

EXECUTIVE 16th November 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 the Executive:

i) Approve the following changes into the capital programme:

- a. Smart Equipment for Long Covid (SELC) - budget approval for £158k, in 2023/24 which is to be funded from the Contain Outbreak Management Fund (COMF) grant.
- b. Kettering Library Roof replacement and associated work to the roof of the Art Gallery – budget approval for £6.807m in 2023/24 which is to be funded from borrowing.

ii) Recommend to Council to approve borrowing for the costs associated with the restoration and preservation work required for the Kettering Library Roof and associated work relating to the roof of the Art Gallery. This is in accordance with the Council's Constitution to approve all borrowing requests.

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

- To meet corporate plan objectives, specifically “active, fulfilled lives”.
- To enable the Council to continue to deliver its library functions within Kettering town centre.

3.3 Alternative Options Considered:

- Schemes in this report which are grant funded are in accordance with the requirements of the grant conditions so there is no alternative option proposed in this report.
- Where individual schemes are over £0.5m, 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 **Smart Equipment for Long Covid (SELC) - budget approval for £158k, in 2023/24 which is to be funded from the Contain Outbreak Management Fund (COMF) grant** – This scheme is for the installation of SMART fitness equipment at Lodge Park Sports Centre that will specifically target Long Covid sufferers and support Long Covid recovery. The project will allow North Northamptonshire health and fitness teams to test and improve the health outcomes for patients affected by Long Covid. It will enable public health partners to target communities and businesses improving the health conditions associated with Long Covid and build up community resilience for any future Covid-19 outbreaks or pandemics.

- 5.2 **Kettering Library Roof replacement and associated works – budget approval for £6.807m in 2023/24 which is to be funded from borrowing.** The library and attached Art Gallery are Grade II listed buildings. The roof is in parts over 120 years old and is made of Collyweston stone slate.

- 5.3 During the winter of 2022/23 the roof deteriorated rapidly, causing water ingress into the main library building and into some parts of the new Cornerstone extension, where the old roof meets the new. A condition survey of the roof has been obtained through heritage architects, which provides evidence that the roof should be replaced. This will be carried out using Collyweston stone slate on a like for like basis and given the nature of how it is constructed, it is recommended that this is undertaken during dry conditions. This requires the whole building to be made watertight through a tent canopy, which in turn necessitates a complex scaffold being erected and retained in place throughout the duration of the roof replacement.

- 5.4 As this scheme is over £0.5m, there is a separate report elsewhere on this agenda which sets out further information on the proposal.

6. Next Steps

- 6.1 If approved, progress on the scheme will be monitored by a project board.

7. Implications (including financial implications)

7.1 Resources, Finance and Transformation

7.1.1 The additional budget requirement in this report is funded from the use of an external grant and borrowing. The funding source is set out in the recommendations in section 3 and within the scheme details as set out within section 5.

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).

7.3 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 scheme provides 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 \(moderngov.co.uk\)](#)