



Northumberland

County Council

CABINET

08 September 2020

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of: Neil Bradley, Service Director, Strategic Commissioning and Finance

Cabinet Member: Councillor Peter Jackson, Leader of the Council

1. Purpose of report

The following report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group virtually on 03 July 2020 and 03 August 2020.

2. Recommendations

Cabinet is recommended to:

- 2.1. **Berwick Leisure Centre 3G Pitch Grant:** accept the grant award of £500,000 from the Football Foundation, and accordingly approve an increase in the project's overall budget provision from £22.647 million to £23.147 million.
- 2.2. **School Nurseries Capital Grant Fund:**
 - Accept the grant award of £370,922 from the Department of Education (DfE), and amend the Council's capital programme accordingly to allow the creation of the additional nursery places at Morpeth Road Primary (£271,916) and Cramlington Village Primary (£99,016).
 - Note that both successful applications are for academies, and therefore the projects will be delivered by the schools themselves, with the Council performing a monitoring role and in turn providing grants to the schools.
- 2.3. **Prudhoe Waterworld Play Park:** approve the proposals and associated budget requirement of £86,000 – to be met from the Prudhoe Town Council Play Park provision in the approved capital programme for 2020-21.
- 2.4. **Car Parking Improvements Programme:** accept the proposals and approve a budget of £35,000 to enable the initial work required to provide additional parking at

Morpeth station – to be met from the existing Car Parking provision within the approved capital programme for 2020-21.

- 2.5. **Rural Gigabit Connectivity Schools Programme:** Accept the grant award from the Department of Education (DFE) for £537,000 and approve the associated budget requirement in 2020-21 capital programme to connect the 18 primary schools to an ultrafast gigabit capable connection.

3. **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.

4. **Key Issues**

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

5. **Background**

The Medium Term Financial Plan and Capital Programme for 2020-21 to 2022-23 were approved by Council on 19 February 2020.

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 VIA EMAIL ON 03 JULY 2020 AND 03 AUGUST 2020

6. BERWICK LEISURE CENTRE 3G PITCH GRANT

- 6.1. The Group received a paper requesting that a grant award from the Football Foundation towards the construction of a 3G pitch at Berwick Leisure Centre be accepted and included in the capital programme.

Background

- 6.2. A full sized 3G artificial grass pitch forms part of the overall facilities provided by the new leisure centre project in Berwick-upon-Tweed. The 3G pitch will be funded jointly by the Football Foundation and the Council. The Football Foundation has since approved this application and agreed to a capital grant award of £500,000.
- 6.3. A subsequent procurement exercise for the construction of the 3G pitch has resulted in a cost estimate of £697,562, therefore requiring the Council to fund the remaining balance of £197,562.
- 6.4. Capital Strategy Group received a report in June 2020, subsequently reported to and approved by Cabinet in July 2020, which requested an uplift in the budget allocation within the Council's capital programme from £21.300 million to £22.647 million for the construction of the new leisure centre. This £22.647 million includes the cost of £197,562 as the Council's contribution to the construction of the pitch and therefore does not require any additional funding allocation.

CSG Recommendation:

- 6.5. The group accepted the report and recommends Cabinet to accept the grant award of £500,000 from the Football Foundation and to accordingly increase the project's overall budget from £22.647 million to £23.147 million.

7. SCHOOLS NURSERIES CAPITAL GRANT FUND

- 7.1. The Group received a report on a successful bid for capital funding to expand nursery provision across the county through the provision of extra nursery places. The School Nurseries Capital Fund (SNCF) will create more school-based nursery places for disadvantaged children.

Background

- 7.2. In July 2018, the Department for Education (DfE) announced a capital bidding round of £30 million to create new high-quality school-based nursery places for 2, 3 and 4 year olds to deliver the government's commitment to build more school-based nurseries, and to boost social mobility.
- 7.3. There were certain criteria, which needed to be met in order to submit a successful bid:

- All bids for new or extensions of current nursery provision, had to be targeted at disadvantaged children and were to be directly linked to a school, and governed by that school or multi-academy trust.
- The school had to have at least 20% of pupils registered at the school eligible for Free School Meals (FSM).
- The school had to have a good or outstanding rating with Ofsted (if the initial inspection result is pending, the local authority or regional schools commissioner must provide a statement assuring us that the school is of good quality)
- The project must offer wrap-around and holiday care, or make the nursery provision available to other early years providers to offer wrap-around and holiday care. If a project cannot deliver this, then they must supply a strong and convincing reason why they cannot
- The project must confirm that their local authority is content that the project outputs will deliver new early years funded places for disadvantaged children, without detriment to existing good quality early years provision

7.4. The DfE encouraged local authorities to submit bids that aimed to close the disadvantage gap in the early years and boost social mobility. And it prioritised its funding towards the most disadvantaged areas, to ensure the most disadvantaged children gained access to high-quality school-based nursery provision.

7.5. Originally the LA had nine expressions of interest, including maintained schools and academies. Six of the applications were withdrawn either by the school or LA through discussion with the relevant parties as they were deemed not to fit the criteria.

7.6. As a result the local authority worked with the schools to develop the applications to expand provision at Cramlington Learning Village, Blyth Morpeth Road and St Cuthbert's RC Voluntary Aided First School, Berwick. The applications for Cramlington and Blyth were successful but the third application for Berwick was declined by the DfE as it did not meet all of the fund requirements.

7.7. The total cost for each project includes a capital contribution from each of the schools:

Project	School School/Trust Contribution	Grant Allocation
Morpeth Road Primary	£60,000	£271,916
Cramlington Village Primary	£15,000	£99,006
TOTAL	£75,000	£370,922

Morpeth Road Primary

7.8. This would be a new build project, within an educational setting, aiming to provide a small studio/classroom facility, with adjoining toilet/changing and kitchen facilities. It

would allow the academy to extend its age range and offer two year old provision to 16 children. As part of this extended offer, the school would also introduce a small number of flexi-spaces across Early Years. The school is in an area of high deprivation, with the need to close attainment gaps between its disadvantaged and non-disadvantaged pupils.

- 7.9. Many children arrive with significant speech and language issues. This provision will allow the school to work with the families earlier and provide early help work for families in Blyth.

Cramlington Village Primary

- 7.10. To address weak speech and language attainment both on entry and throughout school for their pupil premium pupils, the school would like to work in partnership with their joint provider to create a bespoke Storytelling Pod positioned in the outdoor area, incorporating an 'Imagination Den'.

- 7.11. This would create a breadth of storytelling provision including the following:

- A lending library of engaging books for children ages 2-5 years
- Dedicated parent/child reading time across the week to encourage parents to be involved
- Active teacher led storytelling session

- 7.12. As a result of their commitment to improve the environment, they aim to create a much better stage area in the storytelling pod, offering children greater and richer opportunities to create and act out their own stories with appropriately chosen high quality props.

Project Management and Delivery

- 7.13. As both schools are academies, they will take on the responsibility of project delivery with NCC Children's Services performing a contract monitoring role.
- 7.14. A Grant Agreement has been developed and agreed with NCC legal and each of the academy trusts for each project to ensure the DfE grant conditions are upheld and any project overspend is the academy's responsibility.
- 7.15. There are no funding implications for the Council in the delivery of these projects. The academy trust will incur the costs and pay the invoices; with the Council in turn simply providing a grant to the schools / trusts.
- 7.16. The DfE will forward the grant to NCC and this will be monitored by the Project Manager through the Grant Agreement. Only expenditure up to the profiled payment amounts of the grant will be made at each stage. The budget will be tracked through documentation which the Academies will need to submit.
- 7.17. The grant agreement clearly states that any overspending of the project budget will be picked up by the Academies.

7.18. A financial appraisal has been completed to confirm that each academy is financially viable to continue the running of the project.

CSG Recommendation:

7.19. The Group accepted the report and recommends Cabinet to

- Accept the grant award of £370,922 from the Department of Education (DfE), and amend the Council's capital programme accordingly to allow the creation of the additional nursery places at Morpeth Road Primary (£271,916) and Cramlington Village Primary (£99,016).
- Note that both successful applications are for academies, and therefore the projects will be delivered by the schools themselves, with the Council performing a monitoring roll and in turn providing grants to the schools.

8. PRUDHOE WATERWORLD PLAY PARK

8.1. The Group received a report on proposed improvements to the children's play facilities at Prudhoe Waterworld.

Background

8.2. The Waterworld play area is part of Active Northumberland's Waterworld Leisure Centre site at Prudhoe. The play area has been closed since summer 2019 as the safety surface and some items of play equipment are unsafe and beyond economic repair. There is an earmarked sum in the medium term capital programme for £100,000 to fund improvements to this play area.

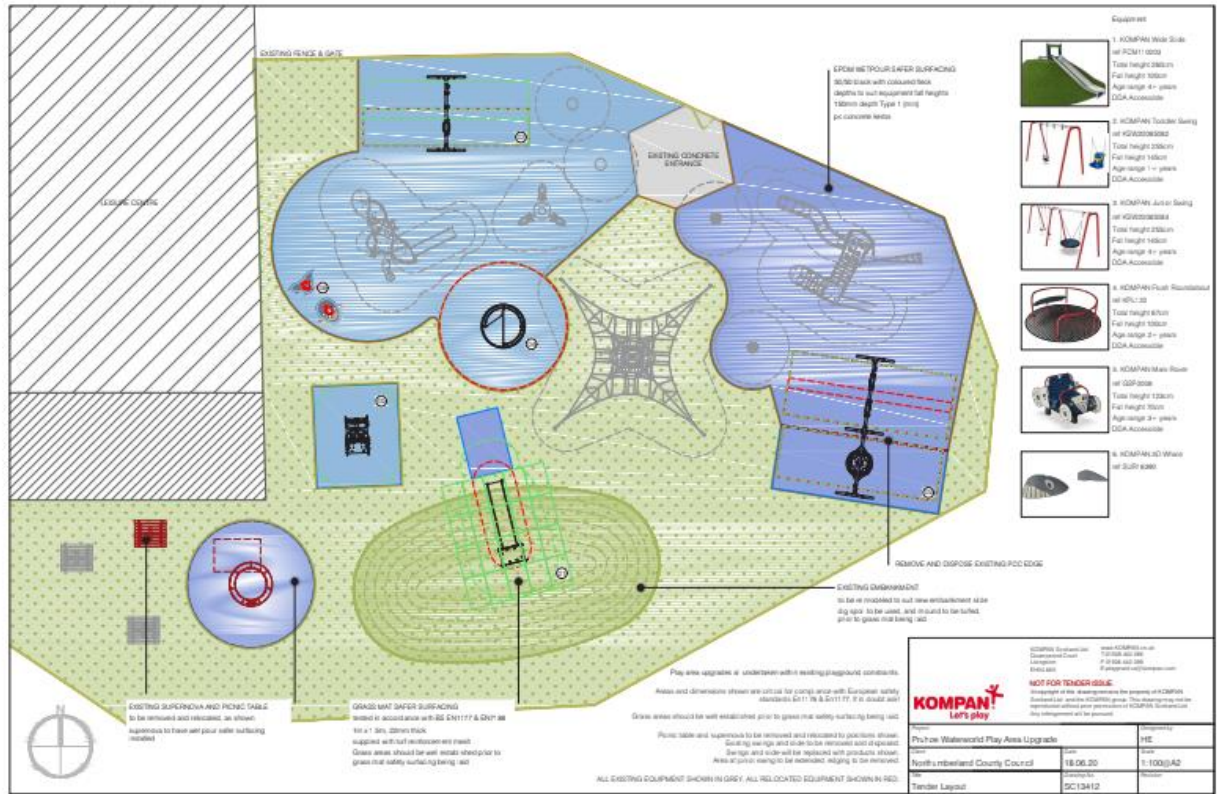
8.3. Staff from the County Council's Countryside and Green Spaces Team have been in discussion with Prudhoe Town Council with a view to the town council taking on responsibility for the maintenance and management of the play area following a County Council funded renovation. The Town Council have worked closely with NCC officers in producing specifications and tender documents to secure an installer.

8.4. Without investment this play area will remain closed and impact negatively on the site and the reputation of Northumberland County Council. Although there has previously been a significant risk that the Town Council might not take on the future management and maintenance of the site, following close collaboration between both parties on the proposed scheme this risk is now considered to be very low and Strategic Estates are currently drawing up a lease agreement.

8.5. Maintenance of the play area has been undertaken by Northumberland County Council under a SLA with Active Northumberland. Future maintenance of the play area is expected to be undertaken by Northumberland County Council under a SLA with Prudhoe Town Council. Officers estimate the value of the current SLA relating to the play area to be £3,000.

Proposed improvements

8.6. Works to enhance the Waterworld play area will comprise the replacement play equipment component parts (~20%), the installation of new and play equipment (~35%) and the removal and replacement of the wet pour safety surface (~45%). New play equipment has been identified that will be more accessible for less able children and these new items of equipment form a significant part of the scheme. A plan and illustration of the proposed improvements is shown below





- 8.7. A procurement exercise has been undertaken, and an installation cost of £86,000 provided and an installer identified.
- 8.8. There is an earmarked sum in the approved capital programme of £100,000.

CSG Recommendation

- 8.9. The Group accepted the report and recommends Cabinet approve the proposals and associated budget requirement of £86,000 – to be met from the Prudhoe Town Council provision identified in the approved capital programme for 2020-21.

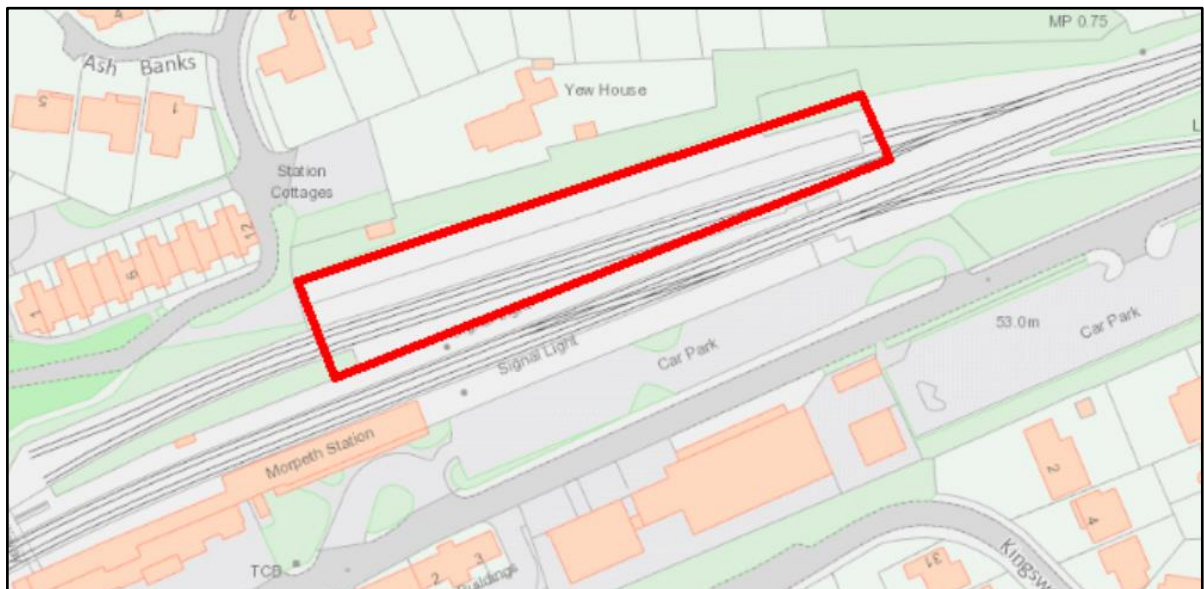
9. CAR PARKING IMPROVEMENTS PROGRAMME

- 9.1. The Group received a report seeking approval to release funding to allow the continued implementation of the detailed parking action plans that have been developed for Alnwick, Berwick, Morpeth and Hexham; specifically, the necessary funds to begin work towards the provision of additional car parking at Morpeth Railway Station.

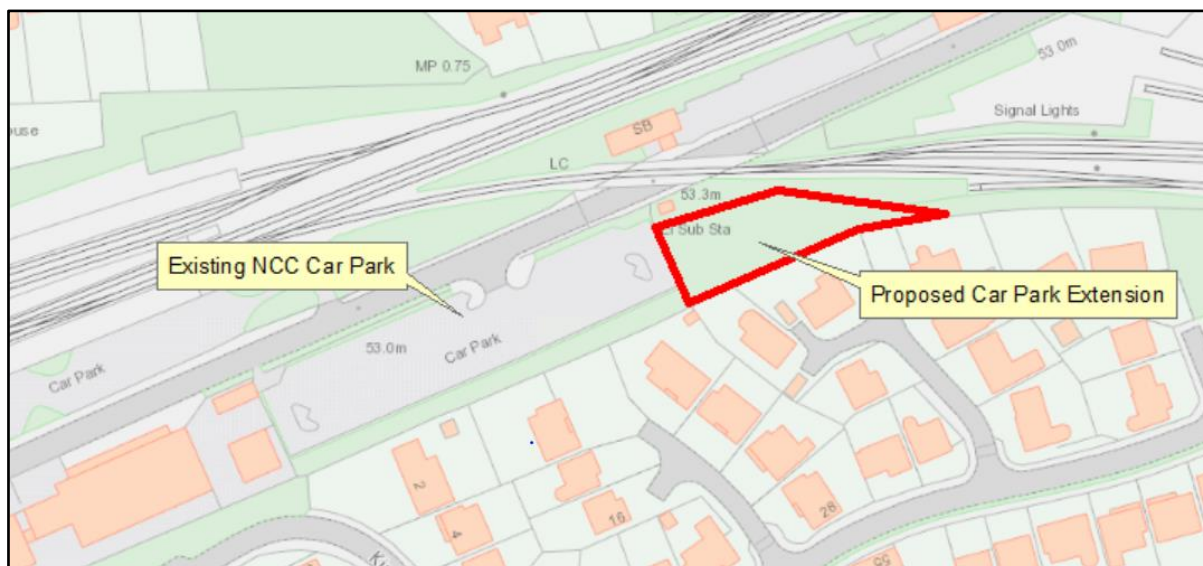
Background

- 9.2. The Parking Study found that the existing demand for parking at Morpeth Railway Station is high and car parks operate at or over capacity. It also found that demand is likely to increase further in future as additional rail services become available.

- 9.3. Figures from the Office of Rail and Road show that patronage at the station has increased by 47.7% in the last ten years (to 2019).
- 9.4. The Council has recently constructed a new 26 space car park on land opposite the station building, however further parking capacity is still required to meet demand.
- 9.5. Since the parking study was completed, TransPennine Express (TPE) has begun to operate regular services from Morpeth which has increased demand for parking further.
- 9.6. East Coast Trains are also expected to introduce further services at Morpeth in 2021.
- 9.7. In addition, the redevelopment of the station building has resulted in the 14 parking spaces located in the building forecourt being removed from public use.
- 9.8. Officers working with TPE have identified land at the north side of the station, which was formerly in use as railway sidings, as a potential site for additional car parking. The location is shown in Figure 1 below.



- 9.9. An initial assessment by officers found that it may be possible to accommodate up to 80 parking spaces on the site. In order to develop the proposals further, an allocation of £25,000 is required to fund preliminary design.
- 9.10. As well as the former sidings on the north side of the station, there is an area of redundant railway land measuring approximately 850m² adjacent to the Council's existing car park on the south side of Coopies Lane. It is estimated that this land could accommodate up to 18 additional parking spaces.
- 9.11. Network Rail has confirmed that it is willing to lease the land to the County Council for the purpose of extending the existing car park. Negotiations are currently underway to agree the lease, it is however anticipated that the additional income from parking charges will more than offset the annual rental. The location is shown in Figure 2 below.



- 9.12. Consent will be required from Network Rail to construct the car park extension in the form of a licence. Detailed design drawings are required to be attached to the licence so that consent can be granted for construction.
- 9.13. An amount of £10,000 is therefore requested to enable detailed design of the proposed car park extension to be undertaken so that construction costs can be established and to agree the licence with Network Rail.
- 9.14. Once the licence is agreed and the construction cost established, a further report will be brought to Capital Strategy Group requesting the required funding.
- 9.15. Approval is therefore sought for the release of £35,000 from the £8.477 million capital funding allocated in the Council's Medium Term Financial Plan to enable the two projects described above to proceed.

CSG Recommendation

- 9.16. The Group agreed to the proposals and recommends Cabinet to accept the proposals and approve a budget of £35,000 to enable the initial work required to provide additional parking at Morpeth station – to be met from the existing Car Parks provision within the approved capital programme for 2020-21.

10. RURAL GIGABIT CONNECTIVITY SCHOOLS PROGRAMME

- 10.1. The Group received a report requesting approval to utilise the grant funding from the Department for Education's (DfE) Rural Gigabit Connectivity (RGC) Schools Programme to complete the delivery of full fibre connectivity to the schools.

Background

- 10.2. In Summer 2019, the DfE approached the Council with a view to including a number of Northumberland's first schools in a pilot scheme to connect to a gigabit fibre capable connection.

10.3. Eighteen primary schools across Northumberland were selected using a variety of criteria, which considers rurality, location and commerciality:

Tranche 1 (11 schools):

- Abbeyfields First School,
- Acomb First School,
- Cambo First School,
- Cambois Primary School,
- Henshaw CofE Primary School,
- Hipsburn Primary School,
- New Hartley First School
- St Michael's CofE Primary School,
- Tweedmouth Prior Park First School,
- Whitley Chapel CofE First School,
- Wylam First School.

Tranche 2 (7 schools):

- Ellingham CofE Aided Primary School,
- Kielder Community First School,
- Ringway Primary School,
- Seaton Delaval First School,
- Seghill First School,
- Shilbottle Primary School,
- St Paul's RC VA Primary School (Alnwick).

10.4. The Rural Gigabit Connectivity (RGC) Schools Programme was introduced via Change controls as part of the BT Wide Area Network (WAN) contract.

10.5. Funding is part of the Government Rural Gigabit Connectivity (RGC) Programme and there is no requirement for match funding from the local authority.

10.6. This project forms a subset of the Local Full Fibre Network (LFFN) programme to connect public sector buildings – this was approved by Cabinet on 07 July 2020.

10.7. Costs of installation are estimated to be around £537,000. This could change as sites are surveyed, however if costs change the external funding awarded will be increased as necessary.

Project Outcomes

- 10.8. The primary aim is to connect the selected rural primary schools to an ultrafast gigabit capable connection. This will provide the schools with the capability to receive anywhere up to 1,000 Mbps download speed service to their building.
- 10.9. The move to a gigabit fibre connection would improve the connectivity to the school, access to online resources and save time through more efficient ways of working.
- 10.10. The connection would also potentially benefit surrounding communities with the fibre infrastructure installed making future build costs cheaper for the area. Select nearby buildings would also benefit from the installation if they are connected to the same infrastructure.
- 10.11. The costs that are being covered by the DfE are for a new fibre cable to be installed into each school. This can be very expensive to do under normal circumstances and is the main barrier to access faster connections. Rural locations are usually the most expensive to install these cables so the selected schools will benefit greatly
- 10.12. The Service charges and line rental will continue to be paid by the School and not funded by DfE.

CSG Recommendation

- 10.13. Accept the grant award from the Department of Education (DFE) for £537,000 and approve the associated budget requirement in 2020-21 capital programme to connect the 18 primary schools to an ultrafast gigabit capable connection.

Implications

Policy	The capital programme is part of the Medium Term Financial Plan 2020-2021. The plan supports the Corporate Plan.
Finance and value for money	The report outlines proposed amendments to the previously approved Capital programme. The financial implications of these proposals are outlined in the main body of the report.
Legal	There are no direct legal implications.
Procurement	In line with all other capital expenditure, the additional spend will be subject to the Council's recognised procurement procedures.
Human Resources	Not applicable.
Property	The properties affected by the proposals are identified in the main body of the report.
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
Risk Assessment	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.
Crime & Disorder	There are no Crime and Disorder implications.
Customer Consideration	There are no Customer Considerations.
Carbon reduction	There are no specific Carbon Reduction implications within this report.
Health & Wellbeing	There are no Health and Wellbeing implications.
Wards	All wards

Background papers:

Medium Term Financial Plan 2020-2021 and Budget 2020-2021 - County Council 19 February 2020.

Report sign off.

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

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