



CABINET

14 FEBRUARY 2017

DIRECTOR OF FINANCE: DAMON LAWRENSON

CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE: COUNCILLOR ROBIN BROWN

Subject:	Monthly Capital Report (MCR) as at the end of December 2016 (Period 9) for the financial year ending 31 March 2017.
Recommendations:	<p>Cabinet is requested to:</p> <ol style="list-style-type: none"> 1. Note the current capital forecast expenditure outturn of £154m for the financial year 2016-17. 2. Approve and recommend the inclusion of three new scheme with investment totalling £1,052,853 <ol style="list-style-type: none"> i. Registration Services IT - £30,000 ii. Early Years Grant Funding - £929,653 iii. Parking Virtual Ticketing - £93,200 3. Approve capital investment totalling £2,111,496 to promote three schemes included in the Capital Strategy 2016-17: <ol style="list-style-type: none"> i. Property Compliance and H&S -£1,180,000 ii. Helmdon Flood Alleviation - £16,496 iii. All Saints CEVA Expansion - £915,000 <p>(further detail on all of the above schemes can be found in section 10)</p>

1. Purpose of Report

- 1.1 The report sets out the current financial position of the Council’s Capital Programme in total, by service area and on a scheme by scheme basis.
- 1.2 Cabinet is formally requested to give approval for entry into the 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

- 2.1 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"> • People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities. • People have the information and support they need to make healthy choices and achieve wellbeing.

- People achieve economic prosperity, in a healthy, low carbon economy which give access to jobs, training and skills development.
- Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure.
- Resources are utilised effectively and efficiently, in coordination with partners and providers.

And Through:

- Exploitation of Technology
- Intelligence Led Services
- Next Generation Working
- Ambitious Partnerships
- Use of the Asset Utilisation Strategy
- Commissioning and Market Developments
- Self-Financing

3. Background

- 3.1 The current external funding environment and continued announcements from central government on capital schemes also highlight the need to ensure that appropriate monitoring, governance and approval of the Council's Capital Programme is undertaken.
- 3.2 Due to the significant levels of capital investment prioritised by the Council and as a key enabler in the growth, prosperity and economic wellbeing of the County the Council considers that a separate Capital Programme monitoring report is produced, reviewed and approved by Cabinet monthly in line with reporting on revenue expenditure.

4. Consultation and Scrutiny

- 4.1 This report has been produced in consultation with the NCC Group Management Board and the Directors of each of the Delivery Vehicles. The NCC Group Management Board is comprised of the Chief Executive, the Strategic Commissioners for People Services and Place Services, and the Director of Finance (S151 Officer). The report will also be subjected to scrutiny through the Finance Improvement and Performance Working Group.

5. Equality Screening

- 5.1 This report is for information purposes only and no Equality Impact assessment is required.

6. Alternative Options Considered

- 6.1 It is considered as best practice to brief members and report the latest budgetary position to Cabinet on a regular monthly basis, rather than less frequently, for example, quarterly. It also meets the Financial Regulations requirement to ensure the provision of financial information and compliance with financial management standards.

7. Executive Summary

- 7.1 The forecast outturn expenditure on the Council's Capital Programme stands at £154m for the financial year 2016-17. The forecast outturn by service area can be found in Table 3 on page 8, with more detailed summaries explaining the significant variances and movements occurring within each service area set out in Section 9.

- 7.2 Following Capital Programme Board, Cabinet are formally requested to approve the promotion of three schemes totalling £2,111,496 and the inclusion of three new schemes totalling £1,052,853 detailed in Table 4 on page 17.
- 7.3 Expenditure across all projects within the Capital Programme to period 9 totals £89m or 58% of the total forecast outturn of £154m. This compares to 57% of a total forecast outturn of £114m at this time last financial year. Last year's final outturn was £111m due to slippage and movements on schemes during the second half of the year, with a large part of the slippage relating to Project Angel.

8. Commentary Full Year 2016-17

Capital Budget 2016-17

- 8.1 The Council's Capital Strategy 2016-17 to 2020-21, agreed by Council on 29 February 2016, approved a forecast capital programme of £736m (the Committed Capital Programme plus the Development Pool) over the five year plan period. The Capital Strategy also approved a Discretionary Funding Pot totalling £24.03m available for prioritisation against key Council capital investment schemes over the Medium Term Financial Plan (MTFP) period.
- 8.2 Table 1 below provides the detailed scheme by scheme prioritised balances against the £24.03m agreed by Council into the Development Pool, the approvals to date including those reported in this paper and the remaining balances to be progressed through the Council's capital approval routes for Cabinet approval.

Discretionary Funding Pot	Budget 2016-17 to 2020-21 £000	Cabinet Approvals To Date £000	Prioritised Balance 2016-17 £000	Prioritised Balance 2017-18 £000	Prioritised Balance 2018-19 to 2020-2021 £000	Prioritised Balance Available £000
Project Angel & NGW IT	1,846	1,846	0	0	0	0
Chester Farm	4,925	4,925	0	0	0	0
Property Minor Works	5,200	1,000	0	1,200	3,000	4,200
Highway Management	6,150	0	0	0	6,150	6,150
IT Infrastructure	4,160	330	670	690	2,470	3,830
A361 Chipping Warden Relief Road	996	0	996	0	0	996
Daventry Library Fit Out	629	0	0	429	200	629
A14 Cambridge to Huntingdon Improvement Scheme	120	0	0	0	120	120
Total Discretionary Funding Balance	24,026	8,101	1,666	2,319	11,940	15,925

Table 1 - Summary of Discretionary Funding Pot approved by Council in February 2016

Note A361 Chipping Warden Relief Road is now planned for delivery in 2017-18

8.3 In addition to discretionary approvals the Council has also prioritised £2.00m of innovative capital funding over the plan period toward schemes within the Development Pool, detailed in Table 2.

Development Pool Innovative Funding Prioritisation	Budget 2016-17 to 2020-21 £000	Cabinet Approvals To Date £000	Prioritised Balance 2016-17 £000	Prioritised Balance 2017-18 £000	Prioritised Balance 2018-19 to 2020-21 £000	Total Prioritised Balance Available £000
Superfast Broadband	2,000	2,000	0	0	0	0
Total Discretionary Funding Balance	2,000	2,000	0	0	0	0

Table 2 – Summary of Development Pool Innovative Funding approved by Council in Feb 2016

8.4 These schemes support the Northamptonshire economy with key infrastructure projects that act as a catalyst to wider economic growth. Individual invest to save projects also contribute to Council efficiency savings to enable budgetary targets to be delivered. These assist in the Council being able to reduce revenue levels in line with grant reductions and ongoing austerity measures.

8.5 **Approved Capital Programme Sources of Funding**

Type of Funding	%	Key Schemes
Prudential Borrowing	25%	Project Angel, Highway Asset Management & Maintenance Investment, East Northants Schools Restructure, Superfast Broadband
Other Grants	22%	Northampton International Academy, Corby Link Road, Superfast Broadband, Daventry Development Link, DFE Kitchen grant, Community Equipment
S106	14%	
DFE Grants	14%	Includes Basic Need
DFT Grants	8%	Includes Integrated Transport & Maintenance grants
Local Growth Fund (LGF)	10%	Daventry Development Link, A43 Northampton to Kettering Phase 1b, Stanton Cross, partner schemes Tresham & Moulton Colleges
Other Contributions to works	4%	Waterside Zone Access, Abington Street Works, Chester Farm, Superfast Broadband
Other funding	3%	Invest to save, Innovative, Public Health grants, Capita disposal receipts, Schools contributions

Please note: some schemes benefit from more than one type of funding

8.6 Funding of the Capital Programme

The Councils Capital Strategy includes within it 'Golden Rules' agreed by the Council. Rule 1 states 'Northamptonshire County Council's annual discretionary capital financing costs (not including Invest to Save and Innovative type investment) should not rise above the self-imposed ceiling of 9% of its annual net revenue budget over the plan period and any future plan periods'

The Annual Treasury Strategy includes the supporting section to this below: 'Actual and estimates of the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

This is calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local tax payers (described in the budget report as the net budget requirements).

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Forecast	Estimate	Estimate	Estimate	Estimate	Estimate
7.1%	7.4%	8.2%	8.1%	8.3%	8.4%

This is an estimate only and the ceiling of 9% needs to be maintained over the life of the current plan period'

The Treasury Management report to November Cabinet showed an estimated position under its Affordability Ratios of 6.4% for 2016-17, a reduction of 1% from the Treasury Strategy published in February 2016.

8.7 Efficiency Statement and Flexible Use of Capital Receipts

As part of the Local Government Spending Review on 17 December 2015, the Government provided councils with the flexibility to utilise Capital Receipts for qualifying expenditure. This is to enable authorities to fund transformation and cost reduction programmes of reform from capital receipts in the years for which the flexibility is offered.

The MTP 2016-17 to 2019-20 includes the use of capital receipts to fund the Council's NGC transformation totalling £25.5m over the period with a suggested profile of £14.5m required for 2016-17, £9m for 2017-18 and £2m in 2018-19. This profile will be reviewed in line with receipts available and the progress made in delivering the county wide transformation programme. Additional borrowing is required and the capital financing costs have been included in the MTFP that was agreed at Cabinet in February 2016.

As part of period 6 monitoring a further £6.5m of capital receipts were identified as being within the disposals programme to be achieved in 2016-17. This brings the total proposed to be utilised under this flexibility to £21m in 2016-17. This increased use of capital receipts to support revenue under the government flexibilities was recommended to Cabinet and went to Full Council as part of the Efficiency Plan Report.

For period 9 reporting a further review of progress in relation to land & property disposals has taken place and further certainty/confidence in disposals being completed in the current financial year has been gained with the potential to achieve over the £21m.

The MFR will therefore include a further £4m assumption in its overall forecast under 'Flexible Use of Capital Receipts' to support the revenue budget. This brings the total assumed to £25m in 2016-17.

This will now form a recommendation to Full Council in February for approval.

Latest forecasts suggest the £25m is achievable based on the current disposals programme but there is a level of risk in this further £4m which will continue to be monitored. Further updates will be provided as part of next month's monitoring.

8.8 Forecast Capital Outturn 2016-17 by Service Area:

	Forecast Outturn 2016-17 £'000
Children's Services	50,961
Environment, Planning & Transport	88,193
Fire & Community Safety	1,329
Asset & Capital Management	3,351
Adults Services	2,786
Wellbeing and Prevention Services	1,270
IT Infrastructure/Development	5,676
Chief Executive Services	294
Forecast Outturn Expenditure	153,859

The total 2016-17 forecast spend has now decreased by £30.3m since the start of the year/original budget as a result of reprofiled spend on individual committed projects. The main movements arise from:

1. Daventry Development Link Road (DDL) delay to main works start, now commenced. Reprofiling of £9m of expenditure to 2017-18. However, the project is still scheduled to be completed on time.
2. A431b Northampton to Kettering delay to main works start. Report was presented to June Cabinet to allow rephasing of works. Reprofiling of £3.2m of expenditure to 2017-18, replaced by works on the new rephased phase 2 totalling £2.8m
3. New funding allocations in respect of highways works from the Incentive Fund and the Pothole Fund resulting in new schemes and additional expenditure totalling £1.5m in 2016-17.
4. Highway Asset Management Strategy £2m in 2016-17.
5. Radstone Fields School delays to start of works/reprofiling of expenditure resulting in slippage of £6.7m expenditure to 2017-18.
6. Wootton Hall Temporary School allocation of £3m grant for works to be completed for September 2016. New expenditure for 2016-17.

7. Chester Farm Scheme £2.2m in 2016-17 with the main construction contract now awarded and on site.
8. Northampton International Academy delays to start of works/reprofiling of expenditure resulting in slippage of £12m expenditure to 2017-18.
9. Superfast Broadband slippage in expenditure of £3.9m due to delay in procurement process as a result of delays in national sign off.

Table 3 - Capital Expenditure Phasing Outturn Forecast (by Service) 2016-17

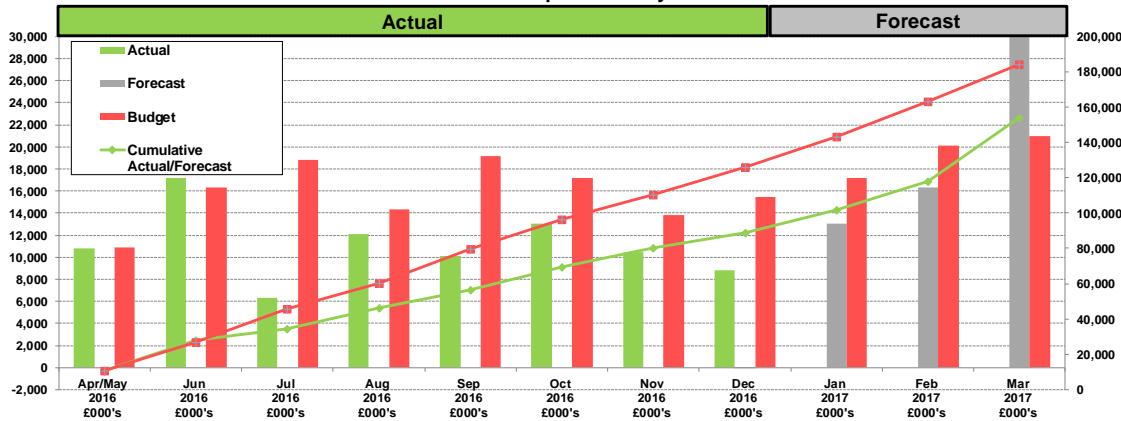
Period 9 - December 2016			Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Forecast
Approved Expenditure Budget	Actual Previous Years Expenditure	Actuals	Actuals	Actuals	Actuals	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	
		Apr/May 2016 £000's	Jun 2016 £000's	Jul 2016 £000's	Aug 2016 £000's	Sep 2016 £000's	Oct 2016 £000's	Nov 2016 £000's	Dec 2016 £000's	Jan 2017 £000's	Feb 2017 £000's	Mar 2017 £000's	Full Year 2016-17 £000's	
Place - Environment, Planning & Transport	338,998	158,022	6,925	12,919	1,609	7,464	5,784	7,152	5,993	5,074	5,771	8,568	20,934	88,193
Place - Fire & Community Safety	10,612	7,745	25	57	0	202	-23	234	-123	0	119	180	658	1,329
Place - Asset & Capital Management	15,822	10,088	115	15	75	9	44	146	113	339	459	894	1,144	3,351
Place - Children, Families and Education	226,979	113,084	3,184	3,174	3,939	4,274	3,870	4,271	4,053	3,289	5,778	6,151	8,978	50,961
Place - Adult Social Care Services	4,827	570	0	1	0	0	12	0	0	0	0	20	2,753	2,786
Place - Public Health and Wellbeing	17,248	15,546	23,813	80	10	27	40	20	196	-17	246	51	595	1,270
LGSS - IT	21,855	15,287	535	896	703	57	409	1,174	208	129	630	468	467	5,676
NCC Group	2,982	2,471	17	25	8	14	9	11	-0	24	1	4	181	294
Total	639,323	322,813	10,825	17,167	6,344	12,047	10,145	13,007	10,438	8,838	13,004	16,336	35,710	153,859
Month %			7%	11%	4%	8%	7%	8%	7%	6%	8%	11%	23%	
Cumulative %			7%	18%	22%	30%	37%	45%	52%	58%	66%	77%	100%	
Cumulative Spend/Forecast			10,825	27,991	34,335	46,382	56,527	69,534	79,972	88,810	101,813	118,149	153,859	



Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	2022-23 & beyond £000's	Life of Project	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's	Forecast £ 000's
57%	69,157	21,296	3,306	1,305	1,013	74	342,366	3,368	1%									
1%	1,510	0	0	0	0	0	10,583	(29)	0%									
2%	2,018	250	0	0	0	0	15,707	(115)	-1%									
33%	54,357	4,303	319	300	0	0	223,324	(3,655)	-2%									
2%	1,049	421	0	0	0	0	4,827	(1)	0%									
1%	74	0	0	50	0	0	16,940	(308)	-2%									
4%	878	0	0	0	0	0	21,841	(14)	0%									
0%	215	0	0	0	0	0	2,980	(2)	0%									
	129,258	26,270	3,625	1,655	1,013	74	638,567	-756	0%									
Full Capital Programme						315,754												

Figures in £ 000's

Phased Expenditure By Month



Financial Year 2016-17

All	Forecast	Variance	Variance
From	Capital	From	From
1 Apr-16	184,145	n/a	n/a
2 May-16	177,328	-6,817	(3.7%)
3 Jun-16	176,872	-456	(0.3%)
4 Jul-16	175,287	-1,585	(0.9%)
5 Aug-16	180,833	5,546	3.2%
6 Sep-16	185,173	4,340	2.4%
7 Oct-16	175,606	-9,567	(5.2%)
8 Nov-16	165,654	-9,952	(5.7%)
9 Dec-16	153,859	-11,795	(7.1%)
10 Jan-17			
11 Feb-17			
12 Mar-17			
Total Movement In Year		(30,286)	(16.4%)

All figures in £ £10,000's

9. Detailed Service Reports

9.1 Place - Children, Families and Education

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
74,290	9,124	83,414	(32,453)	50,961

Children, Families and Education Summary	£000's	%
Actual Cumulative Expenditure to Period 9	30.05	59%
Forecast Expenditure - Periods 10 to 12	20.91	41%
Forecast Outturn 2016-17	50.96	100%

Expenditure

Actual expenditure in the month totalled £3.3m, taking the cumulative actual expenditure at the end of period 9 to £30.05m, some 59% of the total forecast outturn for 2016-17.

The forecast outturn of £50.96m represents a decrease of £7.27m when compared to previous forecasts and relates to managers re-phasing capital works into 2017-18 as a result of changed site requirements:

The Northampton International Academy forecast has been reduced in 2016-17 by £5.3m as planned works are re-phased into 2017-18. The Northampton International Academy scheme being delivered through the EFA Free Schools programme, is being reviewed in conjunction with the appointed contractor. Potential cost pressures associated with programme changes arising from this review are currently being assessed and alternative solutions are being explored.

The Eastern Northants Educational Restructure scheme forecast has been revised by £0.89m moving from 2016-17 into 2017-18 after the award recently of the contract to commence work at Prince William Academy on the new Science Block from February 2017.

Tendering has been delayed on expansion schemes at Fairfield and Wren Spinney SEN Schools and is scheduled to commence at the end of January resulting in revised forecasts moving £1.196m from 2016-17 into 2017-18.

The following major schemes are being delivered or progressed in 2016-17 to bring significant improvements and growth in schools infrastructure in the County:

Scheme Description	Forecast Expenditure 2016-17 £000's
East Northants Educational Restructure from three to two tier following the closure of the two middle schools with capital schemes at 11 schools plus interim arrangements.	10,243
Northampton International Academy – new 2-19 all through school with 2,220 pupils from primary to post 16.	7,493
Silverstone Primary School	5,067
Pineham Barns Primary School (including land)	4,226
Corby Technical College Extension	3,832
Wootton Park Academy	3,086
Moulton Primary Extension	1,955
Henry Chichele Primary Extension	1,727
Hardingstone Academy Extension & Remodelling	1,638
Roade Primary Extension	1,550
Others (no individual scheme over £1.5m)	10,144
Total	50,961

Funding

Although the 2017-18 basic need allocations from the Department for Education (DfE) for the Council are positive, the Authority has already committed the majority of its projected 2016-17 DfE capital grant funding towards the Directorate capital programme.

NCC has been notified that £929k has been awarded to the Authority by the Department for Education for Early Years Capital Projects, having been successful in a national competitive process and is awaiting receipt of the grant conditions and funding letter.

9.2 Place – Environment, Planning & Transport

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
100,428	21,049	121,477	(33,284)	88,193

Environment, Planning & Transport	£000's	%
Actual Cumulative Expenditure to Period 9	52,919	60%
Forecast Expenditure – Periods 10 to 12	35,274	40%
Forecast Outturn 2016-17	88,193	100%

Capital investment plays a critical part in the Council's role of promoting growth, investment, jobs and bringing prosperity to Northamptonshire and its citizens. In recent years the Council has successfully delivered new or enhanced highway, transportation and environmental projects to the Northamptonshire economy and this has seen significantly improved or new transportation links reducing travel times and improving connectivity throughout and beyond Northamptonshire. This has included major schemes such as the Corby Link Road, Sandy Lane Improvements and the ongoing development and regeneration of the Northampton Enterprise Zone, the largest Enterprise Zone in England.

The Council has also pioneered innovative approaches and agreements through partnerships to deliver an infrastructure led regeneration of Northamptonshire. The innovative implementation and funding of the Northamptonshire Revolving Infrastructure Fund (NRIF) has enabled the implementation and delivery of key pieces of infrastructure. This has been delivered hand in hand with Government funding through Local Growth Funds and Local Enterprise Partnerships and saw the start of the construction of the Northampton to Daventry Development Link (NDDL) in December 2015.

Management and funding of the capital programme is considered holistically with other funding streams including revenue budgets, external grants and innovative funding. The programmed delivery and management of capital investment is overseen by a unique public/private partnership Capital Programme Delivery Unit. This not only ensures effective management and controls are in place but enables 'ready to go' schemes to be delivered quickly on the ground.

The forecast outturn of £88.2m represents a decrease of £4.6m when compared to previous forecasts and relates to manager's reprofiling their forecast expenditure and in particular:

- The A509 Isham Bypass has rephased £0.4m into 2017-18. Planned works have been delayed until Government funding has been confirmed.
- The A43 Corby Link Road has rephased £1.4m into 2017-18. Land claims cannot presently be confirmed by land agents and are likely to occur in 2017-18.
- Tresham College have confirmed that the original £11.4m LGF scheme will not now be delivered. The proposed revised scheme will deliver site clearance to enable future development. As part of this the profiled spend for this year has rephased a further £1.0m into 2017-18
- DfT Maintenance Block has rephased £0.9m into 2017-18. Planned works are to be undertaken in summer 2017 to tie in with other road closures on principal roads.
- Project Angel has rephased £0.9m into 2017-18 due to construction delays. Handover of the new build 'One Angel Square' is targeted for March. This project remains within its allocated budget.

There are cost pressures against the following schemes which are currently being managed by the service:

- The A43 Corby Link Road potential land compensation claims. These are being fully assessed/disputed as appropriate and the service are hopeful of mitigating this pressure.

- The A45 Daventry Development Link Road (NDDL). The service are working closely together with Balfour Beatty to reduce costs.

If these or any other pressures against schemes cannot be mitigated and managed PIDs for additional funding will need to be submitted to Capital Programme Board in due course.

The following significant schemes are being delivered or progressed in 2016-17 to bring significant improvements in infrastructure in the County, allowing for improved road network access and linkages, to help enable and support growth and development:

Scheme Description	Forecast Expenditure 2016-17 £000's
Project Angel – design & construction	26,252
LTP Maintenance Block 2015-17	12,873
A45 Northampton to Daventry Development Link (NDDL)	8,494
Highway Network	5,000
Highway Asset Management	4,036
A43 Northampton – Kettering Phase 1b	3,623
Northampton Superfast Broadband	3,246
LTP Integrated Transport Block 2015-17	2,856
A43 Northampton – Kettering Phase 2	2,846
Chester Farm	2,191
Highway Asset Management Strategy	2,000
Smart Corridors	1,940
Stanton Cross	1,600
Others (no individual scheme over £1.5m)	11,236
Total	88,193

Funding

The Council continues to work on additional capital investment on highway maintenance to provide further significant cash injections within the next two years, continuing the progress made in recent years. This is likely to see a step change in the asset condition reducing further deterioration and seeing significant savings against the continuing maintenance of the asset over the medium term to the benefit and savings associated with revenue funding.

Changes to the Structure of LEPs in the County from 30 September 2016

Following Government approval for the creation of a new, single integrated Local Enterprise Partnership for the South East Midlands and Northamptonshire area, the County Council will cease its role as the Accountable Body for the Northamptonshire Enterprise Partnership (NEP). The responsibilities will transfer to Luton Borough Council who currently provide the Accountable Body role for the South East Midlands Local Enterprise Partnership (SEMLEP). However NCC will remain the Accountable Body for the Local Growth Fund to 31 March 2017.

The transfer of responsibilities and transfer of ongoing commitments are subject to further detailed discussions which started in September between all interested parties i.e. NCC, NEP, SEMLEP & Luton Borough Council. These discussions are currently ongoing and include arrangements around the novation of current loan agreements where NCC currently acts as the accountable body and therefore signatory to the agreements and the transfer of balances of Local Growth Fund Grant and Growing Places Grant.

A full update on progress, proposals and request for delegations to bring the proposed transfers to completion will be provided as part of the February Local Growth Deal Progress Report.

9.3 Place – Fire & Community Safety

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
2,860	15	2,875	(1,546)	1,329

Fire & Community Safety	£000's	%
Actual Cumulative Expenditure to Period 9	372	28%
Forecast Expenditure – Periods 10 to 12	957	72%
Forecast Outturn 2016-17	1,329	100%

The forecast outturn of £1.3m represents a decrease of £0.1m when compared to previous forecasts and relates to managers' reprofiling their forecast expenditure.

9.4 Place – Asset & Capital Management

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
2,993	100	3,093	258	3,351

Asset & Capital Management	£000's	%
Actual Cumulative Expenditure to Period 9	855	26%
Forecast Expenditure – Periods 10 to 12	2,496	74%
Forecast Outturn 2016-17	3,351	100%

The Asset & Capital Management capital expenditure forecast outturn for 2016-17 stands at £3.35m

The Directorate has spent £0.86m representing 26% of the £3.35m forecast capital expenditure outturn for the financial year.

The main scheme included in the 2016-17 forecast is the Kettering William Knibb Centre Refurbishment (£1.57m).

9.5 Place – Adult Social Care Services

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
608	2,504	3,112	326	2,786

Adults Services Summary	£000's	%
Actual Cumulative Expenditure to Period 10	13	1%
Forecast Expenditure - Periods 10 to12	2,773	99%
Forecast Outturn 2016-17	2,786	100%

Expenditure

The Service's forecast capital expenditure for 2016-17 stands at £2.79m, an increase since last month of £0.29m to include the new scheme forecasts for Lyttleton Road Assistive Technology (£0.03m) and E-Market Place Portal ASC (£0.26m) to be spent in 2016-17.

Adults Services managers are reviewing service provision and future forecasts will reflect their plans.

Funding

In 2015-16 the Council received an allocation of £1,513,000 Social Care Grant funding.

From 2016-17 Social Care Grant funding has been amalgamated with the Disabled Facilities Grant and £3,518,418 funding received by the Council is being passported to Northamptonshire District and Borough Councils to support people to remain independent in their own homes, reducing or delaying the need for care and support, and improving the quality of life for residents. The Council therefore has less capital resources to support this service area.

9.6 Place - Wellbeing and Prevention Services

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
1,173	185	1,358	-88	1,270

PHW Summary	£000's	%
Actual Cumulative Expenditure to Period 9	378	30%
Forecast Expenditure - Periods 10 to 12	892	70%
Forecast Outturn 2016-17	1,270	100%

Expenditure

The Service's forecast capital expenditure for 2016-17 stands at £1.27m.

The Service has spent £0.4m of the £1.27m forecast capital expenditure outturn for the financial year 2016-17. The main scheme included in the 2016-17 forecast is the Moulton Library Relocation (£0.49m).

9.7 IT Infrastructure / Development

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
4,142	2,443	6,585	(909)	5,676

IT Summary	£000's	%
Actual Cumulative Expenditure to Period 9	4,111	72%
Forecast Expenditure - Periods 10 to 12	1,565	28%
Forecast Outturn 2016-17	5,676	100%

Expenditure

The IT Infrastructure capital expenditure forecast outturn for 2016-17 stands at £5.68m

The Directorate has spent £4.11m representing 72% of the £5.68m forecast capital expenditure outturn for the financial year.

The following significant schemes are being delivered or progressed in 2016-17:

Scheme Description	Forecast Expenditure 2016-17 £000's
Project Angel & Next Generation Working IT – Phase 1 enabling mobile/agile working.	2,946
Next Generation ERP Financial Accounting System	836
Microsoft ESA and ECI 2014-17	508
Other IT capital schemes under £0.5m	1,386
Total	5,676

9.8 Chief Executive Services

Original Capital Budget 2016-17 £000's	New Schemes / (Completed Schemes) £000's	Revised Capital Budget 2016-17 £000's	Schemes rephased to /from 2017-18 £000's	Forecast 2016-17 Capital Outturn £000's
511	0	511	(217)	294

Chief Executive Services Summary	£000's	%
Actual Cumulative Expenditure to Period 9	108	37%
Forecast Expenditure - Periods 10 to 12	187	63%
Forecast Outturn 2016-17	294	100%

Expenditure

The Chief Executive Services capital programme expenditure forecast outturn stands at £0.29m for 2016-17.

10. Major Projects and Capital Programme Board (CPB) - Recommendations and Updates

10.1 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 18 January and has recommended the promotion of three schemes and the inclusion of three new schemes totalling investment of £3,164,349, (Table 4), to

go forward for Cabinet and Council approval, as required, to enable formal entry into the Council's Committed Capital Programme.

No.	Scheme Status	Capital Scheme Title	Capital Expenditure Requiring Approval £	Funding Source
1	New Scheme	Registration Services IT	30,000	Discretionary
2	New Scheme	Early Years Grant Funding	929,653	Grant
3	Promotion from Pre Qual. Group	Parking Virtual Ticketing	93,200	Innovative
4	Promotion from Development Pool	Property Compliance and H&S	1,180,000	Discretionary Funding
5	Promotion from Pre Qual. Group	Helmdon Flood Alleviation	16,496	Grant and External
6	Promotion from Development Pool	All Saints CEVA Extension	915,000	Basic Need Grant/S106
Major Projects and Capital Programme Board Recommendation			3,164,349	

Table 4 - Summary of Capital Schemes Recommended by the CPB - 18 January 2017

1. Registration Services IT - £30,000

This scheme seeks approval to enhance the Microsoft Dynamics CRM to reduce time spent on administration and manual intervention, improve the self-service experience for customers and venues, and reduce future costs. This is a cost deferment/reduction scheme and will provide the ability to defer increased expenditure on registrars' pay for longer. NCC Registrar's offices are getting busier and busier, and this ability to reduce back-office will provide some breathing space. Outline proposals and costing's have been sourced and assume that CRM version 4.0 remains as NCC's CRM Registration software.

2. Early Years Grant Funding - £929,653

This scheme seeks approval to passport £929,653 DfE Capital grant awarded towards increasing Early Year's funded places capacity within Northamptonshire to the three successful bids - Corby Primary Academy £262,000, Compass Primary Academy £510,000 and Stepping Stones Pre-School £157,653. The successful bid of £929,653 funds 75% of the gross cost of the three schemes (£1,242,204), with the providers funding the remaining 25% investment in the new provision. The new nursery provision must be in place by 1 September 2017 and the works will be managed by the providers. The government is committed to

investing £1bn additional funding in childcare by 2020. To support this the DFE launched a capital programme in June 2016 to invest £40m nationally in projects designed to build and provide capacity. Northamptonshire had the opportunity to submit up to 6 Bids to the DFE for Capital Funding. Three bids were successful and £929,653 has been awarded for these to be completed by 1st September 2017.

3. Parking Virtual Ticketing - £93,200

This scheme seeks to provide an innovative approach to the efficient use of car parking spaces in relation to the move to One Angel Square, using Bluetooth passes through the mobile phone app Faxi. This scheme will be self-funding and will reduce future administration and costs to employees moving into One Angel Square by considering the working patterns of employees and part-time employee's requirements. This scheme will be delivered by making use of virtual technology to support the Project Angel travel plan. Future Bluetooth licencing costs and other related costs would be managed within existing budgets.

4. Property Compliance & Health and Safety - £1,180,000

This submission seeks approval to draw down £1m discretionary funding from the Development Pool. Additionally approval is being sought to recycle underspends against previous years minor works approved budgets (£181k). This scheme where necessary will include works to ensure compliance with Disability Access and Equality Act 2010, as well as consequential improvements due to upgrading of the regulations regarding conservation of fuel and power, i.e. upgrading lighting systems and energy efficiency systems. The capital funding will be allocated in line with regulatory and legislation requirements such as Care Quality Commission, OFSTED, Equality, asbestos and building regulations. Where possible the capital expenditure will deliver value for money supported by service revenue contributions to incorporate frontline services upgrades to have positive impacts on future revenue budgets.

5. Helmdon Flood Alleviation - £16,496

This scheme seeks to undertake works to reduce the risk of flooding to properties in the village of Helmdon. These works are to undertake improvements to the drainage ditches to the west of the village and intercept runoff to significantly reduce the volume of water reaching the centre of the village. The majority of the works are to be carried out by Northamptonshire Highways. The contributions to fund these works are to be received from Flood and Coastal Risk Management Grant in Aid £8.811k and Anglian Water Services £7.685k. Contributions in kind have been offered from landowners who will complete the remainder of the works and the parish council who facilitate the landowner discussions.

6. All Saints CEVA Extension - £915,000

This scheme seeks approval to purchase land in Croyland Road Wellingborough to establish an annex to All Saint's Voluntary Aided School. A future PID will seek approval for the main construction and other costs when these have been confirmed. The new Annex will provide an additional 210 places when fully open

with 30 places per year group, Reception to Year 6. All Saints is at or over capacity in all year groups and they would like to be able to offer additional places to parents who have expressed a preference for the school, including families who favour the ethos of a church school and those who reside in the local community. They are rated as 'Good' in their Ofsted report (Nov 13). The estimated cost of the total scheme is £5.7m. The estimated scheme will be funded by a combination of S106 contributions, arising from developments at Park Farm Way and High Street Wellingborough, and Basic Need grant. Doubling the capacity will provide curriculum and staff organisation benefits for the school.

11. Government Funding Announcements

11.1 Autumn Statement 2016

The three elements which may help enable the Council in the delivery of its ambitions in relation to Highways Infrastructure are:

1. The newly announced National Productivity Investment Fund of £23bn. The focus around this is for Innovation and Infrastructure with allocations covering Housing, Transport, Digital Communications and Research and Development.
A fund of £185m for 2017-18 has now been allocated from with an aim for this to reduce congestion at key locations, upgrade or improve the maintenance of highway assets and improve access to employment and housing. Northamptonshire's allocation from this is £2.9m for 2017-18.
2. The government announcement of £1.8bn of round 3 Local Growth Fund (LGF) grant to be managed via the LEPs, with £542m earmarked for the Midlands. Northamptonshire submitted 3 bids via SEMLEP in relation to the fund covering A43 Northampton to Kettering phase 3, A509 Isham bypass and preliminary design work for the Northern Orbital. The outcome for bids submitted is due to be announced shortly
3. The outcome of the New Homes Bonus (NHB) consultation which ran from 17th December 2015 to 10th March 2016.

The Government has now responded to the NHB consultation confirming that payments of the New Homes Bonus will only be made on housing growth above 0.4% of the local authority's housing stock. Payments will also reduce from 6-5 years in 2017-18. In 2018-19 the number of payment years will reduce further to 4 years in 2018-19.

The consideration of the impact of this will form part of the 2017-18 Budget Planning process.

12. Risk and Business Continuity Management

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.

12 List of appendices

No appendices to this document are included. All information to enable a decision is included within the main report.

Author:	Name: Andrea Devereux Team: LGSS Finance – Place and NCC Group
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Background Papers:	CP 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?	YES
Will further decisions be required? 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: Damon Lawrenson
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Robin Brown
Has the relevant scrutiny committee been consulted?	NO
Has the report been cleared by Legal Services?	YES Name of solicitor: Laurie Gould Solicitor's comments:
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	NO
Has an Equalities Impact Assessment been carried out in relation to this report?	NO
Are there any community safety implications?	NO
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