

Full Council 1st December 2021

Report Title	Capital Programme Update 2021/22
Report Authors	Janice Gotts, Executive Director of Finance Janice.gotts@northnorthants.gov.uk

Appendices – None

1. Purpose of Report

- 1.1 The purpose of this report is to request approval for a virement for a capital schemes which is in excess of £0.5m. In accordance with the Council's Constitution, virements on capital schemes in excess of £0.5m must be approved by Council.
- 1.2 Approval of the funding will allow the schemes to move forward to procurement and delivery. The Executive considered this report at its meeting on 18th November 2021 and are recommending that Full Council grant approval for the virement.

2. Executive Summary

- 2.1 This report contains details of the scheme which has 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 –
- (i) Council approve a capital budget virement of £0.580m to the Rough Sleepers Accommodation Programme (RSAP) from the Housing and Homelessness Prevention approved budget as match funding for the RSAP grant allocation of £0.580m should the grant bid be successful.

Reason for Recommendation

- To increase the number of supported housing units available to rough sleepers and therefore reduce the number of individuals sleeping rough in North Northamptonshire.

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. The majority of the changes to the Capital Programme are approved by Executive, however, the Constitution requires that under certain circumstances Council approval is required. In this instance Council approval is required as the virement from one capital programme to another programme is in excess of £0.5m.

5. Issues and Choices

- 5.1 **Rough Sleepers Accommodation Programme (RSAP) – approval for a virement of £0.580m to match fund additional grant of £0.580m to take the total programme for RSAP to £1.160m.**
- 5.2 Announced in October 2020, RSAP is part of a range of measures to meet the Government's manifesto commitment to end rough sleeping by the end of this parliament through the provision of additional move-on homes and support services. The 2021-24 RSAP programme makes available up to £140.9m in capital and £70.7m in revenue funding to deliver over 2,700 additional move-on homes and support services for eligible rough sleepers.
- 5.3 The Ministry of Housing, Communities and Local Government (MHCLG), now the Department for Levelling Up, Housing and Communities (DLUHC), invited Councils to submit proposals and bids for funding in respect of the RSAP. In September 2021, North Northamptonshire Council co-produced and submitted a bid with DLUHC and Homes England, requesting £580,250 of capital funding and £125,416 revenue funding as set out in figure 1 below:

Figure 1: NNC RSAP grant funding request to DLUHC and Homes England

	2021/22 £	2022/23 £	2023/24 £	TOTAL
Capital grant requested	174,075	406,175	0	580,250
Revenue grant requested	0	55,416	70,000	125,416
TOTAL RSAP FUNDING REQUEST	174,075	461,591	70,000	705,666

- 5.4 There are two elements to the RSAP project, both of which aim to achieve a sustainable reduction in rough sleeping. The first is acquiring the capital assets (ten x 1-bedroom properties) to achieve the RSAP objective of providing additional move-on homes, available as long-term assets, to rough sleepers, or those with a history of rough sleeping that are currently in emergency accommodation. The second is to ensure adequate revenue-funded accompanying support services to ensure occupants are provided with the best chance of sustaining the accommodation.
- 5.5 Specific properties will be identified as the project evolves, but it is envisaged that the purchase of the ten properties will predominantly be made in the towns of Kettering, Corby, Wellingborough and Rushden. As well as the likely suitability of a locality in terms of local services and community impact, demand and supply data in relation to rough sleeping will also be used to inform in which localities properties will be acquired. A small number of rough sleepers also have complex physical health needs and (dependent on availability) it is proposed that the Council should seek to acquire at least two ground floor units with scope to provide disabled adaptations.
- 5.6 Delivery of the RSAP proposal, should the bid be successful, requires North Northamptonshire Council to provide match funding for the capital element of the bid totalling £580,250. There is an existing General Fund capital budget for Housing and Homelessness Prevention with sufficient available budget but as the value of the virement being sought is greater than £0.5m it requires approval from Council, in accordance with the Council's Constitution.
- 5.7 Without the match funding the Council would not be able to access the grant.
- 5.8 Executive approved the scheme, noting that approval from Council will be sought for the match funding virement of £0.580m from the approved Housing and Homelessness Programme. This programme has a budget of £2m in 2021/22 and was approved as part of the February 2021 budget setting process.

- 5.9 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.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 The budget requirement for the scheme is from external grant and a match funding virement from an existing programme for Housing and Homelessness. There is no requirement for the Council to undertake further borrowing against the general fund to support this scheme.

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.
- 6.2.2 In accordance with the Council's Constitution the virement request requires Council approval as it exceeds £0.5m.

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.

6.4 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.

6.6 **Community Impact**

6.6.1 These proposals can be considered to have a positive impact on the community as the Programme delivers accommodation support for rough sleepers within North Northamptonshire.