

Agenda Item 72.

TITLE	Capital Monitoring 2015/16 – End of September 2015
FOR CONSIDERATION BY	The Executive on 29 October 2015
WARD	None specific
DIRECTOR	Graham Ebers, Director Finance and Resources
LEAD MEMBER	Anthony Pollock, Executive Member for Economic Development and Finance

OUTCOME / BENEFITS TO THE COMMUNITY

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

RECOMMENDATION

The Executive is asked to:

- 1) note the Capital Monitoring report for 2nd quarter of 2015/16, as set out in Appendix A to the report;
- 2) approve the allocation of s106 to currently approved projects, as listed in Appendix B to the report, which will reduce borrowing costs by £395,014.73 (plus indexation to be calculated).

SUMMARY OF REPORT

To consider the 2015/16 Capital Monitoring Report to the end of September 2015. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 2nd quarter forecasts, and shows a small underspend of (£14,000).

Background

The capital monitoring report to the end of September (Appendix A) shows a small under spend of (£14,000). 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 is £107,536,000. However, it has been estimated £53,359,000 will be spent this financial year. The remaining budget will be carried forward into 2016/17. The Carry forward is estimated at £54,163,000.

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. There is a forecast (£14,000) underspend variance on the Capital Programme for the current financial year.

Uncommitted Capital balances are currently estimated to be £36,000 as at 30th September 2015 (prior to any announcement about funding cuts and on the assumption that the level of capital receipts will be achieved). The estimated capital receipts for 2015-16 as at the 30th September 2015 are expected to be £250,000.

Release of S106 (Appendix B)

The Executive are asked to approve the use of S106 contributions secured, towards the funding of the following scheme :

- Coppid Beech Roundabout Improvements and Enhancements £395,014.73

The Executive had previously approved forward funding of this scheme (which was provisionally funded by internal borrowing).

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)	£53 million	Yes	Capital
Next Financial Year (Year 2)	£54 million	Yes	Capital
Following Financial Year (Year 3)	To be determined	Yes	Capital

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

Budgets are clearly monitored and do not impact on other Council services and priorities
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List of Background Papers

None

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