

TITLE	Capital Monitoring 2015/16 – End of December 2015
FOR CONSIDERATION BY	The Executive on 28 January 2016
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 3rd quarter of 2015/16 as set out in Appendix A to the report;
- 2) approve the allocation of s106 to projects as listed in Appendix B to the report.

SUMMARY OF REPORT

To consider the 2015/16 Capital Monitoring Report to the end of December 2015. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 3rd quarter forecast, and shows an underspend of (£2,006k).

Background

The capital monitoring report to the end of December (Appendix A) shows an underspend of (£2,006k). 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 £107,381k. However, it has been estimated £47,954k will be spent this financial year. The remaining budget will be carried forward into 2016/17. The Carry forward is estimated at £57,421k.

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 (£2,006k) forecast underspend variance on the Capital Programme for the current financial year, compared with a (£14k) underspend in the previous quarters report. However it is likely these schemes will be re-presented in future years.

Uncommitted Capital balances are currently estimated to be £2,036k as at 31st December 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 31st December 2015 are expected to be £250k.

Release of S106 (Appendix B)

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

- The Executive had previously approved forward funding of Wheatfield Primary School New Build (for New School Places - Primary Strategy) up to the value of the 2015-16 budget - £300k.
- The Executive is asked to approve a new budget for the Wokingham Medical Centre, for a capital contribution towards the building of the new surgery on the basis it serves both existing and new residence from the Wokingham SDLs, up to the value of £150k. (please see Appendix B for detailed explanation)

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)	£49 million	Yes	Capital
Next Financial Year (Year 2)	£58 million	Yes	Capital

Following Financial Year (Year 3)	To be determined	Yes	Capital
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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

List of Background Papers
None

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