



Northumberland

County Council

CABINET

13 October 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 Glen Sanderson, 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 04 September 2020.

2. Recommendations

Cabinet is recommended to:

- 2.1. **Northumberland Line Ground Investigation Works:** approve a funding allocation of £870,000 to complete the Off-track ground investigation works to be funded from the Northumberland Line allocation in the approved capital programme for 2020-21. It should be noted that this requested allocation could be reimbursed and reinstated to the Capital Programme depending upon the outcome of the ongoing discussions with the Department of Transport within the context of Project SPEED.
- 2.2. **A189 Moor Farm Roundabout S106 improvements:** agree that a funding contribution of £210,000 for highway improvements, secured via a Section 106 agreement from a development at Chapel View in East Cramlington, be added to the Council's capital programme for the Local Transport Plan and used to improve safety on the A189 southbound approach to Moor Farm Roundabout.
- 2.3. **Winter Services Fleet Systems Enhancement:** recommend County Council approves a new capital requirement of £228,000 for the purchase of enhanced gritter operating systems as a revenue saving scheme delivering annual savings of £39,000.
- 2.4. **County Hall Solar Carport Additional Funding:** approve additional capital funding of up to £423,000 to support the County Hall Solar Carport, Storage and Electric Vehicle Charging Project. It should be noted that a subsequent bid will be made to

the European Regional Development Fund (ERDF) which may result in up to 50% of this additional cost being grant funded.

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 04 SEPTEMBER 2020

6. NORTHUMBERLAND LINE GROUND INVESTIGATION WORKS

- 6.1. The Group received a paper requesting funding of £0.870m associated with required ground investigation works. There is a strong possibility that this amount will subsequently be met by the Government but there is a need to make progress, at risk, over the next few months, to maintain the integrity of the whole scheme.
- 6.2. The Off-Track ground investigation (GI) works is an essential component of the Northumberland Line (NL) project as it will provide the information on ground conditions across the site, specifically at the location of proposed station platforms, car parks, structures (existing and proposed), signals and earthworks. The findings of the GI will inform the development of the NL by informing the design phase for the Approval in Principle (AiP) Stage. The AIP stage requires delivery of GI information in a relatively short period of time to provide data for scheme development.
- 6.3. The original cost budget for the Off-track GI was part of a provisional sum of £1.963m which also included the On-track GI and Early contractor involvement (ECI) GI works. This was included in the report approved by Cabinet in February 2020. These specialist works have to be carried out by subcontractors and therefore are subject to a tendering process. The On-track GI and the ECI works have come in at a cost of £0.751m leaving a remaining budget of £1.212m for the Off-track GI work.
- 6.4. Since the original programme was agreed there have been significant changes to the scope resulting in additional structures being required such as the bridge at Newsham station and footbridges to replace existing level crossings which were deemed to require mitigation following receipt of Network Rail's Level Crossings report (ALCRM). The change in scope had limited impact on the On-track GI works however because of the new structures there has been a significant increase in the scope for the Off-track GI works.
- 6.5. A tender exercise has been completed for the Off-track GI works and, given the scope changes identified above, the cost has come back in excess of the value that was originally budgeted for. The updated cost for the Off-track GI works is £2.082m leaving a budget shortfall of £0.870m.
- 6.6. The remaining current budget of £1.212m will only allow for approximately 50% of the required GI works (5-6 weeks of works) after mobilisation and preliminary costs. If the council are unable to fully fund the Off-track GI works then this will have a significant impact on this phase of the NL programme resulting potentially in not being able to complete all the design requirements for the AiP stage.

- 6.7. In October 2020 an updated business case will be presented to the Department for Transport. This will be considered by the DfT's Rail Investment Board in November and will include an ask for a Decision to Deliver the project as well as funding for advanced works which will include the additional costs of the Off-track GI works. However, if we have to wait for these funds to complete the GI works this will result in a delay to commencement of the advanced works and a subsequent delay to the overall project programme.

CSG Recommendation:

The Group accepted the report and recommends Cabinet to approve a funding allocation of £870,000 to complete the Off-track ground investigation works to be funded from the Northumberland Line allocation in the approved capital programme for 2020-21.

The Group noted that this requested allocation could be reimbursed and reinstated to the Capital Programme depending upon the outcome of the ongoing discussions with the Department of Transport within the context of Project SPEED.

7. A189 MOOR FARM ROUNDABOUT S106 IMPROVEMENTS

- 7.1. As part of the planning approval for residential development at 'Chapel View' in East Cramlington, an agreement has been made between the Council and the developers under Section 106 of the Town and Country Planning Act. The agreement commits the developers to making financial contributions towards improvements to the local highway infrastructure. The total amount secured for improving the highway infrastructure is £210,000. This funding has been paid to the Council by the developer.
- 7.2. The s106 agreement states that this funding is to be used for measures that will improve safety on the A189 southbound approach to Moor Farm roundabout.
- 7.3. Following an analysis of traffic data on this section of road, including accident data, it has been found that queue lengths are a significant safety issue.
- 7.4. This is to be addressed by implementing safety improvements on this section of road including implementing a system of electronic warning signs using queue detection technology which allows signs to be activated when the traffic situation ahead requires additional warning and reduced approach speeds.

CSG Recommendation:

The Group accepted the report and recommends Cabinet agree that a funding contribution of £210,000 for highway improvements, secured via a Section 106 agreement from a development at Chapel View in East Cramlington, be added to the Council's capital programme for the Local Transport Plan and used to improve safety on the A189 southbound approach to Moor Farm Roundabout.

8. WINTER SERVICES FLEET SYSTEMS ENHANCEMENT

- 8.1. As a Highway Authority the Council has a duty under the Highways Act 1980 to maintain the network and ensure that so far as is reasonably practicable, safe passage along a highway is not endangered by snow or ice. It is a corporate priority and essential that the Council continues to optimise its winter maintenance services so that residents, businesses and visitors can safely use the Council's road network in winter conditions.
- 8.2. Work has already been carried out to optimise our 28 gritting routes to ensure maximum efficiency in terms of salting the agreed treatment network. We are currently working through the programme of construction of new salt barns to ensure that our salt stocks are stored dry and maintained to the best possible standard to allow safe and efficient treatment of the road network. We are committed to ensuring an effective service gritting our county's roads so all road users can safely use the highway network.
- 8.3. However, further new technology is now available to improve the gritter operating systems and to allow significant enhancement of the winter service operation. The proposal is to install specialist winter maintenance route management and automated salt spreading technology across the Council's gritter fleet. This will provide a system that allows premium vehicle tracking, route management, automated navigation, automated gritting spread patterns, improved data collection and recording, and improved live monitoring of operations.
- 8.4. The proposed enhanced gritter operating systems would be installed in all of the Council's gritter fleet. Each of the 28 main routes and 29 secondary routes will be mapped into the system. Each electronically mapped route will have the salt spreading widths for the different changing road geometries along the route embedded within it. Any qualified winter services driver in any of the Council's gritters will then be able to undertake any route they are allocated by following the directions of the satellite navigation system. No pre-training on the route will be required. The salt spread widths will change automatically to the pre-programmed settings as the vehicle travels along the route.
- 8.5. Health and safety risks will be considerably improved as the driver will only be required to drive the route following the satellite navigation instructions, without needing to navigate the route themselves and without needing to consider and change salt spread widths as they drive.
- 8.6. Resilience of operations will be considerably increased as we will be able to deploy any driver with any gritter to any of the 28 primary routes and 29 secondary routes

across Northumberland. This would be extremely valuable in relation to winter 2020/21 given risks of potential absence due to coronavirus.

- 8.7. The automation of salt spreading width will also ensure consistent treatment of the network. Any deviation by drivers from expected routes will also be automatically identified. The automation of salt spreading width will also reduce salt usage, as the tendency to overspread salt due to inconsistency between drivers will be eliminated. In some studies it has been estimated that salt usage could be reduced by as much as 10% overall, which if achieved would result in savings of up to £80,000 per annum.
- 8.8. The system will also provide enhanced records of the winter services operation. The electronic records will be able to identify not just where a vehicle is and where a vehicle has been but also the salt spread rate and width at each point in time. Our current tracking system can only show vehicle location and speed. The system will also allow significant improvement in monitoring salt usage. It will eliminate the need for paper based records and the administration of them and will also provide very robust information for defending insurance claims and all forms of litigation.
- 8.9. It is proposed to introduce the enhanced gritter operating systems using the Exactrak in cab route navigation system at an initial cost of £228,000 with an ongoing annual subscription fee of £28,000 pa. The gritting fleet currently utilises ECON gritting units which the Exactrak system is compatible with. ECON currently supply Northumberland County Council with all of the winter service gritting fleet. However the lead time for delivery and selection of a final supplier will be subject to completing the relevant procurement processes.
- 8.10. The investment in enhanced gritter operating systems will generate annual salt usage savings of £80,000 at a cost of £28,000 pa for subscription fees and £13,000 pa for interest payable /MRP giving a net annual saving of £39,000.

CSG Recommendation:

The Group accepted the report and recommends that Cabinet recommend County Council approves a new capital requirement of £228,000 to be added to the capital programme for 2020-21 for the purchase of enhanced gritter operating systems providing a net revenue saving of £39,000 p.a.

9. COUNTY HALL SOLAR CARPORT ADDITIONAL FUNDING

- 9.1. A report was submitted to request additional capital funding to support the County Hall Solar Carport, Storage and Electric Vehicle Charging Project. A contractor procurement exercise has yielded a preferred bidder but has resulted in a revised

capital cost estimate above the capital budget currently allocated to the project. The main reason for the increase was linked to the cost of the battery element of the scheme which was significantly above the figures generated from the soft market testing prior to the previous budget approval. The general view from the team is that this cost has increased due to a global lithium shortage and uncertainty around the market in relation to the covid situation.

- 9.2. The additional funding requirement amounts to £423,000 to enable the project to continue into the final design and construction phase. A subsequent bid will be made to the European Regional Development Fund (ERDF) which may result in up to 50% of the £423,000 being funded by a grant.
- 9.3. A report for the County Hall Solar Carport Storage and Electric Vehicle (EV) Charging project was approved by Capital Strategy Group on 14th June 2019 and subsequently by Cabinet on 6th August 2019. The project was allocated a capital budget of £2,939,120 with 50% funded by an ERDF grant of £1,469,560 and the remaining 50% by the Council contribution to be met from the renewal energy provisions within the existing programme.
- 9.4. The project will provide a solar farm in the car park of the County Hall building. The solar farm would be suspended above the car parking spaces by steel frame canopies known as carports. Utilising the specialist mounting frame will allow cars to continue to park underneath. The solar panels will generate electricity to be used by the building and support electric vehicle charging while additional energy will be stored by a battery when the generation is greater than the building's demand and release the power when it is required. In addition the project will be building 60 Electric Vehicle Charge Points into the solar carport structures. This will encourage staff and visitors within Northumberland to take up electric and hybrid vehicles.
- 9.5. The solar will provide approximately 40% of the building's usage requirements. In addition to the roof mounted solar this will provide approximately 50% of the buildings annual requirements. This would equate to approximately 240 tonnes of carbon saved per annum which directly supports the council's climate emergency declaration.
- 9.6. A procurement exercise has been undertaken to appoint a contractor to complete the design activity undertaken to date and then construct the facility. Evaluation of tender returns has been completed enabling the identification of the most economically advantageous bidder. The Council's Procurement team is preparing the Intent to Award letter prior to the Design and Build Contract being entered into.
- 9.7. The financial assessment of the bids has resulted in an estimated cost increase of £423,000 against the original estimate of £2,939,120 and thereby a total revised capital cost estimate of £3,362,120.
- 9.8. An approach has been made to the ERDF to request 50% of the additional £423,000 capital, but in the event that this request is refused the additional capital allocation would be required to be fully funded by the Council.

CSG Recommendation:

The Group accepted the report and recommends that Cabinet approve additional capital funding of up to £423,000 to support the County Hall Solar Carport, Storage and Electric Vehicle Charging Project funded from the Renewable Energy Programme Budget in the 20-21 Capital Programme, noting that a subsequent bid will be made to the European Regional Development Fund (ERDF) which may result in up to 50% of this additional cost being grant funded.

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:

	Name
Monitoring Officer/Legal	Liam Henry
Executive Director of Finance and S151 Officer	Chris Hand
Relevant Executive Director	Neil Bradley
Interim Chief Executive	Kelly Angus
Portfolio Holder(s)	Glen Sanderson

Author and Contact Details

Mike Turner, Head of Property Services and Capital Programming
(01670) 622905
Mike.Turner@northumberland.gov.uk