



EXECUTIVE 16th December 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. Cyber security and disaster recovery – to increase the budget by £0.2m to support investment in improving cyber security and disaster recovery. The budget will be resourced from additional grant funding allocated by the Department for Levelling Up, Housing and Communities (DLUHC).
- 3.2 Reason for Recommendations are set out in greater detail within section 5 of the report, but can be summarised as:
- To allow grant allocations to be recognised and utilised to support the review of the current IT infrastructure and related provision within North Northamptonshire Council, and in response to potential disruption relating to its core infrastructure because of natural disaster, power failure, infrastructure failure or cyber threat.

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 a number of 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 adopted by the Council in February 2021 and requests that proposed changes are approved and reflected within the programme.

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

- 5.1 **Cyber Security and Disaster Recovery – budget approval for £200k** - North Northamptonshire Council was awarded £200k in April 2021 from DLUHC in response to a review of the position of the Council's IT cyber and backup infrastructure. The grant is allocated to the council for implementing mitigations and recovery activities in response to disruption to its core IT infrastructure, whether due to natural disaster, power failure, infrastructure failure or cyber threat.

- 5.2 The review of resilience in cyber security and disaster recovery across the four legacy sovereign Council IT infrastructures identified a number of actions to be implemented to ensure that the Council could better protect its IT infrastructure from failure and recover more quickly if such a threat crystallises. The Council will use the grant to deliver the activities set out within the action plan.
- 5.3 The grant is a new and specific one-off allocation of capital funding which is time limited for use by 31st March 2022 in relation to IT infrastructure only. It cannot be used for any other purpose.

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.

6.3.6 Where funding is from grant the Council must ensure that any spend is in accordance with the grant conditions, both the nature of the spend and the timing (where a deadline applies).

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 2021.

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 is considered and managed within the relevant scheme.

6.6 **Community Impact**

6.6.1 None specific to this report.