

EXECUTIVE 18th November 2021

Report Title	Capital Programme Update 2021/22
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Executive 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	

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 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 approve the following changes to the capital programme:

- a. Rough Sleepers Accommodation Programme (RSAP):
 - i. to increase the overall capital programme by £0.580m recognising the £0.580m RSAP grant allocation, with the remainder of the programme funded through £0.580m match funding;
 - ii. To recommend to Council the virement of the required match funding of £0.580m from the Housing and Homelessness Prevention approved programme to the RSAP;
- b. Devolved Formula Capital Grant Funding 2021/22 – to increase the fund by £281k to reflect additional funding allocated by the Department for Education;
- c. Disabled Facilities Grant Programme 2021/22 – to increase the fund by £311k following confirmation of grant funding allocation.
- d. Oundle Cycle Way – to include the sum of £125k funded by Oundle Town Council;
- e. Treescape Transformation – to include the sum of £238k funded by a grant from the Forestry Commission;
- f. Corby Town Fund – to include £0.975m for preliminary design and development costs, funded by early release of funding awarded from the Levelling Up Fund;
- g. Isham Bypass - to include in the capital programme funding of £1.859m to develop an outline business case, funded by the Department for Transport Major Road Network Capital Grant.
- h. Improving Access for Disabled People – to vire £50k from an underspend on the roof renewals budget to progress urgent cases on the current waiting list.

3.2 It is recommended that Council approve the virement of £0.580m from the housing and homelessness programme to the RSAP.

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

- To increase the number of supported housing units available to rough sleepers and therefore reduce the number of individuals sleeping rough in North Northamptonshire.
- To passport capital grants provided as part of annual allocations by government to schools.

- To allow final grant allocations to be recognised and utilised to support adaptations and other related spend through Disabled Facility Grants.
- To support increases to cycling provision as part of healthy living and the carbon neutral agenda.
- Increased tree canopy outside of woodlands supporting the carbon neutral agenda.
- To deliver essential highways infrastructure to support growth and development in North Northamptonshire.
- To deliver essential access for people with disabilities within their homes when providing facilities as accessible showers and stairlifts.

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 Government grants, capital receipts from surplus land and buildings, revenue contributions, other external contributions and borrowing. This 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 **Rough Sleepers Accommodation Programme (RSAP) – budget approval for additional expenditure of £0.580m to take the total programme for RSAP to £1.160m when existing Council match funding of £0.580m is taken into account.** The Rough Sleeper Accommodation Programme, announced by Government in October 2020, is part of a range of measures to meet its manifesto commitment to end rough sleeping by the end of this parliament.
- 5.2 This is a match funded scheme which is the subject of a separate report to Executive. In the event that the Executive approves the scheme, match funding of £0.580m will be vired from the approved Housing and Homelessness Programme 2021/22. This element of the capital programme amounts to £2m in 2021/22, which was approved as part of the February 2021 budget setting process.

- 5.3 The North Northamptonshire Rough Sleepers Accommodation Project proposes the purchase of ten properties across the North Northamptonshire area, predominantly in the towns of Kettering, Corby, Wellingborough and Rushden. Specific properties will be identified as the project evolves but will consist of 1-bedroom self-contained units for rough sleepers. These properties will not form part of the Housing Revenue Account (HRA) council stock but will remain within the Council's General Fund.
- 5.4 This scheme is supported in relation to revenue costs as referred to in the report to Executive on 5th August 2021 around additional revenue funding.
- 5.5 The scheme is dependent on the success of the grant application and therefore no alteration to the Capital Programme will be required if the application is not successful.
- 5.6 **Devolved Formula Grant (DFG) 2021/22 – budget approval for £281k** - This scheme relates to an amount of annual capital funding provided by the DFE for the councils managed schools. The council will passport this funding to the schools in line with the allocations detail provided by the Department for Education.
- 5.7 **Disabled Facilities Grant 2021/22 – approval for uplift of £311k** - The scheme had a previously approved budget of £2.250m, allocated during the budget setting process in February 2021 and based on estimates of the total grant awarded previously for each sovereign area. The final settlement for this ring-fenced grant for North Northants totals £2.56m. Accordingly, it is appropriate that the budget figure is uplifted to reflect the settlement figure.
- 5.8 **Oundle Cycle Way – budget approval for £125k** - The purpose of the cycle way is to assist parents and pupils of Oundle CE Primary to cycle to school. There is also the provision of a dropped kerb in Wentworth Drive as part of the scheme in order to allow cyclists to access the existing cycle route. The project is a part of Oundle Town Council's aspirational "Bikeways" project, aiming to create a wider cycling network across the town. It will be funded through a contribution from the Town Council.
- 5.9 **Treescape Transformation – budget approval for £238k** – NNC has been successful in securing a total of £237,504 of capital grant funding from the Forestry Commission to be received through to 2024/25. The funding awarded covers the purchase of 1,040 trees, associated stakes and cages and funds 3 years of aftercare to ensure that those planted have the best chance of survival.
- 5.10 The cost is profiled over the period 2021/22 to 2024/25 and £56,544 is to be allocated to 2021/22, with £60,320 in each of the following three years.
- 5.11 The project will involve the planting of 1,042 trees at numerous locations in Kettering, Corby, Broughton, Rothwell and Raunds. Planting will take place outside of established woodlands primarily within parks and large public open spaces bereft of trees.

- 5.12 **Corby Town Fund Preliminary costs – budget approval for £0.975m** - North Northamptonshire Council was awarded £19.9m in June 2021 from the Government's Town Fund for four projects detailed within Corby's Town Investment Plan. Following Executive's decision in June 2021 to agree Heads of Terms with the Department for Levelling Up, Housing and Communities (DLUHC), government will release 5% (£995,000 approx.) of the funding shortly (the current estimate is October 2021) to allow the Council to develop the business cases for these projects. This sum should therefore be added to the capital programme as it will be utilised to develop the Business Cases for each project, including detailed financial costings.
- 5.13 **Isham Bypass – budget approval for £1.859m** - following the submissions of the Strategic Outline Business Case (SOBC) to the Department for Transport (DfT), the Council has received formal confirmation that DfT will provide Major Road Network (MRN) funding of £1.859m to progress the scheme to the next stages, which are the production of an Outline Business Case and submission of a revised planning application.
- 5.14 Within the SOBC, there was a commitment from the Council to provide £939k of local funding. In anticipation of receiving the DfT funding, the Council has already committed its local contribution of £939k, which has ensured the project continued to progress ahead of any further funding announcement from DfT. The confirmation of DfT grant of £1.859m within the capital programme will now enable the scheme to continue to progress and meet critical milestones.
- 5.15 There is a separate report on the agenda setting out the details for this scheme.
- 5.14 **Improving Access for Disabled People – virement of £50k budget** - Virement of £50k budget from roof renewals to facilitate the completion of urgent cases on the waiting lists, which has been impacted by the completion of a substantial property extension. This will enable a number smaller jobs, such as level access showers and stairlifts, to be completed.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 The additional budget requirements are funded from external grants and other contributions. There is no requirement for the Council to undertake borrowing against the general fund to support these schemes. The detail of the funding arrangements is set out in the main body of the report.

6.2 Legal

- 6.2.1 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.

6.3 Risk

6.3.1 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.

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

6.3.3 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.

6.3.4 There is a risk in relation to funding, particularly where it is from third parties, and 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.

6.3.5 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

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

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

6.5 Climate Impact

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

6.5.2 The Oundle cycle scheme will help with the reduction of carbon in providing accessible cycling routes within Oundle and reducing the use of cars. This scheme, in particular, is aimed at encouraging parents and pupils of Oundle Primary school to cycle to school, creating a better sense of place and community.

6.5.3 Treescape will ensure the future tree canopy outside woodland areas is increased, contributing to reducing carbon. This project will also ensure

ecology benefit in managing species diversity within the planting of 1,040 trees within the Corby District.

6.6 **Community Impact**

- 6.6.1 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.