



# Northumberland County Council

**Your ref:**

**Our ref:**

**Enquiries to:** Karon Hadfield

**Email:**

Democraticservices@northumberland.gov.uk

**Tel direct:** 0345 600 6400

**Date:** Tuesday, 4 July 2023

Dear Sir or Madam,

Your attendance is requested at a meeting of the **CABINET** to be held in **COUNCIL CHAMBER - COUNTY HALL** on **TUESDAY, 11 JULY 2023** at **10.00 AM**.

Yours faithfully

Dr Helen Paterson  
Chief Executive

**To Cabinet members as follows:-**

**G Renner-Thompson, J Riddle, G Sanderson (Chair), J Watson, R Wearmouth (Vice-Chair), C Horncastle, W Pattison, W Ploszaj, V. Jones and G Stewart**



**Dr Helen Paterson, Chief Executive**  
County Hall, Morpeth, Northumberland, NE61 2EF  
T: 0345 600 6400  
[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



## AGENDA

### PART I

It is expected that the matters included in this part of the agenda will be dealt with in public.

#### 1. APOLOGIES FOR ABSENCE

#### 2. MINUTES

(Pages 1  
- 8)

Minutes of the meeting of Cabinet held on 13 June 2023, as circulated, to be confirmed as a true record and signed by the Chair.

#### 3. DISCLOSURE OF MEMBERS' INTERESTS

Unless already entered in the Council's Register of Members' interests, members are required where a matter arises at a meeting;

a. Which directly relates to Disclosable Pecuniary Interest ('DPI') as set out in Appendix B, Table 1 of the Code of Conduct, to disclose the interest, not participate in any discussion or vote and not to remain in room. Where members have a DPI or if the matter concerns an executive function and is being considered by a Cabinet Member with a DPI they must notify the Monitoring Officer and arrange for somebody else to deal with the matter.

b. Which directly relates to the financial interest or well being of a Other Registrable Interest as set out in Appendix B, Table 2 of the Code of Conduct to disclose the interest and only speak on the matter if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain the room.

c. Which directly relates to their financial interest or well-being (and is not DPI) or the financial well being of a relative or close associate, to declare the interest and members may only speak on the matter if members of the public are also allowed to speak. Otherwise, the member must not take part in discussion or vote on the matter and must leave the room.

d. Which affects the financial well-being of the member, a relative or close associate or a body included under the Other Registrable Interests column in Table 2, to disclose the interest and apply the test set out at paragraph 9 of Appendix B before deciding whether they may remain in the meeting.

e. Where Members have or a Cabinet Member has an Other Registerable Interest or Non Registerable Interest in a matter being considered in exercise of their executive function, they must notify the Monitoring Officer and arrange for somebody else to deal with it.

NB Any member needing clarification must contact monitoringofficer@northumberland.gov.uk. Members are referred to the Code of Conduct which contains the matters above in full. Please refer to the guidance on disclosures at the rear of this agenda letter.

- 4. REPORT OF THE COMMUNITIES AND PLACE OVERVIEW AND SCRUTINY COMMITTEE** (Pages 9 - 12)

**Firefighters Decontamination**

To consider a report from the Committee on the above (Appendix A).
- 5. REPORT OF THE LEADER** (Pages 13 - 28)

**District Heating Update and Partnership Procurement**

To provide a summary of the progress made across the eight District Heating studies completed for the county, feedback on proposed delivery models for the schemes and seek approval to proceed with the next phase of activity (Appendix B).
- 6. REPORT OF THE LEADER** (Pages 29 - 46)

**Northumberland Stewardship and Rural Growth Investment Programme – Nature Recovery Response**

To outline the Council's role in leading the region's response to nature recovery as set out in the North East Devolution Deal and, within this context, seek consideration to the declaration of an ecological emergency in Northumberland (Appendix C).
- 7. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 47 - 80)

**Asset Management Framework**

To provide Cabinet with information relating to the new Asset Management Framework for 2023-2026 that has been developed to guide decision making and clearly outline the strategic plans for the estate to 2026 (Appendix D).
- 8. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 81 - 142)

**Financial Performance 2022-23 – Final Outturn (subject to audit)**

The purpose of the report is to report the final outturn position (subject to audit) for the Council against the Budget for 2022-23 (Appendix E).
- 9. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 143 -

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

The report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (Appendix F).

- 10. REPORT OF THE CABINET MEMBER FOR SUPPORTING BUSINESS AND OPPORTUNITIES** (Pages 153 - 176)

### **Energising Blyth Programme: Levelling Up Deep Dive**

To update Cabinet regarding the establishment, development and delivery of the £20.71m Levelling Up Deep Dive (LUDD) funding awarded to Blyth earlier this year. The report explains how this funding will be added to the Energising Blyth programme in the town to have a catalytic impact on the town's economy and drive forward the implementation of the Blyth Town Investment Plan.

This report seeks approval to accept this funding award from UK Government and to take a number of key early steps to enable the implementation of key projects (Appendix G).

- 11. REPORT OF THE CABINET MEMBER FOR LOOKING AFTER OUR COMMUNITIES** (Pages 177 - 190)

### **Environmental Enforcement Fixed Penalty Notice and Penalty Notice Policy 2023**

To present the revised Environmental Enforcement Fixed Penalty and Penalty Notice Policy 2023 for consideration and adoption (Appendix H).

- 12. REPORT OF THE CABINET MEMBER FOR IMPROVING PUBLIC HEALTH AND WELLBEING** (Pages 191 - 198)

### **Drug and Alcohol Treatment and Recovery Service for Northumberland – Permission to Award Contract**

The purpose of this report is to provide the background to the need to provide a drug and alcohol treatment and recovery service as part of the Council's statutory public health functions, to confirm that the procurement exercise has commenced, and to seek permission to award the contract once the exercise is complete (Appendix I).

- 13. URGENT BUSINESS**

To consider such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

**IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:**

- Declare it and give details of its nature before the matter is discussed or as soon as it becomes apparent to you.
- Complete this sheet and pass it to the Democratic Services Officer.

<b>Name:</b>		<b>Date of meeting:</b>	
<b>Meeting:</b>			
<b>Item to which your interest relates:</b>			
<b>Nature of Interest i.e. either disclosable pecuniary interest (as defined by Table 1 of Appendix B to the Code of Conduct, Other Registerable Interest or Non-Registerable Interest (as defined by Appendix B to Code of Conduct) (please give details):</b>			
<b>Are you intending to withdraw from the meeting?</b>		Yes - <input type="checkbox"/>	No - <input type="checkbox"/>

## Registering Interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

**"Disclosable Pecuniary Interest"** means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

**"Partner"** means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

### Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

### Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

### Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in **Table 1**) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
- a. your own financial interest or well-being;
  - b. a financial interest or well-being of a relative or close associate; or
  - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2** you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied
9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well- being:
- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
  - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

## Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

<b>Subject</b>	<b>Description</b>
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
<b>Sponsorship</b>	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
<b>Contracts</b>	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
<b>Land and Property</b>	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
<b>Licenses</b>	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
<b>Corporate tenancies</b>	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
<b>Securities</b>	Any beneficial interest in securities* of a body



	<p>where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <ul style="list-style-type: none"> <li>i. the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</li> <li>ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</li> </ul>
--	--

\* ‘director’ includes a member of the committee of management of an industrial and provident society.

\* ‘securities’ means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

## Table 2: Other Registrable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority
- b) any body
  - i. exercising functions of a public nature
  - ii. any body directed to charitable purposes or
  - iii. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

This page is intentionally left blank

# Agenda Item 2

## NORTHUMBERLAND COUNTY COUNCIL

### CABINET

At a meeting of the Cabinet held at County Hall, Morpeth on Tuesday 13 June 2023 at 10.00 am.

### PRESENT

Councillor G. Sanderson  
(Leader of the Council, in the Chair)

### CABINET MEMBERS

Ferguson, D.  
Horncastle, C.  
Pattison, W.  
Ploszaj, W.

Riddle, J.  
Stewart, G.  
Wearmouth, R.

### OTHER MEMBERS PRESENT

Ball, C.

Lang, J.

### OFFICERS IN ATTENDANCE

Binjal, S. (remote)  
Bradley, N.

Hadfield, K.

Hunter, P.  
Jones, P.  
Kingham, A.

O'Neill, G

Paterson, Dr H.  
Willis, J. (Remote)

Monitoring Officer  
Executive Director for Adults, Aging  
& Wellbeing  
Democratic and Electoral Services  
Manager  
Service Director, Policy  
Service Director, Local Services  
Executive Director for Children,  
Young People & Education  
Executive Director for Public Health  
(DPH), Inequalities & Stronger  
Communities  
Chief Executive  
Executive Director for Resources &  
Transformation (S151)

#### 4. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Renner Thompson and Watson.

## 5. MINUTES

**RESOLVED** that the minutes of the meeting of Cabinet held on Tuesday 30 May 2023, as circulated, be confirmed as a true record and signed by the Chair.

## 6. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

### Loan to Northumberland Community Bank

The report provided details of a potential loan facility to Northumberland Community Bank (NCB) of £50,000 towards the capital reserve (copy attached to the signed minutes as Appendix A).

The report was introduced by Councillor Wearmouth. Members were very supportive of this vital facility.

**RESOLVED** that Cabinet approve a loan facility of £50,000 to Northumberland Community Bank subject to the following:

- NCB agreeing to the proposed terms and conditions;
- NCC's Legal Team completing a legal agreement with NCB in advance of any loan drawdown by NCB, containing the terms and conditions set out within this report; and
- Subsidy Control implications being investigated and satisfied.

## 7. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

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

The report summarised proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 3 May 2023 (Copy attached to the signed minutes as Appendix B).

**RESOLVED** that:-

#### 7.1 Capita One EMS System Modules:

Cabinet approve the reallocation of £19,920 in 2023-24 from Craster Mast project to Capita One in relation to securing additional modules for the Capital One EMS system (Children's Services Education Management System) incorporated within the contract renewal for ongoing licencing, support and maintenance.

#### 7.2 County Hall Solar PV Carport:

Cabinet approve an increase in the County Hall Solar PV Carport Project budget of £423,000 funded by an additional contribution from the European Regional Development Fund.

#### 7.3 Great Northumberland Forest – Storm Arwen Restoration:

Cabinet approve the inclusion of an additional £1.500 million from the national Nature for Climate Fund within the capital programme for the Great Northumberland Forest.

#### **7.4 New Hartley First School Classroom Modifications:**

Cabinet approve the reprofiling and reallocation of Devolved Formula Capital (£14,267) and Energy Efficiency (£12,913) capital budgets to fund the increased capital requirement for classroom modifications at New Hartley First School.

#### **7.5 Energising Blyth Energy Central Campus Phase 1- Learning Hub:**

Cabinet approve the allocation from the Energising Blyth Acquisitions and Deliveries budget within the MTFP for the acquisition and construction works costs at the Commissioner's Quay Carpark (£0.555m) in 2023-24 in order to maintain a realistic contingency in the original Energy Central Learning Hub budget.

#### **7.6 Prudhoe Waterworld Improvement Scheme:**

Cabinet approve an allocation of £1.500 million (£0.250 million in 2023-24 and £1.250 million in 2024-25) from the Capital Contract Price Inflation contingency budget within the MTFP for improvements at Prudhoe Waterworld.

### **8. REPORT OF THE CABINET MEMBER FOR IMPROVING OUR ROADS AND HIGHWAYS**

#### **Enhanced Pothole Repair Invest to Save Trial**

The report sought approval to undertake an 'invest to save' trial of first-time patch repair of a proportion of actionable carriageway pothole defects, to quantify the costs and benefits associated with this alternative approach to one of the main revenue funded highway maintenance activities undertaken by the Council (Copy attached to the signed minutes as Appendix C).

The report was introduced by Councillor Riddle.

Councillor Horncastle supported the trial, which he felt would provide the answers for a more permanent fix. He asked about improving the current inspection regime and whether anything could be learned from neighbouring authorities about how infilling work was done. Councillor Riddle responded that inspectors did inspect regularly to make sure work was to the expected standard and the Authority's roads were better compared to many others. The trial would not detrimentally impact the ongoing inspection and repair programme.

**RESOLVED** that:-

- (a) Cabinet approve the commencement of a 3-month 'invest to save' trial of first-time patch repair of a proportion of actionable carriageway pothole defects in the North and Tynedale Local Area Committee areas of the County; and

- (b) Cabinet approve the allocation of £492,600 in revenue funds from the severe weather reserve to fund the pilot scheme.

## 9. REPORT OF THE CABINET MEMBER FOR BUSINESS

### Ashington Regeneration Programme Establishment

The report update Cabinet regarding the establishment, development and delivery of the £30m Ashington Regeneration Programme, which would have a catalytic impact on the town's economy and drive forward the implementation of the Ashington Town Investment Plan.

The report also sought approval for the strategic acquisition of the Woodhorn Road site and the Wansbeck Square site from Advance Northumberland (Commercial) Limited to create the required development platform to enable implementation of the Ashington Regeneration Programme (Copy attached to the signed minutes as Appendix D).

The report was presented by Councillor Ploszaj and Councillor Wearmouth welcomed this investment which came on top of other building blocks put in place by the Administration to make this happen.

Members welcomed this positive news for Ashington.

Councillor Ball, as one of the local members for the area, also welcomed the news but reminded members that it was not an overwhelming figure given current inflation. She urged the Leader to ensure that local people were involved in the programme, that there was communication, that start and end dates were known and that residents and businesses actually knew what was happening. There was a lot to celebrate in local heritage and facilities in the town. She also asked that local members were kept informed highlighting that two developments were happening in her ward and she was yet to find out the detail of these.

The Leader responded that this was a significant amount of funding and agreed that people did need to be involved. This was part of the plan going forward and the Project Board would be briefing members on a regular basis.

Councillor Ploszaj commented that £30m was just the start and this level of funding would attract other funding in due course as had happened in other areas. Communication events would be planned and he would make sure that local members were briefed properly.

### **RESOLVED** that:-

- (a) Cabinet endorse the Ashington Investment Plan as the overarching strategy that will provide the context, vision and aspirations for delivery of the phased Ashington Regeneration Programme;
- (b) Cabinet agree the establishment of the Ashington Regeneration Programme with two initial phases associated with the Ashington High

Street Innovation Programme (HSIP) and Town Centre Renewal of Strategic Sites Programme;

- (c) Cabinet approve the associated financial profiles as set out in Appendix 1 whilst:
- endorsing the bid submitted to extend the HSIP Programme with a funding ask of £576,898 and acceptance of this additional funding into the Medium Term Financial Plan, if successful
  - approving an initial allocation of £1,000,000 in the Medium Term Financial Plan to be fully funded by the Government to develop plans for Wansbeck Square Strategic Site
  - approving an initial grant allocation of £600,000 in the Medium Term Financial Plan to be fully funded by the Government to develop plans for Portland Park Strategic Site
  - authorising the Executive Director for Place and Regeneration to enter into contracts up to the value of £1.6m for the development of the strategic sites and delivery of public realm capital works, subject to confirmation of associated funding being in place and the appropriate procurement processes being followed;
- (d) authority be delegated to the Executive Director for Place and Regeneration, in consultation with the s151 Officer, to purchase the Woodhorn Road site, at a value up to a maximum of £210,000 from funding already allocated in the Medium Term Financial Plan;
- (e) Cabinet approve the acquisition of the Wansbeck Square site, and delegate authority to the Executive Director for Place and Regeneration, in consultation with the S151 Officer, to acquire the Wansbeck Square site at a value up to a maximum of £1,365,000 with funding from the Strategic Regeneration Projects budget within the Capital Programme; and
- (f) Cabinet agree the associated programme management and assurance arrangements to support the programme's delivery as set out in the report.

## 10. REPORT OF THE CABINET MEMBER FOR BUSINESS

### **UK Shared Prosperity Fund (UKSPF) Update and Northumberland Delivery**

The report provided an update on the UK Shared Prosperity Fund (UKSPF) programme and the UKSPF funded projects secured by Northumberland County Council to support levelling-up activity across the County (Copy attached to the signed minutes as Appendix E).

The report was presented by Councillor Ploszaj.

Councillor Riddle commented this Fund would go a long way to replacing LEADER funding which was most welcome and the value of small rural businesses should not be underestimated.

Councillor Wearmouth commented that the Authority had been very successful in attracting inward investment into the County but he had been keen to tackle the successor to the LEADER programme to ensure support for rural businesses, which this provided.

**RESOLVED** that:-

- (a) Cabinet endorse the progress and content of the UKSPF Investment and Delivery Plans for the North of Tyne Area;
- (b) Cabinet welcome and endorse the Northumberland County Council-led UKSPF funded projects, described in this report and summarised in table 1, which secures over £7.085m to deliver a range of levelling-up activities and support for Northumberland's businesses and residents over 2022 – 2025; and .
- (c) Cabinet endorse the Inclusive Economy Community Partnership project, which, working with the Voluntary and Community Sector (VCS), will build capacity and deliver activities in support of the inclusive economy, focused in our most deprived communities and, if successful, accept £0.4m capital and 1.15m revenue funding into the Medium-Term Financial Plan, as set out in paragraph 19 and annex A.

## 11. REPORT OF THE LEADER

### Nominations to Outside Bodies

Cabinet was asked to agree its nominations to outside bodies detailed in Appendix F.

The Leader asked members to note that Advance Northumberland was in a stage of transition and current nominations would be replaced over the course of the next few months. A replacement nomination was also required for Councillor Pattison on Northumbria Healthcare NHS Foundation Trust Governing Body.

**RESOLVED** that that the nominations detailed in the appendix be agreed, subject to it being noted that the position with Advance Northumberland was in transition and would change over the next few months, and that a replacement nomination was required for Councillor Pattison on Northumbria Healthcare NHS Foundation Trust Governing Body. Name to be confirmed.

## 12. DELEGATED DECISIONS

The following delegated decisions were noted (Copy attached to the signed minutes as Appendix G):-

- (1) **Decision Taken by the Executive Director for Resources & Transformation (S151): Energising Blyth Energy Central Campus Phase 1 - Learning Hub:Project Virement**



**(2) Decision Taken by the Executive Director, Regeneration & Place:  
Energising Blyth Energy Central Campus Phase 1 - Learning Hub:  
Contract Award**

**CHAIR.....**

**DATE.....**

This page is intentionally left blank

## COMMUNITIES AND PLACE OSC

### REPORT TO CABINET

11 JULY 2023

#### Firefighters Decontamination

At the meeting of the Communities and Place OSC, at the request of the Committee, Jim McNeil, Assistant Chief Fire Officer, supported by Robin Clow, Area Manager gave a presentation to members on the risk of contaminants from fires and the measures that could be put in place to reduce the risk of these impacting on the health and safety of firefighters.

Also in attendance:

Nick Oliver (Chairman), Mark Mather (Vice Chairman), Anne Dale, Brian Gallacher, Jim Lang, Nick Morphet and Jeff Reid.

Colin Horncastle: Portfolio Holder: Looking After Our Environment

Gordon Stewart: Looking After Our Communities

The following is an extract from the draft minutes of the meeting:

*The Assistant Chief Fire Officer (ACFO) stated that firefighters were 7 times more likely to have cancer than the general public and were also diagnosed earlier in their 40s and 50s.*

*Robin Clow explained that fires produced a cocktail of chemicals including carcinogenic materials. Personal protective equipment (PPE) protected firefighters' skin and respiratory systems but wind conditions could also mean that those outside were also impacted by smoke and air borne fibres which may or may not be visible or easily wiped off. They caused both acute toxicity and / or chronic toxicity which impacted on the body's internal organs.*

*They hoped to work with Professor Anna Stec at the University of Central Lancashire (UCLAN) who was researching the assessment of toxic irritant hazards of fires and the source of much of the information and recommendations.*

*Examples of the PPE were demonstrated including new breathing apparatus, helmet and coat and comparison made with a dirty helmet enclosed in a protective bag. The latter in the past had been seen as a badge of honour by experienced firefighters.*

*He described how firefighters previously would sit in fire appliances after a fire covered in the products of combustion which would be inhaled, ingested or absorbed through the skin. In the past, fire stations may have smelled of smoke but, following the introduction of new procedures, this was no longer the case. If there was a smell*

*of smoke, this could lead to cross-contamination by visitors including members of the public and children.*

*Steps being introduced to reduce contamination included:*

- *Wearing of respiratory protective equipment during firefighting, salvage and venting of buildings, including fire investigation, and for this to be the last piece of PPE to be removed.*
- *Equipment suspected of contamination should be removed and placed in airtight containers with a 'clean cab' policy and on-scene use of hero wipes to remove contaminants from any exposed skin.*
- *Avoiding eating and drinking, changing clothes, showering within an hour, regular health screening.*
- *A rigorous cleaning and inspection regime for PPE.*
- *Creation of designated zones:*
  - *Red / dirty - operational areas such as appliance bays, equipment storage, briefing rooms.*
  - *Amber – transitional areas for the removal and cleaning of PPE.*
  - *Green / clean areas including public entrances, offices, recreational and meeting rooms.*
- *A new contract with a company in Durham provided a much faster turnaround for the cleaning of asbestos contaminated PPE.*
- *Working with Occupational Health, inspection of shower facilities and testing for contaminants by external companies.*

*The ACFO thanked his colleagues for the work that they had undertaken recently on policies and procedures to mitigate the risk of firefighter contamination. He also expressed his gratitude to the current and former portfolio holders for their support.*

*Members held the fire and rescue service in high regard and were saddened to learn of the additional hazards faced by firefighters and supported the work that was taking place to protect them.*

*Councillor Stewart, Portfolio Holder for Looking After Our Communities commented that the fire and rescue services most important resource was its people and that the Council needed to do everything it could to ensure their safety.*

*In answer to questions, it was explained that:*

- *The watch manager assessed conditions on site and dependent on wind direction and other factors, created a safe zone with a cordon between members of the public and an incident. If the wind speed or direction changed, the distance would be increased to reduce the potential risk of contamination for members of the public. Generally, bigger and better burning fires were less of a risk than those which smoldered.*

- *Fire damaged buildings were not handed back to owners or landlords until they had been properly ventilated and were clear of smoke.*
- *Forensic investigation teams were now provided with breathing apparatus.*
- *The work on contaminants was in the early stages including identification of contaminants and exposure, the prevalence, and types of cancers and differences between male and female firefighters. The work would in due course involve retired firefighters as well as the current workforce. Decontamination had not existed for former firefighters.*
- *It was not yet known how application of the measures recommended in the UCLAN report would impact on the likelihood of illness. Some measures were relatively easy to implement such as the removal of dirty PPE and prompt showering. The next stage of the research involved taking blood samples which Northumberland Fire and Rescue Service (NFRS) hoped to be involved in.*
- *Individuals were responsible for cleaning and inspecting their own PPE to ensure that it was in an adequate condition. It was also inspected by a shift supervisor on a set frequency following a 30-point checklist provided by equipment manufacturer. A further inspection was undertaken annually by a third party who also cleaned and reapplied water repellent properties.*
- *A decontamination and de-robing process for asbestos and other chemicals had been in place for many years and was now utilised for other contaminants. The last stage involved the removal of gloves and the breathing apparatus mask with equipment bagged and placed in lockers on the fire engine.*
- *Hero wipes were used to clean any exposed skin on wrists and necks and were effective. Bags with dissolvable seams enabled dirty clothing to be placed in washing machines without needing to be handled.*
- *The procedure for decontamination had been implemented at the end of 2022.*
- *Ordinarily, fire personnel would be issued with 2 sets of fire kit, and this was sufficient unless there was a particularly busy shift with back to back fires.*
- *The turnaround time for heavily contaminated kit had been reduced from 2 weeks to 48 hours by changing to a nearer company in Durham. The majority of kit was cleaned at the fire station and would be properly dry in 24 hours. Rural fire stations had smaller industrial washing machines.*
- *Individuals did not currently record potential exposures from incidents. Arrangements were being put in place with Northumbria Healthcare NHS Foundation Trust for enhanced health surveillance as well as self-assessment of urine samples before and after an exposure to fire to establish base line data and monitor levels.*
- *Medical examinations of firefighters were undertaken every three years which increased to an annual basis for personnel aged 50 and over.*

*Councillor Horncastle, as former Chair of the Fire and Rescue Authority, thanked the senior officers NFRS for their prompt action progressing the issue of decontamination following the publication of the UCLAN report, to protect not only front-line staff, but also other staff, visitors and families.*

*It was proposed that the committee make the following recommendation to Cabinet that financial support for the recommendations made by the fire and rescue service be provided to ensure that Northumberland was leading reduce the risk of contamination and supporting fire and rescue personnel.*

*The Chair agreed with a suggestion that there should be surplus kit to ensure that it could be rotated adequately. He thanked officers for their informative presentation.*

**RESOLVED** *that Cabinet be requested to agree that financial support for the recommendations made by the fire and rescue service be provided to ensure that Northumberland was leading to reduce the risk of contamination and supporting fire and rescue personnel.*

**Cabinet is therefore requested to approve the recommendation of the Communities and Place Overview and Scrutiny Committee.**

**COUNCILLOR NICK OLIVER**

**CHAIRMAN**



## Northumberland County Council

**COMMITTEE : CABINET**

**DATE: 11<sup>TH</sup> JULY**

---

### **District Heating Update and Partnership Procurement**

**Report of:** Councillor Sanderson, Leader of the Council and Cabinet Member for Climate Change.

**Lead Officer:** Simon Neilson, Executive Director of Place and Regeneration

---

#### **Purpose of report**

To provide a summary of the progress made across the eight District Heating studies completed for the county, feedback on proposed delivery models for the schemes and seek approval to proceed with the next phase of activity.

#### **Recommendations**

Cabinet is recommended to:

1. Agree that the council's preferred delivery option for District Heating is Model 3 (Supply Framework). Under this model the Council will enter into a framework agreement with a Heat Provider and agree a form of connection and supply agreement to be used for the supply of heat to the Council across the eight towns, namely Alnwick, Ashington, Berwick, Blyth, Cramlington, Hexham, Morpeth and Prudhoe on a town-by-town basis as the schemes go-live.
2. Approve a procurement exercise to select and appoint a legal and commercial advisor to support the procurement activities needed to appoint a Heat Provider. The forecast cost of the external legal and commercial advisor support is ~£160,000, which it is expected will be 100% funded through the NELEP Energy Accelerator Fund at no additional cost to NCC. In the unlikely case that the NELEP do not fund the project a separate request for NCC to provide funding will be made.
3. Resource and undertake a procurement exercise to appoint a Heat Provider.
4. Agree to the inclusion of the council's future heat load to be in scope for commercially viable District Heating schemes in each of the eight locations,

provided the commercial, economic and net zero tests are met by the Heat Provider.

5. Note the timescales for delivery given market competition.

### **Link to Corporate Plan**

This report is relevant to the following key themes in the Corporate Plan for 2023-2026 (background paper 1):

- Driving Economic Growth - Delivering economic growth in our eight major towns through long term, generational, District Heating solutions, details of which are referenced in the updated Corporate Plan (page 31).
- Achieving Value For Money - Delivering value for money low carbon heating solutions for the council, residents and local businesses (page 23).
- Tackling Inequalities - supporting a just transition as part of tackling inequalities (page 33).

### **Key issues**

1. As part of the Climate Emergency Declaration in 2019 the Council committed to working with the Government to achieve carbon neutrality for the county of Northumberland by 2030.
2. One of the largest sources of emissions in the county is heating domestic and non-domestic properties, with fossil fuel-based heat contributing nearly one third of the county's emissions.
3. The solution for reducing these emissions, at the pace and scale required to deliver the 2030 commitment, will be through connecting homes and businesses to a low carbon heating source. This will be through a building by building retrofit and heat pump installation programme and/or connecting businesses and homes to a low carbon district heating solution.
4. The preferred solution, and in keeping with the central government strategy, for major towns and cities, is to connect at least 50% of businesses and 70% of homes, in our 8 major towns, to a district heating scheme by 2030.
5. Work has been undertaken with Central Government, the global heat network private sector community, the Northumberland business community, residents, devolution partners and external experts from Womble Bond Dickinson, to devise a strategic approach to deliver these schemes at the pace and scale required.
6. This report provides an update on the work completed and seeks approval to move forward with the next steps, namely to procure ongoing legal and commercial support, ahead of procuring a heat partner for the county.
7. The estimated cost of this support is ~£160,000 and it is expected that this will be funded through an application to the NELEP Energy Accelerator Fund.



## **District Heating in Northumberland – supporting information**

Heat networks are a core part of the UK's strategy to deliver net zero.

In urban areas and towns, they are often the lowest cost, low carbon heating option. This is because they offer a communal solution that can provide heat to a range of homes and businesses by capturing or generating heat locally.

By driving forward new low carbon technologies like heat networks, we can cut the use of fossil fuels for heating our homes and shield households from oil and gas price rises that are being pushed up by pressures on global energy markets.

Heat networks distribute heat or cooling from a central source or sources, and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, schools and homes. By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building.

Heat networks are also uniquely able to use local sources of low carbon heat which would otherwise go to waste. This could be from factories, the ground or even from rivers. Northumberland is well placed to take advantage of this proven technology with sources of waste industrial heat in six of the eight largest towns, and access to rivers in the other two.

Further information can be found here ([Heat networks - GOV.UK \(www.gov.uk\)](http://www.gov.uk))

If delivered successfully, what would District Heating look and feel like for Northumberland's residents? What are the wider benefits for the economy, skills and jobs? What are the key risks and how will they be mitigated?

### **What would the delivery of District Heating look and feel like for our residents?**

Once procured and contracted our selected Heat Provider would undertake the following steps, looking across the entire county and then for each scheme, town by town:

1. **Planning and Design:** Utilising our existing government funded studies and the Heat Provider's own expert analysis and assessment of the community's heating needs, they will refine and validate the potential benefits such as energy efficiency, cost savings, and reduced carbon emissions. They will use this information to design a District Heating solution that is fit for purpose for each of our eight major towns.
2. **Communication, Engagement and Planning Permission:** The Heat Provider, working closely with NCC will communicate and review their plans to the community through various channels such as public meetings, advertisements, working with the Voluntary Sector and local Town Councils. They will explain the benefits of district heating, the timeline for construction, and any potential disruption to the local area during construction. This stage will include the completion of statutory steps in governance, including Planning Permission and Environmental Impact assessments, working with NCC and external stakeholders including the Environment Agency.
3. **The Heat Provider will agree baseload supply agreements with NCC and other organisations to ensure the commercial viability of each individual town district heating scheme and their capital investment in its construction.**
4. **Construction:** The Heat Provider will start construction of the scheme, which can involve laying pipelines, building energy centres, and installing equipment. The construction work may take several months to complete, depending on the size of the scheme and any unforeseen circumstances.
5. **Connection:** Once the construction is complete, the Heat Provider will connect local households and businesses to the scheme. This involves installing equipment that connects the property to the district heating network and providing guidance on how to use the service.

6. Further Community Engagement: The Heat Provider will complete further communication and engagement activities with the community on how to use the district heating service effectively. They will explain how the system works, how to control the temperature, and how to save energy and reduce costs.
7. Impact assessment: The Heat Provider will continuously assess the impact of the new scheme on the community. They will measure the benefits, such as energy savings and carbon emissions reductions. They will also gather feedback from customers to any issues and areas for improvement.
8. Ongoing support: The Heat Provider will continue to provide support to the community, including maintenance and repair services, customer support, and information on energy efficiency. They will also look for opportunities to expand the district heating scheme to other parts of the community to provide even more households and businesses with the benefits of cleaner, cheaper, and more efficient heating.

### **Benefits**

District Heating will offer a number of benefits for our residents, communities and businesses, including:

1. Cost savings: By utilising more efficient energy sources and enabling residents and businesses to switch from fossil fuels to renewable sources, district heating can reduce energy costs for customers, boost their disposable income, and improve their overall standard of living.
2. Diversification of the Northumberland Economy: Those businesses who are currently generating waste heat that can be used in a district heating scheme will benefit from a new source of income through the sale of their waste heat to the Heat Provider, helping to safeguard the commercial viability of their business.
3. Improved energy efficiency: District heating networks can be more energy-efficient than individual heating systems, as they allow waste heat to be reused to heat other buildings, resulting in lower energy demand and reduced greenhouse gas emissions.
4. Reduced carbon emissions: District heating can help reduce carbon emissions by enabling the use of low-carbon energy sources. A district heating solution in our 8 major towns is a key strategic lever for delivering the 2030 Carbon Neutral Pledge for the county.
5. Increased reliability and insulation from the global energy markets: The low carbon District heating networks will be less reliant on energy imported from the national grid and imported fossil fuels, providing greater resilience to external factors impacting the cost of heat and storm events like Storm Arwen.
6. Reduced maintenance: District heating eliminates the need for individual boilers, reducing the maintenance and repair costs associated with those systems.

### **Economic, Skills and Workforce benefits**

District heating can contribute positively to local economic development, create direct and indirect employment opportunities, improve energy efficiency, and create a skilled and competent workforce capable of delivering long-term sustainability and energy efficiency outcomes. Examples of the wider benefits for the county, include:

1. Job creation and economic growth: District heating installations require significant labour input, presenting an opportunity to create job opportunities and stimulate economic growth in each of the eight towns. This can include skilled jobs such as design, installation, and operation of the systems, as well as indirect jobs in related industries across the supply chain and spanning the life-time of the district heating assets. They also offer those large businesses which generate significant unused waste heat currently from their industrial processes (some of whom are major employers in the county), an

opportunity to secure a new income stream by working with the Heat Provider which will help improve their businesses overall financial position.

2. Maintenance and repair: District heating networks require regular maintenance, often creating long-term employment opportunities, such as tradespeople and maintenance technicians skilled in servicing and repairing networks.
3. Workforce development: District heating schemes require a range of specialised skills, creating opportunities for workforce development and upskilling of the workforce, which can expand the pool of skilled workers available for other industries, as well as a new STEM pathway for people of all ages, with strong alignment to the national policy in this area (<https://www.gov.uk/government/publications/training-providers-how-to-offer-the-heat-training-grant-for-heat-networks>).
4. Technology development: Investment in district heating infrastructure can stimulate the development and deployment of new technology solutions, which can enhance distributed energy system efficiency, sustainability, and resilience.

### Key Risks

While there are some risks associated with district heating, mitigation strategies can significantly reduce these risks.

By diversifying funding sources, investing in energy-efficient technologies, engaging with the community, and ensuring compliance with regulations, Heat Providers can ensure the long-term viability and sustainability of their projects.

The main risks to NCC are:

- Reputational:
  - In the event that District Heating schemes are not delivered, the main consequence of non-delivery, in the event that work started then was not completed, would be avoidable disruption in our major towns and failure to meet the 2030 Carbon Neutral pledge.
  - If the decision is taken to not pursue a District Heating Strategy, the council risks reputational damage for not delivering the 2030 Carbon Neutral pledge and further reputational damage for missing out on the additional jobs and skills that would be developed as part of any successful scheme.
- Financial:
  - The council, other than purchasing heat from the scheme, is not expected to be a financial partner in the scheme and therefore financial risk is limited, as the council will still need to purchase heat in some way.
- Impact on Local Community.
  - The construction of District Heating schemes will include civil engineering work in each of our eight major towns. This will be similar to other large engineering programmes and will need to be managed through good and frequent community engagement, working in partnership with the Heat Provider.

For completeness, the table below highlights the key risks and mitigations for the delivery of District Heating in Northumberland. The PETSLE methodology has been followed (Political, Economic, Technology, Social, Legal and Environment).

Key Risk	Description	Mitigation
Political	Changing political priorities may lead to a reduction in government support for	The Heat Provider should create long term, value for money solutions, that are

	renewable energy and district heating projects, leading to increased costs.	financed sustainably and be commercially viable without the need for long term government funding to be commercially viable.
Economic	Fluctuations in energy prices may affect the economic viability of district heating schemes.	The Heat Provider should invest in energy-efficient technologies, ensure there is a diverse energy supply, and adjust tariffs to reflect fluctuations in energy prices.
Technology	A malfunction in district heating systems or an energy crisis can affect the availability of heating for customers.	The Heat Provider should invest in regular maintenance and training to ensure optimal system performance, develop system redundancy, and set up emergency plans in the event of equipment or energy supply failure.
Social	Community resistance to change, such as a preference for traditional heating systems, may lead to reduced uptake of district heating schemes.	The Heat Provider should engage with local communities through public consultation to address any concerns, provide clear educational materials to explain the benefits of district heating, and potentially offer incentives such as free connection.
Legal	Changes to regulatory frameworks, such as energy tariffs and environmental legislation, can impact the success of district heating schemes.	The Heat Provider should stay informed of any regulatory changes, work closely with Central and Local Government, and ensure compliance with all applicable laws and regulations.
Environment	Environmental factors such as natural disasters and climate change can affect the viability and sustainability of district heating schemes.	The Heat Provider should invest in energy-efficient technologies, use renewable energy sources, and ensure long-term sustainability by diversifying the heat sources. Additionally, they should establish contingency plans to address unforeseen events that may impact system performance.

Through the council's work with specialist external advisors we have given careful consideration to these risks and designed an approach, through building a strategic and long-term partnership with a Heat Provider, that is designed to minimise the risks for the council.

## **Background**

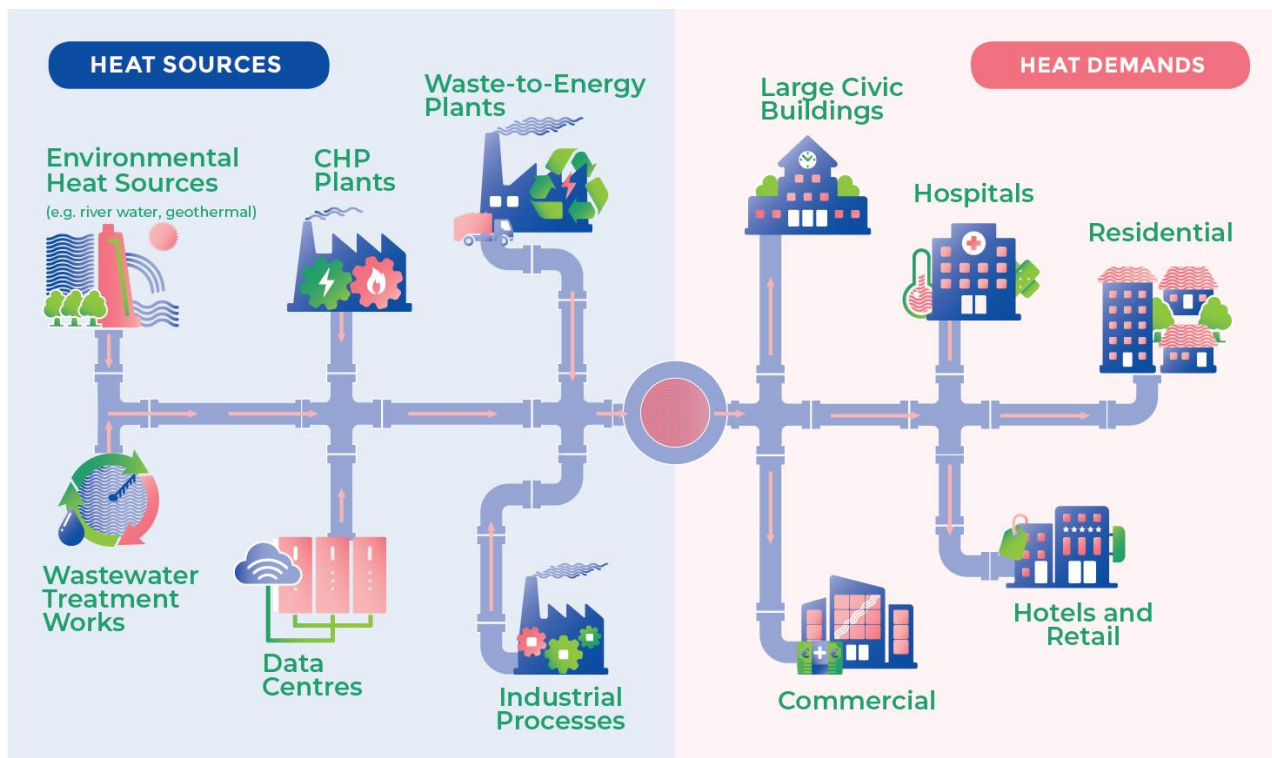
As part of the Climate Emergency Declaration in 2019 the Council committed to working with the Government to achieve carbon neutrality for the county of Northumberland by 2030.

To be carbon neutral by 2030 across the county we need to tackle emissions in three key dimensions:

- Heating
- Power
- Transport

A key strategy for reducing emissions through heating is to connect 50% of businesses and 70% of homes to a low carbon heating source by 2030 across our eight largest towns.

District Heating is the preferred route to doing this and is consistent with the national strategy on low carbon heating for major cities and towns. District Heating is estimated to be a £60bn market for England and will be a key source of jobs delivered through the low carbon economy. A simplified explanation of District Heating is shown below.



Further information on District Heating is available in the Climate Action Plan (background paper 2), the Northumberland District Heating Schemes Summary (background paper 3)



and also on the government website (<https://www.gov.uk/government/news/54m-heat-network-funding-helps-households-ditch-fossil-fuels>).

### ***District heating in Northumberland***

In Northumberland the investment needed to deliver (for the Design and Build activities) the eight District Heating schemes is estimated to be £200m+, this would provide access to an annual market (Operate and Maintain) for heating of around £135m (excluding non-domestic), if 70% of homes were connected across the eight largest towns.

District Heating has the potential deliver a 'green economic' boost across the county – through new low carbon jobs and skills – that would deliver generational economic and energy security benefits.

The proposed strategy would entail schemes being funded by central government and the private sector to minimise any financial risks for NCC.

Given the nature of District Heating assets this also presents a whole county partnership opportunity, as some of our Public sector partners, for example the NHS, stand to benefit significantly from district heating and will need a solution like this to hit their own net zero targets.

Work has been completed with colleagues across the LA7, the LEP and NotCA alongside central government departments, mainly DfIT & DESNZ. A range of soft market testing discussions have been completed, with businesses in the county, covering all likely industrial heat sources, and district heating specialists head quartered in the UK and Europe. For further information see background paper (3).

Through this work a strategy has been developed that aims to balance attracting and securing a long term private sector partner to deliver and finance the scheme at pace and scale, whilst mitigating our risk as a Council, especially with respect to funding (i.e. avoids NCC having to directly fund District Heating) and ownership (i.e. avoids NCC having to become a utility provider) - we have taken this position based on feedback from the Section 151 Officer and the Deputy Leader. The approach also aims to deliver energy security and a fair energy price for residents and businesses, when compared to the low carbon alternatives that are replacing fossil fuel-based heating.

NCC engaged Womble Bond Dickson (WBD) to provide advice on the different delivery strategies. 5 options were considered and assessed against the desired outcomes that NCC are aiming to deliver through the county wide District Heating. The options considered were:

- Private Sector Scheme (Model 1)
- Strategic Partnership (Model 2)
- Supply Framework (Model 3)
- SPV (Council as minority shareholder) (Model 4)
- SPV (wholly owned) procuring DBOM / D&B & O&M (Model 5)

The options were assessed and scored against 11 different objectives, the full assessment and additional detail for each option is included in background paper 4.

The key findings and recommendations from the options appraisal identified:

- The preferred delivery model option for the Council is Model 3 (Supply Framework). Under this model the Council will enter into a framework agreement with the Contractor and agree a form of connection and supply agreement to be used for the

supply of heat to the Council across the eight towns. This model was preferred as it does not carry a financial risk for the County Council, as the Heat Provider owns the heat distribution network.

- 'The procurement of a heat supplier to the Council is caught by the Public Contract Regulations 2015, therefore the award of the Framework Agreement will need to follow a procurement process that complies with the regulations'.

**Recommendation 1:** Agree that the council's preferred delivery option for District Heating is Model 3 (Supply Framework). Under this model the Council will enter into a framework agreement with a Heat Provider and agree a form of connection and supply agreement to be used for the supply of heat to the Council across the eight towns, namely Alnwick, Ashington, Berwick, Blyth, Cramlington, Hexham, Morpeth and Prudhoe on a town by town basis as the schemes go-live..

The attached report (background paper 4) provides further detail of the work completed with WBD, further information on the work that has been completed across the eight towns is also available (background paper 5).

These studies show that there are viable heat sources and heat loads in each of the 8 major towns, including a larger than expected number of waste industrial heat source opportunities, specifically in Berwick (Simpson's Malt); Ashington (Lynemouth Power Station); Blyth (Coal Authority); Cramlington (Biomass Power Station); Prudhoe (Essity) and Hexham (Egger). This creates the potential for a number of co-benefits with some of the county's largest employers.

Discussions have been held with each of the waste heat owners, all of which indicated a willingness to engage in the development of District Heating solutions, subject to a full commercial viability assessment of the schemes.

### ***Next Steps & Timeframe***

The next step needed to deliver a Northumberland wide District Heating scheme is to procure a Heat Provider for the county. To support this procurement activity the council will also need to procure and engage a legal and commercial partner.

The proposed timetable for these activities is:

- Appoint legal and commercial Partner (August 2023)
- Issue Prior Information Notice (PIN) and potential bidders' day (September 2023)
- Dialogue with Partners (January - March 2024)
- Deadline for Partner Submissions (May 2024)
- Completion and Contract Award (July 2024)
- With the expectation that the first connections will be available 18-24 months after a Heat Provider has been engaged (July 2026)

Once the Heat Provider is in place further work will be required to agree baseload supply agreements with NCC and other organisations; design and build the district heating infrastructure across the eight towns and engage with residents and communities to establish a network of domestic and non-domestic heating connections.

The work needed to Design, Build and connect the business and residential customers to the Northumberland District Heating scheme, will be a multi-year infrastructure programme, with the overarching aim to put in place the infrastructure required to connect 50% of non-domestic and 70% domestic users to the scheme by 2030 in each of the 8

major towns. Detailed updates will be provided to Cabinet through-out the life time of the district heating schemes.

### ***Heat Supplier Procurement***

To complete the procurement of a Heat Provider, will require Legal and Commercial support for the duration of the procurement. The estimated cost of this support is ~£160,000 and it is expected that this will be funded through an application to the NELEP Energy Accelerator Fund.

**Recommendation 2:** Undertake a procurement exercise to appoint a legal and commercial advisor to support the procurement activities needed to appoint a District Heating Delivering Partner (Heat Provider) for the County.

Once the Legal and Commercial support for the procurement activity is in place, the procurement activities for the Heat Provider will be undertaken and are expected to take at least 12 months. The Heat Provider contract will be for a period of 40 years.

The council will need to commit dedicated resource to the procurement activities and through the mobilisation, design, build, operate and maintenance phases that follow. It is expected that much of the resource (once the Heat Provider is in place) will come from the Heat Provider, but the exact nature of the ongoing resource commitment needed from the council will be agreed during the procurement activities.

**Recommendation 3:** Resource and undertake a procurement exercise to appoint a District Heating Delivering Partner (Heat Provider) for the County.

### ***Northumberland County Council Heat Load***

A key component of any District Heating scheme is a stable and sizable 'Anchor Load'. The council has the opportunity to act as one element of this load, alongside other Public Sector Partners and high commercial heat users.

This would help deliver additional energy security for the council, allow the council to play a proactive role in District Heating job creation and meet the council's own targets for decarbonisation, as a Public Sector body and landlord.

In practice this would mean, subject to the proposed terms of any scheme, the council entering into a long-term connection and supply contract on case by case basis once the District Heat Schemes in each town were in operation.

The intention to do this will be included in the Heat Provider agreement.

**Recommendation 4:** Agree to the inclusion of the council's future heat load to be in scope for commercially viable District Heating schemes in each of the eight locations, provided the commercial, economic and net zero tests are met by the Heat Provider .

### ***Market Competition and Pace***

The District Heat Network market is an emerging market for the UK, but has been tried and tested in other geographies for many years. Given the government strategy to invest in this market, as part of delivering the commitment for the UK to be net zero 2050, competition is increasing. The North East is acknowledged by government as a leader in this area and the work completed to date in Northumberland has been well received.



Although the scale and size of ambition for the county is bold, it is in fact relatively modest compared to more urban schemes and there is a risk that if the council does not continue to move at pace, that it will be difficult to attract a Heat Provider and the investment needed to fund the schemes in the county as schemes in large urban areas come to the market.

The absence of a district heating solution for the council's estate would only leave building by building decarbonisation as the route to meet public sector net zero targets, which is likely to be at a higher cost than the District Heating solution, as bans on fossil fuel-based heating are enforced. It will also reduce the likelihood of new and additional low carbon district heating jobs coming to the county.

**Issue 1:** Failure to attract a Heat Provider and deliver district heat networks would put the Economic and energy security benefits from District Heating for the county at risk. It would also make achievement of the 2030 Carbon Neutral target for the county extremely unlikely.

## Implications

<b>Policy</b>	<p>Decarbonising heating is one of the key activities needed to support the delivery of Northumberland's Climate Change Strategy target of being a net zero county by 2030. The report also supports the key priorities within the corporate plan of Economic Growth, Tackling Inequalities and Delivering Value for Money by proposing a mechanism to deliver district heating solutions for our 8 major towns through a private sector partnership, helping to secure inward investment, and provide a diversification opportunity for some of the largest employers in the county.</p>
<b>Finance and value for money</b>	<p>A key component of any District Heating scheme is a stable and sizable 'Anchor Load'. The council has the opportunity to act as one element of this load, alongside other Public Sector Partners and high commercial heat users.</p> <p>This would help deliver additional energy security for the council, allow the council to play a proactive role in District Heating job creation and meet the council's own targets for decarbonisation, as a Public Sector body and landlord.</p> <p>In practice this would mean, subject to the proposed terms of any scheme, the council entering into a long term connection and supply contract on case by case basis once the District Heat Schemes in each town were in operation.</p> <p>The intention to do this will be included in the Heat Provider agreement, with the Council reserving its right not to enter into an individual scheme if the commercial, economic and net zero tests for doing so are not met.</p> <p>Work will be undertaken to procure ongoing legal and commercial support, ahead of procuring a heat partner for the county. The estimated cost of this support is ~£160,000 and it is expected that this will be funded through an application to the NELEP Energy Accelerator Fund. In the unlikely case that the NELEP do not fund the project a separate request for NCC to provide funding will be made.</p>
<b>Legal</b>	<p>The Climate Change Act 2008 establishes a legally binding target to reduce the UK's greenhouse gas emissions by at least 80% in 2050 from 1990 levels.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
<b>Procurement</b>	<p>Support activities needed to procure external legal and commercial support and to procure the Heat Provider.</p>

<b>Human Resources</b>	The need for sufficient Human Resources to support the procurement of a Heat Provider.
<b>Property</b>	A mechanism through which it will be possible to provide access to a low carbon heating source for our estate, that should be a key driver in maintenance and repair activities, for example replacement of end-of-life fossil heating systems.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Where possible the delivery of low carbon heat through district heating will provide fairer and more equal access to more affordable energy. The dense urban areas that are most optimal for heat network connection are where a great proportion of social housing tenants reside, by combining a heat network connection with a government pipeline of retrofit grant funding, we can provide these residents with warmer, safer homes and an affordable, stable and secure energy source.
<b>Risk Assessment</b>	There is a Corporate Risk (Amber Rated) monitoring the progress towards delivering the Carbon Neutral by 2030 policy. District Heating is a strategic component of the plan to achieve this target. The model to delivering District Heating schemes has been developed to minimise the financial risks to NCC, with NCC not being required to directly invest in the infrastructure or become a utility provider. A comprehensive District Heating solution for the strategy is a key mitigation of the Climate Change Corporate Risk.
<b>Crime Disorder &amp;</b>	By partnering with a trusted supplier of heat decarbonisation technology, the supplier has the opportunity to deliver local retrofit and decarbonisation technology to residents, and could potentially deter fraudulent activity in this sector as residents can seek advice from NCC and the procured partner on works required to connect into the network, and avoid rogue traders who may be attempting to capitalise on government funding schemes for retrofit and decarbonisation.
<b>Customer Consideration</b>	Residents expect the Council to deliver the net zero by 2030 pledge.
<b>Carbon reduction</b>	Adopting recommendations in this paper will directly lead to significant carbon savings.
<b>Health and Wellbeing</b>	Access to affordable heating for residential properties in the eight towns would support the health and wellbeing of those households on the scheme.
<b>Wards</b>	The eight towns where District Heating schemes are proposed are: Alnwick, Ashington, Berwick, Blyth, Cramlington, Hexham, Morpeth and Prudhoe. The precise wards affected would be dependent upon the timing and extent of the roll-out of the individual schemes.

## **Background papers:**

1. Corporate Plan  
(<https://northumberland.moderngov.co.uk/documents/s14485/03.1%20CORPORATE%20PLAN%202023.pdf>)
2. Climate Action Plan  
([Climate-change-action-plan-2021-23.pdf \(northumberland.gov.uk\)](#))
3. Northumberland District Heating Schemes Summary

### [District Heating Northumberland.pptx](#)

4. Report from WBD relating to District Heating Projects

### [WBD Report.pdf](#)

5. District Heating Reports

[Outputs](#) (link to reports for Alnwick, Ashington, Berwick, Morpeth, Prudhoe and Hexham)  
[Feasibility Reports](#) (link to reports for Blyth and Cramlington)

## **Report sign off.**

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

	Full Name of Officer
Interim Director of Law and Governance and Monitoring Officer	Suki Binjal
Executive Director of Resources and Transformation (S151 Officer)	Jan Willis
Executive Director of Place and Regeneration	Simon Neilson
Chief Executive	Gill O'Neill, on behalf of, Helen Paterson
Portfolio Holder(s)	Cllr Colin Horncastle

## **Author and Contact Details**

Paul Jones  
Director of Environment and Transport  
Email: [paul.jones01@northumberland.gov.uk](mailto:paul.jones01@northumberland.gov.uk)

Matt Baker  
Internal Change Consultant (Climate Change)

Email: [Matthew.Baker@northumberland.gov.uk](mailto:Matthew.Baker@northumberland.gov.uk)

Hannah Davison

Assistant Project Manager (Climate Change)

Email: [hannah.Davison@northumberland.gov.uk](mailto:hannah.Davison@northumberland.gov.uk)

This page is intentionally left blank

CABINET

TUESDAY, 11 JULY 2023

---

## NORTHUMBERLAND STEWARDSHIP AND RURAL GROWTH INVESTMENT PROGRAMME – NATURE RECOVERY RESPONSE

**Report of:** Councillor Glen Sanderson, Leader

**Lead Officer:** Simon Neilson, Executive Director for Place and Regeneration

---

### **Purpose of report**

To outline the Council's role in leading the region's response to nature recovery as set out in the North East Devolution Deal and, within this context, seek consideration to the declaration of an ecological emergency in Northumberland.

### **Recommendations**

Cabinet is recommended to:

1. Accept, in principle and subject to the approval of the North of Tyne Combined Authority (NTCA) Cabinet, the role of leading the development of the statutory North of Tyne Local Nature Recovery Strategy (LNRS) on behalf of the Combined Authority
2. Endorse the Council's role as accountable body for the participation of the English part of the Borderlands area in the Government's Local Investment in Natural Capital (LINC) programme
3. Accept the anticipated grant awards of £0.285 million and £1.000 million respectively for the development of the North of Tyne LNRS and the delivery of the Borderlands LINC into the Council's revenue budget
4. Agree to declaring an ecological emergency to further strengthen the Council's commitment to rural stewardship and to demonstrate the significant role of nature recovery in mitigating the climate emergency
5. Develop a response, within the context of our Climate Change Action Plan, to the ecological emergency using our new obligations under the Environment Act 2021 as a framework; namely the development of a Local Nature Recovery Strategy; the strengthened duty to conserve and enhance biodiversity with a requirement to publish action plans and progress reports; and the introduction of mandatory biodiversity net gain in the planning system.

### **Link to Corporate Plan**

The extent and quality of the county's natural environment has a significant role to play in promoting economic growth, particularly through the visitor economy and in addressing inequality by contributing to physical and mental wellbeing. Protecting and improving

habitats across the country also contribute to a whole range of wider environmental benefits including food production, water quality, flood protection and carbon sequestration. Equally, the recent Future of Farming in Northumberland Inquiry highlighted that farmers and landowners are committed to achieving a sustainable balance between food production and wider environmental benefits, providing there is greater clarity in navigating the complex land management policy landscape.

### **Key issues**

Nature performs a wide range of functions that provide for human needs (often referred to as ecosystem services), with about one third of the food we eat being entirely dependent on pollinating insects, the health of the soil that grows our food being dependent on the invertebrates and fungi within it, agricultural pests and diseases being held in check by natural predators, water quality being improved by and flood peaks reduced by wetlands, and carbon sequestered by peatlands, trees, ponds, saltmarshes and seagrass meadows.

Despite this inherent value, the extent of the decline in the native species and natural habitats across the UK is stark.

Northumberland is enviably rich in wildlife by English standards. For example, the county's uplands hold a significant proportion of England's blanket bog, upland heath and upland hay meadows, and the coast is important for its dune grasslands, the mudflats and seagrass beds around Lindisfarne, as well as breeding seabirds and wintering shorebirds. Given this relative wealth, the county has an opportunity, working with farmers and landowners, to be at the forefront of nature recovery by seeking to further improve and expand important habitats and thereby increase the abundance and distribution of key species.

The Government's 25 Year Environment Plan (25YEP), published in 2018, sets out a range of targets for nature recovery. The subsequent Environment Act 2021 obliges the Government to set a series of legally binding environmental targets and places a number of new obligations on local authorities.

Equally, within the Levelling Up white Paper published in February 2022, the Government confirmed its plans to empower local leaders and communities to reimagine their urban green space and improve access for communities who lack it. This includes bringing wildlife back, aimed at increasing public access while simultaneously delivering nature recovery.

As a result, the 'minded to' North East Devolution Deal includes a number of commitments associated with nature recovery with the County Council playing a central role in leading that regional response. The report sets out this leadership role and seeks endorsement to the emerging mechanisms associated with the development of a North of Tyne Local Nature Recovery Strategy (LNRS) and the delivery of a Borderlands Local Investment in Natural Capital (LINC) pilot. Both these mechanisms will help inform the decision-making processes of farmers and landowners in defining the optimum use of their land in the short, medium, and long term.



Finally, to further underpin our commitment to stewardship and rural growth, the Council is asked to consider declaring an ecological emergency.

## **BACKGROUND**

### **The State of Nature**

1. The state of nature matters for a wide range of reasons.
2. Nature performs a wide range of functions that provide for human needs (often referred to as ecosystem services), with about one third of the food we eat being entirely dependent on pollinating insects, the health of the soil that grows our food being dependent on the invertebrates and fungi within it, agricultural pests and diseases being held in check by natural predators, water quality being improved by and flood peaks reduced by wetlands, and carbon sequestered by peatlands, trees, ponds, saltmarshes and seagrass meadows.
3. Accordingly, at a time when there is growing concern about food supply and food security there are challenging issues concerning the appropriate allocation of land between food production, biodiversity conservation and carbon sequestration. All of these issues demand an urgent response, and all are interlinked in many ways, emphasising the importance of managing land with all of these objectives in mind. Indeed, climate change and biodiversity loss are among the greatest threats to food supply and food security, and so it is vitally important that these are not seen as competing land uses to food production as has often been the case in the past, but that we rise to the challenge of integrating them.
4. Over large areas food production will remain the primary objective, but with biodiversity and climate becoming increasingly important secondary objectives, supported by the post-Brexit agricultural support framework founded on delivery of public goods. Where land is less productive or where particular circumstances require it, biodiversity or climate will be the primary objective. However, on the majority of land, nature recovery will be nurtured in tandem with food production. For example, land managed for biodiversity often requires extensive grazing to maintain its ecological value, enabling meat to be produced that doesn't require large areas of arable land for the production of animal feeds to support it, and semi-natural habitats such as wetlands and extensively managed grasslands are also important for carbon sequestration.
5. There is also compelling evidence of the importance of contact with nature for people's mental and physical health and so the quality of the natural environment, especially that in and around the places that people live and work, is a significant factor in improving the wellbeing of residents. A high-quality natural environment is also central to the attraction of the county to tourists and so is at the heart of the visitor economy.
6. Despite this inherent value, the extent of the decline in the native species and natural habitats across the UK is stark.

7. The Biodiversity Intactness Index is an international index adopted by the UN Convention on Biological Diversity to estimate biodiversity loss across an area as a result of human pressure on the environment. This has been assessed for 240 countries and territories, with England having the seventh lowest biodiversity intactness index of all 240, at 47%. The UK as a whole has an index of 50%, by far the lowest of all the G7 countries. This compares to 63% for the US, 64% for Japan, 65% for Italy and France, 67% for Germany and 89% for Canada.
8. In addition, the 'State of Nature' report published in 2019 by a coalition of conservation organisations, Government agencies and academic institutions in 2019 provides one of the most wide-ranging analyses and found that the abundance indicator for 214 priority species fell by 60% between 1979 and 2016, and 22% between 2011 and 2016.
9. Equally, the 'Plant Atlas 2020' published in March 2023 confirmed that since the 1950s the known range of 53% of native plant species has declined, with the decline being greatest among species associated with lowland farmland, wetlands and waterbodies. Intensification of arable and pastoral agriculture, drainage of wetland habitats, and nutrient enrichment from fertilizers, sewage and vehicle emissions are among the key causes of these declines. In general terms, upland species have suffered less severe changes in distribution than lowland species, but heathland and bog specialists have declined due to burning, drainage, overgrazing and afforestation. Climate change is also playing in its part with the decline of some species with northern and upland distributions; whilst more introduced species are becoming established in the wild, a small proportion of which become invasive and outcompete native species.
10. Northumberland is enviably rich in wildlife by English standards. For example, the county's uplands hold a significant proportion of England's blanket bog, upland heath and upland hay meadows, and the coast is important for its dune grasslands, the mudflats and seagrass beds around Lindisfarne, as well as breeding seabirds and wintering shorebirds. Given this relative wealth, the county has an opportunity, working with farmers and landowners, to be at the forefront of nature recovery by seeking to further improve and expand important habitats and thereby increase the abundance and distribution of key species.

## **The response of Government to addressing this decline**

### *Environment Action Plan*

11. The Government's 25 Year Environment Plan (25YEP), published in 2018, sets out a range of targets for nature recovery. These include:
  - Restoring 75% of Sites of Special Scientific Interest to favourable condition.
  - Creating or restoring 500,000ha of priority habitat outside of the SSSI network.
  - Taking action to recover populations of threatened iconic or economically

important species of animals, plants and fungi.

12. The Environmental Improvement Plan (EIP) 2023 for England is the first revision of the 25YEP. It builds on the original vision with a new plan setting out how the Government will work with landowners, communities and businesses to deliver each of the goals for improving the environment, matched with interim targets to measure progress. Taking these actions will help us restore nature, reduce environmental pollution, and increase the prosperity of the country. The Government has also published the Outcome Indicator Framework which describes environmental change that relates to the 10 goals in the 25 Year Environment Plan.
13. The Environment Act 2021 (see below) obliges the Government to set a series of legally binding environmental targets. A consultation has recently closed on the first set of proposed targets, the biodiversity ones of which are:
  - Halt the decline in species abundance by 2030.
  - Increase species abundance by at least 10% by 2042, compared to 2030 levels.
  - Improve the England-level GB Red List Index of species extinction risk by 2042, compared to 2022 levels.
  - Create or restore in excess of 500,000 ha of a range of wildlife-rich habitat outside protected sites by 2042, compared to 2022 levels.
  - Ensure 70% of the designated features in the Marine Protected Areas network are in favourable condition by 2042, with the remainder in recovering condition.

#### *New Legislation*

14. Under the Environment Act 2021, the Government is placing a number of new obligations on local authorities.
15. Central to this are the amendment the Act makes to section 40 of the Natural Environment and Rural Communities Act 2006. This section imposes a general duty on public authorities to have regard to the purpose of conserving biodiversity, but it has now been strengthened considerably, whereby a public authority will have to consider what action it can take to conserve and enhance biodiversity, set out the policies and specific objectives it considers appropriate, and take the action it considers appropriate in light of these policies and objectives, taking account of the Local Nature Recovery Strategy for that area.
16. Local authorities (other than parish councils) must also publish biodiversity reports containing a summary of the action the Council has taken over the reporting period to comply with the general biodiversity duty described above, and a summary of the Council's plans for complying with the duty over the next five years. These reports must also contain a summary of the activity the Council's Planning Service has taken in relation to mandatory biodiversity net gain, the biodiversity gains resulting

or expected to result from biodiversity gain plans it has approved over the period of the report and a summary of its plans for fulfilling its biodiversity net gain obligations over the next five years. The first of these must be published within three years of the date that they become subject to this duty. Thereafter there will be a five-year cycle of planning and reporting.

17. This is a significant new obligation because it requires all relevant Services to consider the ecological impact of their work, to identify actions they could take to conserve and enhance wildlife, and for all of this to be put into a published plan which will then be reported on. Accordingly, there will need to be a Council-wide approach to this matter, which will be subject to public scrutiny. This will undoubtedly present challenges to the Council both in terms of resources and potentially the need to challenge established ways of working, but it also creates the opportunity to systematically review the impact of the Council's operations on Northumberland's wildlife and the opportunities to ensure that these impacts are positive ones.

*Nature recovery and levelling up*

18. Within the Levelling Up white Paper published in February 2022, the Government confirmed its plans to empower local leaders and communities to reimagine their urban green space and improve access for communities who lack it. This includes bringing wildlife back, aimed at increasing public access while simultaneously delivering nature recovery.
19. As part of this the Government wants to ensure that every landscape is oriented towards nature. On this basis, farmers are being supported to protect the environment and enhance access to nature through the Environmental Land Management Schemes and to restore habitats through Local Nature Recovery Strategies. There is also a statutory a commitment to 10% Biodiversity Net Gain in new development and significant investment on tree planting, including through the Great Northumberland Forest, and peatland restoration.
20. In light of this, the "minded to" North East Devolution Deal, published in December 2020, includes the following commitments:
  - the North East Mayoral Combined Authority (MCA) will establish a Rural Growth and Stewardship Board chaired by a Northumberland County Council Cabinet member and driven by Northumberland, Gateshead and County Durham Councils, with government committing to senior level engagement and strong collaboration with the Department for Environment, Food & Rural Affairs (DEFRA) and its arms-length agencies
  - building on the Local Nature Recovery Strategy pilots, including in Northumberland, formal appointment of responsible authorities for Local Nature

Recovery Strategies (LNRS) will be made following publication of relevant regulations and guidance and confirmation of funding.

- in line with commitments made in the Borderlands Inclusive Growth Deal, the government, which is committed to increasing private investment in nature's recovery across England, will support the North East MCA to capture the economic benefits of its natural capital and attract private investment including to deliver priorities identified in LNRSs through a Local Investment in Natural Capital (LINC) pilot

### **Local Nature Recovery Strategy development**

21. LNRSs are a new system of spatial strategies for nature that will cover the whole of England, for which Northumberland was one of five local authorities chosen to pilot the process in 2020-21. They are designed as tools to drive more co-ordinated, practical and focused action to help nature, and will identify the priorities for nature recovery, map the most valuable existing habitats and develop and map specific proposals for creating or improving habitat.
22. All public bodies will have a responsibility to have regard to LNRSs when complying with the duty to conserve and enhance biodiversity set out below and they will have a key role in supporting mandatory biodiversity net gain in the planning system. They will also help to guide the development and implementation of the grant schemes for farmers that will replace the existing EU-derived system, thereby playing an important role in integrating land management of food production, biodiversity conservation and carbon sequestration.
23. The regulations and associated guidance as to what LNRSs should contain was published in March 2023. Further background as to the purpose and development of these strategies is outlined at Appendix 1. The Defra Secretary of State also decides the area that each strategy covers and appoints a 'responsible authority' to lead its preparation, publication, review and republication.
24. Following discussions between the 7 local authorities in the North East of England and DEFRA, the following LNRS geographies have been defined:
  - North of Tyne (to include Newcastle, North Tyneside, and Northumberland)
  - South of Tyne (to include Gateshead, South Tyneside and Sunderland)
  - DurhamWithin this, the North East Devolution Deal confirms that DEFRA will consider the role of the North East MCA in the LNRS including a review of relevant LNRS geographies once the combined authority is in operation.
25. Given these areas, it is anticipated that the Secretary of State will confirm (this announcement is imminent) the NTCA as the Responsible Body for the preparation of a Local Nature Recovery Strategy covering Northumberland, Newcastle and North Tyneside.

26. However, given the Council's experience as a pilot authority for LNRS and the forthcoming changes to devolution governance, it is also expected that the NTCA will ask the County Council to lead the development of the Strategy on its behalf, working in partnership with Newcastle City Council, North Tyneside Council and Northumberland National Park Authority, all of whom will be designated as Supporting Authorities. Further details as to the role of the Responsible Authority is set out at Appendix 2.
27. To support this development work for the North of Tyne LNRS, DEFRA is providing a grant of £0.285 million split over two financial years – £0.152 million in 2023-24 and £0.133 million in 2024-25. This is based on a funding formula that takes into account the number of local authorities and the number of farm businesses in the LNRS area. This grant will be paid to the NTCA and subsequently forwarded onto the Council.

### **Local Investment in Natural Capital**

28. In December 2022, consistent with the North East Devolution Deal, DEFRA invited the Council to formally express the region's interest in participating in our new LINC programme, as part of a small cohort of local authority trailblazers. The rationale for the Council's lead on this was on the basis that we are the sole local authority represented in both the North East devolution deal discussions and the Borderlands partnership,
29. The overall purpose and aims of this programme are to:
  - Explore and demonstrate the potential for natural capital investment (based on a sound understanding of assets and opportunities). This will contribute significantly to sustainable growth as part of the Levelling Up agenda, in both urban and rural settings; address the priorities for local natural capital improvement identified in Local Nature Recovery Strategies data and evidence; as well as the increasing role of local authorities as place-makers.
  - Develop local ecosystem markets and investment vehicles that support the green transition, facilitating cooperation and shared learning between organisations and sectors, directing investment to cost-effective solutions, and generating nature-related revenue flows.
  - Build the capacity, effective governance arrangements and capability of local leaders and partner organisations. This will enable sellers of monetisable ecosystem services to develop a pipeline of investable projects; and local areas to aggregate and direct finance flows to deliver environmental goals.
  - Develop and showcase a body of learning and evidence to help other local areas to follow suit.



30. The specific objective of the Programme is for local demonstrator areas to be in a state of readiness to access and bring in local investment for natural capital at a strategic level by 31 January 2025.
31. The Council duly submitted an Expression of Interest to participate in the programme using the footprint of the Borderlands area within England – covering the local authority areas of Cumberland, Northumberland, Westmoreland and Furness.
32. In March, DEFRA invited the Borderlands area to join the LINC programme and in line with the proposals set out in the EOI, a s31 grant of £1.000 million was offered to the Council to act as accountable body for the initiative. Work has now started on mobilising the delivery of this pilot.

### **The Future of Farming in Northumberland Inquiry**

33. In March 2022, the Council commissioned Professor Sally Shortall (Duke of Northumberland Chair of Rural Economy at Newcastle University) to conduct an Inquiry into the future of Farming in Northumberland. Its purpose was to better understand the challenges and opportunities faced by the range of farmers and landowners in Northumberland in moving from the current regime of subsidy funding to the new benefits system for environmental land management, which represents an unprecedented change for agriculture in England following the UK's exit from the European Union.
34. The Inquiry reported in November 2022 and confirmed that farmers and landowners are committed to achieving a sustainable balance between food production and wider environmental benefits, and there are already numerous good practice examples of this. Equally, however, farmers and landowners are having to navigate a complex policy landscape to make challenging short-term decisions to maintain their survival until such time as the fuller implications of the transition to the new system become clearer and they are better placed to plan for their long-term future.
35. Given this, the Inquiry report recommended a number of recommendations to provide better access to information and improve the sharing of good practice. Many of the Council's subsequent responses were built into the Northumberland Stewardship and Rural Growth Investment Plan.

### **Northumberland Stewardship and Rural Growth Investment Plan**

36. In February 2023, Cabinet gave, consistent with all of the above, its full support and endorsement to the Northumberland Stewardship and Rural Growth Plan, the preparation of which had been facilitated and approved by the North of Tyne Combined Authority.



37. The central aim of Investment Plan is to set out a fresh approach for investing in our unique natural, economic and cultural assets in a way that will simultaneously enhance our environment, grow our rural economy, and improve opportunity and prosperity in our communities. As such, the approach aligns and balances investment in:
- *Stewardship*: looking after and enhancing our precious natural assets in a way that provides environmental, social, and economic benefits.
  - *Rural growth*: developing the rural economy, and growing businesses, jobs and wealth in a way that simultaneously delivers environmental and social benefits.
38. The Plan unlocked an initial tranche of up to £9.000 million funding from NTCA to facilitate the delivery of the first wave of deliverable projects (subject to the approval of business cases as required). These are as follows:
- *Northumberland Small Business Service (NSBS)* – creation of a new service, that builds upon our recent experience of similar initiatives to deliver business diagnostic and brokerage services to all small and micro businesses across the county. The Service will also deliver an enhanced rural growth and resilience support service and a rural capital Grant Investment Fund, as well as providing a bespoke, countywide farming business advisory service via the National Park Authority.
  - *Rural Asset Multiplier Pilots (RAMPs)* – development of innovative place-based pilots that will seek to improve the balance between stewardship and rural growth within their areas in a way that multiplies the environmental, social and economic benefits.
  - *Northumberland Food Strategy and Action Plan* - the development of a strategy that will, like its national counterpart and building on the existing Made in Northumberland initiative, look at the entire food chain, from field to fork; to include production, marketing, processing, food security, sale and purchase of food (for consumption in the home and out of it), consumer practices, resources and institutions involved in these processes.

### **Declaration of an ecological emergency**

39. To further underpin our commitment to this Stewardship and Rural Growth Investment Plan, the Council is asked to consider declaring an ecological emergency.
40. An increasing number of local authorities are taking this step to site alongside the equivalent climate emergency declaration. These include Devon, Cornwall, Dorset, Cambridgeshire, Herefordshire and South Gloucestershire. In the north east, Durham County Council is the first Council to declare an ecological emergency, with the declaration being made in March 2022.

41. There are a number of reasons why it would be appropriate for the Council to declare an ecological emergency. These are as follows:
- It would be timely given our leadership role in relation to the North East Rural Growth and Stewardship Board, the North of Tyne LNRS development, and the Borderlands LINC pilot, as set out in the North East Devolution Deal
  - These regional mechanisms together with the initiatives outlined at paragraph 38 will both further strengthen the engagement channels between the relevant local authorities and the farming/landowning community and help inform the decision-making process of farmers and landowners in defining the optimum use of their land in the short, medium, and long term.
  - Acknowledging the nature and extent of a problem is a necessary precursor to taking effective action.
  - Acknowledging the gravity of the issue and its relevance to Council objectives would help to ensure that it is afforded an appropriate priority.
  - It would provide public acknowledgement that the Council recognises the importance of the ecological element in the multiple challenges of climate, biodiversity and food security, and the need to address these and other competing land uses all in a co-ordinated way.
  - It would strengthen and deepen the approach initiated by the declaration of a climate emergency. The links between nature and climate are strong; restoration of peat bogs and expansion of woodland cover in appropriate locations are obvious examples of this synergy and are being pursued through initiatives such as the Great Northumberland Forest and the Northumberland Peatland Partnership, while the huge potential for restoration of marine and coastal habitats to benefit both nature and carbon sequestration is at a much earlier stage of recognition and action.

## **IMPLICATIONS**

<b>Policy</b>	Many aspects of Council policy have implications for the natural environment, but especially planning, regeneration and the management of the Council's own estate. The declaration of an ecological emergency and the use of the Council's new biodiversity planning and reporting obligations to frame a response to this creates the opportunity to systematically review the Council's impact on the natural environment, as it is currently doing for climate.
<b>Finance and value for money</b>	Declaration of an ecological emergency in itself does not involve expenditure. However, new statutory obligations under the Environment Act, 2021 which this paper proposes to be used to frame a response to the ecological emergency, will place additional capacity demands on the Council. The implications of this will be monitored within the context of the establishment of the new North East Mayoral

	Combined Authority and further reports brought to Cabinet as required.
<b>Legal</b>	<p>This report proposes using the Council's legal obligations under paragraphs 98-101 (biodiversity net gain), 102-103 (biodiversity planning and reporting) and paragraphs 104-108 (local nature recovery strategies) of the Environment Act 2021 to help frame a response to any declaration of an ecological emergency.</p> <p>Natural Environment and Rural Communities Act 2006 (as amended) S.40 (Duty to conserve and enhance biodiversity).</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council</p>
<b>Procurement</b>	None
<b>Human Resources</b>	The need for two new Ecologist posts to increase capacity to support work on biodiversity net gain and biodiversity planning and reporting has been identified and recruitment to one of these has been undertaken. However, funding has yet to be identified for the second of these. If developing a response to an ecological emergency involves a need for further posts this will be subject to normal budgetary processes.
<b>Property</b>	Council landholdings such as country parks and local nature reserves already make a significant contribution to nature conservation, but it may be possible to identify further ways in which the Council's land can make a greater contribution, subject to wider policy objectives.
<b>Equalities</b>	<p>(Impact Assessment attached)</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
<b>Risk Assessment</b>	Declaration of an ecological emergency does not require a risk assessment; proposed actions arising from it can be assessed as required should they meet relevant thresholds
<b>Crime &amp; Disorder</b>	None
<b>Customer Consideration</b>	The value that the residents of Northumberland place on the natural environment is shown in many ways such as visitor levels to NCC country parks and nature reserves; membership of organisations such as Northumberland Wildlife Trust; volunteering activities such as with Coast Care and through the many positive comments received about Council ecological initiatives such as Space for Shorebirds.
<b>Carbon reduction</b>	The restoration and creation of many habitats also brings significant benefits in terms of carbon sequestration and so will also support the Council's progress towards net zero.

<b>Health and Wellbeing</b>	There is strong and growing evidence of the benefits of everyday contact with nature for people's mental and physical health
<b>Wards</b>	All

### **Appendices**

Appendix 1: About local nature recovery strategies

Appendix 2: The role of the responsible authority for a LNRS

### **Background papers:**

None

### **Report sign off.**

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

	Full Name of Officer
Director of Law and Governance and Monitoring Officer	Stephen Gerrard
Executive Director of Resources and Transformation (S151 Officer)	Jan Willis
Executive Director of Place and Regeneration	Simon Neilson
Chief Executive	Helen Paterson
Council Leader	Glen Sanderson

### **Author and Contact Details**

David Feige  
 Environment and Design Team Manager & County Ecologist  
 0777 4295253  
[David.feige@northumberland.gov.uk](mailto:David.feige@northumberland.gov.uk)

Janice Rose  
 Director of Economic Development and Growth  
 07500 097568  
[Janice.rose@northumberland.gov.uk](mailto:Janice.rose@northumberland.gov.uk)

## Appendix 1: About local nature recovery strategies

1. Local nature recovery strategies are a system of spatial strategies for nature and environmental improvement required by law under the Act. Each strategy must:
  - agree priorities for nature's recovery
  - map the most valuable existing areas for nature
  - map specific proposals for creating or improving habitat for nature and wider environmental goals
2. The Defra Secretary of State decides the area that each strategy covers and appoints a 'responsible authority' to lead its preparation, publication, review and republication. Defra will publish information on the area covered by each strategy and who the responsible authorities are. Together, the strategies will cover the whole of England with no gaps and no overlaps.
3. The main purpose of the strategies is to identify locations to create or improve habitat most likely to provide the greatest benefit for nature and the wider environment. The strategies do not force the owners and managers of the land identified to make any changes. Instead, the government is encouraging action through, for example, opportunities for funding and investment.
4. Actions which support and draw on nature to provide wider environmental or societal benefits are called 'nature-based solutions'. Having both actions for nature recovery and nature-based solutions will help join up work to improve how land is managed for different environmental reasons and find activities that have multiple benefits.
2. Responsible authorities should involve people and groups from across the public, private and voluntary sectors and help them to work together. The strategy will benefit from their understanding of what environmental issues are most important locally. This will also encourage them to carry out the proposals in the strategy.
3. The Act establishes 2 mechanisms to support the delivery of local nature recovery strategies: mandatory biodiversity net gain and a strengthened biodiversity duty on public authorities
4. The strategies will identify where action to achieve net gain will have the most impact and encourage action in these locations through the way net gain is calculated. All public 5 of 20 authorities will also have to have regard to relevant local nature recovery strategies under the strengthened biodiversity duty.
5. The government intends for local nature recovery strategies to inform the local planning process. Local planning authorities must have regard to them in complying with the strengthened biodiversity duty. The government will provide separate guidance to explain what this means in practice.
6. Further support for strategy delivery may come from funding for specific activities mapped by the strategy.
7. Responsible authorities should contribute to the delivery of their strategy as well as leading its preparation. However, they are not solely responsible for delivering the

strategy. This should be a shared effort with public, private and voluntary sector partners all playing a role.

8. Responsible authorities must review and republish their strategies as part of an ongoing cycle which considers what has been achieved and proposes what further work is needed for nature to recover. The local nature recovery strategy regulations set out when and how often reviews will take place.
9. The stages in this cycle are:
  1. Prepare - agree priorities, identify 'potential measures' (actions for achieving them) and map suitable locations for carrying them out.
  2. Publish - finalise the strategy and make it available.
  3. Take action - local partners work together with landowners and managers to create and enhance habitat for nature and environment, and take other biodiversity-positive actions.
  4. Review - recognise what actions have been delivered, including those not identified in the current strategy.
  5. Update - revisit priorities, potential measures and suitable locations, to reflect progress and changing circumstances to ensure the strategy remains relevant and ambitious.
  6. Republish - finalise the updated strategy and make it available

## Appendix 2: The role of the responsible authority for a LNRS

1. Under the regulations, responsible authorities must work together with partners when preparing their strategy and later when reviewing and preparing it for republication. This aims to:
  - provide a single vision for nature recovery and the use of nature-based solutions that all interested parties have been able to contribute to and work towards
  - build and strengthen local partnerships that will be important for carrying out the strategies as well as preparing them
  - involve the people who own and manage the land, and the people who take regulatory decisions, so they can contribute to what action is being proposed, where and why
2. In working with partners, responsible authorities should apply these principles:
  - transparency – be able to show how partner contributions have been considered, how decisions have been made, and what the basis for them is
  - inclusivity – enable everyone with an interest to be involved where possible
  - clear communication – avoid using technical terms that may not be understood by partners and end users
3. By working with local partners in this way, responsible authorities will be able to produce strategies that are technically sound and evidence based. They will also benefit from local knowledge and have the support from partners to help achieve successful delivery.
4. Responsible authorities should consider and set out how they intend to engage and actively involve local partner organisations and communities early in the process of preparing or reviewing their strategy. This should include engaging with supporting authorities and neighbouring responsible authorities.

This page is intentionally left blank





### CABINET

**DATE: 11<sup>TH</sup> JULY 2023**

---

### **Asset Management Framework**

Report of Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Lead Officer: Simon Neilson, Executive Director of Place and Regeneration

---

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

- 1.1 To provide Cabinet with information relating to the new Asset Management Framework for 2023-2026 that has been developed to guide decision making and clearly outline the strategic plans for the estate to 2026.

#### **2. Recommendations**

- 2.1 That Cabinet note the purpose and content of the Asset Management Framework for 2023-2026.
- 2.2 That Cabinet agree to:
- The new Asset Management Framework; as attached at Appendix 1 - and
  - Receive further updates on the delivery of the Asset Management Framework on a quarterly basis.

#### **3. Link to Corporate Plan**

- 3.1 The Asset Management Framework is aligned to the three priorities set out in the Corporate Plan 2023-2026: Achieving Value for Money, Tackling Inequalities and Driving Economic Growth.

#### **4. Key issues**

- 4.1 The Asset Management Framework aims to clearly set out how the Council will make best use of its land and buildings to achieve an estate that is:
- Well-maintained and safe for our residents, service users and staff;
  - Smaller, more sustainable, effectively managed, efficiently run and used creatively to maximise its impact;
  - Fit for purpose to deliver inclusive quality services, achieve council priorities and improve outcomes for residents
- 4.2 The Asset Management Framework will be overseen by the new Strategic Property Asset Management Group to ensure objectives are achieved, with regular quarterly updates on progress to Cabinet.
- 4.3 The Asset Management Framework includes:

- The Asset Management Policy ('the Policy')– this describes the principles and aims that will guide corporate decision making. This element of the Asset Management Framework is constant.
- The Asset Management Strategy ('the Strategy')– this describes the strategic plans we have for our estate over the next three years. This element of the Asset Management Framework will be reviewed and updated in line with the Corporate Plan.

## **5. Background to developing a new Framework**

- 5.1 In 2022 a review of Property and Estates functions across the Council was completed to identify opportunities to strengthen our property arrangements. The review considered:
- the strategic delivery of estate assets;
  - the operational efficiency and effectiveness of Property Services and related functions; and
  - the enabling conditions for successful delivery of the NCC Estates strategy such as governance, operational prioritisation, structure and ways of working.
- 5.2 As a result of the review a number of improvements were identified including:
- The establishment of a pan-organisation officer group to have oversight of corporate property decision making; and
  - The development of an asset management framework to clearly set out the strategic direction of the Council's use of its property assets.
- 5.3 In November 2022 the new Strategic Property Asset Management Group, chaired by Executive Director for Transformation and Resources, was established with officers from across the organisation. Work also commenced on the Asset Management Framework based on public sector best practice.
- 5.4 A copy of the Asset Management Framework, recommended by the Strategic Property Asset Management Group, is included in Appendix 1, but the key elements of the Asset Management Framework are described in sections 6 to 7 of this report.

## **6. The Policy**

- 6.1 The Policy describes the principles and aims that will guide corporate decision making in relation to its own property estate. It is to be used by members and officers when decisions about how we use or operate our property are to be made to ensure we make the best decisions for our residents and the Council.
- 6.2 The principles within the Policy reflect our corporate priorities, values and service aims and our commitment to making the best use of our assets. Our eight principles are:
- *Best Value* -Manage our property efficiently, effectively and economically ensuring financial sustainability, social value and value for money.
  - *Fit for Purpose* – Property meets current service needs and enables plans for the future

- *Growth* – Use our property to stimulate growth and regeneration to strengthen our communities, increase opportunities for our residents and tackle inequalities
- *A Corporate Resource* – Manage our property in partnership with services as a corporate resource that enable the delivery of the Council’s priorities, services and objectives.
- *Communities First* – Our land and buildings are for our residents and support stronger communities. We will enable local decision making to promote community cohesion and tackle inequalities.
- *Collaboration* – Work collaboratively and in partnership with our communities, across services, and with our statutory and voluntary sector partners to make decisions.
- *Balanced Decisions* – make evidence-based decisions balancing costs, needs and outcomes to achieve the greatest impact
- *Sustainability* – Use our land and buildings sustainably to reduce our impact on the environment and support climate change action.

## **7. The Strategy**

- 7.1 The Strategy describes the actions we will take in line with the principles of the Policy, to make best use of our land and buildings to achieve an estate that is:
- Well-maintained and safe for our residents, service users and staff;
  - Smaller, more sustainable, effectively managed, efficiently run and used creatively to maximise its impact;
  - Fit for purpose to deliver inclusive quality services, achieve council priorities and improve outcomes for residents.
- 7.2 To provide context to our strategic objectives the Strategy provides a summary of the ‘state of our estate’. This includes an overview of our current estate, our financial resources, our property arrangements and processes and current challenges.
- 7.3 Three strategic objectives are described for 2023- 2026. These are aligned to our Corporate Plan, reflect our complex service responsibilities and duties, and seek to address the challenges we face with the estate.
- 7.4 Within each strategic objectives key pieces of work are described that will be completed to achieve the objective. All of the work described both impacts our estate or the running of our estate in some way and enables the delivery of the strategic objective.
- 7.5 Our BEST work guides us in everything we do to provide the BEST services to residents and be the BEST we can be for Northumberland. The Strategy therefore includes a range of work which is being delivered through the BEST Use of Assets Workstream. This ensures there is a clear link between the developing BEST work and the operational estate.
- 7.6 The three strategic objectives are:

### **a) Achieving Value for Money**

- Providing a fit for purpose estate by continuing to maximise the use of our buildings and reducing our office footprint.
- Completing a review of our operational property to optimise our use of the estate whilst continuing to deliver the best service to our residents and customers.
- Strengthening the Corporate Landlord Model to achieve greater efficiencies in how we manage and run our estate.
- Improving our use of data and performance information to improve decision, making.
- Continuing to collaborate with communities and partners
- Enabling sustainability in the way we use our estate.

### **b) Tackling Inequalities**

- Supporting work to
  - Care for our children and young people – building new children’s homes
  - Deliver the Extra Care and Supported Housing Strategy – identifying potential sites for development
  - Deliver the Schools Strategy
  - Deliver the Affordable Housing Strategy
  - Develop Northumberland Communities Together
  - Implement and embed the Family Hubs
  - Continue to deliver sustainable and flexible libraries
  - Encourage fit, active communities through our leisure centres

### **c) Driving Economic Growth**

- Supporting work to:
  - Ensure visitors have the best experience in the county including country park improvements and maintaining good quality accessible facilities
  - Develop and regenerate our towns and centres
  - Improve transport and infrastructure connectivity

## **8 Oversight and Reporting of the Framework**

- 8.1 The Strategic Property Asset Management Group is responsible for the Framework and will have oversight of the delivery of the strategy. Quarterly updates on the delivery of the Strategy will be provided to the Executive Management Team and Cabinet.

## 9 Implications

<b>Policy</b>	The Asset Management Framework sets out the principles that will inform property decisions.
<b>Finance and value for money</b>	There are no direct financial implications associated with this report. However Best Value is a key principle of the Policy, and within the Strategy a range of work is described to enable us to achieve value for money in how our estate is run.
<b>Legal</b>	<p>The Local Government Act 1999 imposes a duty for Local Authorities to make arrangements for the achievement of best value in the performance of their functions. Best value for these purposes is described as securing continuous improvement in the exercise of all functions undertaken by the authority, whether statutory or not, having regard to a combination of economy, efficiency, and effectiveness.</p> <p>No other specific legal implications. Whilst the Asset Management Framework guides decision making all appropriate and necessary legislation and legal procedures will be followed in relation to property transactions.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
<b>Procurement</b>	The Strategy describes work to strengthen our model of Corporate Landlord and procurement decisions. Any procurement processes completed as a result of this Strategy will be completed in accordance with all procurement regulations.
<b>Human Resources</b>	The Strategy describes work to review how we use our buildings. Any changes to how staff use our buildings will be managed in line with corporate values, approaches and principles, and if any HR/OD requirements or constraints are identified, specialist advice will be taken.
<b>Property</b>	The Asset Management Framework provides a clear approach and strategic direction for the use of our property assets. The Strategy describes key work that will be undertaken to review our property needs and maximise opportunities to reduce our property footprint. Any changes to our property will be implemented in line with the appropriate approval processes.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	N/A

<b>Risk Assessment</b>	Without the Asset Management Framework there is a risk of inconsistent decision making around property matters. The Asset Management Framework enables the best decisions to be made to meet corporate priorities and best value for residents.
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	Achieving best value for residents has driven the development of the Framework and is reflected within the principles of the Policy. The strategic property plans outlined in the Strategy are focused on improving outcomes for our residents centred around our three corporate priorities.
<b>Carbon reduction</b>	The Asset Management Framework supports the Council's carbon reduction objectives. Within our Achieving Value for Money objective within the Strategy there is a focus on enabling sustainability and this sets out a number of areas of work that will support the delivery of the Council's climate action plan.
<b>Health and Wellbeing</b>	A key strategic objective of the Strategy is Tackling Inequalities and key areas of work include supporting our communities to become stronger and more cohesive and to be fit and active.
<b>Wards</b>	The Asset Management Framework applies to all decisions made by the Council in relation to its own property. Therefore, all wards will benefit from the new approach.

## **Appendices**

Appendix 1 – Asset Management Framework 2023 - 2026

## **Background papers:**

N/A

## **Report sign off.**

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

	Full Name of Officer
Interim Director of Law and Governance and Monitoring Officer	Stephen Gerrard
Executive Director of Resources and Transformation (S151 Officer)	Jan Willis
Executive Director	Simon Neilson
Portfolio Holder(s)	Cllr Richard Wearmouth

## **Author and Contact Details**

Simon Neilson, Executive Director of Place and Regeneration  
[Simon.neilson@northumberland.gov.uk](mailto:Simon.neilson@northumberland.gov.uk)

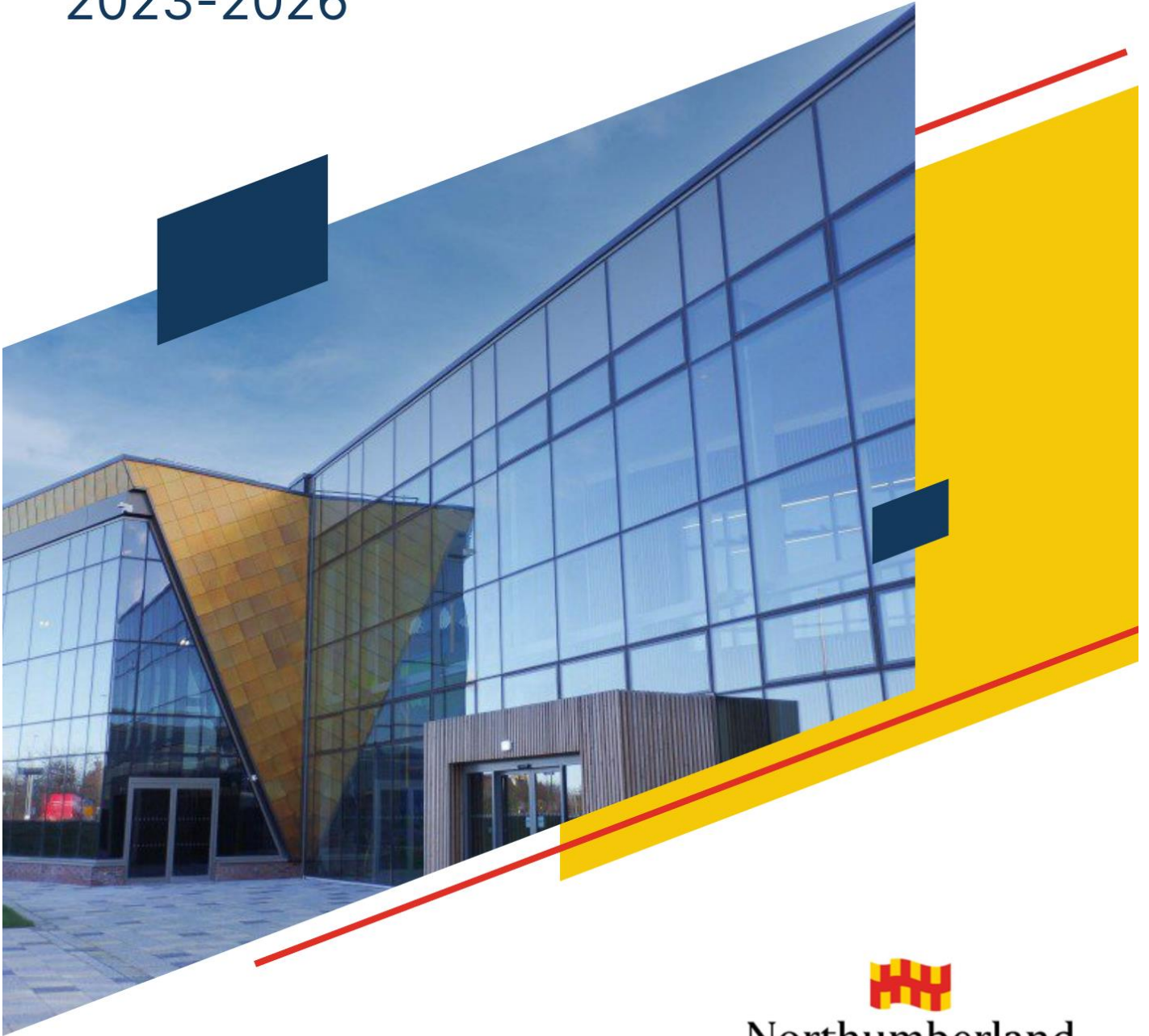
Sophie Stallworthy, Acting Head of Service Improvement and Best Value  
[Sophie.stallworthy@northumberland.gov.uk](mailto:Sophie.stallworthy@northumberland.gov.uk)

This page is intentionally left blank



# Asset Management Framework

2023-2026



  
Northumberland  
County Council

## Contents

Introduction .....	3
Governance .....	6
Executive Summary.....	7
1. Asset Management Policy.....	8
Our Principles .....	8
Our Aims .....	8
2. Asset Management Strategy.....	11
Background and Context .....	11
Our County.....	11
Our Land and Buildings .....	13
Our Financial Resources .....	14
Corporate Property Arrangements.....	15
Challenges with our Estate .....	18
Strategic Objectives for 2023-26 .....	19
Objective One – Achieving Value for Money .....	19
Objective Two – Tackling Inequalities.....	22
Objective Three – Driving Economic Growth .....	24

## Introduction

Northumberland is a proud and diverse county. Spanning over 1,900 square miles it is a mix of vibrant towns and rurality with stunning castles, coastline, and countryside. As the County Council it is our duty to ensure that the county thrives and we are doing all we can to ensure Northumberland becomes a stronger place both economically and socially and continues to be a great place to live, work, and visit.

We also have a duty to ensure we are delivering best value and are achieving value for money in the management and use of our estate. We must ensure that the Council makes the best use of its land and buildings.

Over the last three years the Council, and Northumberland as a whole, have seen significant changes to the way people use public services and how public services operate. As we have emerged from the pandemic we have had to refresh our strategic approach to our land and buildings to reflect those changes and to ensure we are prepared for what the future may bring. These changes also present us with an opportunity to do things differently and explore ways to reduce the cost of our estate.

Our property assets are fundamental to the delivery of our corporate objectives. By making the best use of our land and buildings we are better able to deliver our services and respond to future opportunities and challenges. Working with our communities and partners we want to ensure public services meet the needs of our residents and businesses, are cost-effective and ultimately improve outcomes for everyone.

The way we use our property assets is not just about our own operational use of our estate. Our property assets are also a vital resource that can support community development, stimulate growth and regeneration, tackle inequalities and help to fight climate change.

It is essential that we make best use of our property assets to enable the delivery of our Corporate Plan and improve outcomes for our residents and ultimately have an estate that is:



well maintained and safe for our residents, service users and staff



smaller, more sustainable, effectively managed, efficiently run and used creatively to maximise its impact



fit for purpose to deliver inclusive quality services, achieve council priorities and improve outcomes for residents.

We have developed this **Asset Management Framework** to clearly set out for our residents how we will make best use of our land and buildings to get the estate that we want. It is also intended that the Framework will be used by elected members and officers to support and inform decision making related to our property assets. It should be treated as the key reference point for all future property decisions (alongside relevant policies and strategies).

The Framework has been developed firmly within the context of the Council’s BEST work. BEST guides us in everything we do to provide the BEST services to residents and be the BEST we can be for Northumberland.

The Framework reflects the overall aims of BEST and includes a range of work which is being delivered through the BEST Use of Assets Workstream. This means that the Framework will be central to the work of BEST and the BEST Use of Assets Workstream.

The Framework is in three parts:

	<b>Purpose</b>	<b>Lifespan</b>
<b>1. The Asset Management Policy:</b>	Sets out the principles that will guide our decision making in managing our land and buildings and how we will work managing our resources.	The Policy is a consistent and constant element of the Framework that represents our way of working.
<b>2. The Asset Management Strategy:</b>	Describes our strategic direction with clear objectives for what we are trying to achieve.	The Strategy will be refreshed in line with the Corporate Plan to ensure it fully supports the Council’s objectives.
<b>3. The Asset Management Action Plan</b>	A clear plan for services detailing the tangible actions being completed to achieve strategic objectives.	The Action Plan is updated regularly to reflect progress and to enable a dynamic response to new needs, demands or requirements.  As the Action Plan is a ‘living document’ for services it is separate to this document.

The Framework replaces the Asset Management Plan 2019-24 and should be read in conjunction with our Corporate Plan and other plans and policies highlighted throughout the document.

Some elements of our property estate have very specific statutory responsibilities or arms-length management arrangements. For this reason housing, schools, highways, and Advance’s property portfolio are excluded from this Framework.

## Strategic Asset Management - A Process



## Governance

The Strategic Property Asset Management Group (SPAMG) is responsible for the Asset Management Framework and its effective delivery. SPAMG is a senior officer group that ensures that the Council is making best use of its land and buildings to achieve its corporate priorities and the wider objectives set out in the Corporate Plan.

SPAMG provides a forum for robust oversight of the use of the corporate estate and strategic and operational initiatives that impact it. It is responsible for setting the broad strategic direction for property asset management in line with the Corporate Plan. It also ensures the property portfolio remains aligned to Council priorities and service requirements.

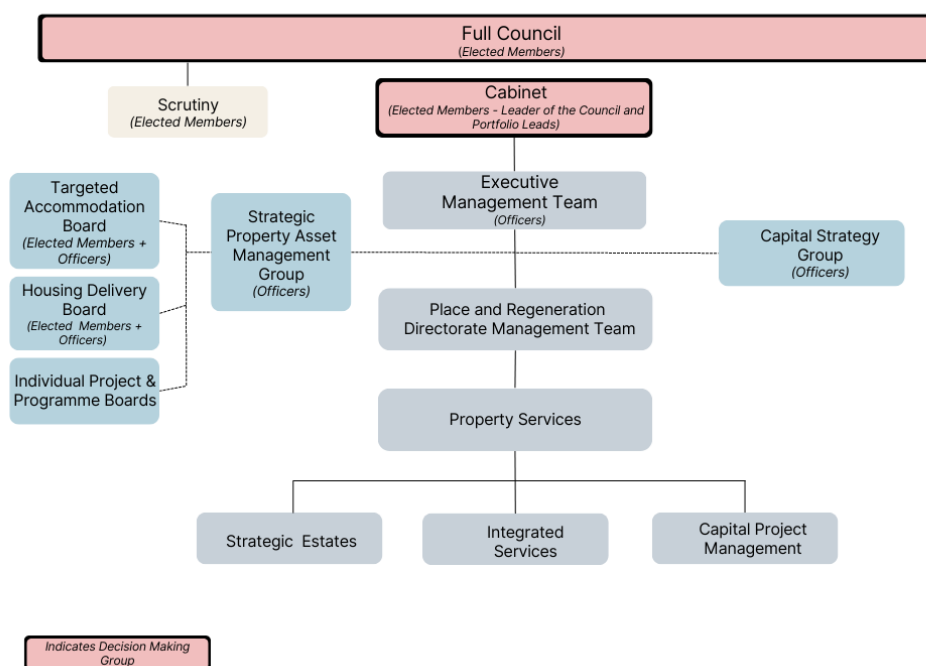
The SPAMG is chaired by the Executive Director of Place and Regeneration and supported by the Strategic Estates Manager who is the nominated Corporate Property Officer.

Member input and engagement is vital and the SPAMG will report quarterly to Cabinet on the Council's property performance and relevant property developments and issues. This allows members to be kept informed of emerging property policy whilst also enabling them to challenge and steer issues.

Decision-making authority on all property matters rests with the Cabinet subject to some decisions delegated to relevant officers as set out in the scheme of delegation.

Member responsibility for property rests with the Portfolio Holder for Corporate Services. There is regular formal reporting and informal briefing on strategic asset management to ensure clear direction and engagement.

## Governance Arrangements






# Executive Summary

## Asset Management Framework



**Our Purpose:** To make the best use of our land and buildings to enable the delivery of our corporate plan and improve outcomes for our residents

### To achieve an estate that is:

 well maintained and safe for our residents, service users and staff

 smaller, more sustainable, effectively managed, efficiently run and used creatively to maximise its impact

 fit for purpose to deliver inclusive quality services, achieve council priorities and improve outcomes for residents.

### What we will do *Our Strategic Objectives*

**1. Achieving Value for Money**  
Ensuring that we achieve value for money in the decisions that we make in how we manage and use our estate.


**2. Tackling Inequalities**  
Using our property assets to support local people, community organisations and the community and voluntary sector to create stronger, healthier, more cohesive communities

**3. Driving Economic Growth**  
Using our estate (both existing and through new acquisitions where required) to promote sustainable and inclusive growth


### Property Principles


*The principles guiding our property decision making*


**BEST VALUE**   
Manage property efficiently, effectively and economically ensuring financial sustainability, social value and value for money.


**FIT FOR PURPOSE**   
Property meets current service needs and enables plans for the future.


**COMMUNITIES FIRST**   
Our land and buildings are for our residents and support stronger communities. We will enable local decision making to promote community cohesion and tackle inequalities.

**SUSTAINABILITY**   
Use our land and buildings sustainably to reduce our impact on the environment and support climate change action.

**A CORPORATE RESOURCE**   
Manage our property in partnership with services as a corporate resource that enable the delivery the Council's priorities, services and objectives.

**GROWTH**   
Use our property to stimulate growth and regeneration to strengthen our communities, increase opportunities for our residents, and tackle inequalities.

**COLLABORATION**   
Work collaboratively and in partnership with our communities, across services, and with our statutory and voluntary sector partners to make decisions.

**BALANCED DECISIONS**   
Make evidence based decisions balancing costs, needs and outcomes to achieve the greatest impact.

### Property Aims

*How we will work*

- ✓ Our property is a corporate resource for the benefit of our residents, businesses and visitors.
- ✓ Our property meets current service needs and plans for the future.
- ✓ Our property enables our communities to thrive.
- ✓ Our property is effectively, efficiently and sustainably managed.
- ✓ Our property stimulates development, regeneration, and growth.
- ✓ Our property is used creatively to provide benefits for service delivery and in securing efficiencies.

# 1. Asset Management Policy

Our Asset Management Policy sets the principles by which we will manage our land and buildings and our aims in managing these significant resources. It informs our strategic decision making and enables us to plan effectively for our estate's future.

## Our Principles

*(What guides our decision making)*

Our principles reflect our corporate priorities, values and service aims and our commitment to making the best use of our assets:

 <p><b>BEST VALUE</b> Manage our property efficiently, effectively and economically ensuring financial sustainability, social value and value for money.</p>	 <p><b>FIT FOR PURPOSE</b> Property meets current service needs and enables plans for the future.</p>
 <p><b>GROWTH</b> Use our property to stimulate growth and regeneration to strengthen our communities, increase opportunities for our residents, and tackle inequalities.</p>	 <p><b>A CORPORATE RESOURCE</b> Manage our property in partnership with services as a corporate resource that enable the delivery of the Council's priorities, services and objectives.</p>
 <p><b>COMMUNITIES FIRST</b> Our land and buildings are for our residents and support stronger communities. We will enable local decision making to promote community cohesion and tackle inequalities</p>	 <p><b>COLLABORATION</b> Work collaboratively and in partnership with our communities, across services, and with our statutory and voluntary sector partners to make decisions.</p>
 <p><b>BALANCED DECISIONS</b> Make evidence based decisions balancing costs, needs, and outcomes to achieve the greatest impact.</p>	 <p><b>SUSTAINABILITY</b> Use our land and buildings sustainably to reduce our impact on the environment and support climate change action.</p>

## Our Aims

*(How we will work)*

Our aims describe our commitment to making best use of our land and buildings and how this will be achieved through the approach we take managing our property portfolio.

- Our property is a corporate resource for the benefit of our residents, businesses and visitors.

This means:

- Clear corporate decision-making and challenge on all property matters.
- Property budgets that are managed corporately prioritising key investment needs.
- An effective balance between corporate and service priorities.
- Property performance is scrutinised through the use of robust data and evidence.



- Our property meets current service needs and plans for the future.

This means:

- Working in partnership with our services to understand their current and future needs.
- Providing property that is suitable and sufficient for services to meet operational needs and demands.
- Properties are safe to use, secure and fully compliant with our statutory requirements.
- Using an asset challenge process so that we invest in our portfolio when it is right to do so, dispose of property when it is surplus to our needs and acquire new property when its supports strategic objectives.

- Our property enables our communities to thrive:

This means:

- Considering all our plans through an inequalities lens and asking what can be done 'by' communities first? what do communities need some help with? and what can't communities do that we or other agencies can?
- Encouraging local decision making and working with our communities to make the best use of our assets - through the way we work and our established Town and Parish forums.
- Promoting and supporting Community Asset Transfers where this is in the best interests of our community.
- Procuring and using assets to deliver social value to the community where appropriate.
- Using our estate to support collaboration with public sector partners and other stakeholders.

- Our property is effectively, efficiently and sustainably managed.

This means:

- Financially sound decision making within budget constraints and making use of funding opportunities.
- Challenging how we use our assets to identify innovative and creative opportunities to work differently to meet priorities and service needs.
- Seeking efficiencies in how we use our buildings, challenging the cost of property activities and focusing on performance improvement.
- Meeting and where possible exceeding minimum energy efficiency standards.
- Using our estate to facilitate wider plans for adapting to climate change - being as sustainable as possible in design, construction, operation and maintenance of our buildings and land.
- Considering opportunities for carbon reduction in all property decision making processes.

- Our property stimulates development, regeneration, and growth.

This means:

- Retaining or acquiring property assets to stimulate and support regeneration and inward investment.
- Retaining or acquiring property assets to generate additional revenue to support economic regeneration.
- Identifying property suitable for affordable housing development, employment needs, and community regeneration.

- Our property is used creatively to provide benefits for service delivery and in securing efficiencies.

This means:

- Optimising space through the continued use of flexible working practices and space standards.
- Promoting co-location and joint service delivery with our partners.
- Supporting One Public Estate across Northumberland.

## 2. Asset Management Strategy

Our Asset Management Strategy describes how we will make best use of our land and buildings to achieve an estate that is:

 <p>well maintained and safe for our residents, service users and staff</p>	 <p>smaller, more sustainable, effectively managed, efficiently run and used creatively to maximise its impact</p>	 <p>fit for purpose to deliver inclusive quality services, achieve council priorities and improve outcomes for residents.</p>
--	---	--

The Strategy begins with a summary of our county and people, our property estate and its condition, and our arrangements for managing our land and buildings.

It sets out a summary of the main challenges we have in the operation and delivery of our estate and property functions. It is important that we recognise and understand the challenging factors that impact how we can use our estate and the options available to us. But more than recognising the impact these challenges have on our plans we must also take action to address them where we can.

The Strategy then looks to the future and how we will respond to our challenges to make best use of our assets and achieve a modern, efficient local authority estate. What we will do is set out across three strategic objectives, which align to our Corporate Plan:

<h3>1. Achieving Value for Money</h3> <p>Ensuring that we achieve value for money in the decisions that we make in how we manage and use our estate.</p>	<h3>2. Tackling Inequalities</h3> <p>Using our property assets to support local people, community organisations and the community and voluntary sector to create stronger, healthier, more cohesive communities</p>	<h3>3. Driving Economic Growth</h3> <p>Using our estate (both existing and through new acquisitions where required) to promote sustainable and inclusive growth</p>
--	---	---

These strategic objectives will be delivered as described in each section and in line with our Asset Management Policy. The Strategy will be reviewed and refreshed within three years.

## Background and Context

### Our County

Our people and our geography impact how we shape the availability and organisation of our services to effectively deliver our services and achieve the best outcomes.

Northumberland is the 6<sup>th</sup> largest county, yet is the 5<sup>th</sup> most sparsely populated with a resident population of only 322,400. Bordering Scotland and spanning over 1,900 square miles, Northumberland's rurality, castles, towns, and coastlines make it a vibrant and an extremely attractive place to work, live and visit.

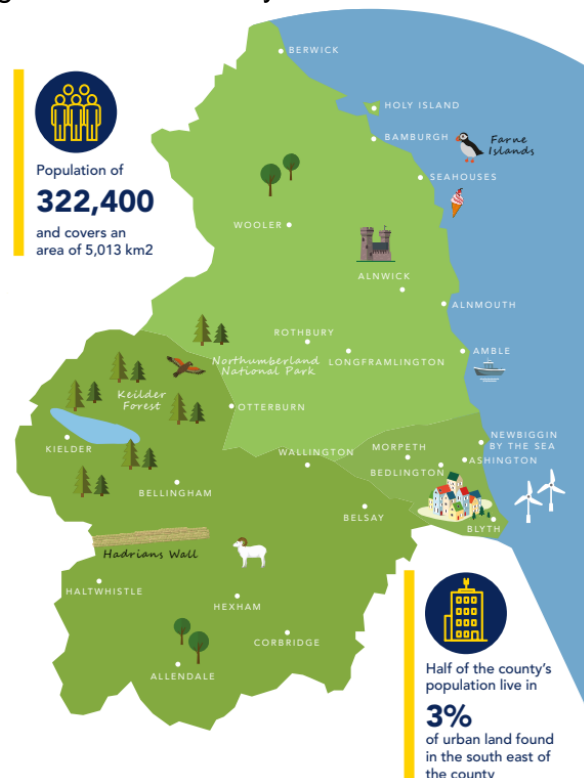
Our people are not evenly spread throughout the county with half of the county living in 3% of urban land in the south-east corner of the county. The other 50% of the population is spread across the remaining 97% of the county. This means we have to ensure our services are in the right places to achieve operational objectives.

There are a number of main towns and secondary service centres spread across the county:

Large Town Centres: Alnwick, Ashington, Berwick-upon-Tweed, Blyth, Crumlington, Morpeth and Hexham

Small Town Centres: Amble, Bedlington, Haltwhistle, Ponteland and Prudhoe

Service Centres: Allendale, Belford, Bellingham, Corbridge, Haydon Bridge, Newbiggin by the Sea, Rothbury, Seahouses, Seaton Delaval and Wooler



## Our Land and Buildings

# The NCC Estate



### 319 Operational sites

Sites with buildings used, operated or overseen by our services. Such as offices, depots, community centres, public toilets, playing fields.



### 125 Carparks

A network of carparks across the county.



### 464 Plots of land

Plots of land across the county including: 14 plots of agricultural land, 5 allotments, 7 country parks, 13 play areas and 425 miscellaneous open space land.



### 27 Leased out sites

Sites which are leased out to a range of organisations including statutory partners, community groups and organisations and businesses.



### 33 Vacant sites

Sites which are no longer in use by NCC. At various stages of planning regarding future use.



### 171 Educational sites

Schools and educational sites such as first and primary schools, middles schools, secondary schools, special schools and adult education sites.



### 546 Highways land

Land used to to provide roads and highways across the council.



### 206 Housing Assets / Estates

Our housing portfolio made up of 8,518 properties.

*Not directly within scope of the Asset Management Strategy*

**1892** separate land and building assets

The Council has a significant property portfolio covering 4,915 hectares and with an estimated asset value for accounting purposes in excess of £500m.

Our assets range from corporate offices and operational sites to community assets including playing fields, car parks and community centres. Since the council was established as a unitary authority in 2009 there have been several programmes to join-up and rationalise our property infrastructure to ensure our property assets reflected our unitary approach. Rationalisation of the estate since 2009 has seen operational assets reduce from 471 assets to 319.

## Operational Assets

**210**

### Community Assets

Land and buildings for (mainly) community use

54 Public Toilets	9 Leisure centres
38 Recreation	20 Community Centres
24 Parks	15 Cemeteries
23 Libraries (sole use)	5 Museums
6 Tourist Information Centres	16 Various community assets

**109**

### Service Assets

Land and buildings for (mainly) service use

21 Offices	15 Adult Services
26 Depots/storage	16 Fire Stations
26 Children's Services	5 Other

**319**

### *Condition and Maintenance*

It is vitally important that our estate is maintained to ensure a safe and appropriate environment to deliver services, support our residents /service users and the workforce. However, some of our buildings are in a poor condition.

Condition surveys are undertaken across the estate on a 5-year cycle. These surveys provide us with a better understanding of items in need of repair (“backlog of maintenance”) and help us to identify where to prioritise our resources.

The current backlog of maintenance is estimated at £13.3m based on the last condition survey completed in 2018 (this excludes schools and leisure centres which have had separate condition surveys). It is expected that this figure has risen since 2018.

We maintain our estate at a level of ‘safe, wind and watertight’ and our backlog of maintenance is prioritised against this using a risk matrix with health and safety items being allocated the highest risk. This means we do not always address fundamental underlying challenges and consequently may result in emergency closures to deal with repairs.

New condition surveys are due to be commissioned in 2024 and will provide a refreshed maintenance backlog figure.

## **Our Financial Resources**

Like many other councils we are facing significant cost pressures as a consequence of the Covid pandemic and recent energy and inflationary increases. During Covid the cost of materials increased significantly and while this has settled slightly costs have not reduced to pre-pandemic levels. This means we must make even more careful decisions about how we use our resources to operate, maintain and develop our estate.

The total cost of running our estate (excluding school running costs) is significant. In 2022/23 the spend against the revenue budget was £34.4m. This includes premises-related expenditure, cleaning, energy costs, rates, insurance, water services, rent and repairs and alterations.

The Corporate Property function is responsible for a budget of £6.5m which includes an annual planned preventative maintenance and statutory testing budget of £1.78m and a reactive maintenance budget of £1.1m to ensure our estate is safe, wind and watertight.

Our annual capital budget for maintenance across the estate is known as the Stewardship Fund and is up to £3m. The Stewardship Fund funds the replacement of major items of plant and equipment, and the external fabric of buildings (e.g., roofs and windows). A separate capital budget in the sum of £1m, the Leisure Remedial Fund, funds the replacement of major items of plant and equipment, and the external fabric of buildings exclusively for leisure facilities.

The Council also generates its own capital resources through the sale of surplus land and buildings. In the period 2019/20 to 2022/23 we generated £12,189,816 in capital receipts from the disposal of surplus property.

One off building acquisitions, new builds or significant refurbishment projects are included separately in the Capital programme which is contained within the 3-year Medium Term Financial Plan approved by Full Council on an annual basis. The value of the Capital Programme for 2023/24 is in excess of £222m.

Read our [2023/24 Capital Strategy](#).

## Corporate Property Arrangements

Our corporate property arrangements describe how we manage our estate, key roles and responsibilities and the policies and structures that support and inform this work.

### *Property Services – Structure*

Our property function sits within the Place and Regeneration Directorate. The service includes:

Strategic Estates – responsible for establishing and defining the Council’s property needs in respect of assets and their management.

Integrated Services – responsible for arranging facilities management, repairs, maintenance and statutory compliance assurance across the council’s estate including school sites.

Capital Project Management Team – provides an in-house design and project management service working with external partners, to ensure the effective delivery of property capital projects

### *Corporate Landlord*

All land and buildings used in the delivery of services are either owned or leased by the Council. Services occupy property only to provide a service on behalf of the Council. This is managed through a corporate landlord model.

As corporate landlord we are responsible for providing property assets that are fit for purpose, safe and enable service delivery. This in turn enables our services to focus on the operational aspects of their service delivery

Treating property as a corporate resource strengthens our strategic control of our property assets. It should provide a consistent corporate and collaborative approach to how we review and change the use of our buildings, integrate and share our premises, provide facilities management and maintenance, and develop and refurbish our property.

Currently we have a mixed management corporate landlord model whereby sites which have a multiple services present are managed on a day-to-day basis corporately by Integrated Services. Sites which have a single service occupying them are managed on a day-to-day basis by the occupying service. All repair and maintenance requests, whether it relates to a single use or multiple use site, are



made to the Repairs service within Integrated Services. Integrated Services manages and funds repairs through the corporate repairs and maintenance budget.

Integrated Services is also responsible for planned maintenance and statutory testing across all sites funded through the corporate maintenance budget.

#### *Asset Challenge – Disposals and Acquisitions*

A vital part of the corporate landlord model is a robust asset challenge process. Asset challenge allows us to review the use of our land and buildings and determine whether it is still needed to meet council objectives.

Where an asset is identified as surplus to our needs through an Asset Challenge process it will be considered in the context of our Disposal Procedure and, if appropriate, included in the Disposal Programme.

A property will only be disposed of where it has been determined that there is no current or future use for the site by a Council service, a community asset transfer would not be appropriate, or there are no development opportunities.

Acquisition of new property is only considered where existing land or buildings will not achieve the required objectives.

All disposals and acquisitions are signed off within our scheme of delegation.

#### *Use of our land and buildings*

Commercial organisations are charged a market rent for the use of Council property. We may at our discretion offer preferential terms, with reduced or minimal rents for community organisations. This is determined on a case-by-case basis.

A Community Asset Transfer is the process for transferring council property to community organisations where there is a need in the locality or where the community organisation is better placed to provide the service. A Community Asset Transfer has the potential to create lasting change in local communities and we are committed to supporting our communities to benefit from the opportunity that a Community Asset Transfer can bring. Our Community Asset Transfer policy will be updated in 2023/24.

#### *Statutory Testing and Compliance*

A significant portion of our existing repairs and maintenance budget is spent on undertaking the tests and inspections legally required to ensure our buildings are safe to use. The tests and inspections cover various categories such as Mechanical, Electrical, Water, Asbestos and other. The range of tests include Fixed electrical testing, Gas Testing, Fire Alarm and Emergency Lighting, Water Hygiene, Lift Servicing, Asbestos Monitoring, and Tree Inspections. There are currently 94 compliance contracts managed by Statutory Maintenance Team.

We have a duty to achieve full compliance with a wide range of health and safety legislation to ensure the safety of our buildings for all building users and stakeholders. This is achieved by commissioning a range of external providers, selected through the relevant procurement process. We manage all statutory maintenance inspection and testing contracts which are subject to close monitoring



of compliance and performance, including regular reporting of key performance indicators.

The statutory testing and compliance programme is significant, and 66,992 tests were completed in 2022/23 (including testing at school sites).

*Maximising return and generating income*

Whilst the Council's commercial investment portfolio is managed by Advance Northumberland, some revenue is also generated through buildings and land managed by Property Services. In 2022/2023 rental income generated circa £550k.

Through a Leasehold Review Project we reviewed all of our leases to look for opportunities to maximise rental income where the Council is landlord or seek to reduce expenditure on leasehold buildings where the Council is the tenant. We are implementing a number of lease renewals and rent reviews as a result of this review. Generally, we are working to withdraw from leases and consolidate into freehold properties wherever possible and appropriate.

A Freehold Review project will be completed to look for opportunities to create further revenue income by leasing out surplus space in Council buildings – where this is appropriate and meets our needs.

## Challenges with our Estate

It is important that we recognise and understand the challenges impacting how we can use our estate as these factors can impact our decision making and the options available to us. But more than recognising the impact these challenges have on our plans we must also take action to address them where we can.

1

### **Condition of our estate**

Many of our buildings are in poor condition. Our maintenance backlog is greater than our maintenance budget, refurbishment / replacement costs can be prohibitive to plans.

2

### **Cost pressures**

Estate running costs are increasing impacted by energy costs and inflation on goods and services.

3

### **Increasing and changing demands**

Increasing needs and demands on our estate, related to both resident needs and increasing statutory requirements, place pressure on our ability to flex the use of our estate to respond effectively and efficiently.

4

### **Opportunities for capital receipts**

The estate has reduced significantly since 2007 with the best sites already developed or sold. Remaining opportunities to achieve significant capital receipts are limited due to the location and condition of our buildings. This impacts the potential funding of property maintenance and development.

5

### **Location of operational buildings**

Our buildings may not be in the right places for changing resident needs or to be able support services to deliver services how they want to.

6

### **Property transaction timescales can be lengthy and complicated**

The time it takes to rationalise or develop the property estate can impact how long it takes to make required changes. Prevalence of restrictive covenants can impact timescales and cost.

7

### **Data doesn't support good and timely decision making**

To enable robust estate management good data is critical. Currently our property data is limited and is kept in a range of systems which can make it difficult to use to inform decision making.

8

### **Northumberland's geography and demographics**

We are a large county with some densely populated areas and large rural areas. This impacts how we organise our estate and deliver our services.

## Strategic Objectives for 2023-26

*How we will use our estate to provide quality services, deliver our Corporate Plan and corporate priorities and improve outcomes for our residents.*

Our Corporate Plan sets out the vision for our county and our organisation. Reflecting the role our estate has in providing quality services and delivering our corporate priorities we have set three strategic objectives for 2023/26:

### 1. Achieving Value for Money

Ensuring that we achieve value for money in the decisions that we make in how we manage and use our estate.

### 2. Tackling Inequalities

Using our property assets to support local people, community organisations and the community and voluntary sector to create stronger, healthier, more cohesive communities

### 3. Driving Economic Growth

Using our estate (both existing and through new acquisitions where required) to promote sustainable and inclusive growth

In the sections below we describe what each of these objectives mean and describe key pieces of work that will be carried out to achieve these objectives. All of the work described within an objective will impact our estate in some way – whether it is changing how buildings are used by a service, or how buildings are managed, or through the disposal or acquisition of buildings and land to support a specific objective.

Our strategic objectives align to our Corporate Plan and reflect our complex service responsibilities and statutory duties. Our BEST work also guides us in everything we do to provide the BEST services to residents and be the BEST we can be for Northumberland. The Strategy includes a range of work which is being delivered through the BEST Use of Assets workstream. This ensures there is a clear link between the developing BEST work and the operational estate.

## Objective One – Achieving Value for Money

*Ensuring that we achieve value for money in the decisions that we make in how we manage and use our estate.*

We are committed to ensuring that we achieve value for money in how we manage and use our estate. This means what we do and how we do it creates value. Value might be a financial value such as a cost saving or efficiency, or it could mean adding value (such as social value or improved outcomes) for the benefit of our residents, businesses or visitors.

A priority for BEST is redesigning the way we deliver our local public services to ensure we are achieving best value and how we use our property is fundamental to this work. As BEST develops the use of our estate will evolve. The full detail of the breadth of the programme will be developed in the first year of this Strategy, but key projects that impact how we achieve best value in our property estate that are overseen by the BEST Use of Assets workstream. Work to achieve value for money includes:

### ***Fit for Purpose***

WorkSmart will continue to be embedded as our key operating model for how our staff deliver their work. Through WorkSmart we will maximise the space in our buildings and reduce our office footprint. A review will be completed on the impact of WorkSmart 'one year on' and to identify opportunities to strengthen this hybrid model of working.

Our estate enables and facilitates the delivery of services across the entire council. By making best of use of our assets, as well as assets across the wider Public Sector, we will support our services to deliver their services and their strategic priorities.

In delivering a good property service we will continue to maintain, repair and enhance our estate to ensure our buildings are safe and we meet the diverse needs of our services. We will also support a range of transformative initiatives to improve operational delivery and outcomes for our residents / service users utilising a range of funding (including capital investment).

### ***Property Review***

We have experienced significant changes to our services and ways of working since the Covid pandemic. With WorkSmart and changes since the pandemic services are not using buildings in the same ways and work is required to understand how to make best use of our estate in a post-covid Northumberland and identify opportunity to reduce our property footprint. A property review will be completed to look at how we can optimise the use of our estate through co-location and other opportunities whilst also continuing to deliver the best service to our residents and stakeholders. This review will include how we maximise use of County Hall and determine the best approach for the vacant 'dog-leg' section of the building. Phase One of this review has already commenced and is focused on our depot and storage sites across the county.

### ***Strengthen the Corporate Landlord Model***

The Corporate Landlord model enables the Council to utilise its assets to deliver better, more efficient services to communities.

We will strengthen our model of Corporate Landlord by further centralising property budgets so that we can achieve greater efficiencies. We will also look to achieve cost savings through better prioritisation of property needs and an improved approach to spending decisions and procurement processes across our estate.

### ***Improving our use of data and performance information***

Good quality data is fundamental to efficient and effective property management.

In 2022 we invested in a new data system, Technology Forge to contain our property asset information in one place and enable us to fully utilise this information to inform decision making. Work is already underway to transfer and update all our existing property data within this new system.

Once the initial data transfer is complete, we will use Technology Forge to make better data-informed decisions about our property. Improved access to property data

will support better performance reporting and monitoring, and improved timescales for property transactions.

### ***Collaboration, Communities and Partners***

We will continue to engage with our communities so their voice is equal to data and to understand what they feel is strong in their communities, what could be improved, what could be done by the community, what do they need some help with and what our role is in shaping their communities. We will do this through our established Town Forums, Town Boards and the Borderlands Place Programme and through targeted engagement.

We will continue to support the One Public Estate approach and strategic partnerships including but not limited to the Borderlands Inclusive Growth Deal, North of Tyne Combined Authority, North East Local Enterprise Partnership, LA7 North East Councils, and the North of England Natural Capital Group.

We will also continue work with the NHS, Police, Ambulance Service, Department of Work and Pensions to continue to explore more joined up delivery of services.

### ***Enabling Sustainability***

The way we use our estate, including new building projects or development initiatives, is key to supporting our carbon neutral target. We will continue to lead the way by reducing the energy consumption of our estate and installing renewable heat and power solutions in our buildings.

Climate change remains a significant long-term challenge for Northumberland and the planet, impacting on all our lives. We are making good progress towards being a carbon neutral Northumberland by 2030, but to achieve our target we must continue to think about our choices and actively work to reduce our emissions.

The way we use our estate, including new building projects or development initiatives, is key to supporting our carbon neutral target. We will continue to lead the way by reducing the energy consumption of our estate and installing renewable heat and power solutions in our buildings. We will also be assessing the carbon impact of all the key policy decisions we make and will be promoting sustainable constructions and clean growth through the progressive promotion of low carbon technologies, walking and cycling, and better countryside management.

Over the next three years we will:

- Work to achieve Minimum Energy Standards across our operational buildings. This will require optimisation of our asset management data, and ensuring all buildings have the relevant EPCs and DEC's where necessary and implementing a programme of works where upgrades to buildings are required to reach B rating.
- Continue to grow our network of electric vehicle charging points. With funding of £222,510 from Office for Zero Emission Vehicles in 2023 we will install 75 new chargers across the County on a range of sites including Council owned sites.

- Continue to explore the potential for our buildings to have renewable energy schemes installed such as solar panels. Where a site is identified to meet the requirements for such schemes we will explore opportunities to fund their installation including business cases for capital investment.
- Continue to reduce our CO2 emissions through sustainable heating options. This includes connecting operational buildings to District Heat Networks utilising low carbon renewable heat sources where available.
- Use our estate to explore opportunities to identify existing woodland sites to be brought into pro-active management that improves carbon sequestration potential and biodiversity of these sites. We will also work with partners to identify new sites for carbon sequestration, including via peat restoration and tree planting.

Find out more on [how we are responding to Climate Change](#) and our current Climate Change Action Plan.

## Objective Two – Tackling Inequalities

*Using our property assets to support local people, community organisations and the community and voluntary sector to create stronger, healthier, more cohesive communities.*

The conditions in which people are born, grow, live, work and age are the most important factors in determining good health. In Northumberland we know that some areas will experience better health than others and the Covid 19 pandemic has served to exacerbate these existing inequalities, hitting the poorest and most disadvantaged communities the hardest.

To tackle inequalities, we will work together with our communities and partners to collectively address some of these issues and provide a fairer future for our residents. We know that communities can do great things and can be best placed to manage community assets and we will use our property assets to support local people, community organisations and the community and voluntary sector to create stronger, more cohesive communities. Read more about how we are tackling inequalities in our **Northumberland Communities Inequalities Plan 2022-23**.

Where possible we will use our property assets to support opportunities to improve the building blocks of a good life to support local people, community organisations and the community and voluntary sector to create stronger, more cohesive communities.

Key work tackling inequalities includes:

### ***Caring for our children and young people***

Where we need to provide a residential placement for a cared for child or young person our aim would be to do so as close to Northumberland as possible so they can remain close to their family, friends, schools and communities. As part of our Placement Sufficiency Plan we are developing two new internally managed and run children's homes that will be able to accommodate up to nine young people. We will



continue to review our needs and will develop further internal children's home provision as required.

### ***Ageing Well***

It is important that across Northumberland there are a range of different housing options to support residents who need extra care and support. Our Extra Care and Supported Housing Strategy sets out how we will use our resources and support a range of delivery methods to develop the sector and grow this provision.

We will continue to deliver our Extra Care and Supported Housing Strategy with particular focus on prioritising the provision of supported accommodation for older adults. Through a programme of planned developments, including on some council owned land, we will continue to grow the provision available to our residents. We will also consider opportunities for further development where further Council owned land becomes available.

### ***Stronger more cohesive communities.***

NCT will continue to support work to create empowered and sustainable communities, using our estate where it is best placed to support initiatives to create community benefit. This model will work alongside the ongoing Inequalities Programme and Thriving Together by bringing partners together and utilising Community Connectors and Link Workers to signpost and provide information, advice and guidance to residents. The model will be implemented through pump priming community projects that deliver against objectives and enable projects to become sustainable.

We will continue to develop and embed our network of Family Hubs. We will look for opportunities to utilise new buildings within communities to deliver services under the Family Hubs umbrella.

### ***Supporting the Schools Strategy***

Access to good schools is essential to support our children and young people to achieve. We will continue to support work undertaken to ensure fit for purpose school organisation in the county led by our School Organisation and Resources colleagues. Over the next 12 months this includes the review of school organisation in Seaton Valley, Amble and Berwick Partnerships.

We will also facilitate the reuse or disposal of surplus school sites. Currently we are reviewing surplus sites at Hexham Middle School, Ponteland High School and Duchess's High School.

### ***Supporting the Affordable Housing Strategy***

Improving access to affordable housing for our residents is important. Working closely with the Housing Service we will continue to support work to identify, use and acquire appropriate sites to enable Affordable Housing objectives across the county. We will continue to review existing land within our portfolio for suitability to deliver affordable housing working in partnership with Advance. Sites currently being reviewed include Moorside School, Newbiggin, Seahouses First School, Lanercost Park, and Cramlington.

### ***Sustainable and Flexible Libraries***

To plan for a sustainable and flexible Library Service we will continue to seek new ways of working, develop new partnerships and increase collaboration with strong central support and coordination. This is an ongoing mission in the spirit of progressive service delivery. We will continue to extend the reach and capacity of the Service through seeking partnership with local communities where appropriate.

### ***Fit, Active Communities***

We want to support our communities to be fit and active with a fit for purpose leisure estate that is accessible and used by residents and visitors.

In 2022 a review of our Leisure Centre provision was completed. The review identified multiple opportunities for improvement including in how we use our leisure facility portfolio. Building on this review we will develop a new service model that will be placed-based where possible and reflective of our communities. We will look for provision to be more tailored to the resident's needs, ensuring accessibility with as much flexibility as possible, so as to increase physical activity and directly impact upon health and wellbeing of our communities. A community-based offer will create strong, resilient and supportive communities with an Asset Based Community Development approach providing sustainable community-driven development. As part of this new model, we will maximise how our leisure centres are used by different services (both Council and external services) and also explore opportunities for growth.

We will also work with community partners to increase the local value of several smaller sport and leisure buildings previously included within the externally managed leisure service. These sites, subject to appropriate robust business and usage plans, will be considered for Community Asset Transfer.

In 2022 we were successful in an expression of interest to the Football Foundation's national PlayZone Programme. PlayZones will provide new or refurbished outdoor mini pitches for football and other sports and activities with the intention of allowing priority groups within communities to be more active. To support the submission of full funding bids we will be engaging with communities across Northumberland about appropriate community-led spaces for PlayZones focusing investment and resources to support groups facing the greatest inequalities (lower socio-economic groups, women and girls, disabled people and people with long term health conditions and ethnically diverse communities). As part of the development of the full funding bids we will explore opportunities to use our existing estate to support this initiative.

## **Objective Three – Driving Economic Growth**

*Using our estate (both existing and through new acquisitions where required) to promote sustainable and inclusive growth).*

We are committed to supporting the economic growth of all residents, communities and businesses in the county. We will continue to use our estate (both existing and through new acquisitions where required) to promote growth through town centre



and culture-led regeneration, strategic site and development and regeneration, rural growth and innovation, and strategic transport connectivity and infrastructure.

We will continue to promote and support opportunities that will enable growth in the county. This includes the opportunities which will develop from the North East Devolution Deal with central government signed by the North East Combined Authority (which includes NCC). The deal is to secure the means by which the North East can build a stronger economy, generate more and better jobs and improve transport links and skills training throughout the region.

Key work to deliver this includes:

### ***Our visitors have the best experience***

We will continue work to improve our parks and Country parks including:

- a new accessible perimeter path around Eastwood Park, Prudhoe
- café improvements and a new bouldering climbing course at Plessey Woods Country Park
- a new play path improvements and landscaping works at Cleasewell Hill Park Choppington
- refurbishment of the terrace garden, formal gardens, aviary, seating area and landscaping works around the entrance to the Turner Garden at Carlisle Park Morpeth.

We will continue to look for opportunities to improve visitor experiences by ensuring good quality accessible facilities are available for residents and visitors. This includes:

- continuing our Public Toilet Refurbishment programme with work in 2023/24 planned in Wooler, Hexham St Mary's, Berwick Castle Gate, and Alnmouth; and
- the permanent pedestrianisation in Narrowgate, Alnwick to enhance the street environment for shoppers and visitors to the town.

### ***Thriving Towns***

We will continue to support the development and regeneration of our towns and centres. Over the next three years this includes:

- Energising Blyth - Support the £70m Energising Blyth regeneration programme which aims to grow, renew and connect the town between 2022-2026.
- Maltings Theatre Refurbishments Berwick - Continue the refurbishment of the Maltings Theatre
- Ashington Investment Plan - Developing the Ashington Investment Plan helping to secure the Ashington High Street Improvement Programme, Hirst Housing renewal Masterplan and pipeline of other projects in the town.
- Hexham High Street Heritage Action Zone- Delivering a significant public realm scheme on Priestpople in 2023-24 as part of the scheme and

restoration of the Shambles in the town centre as a key heritage feature complimenting the Hexham Hight Street Action Zone.

***Supporting Connectivity – Transport and Infrastructure***

For our county to thrive it is essential that that we have the right infrastructure to enable development and growth in our communities and economy.

We will continue to support the Northumberland Line project. As part of this we have worked with North of Tyne to establish a Northumberland Line Economic Corridor and projects are being developed throughout the area to benefit from this new connectivity.

To embrace a progressive, long-term approach to infrastructure and connectivity in the County we will support work to replace the ageing Wide Area Network (WAN) with world-class full-fibre infrastructure which will also provide businesses and communities across the county – including our most rural areas – with access to faster, high-quality, reliable connectivity.



## Northumberland County Council

### CABINET

11 July 2023

### **Financial Performance 2022-23 – Final Outturn (subject to audit)**

Report of Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Executive Director: Jan Willis, Executive Director of Transformation and Resources

---

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

1.1 The purpose of the report is to report the final outturn position (subject to audit) for the Council against the Budget for 2022-23.

#### **2. Recommendations**

2.1 Members are requested to approve:

- the new grants and amendments to existing grants at Appendix A and the required changes to the budgets.
- the net re-profiling to the Capital Programme of £23.940 million from 2022-23 to 2023-24 to reflect expenditure levels in the financial year.

2.2 Members are requested to note:

- A balanced position following a transfer of £5.916 million to the General Fund, after the transfers to Earmarked Reserves agreed as part of the Provisional Outturn report at the Cabinet meeting on 9 May 2023.
- that this final outturn is based on the draft Statement of Accounts and is subject to external audit.
- the delivery of the approved savings at Appendix B.
- the use of the contingency shown at Appendix Q.
- the use of reserves shown at Appendix R.
- the virements requested by services shown at Appendix S.

#### **3. Link to Corporate Plan**

3.1 The Council's budget is aligned to the priorities outlined in the Corporate Plan 2021-24 "A Council that Works for Everyone". The budget includes significant investment in each of the priorities and the overarching themes of "supporting economic recovery and growth" and "tackling inequalities".

- 3.2 Thriving: significant investment to promote economic growth in the county, including supporting local businesses in post Covid-19 recovery, capital investment to reopen the Northumberland Line and the Borderlands programme of investment in rural growth and regeneration.
- 3.3 Living, Learning: the largest proportion of the revenue budget is dedicated to this priority which includes caring for residents, supporting the most vulnerable in society, encouraging active citizens and ensuring the best education standards for children and young people.
- 3.4 Enjoying, Connecting: substantial investment is committed to protect and enhance the environment, while prioritising climate change and delivering high quality services in all communities. This includes improving parks and open spaces and keeping the county's streets and roads clean, tidy and safe.
- 3.5 How: the Council is committed to listen to and communicate with residents, businesses and partners and ensure value for money in its services. Decisions regarding the budget were taken following engagement with residents, partners and Local Area Councils, to ensure delivery on the services, facilities and improvements they value most.

#### **4. Key issues**

##### **4.1 Overall Position**

- 4.1.1 The report provides information and analysis on the Council's financial performance and use of resources in 2022-23. The Council set its budget for 2022-23 on 23 February 2022 and this report focuses on the final outturn (subject to audit) against budget.

##### **4.2 Inflationary Pressures**

- 4.2.1 During the preparation of the 2022-23 budget and the Medium Term Financial Plan (MTFP) a significant sum of money was earmarked to deal with "routine inflation" and what the Council referred to as "hyper-inflation". It was anticipated that the hyper-inflation would continue for two years and money has been set aside in reserves to fund these additional costs.
- 4.2.2 £5.208 million was transferred from the Exceptional Inflation Reserve to offset inflationary pressures in 2022-23. £1.017 million was transferred to this reserve from the forecast underspend as agreed as part of the Provisional Outturn report to Cabinet on 9 May 2023 and will be used to offset inflationary pressures in 2023-24.

## **5. Revenue Outturn 2022-23**

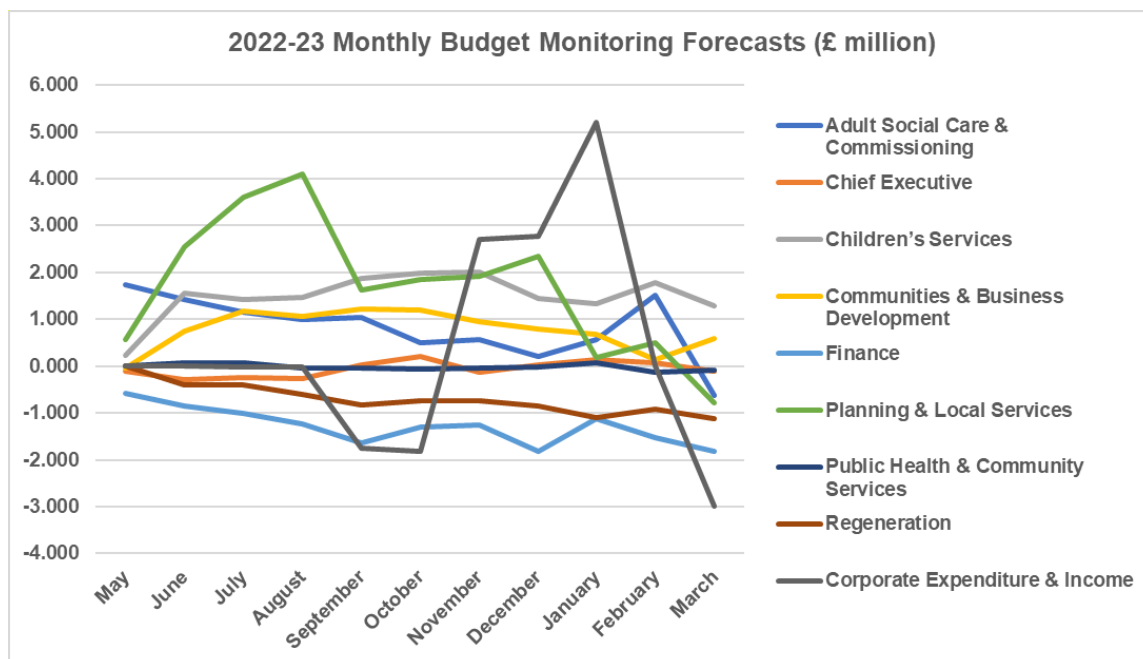
- 5.1 The Council's revenue outturn position, within each service area is shown in summary at Section 6 of the report (figures in brackets denote an underspend); and in detail within Appendices C - O of the report.
- 5.2 The Council's overall annual revenue expenditure is managed across a number of areas:
- a. The General Fund with a final net budget of £465.760 million, providing revenue funding for the majority of the Council's services.
  - b. The Dedicated Schools Grant (DSG) of £150.250 million in 2022-23, which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the Children's Services Directorate.
  - c. Public Health, a ring-fenced grant of £17.366 million in 2022-23, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Public Health and Community Services.
  - d. The Housing Revenue Account (HRA) with anticipated gross expenditure budget of £38.914 million in 2022-23, is ring-fenced, and reported separately from the General Fund, and is managed within the Regeneration, Commercial and Economy Directorate.

## 6. General Fund

6.1 The following table provides a summary of how each Directorate performed against the General Fund revenue budget for the 2022-23 financial year.

Service	Final Budget	Outturn	Variance
	£m	£m	£m
Adult Social Care & Commissioning	117.302	116.678	(0.624)
Chief Executive	30.503	30.400	(0.103)
Children's Services	72.753	74.042	1.289
Communities & Business Development	26.644	26.044	(0.600)
Finance	68.742	66.926	(1.816)
Planning & Local Services	85.724	87.433	1.709
Public Health & Community Services	4.932	4.849	(0.083)
Regeneration	5.136	5.015	(0.121)
<b>Total Services</b>	<b>411.736</b>	<b>411.387</b>	<b>(0.349)</b>
Corporate Expenditure and Income	51.524	48.540	(2.984)
Technical Adjustment – Local Services	2.500	-	(2.500)
<b>Total Net Expenditure</b>	<b>465.760</b>	<b>459.927</b>	<b>(5.833)</b>
<b>Budget funded by:</b>			
Council Tax	(220.154)	(220.154)	-
Retained Business Rates	(74.254)	(78.334)	(4.080)
Revenue Support Grant	(10.837)	(10.837)	-
Other Corporate Grants	(38.459)	(38.519)	(0.060)
Earmarked Reserves	(16.665)	(12.608)	4.057
Amortisation of Government Grants	(80.350)	(80.350)	-
General Reserve	(25.041)	(25.041)	-
<b>Total Funding of Services</b>	<b>(465.760)</b>	<b>(465.843)</b>	<b>(0.083)</b>
<b>Net Total</b>	<b>-</b>	<b>(5.916)</b>	<b>(5.916)</b>

6.2 The following graph provides a trend analysis of the forecast outturn, by directorate over the year:



6.3 The Contain Outbreak Management Fund (COMF) was made available to councils during the Covid-19 pandemic to support activities to mitigate and manage local outbreaks of Covid-19. The Department of Health and Social Care confirmed that the Council's unspent funding of £2.130 million could be carried forward to financial year 2022-23 and, £1.870 million was utilised by services to support the local response to living with Covid-19.

Service	Funding
	£m
Adult Social Care & Commissioning	0.380
Chief Executive	0.057
Children's Services	0.733
Communities & Business Development	0.369
Planning & Local Services	0.165
Public Health & Community Services	0.166
<b>Total COMF Allocated</b>	<b>1.870</b>

The Department of Health and Social Care has confirmed that unspent funds from COMF can be carried forward to financial year 2023-24. The Council will carry forward funds of £0.260 million, which is committed to continuing activities to protect vulnerable residents, harnessing capacity within local sectors, and community-based support for those disproportionately impacted.

**7. Other General Fund Items**

- 7.1 Appendix A is a schedule of all new grants and amendments to existing grants (capital and revenue) which the Council has been awarded during March 2023.
- 7.2 The Council at its meeting in February 2022 agreed to implement a range of savings and efficiencies totalling £9.704 million in 2022-23. A recent review of the delivery of those savings has been conducted and the results are illustrated at Appendix B.
- 7.3 Appendix Q is a schedule of all items which have been released from contingency during March 2023.
- 7.4 Appendix R is a schedule of the movement in the Council's Reserves.
- 7.5 Appendix S is a schedule of virements during March 2023.



## 8. Ring-fenced Accounts - Dedicated Schools' Grant (DSG)

2022-23 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Dedicated Schools' Grant	151.313	(151.313)	-	-	-

8.1 The DSG budget includes a revised grant allocation of £150.250 in 2022-23, plus the use of £1.063 million from the DSG reserve. The remaining balance on the reserve has been authorised by Schools' Forum to be set aside for pressures arising in 2023-24. The DSG underspent by £1.532 million and the details explaining the factors leading to this variance are contained within Appendix G.

## 9. Ring-fenced Accounts - Public Health Grant

2022-23 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Public Health Grant	17.366	(17.366)	-	-	-

9.1 Further details on the Public Health budget are contained within Appendix L.

## 10. Ring-fenced Accounts - Housing Revenue Account (HRA)

2022-23 Budget	Gross Expenditure	Gross Income	Net Revenue Budget	Net Outturn	Variance
	£m	£m	£m	£m	£m
Housing Revenue Account	38.914	(38.928)	(0.014)	0.725	0.739

10.1 The HRA was overspent by £0.739 million and the details explaining the factors leading to this variance are contained within Appendix M.

## **11. CAPITAL PROGRAMME**

- 11.1 The Capital Programme for 2022-23 totalling £307.356 million was agreed by full Council on 23 February 2022.
- 11.2 The Capital Programme has changed during the year as the phasing of schemes was reviewed at the end of the previous financial year with £52.001 million re-profiled from 2021-22 to 2022-23 and a mid-year review resulting in a net in-year reprofiling of £185.951 million from 2022-23 to 2023-24. In addition, further approvals totalling £15.434 million have been agreed by Cabinet for additional schemes.

11.3 The following table sets out the outturn position:

Directorate	Original Budget	Approved Adjustment	Revised Budget	Expenditure	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m
Adult Social Care & Commissioning	8.191	(4.083)	4.108	2.209	(1.899)	(1.814)	(0.085)
Chief Executive	1.999	(0.462)	1.537	1.100	(0.437)	(0.003)	(0.434)
Children's Services	24.540	(3.490)	21.050	15.922	(5.128)	0.094	(5.222)
Communities & Business Development	15.579	(2.870)	12.709	11.871	(0.838)	0.247	(1.085)
Finance	35.453	(16.629)	18.824	11.045	(7.779)	(0.228)	(7.551)
Planning & Local Services	47.955	1.145	49.100	43.827	(5.273)	(1.268)	(4.005)
Public Health & Community Services	28.441	(15.223)	13.218	11.736	(1.482)	(1.160)	(0.322)
Regeneration	145.198	(76.904)	68.294	53.840	(14.454)	(9.218)	(5.236)
<b>Total Programme</b>	<b>307.356</b>	<b>(118.516)</b>	<b>188.840</b>	<b>151.550</b>	<b>(37.290)</b>	<b>(13.350)</b>	<b>(23.940)</b>
<b>Financed by:</b>							
Capital Receipts	4.716	-	4.716	3.138	(1.578)	(1.578)	-
External Grants	150.488	(57.512)	92.976	78.278	(14.698)	(9.801)	(4.897)
GF Borrowing	126.982	(44.933)	82.049	56.996	(25.053)	(5.186)	(19.867)
GF Revenue Contributions (RCCO)	3.437	(1.764)	1.673	2.512	0.839	1.216	(0.377)
HRA Contributions (MRR & RCCO)	21.733	(14.307)	7.426	10.626	3.200	1.999	1.201
<b>Total Financing</b>	<b>307.356</b>	<b>(118.516)</b>	<b>188.840</b>	<b>151.550</b>	<b>(37.290)</b>	<b>(13.350)</b>	<b>(23.940)</b>

11.4 Outturn capital expenditure was £151.550 million. The major areas of capital investment during the year were as follows:

- i. £73.922 million invested in transport schemes including infrastructure, traffic management, integrated transport schemes and the reintroduction of the Northumberland Line.
- ii. £15.922 million invested in school buildings, including the relocation of Atkinson House.

- iii. £3.976 million invested in fleet replacement.
  - iv. £15.089 million invested in leisure facilities including the construction of new leisure centres in Berwick and Morpeth.
  - v. £11.552 million invested in the Council's housing stock.
- 11.5 There was a net change of £37.290 million across the 2022-23 Capital Programme comprising of £23.940 million net reprofiling from 2022-23 to 2023-24 and £13.350 million net underspend. A summary of the significant variances can be found at Appendix P with an explanation of those greater than £0.250 million.
- 11.6 It is recommended that Cabinet approves net reprofiling of £23.940 million from 2022-23 to 2023-24.

## 12. Capital Receipts

- 12.1 The level of Capital Receipts available to support the 2022-23 Capital Programme was estimated to be £4.716 million (£1.870 million General Fund and £2.846 million HRA). General Fund capital receipts completed in the year amounted to £2.480 million and HRA capital receipts amounted to £3.624 million. The overachievement was utilised to support the Capital Programme in 2022-23. The following table demonstrates the year end position regarding asset disposals:

<b>General Fund Asset Disposals</b>	<b>Actual £m</b>
Completed and available for use in year	2.480
On the market	1.058
Terms Agreed	1.991
Contracts exchanged	0.744

- 12.2 The closing balance on the Capital Receipts Reserve at 31 March 2023 was £8.329 million (£8.237 million HRA).

### 13. TREASURY MANAGEMENT

13.1 The Treasury Management Strategy Statement for 2022-23 was agreed by full Council on 23 February 2022.

13.2 The following table summarises the Council's in-month borrowing activity for March 2023:

	BFwd Feb 2023	Movement- March 2023	Current
Outstanding principal - at quarter end (£m)	740.382	4.996	745.378
Weighted average interest rate - year to date (%)	3.138	0.009	3.147
Quarter end external borrowing as % of Operational Boundary (Borrowing)	70.917	0.479	71.396

13.3 Whilst the Council has an overall cap on borrowing through an Authorised Limit, the Operational Boundary is where the Council would expect its borrowing to be. At the end of March 2023, the Council's external borrowing represented 71.40% of its Operational Boundary, which was approved as part of the Treasury Management Strategy for 2022-23. The Operational Boundary is only a guide and may be breached or undershot without significant concern, with borrowing driven by economic and market considerations as well as interest rates.

13.4 The following table provides an analysis by type of the borrowing activity for March 2023:

Lender Category	Repayment Type	Opening Balance	Repaid – March 2023	New Borrowing March 2023	Closing Balance
		£m	£m	£m	£m
PWLB	EIP	3.502	-	-	3.502
PWLB	Annuity	0.540	-	-	0.540
Salix	EIP	0.037	(0.004)	-	0.033
PWLB	Maturity	445.704	-	-	445.704
Other Local Authorities	Maturity	45.000	-	5.000	50.000
Other/Market	Maturity	245.600	-	-	245.600
<b>Total</b>		<b>740.383</b>	<b>(0.004)</b>	<b>5.000</b>	<b>745.379</b>

13.5 The following table summarises the Council's investment activity in March 2023:

	<b>Bfwd Feb 2023</b>	<b>Movement - March 2023</b>	<b>Current</b>
Outstanding principal - at month end (£m)	136.000	(21.550)	114.450
Weighted average interest rate - year to date (%)	3.841	0.319	4.160

13.6 The following table provides an analysis by type of the investment activity in March 2023:

<b>Category</b>	<b>Opening Balance</b>	<b>Repaid – March 2023</b>	<b>New Investment March 2023</b>	<b>Closing Balance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Term Deposit Banks	-	-	-	-
Term Deposit Building Societies	-	-	-	-
Term Deposit Other Local Authorities	10.000	(10.000)	25.000	25.000
Money Market Funds	111.000	(59.900)	28.350	79.450
Debt Management Office (DMO)	5.000	(5.000)	-	-
Notice Accounts	10.000	-	-	10.000
<b>Total</b>	<b>136.000</b>	<b>(74.900)</b>	<b>53.350</b>	<b>114.450</b>

13.7 The new investments made during March 2023 consisted of: a £10.000 million fixed term deposit, over one and a half months, with a Local Authority at 4.50%; a further £10.000 million fixed term deposit, over one month, with a Local Authority at 4.50%; and a £5.000 million fixed term deposit, over one month, with a Local Authority at 4.35%.

There was a net repayment of Money Market Funds of £31.550 million. The movement in the Money Market Funds represents daily deposits and withdrawals to manage cashflow.

#### 14. Transformation Fund Reserve

14.1 The Council at its budget meeting on 23 February 2022 agreed to invest £3.000 million per annum for three years in a strategic change programme, now known as BEST.

14.2 To date a number of commitments have already been made against that fund as follows:

	2022-23	2023-24	2024-25	2025-26	Total
	£m	£m	£m	£m	£m
Council Investment	3.000	3.000	3.000	-	9.000
Commitments to 31 March 2023	0.738	2.037	2.088	1.117	5.980
<b>Balance Available</b>	<b>2.262</b>	<b>0.963</b>	<b>0.912</b>	<b>(1.117)</b>	<b>3.020</b>

14.3 A number of projects have already been approved by the Transformation Board, including for example, Fix My Street, Living Leader and the Labman management system. In addition to this, it will be necessary to recruit to a number of fixed term roles in order that the project can progress, and the service improvements can be delivered quickly. The roles will be required for a maximum of three years and approval has been given for the estimated cost of £2.567 million.

14.4 It will also be necessary to involve a number of staff across the Council in the BEST work. However, their roles within the workstreams will require a full-time commitment so it is recommended that the Transformation Fund is also used to fund the temporary backfill for those staff involved in the work. Approval has been given for the estimated cost of this, which is £0.661 million over the next three years.

14.4 It is likely that the profiling of the commitments will extend into 2025-26. Members will receive a quarterly update on the Transformation Fund balance, actual expenditure and commitments as part of the Financial Performance report.



## Implications

<b>Policy</b>	The report provides information and analysis on the Council's financial performance against budget as set in the Medium-Term Financial Plan 2022-26 which fully supports the priorities outlined in the Corporate Plan 2021-24 - A Council that Works for Everyone.
<b>Finance and value for money</b>	The report is of a financial nature and the detail is contained within the body of the report.
<b>Legal</b>	There are no immediate legal implications arising from the recommendations within this report.
<b>Procurement</b>	There are no specific procurement implications within this report.
<b>Human Resources</b>	There are no specific human resources implications within this report.
<b>Property</b>	There are no specific property implications within this report.
<b>Equalities</b>	There are no specific equalities implications within this report.
<b>Risk Assessment</b>	The risks associated with the budget were considered in February 2022 and were considered to be acceptable.
<b>Crime &amp; Disorder</b>	There are no specific crime and disorder implications within this report.
<b>Customer Consideration</b>	There are no specific customer consideration implications within this report.
<b>Carbon reduction</b>	There are no specific carbon reduction implications within this report.
<b>Health &amp; Wellbeing</b>	The Council's budget is founded on the principle of promoting inclusivity.
<b>Wards</b>	All wards.

## Background papers

[Cabinet - 8 February 2022 - Budget 2022-23 and MTFP 2022-26](#)

[County Council - 23 February 2022 - Budget 2022-23 and MTFP 2022-26](#)

[Cabinet - 9 May 2023 - Provisional Outturn Report](#)

## Report sign off

	<b>Name</b>
Monitoring Officer/Legal	Stephen Gerrard
Section 151 Officer	Jan Willis
Chief Executive	Helen Paterson
Portfolio Holder(s)	Councillor Richard Wearmouth

## Author and Contact Details

Kris Harvey

Telephone: 01670 624783

Finance Manager

Email: [Kris.Harvey@northumberland.gov.uk](mailto:Kris.Harvey@northumberland.gov.uk)

<b>Directorate:</b>	Public Health and Community Services
<b>Grant Awarding Body:</b>	North East and North Cumbria Integrated Care Board
<b>Name of Grant:</b>	Health and Vaccine Inequalities
<b>Purpose:</b>	Supporting a holistic approach to addressing health and vaccine inequalities in the community
<b>Value:</b>	£150,766
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	March 2023

<b>Directorate:</b>	Public Health and Community Services
<b>Grant Awarding Body:</b>	North East and North Cumbria Integrated Care Board
<b>Name of Grant:</b>	Severe Mental Illness (SMI) Smoking Cessation Pilot
<b>Purpose:</b>	To fund the delivery of an SMI Smoking Cessation pilot to offer people on SMI registers referral to a specialist SMI Smoking Cessation worker as part of their annual physical health check.
<b>Value:</b>	£66,509
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent
<b>Profiling:</b>	March 2023

Performance against the 2022-23 savings targets is shown in the table below.

Directorate	Red	Green	Total
	£m	£m	£m
Adult Social Care & Commissioning	2.570	0.691	3.261
Chief Executive	-	0.183	0.183
Children's Services	0.604	0.878	1.482
Communities & Business Development	0.115	0.196	0.311
Finance	0.060	1.082	1.142
Planning & Local Services	0.285	2.032	2.317
Public Health & Community Services	-	0.004	0.004
Regeneration	-	0.004	0.004
Corporate	0.494	0.506	1.000
<b>Total</b>	<b>4.128</b>	<b>5.576</b>	<b>9.704</b>

#### Key

Red – saving not delivered in year

Green – saving delivered in year

### Adult Social Care & Commissioning

The shortfall in savings relates to the review of individual care packages. The Risk and Independence (R & I) Team, who were responsible for delivering the bulk of this saving, were utilised to cover critical staffing shortages in care teams to deliver statutory assessments and services. The shortfall was offset by underspends across other areas of Adult Services in particular within employee costs as a result of the high level of vacant posts. The team has now returned to their usual work and identified some significant savings which will be recognised recurrently against this target in 2023-24. A further £3.000 million was allocated to this savings target in 2023-24 and progress against this target will be monitored throughout the year.

### Children's Services

£0.245 million unachieved saving relates to a proposal to reduce the level of out of county placements by £0.245 million as up to six new beds in NCC residential homes were due for completion by the end of 2022-23. There was a delay in the development of the homes which means they will not be ready until 2023-24. Revenue funding for the staffing and running costs of the new beds of £0.222 million was built into the residential homes budget and will not be required during 2022-23 so will largely offset this saving.

There is a £0.350 million saving proposal in relation to additional income at Kylloe House that was not delivered as originally intended within the year. The saving was based upon a significant increase to the bed price to bring it in line with other providers. The service has experienced issues around retaining and recruiting staff which resulted in reduced bed occupancy earlier in the first half of the year. Alternative savings are being sought recurrently and the level of shortfall is £0.258 million. This was offset in year by additional income from other local authorities.

£0.100 million unachieved saving related to staff travel which has increased by £0.111 million compared to 2021-22. Alternative savings will be sought in 2023-24 to meet this pressure.

### **Communities & Business Development**

£0.045 million unachieved saving is based on Placecube creating a 10% channel shift including successful project team implementation and changing customer habits. Placecube will be implemented early 2023-24 and the saving will be delivered once the system is embedded and customer channel shift is evidenced.

£0.070 million unachieved saving is due to the delivery of the new vehicles for the Library Service being delayed. It is expected this saving will be delivered within 2023-24.

### **Finance**

£0.020 million Oracle database licence reduction saving was not achieved in 2022-23 but will now be achieved in 2023-24.

£0.024 million of recurrent savings relating to Enhanced Pension costs were achieved in 2022-23 due to some individuals dropping out of the scheme in year. The remaining £0.040 million was not achieved recurrently but was offset by other savings within Corporate Finance. The remaining £0.040 million saving will be monitored within 2023-24.

### **Planning & Local Services**

£0.110 million under achievement of Planning Performance Agreements. This service was introduced in 2021-22 and is very much in its infancy. Uptake of the scheme has been slower than anticipated during this market penetration phase.

£0.175 million under recovery of Pre-Application Fees. The appetite for this service has been diminishing so the service is in the process of being refreshed and relaunched. The timescale meant that this savings target has not been achieved in this financial year.

### **Corporate**

£0.494 million of the £1.000 million target saving attributable to the review of the executive and senior management structure was not achieved in 2022-23. The full £1.000 million target will be met once the new management structure is fully implemented.

## Revenue Outturn - Detailed budget summary by Service

## Service: Adult Social Care &amp; Commissioning

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Commissioned Services	71.263	79.359	82.451	3.092
In-house Services	9.905	13.136	11.312	(1.824)
Care Management	14.304	16.503	15.341	(1.162)
Support & Other Services	7.138	8.304	7.574	(0.730)
<b>Total Adult Social Care &amp; Commissioning</b>	<b>102.610</b>	<b>117.302</b>	<b>116.678</b>	<b>(0.624)</b>

## NOTES - Predicted Year End Variances of £0.250 million or more

The main reasons for the outturn position for Adult Social Care and Commissioning are outlined below:

- a. Commissioned Services overspent by £3.092 million. This is predominantly due to the high level of savings target allocated to this area. Due to ongoing recruitment difficulties, the Risk and Independence (R & I) Team who are responsible for delivering the bulk of this saving were utilised in year to cover critical staffing shortages in care teams to deliver statutory assessments and services.

A review of historic adult social care debt resulted in an increase in the doubtful debt provision of £1.470 million.

- b. In-House Services underspent by £1.824 million due to:
- i. Staffing-related budgets underspent by £1.029 million. The impact of the national workforce shortage, in particular within the health and social care sector, resulted in an increased level of vacancies across Adult Social Care;
  - ii. To ensure continuity of care within Commissioned Services, the Short Term Support Service (STSS) provided care and support to clients where external providers did not have the resources to meet the level of care required. This level of service was met from income to the STSS from the Commissioned Care budget; which in turn is included in the pressure reported in Commissioned Care. The additional income was £0.551 million more than budget;
  - iii. A delay in the redesign of the telecare service resulted in £0.466 million of the 2021-22 approved saving not being achieved again this financial year. The redesign is currently being considered and some soft market testing is being carried out. It is anticipated that a proportion of the saving could be recognised in 2023-24, but the majority will be met recurrently from 2024-25 ;

- iv. The Department of Health and Social Care (DHSC) made funding available to providers of Adult Social Care in 2021-22 to help with the costs of infection control and workforce retention within care settings during the Covid-19 pandemic. The Council prioritised the funding in the first instance to external providers to reclaim the additional costs incurred. The level of external claims was lower than the DHSC funding and £0.245 million was redistributed to the Council In-House services to partly offset the cost of Covid-19 within their services; and,
- v. There were a number of minor variations across a variety of non-staffing and income related budgets which resulted in an underspend of £0.465 million.
- c. Care Management underspent by £1.162 million due to:
  - i. Staffing-related budgets underspent by £0.891 million because of vacant posts; and,
  - ii. There were a number of minor variations across a variety of non-staffing and income related budgets which result in an underspend of £0.271 million.
- d. Support & Other Services underspent by £0.730 million due to:
  - i. Staffing-related budgets underspent by £0.367 million because of vacant posts; and,
  - ii. There were a number of minor variations across a variety of non-staffing and income related budgets which result in an underspend of £0.363 million.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

Service: Chief Executive

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Chief Executive	0.460	0.477	0.344	(0.133)
Fire & Rescue	14.840	17.329	18.280	0.951
Human Resources	3.520	4.784	4.172	(0.612)
Legal	3.236	3.051	2.944	(0.107)
Transformation	0.387	0.122	0.242	0.120
Policy	0.448	0.527	0.526	(0.001)
Democratic Services	2.919	2.741	2.571	(0.170)
Elections	0.889	0.546	0.498	(0.048)
Public Relations	0.855	0.926	0.823	(0.103)
<b>Total Chief Executive</b>	<b>27.554</b>	<b>30.503</b>	<b>30.400</b>	<b>(0.103)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Chief Executive are outlined below:

- a. Chief Executive underspent by £0.133 million mainly due to the impact of vacancies. In addition, expenditure of £0.259 million in relation to redundancy payments has been incurred; £0.040 million of this is being funded from the service's revenue budget, with the remaining £0.219 million funded from reserves. Income of £0.179 million for the recovery of salary costs is also due. These are partly offset by costs of £0.040 million for Professional Services in relation to the Council's restructure, and £0.095 million for specialist HR support.
- b. Fire and Rescue overspent by £0.951 million due to:
  - i. An overspend against overtime of £0.307 million which is as a result of a significant increase in operational incidents over spring/summer 2022 compounded by staffing shortages caused by sickness (both long and short term), a shortage of skills (including Drivers and Incident Commanders) and to accommodate staff attendance at risk critical training course. In addition, the impact of providing cover for these absences has led to an overspend on pay and oncosts of £0.170 million;
  - ii. Within Fire Support Services, Data Lines and Communications overspent by £0.245 million due to contractual increases. This increase has been included within the 2023-24 base

- budget. In addition, there were a number of non-staffing related overspends of £0.147 million, plus a shortfall of catering income of £0.035 million,
- iii. Part year vacant posts and training income amounting to a £0.231 million underspend within the Community Safety Department, and
  - iv. Training and Assurance is overspent by £0.092 million, mainly as a result of underachieved training income, additional staffing costs to cover sickness and other non-pay cost overspends.
- c. Human Resources, Learning & Organisational Development and Corporate Union underspent by £0.612 million due to:
- i. £0.319 million as a result of vacant posts; and,
  - ii. An underspend on the apprenticeships budget of £0.273 million due to learners' allowances which supports the costs of apprentices. A programme has been developed for 2023-24 to fully utilise the budget.
- d. Transformation overspent by £0.120 million. There is an underspend on salaries and non pay expenditure of £0.129 million. This is offset by an underachievement of Service Level Agreement income of £0.260 million which is due to the cessation of the activity of the service.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.



## Revenue Outturn - Detailed budget summary by Service

Service: Children's Services: Children's Social Care

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Adolescent Services	2.900	3.490	2.108	(1.382)
Family Placement	12.531	12.474	13.306	0.832
Purchase Budgets	8.331	8.341	9.964	1.623
Early Intervention and Prevention	4.981	6.145	5.639	(0.506)
Local Children's Safeguarding Board	0.025	0.099	(0.006)	(0.105)
Looked after Children	2.763	2.211	1.689	(0.522)
Social Work Teams	19.233	11.564	11.372	(0.192)
District Admin Offices	0.826	0.560	0.434	(0.126)
Family and Disability Services	2.638	3.115	3.342	0.227
Safeguarding Standards	1.098	1.094	0.975	(0.119)
Other Children's Services	1.828	1.738	1.599	(0.139)
<b>Total Children's Social Care</b>	<b>57.154</b>	<b>50.831</b>	<b>50.422</b>	<b>(0.409)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Children's Social Care are outlined below:

- a. The Adolescent Services budget underspent by £1.382 million due to:
  - i. The supported accommodation budget underspent by £0.314 million due to a reduction in demand;
  - ii. An underspend on staffing of £0.627 million which reflects national and regional challenges in the recruitment and retention of social care staff. Reports on work undertaken to address these challenges and to mitigate the risks have been presented to the appropriate scrutiny committee; and,
  - iii. There is an overachievement of income of £0.411 million in relation to Unaccompanied Asylum-Seeking Children.
- b. The Family Placement budget overspent by £0.832 million due to:
  - i. An overspend of £0.568 million on foster care allowances (both in-house and independent agencies) adoption allowances and special guardianship allowances; and,
  - ii. An overspend of £0.190 million on other placement costs which is used to meet ad-hoc costs support costs associated with looked after children.

- c. The Purchase budget overspent by £1.623 million due to:
  - i. An overspend of £0.147 million on professional services associated with on-going court proceedings;
  - ii. A £1.032 million overspend on external residential care placements. This includes contract inflation and a slight increase in numbers which have gone from 45 at the beginning of the year to 50 at the year end. There have been several short-term placements since the beginning of the year. In addition, a saving of £0.245 million was proposed for 2022-23 which was not achieved. This was linked to the opening of new beds within residential Children's homes, however delays in the capital programme suggest it may be the end of Summer 2023 before the new home is ready; and,
  - iii. There have been two young people in secure placements at Kyloe House Secure unit for much of the year at an additional cost of £0.555 million.
- d. The Early Intervention and Prevention budget underspent by £0.506 million, this is due to the following:
  - i. Whilst there have been several vacancies contributing to this position, much of the underspend can be attributed to expenditure that was met by both the Family Hub grant and Supporting Families grant for those staff and resources involved with the delivery of the new service model.
- e. An underspend of £0.522 million within Looked after Children due to:
  - i. Growth was built into the budget of £0.222 million for the running costs of the new residential beds. Due to the delays in the capital programme the beds will not be available until 2023-24 and therefore the budget was not required this year; and,
  - ii. Kyloe House secure unit underspent by £0.368 million. The bed price for the unit was increased for 2022-23 which resulted in an overachievement of income from other Local Authorities of £0.671 million. This is offset by a shortfall of £0.258 million on the savings target of £0.258 million and an overspend on utilities of £0.169 million.

Note - The difference between the figures shown in the table and the explanations above consist of several minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

## Service: Children's Services: Education &amp; Skills

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Director of Education & Skills	1.010	1.101	1.026	(0.075)
Curriculum & Learning	0.253	0.091	0.104	0.013
Alternative Education (Virtual Headteacher)	0.413	0.472	0.410	(0.062)
Special Educational Needs & Disability	7.172	7.829	9.772	1.943
School Organisation	39.928	12.429	12.243	(0.186)
School Improvement	0.001	0.000	0.065	0.065
<b>Total Education &amp; Skills</b>	<b>48.777</b>	<b>21.922</b>	<b>23.620</b>	<b>1.698</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Education and Skills are outlined below:

- a. The Special Educational Needs & Disability (SEND) budget overspent by £1.943 million due to:
  - i. SEND Home to School Transport overspent by £2.105 million for the 407 routes transporting 1,033 pupils and 550 escorts. Severe budgetary pressures emerged earlier in the financial year as a result of fuel price increases and driver availability, which led to a need to re-tender resulting in increased costs or additional monthly payments to assist operators. Further pressures have also arisen due to growth in the number of routes and the relocation of the Emily Wilding Davison Special School. As part of the Medium Term Financial Plan agreed in February 2023, additional funding of £2.799 million was added to this budget for 2023-24 to cover the current cost pressures and predicted growth in pupil numbers.
  - ii. Staffing and travel underspends of £0.149 million across council funded SEND services due to several vacant posts.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

## Service: Children's Services: Dedicated Schools' Grant

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Central Schools Block	2.833	2.477	2.296	(0.181)
Early Years Block	17.118	18.407	17.986	(0.421)
High Needs Block	37.252	44.316	44.111	(0.205)
Schools Block	86.493	86.113	85.388	(0.725)
<b>Total Dedicated Schools' Grant</b>	<b>143.696</b>	<b>151.313</b>	<b>149.781</b>	<b>(1.532)</b>

## NOTES - Year End Variances of £0.250 million or more

- a. In 2022-23 the Council received Dedicated Schools' Grant totalling £151.313 million, which is ring-fenced and was passported through to fund schools; with an element retained centrally by the Council to provide a range of support to schools. Schools that transferred to academy status received their funding directly from the Department for Education – this amounted to a further £124.792 million for 2022-23.
- b. The 2022-23 budget included £1.063 million of the overall grant surplus from the previous year of £4.032 million.
- c. The overall position is a surplus of £1.532 million and this has been carried forward in the DSG reserve to support the school budget in future years.
- d. The Early Years Block underspent by £0.421 million which is due to:
  - i. This element of the grant is funded based upon the January 2022 and 2023 census data and over 95.0% of this funding is passed onto private nurseries, school nurseries or childminders. Much of the underspend is across 3/4-year-old provision and Disabled Access Funding and this includes £0.378 million which was transferred in from the DSG reserve as a contingency but has not been required in year.
- e. The Schools Block underspent by £0.725 million due to:
  - i. An underspend of £0.534 million across the school contingency fund, Trade Union Facility time budget and the English as an Additional Language budget. These services are de-delegated from maintained school budgets and the surplus balance is ring-fenced to support the services and future school re-organisations in future years.
  - ii. Due to increasing interest rates, the interest earned on the school balances reserve generated income of £0.179 million.
- f. The final position for 2022-23 shows that although many schools were expecting a significant reduction in their balances due to inflationary pressures, the Primary and First Schools are the only phase to have experienced a reduction in their reserves of £0.885 million. This excludes

Trust Schools as their school balances are held separately from the main school reserve.

	Closing School Reserve	Closing School Reserve	Closing School Reserve
	2020-21	2021-22	2022-23
	£m	£m	£m
<b>Primary/First</b>	3.641	4.092	3.207
<b>Middle</b>	0.862	1.023	1.283
<b>Secondary/High</b>	(0.383)	0.623	0.950
<b>Special/PRU</b>	1.330	2.439	2.576
<b>Overall</b>	<b>5.450</b>	<b>8.177</b>	<b>8.016</b>

Overall, there were 23 schools in a deficit position compared to 19 schools in 2021-22.

## Revenue Outturn - Detailed budget summary by Service

## Service: Communities &amp; Business Development

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Customer Services	1.647	2.227	2.032	(0.195)
Registrars & Coroners	1.450	1.442	1.739	0.297
Tourism, Culture, Leisure & Heritage	12.258	19.142	19.086	(0.056)
Improvement & Innovation	1.391	2.276	2.255	(0.021)
Northumberland Communities Together	-	0.758	0.192	(0.566)
Information Governance	0.064	0.302	0.286	(0.016)
County Hall Restaurant	0.310	0.031	0.050	0.019
Complaints	0.064	0.466	0.404	(0.062)
<b>Total Communities &amp; Business Development</b>	<b>17.184</b>	<b>26.644</b>	<b>26.044</b>	<b>(0.600)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reason for the outturn position for Communities & Business Development are outlined below:

- a. Customer Services underspent by £0.195 million mainly due to a £0.263 million underspend on staffing vacancies within the Contact Centre and Service Centres.
- b. Registrars & Coroners overspent by £0.297 million due to:
  - i. A £0.450 million overspend within Coroners in relation to post mortems, body storage and medical fees; the 2023-24 budget has been increased to accommodate this pressure, and,
  - ii. A £0.293 million underspend within Registrars due to an over recovery of income from weddings. This underspend is recurrent and the increase in income has been included within the 2023-24 base budget.
- c. The Tourism, Culture, Leisure & Heritage Service is overspent by £0.056 million due to:
  - i. A figure of £1.051 million was committed to provide additional support to the provider of commissioned leisure services in response to the Covid-19 pandemic and in recognition of significant inflationary pressures. In addition to this support there was an overspend of £0.072 million for the year.
- d. Northumberland Communities Together underspent by £0.566 million due to grant underspends from schemes that have now closed and cannot be carried forward, and do not need to be repaid to the grant provider.

Note - The difference between the figures shown in the table and the explanations above consist of a

number of minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

Service: Finance

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Revenues & Benefits	2.428	1.547	1.968	0.421
Information Services	10.132	11.027	10.349	(0.678)
Internal Audit	0.594	0.892	0.838	(0.054)
Corporate Finance	29.787	47.790	47.316	(0.474)
Strategic Property	5.666	6.654	6.433	(0.221)
Procurement	0.358	0.832	0.022	(0.810)
<b>Total Finance</b>	<b>48.965</b>	<b>68.742</b>	<b>66.926</b>	<b>(1.816)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for Finance are outlined below:

- a. The Revenues and Benefits Service overspent by £0.421 million due to:
  - i. A net underspend on staffing amounting to £0.100 million due to a number of vacant posts throughout the service offset by costs relating to temporary staffing cover;
  - ii. Additional new burdens grant income of £0.511 million was received. This comprised the net Energy Rebate Grant of £0.314 million, Business Rates Reliefs of £0.104 million and the Discretionary Housing Admin Grant of £0.093 million;
  - iii. A net overspend on the Cost of Benefits in relation to Rent Allowance and Rent Rebate payments and claimed subsidy of £0.778 million. This is due to the payments made in relation to the increased application of Supported Exempt Accommodation schemes which attract a reduced amount of subsidy;
  - iv. An over recovery of overpaid benefits of £0.106 million which is offset by a £0.308 million decrease in the bad debt provision due mainly to the migration to Universal Credit and the Recovery team being able to access all available recovery methods, some of which were halted during Covid-19, and,



- v. An overspend on various non-staffing costs of £0.226 million, including £0.131 million on postage costs and £0.117 million under-recovery of council tax legal cost.
- b. Information Services underspent by £0.678 million due to:
  - i. An underspend of £0.467 million due to a number of vacancies within the service which are being addressed by a recently approved restructure proposal. The recruitment process is now underway to appoint suitable officers to the available posts in the coming months;
  - ii. A £0.473 million reduction in the level of income received via recharges and from external bodies including maintained schools and Academies. An additional budget allocation has been built into the 2023-24 base budget to offset the majority of this pressure; and,
  - iii. £0.882 million underspend on data lines due to a combination of reduced school usage and an increase of £0.175 million being recharged to services.
- c. Corporate Finance underspent by £0.474 million mainly due to staffing vacancies, some of which were filled in year and the remainder which will be filled in 2023-24.
- d. Strategic Property underspent by £0.221 million due to:
  - i. An overspend of £0.327 million on utilities; and,
  - ii. Income of £0.464 million relating to the insurance bond for Ashington Leisure Centre.
- e. Procurement underspent by £0.810 million due to an overachievement of procurement rebate and Feed in Tariff income of £0.600 million and staffing vacancies of £0.164 million.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

## Service: Planning and Local Services

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Local Services Management	27.696	38.830	38.696	(0.134)
Neighbourhood Services	10.655	12.470	13.082	0.612
Waste PFI Contract	10.146	11.038	9.045	(1.993)
Technical Services	28.435	20.415	22.938	2.523
<b>Total Local Services</b>	<b>76.932</b>	<b>82.753</b>	<b>83.761</b>	<b>1.008</b>
Planning	7.373	2.650	3.447	0.797
Corporate Health & Safety	0.275	0.321	0.225	(0.096)
<b>Total Planning &amp; Local Services</b>	<b>84.580</b>	<b>85.724</b>	<b>87.433</b>	<b>1.709</b>
Technical Adjustment – Todstead RCCO	-	2.500	-	(2.500)
<b>Total Planning &amp; Local Services (including Todstead RCCO)</b>	<b>84.580</b>	<b>88.224</b>	<b>87.433</b>	<b>(0.791)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reason for the outturn position for the Planning and Local Services Directorate is outlined below:

- a. Neighbourhood Services overspent by £0.612 million due to:
  - i. Increased fuel prices, vehicle fuel overspent by £0.286 million across all service areas;
  - ii. An overspend of £0.526 million relation to staffing costs due to vacancies being filled by increased overtime and agency costs and waste catch up collections for the extra bank holiday. However, some of the additional costs can be attributed to increased waste collections and are offset by additional income;
  - iii. An overachievement of income of £0.931 million. This includes overachievements in Commercial Waste of £0.884 million, garden waste of £0.073 million, £0.113 million grounds maintenance and rental income across the County and bulky waste of £0.038 million. This is offset by an underachievement of fleet income of £0.106 million, market income of £0.052 million and burial income of £0.040 million;
  - iv. There is an overspend of £0.329 million in relation to gas and electric; and,
  - v. There are a number of other overspends including £0.313 million for vehicle/plant hire,

- vehicle repairs, equipment and hired services, and £0.181 million additional training costs.
- b. The Waste PFI Contract underspent by £1.993 million. This is due to lower than expected waste volumes being generated by households, as well as higher than expected commodity prices from the sale of recyclable materials which has delivered an in-year surplus on the recycling services adjustment.
  - c. Technical Services overspent by £2.523 million mainly due to:
    - i. Home to School Transport overspent by £2.230 million. Significant issues have emerged around the provision of Home to School Transport as a result of fuel price increases and driver availability, with some operators being unable to fulfil contracts and the need to re-tender resulting in increased costs. Since the introduction of an inflationary uplift payment no contracts have been returned to the Council. This also includes a pressure of £0.118 million which arose from the finalisation of the routes for the current academic year and a review of the contracts in the south east of the County which has been finalised resulting in a cost increase of £0.130 million. A pressure of £2.770 million has been added to the 2023-24 base budget;
    - ii. Streetlighting overspent by £0.350 million due to increases in electricity. If the Streetlighting replacement and modernisation programme had not been undertaken then the increased estimated energy consumption would have resulted in an additional £4.000 million overspend;
    - iii. Highway maintenance overspent by £0.394 million with £0.832 million due mainly to rising material costs, non-recoverable out of hours expenditure and increased traffic management costs, offset by over-recoveries of income from the sign shop and contracts the Council operates on behalf of third parties;
    - iv. Winter Services overspent by £0.390 million due to extended spells of cold weather in mid-December, early January and March resulting in double gritting runs; and,
    - v. Network Management underspent by £1.122 million due to an overachievement of parking charges of £0.297 million, penalty charge notices of £0.256 million, rents and leases from traders of £0.072, increased road closure fees of £0.264 million, fixed penalty notices of £0.110 million and sample inspection fees of £0.117 million.
  - d. Planning overspent by £0.797 million mainly due to:
    - i. £0.802 million underachievement of planning fee income. The income budget was increased by £0.400 million as part of the 2021-22 budget setting process in anticipation of an increase to the national planning fee structure. The Planning Bill proposing the change, having been put on hold, is now subsequently progressing but this saving was not achieved in the current financial year. There has also been slippage in the submission of a large-scale project which was anticipated to bring a £0.244 million fee, this is now not expected to be submitted until Autumn 2023;
    - ii. £0.178 million under recovery of Pre-Application Fees. The appetite for this service has been diminishing so the service is in the process of being refreshed and relaunched. The timescale means this did not achieve the savings target built into the 2022-23 budget;
    - iii. £0.204 million under achievement of Planning Performance Agreements. This service was introduced in 2021-22 and is very much in its infancy. Uptake of the scheme has been slower than anticipated during this market penetration phase; and,

- iv. £0.427 million underspend on staffing due to vacancies currently within the Service and a reduction in the use of agency staff.
- e. The Todstead stabilisation scheme commenced May 2023. There was a budget for £2.500 million for a contribution to be made from revenue in 2022-23 to part finance the scheme but this will now be required in 2023-24. The underspend shown here is offset by an under-recovery in the Finance budget so has no effect on the Council's net position.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

Service: Public Health &amp; Community Services

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Housing General Fund	1.062	1.291	1.417	0.126
Public Protection	2.676	3.577	3.368	(0.209)
Public Health	0.024	0.064	0.064	-
<b>Total Public Health &amp; Community Services</b>	<b>3.762</b>	<b>4.932</b>	<b>4.849</b>	<b>(0.083)</b>

**NOTES - Year End Variances of £0.250 million or more**

There are no significant variances to report.

## Revenue Outturn - Detailed budget summary by Service

## Service: Public Health &amp; Community Services - Public Health

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Staffing and Support Costs	0.591	1.713	1.621	(0.092)
Stop Smoking Initiatives	0.442	0.335	0.241	(0.094)
Drug & Alcohol Services	3.822	4.465	4.442	(0.023)
Sexual Health Services	2.215	2.143	2.198	0.055
0-19 Public Health Services	6.309	6.906	7.092	0.186
Integrated Wellbeing Service	1.219	1.331	1.064	(0.267)
Other Health Initiatives	2.059	2.490	0.988	(1.502)
<b>Total Public Health &amp; Community Services</b>	<b>16.657</b>	<b>19.383</b>	<b>17.646</b>	<b>(1.737)</b>

## NOTES

- a. The Council's Public Health service received grant funding of £17.366 million in 2022-23. This funding was ring-fenced for the provision of services to improve the health of the local population and reduce health inequalities.
- b. The terms of the main Public Health grant allow unspent allocations to be carried over into the next financial year. Public Health carried forward a reserve of £5.150 million to financial year 2022-23. An additional £0.390 million will be transferred to the Public Health reserve in 2022-23 and plans are in place to utilise this funding over the next few years. The main reasons for this are:
  - i. The delivery of the water fluoridation service transferred to the NHS resulting in an underspend of £0.178 million; and
  - ii. Demand led services were lower than anticipated resulting in an underspend of £0.176 million against those services.
- c. Funding was received in year from North East and North Cumbria Integrated Care Board for various programmes of activity. The majority of the activity will take place in financial year 2023-24, as a result, the following funding has been carried forward to next financial year:
  - i. Population health management funding of £1.000 million has been earmarked for joint investment over several financial years starting in 2023-24. As a result, the full allocation was carried forward to 2023-24;
  - ii. Funding of £0.151 million was received to support a holistic approach to addressing health and vaccine inequalities. The full allocation was carried forward to financial year 2023-24; and,
  - iii. Funding of £0.067 million was received to support a smoking cessation pilot for people on

primary care mental health registers. The pilot is in the process of being established, as a result, £0.065 million of the funding was carried forward to next financial year.

- d. A balance of £0.131 million from the Heart of Blyth funding was carried forward to continue the activity in financial year 2023-24.

## Revenue Outturn - Detailed budget summary by Service

## Service: Public Health &amp; Community Services - Housing Revenue Account

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Housing Management	6.093	6.674	6.312	(0.362)
Housing Special	0.796	0.732	0.891	0.159
Repairs and Maintenance	8.241	8.572	9.540	0.968
Housing Capital Works	0.546	0.499	0.494	(0.005)
Other HRA Services	13.263	13.748	13.663	(0.085)
HRA Income	(29.923)	(30.239)	(30.175)	0.064
<b>Total HRA Expenditure &amp; Income</b>	<b>(0.984)</b>	<b>(0.014)</b>	<b>0.725</b>	<b>0.739</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for the Housing Revenue Account are as follows:

- a. Housing Management underspent by £0.362 million due to part year vacancies and the creation of additional posts to strengthen the Estates Management Function.
- b. Repairs and Maintenance overspent by £0.968 million. £1.114 million relates to additional repairs and disrepairs which have involved the use of contractors and are partly due to Storm Arwen. Council Tax on void properties overspent by £0.143 million and work is underway to review long term void properties to try to reduce charges for properties subject to potential re-development. Salaries and agency staff costs underspent by £0.380 million due to vacant trades posts.
- c. Other HRA Services underspent by £0.085 million. The main reasons for this are:
  - i. Depreciation charges increased by £0.492 million following an upward revaluation of Council dwellings by the Council's external valuers;
  - ii. Interest payable on HRA borrowing increased by £0.543 million. This is due to the Internal borrowing rates payable to the general fund, which are based on the 30-year PWLB rates and increased from 2.1% to 3.98% following a rise in the Bank of England interest rates; and,
  - iii. Interest received on balances increased by £0.921 million. This is due to an increase in the average 3-year SONIA rate to 2.29% for the current year. The budget was set at an interest rate of 0.02% following the plunge in rates in 2020-21.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.



## Revenue Outturn - Detailed budget summary by Service

## Service: Regeneration

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Economy & Regeneration	2.641	2.951	2.894	(0.057)
Executive Director of Regeneration, Commercial & Economy	0.074	0.203	0.012	(0.191)
Culture	-	1.420	1.356	(0.064)
Climate Change	0.099	0.562	0.753	0.191
<b>Total Regeneration</b>	<b>2.814</b>	<b>5.136</b>	<b>5.015</b>	<b>(0.121)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reason for the outturn position for the Regeneration Service is outlined below:

- a. Economy and Regeneration underspent by £0.057 million due to:
  - i. £0.268 million staffing underspend due to vacant posts within the service and the inability to recruit into posts either through a lack of applicants or having to readvertise resulting in posts being vacant for longer than anticipated;
  - ii. Concessionary Travel underspent by £0.704 million. Following the lifting of Covid-19 restrictions the Department for Transport has allowed local authorities to negotiate with the local travel providers regarding the reimbursement rates payable in respect of concessionary travel. The Council has been able to negotiate two fixed price deals with the two major operators for the period April 2022 to March 2023 rather than based on a reimbursement rate per journey. This provided budget certainty for all parties as passenger numbers are yet to recover to pre-pandemic levels; and,
  - iii. Approval was granted by Cabinet on 9 May 2023 to transfer funding to the following reserves:
    - £0.050 million in respect of Cramlington Blueprint;
    - £0.100 million to the Additional Capacity Reserve to offset the fluctuations of external income over the medium term, thereby providing a degree of stability for the core capacity of the service; and,
    - £1.000 million to the Regeneration Development Reserve to enable the continued support of the key economic work of the Council and appropriate external partners, to maximise the benefits of current and future investment opportunities.

Note - The difference between the figures shown in the table and the explanations above consist of a

number of minor variations within each area.

## Revenue Outturn - Detailed budget summary by Service

## Service: Corporate Expenditure and Income

Summary by Service	2021-22 Outturn	Budget	Outturn	Variance
Service	£m	£m	£m	£m
Corporate Items	45.504	(17.464)	(18.064)	(0.600)
Treasury Management	(25.168)	(24.601)	(26.442)	(1.841)
Capital Financing	87.896	93.589	93.046	(0.543)
Corporate Funding	(410.624)	(465.760)	(465.843)	(0.083)
<b>Total Other Corporate Expenditure &amp; Income</b>	<b>(302.392)</b>	<b>(414.236)</b>	<b>(417.303)</b>	<b>(3.067)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn position for the Corporate Expenditure and Income are outlined below:

- a. Corporate Items overspent by £0.600 million due to:
  - i. An overspend of £4.841 million against the pay award contingency budget due to the pay award that was processed in November; an underspend of £2.262 million against the Transformation Fund contingency budget, along with an underspend of £3.331 million against the general contingency budget to give a net underspend of £0.752 million.
  - ii. An overachievement of income of £0.261 million due to the balance on the NHS Partnership Agreement reserve being transferred back into revenue as it is no longer required; and,
  - iii. An overspend of £0.494 million relating to unallocated savings that will not be achieved in 2022-23. However, £0.253 million of these savings will be achieved in 2023-24.
- b. Treasury Management underspent by £1.841 million due to:
  - i. The Council's budgeted investment return for 2022-23 was originally £0.734 million. Due to the significant increase in interest rates during 2022-23, and the higher than anticipated level of balances available for investment, returns amounted to £3.277 million, leading to an over-achievement of income of £2.543 million; and,
  - ii. Total external borrowing has decreased by £11.552 million, from £756.930 million at the start of the year to £745.378 million at 31 March 2023. However, interest rates payable on new and replacement borrowing has been significantly higher than expected resulting in increased interest costs of £0.685 million.
- c. Capital Financing underspent by £0.543 million mainly due to an underspend of £0.638 million on the Minimum Revenue Provision in relation to the repayment of borrowing.
- d. Corporate Funding underspent by £0.083 million due to:
  - i. Business Rates underspend of £4.336 million due to:

- i. Additional Section 31 grants of £2.996 million including £2.609 million in relation to the Covid Additional Relief Fund (CARF,) which will be transferred to the Collection Fund Smoothing Reserve to offset the projected deficit to be distributed in relation to this scheme in 2023-24;
  - ii. Additional renewable energy income of £0.506 million, and;
  - iii. £0.578 million in relation to Northumberland's share of the national levy account surplus announced as part of the local government finance settlement.
- ii. Earmarked Reserves overspend of £4.057 million due to:
- i. £2.609 million transfer to the Collection Fund Smoothing Reserve in relation to CARF to offset the deficit which is to be distributed in 2023-24;
  - ii. £2.500 million due to a contribution from reserves allocated to combat the effects of Severe Weather now not being drawn down from reserves until 2023-24 when work will commence. There is a corresponding reduction in expenditure within Local Services;
  - iii. The budgeted transfers from the Collection Fund Smoothing Reserve of £0.342 million for Business Rates and £0.554 million for Council Tax in relation to the three-year spread of the 2020-21 deficits were not required due to the surplus from renewable energy and the levy account distribution;
  - iv. £0.738 million of the budgeted £3.000 million was transferred from the Transformation Fund Reserve to fund costs incurred in the year;
  - v. £5.208 million was transferred from the Exceptional Inflation Reserve to offset inflationary pressures in the services. and,
  - vi. £1.017 million was transferred to the Exceptional Inflation Reserve to offset expected inflationary pressures in 2023-24, as agreed as part of the Provisional Outturn report.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

## Key Capital Movements by Service

Service: Adult Social Care and Commissioning – variance (£1.814) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Adult Social Care Capital Fund	-	(0.100)
Disabled Facilities Grant	-	0.066
Person Centred Care Information System (SWIFT)	-	(0.050)
Supported Housing	(1.814)	-
Sea Lodge Wet Room	-	(0.031)
<b>Total</b>	<b>(1.814)</b>	<b>(0.115)</b>

## NOTES - Year End Variances of £0.250 million or more

The main reasons for the outturn variance for Adult Social Care and Commissioning Services are outlined below:

- a. Supported Housing – The budget is no longer required as it is the intention is to use the Adult Social Care capital external funding to support the market.

<b>Service: Chief Executive – variance (£0.437) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
	<b>£m</b>	<b>£m</b>
FRS Fleet Requirement	-	(0.445)
FRS Risk Critical Equipment	(0.005)	0.004
FRS Aerial Ladder Platform	0.002	-
FRS Drones	0.003	0.010
FRS Fire Control and Communication Equipment	-	(0.003)
Blue Light Vehicles	(0.001)	-
West Hartford Fire Station Solar PV	(0.002)	-
<b>Total</b>	<b>(0.003)</b>	<b>(0.434)</b>

**NOTES - Year End Variances of £0.250 million or more**

Reprofiling of £0.434 million in Fire and Rescue Capital Budget is required, mainly due to the delivery of a number of fleet vehicles taking place in April 2023, which was later than previously anticipated.

<b>Service: Children's Services – variance (£5.128) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
	<b>£m</b>	<b>£m</b>
Atkinson House Relocation	0.072	-
Basic Needs Programme	-	(0.066)
Bedlington Whitley Memorial & West End First School	(0.025)	-
Children's Homes Provision	-	(0.431)
Devolved Formula Capital	1.122	-
Gilbert Ward Academy – Contribution	-	(1.058)
Hexham New Build Schools (Hexham QE Site)	(1.006)	-
Kyloe House	-	(0.599)
Morpeth First School - Contribution	-	(0.057)
New Hartley Classroom - Contribution	-	(0.023)
Other Minor Schemes	-	0.011
Ponteland Secondary School & Leisure Centre	0.021	-
Port of Blyth – Welding & Fabrication Centre	-	(0.530)
RDA Relocation	-	(0.153)
REFCUS – Payments to Voluntary Aided Schools	0.050	
Schools Building Programme (SCIP)	-	(1.068)
SCIP - Mobile Classroom Replacement Programme	-	(0.612)
School Redevelopments	-	(0.636)
Whittingham Primary School	(0.140)	-
<b>Total</b>	<b>0.094</b>	<b>(5.222)</b>

#### **NOTES - Year End Variances of £0.250 million or more**

The main reason for the outturn variance for Children's Services are outlined below:

- a. Children's Homes Provision - £0.600 million was earmarked for the purchase of a second home in Ashington, which has now been identified and an offer accepted, but this will not complete until 2023-24.
- b. Devolved Formula Capital – Some large-scale schemes undertaken by schools have been identified on their revenue budgets. These costs have been capitalised and revenue contributions

transferred to support the expenditure. The overspend will be met by grant not drawn down into the capital programme and the revenue contributions from the schools.

- c. Gilbert Ward Academy (Contribution) – The Department for Education has delayed the building of the Gilbert Ward Academy from September 2023 to January 2024, therefore the Council's contribution to the scheme will be required in 2023-24.
- d. Hexham New Build Schools (Hexham QE Site) – There is an underspend against the original profile due to delays in the programme. The final account has been negotiated and an underspend declared.
- e. Kyloe House – Due to delays with legal sign off it is now expected that the High Dependency Unit, Alder Yard Screens, Entrance Gates and Willow Yard will complete in 2023-24.
- f. Port of Blyth Welding and Fabrication Centre – The project was delayed due to tender and material lead time. The contract value of the tender returned was lower than initial estimates. It is now estimated the project will complete in May 2023. The Capital Programme for 2023-24 will need to include the reprofiling set out above.
- g. Schools Building Programme (SCIP) - Large scale schemes that were due for completion in March 2023 encountered delays due to lack of materials and availability of subcontractors. This significant change resulted in SCIP being underspent in-year and requires funding to be reprofiled into 2023-24 to allow the schemes to be completed.
- h. School Redevelopments – Progress on the redevelopment of the schools within the Coquet Partnership experienced a delay at the end of 2022-23, this funding will need to be reprofiled to meet the scope required over the duration of the scheme.



<b>Service: Communities and Business Development – variance (£0.838) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
<b>Project</b>	<b>£m</b>	<b>£m</b>
Berwick Leisure Centre	-	(0.659)
Blyth Sports Centre	0.012	-
Haltwhistle Football Project	-	(0.046)
Multi-use Vehicles	0.019	-
Newbiggin Sports Centre	0.216	-
Provision of Leisure Facilities within Morpeth	-	(0.380)
<b>Total</b>	<b>0.247</b>	<b>(1.085)</b>

#### **NOTES - Year End Variances of £0.250 million or more**

The main reason for the outturn variance for Communities and Business Development are outlined below:

- a. Berwick Leisure Centre – As a result of the main contractor going into administration there was a delay in the completion of the outstanding works (car park, play park and landscaping) whilst a new contractor was found. A new contractor was appointed to undertake the outstanding work and they commenced on site on 27 March 2023.
- b. Provision of Leisure Facilities within Morpeth – The new centre opened to the public on 3 April 2023 with small works and the finalisation of the account with the contractor outstanding.

Service: Finance – variance (£7.779) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Desktop Refresh	-	(0.155)
Hardware Infrastructure	-	(0.004)
Server Infrastructure	-	(0.025)
Telephony	(0.008)	-
Library Kiosks	-	(0.005)
CISCO Infrastructure	-	(0.563)
County Hall IT Infrastructure	0.003	-
Cloud Migration	-	(0.153)
Office 365 Implementation	0.011	-
IT Backup and Recovery	-	(0.100)
Craster Mast	-	(0.075)
Schools Broadband	-	(0.257)
Loans to Third Parties	-	(5.736)
Property Stewardship Fund - Backlog M&E and Fabric	(0.194)	(0.035)
Property Stewardship Fund - Bearl Depot Drainage and New Build	-	0.191
Property Stewardship Fund - Public Toilet Refurbishment	(0.046)	(0.093)
Holy Island and Seahouses Public Toilet Refurbishment	0.046	-
Property Stewardship Fund - Woodhorn Heapstead	-	0.002
Alnwick Lindisfarne Site	0.194	-
Leisure Buildings - Essential Remedials	(0.234)	(0.390)
County Hall Refurbishment	-	(0.133)
Yourlink Refurbishment	-	(0.020)
<b>Total</b>	<b>(0.228)</b>	<b>(7.551)</b>

**NOTES - Year End Variances of £0.250 million or more**

The main reason for the outturn variance for Finance is outlined below:

- a. CISCO Infrastructure and Schools Broadband – Due to delays in service delivery this scheme will run into 2023-24.
- b. Loans to Third Parties – Due to a delay in loan project funding the balance has been slipped into 2023-24.
- c. Leisure Buildings - Essential Remedials – The underspend shown here is in relation to the additional expenditure incurred on Newbiggin Leisure Centre (shown under Communities and Business Development) in respect of additional works identified whilst on site including roof replacement, sports hall lighting and fire alarm upgrade which were initially out of scope but undertaken by the contractor whilst on site for efficiency purposes. The balance of the budget is to be reprofiled for future works on the leisure portfolio.

Service: Planning and Local Services – variance (£5.273) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
A1068 Hadston/Druridge Bay Junction	0.078	-
A1068 Shilbottle Road Junction Improvements	-	(0.540)
Blyth Cycleway Improvement Scheme*	0.180	-
Car Park Programme	0.012	(0.002)
Country Parks Improvement Programme	(0.016)	-
Cycle Stands (DfT Emergency Active Travel Fund)	-	(0.015)
Electric Vehicle Charger Installation	-	(0.220)
England Coastal Path (Bamburgh to Scottish Borders)	-	(0.054)
Fleet Replacement Programme	0.023	0.398
Flood and Coastal Erosion Risk Management (FCERM)	(0.427)	-
Food Waste Collection and Recycling Pilot	(0.022)	-
Highways Laboratory Expansion	-	(0.010)
Highways Maintenance in U and C Roads and Footpaths	0.004	(0.650)
Hirst Area Containerisation of Waste	-	(0.200)
Local Transport Plan*	(3.195)	(1.615)
Lynemouth Bay Landfill Encapsulation	-	0.021
Members Local Improvement Schemes	(0.157)	(0.324)
Morpeth Northern Bypass	0.295	-
New DfT Challenge Fund Support Bid*	0.948	-
Next Generation Flood Resilience	-	(0.226)
Parks Enhancement Programme	-	(0.283)
Salt Barns	-	(0.097)
Seahouses Main Pier Refurbishment	0.022	-
Section 106 Highway Schemes	-	(0.016)
Storm Arwen Damage Recovery	-	(0.068)
Streetlighting Modernisation and Replacement Programme	0.043	-

<b>Service: Planning and Local Services – variance (£5.273) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
<b>Project</b>	<b>£m</b>	<b>£m</b>
Todstead Landslip	-	0.059
Union Chain Bridge*	1.489	-
Winter Maintenance Software/Winter Weather Stations	-	(0.064)
Wylam Waggonway Improvements	(0.055)	-
<b>Total</b>	<b>(1.268)</b>	<b>(4.005)</b>

#### **NOTES - Year End Variances of £0.250 million or more**

The main reasons for the outturn variance for Planning and Local Services are outlined below:

- a. A1068 Shilbottle Road Junction Improvements – The preliminary design has been completed with some additional traffic modelling being requested by National Highways with the construction of the scheme expected to commence during 2023-24.
- b. Car Park Programme - Construction of the new car parks at Morpeth Goosehill, Hexham Alemouth Road (Bunker site), Berwick Quayside and Amble Turner Street East has now been successfully completed. Costs of these schemes have however risen significantly compared to original estimates - Morpeth Goosehill (£0.740 million), Amble Turner Street (£0.400 million), Berwick Quayside (£0.205 million), Hexham Alemouth Road (£0.067 million). Cost increases are due to a combination of unexpected ground conditions, delays due to encountering uncharted utilities and drainage, necessary minor design changes, national increases in construction inflation affecting material and subcontractor costs, the local government pay award and supply chain delays for some materials and equipment as part of overall national construction supply chain issues. These overspends are being funded through the Car Parks General allocation within the MTFP. Although specific allocations remain for former Alnwick Duchess site car park and Corbridge, the funding of the remaining proposed car parks projects at Boulmer, Newbiggin and Berwick Castlegate is currently being considered.
- c. Fleet Replacement Programme – Reprofiling had previously been identified from 2022-23 to 2023-24 due to the long lead in times and the supply of vehicles still being challenging due to component and logistical issues. However, two refuse collection vehicles were delivered in March 2023 rather than 2023-24 as previously notified.
- d. FCERM – Alnwick – Due to a significant funding gap in the scheme this has been deferred within the Environment Agency's programme of works.
- e. Highways Maintenance in U and C Roads and Footpaths – The programme of works has progressed well during the financial year although a small number of schemes will be delivered in the early part of the 2023-24 financial year.
- f. Local Transport Plan – The pressures on Union Chain Bridge and Challenge Fund Support will be accommodated from the additional funding (LTP) released from the Todstead scheme. Schemes continue to progress on site with some schemes commencing in 2023-24 or spanning the two financial years depending on commencement dates.

- g. Members Local Improvements Schemes – Reprofiting required due to the anticipated delivery on site of the approved schemes to date.
- h. Morpeth Northern Bypass – Overspend due to the settlement of the land acquisition claim from the contractor (£0.175 million) and for the return of the final licenced area (£0.120 million) to the landowner. The contractor's element was covered from a transfer from the legal challenges reserve and the additional licenced area payment funded from the LTP.
- i. New DfT Challenge Fund Support Bid – Steel Structures – costs have increased due to inflationary cost increases and unexpected bridge defects identified during the completion of the works.
- j. Parks Enhancement Programme – The scheme at Isabella in Blyth has commenced but schemes at Ridley Park and Prudhoe Eastwood are expected to be delivered in 2023-24.
- k. Union Chain Bridge - Further works on the scheme identified additional work due to the age and condition of the structure. The works to reconstruct the bridge have also been more complex and time consuming than was originally envisaged, significantly prolonging the construction period. The forecast cost to complete the scheme shows a £1.489 million overspend. Whilst both the Council and Scottish Borders Council are liable for a 50/50 share of any overspend, discussions are being held with the Heritage Lottery Fund to ascertain if there is any additional grant funding that may be available to try to reduce the additional funds required from the two councils.

\*The underspend shown on Local Transport Plan will be used to fund the additional costs on New DfT Challenge Fund Support Bid and Union Chain Bridge. This is being covered from the additional funding released from Todstead.

<b>Service: Public Health and Community Services – variance (£1.482) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
<b>Project</b>	<b>£m</b>	<b>£m</b>
Affordable Homes	-	(0.304)
Chronically Sick and Disabled Persons	-	0.190
Felton (HUSK)	-	(0.163)
Green Homes – Social Housing	(1.151)	-
Major Repairs Reserve	-	1.129
Miscellaneous Schemes	(0.009)	-
Social Housing Decarbonisation Fund	-	(1.174)
<b>Total</b>	<b>(1.160)</b>	<b>(0.322)</b>

#### **NOTES - Year End Variances of £0.250 million or more**

The main reasons for the outturn variance for Public Health and Community Services are outlined below:

- a. Affordable Homes – Some of the new build programme will now be delivered in 2023-24.
- b. Green Homes – Social Housing - This scheme is not proceeding following the suspension in working with an external partner. The unspent grant monies will be returned.
- c. Major Repairs Reserve – Some of the original budget was reprofiled to 2023-24 earlier in the year and is required to be reprofiled back into 2022-23 due to some schemes completing earlier than expected and to cover costs in relation to internal capital delivery schemes and roofing contracts.
- d. Social Housing Decarbonisation Fund – delivery of the programme has been extended until 30 June 2023 with any remaining unspent grant being returned to the funder.

Service: Regeneration – variance (£14.454) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Amble Bord Waalk	-	(0.009)
Ashington High Street Improvement Programme	-	(0.048)
Bedlington Town Centre Redevelopment Phase 1 and 2	-	(0.238)
Berwick – Maltings	-	(0.628)
Blyth Relief Road	-	0.080
Borderlands – Carlisle Station/University	-	(2.047)
Business Growth Fund	-	(0.048)
Energising Blyth Programme	-	(2.635)
Great Northumberland Forest	-	(0.264)
Hexham High Street Action Zone	-	0.061
Kielder Observatory Contribution	-	(0.002)
Local Cycling and Walking Infrastructure	(0.364)	0.264
Local Cycling and Walking Infrastructure – various Schemes	-	0.127
Local Treescape Fund	-	(0.011)
Northumberland Rail Line	-	3.346
Port of Berwick Grant	-	(0.050)
Strategic Regeneration Projects – Ad Gefrin	-	(0.150)
Ashington Northeast Quarter Redevelopment Phase 1	0.236	-
Loan to NELEP – Ashwood	-	(1.620)
Loan to NELEP – Fairmoor	(2.000)	-
Loan to NELEP – Ramparts Business Park, Berwick	(0.800)	-
County Hall Solar Car Port	-	1.267
Green Homes – Private Sector Housing (LAD1)	(0.364)	-
Green Homes – Sustainable Warmth Grant (LAD2)	(2.214)	-



<b>Service: Regeneration – variance (£14.454) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
	<b>£m</b>	<b>£m</b>
Ground Source Heat Pumps/Solar PV	(0.133)	(0.162)
Public Sector Decarbonisation – Ground Source Heat Pumps	-	(0.366)
Sustainable Warmth Competition – Home Upgrade Grant Phase 1 (HUG 1)	(3.502)	-
Sustainable Warmth Grant (LAD 3)	-	(2.103)
Waste Transfer Sites – Energy Projects	(0.077)	-
<b>Total</b>	<b>(9.218)</b>	<b>(5.236)</b>

#### **NOTES - Year End Variances of £0.250 million or more**

The main reasons for the outturn variance for Regeneration are outlined below:

- a. Bedlington Town Centre Redevelopment Phase 1 and 2 due to the contractor going into administration with a new contractor currently being sought to complete the development.
- b. Berwick Maltings - A tender exercise has been completed with the contract for the Mob Store at the barracks due to be awarded to commence the first phase of works with a further tender exercise to be undertaken when the main works are ready for commencement.
- c. Borderlands – Carlisle Station due to the project being delayed by the recent Local Government Reorganisation in Cumbria.
- d. Energising Blyth Programme – The majority of the reprofiling relates to the Future High Street Fund due to delays in receiving confirmation of the funding and longer design and operator procurement processes to ensure scheme viability. The majority of the reprofiling will occur in 2023-24 with the Council expenditure forecast to take place in later years due to the constraints of when the grant must be incurred by.
- e. Great Northumberland Forest – The first panels have met with the first awards now processed with the scheme being promoted to encourage take up.
- f. Local Cycling and Walking Infrastructure - The budget of £0.364 million has been factored into the MTFP for the period 2023-24 to 2026-27 so the Council contribution remains at £3.000 million for the overall programme of works.
- g. Northumberland Rail Line (including Newsham Road Bridge) – The implementation of the scheme is continuing with a view to reopening passenger trains on the line by Summer 2024.
- h. Loan to NELEP – Ashwood – Reprofiling of the funds due to the timing of the drawdowns from Advance Northumberland.
- i. Loan to NELEP – Fairmoor - The requirement is currently part of a wider review. If the

scheme is to proceed, then it is expected it would be funded from the Strategic Regeneration Projects budget. The requirements will be confirmed as part of the wider MTFP review.

- j. Loan to NELEP – Ramparts Business Park - The requirement is currently part of a wider review. If the scheme is to proceed, then it is expected they would be funded from the Strategic Regeneration Projects budget. The requirements will be confirmed as part of the wider MTFP review.
- k. County Hall Solar Car Port – The budget was previously reprofiled in September 2022 to 2023-24. Since this forecast position, the contractor took earlier delivery of the battery and it was agreed it could be installed on site early to assist with their cashflow and avoid significant double handling craneage costs. It was also agreed for drainage attenuation works to proceed in advance of the main contract works to assist with meeting the target completion date of 30 June 2023.
- l. Green Homes – Private Sector Housing (LAD1) - This project is complete and has been audited. An overpayment of grant has already been returned to Department for Business, Energy and Industrial Strategy (BEIS) to the value of £1.059 million.
- m. Green Homes – Sustainable Warmth Grant (LAD2) – It was originally planned that this project would be delivered via an energy company who were also delivering LAD1. This was later deemed to be unsuitable, and the process to procure a new supplier did not allow enough time for the remaining project to be delivered within the strict timescale specified by BEIS.
- n. Green Homes – Sustainable Warmth Grant (LAD3) – An application was submitted to BEIS requesting an extension to the scheme in 2023-24. This has now been approved with work having to be now completed by 30 September 2023.
- o. Ground Source Heat Pumps/Solar PV – A small number of schemes have come in under budget with reprofiling required for Morpeth Leisure Centre and Blyth Sports Centre Solar PV schemes.
- p. Public Sector Decarbonisation – Ground Source Heat Pumps – Completion of the final elements of the scheme is expected in 2023-24.
- q. Sustainable Warmth Competition – Home Upgrade Grant Phase 1 (HUG1) - The grant is to be repaid to BEIS as the scheme was superseded by HUG2 with the Council awarded up to £12.400 million for this element.

### Items approved from the Council's Contingency

The following items have been approved from the Council's contingency during March 2023.

<b>Recurrent Funding</b>	<b>2022-23</b>	<b>2023-24</b>
	£	£
Members' pay award	108,600	108,600
Release of Firefighters' pay award	161,850	161,850
<b>Total amount drawn down from Contingency recurrently</b>	<b>270,450</b>	<b>270,450</b>

<b>Non-Recurrent Funding</b>	<b>2022-23</b>	<b>2023-24</b>
	£	£
Rates Equalisation – amount returned to contingency	(214,210)	-
Band 11 WorkSmart and Community Hub support post	5,530	-
Alendi Consulting Ltd – strategic performance support	(540)	-
Consultancy fees – Interim Monitoring Officer & Director of Corporate Governance	(47,820)	-
Vehicle livery – return of contingency funding due to works being delayed	(4,350)	-
Leisure Contract – specialist external legal and procurement advice	(24,280)	-
<b>Total amount returned to Contingency non-recurrently</b>	<b>(285,670)</b>	<b>-</b>

## Movement in the Council's Reserves

	Opening Balance at 1 April 2022*	Movement in Reserve	Closing Balance at 31 March 2023
	£m	£m	£m
General Reserves/Balances			
General Fund	(70.081)	19.126	(50.955)
<b>Total General Reserve</b>	<b>(70.081)</b>	<b>19.126</b>	<b>(50.955)</b>
Ring-Fenced Reserves/Balances			
Housing Revenue Account	(29.873)	0.726	(29.147)
Major Repairs (HRA)	(10.214)	0.359	(9.855)
HRA Capital Investment	(2.177)	0.437	(1.740)
<b>Total Earmarked HRA Reserves</b>	<b>(42.264)</b>	<b>1.522</b>	<b>(40.742)</b>
Specific Reserves/Balances			
Capital Grants Unapplied	(61.304)	(2.174)	(63.478)
Capital Receipts	(0.183)	0.090	(0.093)
Capital Receipts - HRA	(4.768)	(3.469)	(8.237)
<b>Total Specific Reserves/Balances</b>	<b>(66.255)</b>	<b>(5.553)</b>	<b>(71.808)</b>

## Appendix R

	Opening Balance at 1 April 2022*	Movement in Reserve	Closing Balance at 31 March 2023
	£m	£m	£m
Earmarked Reserves			
ADC Parks & Open Spaces	(0.009)	0.009	-
ADC Section 106	(0.046)	0.044	(0.002)
Balances held by Schools	(9.192)	0.251	(8.941)
Borderlands Energy Masterplan	(0.816)	0.008	(0.808)
Business Recovery Reserve	(2.322)	-	(2.322)
Cessation of NHS Partnership Agreement	(0.262)	0.262	-
Collection Fund Smoothing	(15.155)	13.211	(1.944)
Community Led Housing	(0.687)	0.082	(0.605)
Contain Outbreak Management	(2.130)	1.870	(0.260)
Council Commissioned Services	(8.981)	1.461	(7.520)
Council Tax Hardship & Discount Scheme	-	(6.588)	(6.588)
Council Transformation Fund	(17.902)	0.758	(17.144)
Dedicated Schools Grant	(4.032)	(0.469)	(4.501)
Economy & Regeneration Investments	(0.358)	0.308	(0.050)
Empty Dwelling Management Order	(0.047)	(0.030)	(0.077)
Estates Rationalisation	(7.242)	0.985	(6.257)
Exceptional Inflationary Pressures	(5.208)	4.191	(1.017)
FPF Admin Grant	(0.033)	-	(0.033)
FRS HMICFRS Improvement	(0.050)	0.024	(0.026)
Firefighters' Immediate Detriment	(0.250)	0.050	(0.200)
Food Waste	-	(0.058)	(0.058)
Haltwhistle Repairs Reserve	(0.039)	0.003	(0.036)
Highways Commuted Maintenance Funds	-	(1.127)	(1.127)
Highways Maintenance Investments	(0.225)	-	(0.225)
Homes for Ukraine	-	(4.586)	(4.586)

	Opening Balance at 1 April 2022*	Movement in Reserve	Closing Balance at 31 March 2023
	£m	£m	£m
Insurance	(8.479)	0.657	(7.822)
Legal Challenge	(1.800)	0.729	(1.071)
NCC Economic Regeneration	(0.139)	0.001	(0.138)
Open Spaces Maintenance Agreements	(0.087)	(0.007)	(0.094)
Parks and Green Spaces	-	(0.250)	(0.250)
Planning Delivery	(0.654)	(0.424)	(1.078)
Problematic Empty Properties	(0.050)	0.003	(0.047)
Recruitment & Retention	(0.500)	0.061	(0.439)
Regeneration Additional Capacity Reserve	(0.190)	(0.215)	(0.405)
Regeneration Development Reserve	(2.473)	(0.479)	(2.952)
Repair and Maintenance	(0.250)	-	(0.250)
Replacement of Defective Street Lanterns	-	(2.930)	(2.930)
Restructuring Reserve	(2.000)	1.162	(0.838)
Revenue Grants	(17.331)	(3.022)	(20.353)
School Libraries	(0.007)	-	(0.007)
Sealodge	(0.023)	0.013	(0.010)
Section 106	(10.830)	(3.867)	(14.697)
Severe Weather	(7.500)	-	(7.500)
Social Fund	(2.936)	2.443	(0.493)
Sports Development	(0.253)	(0.044)	(0.297)
Storm Arwen	(2.178)	1.985	(0.193)
Strategic Management Reserve	(48.237)	(1.471)	(49.708)
Transformation of the Revenues & Benefits Service	(0.215)	-	(0.215)
Violence Reduction	(0.030)	(0.009)	(0.039)
Winter Services	(2.000)	-	(2.000)
Women's Safety in Public Places	-	(0.022)	(0.022)

## Appendix R

	Opening Balance at 1 April 2022*	Movement in Reserve	Closing Balance at 31 March 2023
	£m	£m	£m
<b>Total Earmarked Reserves</b>	(183.148)	4.973	(178.175)
<b>Total Usable Reserves</b>	(361.748)	20.068	(341.680)

	Opening Balance at 1 April 2022*	Movement in Provision	Closing Balance at 31 March 2023
	£m	£m	£m
<b>Provisions</b>			
Redundancy	-	(0.545)	(0.545)
NNDR Appeals	(8.699)	3.487	(5.212)
Estates Rationalisation Project	(0.577)	-	(0.577)
Compensation Claims	(0.147)	0.067	(0.080)
Contractor Claims	(0.233)	(0.097)	(0.330)
<b>Total Provisions</b>	<b>(9.656)</b>	<b>2.912</b>	<b>(6.744)</b>
<b>Total Reserves &amp; Provisions</b>	<b>(371.404)</b>	<b>22.980</b>	<b>(348.424)</b>

\* Provisional un-audited opening balance figure

**Virements March 2023**

Directorate	Reason for Virement	Virement from	Virement to	£
There were no virements to report.				





## Northumberland County Council

### CABINET

11 JULY 2023

---

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

---

**Report of:** Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

**Lead Officer:** Jan Willis, Executive Director of Transformation and Resources (Section 151 Officer)

---

#### 1. Purpose of Report

This report summarises proposed amendments to the Capital Programme considered by the Capital Strategy Group.

#### 2. Recommendations

Cabinet is recommended to:

##### 2.1 Children's Residential Homes:

- a) Approve the reallocation of capital funds of £1.260 million in 2023-24 from Black Close House to purchase six private residential properties which will support the development of multi-building children's residential homes in Northumberland.
- b) Approve that delegated authority is given to the Executive Director for Children, Young People and Education to enter into a contract(s) for the acquired units as and when they are identified up to the approved budget limit.

##### 2.2 BT Openreach Gainshare receipt

- a) Approve the receipt of BT Openreach gainshare funding amounting to £2.145 million.
- b) Approve the addition of £2.145 million to the Council's capital expenditure budget in 2023-24 to be split as follows:
  - i) Repayment to Building Digital UK (BDUK) of £0.989 million (46.11% of the total gainshare receipt) as per terms of the Contract; and,
  - ii) £1.156 million into Community Broadband in respect of enabling additional premises to access the £2,500 top up voucher to help provide gigabit connectivity in the hardest to reach areas

##### 2.3 Levelling Up Funding for Rapid Electric Vehicle (EV) Chargers:

- a) Approve the receipt of Levelling Up funding amounting to £0.453 million awarded to the Council for the provision of ten new rapid EV chargers to be delivered between April 2023 and March 2025, split as follows:
  - o £0.347 million in 2023-24; and,

- £0.106 million in 2024-25.
- b) Note the match funding NCC contribution of £0.050 million (10%) from the existing capital allocation in the Climate Change Capital Fund in 2024-25, creating a total budget of £0.503 million.

#### **2.4 Alnwick Playhouse – Replacement of Lighting Rig:**

- a) Approve the creation of a new capital project in 2023-24 for the installation of a new lighting rig at Alnwick Playhouse to ensure that the main auditorium is fully health and safety compliant.
- b) Approve the reallocation of capital funds of £0.100 million in 2023-24 from Ashington North East Quarter Redevelopment (Phase 2) to Alnwick Playhouse Lighting Rig to fund installation of the new rig.
- c) Note that the Strategic Regeneration Projects budget will reallocate £0.100 million to the Ashington North East Quarter Redevelopment (Phase 2) project in 2024-25.

### **3. Links to Corporate Plan**

The Council's Capital Programme is consistent with the priorities in the Corporate Plan 2023-2026, in particular the 'Achieving Value for Money' And 'Tackling Inequalities' priorities.

### **4. Background**

This paper summarises reports considered by the officer Capital Strategy Group on the allocation of funding within the Medium-Term Financial Plan to specific projects.

The amendments to the Programme were considered by the officer Capital Strategy Group (CSG) via email on 1 June 2023.

## **SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 1 JUNE 2023**

### **5. Children's Residential Homes**

- 5.1 CSG was asked to consider a reallocation of approved capital funds of £1.260 million from the Black Close House project to acquire up to six 2–3-bedroom residential houses which will support the development of multi-building children's residential homes in Northumberland.

#### **Background**

- 5.2 A proposal was presented to Cabinet on 14 March 2023, to approve the use of the remaining approved capital funding to purchase the private property, Black Close House and complete a refurbishment to enable it to be used as a children's home.
- 5.3 This proposal was endorsed by Cabinet with the approval of funds totaling £1.260 million. Following this agreement, the Council has not been able to secure the purchase of the identified property, resulting in the scheme not being able to progress.

- 5.4 The inability to progress the Black Close property has afforded residential services the opportunity to consider the recently introduced multi-building children's home registration. This allows the service to apply to register a children's home where the care and accommodation is provided in more than one building. This permits a provider to care for up to six children across four buildings within this one single registration.
- 5.5 A multi-building children's home should enable residential services to make child-centered decisions about where each child lives and ensure that their individual needs are met within this one registration. It will mean that the service will be better equipped to offer a place to a child who needs somewhere to live quickly or who cannot easily live with other children immediately.
- 5.6 It is proposed that the existing portfolio, of 4 children's homes, are re-registered as multi-building children's homes. Subsequently, the 6 properties purchased in this proposal will be split across the portfolio as follows:
- 2 of the properties will be registered as part of the registration for the newly acquired Pegswood property.
  - The 4 remaining properties will be split across the registrations of the remaining 3 children's homes.

The 6 properties in this proposal will all be used for solo placements.

- 5.7 The current housing market within Northumberland would suggest that there are sufficient properties available that would meet the needs of the standards identified for the multi-building children's home registration. It is estimated that the properties will range between £0.150 million and £0.200 million for a 2-3 bedded property.
- 5.8 This will therefore increase the in-house bed availability from 15 to 21, with the 6 additional placements being able to support children with the most complex needs, or older young people that are preparing for adulthood and independence.
- 5.9 This enhances the requirements of the capital funding which was agreed in 2019, with the proposal being to build 2 new four-bedroom children's homes within Northumberland, those being Pegswood House and Black Close House, increasing our bed offer from 11 to 19 beds. This will result in a more cost-effective delivery of care due to the increased number of available beds and the significant savings on the projected refurbishment costings of £0.660 million for Black Close House.
- 5.10 At 8 May 2023 there were 460 children living in care in Northumberland, 57 of these children are identified as living in children's homes. Of these, 9 live in 3 provisions operated by the Council and are located within the county. The remaining 48 children live in children's homes operated by private providers. 1 of these placements is located within Northumberland which means that only 10 of the 57 children (17.5%) are located within the county. The remaining 47 children (82.5%) are located in a variety of commissioned placements spread across a wide geography within England and Scotland. The introduction of multi-building children's homes into the Council's portfolio would provide an additional 6 placements for children in the county, above the initial sufficiency proposal in 2019.
- 5.11 The Council has committed to the sustainability of this project by including it in the plans

to meet sufficiency duties in 2019. The projected implementation of Black Close House commencing within the fiscal year 2024-25 would have potentially offered a net saving of £0.267 million per year, equating to £66,785 per child.

- 5.12 The current costs per week for a child to live in an external residential placement can vary significantly depending on the level of support provided, but based on the average it is £4,810.70, this equates to an annual spend of £0.250 million per child. The average bed price for an in-house provision is £3,539.33, this equates to an annual spend of £0.184 million, offering an annual saving of £66,111 per child against the private sector.
- 5.13 The original net budget saving for both the Pegswood and Black Close House project was £0.662 million and the revised proposed saving for Pegswood and the 6 individual beds is £0.669 million, a slight increase in net revenue budget savings of £0.007 million.
- 5.14 To support the purchase of the properties it would be requested that delegated authority is given to the Executive Director for Children, Young People and Education to enter into a contract(s) for the acquired units as and when they are identified up to the approved budget limit.

## **6. BT Openreach Gainshare receipt**

- 6.1 CSG was asked to note the receipt of £2.145 million Gainshare payment from BT Openreach, and consider an addition to the Council's 2023-24 capital programme of £2.145 million, split as follows:
- Repayment to BDUK of £0.989 million (46.1% of the total gainshare receipt) as per terms of the Contract; and,
  - £1.156 million into the Community Broadband project to enable additional premises to access the £2,500 top up voucher to help provide gigabit connectivity in the hardest to reach areas.

## **Background**

- 6.2 The Council's contracts with BT for the rollout of superfast broadband in Northumberland included an element referred to as "Gainshare funding". This is the funding returned by BT where take-up of superfast broadband was higher than anticipated. As a result, there was less market failure than the initial funding calculation was based upon and an over subsidy by the public sector funders (i.e. Northumberland County Council and the Department for Culture, Media and Sport (DCMS)).
- 6.3 The original intention was that this gainshare funding along with any unutilised funding could be used in full if it was reinvested by the Council in further deployment of superfast broadband infrastructure in the county. However, following the announcement by DCMS of a £5.000 billion investment through "Project Gigabit", an amendment to the original grant funding agreement between DCMS and all local authorities (including Northumberland County Council) has resulted in a need for the DCMS element of unspent gainshare funding to be returned to central government to help fund this £5.000 billion programme.
- 6.4 The Council is contractually obliged to pay a proportion of these funds to DCMS (46.1%).

- 6.5 In April 2023, officers were notified that the Council would be receiving a further £2.145 million in Gainshare funding from BT Openreach. As per the terms of the contract, the Council will have to repay 46.1% of this to BDUK, a payment amounting to £0.989 million.
- 6.6 It is proposed that the outstanding balance of the receipt, totalling £1.156 million, is allocated to the Community Broadband project to enable a minimum of 462 premises in the county the opportunity to access a £2,500 top up voucher to help provide gigabit connectivity in the hardest to reach areas of Northumberland.

### Capital Scheme budgets

#### 6.7 Current Scheme Profile (2023-24)

Capital Project	Gainshare CA160003	Community Broadband CA170001
	£	£
Current Allocation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

#### 6.8 Proposed Scheme Profile (2023-24)

Capital Project	Gainshare CA160003	Community Broadband CA170001
	£	£
Funds received from Openreach	(2.145)	-
Payment to be made to BDUK	0.989	-
Transfer funds to Community Broadband project	1.156	1.156
<b>Total</b>	<b>Nil</b>	<b>1.156</b>

### 7. Levelling Up Funding for Rapid Electric Vehicle (EV) Chargers

- 7.1 CSG was asked to note the receipt of Government Levelling Up funding amounting to £0.453 million awarded to the Council for the provision of ten new rapid EV chargers to be delivered between April 2023 and March 2025. This grant funding is to be split across the two financial years with £0.347 million allocated in 2023-24, and the remaining £0.106 million in 2024-25.

CSG also noted a further match funding NCC contribution of £0.050 million (10%), from the existing capital allocation in the Climate Change Capital Reserve Budget in 2024-25, creating a total capital budget addition of £0.503 million.

### Background

- 7.2 In August 2022, the North East Combined Authority (NECA) submitted a bid of £19.500 million into the second round of the Government's Levelling Up Fund. The bid will fund the delivery of zero emission buses in Tyne and Wear and 92 electric vehicle charging

stations across the region. On 19 January 2023, officers were notified that the bid had been successful.

- 7.3 The EV charging element of the bid includes ten new rapid chargers in Northumberland at town centre locations and sites close to the strategic road network. The programme starts immediately and must be delivered by 31 March 2025. The ten charging locations in Northumberland were submitted by the County Council for inclusion in the bid, as set out in the table below:

Location	90% Grant	10% NCC	Total Budget
	£m	£m	£m
Ashwood Business Park, Ashington	0.060	0.007	0.067
Chapel Street Car Park, Berwick	0.045	0.005	0.050
Greenwell Road, Alnwick (x2)	0.082	0.009	0.091
Newmarket Car Park, Morpeth (x2)	0.079	0.008	0.087
Otterburn village	0.062	0.007	0.069
Queen Street Car Park, Amble	0.044	0.005	0.049
Wentworth Car Park, Hexham (x2)	0.081	0.009	0.090
<b>Total</b>	<b>0.453</b>	<b>0.050</b>	<b>0.503</b>

- 7.4 These sites will be added to the Council's existing programme of EV Charger installations, which during 2023/24 entails the provision of an additional 75 EV charge points (including these 10 rapid chargers). Work will be carried out by the Council's existing installation team. It is anticipated that the majority of the work will be completed during 2023-24, with the remainder delivered in 2024-25, as set out below. The table also shows the funding split between external grant and NCC contribution. The Council's capital contribution will be accessed during 2024-25 in accordance with the existing Medium Term Financial Plan:

Location	2023-24		2024-25		Total
	Grant	NCC	Grant	NCC	
	£m	£m	£m	£m	£m
Ashington	Nil	Nil	0.067	Nil	0.067
Berwick	0.050	Nil	Nil	Nil	0.050
Alnwick (x2)	0.091	Nil	Nil	Nil	0.091
Morpeth (x2)	0.087	Nil	Nil	Nil	0.087

Location	2023-24		2024-25		Total
	Grant	NCC	Grant	NCC	
	£m	£m	£m	£m	£m
Otterburn	0.069	Nil	Nil	Nil	0.069
Amble	0.049	Nil	Nil	Nil	0.049
Hexham (x2)	Nil	Nil	0.040	0.050	0.090
<b>Total</b>	<b>0.346</b>	<b>Nil</b>	<b>0.107</b>	<b>0.050</b>	<b>0.503</b>

- 7.5 The new rapid chargers will be added to the Council's existing network of 243 EV chargers. There will be no net impact on the Council's revenue budget as the additional costs incurred for electricity and maintenance will be covered by the income received from the users. A higher tariff is charged for rapid chargers (compared to fast chargers) given the higher demand/greater convenience of these facilities, which reflects the pricing methodology used at commercially operated EV charge points. The revenue budget will be adjusted to accommodate these additional chargers once they are installed and operational.
- 7.6 Monitoring of the project will be carried out by Transport North East and a working group has been set up to ensure the various elements of the bid are delivered.
- 7.7 Funding will be paid in stages with payment in arrears. NECA has completed a project Memorandum of Understanding with the Government and will now prepare a Grant Funding Agreement with the County Council for the delivery of its element of the wider project.
- 7.8 The Council's 10.0% funding contribution of £0.050 million will be funded from the Climate Change Capital Reserve Fund, as confirmed by the letter of support from the Interim Director of Finance to Transport North East on 29 June 2022.

## **8. Alnwick Playhouse – Lighting Rig**

- 8.1 CSG was asked to consider a reallocation of approved capital funds in 2023-24 of £0.100 million from the Ashington North East Quarter Redevelopment (Phase 2) project to Alnwick Playhouse, to enable the installation of a new lighting rig and ensure the main auditorium is fully health and safety compliant.

### **Background**

- 8.2 Following the extensive refurbishment of Alnwick Playhouse in late 2019, the lighting rig for the main auditorium was reinstalled. The rig was subsequently inspected after installation and then again in late 2020 with no issues raised.
- 8.3 However, in early 2022, a further inspection by a new engineer was carried out and highlighted the lack of manufacturers' stamps. The rig was not condemned but a lower

weight limit across the rig was recommended. Such a course of action had significant implications as the cinema screen was part of the load.

- 8.4 Over the past 18 months, staff at the Playhouse have been trying to source an engineer to load-test and certify the ladder beams as they stand. This has proved to be a complicated process.
- 8.5 In May 2023, the insurers for the Playhouse advised that they can no longer offer cover without a new certification with the appropriate stamps confirming that the manufacturers specification is being met. This led to the closure of the main auditorium to both live performances and cinema screenings, a situation which would not be financially sustainable for the Playhouse.
- 8.6 As an interim measure, a temporary ground supported system has been installed to allow the main auditorium to reopen.
- 8.7 The Playhouse has now sourced a highly experienced rigger to define the optimum long-term solution. This assessment has highlighted that the current 'fixed' rig presents health and safety issues around the loading/unloading of lamps, speakers, and cloths. Given this, it is considered that the existing ladder beams need to be replaced with a box truss system. This will provide a fit for purpose rig that will last well into the future.
- 8.8 It is estimated that the total cost of the installation of the new rig could be up to £0.100 million. Staff at the Playhouse have been working hard to raise funds, however in reality the work needs to be undertaken as quickly as possible to minimise the ongoing hire costs for the temporary solution and to restore the main auditorium to its full operational level.
- 8.9 The Strategic Regeneration Projects budget is fully committed for 2023-24, however due to delays in Government approval, a separate planned capital investment in 2023-24 in relation to Ashington North East Quarter Redevelopment Phase 2 (£2.430 million) will now be deferred until 2024-25.
- 8.10 It is proposed that £0.100 million is reallocated from the Ashington North East Quarter Phase 2 project in 2023-24, to a newly created Alnwick Playhouse Lighting Rig project to fund the installation of the new rig and allow the Playhouse to maximise its income at a traditionally lucrative period of the year.
- 8.11 The subsequent shortfall on the Ashington North East Quarter Phase 2 project will be corrected by a reallocation of £0.100 million from the Strategic Regeneration Projects budget in 2024-25.



## Implications

<b>Policy</b>	The schemes identified in the report support the priorities within the Corporate Plan 2023-26, in particular the 'Achieving Value for Money' And 'Tackling Inequalities' priorities.
<b>Finance and value for money</b>	<p>The report outlines proposed project allocations and amendments to the approved Capital programme 2023-24. The financial implications of these proposals are outlined in the main body of the report.</p> <p>The projects and the proposals identified in the report will be funded from the existing capital programme and external funding.</p> <p>s.17 Housing Act 1985 empowers the Council to acquire land and property for the purposes of housing.</p>
<b>Legal</b>	Subject to any contractual implications arising from the receipt of grant funding, there are no direct legal implications. Under Regulation 4 of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and under the Council's constitution the adoption of the Capital Programme as part of the Council's budget is a matter reserved to Full Council following the formulation of the capital programme by Cabinet.
<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 checked="" 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 specific crime and disorder implications within this report.
<b>Customer Consideration</b>	The proposals will carefully consider the impact upon both customers and residents of Northumberland.

<b>Carbon reduction</b>	Carbon Reduction measures have been considered within the proposals.
<b>Health &amp; Wellbeing</b>	The Council's Capital budget is founded on the principle of promoting inclusivity
<b>Wards</b>	All wards.

**Background Papers:**

22 February 2023 Report to full Council: Budget 2023-24 and Medium-Term Financial Plan 2023-27

**Report sign off:**

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

	<b>Name</b>
Monitoring Officer/Legal	Stephen Gerrard
Executive Director of Transformation and Resources (Section 151 Officer)	Jan Willis
Portfolio Holder	Richard Wearmouth

**Author and Contact Details**

Gemma Simpson, Technical Accountant (Corporate Finance)

[Gemma.Simpson@Northumberland.ac.uk](mailto:Gemma.Simpson@Northumberland.ac.uk)



## Northumberland County Council

CABINET

TUESDAY, 11 JULY 2023

---

### ENERGISING BLYTH PROGRAMME: LEVELLING UP DEEP DIVE

**Report of:** Councillor Wojciech Ploszaj, Portfolio Holder for Business

**Lead Officer:** Simon Neilson, Executive Director of Place and Regeneration

---

#### **Purpose of report**

To update Cabinet regarding the establishment, development and delivery of the £20.71m Levelling Up Deep Dive (LUDD) funding awarded to Blyth earlier this year. The report explains how this funding will be added to the Energising Blyth programme in the town to have a catalytic impact on the town's economy and drive forward the implementation of the Blyth Town Investment Plan.

This report seeks approval to accept this funding award from UK Government and to take a number of key early steps to enable the implementation of key projects.

#### **Recommendations**

**Cabinet is recommended to:**

1. **Accept the award of £20.71m Levelling Up Deep Dive capital and revenue funding from the Department for Levelling Up, Housing and Communities (DLUHC) and its use as follows;**
  - a. **Add £19,630,000 to the Capital Programme as an identified budget allocation for the capital projects identified in this report.**
  - b. **Add £1,080,000 as an identified revenue budget for the revenue funded projects and programme management arrangements outlined in this report.**
2. **Note that the funding will be used to deliver new initiatives to support the delivery of the Blyth Town Investment Plan as part of the Energising Blyth Programme including 'Welcoming and Safe Blyth', 'Housing Renewal and Town Centre Living' and 'Energy Central Campus: Technical Training Kit'.**

3. **Approve the associated financial profiles as set out in the report fully funded by the Levelling Up Deep Dive and agree to:**
  - a. **Establish a new Blyth Empty Homes Team in 2023 for two years from appointment**
  - b. **Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to enter into internal grant funding agreement for the empty homes team revenue costs subject to confirmation of funding being in place and local assurance being followed**
  - c. **Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to approve initial design fees up to the value of £1,993,469 across the programme**
  - d. **The associated programme management and assurance arrangements to support the programme's delivery as set out in the report. This includes the appointment of a Senior Programme Officer in 2023 to support the programme funded for two years from appointment drawn from the revenue budget above**

### **Links to Corporate Plan**

The Energising Blyth Regeneration Programme is a placemaking 'whole town' suite of emerging investments which will contribute to the economic growth of the town whilst seeking to address inequality and promote inclusion. The development of delivery plans and business cases to comply with the external funding requirements will ensure value for money.

### **Key Issues**

This report focuses on the additional £20.71m funding awarded in February 2023 to Blyth through the Levelling Up Deep Dive process.

The new funding is for a range of activities in addition to the existing Energising Blyth Programme and provide further impetus to transform the town including housing renewal, town centre living and measures to tackle anti-social behaviour and retail crime alongside additional investment in technical training kit at the new Energy Central Campus.

The £20.71m Levelling Up Deep Dive award includes the following project activities:

***Welcoming and Safe Blyth - £200k*** (£180k capital and £20k revenue) is allocated for the 'Safe and Welcoming Blyth' crime reduction initiative

#### ***Housing Renewal and Town Centre Living***

- **£18m capital funding** to support housing regeneration in the town centre including housing renewal and town centre living projects.

- **£1.06m revenue funding** to support housing regeneration activity and to create a multi-faceted Empty Homes Team for Blyth to address its 257 long-term empty properties, which currently leads to complaints, ASB and waste. This includes revenue funding allocated for programme management including the Senior Programme Officer support post referenced in the recommendations.

**Energy Central Campus – Technical Training Kit - £1.45m** capital is allocated for advanced technical training kit adding to the existing Energy Central Campus Phase 1 Learning Hub project.

The Housing Renewal and Town Centre Living package of projects include:

- **Bowes Court** – an energy efficiency scheme is planned to improve these NCC properties with delivery planned to start in 2023/24.
- **Extra Care Facility** – a new extra care scheme is planned. Delivery of this project is longer term expected to be delivered in 2024-26 and initial design work is planned as the next step.
- **Richard Stannard House** - Advance Northumberland (Commercial) Limited own Richard Stannard House which is the third project awarded funding for development as the 'Town Centre Living' activity. This will involve redeveloping commercial property as high quality residential apartments for rent. This project is also expected to be delivered in longer term from 2024-2026 and consultation with affected tenants will progress as part of the project's development.

The projects represent critical components of this package to ensure the delivery of external funding awarded. As such early engagement with tenants will be beneficial to progressing schemes to delivery.

As individual business cases are developed for the above capital housing projects, they will be assured by the Council and brought to Cabinet for final approval (Advance Northumberland's Board will also need to approve the Richard Stannard House project).

Authorisation is included in the recommendations to enable the empty homes team and programme management capacity to be appointed. Authorisation is included in the recommendations for spend on project design fees up to a total of £1,993,469 to enable significant project development work to proceed. This will demonstrate to the Government the Council's commitment to delivery which was made in the submission for the funding and assist in completing detailed project reports for approval.

As accountable body, the Council is responsible for ensuring the successful delivery of the Programme and that public funding is invested effectively and appropriately, in accordance with the grant funding agreements issued by the Government. Ultimate decision-making responsibility lies with the accountable body, as set out in relevant guidance.

The assurance arrangements agreed with Government for this funding are in the context of wider funding simplification activity by UK Government. This means this part of the Energising Blyth Programme can be assured by the accountable body with regular

monitoring and reporting to Government. The funding is provided as a Section 31 unringfenced grant.

The external Town Deal Board plays an advisory role only in relation to this element of the Energising Blyth Programme and will be provided with opportunities to input into programme and project development and receive regular updates in line with internal reporting. The assurance arrangements are summarised in the report.

Developing and implementing an additional package of projects simultaneously with the existing Energising Blyth Programme and wider towns regeneration programme across the county involves fully establishing additional programme management and delivery arrangements to manage this funding effectively under the different assurance arrangements set out in this report.

Staffing and resource arrangements are set out in the report and includes a new Senior Programme Officer role funded by LUDD with a dual role in programme and project management with a focus on supporting housing projects to come forward. This will be kept under regular review given the scale and nature of the programme.

The LUDD funded activities fully support the Energising Blyth Town Investment Plan, developed by the County Council in partnership with public, community and private sector stakeholders through the Energising Blyth Town Board, sets out the strategic direction for the town's economic growth and the ambition and investment themes required to enable this to be realised. It focuses on growing, renewing and connecting the town delivering inclusive growth underpinned by clean growth objectives.

The current Energising Blyth Regeneration Programme provides a co-ordinated mechanism to support the development and delivery of the investments required by effectively integrating Council capital allocations with significant external grant funding to create a £70m portfolio to grow, renew and connect the town.

With the additional LUDD funding award added, the existing £70m Energising Blyth Programme can be expanded and communicated as a £90m (rounded) Investment Programme to grow, renew and connect the town. A summary of how the expanded Programme will be communicated is included in the report and appendices.

## **BACKGROUND**

### **Introduction**

1. This report focuses on the additional £20.71m funding awarded in February 2023 to Blyth through the Levelling Up Deep Dive process.
2. The new funding is for a range of activities which will be integrated and add to the existing Energising Blyth Programme and provide further impetus to transform the town including housing renewal, town centre living and measures to tackle anti-social behaviour and retail crime alongside additional investment in technical training kit at the new Energy Central Campus.
3. This report focuses on the above funding award and how this funded programme will be developed and delivered. This report then also explains how the existing Energising Blyth Programme will be expanded to communicate the new Levelling Up Deep Dive funding as part of the overall investment in the town to support delivery of the Town Investment Plan.

### **Levelling Up Deep Dive Process**

4. In Autumn 2022 the Department for Levelling Up, Housing and Communities (DLUHC) announced that Blyth would benefit from a 'Levelling Up Deep Dive'. This process has been undertaken previously in Grimsby and Blackpool.
5. This involved the DLUHC Levelling Up Team visiting the town engaging both the County Council and a wide range of partners to identify opportunities to deliver Levelling Up Policy and support the towns 'Town Investment Plan. A range of support asks and potential funding support is then agreed.
6. This process is separate and not part of the recent national 'Levelling Up Fund' competitive bid process.
7. The DLUHC Levelling Up Deep Dive team worked closely with businesses, communities, institutions and local leaders in Blyth in order to determine priorities for change, to promote opportunity in the town.
8. Five key themes were identified from this process with potential interventions emerging: Housing, Regeneration and Community Safety, Transport, Enterprise, Skills and Health.
9. The team tested the above with the Town Deal Board and other local partners, including a roundtable and visit to Blyth with DLUHC Permanent Secretary Jeremy Pocklington. The team then worked across Government to bring together a package of support for Blyth and refined the proposals following an initial indication of likely support within Government.
10. In February 2023 as part of a visit by Rt Hon Michael Gove MP, Secretary of State for DLUHC the award of £20.71m was announced as a result of the above process.

The award is a mixture of capital and revenue supported activity and also identifies areas of future work with local partners and Government Departments to tackle key issues.

11. As part of the announcements DLUHC also announced non funded activity. This included the Government confirming it will strengthen local partnerships between Jobcentre Plus and NHS services in Blyth so more disabled people and those with health conditions are supported to start, stay and succeed in work. The Department of Health and Social Care (DHSC) is also working with Northumberland Council to support more smokers to quit, complementing the £35 million recently allocated to address health inequalities across the whole of the North East and North Cumbria Integrated Care System over the next 3 years.
12. As part of the Government visit a roundtable was held with local skills providers and major employers in clean energy, renewables and advanced manufacturing. There was a commitment to continue to work together on this agenda going forward.
13. The Levelling Up Deep Dive is seen as a forerunner to new 'Levelling Up Partnerships'. Twenty such partnerships were announced in the Spring budget and the three areas to have undertaken the deep dive process will increasingly be seen as Levelling Up Partnerships in terms of an ongoing partnership approach between local and central government utilising the funds awarded to date.
14. The award is made on the basis that the Energising Blyth Levelling Up Deep Dive Programme has a crucial role to play in the successful delivery of the Governments Levelling Up policy and Blyth Town Investment Plan agreed as part of the Town Deal process, providing an important catalyst for future investment and growth in the town.
15. The projects identified by UK Government in awarding this funding are based on a co-produced business case agreed by DLUHC and focus on delivering a transformative impact through over £20.71m investment in housing renewal, town centre living, a more welcoming and safe town centre and first class industry led skills facilities.
16. The package demonstrates Government's ongoing commitment to tackling spatial inequalities in Blyth as part of the Levelling Up agenda tackling both deep seated inequalities and unlocking the potential of the town addressing poor outcomes in a number of metrics, particularly across housing quality, inclusion, accessibility, health, living standards and skills.

### **Levelling Up Deep Dive Projects**

17. The £20.71m Levelling Up Deep Dive award includes the following project activities which will be added to the programme (see Table 1 programme summary overleaf).

#### ***Welcoming and Safe Blyth***

- **£200k** (£180k capital and £20k revenue) is allocated for the 'Safe and Welcoming Blyth' crime reduction initiative.



### ***Housing Renewal and Town Centre Living***

- **£18m capital funding** to support housing regeneration in the town centre including housing renewal and town centre living projects.
- **£1.06m revenue funding** to support housing regeneration activity and to create a multi-faceted Empty Homes Team for Blyth to address its 257 long-term empty properties, which currently leads to complaints, ASB and waste. This award includes revenue funding allocated for programme management including the Senior Programme Officer support post.

### ***Energy Central Campus – Technical Training Kit***

- **£1.45m** capital is allocated for advanced technical training kit adding to the existing Energy Central Campus Phase 1 Learning hub project.

The table below provides a summary of each project.

**Table 1 - Levelling Up Deep Dive Programme Summary**

<b>Table 1 - Levelling Up Deep Dive Programme Summary</b>	
<b>Project/Package Description</b>	<b>Budget</b>
<p><b>Welcoming and Safe Blyth</b></p> <p>This project will provide funding for an Anti Social Behaviour (ASB) package and would deliver both a Retail Crime Reduction Partnership and ‘Safe and Welcoming Blyth’ initiative in partnership with key local partners. These would include Police and local partners including through the Heart of Blyth, community safety and neighbourhood partnership, and Operation Aurora ASB partnership initiatives adding value to community health and well-being support. Northumberland County Council and the Northumbria Police envision using this funding to support the below measures, although they are still in the process of working up the detailed specific interventions with key local partners:</p> <ul style="list-style-type: none"> <li>• CCTV and other measures that will help businesses and the police directly reduce crime as well as the fear / perception of crime</li> <li>• Measures that provide a boost to the business community to make the town centre and priority neighbourhoods more visually appealing, also increasing a feeling of safety and reducing perception of crime. It is anticipated that this would include ‘<b>Business Crime Reduction Partnership</b>’ in the town centre working with local businesses, Northumbria Police, Home Office and local partners to enable better collaboration using technology solutions between agencies and business to deal with this issue</li> <li>• Measures that will help the Police and youth / community sector to positively address ASB and youth disorder</li> <li>• Measures that provide safe spaces to engage with and address substance misuse amongst the adult population in Blyth</li> </ul>	<p>£180k Capital £20K Revenue</p>

<p><b>Housing Renewal and Town Centre Living – capital</b> This package includes three projects.</p> <p><b>Housing Renewal</b> - Two projects target housing renewal in one of the most deprived wards in Blyth and the country. This includes:</p> <p><b>Bowes Court</b> – an energy efficiency scheme is planned to improve these NCC properties with delivery planned to start in 2023/24.</p> <p><b>Extra Care Facility</b> – a new extra care scheme is planned. Delivery of this project is longer term expected to be delivered in 2024-26 and initial design work is planned as the next step.</p> <p>The above schemes will be developed and delivered by NCC housing contracting external suppliers for construction of the new projects.</p> <p><b>Town Centre Living - Richard Stannard House</b> - The other project introduces high quality town centre living integrated with the town centres regeneration. This project is located at Richard Stannard House as a deliverable town centre living scheme strategically located at the gateway to the town centre on Bridge St. This scheme will be delivered by Advance Northumberland who own the property and will renovate the currently underutilised business premises into new high quality apartments for rent.</p> <p>Collectively these projects are designed to improve the overall quality and attractiveness of accommodation, address market failure, contribute to net zero goals and deliver placed based environmental improvements. As part of project development, all projects will involve relevant consultations and engagement with any affected tenants and other parties.</p>	<p>£18m Capital</p>
<p><b>Housing Renewal and Town Centre Living – revenue</b> This part of the package involves the creation of a multi-faceted Empty Homes Team, including powers of enforcement, this will enable a greater focus on the ability to tackle the issue of empty homes in Blyth.</p> <p>This budget includes overall programme management support costs.</p>	<p>£1.06m Revenue</p>
<p><b>Energy Central Campus – Technical Training Kit</b> This provides for additional technical training kit to support the offer at the new Energy Central Learning Hub on Blyth Quayside.</p>	<p>£1.45m Capital</p>
<p style="text-align: right;"><b>Total £20.71m</b></p>	

## COSTS AND FUNDING

18. Table 2 below shows the current funding profile split on an annual basis.

19. At this stage prior to full establishment of the programme the budget is established only at the programme level based on the programme level costs established with DLUHC. Individual project leads are in the process of developing updated business case applications which will be subject to approval by the council confirming updated costs and spend profiles.
20. As part of this process early work is needed to de risk project delivery and as such approval of budgets are requested to enable the new empty homes team and programme support officer to be appointed and early design work to be progressed as projects develop and are assured further. This includes the recommendations to:
- a. Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to enter into internal grant funding agreement for the empty homes team revenue costs subject to confirmation of funding being in place and local assurance being followed.
  - b. Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to approve initial design fees up to the value of £1,993,469 capital across the programme.
21. Project level budgets will be confirmed as part of future reports to cabinet and project budgets established in the capital plan on this basis.
22. The table below overleaf sets out the programme level capital and revenue budget only at this stage.

<b>Table 2 - Energising Blyth Levelling Up Deep Dive Funding - Financial Profile</b>					
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/2026</b>	<b>2026/27</b>	<b>Total Funding</b>
<b>Capital Funding Summary</b>					
<b>Welcoming and Safe Blyth</b>	35,000	145,000	0	0	<b>180,000</b>
<b>Housing Renewal and Town Centre Living</b>	2,674,000	6,626,000	8,700,000	0	<b>18,000,000</b>
<b>Energy Central Campus Training Kit</b>	1,450,000	0	0	0	<b>1,450,000</b>
<b>Total Capital*</b>	<b>4,159,000</b>	<b>6,771,000</b>	<b>8,700,000</b>		<b>19,630,000</b>
<b>Revenue Funding Summary</b>					
<b>Revenue – Empty Homes Team and Programme Management Staffing and other costs e.g. legal and consultancy fees</b>	353,333	530,000	176,667	0	<b>1,060,000</b>
<b>Revenue – Welcoming and Safe Blyth</b>	10,000	10,000	0	0	<b>20,000</b>

<b>Total Revenue</b>	363,333	540,000	176,667	0	<b>1,080,000</b>
<b>LEVELLING UP DEEP DIVE TOTAL FUNDING</b>	<b>4,522,333</b>	<b>7,311,000</b>	<b>8,876,667</b>	<b>0</b>	<b>20,710,000</b>

\*This budget includes up to £1,993,469 allowance for fees including design costs. Included in the recommendations in this report is a request to Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to approve initial design fees up to this value to de risk delivery subject to assurance processes and final approval of project business cases.

## **LEVELLING UP DEEP DIVE PROGRAMME MANAGEMENT AND ASSURANCE ARRANGEMENTS**

23. The governance structure will provide the mechanisms through which decisions will be made to support the development and delivery of the programme, including the defrayal of public funds, and the monitoring and reporting of activity, outputs, risks and issues. See Appendix 1 for the programme governance overview.

### **Key roles and responsibilities**

24. The Energising Blyth Town Board will continue to provide the strategic direction, local insight and a collaborative stakeholder approach to shaping regeneration investments in Blyth and is the main means through which external partner organisations will influence project development and delivery. The Blyth Town Forum also continues to be an important mechanism to engage with and drive collaboration with the involvement of Town Council representatives and County Councillors alongside other public, private and community partners.
25. The Levelling Up Deep Dive assurance arrangements agreed by Government do not require formal sign off by the Town Deal Board, as is the case with the existing arrangements for the other Energising Blyth projects. As such the Town Deal Board plays an advisory only role and will receive regular updates.
26. The Council is the 'lead council' for the Levelling Up Deep Dive and will act as the Accountable Body for the Levelling Up Deep Dive external funding and as such will have overall responsibility for the effective management and defrayal of funding. The Council will regularly report on programme performance, progress, expenditure and outputs, in line with funder requirements. It will also put in place a grant funding agreement with Advance Northumberland Ltd, project lead for the Richard Stannard House scheme.
27. The Levelling up Deep Dive part of the Energising Blyth Programme is 100% funded by DLUHC. Funding will be provided to NCC in the form of a Section 31 grant paid in two instalments in 2023-24 and 2024-25.

28. DLUHC expect to have regular review meetings with the council and receive a regular delivery update including progress against project milestones. The second payment will be released upon satisfactory progress against milestones.
29. The Council will continue to report on progress with the Energising Blyth Programme via an internal Programme Board and will include reports on progress with the LUDD allocation as part of these arrangements. This Board will have overall responsibility for effective delivery of the Programme, ensuring sufficient project management resources are in place to oversee each scheme. The project leads will submit regular progress reports on each project to the Board.
30. The Board will provide oversight and strategic direction, make decisions e.g., on contractor appointments, and make recommendations on the approval of project business cases and funding allocations. Membership will include Executive Directors and Heads of Service of relevant departments (regeneration, planning, technical services, transport, and education) as well as support services (finance, legal and procurement).
31. The Council's advisory internal Housing Delivery Board will also maintain an overview and received regular progress updates regarding the housing renewal and town centre package in the wider context of the councils housing improvement programme.
32. The Council's Capital Strategy Group will make recommendations to Cabinet on the allocation of funding from the Council's capital programme to support the capital projects in the programme. The Cabinet will be the final decision-making authority, approving the Council match funding contribution to projects, as well as the individual project applications once they have been assured internally or where applicable externally through independent specialist appraisal.
33. Subject to Cabinet decision, approval will be delegated to the Executive Director for Place and Regeneration to execute all contracts relating to individual projects, with confirmation being in place of associated funding and the appropriate procurement processes being followed.
34. This will initially include the award of relevant contracts for the supply of a multi-disciplinary design team and spatial planning service to capital project development.
35. Rules 2.3 and 2.4 of the Council's Finance and Contract Procedure set out why this delegation is required, as the potential contract values will exceed those allowed. The initial contracts to be awarded will be for design work and project development that will commit expenditure to low-risk activities not normally required to be the subject of examination under the Council's Business Case and Risk Appraisal Processes.

36. It should be noted that, in order to meet grant funding timescales, the council will need to commence the procurement of design and development work on major capital projects to inform final business cases. This will inform final costs which will be included in the final project approvals presented to Cabinet.
37. The Council's s151 Officer will independently assess the sustainability, viability, and value for money of each project business case, to ensure compliance with all necessary financial regulations. This will include scrutinising and signing off business cases, financial returns, and monitoring and evaluation reports for submission to DLUHC. The Council's Audit Committee will, as required, provide a further level of assurance in the management of public finances, compliance with legal and regulatory responsibilities, and risk management.

### **Programme Assurance**

38. The Council has a robust assurance process in place, to ensure sign-off at various stages of projects. This includes:
  - A business case (designed specifically for the LUDD funding requirements) will be developed for each DLUHC (LUDD) project appropriate to the scale and complexity of the project (projects in LUDD range from £200k to over £12m), compliant with HMT Green Book five case model, which will be assessed by the Regeneration Programmes and Investment Team and where appropriate independently appraised. An appraisal report, with key findings and recommendations will be presented to the Programme Board and Cabinet to secure approval for the business case and funding. It should be noted that the business case for the Richard Stannard House will need to be simultaneously approved by the Board of Advance Northumberland Ltd (ANL), as well as NCC Cabinet, in order to proceed.
  - Formal agreement between NCC (as accountable body) and ANL, as the Council's delivery partner setting out key project management requirements, including submission of quarterly progress reports on progress, spend, and outputs, and monthly cost reports with actual and forecast expenditure.
  - An internal grant agreement with NCC housing and grant agreement between NCC and ANL, as project sponsor/developer for the Richard Stannard House project.
  - All projects will ensure and evidence compliance with public procurement and financial regulations, as well as statutory obligations.
  - During project design, costs will be presented at the end of each RIBA stage and agreed (via gateway points) before progressing.
  - Project variances will be considered by each Project Board and escalated to the wider Programme Board as required.

- Production of regular project monitoring reports, with supporting evidence of defrayal and output achievement, to ensure each project is on schedule, and to identify any delivery issues or challenges.
- Regular budget monitoring will be undertaken with all claims validated by senior finance and performance management staff

## **Programme Staffing and Capacity**

39. The management and resourcing of this support will be co-ordinated through the NCC Programme Board and includes:
- Strategic and delivery teams (e.g., technical services, highways, planning) who will be involved in the development, design, assurance, statutory approval, and delivery of projects.
  - Finance, legal, and procurement teams, who will provide corporate support services.
40. The Economy and Regeneration Service will provide overall programme management support, including existing resources and an additional Senior Programme Officer (band 9) post funded by LUDD for 2 years from appointment in 2023. This additional capacity will focus on bringing forward the housing projects in the package providing support and working closely with NCC housing and Advance. The service will project manage the LUDD programme workstreams and provide capacity to support:
- Commissioning and management of the consultancy teams to support site master planning in relation to housing renewal activity in conjunction with the housing team. There may be opportunities to work with other partners in Blyth to lever in other funding opportunities to deliver housing improvements linked to the LUDD package.
  - Developing a community grants approach to the £200k Welcoming and Safe Blyth initiative. It may be possible to promote this funding as part of the existing Heart of Blyth project in the town and this will be developed further in coming months to support both business and community led activities in the town.
41. The Regeneration Programmes Investment Team will ensure the projects developed are robust, represent value for money, and are compliant with any funding agreement. The team will be responsible for maintaining the Council's accountable body role for externally funded regeneration projects and programmes. The team will also co-ordinate the assurance and approval of robust business cases for the projects. This includes co-ordination of independent appraisal for project business cases and preparation and issuing of a sub-grant funding agreement to ANL where applicable.
42. The Regeneration Finance and Performance Team will ensure that arrangements

are in place to monitor budget, spend and outputs and prepare reports and claims to all funders. Outputs, as specified in each grant funding agreement, will be fully checked to ensure there is the required supporting evidence.

### **Project Management arrangements**

43. The capital schemes have identified project leads in place as set out below:
- Welcoming and Safe Blyth – this project will be developed by a Senior Programme Officer in the Economic Growth and Regeneration Team with specialist knowledge of community grants.
  - Housing Renewal capital and revenue projects – these projects will be client managed by senior officers in NCC Housing.
  - Town Centre Living – Richard Stannard House - Advance Northumberland Limited will provide a full PM Service and lead on delivery via a PID contract.
  - Energy Central Campus technical training kit – this project will be led by the Energy Central Campus Ltd Project Manager, on behalf of the ECC Company Ltd.
44. It is important to note that the speed of the delivery requirements and scale of this programme are significant, and resourcing will be kept under regular review. The council may need to consider additional resourcing to match the scale of ambition to deliver this transformative programme and meet funder requirements.

## **EXPANDING THE ENERGISING BLYTH PROGRAMME**

### **Current £70m Energising Blyth Programme**

45. The existing Energising Blyth Programme was developed when Northumberland County Council and its partners were successful in attracting Future High Streets Fund (£11.1m) and Town Deal (£20.9m) funding between 2022-2026 from UK Government to deliver the Blyth Town Investment Plan (TIP) which aims to grow, renew and connect the town. This includes a focus on transforming Blyth town centre given the significant market failure evident in the area.
46. The existing £70m Energising Blyth regeneration programme is well underway with the delivery of 11 major projects in the town between 2022-2026 and is matched with identified NCC budgets in the capital programme and contributions from other funding partners including the North of Tyne Combined Authority. See Appendix 1 for the Energising Blyth Project Map.
47. The establishment of the Energising Blyth Programme was originally agreed by Cabinet in July 2021 and the Future High Streets Fund bid was agreed by Cabinet in June 2020. The Future High Streets Funded element of the Programme has a particular focus on rejuvenating the town centre and addressing market failure.



48. This substantial funding will stimulate confidence and further investment, create new jobs, bolster economic growth and transform the town ensuring it realises its full potential. This significant programme of renewal is underpinned by creative engagement with the community of Blyth demonstrating demand and support for positive change.
49. Two projects have already been completed as follows:
- Bowes St, Church St and Wanley Street improvements have now been completed beginning the process of revitalising the town centre with public realm and connectivity improvements;
  - Intervention on Northumberland Energy Park has now been completed to improve infrastructure installing a new capping beam on the deep dock supporting the area to be investment ready.
49. Major flagship schemes are getting underway this year including:
- Construction of the new Energy Central Campus Learning Hub Phase 1 is underway and set to open in Winter 2024 creating a major new facility for training and skills connecting local people to jobs in future industry. The first education partner Bede Academy has recently announced bringing new industry focused 'T Levels' to the town for the first time.
  - The first major project in the town centre is set to begin in Summer 2023 with the development of a new Culture Hub and improvements to Market Place to stimulate renewed confidence in the area also set to open in Winter 2024.
  - Further improvements to public realm and connectivity will also get underway on Bridge St in Autumn 2023 connecting the town centre to the quayside.
50. The delivery of the investment and change in the area through the Energising Blyth programme is sequential and to make a real impact on market failure evident in the town is predicated on the early success of the above major interventions.
51. Further major development in the town centre is planned through the existing programme in the longer term including additional improvements to the public realm and connectivity and new hotel, restaurant, education and innovation uses which will add to this new and exciting offer.
52. This cumulative impact will be to reposition the town centre as a place which is able to fully contribute and benefit from the wider growth and success of Blyth as a clean energy port and as a major part of the Northumberland and North East economy connected by the investment in the Northumberland Line including two stations in Blyth.

## **Updated £90m Energising Blyth Programme**

53. The additional Levelling Up Deep Dive funding set out in this report means that the Programme can be expanded to be communicated as a £90m (rounded) Regeneration Programme to transform Blyth. The Programme continues to be funded by UK Government (now including Future High Streets Fund, Town Deal and Levelling Up Deep Dive), Northumberland County Council, North of Tyne Combined Authority and other partners.
54. The Programme continues to sit alongside a wider programme of investment including the Northumberland Line, Blyth Relief Road, Northumberland Energy Park and Heart of Blyth which whilst not part of the Programme are closely linked and contribute to the delivery of the Town Investment Plan.
55. The levelling up deep dive funding allows delivery up to 2027, as such the overall Programme timescale will now be from 2021 to 2027 rather than the current 2026 timescale.
56. The new projects all fit well within the Town Investment Plan (TIP) themes which continue to be focused on helping to deliver a:
- **Vibrant Town:** Renew the town centre with new cultural, education, leisure and residential projects around a revitalised Market Place.
  - **Growing Town:** Boost the growth of Blyth's major renewable energy industry at the Quayside, Port of Blyth and industrial sites.
  - **Inclusive Town:** Provide skills, culture and leisure activities for the benefit of local people, communities and businesses.
  - **Connected Town:** Improve walking and cycling routes and connections to public transport networks, making it easier to travel into / out of Blyth.
  - **Clean Growth Town:** All the above supported by being a leading place for delivering net zero and a just transition.
57. The updated project list set out overleaf for the Energising Blyth Programme now include 13 major projects including the new Deep Dive funded projects and packages.
58. The Energy Central Campus Learning Hub Phase 1 is already a project on the existing Energising Blyth Programme list so the LUDD funded element of this project is not added separately to the appendices overleaf. The additional funding from LUDD will be added to that project once a separate project application has been submitted, assured and approved by NCC for the additional funding awarded.
59. The expanded Energising Blyth Project List and Project Maps are set out overleaf in Appendix 2 and 3 including the new LUDD funded activities. Appendix 2 also summarises the overall development and delivery timescales for the programme going forward.



## **IMPLICATIONS**

<b>Policy</b>	The project fully supports the Council's Corporate Plan, the Northumberland Economic Strategy and the Energising Blyth Town Investment Plan.
<b>Finance and value for money</b>	<p>This report recommends the council accepts the award of £20.71m Levelling Up Deep Dive capital and revenue funding from the Department for Levelling Up, Housing and Communities (DLUHC) as follows:</p> <ul style="list-style-type: none"> <li>- Add £19,630,000 to the Capital Programme as an identified budget allocation for the capital projects identified in this report.</li> <li>- Add £1,080,000 as an identified revenue budget for the revenue funded projects and programme management arrangements outlined in this report.</li> </ul> <p>The financial implications of these proposals are outlined in the main body of the report including the recommendation to note the staffing arrangements and potential need for Cabinet to review this at a later date. Business Cases for individual projects will be brought back to Cabinet as they are developed for a final decision to proceed.</p>
<b>Legal</b>	<p>Legal advice including external subsidy control advice will be sought and confirmed as part of project development and business case approval as projects move forward.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
<b>Procurement</b>	In line with all other expenditure, project spend will be subject to the Council's recognised procurement procedures. Project spend will be subject to the Council's recognised procurement procedures. Rule 4.9.1(e) of the Council's Finance and Contract Procedure Rules requires Executive approval before commencing procurement of goods or services where the value is over £2 million.
<b>Human Resources</b>	The programme is being managed by NCC's Economy and Regeneration Service in conjunction with internal, Advance Northumberland and Energy Central Company Ltd leads as outlined in the report. The LUDD funding includes a revenue contribution to programme management.
<b>Property</b>	Specific implications for NCC property will be included in project business cases for approval.
<b>Equalities</b>	(Impact Assessment attached)

	<p>Yes No N/A X</p> <p>The promotion of inclusive growth is a core aspiration and expectation of the delivery of the Energising Blyth Town Investment Plan, the Energising Blyth Regeneration Programme and DLUHC Levelling up missions with specific metrics included in the monitoring and evaluation framework to establish performance.</p>
<b>Risk Assessment</b>	<p>High level risks were established as part of the programme funding application. A risk register will be developed as part of Programme establishment and for each project as part of business case development. This will include regular updates and monitoring in place to effectively manage risk. The governance structure once embedded will increase risk management.</p>
<b>Crime &amp; Disorder</b>	<p>It is anticipated that this programme will impact positively to reduce anti-social behaviour (ASB). The Welcoming and Safe Blyth project will develop strong community relations particularly with businesses, young people and families including from marginalised groups and target locations. Capital improvements will specifically build in the need to reduce ASB, which is an identified issue in this part of the town, including through a range of design features such as better lighting and a more open and visible public space. Each component project will seek to design out crime, increase perceptions of safety through improved lighting, footways and increased animation.</p>
<b>Customer Consideration</b>	<p>There has been extensive partner and community consultation as part of the development of the Energising Blyth Town Investment Plan and through the LUDD engagement process. The proposals that have emerged in the expanded programme respond to the feedback received about the communities and stakeholders concerns. Further engagement is planned as each project develops in conjunction with Energising Blyth Town Board and stakeholders in the town. Detailed engagement and consultation will be undertaken including with any tenants potentially affected by any project.</p>
<b>Carbon reduction</b>	<p>The projects outlined in this report include significant capital improvements to public space and greening of the High Street and also other locations where possible, which will have a positive environmental benefit. Designs for new buildings include a focus on energy efficiency and public realm works will incorporate sustainability benefits, where applicable and encourage active travel.</p>
<b>Health &amp; Wellbeing</b>	<p>Energising Blyth Town Investment Plan includes an objective to support the development of an 'Inclusive Town' enabling positive</p>

	health and wellbeing outcomes through successful town centre regeneration. A major focus of the programme is designing a better town centre which is well equipped to support recovery from Covid-19 and be more resilient in the future, offering new destinations and potentially facilities for residents that support wellbeing.
<b>Wards</b>	All wards in the town of Blyth

### **Appendices**

Appendix 1: Levelling Up Deep Dive: Programme Governance

Appendix 2: Energising Blyth Programme – Project List

Appendix 3: Energising Blyth Project Maps – Town Centre and Town Wide Project Maps

### **Background Papers**

None

### **Report sign off**

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

	Full Name of Officer
Interim Director of Law and Governance and Monitoring Officer	Stephen Gerrard
Executive Director of Resources and Transformation (S151 Officer)	Jan Willis
Executive Director of Place and Regeneration	Simon Neilson
Chief Executive	Helen Paterson
Portfolio Holder for Business	Wojciech Ploszaj

### **Author and Contact Details**

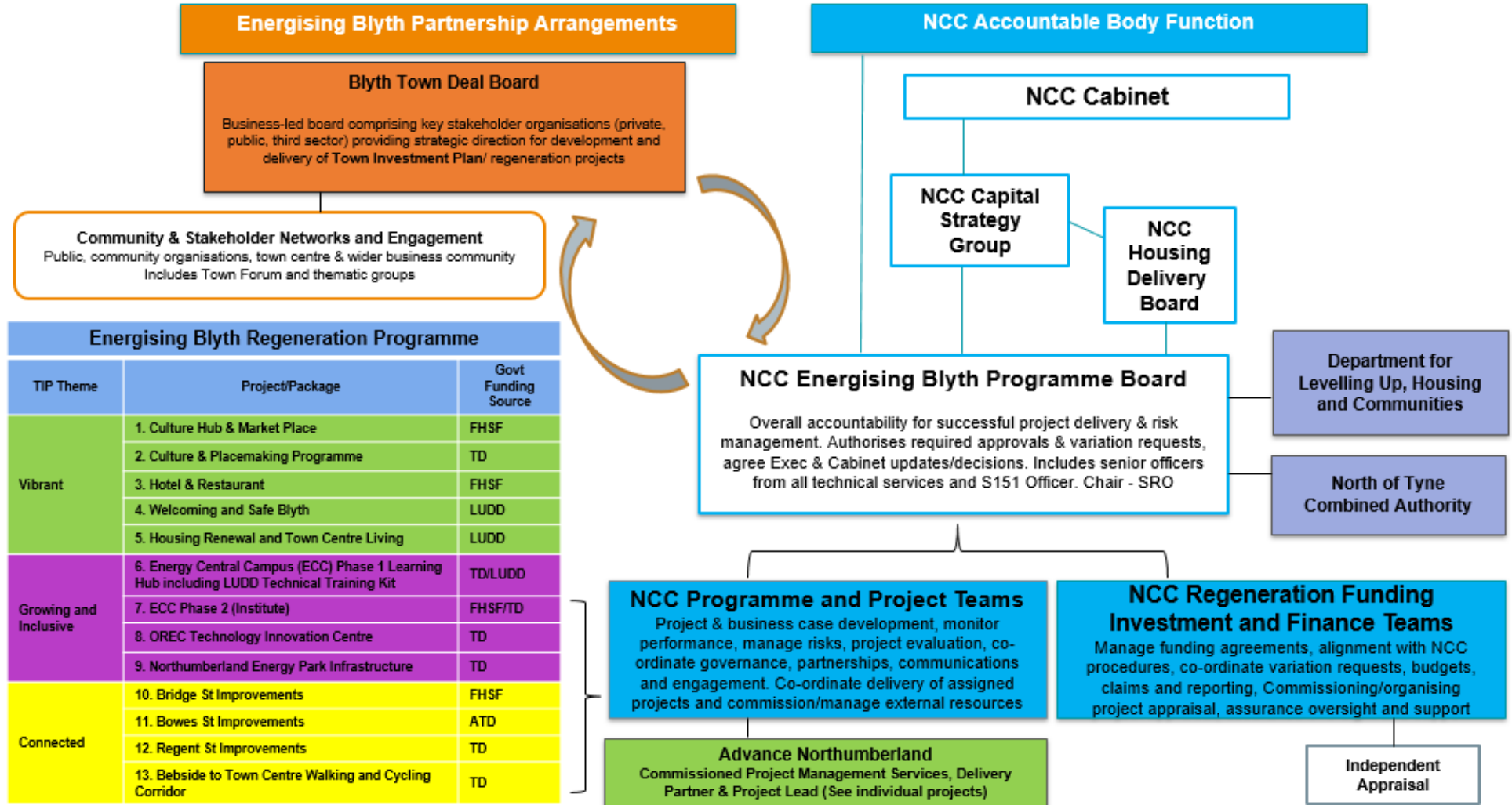
Rob Strettle, Economic Growth and Regeneration Manager

07770642773

[rob.strettle@northumberland.gov.uk](mailto:rob.strettle@northumberland.gov.uk)

# Appendix 1: Levelling Up Deep Dive: Programme Governance Overview

## Energising Blyth Levelling Up Deep Dive Governance & Assurance



## Appendix 2 – Energising Blyth Programme – Project List updated May 2023

Key	Project Development & Approvals	Orange
	Project Delivery	Red
	Project Completed	Green

TIP Theme	Project/Package	UK Govt Funding Source	Summer 2023	Autumn 2023	Winter 2023	2024	2025	2026
Vibrant	1. Culture Hub & Market Place	Future High Streets Fund (FHSF)	Orange	Red	Red	Red	Orange	Orange
	2. Culture & Placemaking Programme	Town Deal (TD)	Orange	Red	Red	Red	Red	Red
	3. Hotel	FHSF	Orange	Orange	Orange	Red	Red	Red
	4. Welcoming and Safe Blyth	Levelling Up Deep Dive (LUDD)	Orange	Red	Red	Red	Red	Orange
	5. Housing Renewal and Town Centre Living	LUDD	Orange	Red	Red	Red	Red	Red
Growing and Inclusive	6. Energy Central Campus (ECC) Phase 1 Learning Hub	TD / LUDD	Red	Red	Red	Red	Orange	Orange
	7. ECC Phase 2 (Institute)	FHSF / TD	Orange	Orange	Orange	Red	Red	Red
	8. OREC Technology Development Centre	TD	Red	Red	Red	Red	Red	Orange
	9. Northumberland Energy Park Infrastructure	TD	Green	Green	Green	Green	Green	Green
Connected	10. Bridge St Improvements	FHSF	Red	Red	Red	Red	Orange	Orange
	11. Bowes St Improvements	Accelerated Town Deal (ATD)	Green	Green	Green	Green	Green	Green
	12. Regent St Improvements	TD	Orange	Orange	Orange	Red	Red	Orange
	13. Bebside to Town Centre Walking and Cycling Corridor	TD	Orange	Orange	Orange	Red	Red	Orange

## Appendix 3 - Energising Blyth Project Maps – Town Centre Project Map updated May 2023



# Energising Blyth Project Map

May 2023





# Energising Blyth Project Map

- Location of Projects Diagram Key**
- Blyth Town Deal Boundary
  - Blyth Town Centre
  - Energy Central - Blyth Estuary Sites
  - Cycling and Walking Corridors
  - Northumberland Line Railway
  - Location of Proposed Northumberland Line Railway Stations
  - Conservation Areas

- Energising Blyth Projects**
- 1 Culture Hub and Market Place
  - 2 Culture and Placemaking Programme (across town)
  - 3 Hotel and Restaurant Town Centre Location TBC
  - 4 Welcoming and Safe Blyth (across town)
  - 5 Housing Renewal and Town Centre Living (locations TBC)
  - 6 Energy Central Campus (ECC) Phase 1 (Learning Hub)
  - 7 ECC Phase 2 (Institute) Town Centre Location TBC
  - 8 Offshore Renewable Energy Catapult (OREC) Technology Innovation Centre (TIC)
  - 9 Northumberland Energy Park Infrastructure
  - 10 Bridge Street Improvements (The Link)
  - 11 Bowes St, Church St and Wanley St improvements (Northern Gateway Phase 1)
  - 12 Regent Street Improvements (Northern Gateway Phase 2)
  - 13 Beaside to Town Centre Cycling and Walking Corridor

- Other Projects**
- 14 Northumberland Energy Park
  - 15 Blyth Clean Energy Terminal
  - 16 Minewater District Heating Network (locations TBC)
  - 17 Blyth Bus Station
  - 18 High Street Car Park and Thoroton Street Improvements
  - 19 Headway Artspace
  - 20 Commissioners Building - Maritime and Heritage Museum
  - 21 Quay Road and Roundabout Improvements
  - 22 Dun Cow Quay
  - 23 Commissioners Quay Development
  - 24 Blyth Welding and Fabrication Centre
  - 25 Cycling and Walking Priority Corridors (routes TBC)
  - 26 Blyth Relief Road (preferred route TBC)
  - 27 Moor Farm Roundabout: Located south of Blyth at A189/A19 junction





## Northumberland County Council

CABINET

DATE: 11<sup>TH</sup> JULY 2023

---

Environmental Enforcement Fixed Penalty Notice and Penalty Notice Policy 2023.

**Report of:** Cllr. Gordon Stewart, Cabinet Member for Looking After Our Communities

**Responsible Officer:** Paul Hedley, Chief Fire Officer and Director of Public Protection

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

**1.1** To present the revised Environmental Enforcement Fixed Penalty and Penalty Notice Policy 2023 for consideration and adoption.

### **2. Recommendations**

**2.1** Agree and adopt the proposed policy (See Appendix 1 below).

**2.2** Agree and adopt the fine levels given in the schedule of the policy (see Appendix 1 below).

### **3. Link to Corporate Plan**

Keeping our communities safe and well included in the NCC Corporate Plan 2023-2026 under Our Values.

### **4. Key issues**

**4.1** The current Fixed Penalty Notice Enforcement Policy was created in 2017 since that date legislation has been updated to produce new offences and to increase the level of fines available for offences. The new policy considers these developments.

**4.2** The purpose of the proposed policy is to set out how the Council will enforce through the use of Fixed Penalty Notices (FPNs) for environmental offences. It sets out the Council's fine levels for the non-payment of fixed penalty notices issued by the Council. In the use of FPNs the Council will always seek to follow the enforcement principles described in its overarching Corporate Enforcement Policy.

**4.3** This Policy covers Fixed Penalty Notices used by NCC Environmental Enforcement for various offences including Littering, Dog Fouling and Fly-Tipping plus Civil Penalty Notices

which can be used by NCC Environmental Enforcement for a specific offence relating to Domestic Waste Bins.

**4.4** A FPN is a means to give a person who has committed a relevant offence the opportunity to pay a fine and in so doing discharge their liability to conviction. As such it is intended as a means by which Courts are prevented from being overloaded with minor offences by first time offenders.

**4.5** The policy covers enforcement action for those offences that could be broadly described as environmental or related to cleaner or safer neighbourhoods. As such the areas it covers include dog control/dog fouling, littering, fly tipping, abandoning a vehicle, consuming alcohol in public spaces, and graffiti.

**4.6** Where legislation permits the use of fixed penalty notices, the Council will consider the use of them as an alternative to prosecution. Examples of where they may be appropriate are to deal quickly and simply with less serious offences, to divert less serious cases away from the court process and to deter repeat offences.

## **5. Background**

**5.1** As can be seen with the attached document The Environment Enforcement Policy of 2017 has been reviewed and updated adding offences and increasing the relevant fines as per current Government Guidelines.

**5.2** The new Policy will continue to provide a means to give a person who has committed a relevant offence the opportunity to pay a fixed amount as a direct alternative to prosecution and in so doing discharge their liability to conviction. Normally the Council would only issue FPNs to first time offenders. In cases where the offender has a history of committing the same or similar offence, and the payment of earlier fixed penalties or court fines has not deterred them from reoffending then prosecution will normally follow.

**5.3** The Policy will continue, where appropriate allow the Enforcement team to deal quickly and simply with less serious offences, divert less serious cases away from the court process and deter repeat offences.

**5.4** The Policy clearly sets out procedures for Vulnerable Adults and Children and Young People ensuring that they are dealt with correctly and according to the Law

**5.5** The Policy will also continue the current practice of allowing a reduction of the Fine if paid within 7 days.

**5.6** There is no appeals procedure for a person in receipt of an FPN because a person served with an FPN who believes they did not commit the offence has the right for their case to be heard in court. As such it is appropriate that the magistrates court should determine such matters.

**5.7** As some of the advice from Government promotes an increased fine from the previous Policy of 2017 the opportunity has been taken to provide a simpler approach to the Fines

which as can be seen from the attached schedule now are £100 reduced to £80 for payment within 7 days

**Implications**

<b>Policy</b>	No
<b>Finance and value for money</b>	FPN are a key tool in the Enforcement of Environmental Offences. Fines for some offences have been increased from £80 to £100. Also, a new offence with a Fine of £400 has been added. This will increase income slightly.
<b>Legal</b>	Under section 88 (B) of the Environmental Protection Act 1990, the Council is required to publish details of Fixed Penalty Notices and a policy is the most appropriate place to do so.  The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.
<b>Procurement</b>	no
<b>Human Resources</b>	no
<b>Property</b>	no
<b>Equalities</b> (Impact Assessment attached)  Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	no
<b>Risk Assessment</b>	no
<b>Crime &amp; Disorder</b>	yes
<b>Customer Consideration</b>	no
<b>Carbon reduction</b>	no

<b>Health and Wellbeing</b>	promotes health and wellbeing as it protects both the physical and natural environment
<b>Wards</b>	All Wards

**Appendix 1**

[Environmental Enforcement FPN Policy 2023.docx](#)

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

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Relevant Executive Director	Paul Hedley
Chief Executive	n/a
Portfolio Holder(s)	Gordon Stewart

**Author and Contact Details**

John Robertson Environmental Enforcement Principal Officer 01670-620066



# Northumberland County Council

## Environmental Enforcement Fixed Penalty Notice Policy 2023

### 1 Introduction

1.1 The purpose of this policy is to set out how the Council will enforce the use of Fixed Penalty Notices for environmental offences. It sets out the Council's levels for the payment of such Notices issued by duly authorised officers of the Council. In this Policy, the term "Fixed Penalty Notice – ("FPN")" shall include:

- Fixed Penalty Notices,
- Penalty Charge Notices,
- Penalty Notices,
- Civil Penalty
- Final Notices of decisions to impose a Financial Penalty, or any other Notice (howsoever it may be described under the relevant legislation for the time being in force or that may come into force in the future), for the purposes of allowing the Council to impose financial penalties.

1.2 The Council will use FPNs as part of an overall approach to protecting and improving the environment, safety & well-being of our communities. This policy is strongly linked to the following vision and values of the Council:

#### ***Our Vision:***

- One Council that works for everyone

#### ***Our Values:***

- Residents first
- Excellence and Quality
- Keeping our communities safe and well

1.3 In the use of FPNs the Council will always seek to follow the enforcement principles described in its Corporate Enforcement Policy. There is no obligation on the Council to offer someone the option of a paying an FPN.

This policy has also been prepared in accordance with published guidance issued in accordance with s88B Environmental Protection Act 1990 and the Regulators Code:

[Regulators' Code \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

1.4 A FPN is a means to give a person who has committed a relevant offence the opportunity to pay a fixed amount as a direct alternative to prosecution and in so doing discharge their liability to conviction. Should an alleged offender receive a FPN they may choose not to accept or pay it, but they may then face prosecution for the original offence. This means that they would have to defend the case in court where there is a risk of being liable for potentially higher financial penalty, plus costs if applicable on conviction.

1.5 This policy covers enforcement action for those offences that could be broadly described as environmental or related to cleaner or safer neighbourhoods. As such it covers:

- Dog control including dog fouling in breach of a Public Spaces Protection Order
- Littering
- Fly tipping
- Failing to comply with a duty of care with regard to household waste
- Failure to produce a waste carriers' licence when required to do so
- Failure to furnish waste duty of care documentation when required to do so
- Nuisance parking
- Abandoning a vehicle
- Graffiti and Flyposting
- Breach of a Community Protection Notice

## 2. General Principles



2.1 Where legislation permits the use of FPNs, the Council will consider the use of them as a direct alternative to prosecution. Examples of where they may be appropriate are:

- To deal quickly and simply with less serious offences
- To divert less serious cases away from the court process
- To deter repeat offences

2.2 Before a FPN is administered the authorised officer will ensure:

- there is sufficient evidence of the offender's guilt to provide a realistic prospect of conviction (any subsequent decision to prosecute will be in accordance with the current published Code for Crown Prosecutors)

2.3 Where legislation gives the local authority the ability to set the level of a FPN charge, the level of the charge shall be set by the Council. The current charges are as set out in the schedule to this policy.

If there is not a charge level set within the schedule to this policy then an Officer to whom the power is delegated in consultation with the appropriate Portfolio Holder for that service area shall set the charge level.

The schedule may be substituted from time to time to reflect amended and updated relevant legislation particularly in relation to the charge levels. Should there be a need to include new offences, then the default levels as set by relevant legislation will apply until the charges are considered as above and amendments made to the schedule.

The level of the FPN charge shall be set with regard to:

- any published Government guidance on the level at which the FPN charge should be set,
- the need to deter offenders from opting for prosecution because they believe that the court would impose a lower level of penalty,
- the cost of bringing a prosecution where fixed penalties were not paid.

2.4 The schedule to this policy specifies the offences to which this policy relates, and also sets out the charges and any early payment discounts available.

2.5 Where a FPN is not paid within the specified time limit (usually 14 days) then the case will be considered for prosecution.

2.6 There is no appeal procedure for a person in receipt of an FPN, where the service of a FPN is a classed as a direct alternative to prosecution, should the FPN remain unpaid then in accordance with section 2.5 above then the case will be considered for prosecution and proceedings may be issued in the

Magistrates' court. The Council considers it appropriate that the magistrates court should determine such matters.

Where the offence carries a civil penalty, then the appropriate legislative procedure will be followed.

- 2.7 Normally the Council will only issue a FPN to first time offenders for those offences as set out in the schedule. In cases where the offender has a history of committing the same or a similar offence, and the payment of a previous FPN or the imposition of a financial penalty by a Court has not deterred them from re-offending, then a prosecution will be considered.
- 2.8 In cases where the offence is deemed to be so serious that the issue of a FPN would not be considered proportionate then a prosecution will be considered for a first-time offence. Issues that will be considered relevant when making this decision include but are not limited to:
- where there is evidence of widespread and systemic offending,
  - non-co-operation or obstruction of an investigation (any such allegation may also lead to an additional offence of obstruction where the legislation allows)
  - intimidation of witnesses.
- 2.9 Any penalty receipts collected through the FPN procedure will only be spent on related functions of the Council and in accordance with the relevant legislation.
- 2.10 FPNs can be issued in person and by post. The FPN should also include the following:
- The type of offence and details of the offence.
  - When and where the offence took place
  - The amount of the FPN and details of any early payment discount
  - How and where the FPN can be paid
  - When the FPN can be paid in order to discharge any liability for prosecution.
- 2.11 Records will be kept (in accordance with the General Data Protection Regulations – GDPR with regard to the retention, storage, sharing or disclosure of any personal data) in relation to any FPNs issued. This will include:
- Decisions taken at each stage from the issue of a FPN to payment and or prosecution.
  - The evidence on which the FPN is based, should the Council decide to prosecute

### **3. Vulnerable Adults**

- 3.1 If a duly authorised officer is of the view that an alleged offender is vulnerable and or the issue of a FPN is not in the public interest to proceed then on-the-spot education may be considered. This may include asking the person to rectify

their actions or explaining the consequences of any offence. Should a duly authorised officer have any concerns regarding vulnerability and or public interest, then this should be raised with their line manager before taking any further action.

#### **4. Children and young people**

##### **4.1 Under 10-year-olds**

- In the case of children below the age of criminal responsibility - 10, the Council will not take any formal enforcement action. A duly authorised officer may, where it is considered appropriate, contact the child's parents or guardians, either directly, or through any supporting service the family may have.

##### **4.2 Between 10 and 15 years old**

- An informal verbal warning would normally be issued for a first offence, this may also include on the spot education including an explanation that what they have done is wrong and that it should not be repeated.
- Where it is considered appropriate the duly authorised officer should also report the event to the child's parents or legal guardian, having obtained their details either directly or through any supporting service the family may have.
- In most such cases an FPN will not be issued but the record of the incident should be brought to a line manager for discussion. If it is subsequently decided that a FPN is suitable, it should be issued to the alleged offender in person with a parent or legal guardian present. If the FPN must be issued by post, the alleged offender's parent or legal guardian should be notified at the same time

##### **4.3 Between 16 and 17 years old**

- Where it is identified that the offender is 16 or 17 years old, if it is appropriate immediate on the spot education should be carried out to explain that what they have done is wrong and that it should not be repeated.
- An FPN may be issued on the spot if the name, address, and date of birth of the offender have been obtained together with the name and address of a parent or legal guardian. The offender should also be advised that details of the offence will be shared with the local Youth Offending Team.
- If an FPN is not issued on the spot, a record of the incident should be brought to a line manager for discussion, again if the name, address, and date of birth of the offender have been obtained together with the name and address of a parent or legal guardian and the offender has been advised that details of the offence may be shared with the local Youth Offending Team. If it is deemed appropriate and proportionate by the line manager following consideration of the facts an FPN may be issued by first class post to the

offender together with a covering letter addressed to the offender and copied to the parent/guardian.

- No offender between 16 and 17 years old should the need arise will be interviewed under caution without an appropriate adult being present.
- If there is any doubt as to the offender's age, in other words there is a belief that they may be under 16, then the procedure for those aged between 10 and 15 years old should be followed.

## **5. Non-Payment of Fixed Penalties**

- 5.1 When a FPN is not paid in full within the required time period specified on the notice (in most circumstances 14 days) then a prosecution for the offence will normally proceed.
- 5.2 Where an early payment discount is available, this will be specified on the FPN together with a shorter payment period. The discounted amount will not be accepted for any payments not received within the shorter payment period and in such cases the full amount will be expected to be paid within the 14 days from service of the notice.

## Schedule

This schedule may be substituted from time to time to reflect amended and updated relevant legislation, any amendments will be made in conjunction with paragraph 2.3

FPN Provision	Offence legislation	Range	Amount Payable	Early Payment Discount
s.52 Anti-social Behaviour, Crime and Policing Act 2014	Failure to comply with a Community Protection Notice  <b>s.48(1)</b> Anti-social Behaviour, Crime and Policing Act 2014	Up to £100	£100	£80 if paid within 7 days
s.68 Anti-social Behaviour, Crime and Policing Act 2014	Contravention of, or failure to comply with a requirement of, the Northumberland County Council (Dog Control) Public Spaces Order  <b>s.67(1)(a) or (b)</b> Anti-social Behaviour, Crime and Policing Act 2014	Up to £100	£100	£80 if paid within 7 days
s.5B Control of Pollution (Amendment) Act 1989	Failure to produce Waste Carriers Licence <b>s.5(7)(a)</b> Control of Pollution (Amendment) Act 1989	£180 - £300	£300	£240 if paid within 7 days
s.33ZA Environmental Protection Act 1990	Waste deposit offence (Fly Tipping) <b>s.33(1)(a)</b> Environmental Protection Act 1990	£150 - £400	£400	£300 if paid within 7 days
s.34ZA Environmental Protection Act 1990	Failure to comply with the duty relating to the transfer of household waste in section 34 (2A) Environmental Protection Act 1990  <b>S.34(6)</b> Environmental Protection Act 1990	£120 - £400  Default level £200	£400	£300 if paid within 7 days

Environmental Enforcement Fixed Penalty Notice Policy 2023

s.34A Environmental Protection Act 1990	Failure to make, retain or furnish Duty of Care documents re: waste <b>s.34(6)</b> Environmental Protection Act 1990	Up to £300	£300	£240 if paid within 7 days
s.88 Environmental Protection Act 1990	Littering <i>(Throwing down, dropping or otherwise depositing litter in any place which is open to the air and to which the public has access with or without payment)</i> <b>s.87(1)</b> Environmental Protection Act 1990	£65 - £150  Default level £100	£150	£100 if paid within 7 days
Schedule 3A paragraph 7 Environmental Protection Act 1990	Unauthorised distribution of printed matter on designated land  <b>Schedule 3A paragraph 1 (1) and (2)</b> Environmental Protection Act 1990	£50 - £100 (used to £50-£80)  Default level £100	£100	£80 if paid within 7 days
s.6 Clean Neighbourhoods and Environment Act 2005	Nuisance parking – exposing a vehicle for sale on a road  <b>s.3 (1)</b> Clean Neighbourhoods and Environment Act 2005	Up to £100  Default level £100	£100	£80 if paid within 7 days
s.6 Clean Neighbourhoods and Environment Act 2005	Nuisance Parking – repairing vehicles on a road  <b>s.4 (1)</b> Clean Neighbourhoods and Environment Act 2005	Up to £100  Default level £100	£100	£80 if paid within 7 days
s.73 Clean Neighbourhoods and Environment Act 2005	Failure to nominate key holders in alarm notification areas  <b>s.71 (2) and (4)</b> Clean Neighbourhoods and Environment Act 2005	£50 - £80  Default level £75	£80	£60 if paid within 7 days
s. 43 Anti-Social Behaviour Act 2003	Graffiti and fly posting  <b>s.44</b> Anti-Social Behaviour Act 2003	£50 - £100  Default level £100	£100	£80 if paid within 7 days

Environmental Enforcement Fixed Penalty Notice Policy 2023

## Civil Penalty Notices

PN Provision	Legislation	Range of	Amount Payable	Early Payment Discount
s46A Environmental Protection Act 1990	Domestic waste receptacle offences <b>s46</b> Environmental Protection Act 1990	£60 - £80  Default level £60	£60	£40

This page is intentionally left blank





## Northumberland County Council

### CABINET.

11<sup>th</sup> July 2023.

---

#### **Drug and Alcohol Treatment and Recovery Service for Northumberland – Permission to Award Contract.**

**Report of:** Cllr Veronica Jones – Improving Public Health and Wellbeing.

**Lead Officer:** Gill O'Neill - Executive Director of Public Health, Inequalities and Stronger Communities.

---

#### **1. Purpose**

- 1.1 The purpose of this report is to provide the background to the need to provide a drug and alcohol treatment and recovery service as part of the Council's statutory public health functions, to confirm that the procurement exercise has commenced, and to seek permission to award the contract once the exercise is complete.

#### **2. Recommendations**

- 2.1 It is recommended that Cabinet approve the award of the contract to the successful contractor for £3,356,709 per annum. The maximum contract period is October 2023 – March 2030.

#### **3. Link to Corporate Plan**

- 3.1 The delivery of a drug and alcohol treatment and recovery service supports the vision of our Corporate Plan 2023 – 2026 by tackling inequalities and achieving value for money.
- 3.2 People who use drugs and alcohol problematically are among those most likely to experience health and social inequality. They are least likely to seek help from services and will often suffer discrimination and stigma. Drug treatment is evidenced as reducing inequality for individuals and communities, by improving health, reducing crime and improving social functioning<sup>1</sup>.

---

<sup>1</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/586111/PE\\_Evidence\\_review\\_of\\_drug\\_treatment\\_outcomes.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/586111/PE_Evidence_review_of_drug_treatment_outcomes.pdf)

3.3 Drug and alcohol treatment is evidenced as being cost effective due to the savings created by the reduced health and social care burden and reduced criminal behaviour<sup>2</sup>. The treatment service will also create economic benefits via employment opportunities for local people, the use of community spaces, attracting additional investment from Government and supporting its client group to become economically active.

#### 4. Key issues

- 4.1 Following permission from Cabinet in January 2023, a formal tender exercise to secure a drug and alcohol treatment and recovery service has been initiated by the Council and a successful applicant organisation will be identified in July 2023, via an open and transparent procurement process. The new contract will commence on 1<sup>st</sup> October 2023.
- 4.2 The length of the contract will be 4.5 years with the option of extending for a further 2 years. Maximum contract period: October 2023 – March 2030.
- 4.3 Under the Health and Social Care Act (2012), local authorities have the duty to reduce health inequalities and improve the health of their local population by ensuring that there are public health services aimed at reducing drug and alcohol misuse. As a condition of receiving the Public Health Grant, local authorities are required to ‘improve the take up of, and outcomes from, its drug and alcohol misuse treatment services’<sup>3</sup>
- 4.4 The contract price for the service is £3,356,709 per annum and £21,818,608 in total (maximum period of 6.5 years – see Procurement section below for detail). There is no financial implication for the Council as the service is fully funded via the Public Health Grant.
- 4.5 The re-commissioning of the service will create opportunities to develop service provision to ensure it can appropriately respond to new and emerging needs and demands within the local community. A comprehensive needs assessment has informed the commissioning process. The development of the service specification and procurement process has been considered through an inequalities lens to ensure a proportionate and targeted programme of work is offered.

#### 5. Background

5.1 The use of drugs and alcohol is widespread within the UK, and although many people will use drugs and alcohol in moderation, even this can be harmful, and long term and excessive use will often lead to addiction and serious health harms. The harmful use of drugs and alcohol has a far reaching and often catastrophic impact upon the individual, local communities and wider society. Addiction is linked with the

---

<sup>2</sup> <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

<sup>3</sup> <https://www.gov.uk/government/publications/public-health-grants-to-local-authorities-2022-to-2023/public-health-ringfenced-grant-2022-to-2023-local-authority-circular>

breakdown of relationships and families, increased criminal behaviour, loss of employment and a range of health issues including cancer, blood borne viruses, respiratory disease and poor mental health.

- 5.2 Deaths from drug misuse are at their highest ever rate across England and Wales, with the most deaths occurring amongst those aged between 40 – 49<sup>4</sup>. The North East has the highest rate of drug related deaths in England and has done for the past 9 years. Similarly, alcohol related deaths in the UK are at their highest rate for the past 20 years, with most deaths attributed to alcoholic liver disease<sup>5</sup>. The North East has the highest rate of alcohol related death in England and saw a 20.5% increase between 2019 and 2020.
- 5.3 It is estimated that the combined social and economic cost (including lost productivity, crime and treatment) as a result of drug and alcohol misuse, is £32.2bn per year in the UK<sup>6</sup>.
- 5.4 There is a strong association between socioeconomic position, social exclusion and substance-related harm in relation to both drugs and alcohol. People living in more deprived areas and with lower individual resources and socioeconomic capital are at greater risk of harm. The highest levels of alcohol and drug-related deaths in the UK occur in those areas of greatest neighbourhood deprivation<sup>7</sup>.
- 5.5 People who use drugs and alcohol problematically are often among the most vulnerable in society. They are more likely to be in poor health, die early, be a victim of crime and be in temporary or unstable accommodation.
- 5.6 The Council (via the Public Health Ring Fenced Grant) has consistently maintained its investment in drug and alcohol treatment and recovery services and as a result, has an effective system with a skilled workforce that creates positive outcomes for some of our most vulnerable and marginalised residents.

---

4

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsrelatedtodrugpoisoninginenglandandwales/2021registrations#:~:text=3%2C060%20drug%20poisoning%20deaths%20registered,aged%2045%20to%2049%20years>

5

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/bulletins/alcoholrelateddeathsintheunitedkingdom/registeredin2020>

<sup>6</sup> <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

7

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/761123/Vulnerability\\_and\\_Drug\\_Use\\_Report\\_04\\_Dec\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/761123/Vulnerability_and_Drug_Use_Report_04_Dec_.pdf)

## 6. Implications

<b>Policy</b>	<p>The delivery of a drug and alcohol treatment and recovery service supports the vision of our Corporate Plan 2023 – 2026 by tackling inequalities and achieving value for money.</p> <p>A raft of national policies, strategies and good practice guidelines shape the delivery of services.</p>
<b>Finance and value for money</b>	<p>The contract price for the service is £3,356,709 per annum and £21,818,608 in total (maximum period of 6.5 years – see Procurement section below for detail).</p> <p>There is no financial implication for the Council as the service is fully funded via the Public Health Grant.</p> <p>Drug and alcohol services are evidenced as being cost effective. They improve health and wellbeing and reduce crime.</p> <p>It is estimated that, in England, treatment creates an annual saving of £2.4bn based on the reduced costs to linked to social care, health and crime. This equates to a social return of £4 for every £1 invested in treatment<sup>8</sup>.</p>
<b>Legal</b>	<p>The provision of drug and alcohol services as described in this report meet the responsibilities conferred by section 18 of the Health and Social Care Act (2012).</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council</p>
<b>Procurement</b>	<p>The existing contract for our drug and alcohol service expires at the end of September 2023. A re-commissioning exercise is currently being delivered. The length of the contract will be 4.5 years with the option of extending for a further 2 years. Maximum contract period: October 2023 – March 2030.</p>
<b>Human Resources</b>	<p>In the event of the incumbent organisation(s) not being awarded the contract, TUPE considerations for current service staff will be the responsibility of the new provider and will be built into the contract arrangement.</p>
<b>Property</b>	<p>This is the responsibility of the provider organisation and will be built into the contract arrangement.</p>
<b>Equalities</b>	<p>A drug and alcohol health needs assessment was completed in 2020 and examined the needs of minority and underserved</p>

<sup>8</sup> <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

(Impact Assessment attached)  Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	patient cohorts. This will be built into the service specification and contract to ensure equity of service access and provision.
<b>Risk Assessment</b>	Included as part of standard Local Authority commissioning and procurement practice.  The Local Authority is required to ensure commissioning of services is competitively tendered. If this tender is agreed by Cabinet, the risk of challenge will be mitigated.
<b>Crime Disorder &amp;</b>	Drug and alcohol misuse is intrinsically linked to offending and criminal behaviour. Treatment is evidenced as being able to reduce the number of people who offend by 44% and decrease the number of offences committed by 33% <sup>9</sup> .  Within Northumberland, up to a quarter of all referrals to treatment come via the criminal justice system, and over a third of service users have a criminal conviction.
<b>Customer Consideration</b>	The current service conducts a quarterly patient feedback survey. Results are shared at contract meetings with Public Health and show a high level of satisfaction with the service  A health needs assessment was undertaken in 2020 and surveyed opinions from current and former service users. The results of the needs assessment will be used to develop the new service specification.
<b>Carbon reduction</b>	During the covid lockdown periods, the service introduced various digital and on-line treatment interventions which reduced the need to travel to services. These interventions will be retained and further developed within the new service specification and will contribute towards the Council's climate change and carbon footprint goals.
<b>Health and Wellbeing</b>	The delivery of an effective drug and alcohol treatment and recovery service supports the aims of the Joint Health and Wellbeing Strategy 2018 – 2028 by reducing the number of alcohol related hospital admissions, improving mental wellbeing and creating better outcomes for those living in our most disadvantaged communities.
<b>Wards</b>	All.

9

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/674858/PE-MoJ-experimental-MoJ-publication-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/674858/PE-MoJ-experimental-MoJ-publication-version.pdf)

## 7. Background papers:

An evidence review of the outcomes that can be expected of drug misuse treatment in England.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/586111/PHE\\_Evidence\\_review\\_of\\_drug\\_treatment\\_outcomes.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/586111/PHE_Evidence_review_of_drug_treatment_outcomes.pdf)

Office for National Statistics. Deaths related to drug poisoning in England and Wales: 2021 registrations.

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsrelatedtodrugpoisoninginenglandandwales/2021registrations#:~:text=3%2C060%20drug%20poisoning%20deaths%20registered,aged%2045%20to%2049%20years>

Office for National Statistics. Alcohol-specific deaths in the UK: registered in 2020.

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/bulletins/alcoholrelateddeathsintheunitedkingdom/registeredin2020>

Advisory Council on the Misuse of Drugs. What are the risk factors that make people susceptible to substance use problems and harm?

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/761123/Vulnerability\\_and\\_Drug\\_Use\\_Report\\_04\\_Dec\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/761123/Vulnerability_and_Drug_Use_Report_04_Dec_.pdf)

Independent review of drugs by Professor Dame Carol Black. Part 1 & 2.

<https://www.gov.uk/government/collections/independent-review-of-drugs-by-professor-dame-carol-black>

UK Drug Strategy – ‘From harm to hope: A 10-year drugs plan to cut crime and save lives’.

<https://www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives>

The impact of community-based drug and alcohol treatment on re-offending – A joint experimental statistical report from the Ministry of Justice and Public Health England.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/674858/PHE-MoJ-experimental-MoJ-publication-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/674858/PHE-MoJ-experimental-MoJ-publication-version.pdf)

## 8. Report sign off

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

	Full Name of Officer
Interim Director of Corporate Governance and Law, and Monitoring Officer	Suki Binjal
Executive Director of Resources and Transformation (S151 Officer)	Jan Willis
Executive Director	Gill O'Neill
Chief Executive	Helen Paterson
Portfolio Holder(s)	Veronica Jones

**Author and Contact Details.**

John Liddell  
Senior Public Health Manager  
Public Health and Community Services  
M: 07929 775559.  
E: [john.liddell@northumberland.gov.uk](mailto:john.liddell@northumberland.gov.uk)

This page is intentionally left blank