



# Northumberland

## County Council

### CABINET

**15 JANUARY 2019**

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Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of Barry Scarr, Executive Director of Finance and Deputy Chief Executive

Cabinet Member: Councillor Peter Jackson, Leader of the Council

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#### **Purpose of report**

The following report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group at its meeting held on 14 December 2018.

#### **Recommendations**

Cabinet is recommended to approve the following:

- **Wentworth Leisure Centre Refurbishment:** Approve the proposal and budget requirement of £698,591, to be funded from the Leisure Facilities Improvement budget included in the MTFP;
- **Parks Enhancement Programme:** Approve the schemes and overall budget requirement of £287,000, including £204,000 to be met from the existing Parks Enhancement provision within the Medium Term Capital plan; and,
- **Disabled Facilities Grant:** Accept the additional grant award of £290,616 and increase the budget allocation accordingly.

#### **Links to Corporate Plan**

The Council's Capital Programme is consistent with the priorities in the Corporate Plan 2018-2021; in particular the 'Living', 'Enjoying' and 'Thriving' priorities.

#### **Key Issues**

The report outlines proposed amendments to the previously approved Medium Term Capital plan.

#### **Background**

The Medium Term Financial Plan and Capital Programme for 2018-19 to 2020-21 were approved Council by Council on 21 February 2018.

This paper summarises reports considered by the officer Capital Strategy Group on proposed amendments to the Plan.

## **SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP MEETING HELD ON 14 DECEMBER 2018**

### **WENTWORTH LEISURE CENTRE REFURBISHMENT**

The Group received information on a proposal to replace an outdated gym area at Wentworth Leisure Centre, whilst also updating adjacent changing areas and enhancing the reception.

The current fitness equipment cannot be appropriately maintained due to its age and represents a significant health and safety risk. The decline in memberships, if continued, would provide a financial and reputational risk to both Active Northumberland and the Council through failing to provide an appropriate facility to help with the health and wellbeing agenda.

The requirement to replace the equipment provides the opportunity to create a fresh and contemporary feel to the whole gym area, renewing infrastructure that is also at the end of its life expectancy. The scheme will be innovative in design to maximise participation opportunities within the area and will link digital technology with equipment at other sites, to provide data to identify health in the community.

This digital journey is to be further linked to front of house changes to create a more welcoming and appealing reception with a concierge style approach, enhancing and improving the customer journey and experience. The customer experience will be further enhanced through updating changing facilities adjacent to the gym.

The proposal is needed to allow the Company to meet its financial and social objectives. It will enable a significant income stream to be maintained and grown, whilst also meeting social objectives of creating a wellness hub within the community.

### **Output and Benefits**

The aim of this scheme is to enable the Council and Active Northumberland to better achieve their policy objectives through prudent investment in its assets.

More specifically, the outputs and benefits of the project are to:

- Contribute to the Council's efforts to address the challenges of local social deprivation, e.g. health and well-being inequalities and neighbourhood renewal.
- Address the condition issues at Wentworth Leisure Centre.
- Improve the match between the standards and sufficiency of the Council's community sports and leisure facilities and the expectations of the potential user market and the needs of participants.
- Continue to provide services which are designed to meet holistic needs and are designed to "be different" and able to cater for the very specific needs of local people.

- Increase the capacity and flexibility of the Council's sports and leisure facilities to better meet the needs of the local population.
- Maintain the capacity for indoor sports - to better meet the needs of the local population.
- Provide high quality facilities in a way that is financially sustainable
- Increased Participation through increased memberships and casual visits
- Increased Income
- Increased customer satisfaction
- Reduced Health and Safety Risk.

A breakdown of the estimated capital cost is shown below

<b>CAPITAL COSTS</b>	<b>Year 0</b>
Construction	£383,386
Fees	£37,200
IT, Plant, Furniture and Equipment	£250,000
Contingency	£28,005
<b>TOTAL CAPITAL COST</b>	<b>£698,591</b>

It is proposed the scheme will be funded through the Leisure Facilities Improvement budget included in the MTFP.

The project is expected to be cost neutral over a 12 year period, whilst addressing health and social inequalities in the area as well as contributing to the overall health of the community. Actual payback of gym equipment is achievable within a 5 year period, with the remaining period contributing towards replacement of end of life services and appropriate construction costs:

<b>ANTICIPATED REVENUE SAVINGS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3-6</b>	<b>Year 7-12</b>	<b>TOTAL</b>
Additional Income Opportunity	£50,750	£50,750	£203,000	£182,700	£487,200
Employee Related Savings	£10,800	£10,800	£43,200	£64,800	£129,600
Maintenance Savings	£17,000	£17,000	£45,000	0	£79,000
<b>TOTAL REVENUE SAVINGS</b>	<b>£78,550</b>	<b>£78,550</b>	<b>£291,200</b>	<b>£247,500</b>	<b>£695,800</b>

Ideally the project will run immediately following the integration of NALS, so will commence in April 2019 and it is anticipated to be completed within 2 months.

**CSG Recommendation:** The Group accepted the proposal and recommends that Cabinet approves the budget requirement of £698,591 – to be funded from the Leisure Facilities Improvement budget included in the MTFP.

## **PARKS ENHANCEMENT PROGRAMME**

The Council has agreed an annual capital programme of £150,000 per annum over the three years 2018-19 to 2020-21 to invest in parks and green spaces. To date spending from the programme for 2018-19 of £93,975 has been agreed by the Cabinet on a path construction project at Jennings Field, Bedlington and improvements to park pavilions at Astley Park and Eastwood Park.

The Group was now asked to consider the following six improvement projects at parks in Blyth, Cramlington, Bedlington and Rothbury during the remainder of 2018-19 and in 2019-20:

### **Ridley Park, Blyth (2018-19)**

One of the county's most popular formal parks, Ridley Park in Blyth features two children's play areas (toddler and junior), and a hugely popular water play area that operates from May until October each year.

The Council has received a report from Total Leisure (its nominated pool and water play specialist contractor) to indicate that key components of the water play plant equipment (which is over 20 years old) has reached the end of its serviceable life and is likely to suffer from increasingly regular failures necessitating frequent and costly repairs that could put the play area out of commission for significant periods during the summer months. To avoid ongoing costly and time consuming repairs a schedule of recommended refurbishment of the plant equipment has been provided by Total Leisure. The cost of this refurbishment is £25,000.

In addition, several pieces of play equipment in the play areas are no longer fit for purpose and it is recommended that these are removed and replaced with new equipment. Existing equipment that remains fit for purpose will be retained and it is proposed that investment of £20,000 on new equipment will enable the play areas to remain attractive and fit for purpose for the foreseeable future.

In total a capital investment of £45,000 at Ridley Park is proposed.

### **Alexandra Park, Cramlington (2019-20)**

Alexandra Park is owned by the County Council but managed jointly with the Town Council who look after the children's play area. The Town Council has recently proposed the creation of a community garden on the site of a former putting green adjacent to the bowling green. Designs have been drawn up jointly and the town council has agreed to provide the

majority of the funds for the garden as well as agreeing to take on the maintenance of the garden once it has been completed.

As a first phase the town council have recently installed a half pit wheel as a central focal feature for the garden at a cost of £15,000.

The additional works to install paths, fencing, seating, picnic tables, and tree, shrub and flower planting have been estimated at £50,000 of which the town council is providing a further £30,000 and Councillor Hepple £5,000 from his councillors small schemes budget.

It is proposed that the balancing £15,000 is provided as a contribution from the Parks Enhancement Programme.

### **Mermaid Play Area, Blyth (2019-20)**

The children's play area adjacent to the Mermaid car park at Blyth beach was installed by Blyth Valley Borough Council in 2008 just prior to local government reorganisation and is a very popular attraction throughout the year at this premier coastal visitor destination. However, several of the larger pieces of play equipment have now reached the end of their serviceable life (after having been subject to many repairs), and capital investment is essential if the play area is to be retained.

It is proposed that a £50,000 investment is made at the site to significantly enhance the play area and ensure it continues to meet the expectations of local people and visitors.

### **Gallagher Park, Bedlington (2019-20)**

Gallagher Park, on the site of the old Bedlington A and B pits has seen significant improvements over recent years with the construction of a new community pavilion, a BMX track, mountain bike tracks and self-guided walking trails. However the park has a very poor quality and not fit for purpose children's play area. The Friends of Gallagher Park and the local County Council ward member have agreed to contribute a total of £10,000 towards an improved play facility and it is proposed that the Parks Enhancement Programme invests £56,000 to give an overall capital improvement budget of £66,000 to allow the construction of small but fit for purpose play area at the park.

### **Rothbury Riverside Play Area (2019-20)**

The County Council retains ownership and responsibility for the play area on the bank of the river Coquet in Rothbury. The play area is in a poor condition and as a result the Parish Council has declined to adopt it for maintenance.

It is proposed that a joint investment of £38,000 each, on the part of both the County Council and the Parish Council will be made to allow the play area to be completely refurbished with new equipment on the same site, after which the area will be adopted for all future maintenance by the parish council.

## Summary

	NCC PARKS ENHANCEMENT CONTRIBUTION	OTHER CONTRIBUTIONS	TOTAL BUDGET REQUIREMENT
Ridley Park, Blyth	£45,000	-	£45,000
Alexandra Park, Cramlington	£15,000	£35,000	£50,000
Mermaid Play Area, Blyth	£50,000	-	£50,000
Gallagher Park, Bedlington	£56,000	£10,000	£66,000
Rothbury Riverside Play Area	£38,000	£38,000	£76,000
<b>TOTAL</b>	<b>£204,000</b>	<b>£83,000</b>	<b>£287,000</b>

**CSG Recommendation:** The Group accepted the proposals and recommends that Cabinet approves the schemes and overall budget requirement of £287,000 (as set out above), £204,000 of which to be met by NCC from the existing provision within the Medium Term Capital plan.

## DISABLED FACILITIES GRANT

The Group received a report advising of the receipt of additional Disabled Facilities Grant (“DFG”) for 2018-19 from the Ministry of Housing, Communities and Local Government.

In the Autumn Budget, the Chancellor announced an additional £55 million of capital funding for the DFG in 2018-19 for local authorities in England. DFG is for the provision of adaptations to disabled people’s homes to help them better access, and move around, their homes and/or gardens. Home adaptations can be a welcome intervention for many, enabling people to live independently and safely.

This additional funding replicates a late additional provision in 2017-18. The supporting letter from the MHCLG is slightly less detailed about the terms of the allocation than that of last year’s, but it is clear that the funding should be used for home adaptations. As with last year there is a condition that the funds must be spent in the 2018-19 financial year.

The Government has allocated additional £290,616 to Northumberland. The original grant allocation set against DFG spending for 2018-19 was £2,718,926.

In order to meet the requirement to spend the money in 2018-19, the Home Improvement Service that manages the allocation of DFG will be aiming to increase the level of DFG applications processed over the period between now and the year end. The report seeks

formal approval to spend the additional funding on DFG applications in the final part of this financial year.

**CSG Recommendation:** The Group accepted the update and recommends Cabinet to accept the additional grant award of £290,616 and increase the budget allocation accordingly.



## Implications

<b>Policy</b>	The capital programme is part of the Medium Term Financial Plan 2018-2021. The plan supports the Corporate Plan.
<b>Finance and value for money</b>	The report outlines proposed amendments to the previously approved Medium Term Capital Plan. The financial implications of these proposals are outlined in the main body of the report.
<b>Legal</b>	Not applicable.
<b>Procurement</b>	In line with all other capital expenditure, the additional spend will be subject to the Council's recognised procurement procedures.
<b>Human Resources</b>	Not applicable.
<b>Property</b>	The properties affected by the proposals are identified in the main body of the report.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
<b>Risk Assessment</b>	The risks associated with the proposals are regarded as acceptable but these risks will continue to be reviewed up to and during implementation of the proposals.
<b>Crime &amp; Disorder</b>	There are no Crime and Disorder implications.
<b>Customer Consideration</b>	There are no Customer Considerations.
<b>Carbon reduction</b>	None
<b>Wards</b>	All wards

**Background papers:**

Update to the Medium Term Financial Plan 2018-2021 and Budget 2018-2019 - County Council 21 February 2018.

**Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

	Name
Monitoring Officer/Legal	Liam Henry
Executive Director of Finance & S151 Officer	Alison Elsdon on behalf of Barry Scarr
Relevant Executive Director	Alison Elsdon on of Barry Scarr
Chief Executive	Daljit Lally
Portfolio Holder(s)	Peter Jackson

**Author and Contact Details**

Alistair Bennett – Technical Accountant

(01670) 625504

Alistair.Bennett@northumberland.gov.uk