

# Agenda Item 29.

<b>TITLE</b>	<b>Capital Monitoring 2023/24 - Q1</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 27 July 2023
<b>WARD</b>	(All Wards);
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers
<b>LEAD MEMBER</b>	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 2023) 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 supplementary estimate of £222,000 for Wokingham's share of the Berkshire Archives Extension project.

## **EXECUTIVE SUMMARY**

This report informs the Executive of the progress of the Council in delivering its capital programme for the financial year 2023/2024. 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 2023).

The Council continue to face significant financial challenges from rising inflation and demand for services, this impacts both 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 delivering important services for residents and businesses in the borough.

The programme will continue to be monitored and reviewed throughout the financial year and any further rephasing will be notified to Executive for approval. During the first quarter monitoring £0.9m savings have been identified (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 2023/2024 (as at 30 June 2023):-

		£'million
Capital programme approved at Council (Feb 2023)	a	101.7
Budget rephased from prior years (existing projects)	b	320.7

Budget movements in year	c	8.9
<b>Current approved budget</b>	<b>d = a + b + c</b>	<b>431.3</b>
Forecast spend for 23/24	e	180.9
Forecast carry forward into 24/25	f	249.5
<b>Forecast variance (underspend) / overspend</b>	<b>g = (e+f) - d</b>	<b>(0.9)</b>

As at 30 June 2023, there are a net £(0.9m) in savings across the capital programme identified. These are made up as follows:

<b>Analysis of material budget risks / (savings) identified as of 30 June 2023</b>	<b>£'million</b>
<b><u>Place &amp; Growth</u></b>	
Winnersh Triangle Parkway - Main build complete but further remedial works to move unforeseen Thames Water Main, costs could be up to £600k, timing still to be confirmed. The Council are working with contractor to further reduce costs of claimed compensation events in 22/23 for delays caused by utilities which may offset these additional costs.	£0.60m
SCAPE Major Road Schemes – savings identified as schemes are completed or near completion. Savings relate to budgets held for risk / retention / final bills, etc.	(£0.92m)
Nine Mile Ride Extension – savings now available as scheme operational. Allowance has been made for outstanding post construction costs.	(£0.55m)
<b><u>Resources &amp; Assets</u></b>	
Contract register - budget no longer required.	(£0.03m)
<b>Total</b>	<b>(£0.90m)</b>

Appendix B provides a list of the capital carry forwards identified during quarter one totalling £250m. Carry forwards can relate to either projects that have started and some which are delayed due to issues such as planning, design, etc. Some carry forwards also relate to budget allocations where individual business cases will need to be developed and agreed by the Executive on use of these budgets.

Carry Forwards will be reprofiled across the next three financial years.

### **Recommendation Three**

The Executive are asked to approve a supplementary estimate of £222,000 for Wokingham's share of the Berkshire Archives Extension project. The project is a joint funded project across the six Berkshire authorities. The approved project was agreed in July 2021, since then additional costs have been incurred in relation to inflation, planning delays and planning conditions required for the project to succeed. In addition, the project will be delivered with a higher BREEAM rating (system to measure sustainability and environmental performance of buildings). Wokingham's initial contribution was £303,000, this budget is in the capital programme. An additional £222,000 is required to fund Wokingham's total contribution of £525,000. The total project budget across the six local authorities is £2.5m (costs are apportioned based on the tax base of each local authority).

The Council will fund this additional budget from savings identified in year across the wider capital programme or through the use of the capital contingency budget.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and 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)	£181m	Yes	Capital
Next Financial Year (Year 2)	£250m Carry Forward	Yes	Capital
Following Financial Year (Year 3)	tbc when 2024/25 MTFP budget set	tbc	Capital

<b>Other Financial Information</b>
None

<b>Stakeholder Considerations and Consultation</b>
None

<b>Public Sector Equality Duty</b>
Equality assessments are carried out as part of each capital project.

<b>Climate Emergency – <i>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</i></b>
The capital programme includes projects which help achieve our priorities in relation to climate change.

<b>Reasons for considering the report in Part 2</b>
N/A

<b>List of Background Papers</b>
Appendix A: Capital Monitoring Summary Report for Quarter 1 (2023-2024) Appendix B: List of proposed rephasing of projects in Quarter 1 to 2024-2025

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