



**CABINET**

**19 DECEMBER 2017**

**DIRECTOR OF FINANCE: Mark McLaughlin**

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE: COUNCILLOR ROBIN BROWN**

<b>Subject:</b>	Monthly Capital Report (MCR) - new capital scheme approvals.
<b>Recommendations:</b>	<p>Cabinet is requested to:</p> <ol style="list-style-type: none"> <li>1. Approve capital investment totalling £20,000,000 to promote one scheme included in the Capital Strategy 2017-18:             <ol style="list-style-type: none"> <li>i. Investment Estate Portfolio - £20,000,000</li> </ol> </li> <li>2. Approve capital investment totalling £1,215,273 to extend three schemes within the current Capital Programme             <ol style="list-style-type: none"> <li>i. William Knibb Refurbishment - £500,000</li> <li>ii. Superfast Broadband - £59,273</li> <li>iii. Next Generation ERP – £656,000</li> </ol> </li> </ol>

**1. Purpose of Report**

Cabinet is formally requested to give approval for entry into Northamptonshire County Council’s Committed Capital Programme of capital schemes following recent recommendation at the monthly meeting of the Capital Programme Board.

**2. How this decision contributes to the Council Plan**

The Council’s vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county’s communities and/or safeguarding the county’s communities.

<p>This initiative specifically delivers increased wellbeing and/or safeguarding by ensuring that:</p> <ul style="list-style-type: none"> <li>• People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities.</li> <li>• People have the information and support they need to make healthy choices and achieve wellbeing.</li> <li>• People achieve economic prosperity, in a healthy, low carbon economy which give access to jobs, training and skills development.</li> <li>• Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure.</li> <li>• Resources are utilised effectively and efficiently, in coordination with partners and providers.</li> </ul>
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**3. Background**

The current external funding environment and continued announcements from central government on capital schemes highlight the need to ensure that appropriate monitoring, governance and approval of the Council’s Capital Programme is undertaken.

#### 4. Consultation and Scrutiny

This report has been produced in consultation with the NCC Group Management Board and the Directors of each of the Delivery Vehicles. The report will also be subjected to scrutiny through the Finance Improvement and Performance Working Group

#### 5. Equality Screening

Where a scheme may have an impact upon customers with regard to their protected characteristics, they will have an equality impact assessment carried out by the service prior to the scheme being implemented to ensure that the implications are fully understood.

No Generic Equality Impact assessment is required in relation to this report

#### 6. Alternative Options Considered

Quarterly approval for schemes to enter into the current Capital Programme in-line with current financial reporting timetable would lead to delays in delivery and performance risks for the Council. It is therefore considered necessary to provide interim monthly reports to Cabinet to secure scheme approvals on a timely basis.

#### 7. Financial Implications

##### Major Projects and Capital Programme Board (CPB) Recommendations and Updates

- 7.1 Each month the Major Projects and Capital Programme Board meets to discuss and recommend capital projects for inclusion in the Council's Committed Capital Programme.

The CPB met on the 20 November and has recommended the promotion of one scheme from the Development Pool and the extension of three schemes, totalling investment of £21,215,273 as detailed in the table below, to go forward for Cabinet and Council approval, as required, to enable formal entry into the Council's Committed Capital Programme.

<b>Scheme Status</b>	<b>Capital Scheme Title</b>	<b>Capital Expenditure Requiring Approval £</b>	<b>Funding Source</b>	<b>Description</b>
Promotion from Development Pool.	Investment Estate Portfolio	20,000,000	Investment to generate revenue streams	The creation of an investment property portfolio to generate a revenue return
Extension to current schemes.	William Knibb Refurbishment	500,000	Discretionary Funding	Backfilling tunnels under the car park and contingency.
Extension to current schemes.	Northamptonshire Superfast Broadband	59,273	BDUK grant	To further enable broadband infrastructure within the county.

<b>Scheme Status</b>	<b>Capital Scheme Title</b>	<b>Capital Expenditure Requiring Approval £</b>	<b>Funding Source</b>	<b>Description</b>
Extension to current schemes.	Next Generation ERP	656,000	88k from IT E Technology Scheme. 568k from Discretionary Funding	Revised Cost forecast due to project delays
<b>Total Capital Investment Recommendation</b>		<b>21,215,273</b>		

### **Capital Scheme Narratives**

#### **1. Investment Estate Portfolio - £20,000,000**

As part of the 2017-18 budget setting process, and agreed at the June and September Cabinet meetings, it is proposed to add this scheme to the capital programme. The delegated authority has been given to the Assistant Director Assets and Capital to approve purchases for investment purposes where they have been recommended by the Investment Board and fulfil the requirements of the approved investment strategy and fall within the budget.

#### **2. William Knibb Refurbishment - £500,000**

Increase to scheme costs due to backfilling the tunnels under the car park and £300k contingency linked to the unknown building conditions and extension of time claims.

#### **3. Northamptonshire Superfast Broadband - £59,273**

The Superfast Northamptonshire project, led by Northamptonshire County Council on behalf of BDUK, is investing in Next Generation broadband infrastructure to enable services to be provided in areas which otherwise would not be served. This is a further grant from BDUK in relation to the 'Better Broadband' Scheme element.

#### **4. Next Generation ERP - £656,000**

The delay in implementing the new system, due to issues with data migration, has meant that all of the current project resources are required for a greater period of time. The latest forecast includes specific additional recharge amounts for HR, Finance, IT, IT infrastructure, contingency and programme management.

#### **5. Risk and Business Continuity Management**

- 5.1 There are internal control processes in place to ensure that the Council does not spend beyond the resources available. Risk will be managed and monitored throughout the organisation during the delivery of the Council's budget plans. The Capital Programme Board agree all new schemes prior to Cabinet approval. The Board regularly monitors the progress of the capital programme and key variances between plans and performance.

#### **6. List of Appendices**

None.

Author:	Name: Andrea Devereux Team: LGSS Finance – Place and NCC Group
Contact details:	Tel: 01604 367348 Email: <a href="mailto:adevereux@northamptonshire.gov.uk">adevereux@northamptonshire.gov.uk</a>
Background Papers:	CP & Oracle monitoring returns, Head of Service Reports and Capital Monitoring spreadsheets, DMT Meetings and Government Announcements
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	NO
Will further decisions be required? If so, please outline the timetable here	
Does the report include delegated decisions? If so, please outline the timetable here	NO
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	Yes Name of SFM: Rosemary Pallot  YES
Has the report been cleared by the relevant Director?	YES Name: James Smith
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Robin Brown
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee:
Has the report been cleared by Legal Services?	YES Name of solicitor: Susan Zeiss
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property issues been cleared by Property and Asset Management?	YES Name of officer:
Has an Equalities Impact Assessment been carried out in relation to this report?	YES
Are there any community safety implications?	YES
Are there any environmental implications:	NO
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	ALL