

TITLE	Capital Programme Review
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)

The purpose of this report is to present the outcome of the capital programme review carried out by directors and lead members.

RECOMMENDATION

That the Executive;

- 1) Note and approve the capital programme review carried out by directors and lead members which includes;
 - Confirmation for £136m of capital projects to continue as planned.
 - Savings of £12.5m achieved through the removal of projects or reductions in budget. Taking into account lost capital receipts, the net saving is £9.3m. Details set out in Appendix A.
 - Re-profiling capital budgets of £15.7m from 2022/23 into future years. Details set out in Appendix B.
- 2) Approve the £4m saving identified from 'Managing Congestion & Pollution', to be reinvested in 'Active Travel and Bus Priority' over two years (£2m in 2023/24 and £2m in 2024/25) and considered as part of the medium term financial plan for 2023/24.
- 3) Note, the figures in recommendation one are in addition to the financial information presented in the Capital Monitoring 2022/23 - Quarter 1 Executive report.

EXECUTIVE SUMMARY

As highlighted in the medium-term financial plan which went to Council in February 2022, the Council's capital programme had a budget shortfall of c£14m over three years which included a fully funded year 1 programme (2022/23). This shortfall over three years will be balanced through a combination of reducing or reprofiling capital expenditure and maximising capital funding opportunities such as bidding for capital grants.

This capital programme review has been undertaken by the lead member and directors as set out in recommendation six of the capital monitoring outturn report presented to Executive on 30 June 2022 – "Approve all uncommitted unringfenced capital schemes to be paused pending a review that will be reported back to July Executive, whereby the Deputy Chief Executive in consultation with the Leader of the Council and Lead Member of Finance will have delegated authority to proceed specific schemes by exception".

The review was targeted to look at capital projects that were uncommitted (contractually) and also funded from unringfenced funding. Alongside this review, the normal day to day

monitoring of the capital programme continued with any financial updates from this process being reported in the Capital Monitoring 2022/23 – Quarter 1 report to July Executive. The financial impacts of the capital programme review are not included in the quarter one report and vice versa with impacts from quarter one report not being included in this report.

The capital programme will also be reviewed as part of the annual budget setting process for the 2023/24 medium term financial plan. The savings and reprofiling changes identified from this review will help bridge the £14m funding shortfall agreed at Council in February over years two (2023/24) and three (2024/25), and further work will be taken to reduce this shortfall as part of the medium term financial plan process.

The Executive are asked to note and approve the capital programme review carried out by directors and lead members which include the following;

- Confirmation for £136m of capital projects to continue as planned.
- Net savings of £9.3m achieved through removal of projects or reductions in budget. Details set out in Appendix A.
- Re-profiling capital budgets of £15.7m from 2022/23 into future years. Details set out in Appendix B.

These can be summarised in the table below;

	No change confirmed	Savings	Re-profile
Adult Social Care & Health	£2,222,000	£0	(£7,907,655)
Chief Executive's Office	£5,771,138	(£77,000)	£0
Children's Services	£8,670,285	£0	£0
Place & Growth	£107,062,622	(£9,486,106)	(£7,810,000)
Resources and Assets	£12,180,557	(£2,896,283)	£0
Total	£135,886,602	(£12,459,389)	(£15,717,655)
<i>Removal of capital receipt (yr 3)*</i>		£3,150,000	
Revised Total	£135,886,602	(£9,309,389)	(£15,717,655)

* One of the savings identified had a capital receipt expected in year 3 therefore by removing the saving on expenditure, the lost capital receipt must also be included to show the net saving.

Net savings of £9.3m have been identified during this year. Details of these schemes can be found in Appendix A. £4m of the savings identified are to be reinvested into active travel and bus priority and will be included in the budget submission for the 2023/24 medium term financial plan.

Reprofiling of £15.7m has been identified during the review. A summary is below and further details on the projects can be found in Appendix B.

	2022/23	2023/24	2024/25
Adult Social Care & Health	(£7,907,655)	£1,363,256	£6,544,399
Chief Executive's Office	£0	£0	£0
Children's Services	£0	£0	£0
Place & Growth	(£7,810,000)	£0	£7,810,000
Resources and Assets	£0	£0	£0
Total	(£15,717,655)	£1,363,256	£14,354,399

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)	£11.1m Saving	Yes	Capital
Next Financial Year (Year 2)	£1.2m Saving	Yes	Capital
Following Financial Year (Year 3)	£0.1m Saving £3.2m Cost from lost capital receipt	Yes	Capital

Other Financial Information

Although this capital programme review has identified savings which will help the budget gap identified in the MTFP. Further work will be ongoing as part of the capital monitoring throughout the year and the budget setting process for 2023/24 to look at options to close the budget gap.

Stakeholder Considerations and Consultation

None

Public Sector Equality Duty

Individual projects will have equality reviews as required.

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***

None, capital investment in climate emergency will continue as previously set out in the MTFP and is not affected by the changes in this report.

List of Background Papers

Appendix A – Savings identified from programme review
Appendix B – Reprofiting identified from programme review

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