Sector Equality Duty**

Equality assessments are carried out as part of each capital project

***Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030***

The capital programme includes projects which help achieve our priorities in relation to climate change.

### **List of Background Papers**

Appendix A: Capital Monitoring Summary Report for Quarter 1 (2021-2022)  
Appendix B: List of proposed rephasing of projects in Quarter 1 to 2022-23

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