

## Appendix C - Capital Programme

### 2022/23 Capital Programme at September 2022

The capital programme for this financial year has been reviewed and the budget has been reprofiled to reflect spend to date and the estimated spend for the remainder of the programme.

The chart below reflects the moving position since the start of the year.

Expenditure	Change	Forecast
	£m	£m
Capital budget 22/23		103.2
Slippage from 21/22	9.5	112.7
Programme Reduction exercise	(30.7)	82.0
Forecast outturn at August 22	(20.2)	61.8
Review at September 22, forecast outturn	(7.4)	54.4

The top five schemes that have reduced the forecast in the current year since the programme reduction exercise are:

1. Towns Fund Schemes - £10.8m
2. A1260 Nene Parkway Improvement Jn 32 to Jn 3 (Fletton Parkway) - £6.8m
3. Eastern Industries Access Phase 1 - Parnwell Way - £4.5m
4. Aragon DS Fleet Renewal - £1.7m
5. A1260 Nene Parkway Junction 15 improvements – £0.8m

The Capital Strategy Board are monitoring and challenging this position and any further expected variances from the revised programme will require full explanation on the reasons.

### Funding of the capital programme

The chart below shows the funding of the forecast capital programme for this financial year.

Funding	£m
Grants & Third Party Contributions	39.7
Capital Receipts Expected	6.7
Capital Receipts in Pipeline/Programme to be reviewed	8.0
Total	54.4

### Interest rate risk

As at 31 September 2022 the amount of outstanding borrowing is £446.4m. With the exception of three LOBO loans (£17.5m), all of the Council's loans are with the Public Works Loans Board (PWLB) or with Local Authorities as **fixed maturity** loans with an average rate of **3.25%**. Risk exposure is therefore limited to any new loans taken for refinancing maturing debt.

Debt of £72m matures in this financial year, however £40m has already been refinanced leaving £32m to be refinanced with the risk exposure to greater interest rates, or part could be repaid. The strategy for this is currently being modelled and due to soaring borrowing rates some capital receipts may be utilised to repay debt rather than to fund new capital expenditure.

The risk around the LOBO loans (Lender Option - Borrower Option), which are long term loans, is that although the interest rate is initially fixed (average 4.5%), the lender has the "option" to propose or impose, a new fixed rate.

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