



EXECUTIVE 17th August 2023

Report Title	Capital Programme Update 2023/24
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Lead Member	Councillor Lloyd Bunday, Executive Member for Finance and Transformation

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974	

List of Appendices

None

1. Purpose of Report

- 1.1 The purpose of this report is to request approval for capital schemes that have come forward for inclusion in within the Council's approved Capital Programme. Approval of the schemes and associated funding will allow these schemes to move forward to procurement and delivery.

2. Executive Summary

- 2.1 This report contains details of projects which have been submitted by officers to the Council's Strategic Capital Board as part of the Council's Capital Approval Process. Each scheme must complete a business case setting out the changes requested to the Capital Programme, including the purpose of the spend, the expected outcomes and the financial implications together with funding routes.

3. Recommendations

3.1 It is recommended that Executive:

- i) Approve the following changes into the capital programme:
 - a. The Avenue Infants School SEND Provision – budget approval for £860k, £727k in 2023/24 and £133k in 2024/25 which is to be funded £838k from SEND Capital Grant and £22k from S106 contributions.
 - b. Great Doddington Primary School mobile replacement – budget approval for £997k, £897k in 2023/24 and £100k in 2024/25 which is to be funded from Basic Needs Capital Grant.
 - c. Weavers Academy bulge places - budget approval for £412k, £367k in 2023/24 and £45k in 2024/25 which is to be funded from Basic Needs Capital Grant.
 - d. Schools Minor Works budget uplift - budget approval for £808k in 2023/24 which is to be funded from S106 contributions.
 - e. Devolved Formula Capital (DFC) grants passported to Maintained Schools – budget approval for £262k in 2023/24, to be funded by the DFC grant.
 - f. Spinney Road, Weldon Play Area – budget approval of £35k in 2023/24 which is to be funded from S106 Contributions.
 - g. Desborough Green Space – budget approval of £20k in 2023/24 to be funded by S106 contributions.
 - h. Well Lane Recreation Ground, Rothwell – budget approval of £12k in 2023/24 which is to be funded from S106 contributions.
 - i. Higham Ferrers Library Provision – budget approval of £23k in 2023/24 which is to be funded from S106 contributions.
 - j. Phase 2 Refugee Resettlement Scheme – approve a budget of £3.298m for phase 2 of the Refugee Resettlement Scheme funded through £1.298m from the Local Authority Housing Grant and a virement of £2m from the Housing and Homelessness prevention capital programme to the Resettlement capital programme to meet the match funding requirement for the grant.
- ii) Recommend to Council to approve a funding virement of £2m for match funding in respect of the Phase 2 Refugee Resettlement Scheme as set out in the report. This is in accordance with the Council's Constitution as the virement request exceeds £0.5m.

3.2 Reasons for Recommendations: These are set out in greater detail within section 5 of the report, but can be summarised as:

- To support the statutory delivery of school places and SEND school places across North Northamptonshire.
- To meet corporate plan objectives, for instance in leading in improving the local environment

3.3 Alternative Options Considered:

- The funding for the schemes in this report are in accordance with the requirements of the grant or S106 agreements, so there are no alternative options proposed in this report.
- Where individual schemes are over £500k, separate reports are included elsewhere on this agenda which set out the wider options that were considered before reaching the proposals put forward.

4. Report Background

4.1 The Capital Programme is the Council's plan for investing in assets to efficiently deliver its statutory services, and to improve the local infrastructure of North Northamptonshire, with the benefits lasting over a number of years. The Council is required to set a balanced revenue budget and therefore must ensure that where borrowing is proposed to fund the cost of capital that the cost of servicing the debt is affordable within the Council's revenue budget.

4.2 Resources come from several sources including Government grants, capital receipts from surplus land and buildings, revenue contributions, other external contributions and borrowing. The Council captures its projected capital expenditure within the Capital Programme to monitor the same, help to control costs and ensure transparency. Given that the Capital Programme is approved by Executive, changes to it are also approved by Executive unless authority has been delegated in accordance with the Council's constitution.

4.3 This report provides an update to the Capital Programme 2023/24 as adopted by the Council in February 2023 and requests that the proposed changes are approved and reflected within the programme.

5. Issues and Choices – Further Detail on the Recommendations and Updates to the Capital Programme

5.1 **The Avenue Infants School - £860k, £727k in 2023/24 and £133k in 2024/25 which is to be funded £838k from SEND Capital Grant and £22k from S106 contributions:** The Avenue Infants School is a Two-form entry School for

Reception to Year Two pupils. There is a dedicated SEND coordinator and teachers actively provide differentiated learning opportunities suited to each individual. Currently, the school has a dedicated room for 1:1 and sensory use. However, its location within the school feels detached and subordinate, a clear contradiction of the objective of inclusivity. Reception Pupils have to be escorted for an extended period due to the school layout, The school' lacks ancillary accommodation, primarily storage and staff facilities.

- 5.2 The project proposal is to demolish the current snug, staffroom and first aid room and building a two-storey extension on the right side of the school plus remodelling some internal spaces. Expanding on these facilities and placing them at the heart of the school will not only provide a practical solution but help to reduce the stigma surrounding SEND.
- 5.3 As this scheme is over £500k, there is a separate report elsewhere on this agenda which sets out further information on the proposals.
- 5.4 **Great Doddington Primary School mobile replacement – £997k, £897k in 2023/24 and £100k in 2024/25 which is to be funded from Basic Needs Capital Grant:** Great Doddington Primary School is a village Primary School with 140 pupils. At present there is a double mobile classroom on site. This mobile classroom is in poor condition, the roof leaks and the cladding is beyond repair. The school also have reported the floor is very springy. The unit has reached the end of its design life and a permanent solution is required.
- 5.5 Various options for replacement of the classroom were investigated with the school, with the preferred option being a new building at the top of the site with a link back to the main school building.
- 5.6 As this scheme is over £500k, there is a separate report elsewhere on this agenda which sets out further information on the proposals.
- 5.7 **Weavers Academy bulge places - £412k, £367k in 2023/24 and £45k in 2024/25 which is to be funded from Basic Needs Capital Grant:** Additional secondary school places are required in Wellingborough. This scheme seeks to create an additional 24 places at Year 7 through completion of a number of adaptations to address circulation and safeguarding improvements that will allow the accommodation of the extra capacity.
- 5.8 **Schools Minor Works budget uplift - £808k in 2023/24 which is to be funded from S106 contributions:** A number of S106 contributions have been identified that relate to schools. This request is to add the total value of the contributions to the Schools Minor Works programme, where existing governance processes will be used to review and approve schemes. Any schemes funded by the S106 contributions will be in line with the obligations set out in the S106 agreements.
- 5.9 As this scheme is over £500k, there is a separate report elsewhere on this agenda which sets out further information on the proposals.

- 5.10 **Devolved Formula Capital (DFC) grants payments for Maintained Schools – budget approval for £262 in 2023/24, to be funded by the DFC grant:** The Council receives a Devolved Formula Capital Grant for capital investment in respect of its maintained schools each year. The Department for Education (DFE) provides the detail on the allocation per school, based on pupil headcount, and the Council is required to passport this to the schools to spend on supporting capital related requirements. For 2023/24 this allocation is £262k that will be passed over to the schools.
- 5.11 **Spinney Road, Weldon Play Area – budget approval of £35k in 2023/24 which is to be funded from S106 Contributions:** The play area at Spinney Road, Weldon is due to be refurbished. Section 106 funding was secured for these works through Mulberry Homes. The proposal for this scheme is to include replacing the perimeter fence, which is damaged, and upgrading the play equipment on site.
- 5.12 **Desborough Green Space – budget approval of £20k in 2023/24 to be funded by S106 contributions:** This scheme is proposed to install adequate footpaths and hard standing throughout the plethora of entrances to the site and to improve accessibility for park users. S106 contributions have been received that stipulates funds are used specifically to improve the Desborough Greenspace site.
- 5.13 **Well Lane Recreation Ground, Rothwell – budget approval of £12k in 2023/24 which is to be funded from S106 contributions:** The purpose of this scheme is to improve drainage upon the existing football pitches within the Well Lane Rec site to improve pitch conditions and provide a suitable facility for local grass roots football. S106 contributions have been received that stipulates funds are used specifically at Well Lane Recreation Ground for the improvement of sports provision.
- 5.14 **Higham Ferrers Library Provision – budget approval of £23k in 2023/24 which is to be funded from S106 contributions:** An amount of £23k of S106 funding is allocated for library services in Higham Ferrers. The developer agreement does not allow for use of the funding at any other library location. This proposal is to set up a small library provision in Higham Ferrers which is to be run independently by Higham Ferrers Town Council.
- 5.15 **Phase 2 Refugee Resettlement scheme – budget approval of £1.298m in 2023/24 which is to be funded from the Local Authority Housing Fund Round 2, together with a virement of £2m from homelessness prevention capital programme to the resettlement programme:** Further funding from the Department of Levelling Up Housing and Communities of £1.298m for a further 11 homes is available to deliver additional housing for those on Afghan resettlement schemes and to ease the wider homelessness pressure. The grant requires match funding from the Council of £2m which will be met from accelerating the current homelessness prevention budget from 2024/25 and 2025/26, £1m for each year respectively, into 2023/24. It is proposed that this budget will then be vired into the resettlement capital programme. As the

virement request for the scheme exceeds £0.5m, this movement of funding will be subject to Council approval in accordance with the Council's constitution.

- 5.16 As this scheme is over £500k, there is a separate report elsewhere on this agenda which sets out further information on the proposals.

6. Next Steps

- 6.1 Children's Services are working with the educational community in addressing sufficiency of school places across North Northamptonshire to address significant in year admissions challenges both in Primary and Secondary Schools including SEND provision.

7. Implications (including financial implications)

7.1 Resources, Finance and Transformation

- 7.1.1 The additional budget requirements in this report are funded from the use of external grants and S106 contributions. The funding source for each scheme is set out in the recommendations in section 3 and within the scheme details as set out within section 5.

- 7.1.2 There is also a virement request as set out in section 5 to support the match funding of government grant.

7.2 Legal

- 7.2.1 The Council must utilise funding and deliver schemes in line with the restrictions and requirements as set out in the agreements linked to that funding and the requirements as set out in the Council's Constitution, in particular the budget setting and policy framework and the financial regulations. In this regard any new borrowing must be approved by Council (no new borrowing identified in this report).

- 7.2.2 The virement request for the Phase 2 Refugee scheme exceeds £0.5m and will be recommended to Council for approval in accordance with the Council's Constitution.

7.3 Risk

- 7.3.1 The deliverability of the 2023/24 Capital Programme is monitored by each accountable project manager and senior officer. There is further review throughout the financial year reported through the Executive.

- 7.3.2 If any overspends or emerging pressures are identified during the year, then mitigating actions will be sought and management interventions undertaken.

- 7.3.3 With most capital projects there is a risk that delays, and cost increases may arise as a result of the impact of inflation. Generally, this relates to the supply and price of materials with projects requiring increased lead in times. Whilst every attempt is made to cost these implications into the project, the risks remain. However, it must be recognised that the current “Cost of Living Crisis” has driven up the level of inflation, which is much higher than in previous periods and indeed when funding bids were originally submitted. This therefore poses a risk to the deliverability of the projects as originally envisaged, where reductions to the scope of projects may be required to ensure budgets are not overspent.
- 7.3.4 There is a risk in relation to funding, particularly where it is from third parties including grants. Appropriate agreements must be entered into to ensure that the funding is secured and spend is in accordance with any criteria stipulated by the funder, this includes both the nature of the spend and the timing (where a deadline applies).
- 7.3.5 The current uncertain economic context is also increasing interest rates associated with borrowing that is used to fund elements of the capital programme. This treasury risk impacts the overall affordability of the programme, which will be closely monitored and managed, but may lead to a reduced capital programme in the future.

7.4 Relevant Policies and Plans

- 7.4.1 The schemes provide a strategic fit with the Council’s priorities as set out within the corporate plan.

7.5 Consultation

- 7.5.1 The 2023/24 Capital Strategy and Capital Programme were subject to consultation prior to approval by the North Northamptonshire Authority in February 2023. The programme was approved by Council at its meeting on 23rd February 2023 and was subject to consultation from 22nd December 2022 to 27th January 2023. These changes are in addition to the approved programme.

7.6 Consideration by the Executive Advisory Panel

- 7.6.1 Not applicable.

7.7 Consideration by Scrutiny

- 7.7.1 The schemes recommended in this report have not been considered by Scrutiny. However, monitoring against the programme is subject to Scrutiny.

7.8 **Equality Implications**

7.8.1 Nothing specific within this report.

7.9 **Climate and Environmental Impact**

7.9.1 The climate and environmental impact of each capital project will be considered and managed within the relevant scheme.

7.10 **Community Impact**

7.10.1 These proposals can be considered to have a positive impact on the community as the Capital Programme delivers a range of schemes to support and connect communities.

7.11 **Crime and Disorder Impact**

7.11.1 Nothing specific within this report.

8. Background Papers

8.1 The following background papers can be considered in relation to this report.

Capital Programme Budget 2023/24 – Full Council, 23rd February 2023 - [Capital Programme Report 2023-26 - Feb Council.pdf \(modern.gov.co.uk\)](#)