

# WEST NORTHAMPTONSHIRE COUNCIL CABINET

15 FEBRUARY 2022

**CABINET MEMBER RESPONSIBLE FOR FINANCE:  
COUNCILLOR MALCOLM LONGLEY**

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**Report Title** P9 General Fund Capital Monitoring Report 2021-22

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## Contributors/Checkers/Approvers

<b>West S151</b>	Martin Henry	3 <sup>rd</sup> February 2022
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<b>WNC Communications</b>	Team	Emailed 4 <sup>th</sup> February

## List of Appendices

### Appendix A – Revised General Fund capital programme

#### 1. Purpose of Report

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- 1.1. The report sets out the latest General Fund capital programme monitoring position for 2021-25 for West Northamptonshire Council and identifies new schemes which have been approved for submission into the capital programme since the last update to Cabinet in December 2021.

## **2. Recommendations**

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2.1 It is recommended that the Cabinet:

- a) Note the latest capital monitoring position for the GF.
- b) Note new schemes and changes since Period 7 report that was considered by Cabinet in December 2021.

## **3. Reason for recommendations -**

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- In order to ensure sound management of the council's finances.

## **4. Report Background**

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- 4.1 The WNC capital budget was approved at Shadow Executive on 23 February 2021. As part of the budget setting process, the Shadow Authority gave the Executive Director – Finance (S151 Officer), in consultation with the portfolio holder for Finance, the delegated authority to amend the capital programme so that it accurately reflects the changes arising from each legacy authority's capital programme prior to the start of the new financial year.
- 4.2 Cabinet received have received reports on the Capital Programme in September and December which provided updates on the Capital Programme.
- 4.3 This report highlights the changes since the last monitoring report in December 2021 which provided an updated position at Period 7 of this financial year.

## **5. Governance and process**

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- 5.1 A robust approval and monitoring process for the capital programme has now been set up for the Council, which is in line with the constitution and the approved capital strategy. This governance will ensure the Council has financial rigour and strict management controls in place to manage the programme effectively.
- 5.2 All elements of proposed, and active schemes are robustly challenged and monitored throughout the project lifetime, and in some cases will be subject to a 'lessons learned' review on completion.
- 5.3 All schemes will be in line with Council objectives, and must have clear, measurable deliverables or outcomes. Applications must show how projects will deliver value for money, assess and mitigate risk, and manage resource capacity issues.

## **6. Monitoring of the General Fund Capital Programme 2021-2025**

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- 6.1 As the capital process is embedded into business as usual for the authority, processes are being refined and services now have an improved understanding of the schemes inherited from legacy

authorities. As a result, there have been a number of changes since the capital monitoring report which was considered by Cabinet in December 2021.

6.2 Since the Period 7 monitoring report there have been further changes to the capital programme resulting in an overall decrease of £1.254m from the position reported in December. This is made up of:

- New schemes totalling £1.2m
- Changes to existing schemes -£0.588m
- Deletions of existing schemes -£1.866m
- There are also a number of net nil adjustments in relation to virements and rephasing.

**Table 2 – Changes to the General Fund capital programme since December 2021 Cabinet.**

Scheme		2021-22 £k	2022-23 £k	2023-24 £k	2024-25 £k	Total £k	Funding Source
<b>New Scheme Changes Q3</b>							
New scheme – Westbridge Depot		90	1,110	0	0	1,200	Discretionary funding
Changes to the profile of the North West Relief Road expenditure to reflect December Cabinet report*	Place	-5,155	-11,840	15,517	890	-588	Note: there is no overall change to the budget. Some expenditure will now occur in 2025-26.
Removal of legacy capital budgets following service and finance review	Various	-814	-394	-402	-256	-1,866	Discretionary funding
Sub total		-5,879	-11,124	15,115	634	-1,254	

*\*The North West Relief Road is a project inherited from NCC. Vesting day saw a transfer of the scheme to WNC with an overall scheme cost of £32.5m with some spend pre vesting day. The budget profile was also inherited which front loaded costs in 2021-22 and 2022-23.*

*Since then a shortfall in funding has been identified of £22m, bringing the total scheme value to £54.5m and Cabinet approved a request in June 21 to apply for a Levelling Up Fund grant for £20m to support the shortfall.*

*Unfortunately, the WNC bid for funding was not successful so in December 21, Cabinet approved the change of funding from government grant to discretionary funding.*

*In addition to this, as a result of a further review of the scheme the profile of expenditure has been rephased to reflect the latest position and the WNC capital programme has now been updated to reflect the changed profile and funding.*

- 6.3 One new scheme – Westbridge Dept, has been approved totalling £1.200m.
- 6.4 Through the recently introduced forecasting process a number of schemes have identified rephasing, and these are shown below. As forecasting is refined throughout the organisation, there is the potential for the level of rephasing to increase due to the current economic climate and the ongoing impact of COVID 19 on supply of materials and labour generally.

**Table 4 – Rephasing in the General Fund capital programme since December Cabinet.**

Scheme		2021-22 £k	2022-23 £k	Total £k	Reason for slippage
<b>New Rephasing Q3</b>					
Library Management System	Adults	-200	200	0	Re-phasing
Northampton Libraries Self Service Terminals	Corporate	-25	25	0	rephasing
Middlemore Cycle / Rural Track	Place	-71	71	0	Review of spend – request to roll forward into next year.
Heartlands Completion Works	Place	-50	50	0	Review of spend – request to roll forward into next year.
Lodge Road Fire Risk Assessment	Place	-37	37	0	Review of spend – request to roll forward into next year.
Public Toilets Refurbishment	Place	-98	98	0	Rephasing
Northampton Secondary School Capacity - NSG	Place	-147	147	0	Rephasing – due to timing of works programme
Northampton Bike Park	Place	-590	590	0	Rephasing – slippage due to procurement exercise and planning approval process.
DFG Owner Occupiers	Adults	-1,848	1,848	0	Rephasing – some delays to the scheme as legacy functions merged.
IFRS 16 Lease Right Use of Assets	Finance	-411	411	0	Rephasing – scheme deferred until 2022-3 when IFRS16 comes into force.
Total		-3,477	3,477	0	

6.5 In summary, the amendments to the capital programme since the Q2 report are as follows:

**Table 5 – Summary of changes to the General Fund capital programme**

<b>West Northants GF Capital Budget</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
Approved Budget 2021-22 Q2 report (December Cabinet)	97,653	56,329	8,822	7,249	170,053
Changes to existing scheme budgets	-5,879	-11,124	15,115	634	-1,254
Slippage	-3,477	3,477			0
<b>Total</b>	<b>88,297</b>	<b>48,682</b>	<b>23,937</b>	<b>7,883</b>	<b>168,799</b>
<b>Movement</b>	<b>-9,356</b>	<b>-7,647</b>	<b>15,115</b>	<b>634</b>	<b>-1,254</b>

6.6 The full general fund capital programme is set out in Appendix A.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

- This report informs Cabinet of the latest capital position for 2021-22 and for the medium term. The capital programme outlined in this report is fully funded, either through borrowing, internal resources or external funding arrangements. Ongoing expenditure relating to these projects will continue to be robustly challenged and monitored by Finance and the Capital and Assets Board.

### **7.2 Legal**

- There are no legal implications arising directly from the recommendations of this report.

### **7.3 Risk**

- There are a number of processes in place to robustly challenge new schemes and progress for existing schemes such as through ELT, CAB and in reports to Cabinet. Where required, completed projects will be subject to a 'lessons learned' exercise. Funding for all capital schemes has been identified, and progress against budgets will be closely monitored to Cabinet on a regular basis

## **8. Background Papers**

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8.1 Final Capital Budget to West Northants Shadow Executive – February 2021.

8.2 Q1 Capital Report to Cabinet September 2021.