

EXECUTIVE 14th March 2024

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/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?	Modern public services

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. Ground Maintenance Equipment – virement of £42.3k in 2023/23 from Chesham House budget, funding to remain as approved from borrowing.
- b. Barnwell Country Park Play Area – budget approval for £88.3k in 2023/24 to be funded £78.8k grant funding and virement of £9.5k from Country Parks Minor Works Budget.
- c. Kerbside Kitchen Food Waste – budget approval for £2.495m in 2024/25, to be funded from external grant.
- d. Deeble Road Pedestrian Crossings – budget approval for £185k 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:

- 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 ground maintenances equipment and Barnwell country park could have been released, however, the replacement of play equipment and maintaining green infrastructure 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 **Ground Maintenance Equipment – virement of £42.3k from Chesham House in 2023/24, funding to remain as approved from borrowing** - The corporate plan provides a commitment to taking a lead in improving the local environment and ensuring its sustainability for generations to go alongside modern services which make a difference to our local connected communities.
- 5.2 To meet this commitment, it is vital that NNC invests in the maintenance and delivery of its green infrastructure. This proposal is seeking vital funds necessary to ensure the environment service continues to be deliverable.
- 5.3 The maintenance of NNC land within the former East Northamptonshire area requires additional equipment which is not currently within the active service area and funding of £42,300 is sought to enable procurement of equipment to service this area. The purchase shall include the following items;
- Kubota F391 4-wheel drive front deck at £37,350
 - 3.5T Trailer at £4,950
- 5.4 **Barnwell Country Park Play Area – budget approval of £88.3k for 2023/23; £78.8k funded from grant funding and a virement of £9.4k from Country Parks Minor Works Budget, funding to remain as approved from capital receipts** – We have been successful in securing a £78,853.94 grant from the FCC Communities Foundation for a new play area installation at Barnwell Country Park. This will facilitate the creation of a large vibrant learning and play zone for local groups, schools children and their families.
- 5.5 This funding will look to provide:

- a safe outdoor environment that communities and families can enjoy together.
- on the doorstep outdoor equipment to promote healthier lifestyles and promote active play.
- enhanced existing facilities.
- innovative play equipment to inspire children's imaginations.
- a play area suitable for all ages and gender.
- equipment that will be DDA compliant therefore fully inclusive and cater for all.
- Help to promote the integration of all children from ethnic backgrounds from local neighbourhoods.
- a community play hub for children to socially interact and build friendships through play items of equipment will include swings, multi activity climbing frame, slides, springers and sensory equipment.
- a wet pour base of the area for safety in vibrant colours to ensure that the area is visually appealing.

5.6 **Kerbside Kitchen Food Waste – budget approval of £2.496m in 2024/25, to be funded from external grant.** The funding is in support of the rollout of weekly kerbside collections for kitchen food waste in line with the requirements laid under s45A of the Environmental Protection Act 1990 as amended by the Environment Act 2021 which makes weekly kitchen food waste collections mandatory for household waste collections. The funding is for collection vehicles and bins/ caddies which will be funded from a grant received from Defra to support the introduction of weekly food waste collections.

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

5.8 **Deeble Road Pedestrian Crossings – budget approve of £185k in 2023/24, to be funded from external grant.** The funding is in support of installing two zebra crossings on Deeble Road, Kettering. These crossings are required to make it easier and safer to cross the road in light of the additional traffic generated on Deeble Road from the Hanwood Park Sustainable Urban Extension.

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