

## Appendix E WNC Draft General Fund Capital Programme 2024-28

### 1. Background

- 1.1 The draft general fund capital programme has been developed to support the realisation of the Council's vision and corporate priorities with an emphasis on ensuring a robust mechanism to deliver our priorities within the finances available.
- 1.2 Services submitted their general fund capital requirements for 2024-25 and the medium term through the Star Chamber process.
- 1.3 There have been a number of recent developments in relation to the General Fund Capital Programme which means that, for the first time, the draft budget will include all schemes submitted with the exception of desirable schemes, and not just the fully funded ones as has happened in previous years. This means that there should be fewer changes between draft and final budgets. The draft proposals were considered by the Capital and Assets Board on 14 November 2023 and their recommendations are shown below.
- 1.4 The draft budget takes into account the schemes already approved in year, plus new schemes that have been submitted for consideration.
- 1.5 The General Fund monitoring process has also developed over the last year which means that an extensive reprofiling exercise has been undertaken for 2023-24 to determine which schemes are likely to slip into next year. These changes are reflected in the Period 7 Capital Monitoring report which is on the same cabinet agenda. The approved 2024-25 budget, assumes that the reprofiling is approved by Cabinet at this meeting.

### 2. Overview of Draft Budget Setting Process

- 2.1 Services were asked to consider their capital needs over the medium term and present their requirements to their Star Chambers where they were subject to initial challenge.
- 2.2 Finance have worked with services to determine their needs, priorities and what is achievable for the authority both in terms of staff availability and cost.
- 2.3 All proposals have been collated and categorised as follows:
  - Fully funded  
These schemes require no investment from WNC. **It is recommended that fully funded schemes are approved, subject to confirmation of funding.**
  - Invest to save / Income generation / cost avoidance.  
These are schemes which initially require WNC investment but this is recouped through the generation of income or the avoidance of cost as a direct result of the scheme. **It is recommended that these schemes are approved subject to the identification of revenue budgets where savings will be achieved or the recognition of cost avoidance.**
  - Part funded schemes – (where some element of WNC contribution is required to access grant funding)

These schemes have been challenged to ensure appropriate levels of match funding by WNC. **We are recommending that these schemes are approved subject to confirmation of funding.**

- Essential schemes (unfunded)  
These are schemes which are business critical and required for health and safety or contractual reasons. These proposals have been challenged to ensure that they are categorised correctly. Failure to undertake these schemes could have several serious consequences for the authority such as breach of contract and breach of health and safety regulations. **We are recommending that these schemes are approved**
- Schemes requiring additional approval  
There are some material schemes that we know will be required in the next financial year but work is ongoing to determine feasibility and finances. They are included in the draft budget for completeness and to give a more accurate view of the likely quantum of the capital programme. Due to the nature of the schemes **we are recommending that these schemes are approved in principle by Cabinet and full Council, subject to the approval of a detailed business cases which evidences the business need and the value for money consideration.**
- Other / desirable schemes (unfunded)  
All other schemes have been classed as desirable. Taking into account the overall affordability of the capital **we are recommending that these schemes are not approved on the grounds of affordability.**

### 3. Summary of General Fund Capital Proposals – 2024-25 onwards

- 3.1 37 proposals totalling £44.4m over the medium term were submitted.
- 3.2 The Capital and Assets Board (CAB) recommend that, the draft budget includes the schemes detailed in Appendix E1, with the exception of those classified as desirable, subject to a number of challenges around availability of funding etc. Desirable schemes are included for information, but CAB recommend that these are not approved on affordability grounds.
- 3.3 A full list of schemes submitted are shown in Appendix E1
- 3.4 A summary of the submitted proposals is shown in the table below:

| Draft Capital Budget Proposals         | 2024-25 | 2025-26 | 2026-27 | 2027-28 onwards | Total  |
|--|---------|---------|---------|-----------------|--------|
|  | £k      | £k      | £k      | £k              | £k     |
| Fully Funded                           | 3,420   | 0       | 0       | 2,250           | 5,670  |
| Self-funded borrowing / Invest to save | 4,508   | 0       | 0       | 0               | 4,508  |
| Part funded schemes                    | 2,128   | 1,693   | 1,743   | 1,796           | 7,360  |
| Essential schemes (unfunded)           | 7,195   | 1,738   | 2,199   | 3,599           | 14,731 |
| Schemes requiring additional approval  | 10,800  | 0       | 0       | 0               | 10,800 |

|   |               |              |              |              |               |
|---|---------------|--------------|--------------|--------------|---------------|
| <b>Total schemes recommended for approval</b> | <b>28,051</b> | <b>3,431</b> | <b>3,942</b> | <b>7,645</b> | <b>43,069</b> |
| Desirable                                     | 1,050         | 85           | 85           | 85           | 1,305         |
| <b>Total</b>                                  | <b>29,101</b> | <b>3,516</b> | <b>4,027</b> | <b>7,730</b> | <b>44,374</b> |
|   |               |              |              |              |               |

3.5 These schemes are funded as follows:

| <b>Capital financing of new proposals</b>                 | <b>2024-25<br/>£k</b> | <b>2025-26<br/>£k</b> | <b>2026-27<br/>£k</b> | <b>2027-28<br/>onwards<br/>£k</b> | <b>Total<br/>£k</b> |
|---|-----------------------|-----------------------|-----------------------|-----------------------------------|---------------------|
| Prudential Borrowing                                      | 19,979                | 1,755                 | 2,216                 | 3,617                             | 27,567              |
| Grant Funding   | 4,710                 | 0                     | 0                     | 2,250                             | 6,960               |
| External Funding  | 2,918                 | 1,474                 | 1,518                 | 1,564                             | 7,474               |
| Reserve   | 250                   | 0                     | 0                     | 0                                 | 250                 |
| Revenue Funding   | 194                   | 202                   | 208                   | 214                               | 818                 |
| <b>Total Funding for schemes recommended for approval</b> | <b>28,051</b>         | <b>3,431</b>          | <b>3,942</b>          | <b>7,645</b>                      | <b>43,068</b>       |
| Borrowing for Desirable Schemes                           | 1,050                 | 85                    | 85                    | 85                                | 1,305               |
| <b>Total Funding for Schemes submitted.</b>               | <b>29,101</b>         | <b>3,516</b>          | <b>4,027</b>          | <b>7,730</b>                      | <b>44,373</b>       |

3.6 The proposals, excluding desirable, have been added to the existing approved capital budget for 2024-25 onwards. The table has been amended to show known 2023-24 reprofiling as per the Period 7 Capital Monitoring Report. This results in a draft general fund capital programme of £193.9m over the four year period 2024-28.

| <b>West Northants GF Capital Budget</b>                 | <b>2024-25<br/>£k</b> | <b>2025-26<br/>£k</b> | <b>2026-27<br/>£k</b> | <b>2027-28<br/>onwards<br/>£k</b> | <b>Total<br/>£k</b> |
|---|-----------------------|-----------------------|-----------------------|-----------------------------------|---------------------|
| Approved Budget 2024-25 as reported Period 7 monitoring | 114,925               | 17,524                | 13,703                | 4,700                             | 150,852             |
| New capital bids:                                       |                       |                       |                       |                                   |                     |
| Fully funded  | 3,420                 | 0                     | 0                     | 2,250                             | 5,670               |
| Self funded / Invest to save                            | 4,508                 | 0                     | 0                     | 0                                 | 4,508               |
| Part Funded   | 2,128                 | 1,693                 | 1,743                 | 1,796                             | 7,360               |
| Essential / Business critical                           | 7,195                 | 1,738                 | 2,199                 | 3,599                             | 14,731              |
| Schemes requiring additional approval                   | 10,800                | 0                     | 0                     | 0                                 | 10,800              |
| <b>Total</b>  | <b>142,976</b>        | <b>20,955</b>         | <b>17,645</b>         | <b>12,345</b>                     | <b>193,921</b>      |

3.7 The funding of the 2024-25 Medium Term Capital programme will be as follows:

| <b>WN Revised Capital Financing</b> | <b>2024-<br/>25<br/>£k</b> | <b>2025-<br/>26<br/>£k</b> | <b>2026-<br/>27<br/>£k</b> | <b>2027-<br/>28<br/>£k</b> | <b>Total<br/>£</b> |
|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|
| Prudential Borrowing                | 69,089                     | 12,904                     | 10,319                     | 5,067                      | 97,378             |
| Internal Borrowing                  | 485                        | 0                          | 0                          | 0                          | 485                |
| S106                                | 7,467                      | 0                          | 0                          | 0                          | 7,467              |
| Community Infrastructure Levy (CIL) | 2,115                      | 393                        | 0                          | 0                          | 2,508              |
| Grant Funding                       | 49,569                     | 2,632                      | 2,250                      | 2,250                      | 56,701             |
| Funded from Reserve                 | 0                          | 0                          | 0                          | 0                          | 0                  |
| Revenue Funding                     | 983                        | 202                        | 208                        | 214                        | 1,607              |
| External Funding                    | 13,268                     | 4,824                      | 4,868                      | 4,814                      | 27,774             |
| <b>Total Funding</b>                | <b>142,976</b>             | <b>20,955</b>              | <b>17,645</b>              | <b>12,345</b>              | <b>193,921</b>     |

\*\* Some of the s.106 and CIL funding will be received several years after the completion of the project in some cases. Those schemes will be forward funded with Discretionary funding, which will be repaid when the relevant CIL and s.106 are received. The funding table shows the eventual funding source for these, rather than the forward funding.