

2022/23 Capital Programme at December 2022

The capital programme for this year was approved at full Council on 2 March 2023 outlining expenditure of £125.2m. This included an expectation that the Council would continue reviewing the Capital Programme, or its funding options, to a position where borrowing would be incurred only where absolutely necessary. In the first part of the year a detailed review exercise took place, which focussed on reviewing all schemes where corporate resources (borrowing or use of capital receipts) would be required to fund the expenditure. The review considered:

- The individual capital scheme details and business cases.
- Compliance with the rules outlined within the Capital Strategy.
- Risks relating to delaying or stopping schemes
- Implications on the revenue budget as a result- eg where the proposal delivered future savings.
- Other benefits being generated from the scheme.

Following this the capital budget has been reprofiled, with regular monitoring continuing after to reflect spend to date and the estimated spend for the remainder of the programme. The table below reflects the moving position since the start of the year.

Expenditure	Change	Forecast
	£m	£m
Approved Capital Programme 2022/23*	0	125.2
Slippage from 2021/22	9.5	134.7
Revised Budget (Post Capital Reduction Exercise)	(52.7)*	82.0
Forecast Outturn at September 22	(27.6)	54.4
Forecast Outturn at December 22	1.3	55.7

*includes £22m in relation to the IFRS16- leases accounting change which will now take place in 2024/25, excludes the target reduction.

The Capital Strategy Board are monitoring and challenging the forecast position on a monthly basis. Whilst it appears that the forecast spend overall is £26.3m below budget, there is expenditure in the forecast for projects not included in the budget, generally where additional funding has been identified or slippage from previous year not assessed correctly, so the underspend for projects planned in the revised budget is around £29m. In addition, Budget CLT received a report on forecasts as part of the challenge from the Board. As a result, Annex A provides a breakdown of the capital schemes, the forecast against the revised budget and explanations on the variance.

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	42.3
Capital Receipts Expected	6.7
Capital Receipts in Pipeline/Programme to be reviewed	6.7
Total	55.7

Interest rate risk

As at 31 December 2022 the Council's total debt stands at £441.4m. With the exception of three LOBO loans (£17.5m), all the Council's loans are with the PWLB 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. Work is being undertaken with our Treasury Advisers on assessing the potential for replacing the LOBO loans at a lower cost.

Debt of £72m will mature this financial year, however £40m has already been refinanced leaving £32m to be refinanced in the remaining quarter. Due to the current economic climate the Council is now exposed to higher rates of interest, and will minimise this risk as far as possible. This may include utilising cash balances and investments via internal borrowing where possible to mitigate the need to take external borrowing

Annex A- Capital Programme Schemes & Variance analysis

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	2022/23 Approved Budget	Add 2021/22 Slippage	Adj prior to & from budget reduction exercise	2022/23 Revised Budget	Forecast Outturn Dec 2022	Variance to Revised Budget	Variance Explanation
	£	£	£	£	£	%	
Belsize Comm Centre	0	12,610	0	12,610	0	-100%	The centre management folded, and project will be removed from the capital programme
Clare Lodge Refurbishment and Safety Works	352,063	403,558	0	755,621	755,621	0%	-
Greater Peterborough University Technical College (GPUTC) sports facilities	200,000	0	0	200,000	132,563	-34%	Works at GPUTC began late March 22. Forecast outturn revised to reflect the works carried out in 22/23
Hampton Lakes Primary	0	0	0	0	8,588	0%	Additional works above retention amount for snagging issues.
Heltwate Special School (Newark Road)	4,925,000	77,715	0	5,002,715	5,002,715	0%	-
Housing for Vulnerable People	1,497,307	0	(750,000)	747,307	747,307	0%	-
Manor Drive Secondary Academy	5,838,651	(754,544)	(1,677,755)	3,406,352	3,406,352	0%	-
Manor Drive Primary Academy	0	0	1,677,755	1,677,755	1,677,755	0%	-
Marshfields Expansion	0	109,746	(0)	109,746	109,746	0%	-
New School Provision in Great Haddon	100,000	0	0	100,000	0	-100%	Budget to be slipped to 23/24 due to design work for new school not yet started. The pace of housing and the most recent demographic forecasts suggest that the earliest date there will be a need to open the school will now be September 2025 but more probably September 2026. The recently opened Sir John Henry Newman Primary School in the Hamptons is less than 3 miles from Great Haddon and will also have some capacity as it grows to accommodate limited numbers of children arriving in Great Haddon prior to the opening of the first primary school in that community
Oakdale Primary 1 FE Expansion	0	23,400	0	23,400	23,400	0%	-

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School capital maintenance and minor works	2,538,000	306,284	(530,608)	2,313,675	2,449,987	6%	Additional grant received so spend increased accordingly, £107k as well as £29k increased works at PFI schools which will be recharged to the schools.
Social Care property adaptations and equipment	4,790,000	104,680	(450,000)	4,444,680	3,881,064	-13%	Reduction in DFG grant received so spend reduced accordingly.
St John Henry Newman Catholic School	2,200,000	558,694	0	2,758,694	3,558,694	29%	Slippage of £800k from 2021/22 wasn't confirmed within the revised budget, but it is anticipated this will be spend in 2022/23.
TOTAL FOR PEOPLE SERVICES	22,441,021	842,143	(1,730,608)	21,552,556	21,753,793	1%	
Community Leadership Fund (CLF)	60,000	0	0	60,000	60,000	0%	
Hilton Hotel - Fletton Quays	3,200,942	380,943	0	3,581,885	3,581,885	0%	-
Provision of Housing	950,000	(27,216)	(950,000)	(27,216)	(27,216)	0%	-
ICT Projects	3,164,000	768,626	(485,626)	3,447,000	3,135,625	-9%	ICT projects have been delayed as part of the strategy to minimise borrowing needs.
IFRS16 Transition	22,000,000	0	(22,000,000)	0	0	0%	Accounting change postponed until 2024/25
Leisure Trust Property capital maintenance and minor works	0	80,378	157,122	237,500	162,500	-32%	Slippage is due to works at Jack Hunt Pool being delayed to next year.
Mausoleum Building Costs	0	38,595	0	38,595	38,595	0%	-
North Westgate Development	0	17,057	0	17,057	17,057	0%	-
S106 Allocations	0	0	0	0	1,561,055	0%	Two further projects to be funded by s.106 have been identified (contribution to new school build and car park), further information to be provided on next BCR.
Strategic Property Portfolio capital maintenance and minor works	1,955,000	888,137	(1,015,137)	1,828,000	869,000	-52%	Due to a lack of resource, there has been reduced management of the programme. In addition to this, following the moratorium period for spend apart from essential work, limited repairs and minor works have been carried out during this financial year.
TOTAL FOR CORPORATE SERVICES	31,329,942	2,146,520	(24,293,641)	9,182,821	9,398,501	0%	
A1260 Nene Parkway Improvement Jn 32 to Jn 3 (Fletton Parkway)	7,000,000	27,084	0	7,027,084	567,236	-92%	Current year cost is design element only. CPCA funding for construction expected in 2023/24 following completion of Junction 15. Remaining

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A1260 Nene Parkway Junction 15 improvements	7,604,070	355,536	0	7,959,606	7,144,105	-10%	budget will transfer to 23/24, subject to Capital Programme Board scrutiny and approval. Project completion delayed to 23/24 due to competing diversions with A47 scheme. Remaining budget will transfer to 23/24, subject to Capital Programme Board scrutiny and approval.
A14 Improvement Scheme	60,000	0	0	60,000	60,000	0%	-
A16 Norwood Dualling	500,000	21,097	0	521,097	227,094	-56%	Further approvals have been received from CPCA for the next stage (detailed design) of the project to proceed into 2023/24.
Allotments & Neighbourhood Parks	0	31,483	0	31,483	31,483	0%	-
Apv Baker Footbridge	750,000	101,508	(750,000)	101,508	80,508	-21%	23/24 costs cover design phase only.
Aragon DS Fleet Renewal	4,053,871	1,498,230	(2,907,091)	2,645,010	972,389	-63%	Lead time for delivery of several vehicles resulted in re-scheduling of delivery to 2023/24. Remaining budget will transfer to 23/24, subject to Capital Programme Board scrutiny and approval.
Crescent Bridge Refurbishment	50,000	0	25,000	75,000	27,000	-64%	Re-prioritised to fund more urgent works pending availability of Network Rail.
Eastern Industries Access Phase 1 - Parnwell Way	4,478,577	108,872	0	4,587,449	767,730	-83%	Programming of scheme revised to reflect CPCA funding following business case submission. Remaining budget will transfer to 23/24, subject to Capital Programme Board scrutiny and approval.
Extreme Weather Network Improvements	500,000	38,241	0	538,241	952,702	77%	Severe weather has necessitated priority health & safety works to network, funded by re-allocating grant (e.g. from highways minor schemes, below).
Green Wheel Improvements	0	130,000	0	130,000	190,000	46%	Forecast includes additional CPCA funding.
Highways minor schemes	6,156,445	498,327	(3,967,330)	2,687,442	2,367,369	-12%	Expenditure on minor schemes has been restricted to allow funding on higher priority schemes, such as Extreme Weather Networks
Local Authority Treescape Fund	52,950	0	0	52,950	52,950	0%	-
Market Relocation	0	350,000	105,000	455,000	559,000	23%	Scope of project increased to include grant funding for "Peterborough builds back better"

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MTFS Footway Slab Replacement Programme	230,000	35,988	(175,988)	90,000	78,440	-13%	Scope of works reduced allowing reallocation of Highways Grant.
Peterborough Integrated Renewables Infrastructure (PIRI)	0	186,534	0	186,534	179,534	-4%	-
Peterborough University	20,500,000	724,896	(18,850,086)	2,374,810	2,374,810	0%	-
Peterborough University Access	1,760,500	5,757	0	1,766,257	1,306,205	-26%	The project will extend into 23/24, following an updated assessment of construction timescales aligned with the delivery of the University.
Play Areas Improvement Programme	0	78,428	0	78,428	78,428	0%	-
Pothole and Challenge Funding	1,921,000	0	0	1,921,000	1,921,000	0%	-
Replacement CCTV Cameras	0	22,000	0	22,000	22,000	0%	-
Roads And Bridges - Lighting	0	56,154	153,846	210,001	210,001	0%	-
Safety Fencing Network	1,400,000	85,528	(685,528)	800,000	800,000	0%	-
Surface Treatments	250,000	0	400,000	650,000	650,000	0%	-
Towns Fund Investment	13,700,000	2,096,065	0	15,796,065	2,689,979	-83%	Programme runs to 24/25; 22/23 forecast now reflective of detailed business cases.
Traffic Signals - Lincoln Road/Taverners Road junction (J19J) Improvement Scheme	450,000	45,530	0	495,530	186,315	-62%	A number of design options have been considered which has delayed the construction.
Wheelie Bins	40,000	0	(40,000)	0	0	0%	-
TOTAL FOR PLACE & ECONOMY	71,457,413	6,497,259	(26,692,176)	51,262,496	24,499,767	-53%	
TOTAL	125,228,376	9,485,922	(52,716,426)	81,997,872	55,652,061	-33%	