

<b>TITLE</b>	<b>Capital Monitoring 2021-22 - Quarter 3</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 27 January 2022
<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 rephasing to the Capital Programme following the 'in-year' review, as set out in paragraph 3 and Appendix B. There is no financial / service impact from the reprofiling of budgets into 2022/2023;
- 2) note the position of the capital programme at the end of Quarter 3 (to 31<sup>st</sup> December 2021) as summarised in the report below and set out in detail in Appendix A;
- 3) approve and note the removal of the new Crematorium scheme from the capital programme. This will removal £3.7m of budget from the 2021/22 capital programme.

## **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 third quarter of the financial year (31 December 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 rephasing of projects to match

expected delivery, taking account of the impact on the service delivery and project cost. The review originally has identified £152.7 million of rephasing, in the third quarter of the year, this was adjusted to **£244.3 million**, and this is summarised below; a full list of the adjusted projects is at 'Appendix B - List of proposed rephasing of projects in Quarter 3' and Executive is asked to approve the updated rephasing of these projects.

- 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 **£10.9m** savings (further detail in note 5 and on Appendix A).

**Capital Monitoring Forecast Outturn Position for 2021/2022 (as at 31 December 2021):-**

	£'million
Capital Programme approved at Council (Feb 2021)	204.4
Budget rephased from prior years (existing projects)	209.2
Budgets movements in year (including removal of new Crematorium project)	(4.2)
<b>Capital Approved Budget</b>	<b>409.4</b>
Budget rephased to later years	(244.3)
<b>Working Capital Programme</b>	<b>165.1</b>
Forecast variances to the programme – savings	(10.9)
<b>Forecast Capital Outturn</b>	<b>154.2</b>

- As at 31 December 2021, there are £(10.9)m savings variances to the capital programme identified. This are made up as follows:

<u>Analysis of material budget savings identified as at 31 December 2021</u>	£'million
<b><u>Place &amp; Growth</u></b>	
GCN (Great Crested Newt) District Level Licence - External organisation to deliver requirements	(4.8)
<b><u>Community Insight and Change</u></b>	
Temporary Accommodation Improvement Works at Grovelands Park - Phase 2 being transferred to HRA and funding within existing HRA budget	(2.7)
<b><u>Adult Social Care</u></b>	
ASC and Optalis Transformation Programme through utilisation of revenue budget to free up capital funding	(0.85)
Learning Disability Outreach and Overnight Respite Centre - Reduced scope of works via refurbishment rather than new build.	(0.7)
Following savings identified and projects to be considered as part of future MTFP projects	
Investment in Manual Handling Equipment to Reduce Domiciliary Care costs	(0.25)

Connected Care	(0.09)
<b>Resources &amp; Assets –</b>	
Bulmershe Swimming Pool / Leisure Centre (new build) - Savings reflect efficiency achieved through streamlined procurement and design development, now operational post Covid	(0.77)
Town Centre Regeneration (Strategic acquisitions) – No further acquisitions expected	(0.71)
<b>Total</b>	<b>(10.9)</b>

The savings identified are self – funded schemes, except for all of the Adult Social Care projects where the savings can be reinvested to fund other schemes in the capital programme.

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. The new Crematorium scheme has been removed from the capital programme, this has resulted in a reduction in budget of £3.7m in 2021/22.

## 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)	£154.2m	Yes	Capital
Next Financial Year (Year 2)	£244.3m	Yes	Capital
Following Financial Year (Year 3)	tbc when 2022/23 budget set	Yes	Capital

### 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 3 (2021-2022)

Appendix B: List of proposed rephrasing of projects in Quarter 3 to 2022-2023

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