



## **CABINET**

**12 January 2021**

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### **Summary of New Capital Proposals considered by Officer Capital Strategy Group**

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

Cabinet Member: Councillor Nick Oliver, Portfolio Holder for Corporate Services

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#### **1. Purpose of report**

The following report summarises two proposed amendments to the Capital Programme. The first was considered by the officer Capital Strategy Group via email on 03 December 2020 and the second is a recommendation in relation to the Town Deal bid for Blyth.

#### **2. Recommendations**

1. Cabinet is recommended to approve the additional budget requirement of £388,800 for the acquisition of the 4 two-bedroom houses at Wooler, as part of the ongoing HRA Affordable Housing programme, and to be met from the 'HRA Re-provision, Re-modelling and New Build' budget in the 2021-22 Capital Programme.
2. Cabinet is recommended to agree the allocation of £3m of the existing MTFP provision for the Energising Blyth Town Deal to show the Council's commitment to unlock up to £25m of investment from MHCLG.

#### **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 a proposed amendment 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 a report considered by the officer Capital Strategy Group on a proposed amendment to the Plan.

## **SUMMARY OF NEW CAPITAL PROPOSAL CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 03 DECEMBER 2020**

### **6. HRA AFFORDABLE HOUSING- WOOLER**

- 6.1. The group received a paper seeking approval to buy an additional 4 two-bedroom houses from Advance Northumberland from their Wooler development – to be met from the existing provision within the 2021-22 capital programme.

#### **Background**

- 6.2. In December 2019 Cabinet approved the acquisition of 7 two-bedroom bungalow units from Advance Northumberland at their Wooler development. The bungalows will be let on completion as affordable rental units within the HRA. The remainder of the affordable units on the site were intended by Advance Northumberland to be delivered as Discounted Market Value Sales units.

#### **Proposal**

- 6.3. Following discussions between the Council and Advance Northumberland it is proposed that this approval is revisited and increased to acquire a further 4 two bed houses that will also be managed and let as affordable rented units within the HRA. This will require a planning variation but Advance Northumberland will progress this should the proposal be approved.
- 6.4. There are limited opportunities within Wooler for further development in central locations, which will become an issue for the ageing population. This additional affordable provision will contribute towards NCC's plans to increase supply of new homes for affordable rent. The Scheme already has planning permission and is providing housing in line with demand.

#### **Cost**

- 6.5. The total cost of the additional 4 houses is £388,800 which equates to £97,200 per unit. Added to the original provision of £680,400, this increases the overall cost for all 11 units to £1,069,200. As with the original approval, it is proposed to fund the acquisition from the existing 'HRA Re-provision, Re-modelling and New Build' provision within 2021-22 capital programme.

#### **CSG Recommendation**

- 6.6. The group supported the report and recommends Cabinet to approve the additional budget requirement of £388,800 for the acquisition of the 4 two-bedroom houses – to be met from the 'HRA Re-provision, Re-modelling and New Build' budget in the 2021-22 Capital Programme.

### **7. Blyth Town Deal Bid**

- 7.1. In September 2019, the Ministry of Housing, Communities and Local Government (MHCLG) announced that 101 towns in England will benefit from the £3.6 billion

Towns Fund as part of its efforts to level up economic growth and productivity between regions. Blyth has been invited to submit an evidence-based Town Investment Plan and to work with the Government towards agreeing a Town Deal.

- 7.2. Over the past months, considerable work has been undertaken, in collaboration with the Blyth Town Deal Board, to develop a Town Investment Plan and a suite of projects for submission to the Government to unlock up to £25 million investment. A full submission will be made to Government via a delegation to the Head of Paid Service before the submission deadline of the end of January 2021. However, to demonstrate the Council's commitment to this Deal, the Capital Strategy Group is recommending that an allocation of £3 million is included in the 2021-24 MTFP. This would be funded from the existing allocation for the Energising Blyth Town Deal.

**CSG Recommendation**

- 7.3. Cabinet is recommended to agree the allocation of £3m of the existing MTFP provision for the Energising Blyth Town Deal to show the Council's commitment to unlock up to £25m of investment from MHCLG.

## **Implications**

<b>Policy</b>	The capital programme is part of the Medium-Term Financial Plan 2020-2021. The plan supports the Corporate Plan.
<b>Finance and value for money</b>	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.
<b>Legal</b>	There are no direct legal implications.
<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>	There are no specific Carbon Reduction implications within this report.
<b>Health &amp; Wellbeing</b>	There are no Health and Wellbeing implications.
<b>Wards</b>	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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Monitoring Officer/Legal	
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