

Executive 26 August 2021

Report Title	Capital Programme Update 2021/22
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Lead Member(s)	Councillor Lloyd Bunday, Portfolio Holder for Finance and Transformation

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Forward Plan Reference (if yes to Key Decision)	
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	

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 the Council's Capital Programme. Approval of the funding will allow the schemes to move forward to procurement and delivery.

2. Executive Summary

- 2.1 This report contains details of schemes which have been submitted as part of the Council's Capital Approval Process setting out the purpose of the spend, the expected outcomes and the financial implications.

3. Recommendations

- 3.1 It is recommended that Executive:

- 1) approve the following changes into the capital programme totalling £2.295m:

- a) A43/A6116 Steel Road Roundabout – increase in budget of £1.020m to £3.973m funded from external grant;
 - b) Isebrook SEND College – Connected offer expansion of the school – approval for additional £482k funded from SEND Capital Grant, taking the total of the scheme to £0.532m;
 - c) Improvement of Facilities at Montsaye Academy, Rothwell - Council contribution of £0.606m to school improvements funded through S106 external contributions;
 - d) Chester House Estate restoration - £187k funded from external contributions.
- 2) notes the following changes to the capital programme totalling £10.105m: That items e) and f) have been approved by the Executive Director of Finance in consultation with the Portfolio Holder for Finance under delegation from the Shadow Authority as part of the budget report to Council on 25 February 2021, and follows confirmation of grant funding after the budget was set, and item g) was approved as part of a separate report on the Heritage Action Zone to Executive on 5th August:
- e) Allocation of DfT Capital Maintenance Funding 2021/22 - £8.404m funded from external grant
 - f) LTP Integrated Transport Block Funding 2021/22 - £1.551m funded from external grant
 - g) Kettering High Street Heritage Action Zone - £0.150m approved budget increase as a result of additional Historic England funding.

Further detail on each of these schemes is included in section 5 below.

3.2 Reason for Recommendations:

- The local authority has a legal obligation to deliver S106 related works in accordance with the signed S106 agreement;
- Utilisation of government grant to support the Council's Highways infrastructure and transport network;
- Utilisation of grant and other external funding to improve and expand Education provision and facilities;
- Utilisation of grant for specific key projects to support of the North Northamptonshire economy and housing developments.

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.
- 4.2 Resources come from Government grants, capital receipts from surplus land and buildings, revenue contributions, other external contributions and borrowing. The report provides an update to the Capital Programme, with the changes requested for approval and inclusion within the programme.

4.3 All change requests for the Capital Programme are scrutinised by the Strategic Capital Board prior to requesting Member approval,

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

5.1 **A43/A6116 Steel Road Roundabout Project, Corby – Increase of £1.020m to £3.973m** - This scheme was brought into the Capital Programme in February 2021 as part of the investment plans for Corby. It had an initial allocation of £2.95m based on an early-stage cost estimate, however, this has since been revised and it is requested that the budget is increased to be in line with the available grant from Homes England, which is ringfenced for the scheme and totals £3.973m.

5.2 The project addresses significant capacity issues which are currently being experienced at the junction and is a key part of the mitigation strategy for Priors Hall whilst also accommodating Weldon Park. The Tresham Garden Village development will also benefit from the scheme as will other developments. Without the improvements, capacity constraints at the junction could limit development.

5.3 Funding for the scheme is being made available through Homes England as part of an allocation from its Housing Infrastructure Fund (Marginal Viability Fund) and is intended to fund the scheme in full. It is currently envisaged that the project will be delivered during Autumn/Winter 2021 – the Homes England grant funding requires delivery before the end of March 2022.

5.4 **Isebrook SEND College - £0.482m** - ‘Connected Offer’ expansion of the school via a satellite site to be located within the Four Seasons building, Kettering. The proposal is to expand Isebrook SEND College via a satellite site to the existing school. The satellite site would be based at the NNC (formerly NCC) owned ‘Four Seasons’ building in Kettering town centre. A decision to release the vacant building for use as a satellite site in September 2020 by the former County Council.

5.5 The purpose of this scheme is to provide 10 new secondary, SEND places in the 2021/22 academic year (rising to a total of 20 thereafter) in the Kettering area. The ‘connected offer’ provision is also designed to meet the needs of a growing cohort of students in the area with Special Educational and Mental Health (SEMH) needs, where the specific needs and behaviours mean that neither a mainstream school nor a specialist provision are suitable learning environments. Historically, there has been no bespoke provision to meet the needs of students with these specific needs which has meant that the Local Authority has had to utilise more expensive, and sometimes more geographically distant, independent provision when securing school places for these students. This has placed an increasing pressure on the High Needs expenditure within the Dedicated Schools Grant which is already experiencing significant pressure in North Northamptonshire in 2021/22.

- 5.6 The scheme will improve the educational experience of pupils who will attend the setting by offering access to bespoke facilities constructed to meet these pupils' individual needs.
- 5.7 The funding request of £482k is in addition to a sum of £50k which had already been approved by the former County Council to support the progress the project in the initial stages. It is proposed that this further investment will be funded through an allocation from the SEND Capital Grant which forms part of the remaining capital grant balances from 2020/21 as part of the former County Council balance sheet. The anticipated completion date is January 2022; this is on the assumption that the work can commence on site in September this year.
- 5.8 **Improvement of Facilities at Montsaye Academy, Rothwell - £0.606m.** This project will improve the standard of accommodation at the school. The works are considered as Phase 1 works with a view to the school increasing its planned admission numbers from 240 to 270 places per year group – an additional 150 new secondary places in total - subject to the necessary approvals.
- 5.9 The Phase 1 works will focus on areas requiring priority attention to improve the accommodation and facilities at the school, assisting the school in delivering the curriculum to pupils. The works include refurbishment of the existing science block to ensure that the facilities are fit for purpose in delivering the curriculum, extension of dining facilities to help with student circulation and the potential increase to pupil numbers in the future, installation of a new pedestrian and vehicular access gate to improve authorised access and make the site more secure, as well as other miscellaneous works to improve student circulation and address accessibility issues in parts of the school.
- 5.10 The improvements will be procured and delivered by the Academy Trust (Pathfinder Schools) with a contribution of £0.606m from the Council. A funding agreement will be put in place to support the finance and delivery arrangements between the Council and the Trust.
- 5.11 The investment of £0.606m will be funded through S106 monies which is ringfenced to this purpose and is due on the delivery of new housing. It is anticipated that, subject to approval, the project will start in September 2021 and complete all the elements of the Phase 1 works by Easter 2022.
- 5.12 **Chester House Estate Restoration Scheme – £187k.** The Chester House Estate is a 35-hectare Scheduled Monument, with a complex of listed farm building at its centre. It is owned by the Council. The restoration project has been supported through Council investment (originally from the former County Council which had previously owned the site until its transfer to North Northamptonshire Council following Local Government Reorganisation) and National Lottery Heritage Fund grant. The project is due for completion in October 2021.

- 5.13 The request to increase the capital programme by £187k is to recognise external funding contributions for specific areas of development. This includes £129k from Public Health towards a children's outdoor play area and to cover design expenditure costs, £50k of S106 contributions from the Stanton Cross development to support the project and £8k from the Nenescape Partnership Scheme to fund a replacement staircase which will provide them with better access to the first floor of the building.
- 5.14 With regard to the schemes that follow these are for noting. The first two items in respect of the highways investment schemes (DfT Capital Maintenance and DfT Integrated Transport Block) could not be included within the changes to the 2021/22 programme at the time of budget setting as the grant allocations were not known. At the meeting of the Shadow Authority on 25th February 2021 delegated authority was given to the Executive Director of Finance, in consultation with the Portfolio Holder for Finance, to approve the inclusion of such funding in the Capital Programme, once the detail of the grant was available, to ensure that works could commence promptly from April 2021. This report is to notify Executive of the final sums included in the programme for 2021/22. The funding for the Heritage Action Zone of £150k which is and approved to be met from grant was included as part of a separate report to Executive and is noted here to confirm the change to the Programme.
- 5.15 **DfT Capital Maintenance Funding 2021/22 - £8.404m.** This funding from the Department for Transport to support the expenditure in this area consists of three main elements – the Pothole Fund £3.735m, the Highways Maintenance Block £3.735m and the Incentive Fund £0.934m - and it is used to support routine maintenance of the highways network to a safe standard in accordance with the Northamptonshire Asset Management Plan and Network Management Plan. As part of this, it helps deliver the annual Capital Maintenance Programme which consists of a range of maintenance schemes across the Council that are developed annually based on need. The allocation for 2021/22 is smaller than last year as the previous grant funding was supplemented with additional Challenge Fund monies from Government which will not apply this year.
- 5.16 **Integrated Transport Block 2021/22 - £1.551m.** This proposal delivers a number of comparatively small-scale measures which will contribute towards achieving the objectives in the Northamptonshire Transportation Plan. These are principally around extensions to the walking and cycling networks (including new crossings) and the maintenance of traffic signals. Road Safety measures, which would normally form part of the programme, are being delivered using residual 2020/21 funding already approved by the former County Council. In addition, the block allocation is also being used to fund the first two years' (2020/21 and 2021/22) contributions agreed by the former County Council for the A14 Cambridge – Huntingdon scheme, and to provide the North Northants share of the additional funding required to progress the A43 Northampton – Kettering Phase 3 (a joint project with West Northants Council) to outline business case and planning application.

- 5.17 The funding will support a number of projects which will be prioritised from a list of schemes as having the best fit with the Northamptonshire Transport Plan. The benefits include:
- 1) Maintaining the existing highways infrastructure assets
 - 2) Investing in and improving the highways infrastructure
 - 3) Improving access by cycle and foot, including safety improvements
 - 4) Improved safety and traffic flows by upgrading traffic signals. The priority for this is also subject to a separate bid to the Department for Transport for additional funding to upgrade traffic signals.
- 5.18 The funding for both the Integrated Transport Block and the Capital Maintenance Programme above help deliver the objectives of the Northamptonshire Transportation Plan (the authority's Local Transport Plan), which the Council has a statutory duty to deliver.
- 5.19 Funding has been made available for both schemes through Government Grant from the Department of Transport.
- 5.20 **Kettering High Street Heritage Action Zone - £150k** – A report was approved by the Executive at its meeting on 5 August 2021 which included the recommendation that Executive 'agree to receive an additional £150,000 of Historic England funding and to invest that funding to relay cobbles and improve the pavement environment in West Street.' This approval is noted here for completeness in respect of the audit trail and notification of all changes to the capital programme.

6. Implications (including financial implications)

6.1 Resources and Financial

The budget requirements are funded from contributions linked to the development (ie S106 contributions) or external grants and contributions. There is no requirement for the Council to undertake borrowing to support these schemes.

6.2 Legal

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.

6.3 Risk

The deliverability of the 2021/22 Capital Programme is monitored by each accountable project manager and senior officer. There is further review throughout the financial year reported through the Executive Committee.

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

There is a risk that delays and cost increases may arise as a result of COVID-19 restrictions and changes arising from EU Exit. 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.

There is a risk in relation to funding, particularly S106 where works may be required to take place in advance of S106 triggers/funding being payable. This occurs where a road or school is needed to provide infrastructure for the first residents/businesses utilising the site. Where this is the required, the Council will fund costs at risk in relation to the funding being received to reimburse its costs.

Details of pressures, risks and mitigating actions implemented will be provided as part of the finance monitoring reports as the year progresses.

6.4 Consultation

The 2021-22 Capital Strategy and Capital Programme were subject to consultation prior to approval by the North Northamptonshire Shadow Authority in February 2020.

Consultation on individual schemes is detailed as part of the scheme proposal.

6.5 Climate Impact

The climate impact would be considered and managed via the relevant planning process.

6.6 Community Impact

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

7. Background papers

7.1 None.