

Agenda Item 18.

TITLE	Capital Monitoring 2022/23 - Quarter 1
FOR CONSIDERATION BY	The Executive on Thursday, 28 July 2022
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance - Imogen Shepherd-DuBey

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) note the position of the capital programme at the end of Quarter 1 (to 30 June 2022) as summarised in the report below and set out in detail in Appendix A to the report;
- 2) approve and note the proposed carry forwards in the capital programme as set out in Appendix B; and
- 3) approve a capital budget supplementary estimate of £5,576,900 for SEND sufficiency plan to help meet the actions identified under the High Needs Block management plan. This budget will be funded through a budget virement from reallocating existing SEND project budgets (£425,000) and allocation of the Higher Needs Provision Capital Allocations (HNPCA) Grant (£5,151,900). Further information is set out in the report.

EXECUTIVE SUMMARY

This report informs the Executive of the progress of the Council in delivering its capital programme for the financial year 2022/2023. 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 2022).

The COVID 19 pandemic and rising inflation present financial risks facing the Council, 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 COVID crisis.

The Council's finance team working with services and members across the council have conducted a high-level 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. This work supports more accurate financing monitoring and cashflow analysis. The

findings of this review are presented in a separate report to Executive and are therefore not included in the numbers reported below.

The programme will continue to be monitored and reviewed throughout the financial year and any further rephasing will be notified to Executive for approval. Alongside the high-level capital review mentioned above, business as usual monitoring has identified £1.1m savings (further detail below and on Appendix A), which can be reinvested into future funding of capital schemes in the capital programme.

Capital Monitoring Forecast Outturn Position for 2022/2023 (as at 30 June 2022):-

£'million		
Capital programme approved at Council (Feb 2022)	a	123.2
Budget rephased from prior years (existing projects)	b	288.2
Budget movements in year	c	0.0
Current approved budget	d = a + b + c	411.4
Forecast spend for 22/23	e	388.8
Forecast carry forward into 23/24	f	21.5
Forecast variance (underspend) / overspend	g = (e+f) - d	(1.1)

As at 30 June 2022, there are £(1.1m) in savings across the capital programme identified. These are made up as follows:

Analysis of material budget savings identified as at 30 June 2022	£'million
<u>Place & Growth</u>	
Winnersh Triangle Parkway- unforeseen issues caused by the Thames Water Main.	1.3
SCAPE Major Road Schemes- schemes near completion including shared costs due to work carried out by others.	(2.3)
Permanent & Portable Variable Message Signs (PVMS) Project - trail ended with costs less than planned.	(0.1)
Total	(1.1)

Appendix B provides a list of the capital carry forwards identified during quarter one totalling £21.5m. These projects will be reprofiled across the next three financial years.

Supplementary Estimate

The Executive are asked to approve a capital budget supplementary estimate of £5,576,900 for SEND sufficiency plan to help meet the actions identified under the High Needs Block management plan. This budget will be funded through a budget virement from reallocating existing SEND project budgets (£425,000) and allocation of the Higher Needs Provision Capital Allocations (HNPCA) Grant (£5,151,900).

In March 2022, the Department for Education announced High Needs Provision Capital Allocations (HNPCA) for financial years (FYs) 2022-23 and 2023-24. HNPCA is paid to local authorities (LAs) to support the provision of places for children and young people (CYP) with special educational needs and disabilities (SEND) and those pupils requiring alternative provision (AP).

Sufficiency of good quality, local provision is critical in meeting the challenges of a rising number of children and young people with SEN in Wokingham and is a key element of the actions identified under the High Needs Block Management Plan. High Needs Capital Grant received, while not ringfenced, is required in full to progress immediate priorities in meeting the educational needs of vulnerable children and young people.

Wokingham Borough Council were awarded the following over the three years;

	2021/22	2022/23	2023/24
Grant Allocation	£1,266,317	£3,885,599	£3,034,722
Requested in supplementary estimate (rounded)	£5,151,916 (£5,151,900)		
To be added to MTFP 23/24 as part of budget setting			£3,034,722

In addition to the allocation of the grant money, the budgets from the following SEND projects already identified in the MTFP, a virement is requested to move the budget allocations into the SEND sufficiency plan project totalling £425,000.

These include;

- £225,000 Wescott Resource Base Expansion
- £200,000 Southfield School Expansion

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)	£388.8m	Yes	Capital
Next Financial Year (Year 2)	£21.5m Carry Forward	Yes	Capital
Following Financial Year (Year 3)	tbc when 2023/24 budget set	tbc	Capital

Other Financial Information

None

Stakeholder Considerations and Consultation

None.

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 (2022-2023)
Appendix B: List of proposed rephasing of projects in Quarter 1 to 2023-2024

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