

EXECUTIVE

15th February 2024

Report Title	Capital Programme Update 2023/24
Lead Member	Councillor Lloyd Bunday, Executive Member for Finance and Transformation
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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/s for exemption from publication under Schedule 12A Local Government Act 1972	N/A
Which Corporate Plan priority does the report most closely align with? Our priorities for the future North Northamptonshire Council (northnorthants.gov.uk)	All

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 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 through 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 investment requested for inclusion in 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. Manor School, Raunds SEND Provision - budget approval for £145k in 2024/25, to be funded from external grant.
- b. Corby Business Academy SEND Provision - budget approval for £544k, £2k in 2023/24, £542k in 2024/25, to be funded from external grant.
- c. End User Devices – virement of £441k from completed existing ICT schemes to End User Devices scheme, funding to remain as approved from capital receipts.
- d. Community Orchards – budget approval for 16K in 2023/24, to be funded from external grant.
- e. Mirco Woodlands – budget approval for £27.7k in 2023/24, to be funded from external grant.

3.2 Reasons for Recommendations: These are set out in greater detail within section 5 of the report, but can be summarised as helping to meet the Council's corporate plan objectives:

- Active, fulfilled lives
- Safe and Thriving Places
- Green sustainable environment
- Connected Communities

3.3 Alternative Options Considered:

- For those schemes which are grant funded, they are undertaken in accordance with the requirements of the grant conditions and, therefore, there is no alternative option proposed in this report.
- The budget virement in support of the ICT equipment could have been released, however, the replacement of end user devices is an important element of ensuring that the Council has the appropriate equipment to support and deliver services and further investment is required in this area.
- Where individual schemes are over £0.5m, separate reports are included elsewhere on this agenda, and these 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 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 from 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 **Manor School, Raunds SEND Provision – budget approval for £145k in 2024/25, to be funded from external grant** – Manor School is a secondary school in Raunds. This proposal looks to re-purpose the former Children's Centre just outside the main school site by transforming the space into two classrooms to accommodate an additional 14 SEND pupils.
- 5.2 **Corby Business Academy SEND Provision – budget approval for £544k, £2k in 2023/24, £542k in 2024/25, to be funded from external grant** – Corby Business Academy is a secondary school who currently have SEN provision for pupils with more complex needs that is currently under-utilised. This proposal is therefore to refurbish the current space to transform the space to accommodate an additional 28 SEND pupil places.
- 5.3 As this scheme is over £0.5m, there is a separate report elsewhere on this agenda which sets out further information on the proposal.
- 5.4 **End User Devices – virement of £441k from completed existing ICT schemes to End User Devices scheme, funding to remain as approved from capital receipts** – Phase 1 of the End User Devices project is now reaching completion, with new devices having been issued to staff in urgent need across the North Northamptonshire IT estate. Following on from Phase 1 there will be a major programme of review and replacement of end of life devices as part of the IT Strategy programme of works. Alongside the IT Strategy there is a need for capital budget provision to cover hardware provided by West Northamptonshire Council Digital, Technology and Innovation (WNC

DTI) for users who need to access systems which are still supported by WNC DTI. These users include both NNC staff and staff employed by the Northamptonshire Children’s Trust (NCT). NNC is responsible for paying 44% of the cost of devices provided to NCT staff.

- 5.5 The virement to the End User Devices project of £441k from approved IT capital projects which have all now finished and which have the following budgets remaining are as follows:

	Remaining Budget – proposed to vire
Scheme	£000’s
IT Security Solutions	75
Xpress merge electoral register	34
Ncloud Server Replacements	76
Office365 Implementation	81
Sharepoint 2007 Migration	79
Capita ONE to Cloud	96
TOTAL	441

- 5.6 **Community Orchards – budget approval of £16.350k in 2023/54, to be funded from external grant.** This would be to utilise external grant funding to implement an onward grant scheme to which local people will bid for funding to plant a new community orchard. Some of the funding will also be held back for the council to create two of our own community orchards.

- 5.7 Coronation Living Heritage Fund has made a grant award offer to set up our own grant scheme to help local community groups to plant orchards. These will be planted to celebrate the Coronation year and will provide a lasting commemoration for communities.

The scheme will help local groups to create their own community orchards which are excellent places for people to come together and use the area for community activities. Planting orchards also help to contribute to pollinator populations and help to improve local biodiversity levels.

- 5.8 The offer will be advertised to parish councils, schools and community groups. We are also working alongside Rockingham Forest Vision who will help to promote the scheme and Stamford Community Orchard Group who will offer talks and workshops. Community groups will be encouraged to create healthy, diverse and resilient orchards and will be assessed in their applications and plans.

- 5.9 The total cost of the project is £16,350 which will cover the costs of the creation of 30 orchards including those planted by NNC. This will cover the costs of trees, guards, stakes and workshops delivered by the Stamford Community Orchard Group.
- 5.10 **Mirco Woodlands – budget approval of £27.765k in 2023/24, to be funded from external grant.** This would be to utilise an external grant to plant and maintain two urban Mirco Woods in Stanwell Park, Wellingborough and Lake Avenue, Kettering.
- 5.11 Coronation Living Heritage Fund has made a grant award offer to select and prepare sites for Mirco Woods, and to plant and maintain them for three years. These will be planted to celebrate the Coronation year and will provide a lasting commemoration for communities.
- 5.12 This grant award is to design, plant and maintain two Mirco Woods which will be carried out using existing and volunteer resources, utilising the existing network of volunteers who work in partnership with the Council. Community groups, volunteers and schools will be involved throughout the project, assisting with tree planting and maintenance. The woodlands will also create new habitats which will benefit local biodiversity and will help to mitigate the effects of climate change.
- 5.13 The total cost of the project is £27,765 which will cover the costs of trees, fencing, gates and mulch as well as establishment costs for the three years following the initial planting season.

6. Next Steps

- 6.1 If approved, progress on the schemes will be monitored by project boards where appropriate.

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 virements. 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 is 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 With the Council's declaration of a climate emergency in July 2021 and the approval of the Carbon Management Plan in December 2022, we have committed to working towards becoming a carbon neutral council by 2030.

7.9.2 Significant progress has since been made and reported into the Climate, Growth and Environment Executive Advisory Panel at regular intervals throughout 2022.

7.9.3 During 2023, significant progress on climate action has been made and reported to the Sustainable Communities Executive Advisory Panel at regular intervals throughout the year. The initial focus has been to identify mechanisms, procedures and systems that will provide a solid foundation for further development of climate action as we plot our course towards reaching the Council's target of becoming carbon neutral by 2030 and complying with the national legal requirement of achieving Net Zero by 2050, or sooner.

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

7.9.5 A number of the capital schemes include initiatives to offset/reduce carbon impact as a priority for the Council and in recognition of the Climate Emergency declared by the Council.

7.9.6 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 \(moderngov.co.uk\)](#)

[Improvement of facilities at Montsaye Academy, Rothwell, using banked Section 106 funding – 26th August 2021](#)