



# Northumberland County Council

**Your ref:**

**Our ref:**

**Enquiries to:** Karon Hadfield

**Email:**

Democraticservices@northumberland.gov.uk

**Tel direct:** 0345 600 6400

**Date:** 4 March 2024

Dear Sir or Madam,

Your attendance is requested at a meeting of the **CABINET** to be held in **COUNCIL CHAMBER - COUNTY HALL** on **TUESDAY, 12 MARCH 2024** at **10.00 AM**.

Yours faithfully

Dr Helen Paterson  
Chief Executive

**To Cabinet members as follows:-**

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

Cabinet meetings are streamed live on the Council's Youtube channel, Northumberland TV at

[NorthumberlandTV - YouTube](#)



**Dr Helen Paterson, Chief Executive**  
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## 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  
- 12)

Minutes of the meeting of the meeting of Cabinet held on Tuesday 12 February 2024, 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 DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 13 - 68)

**Financial Performance 2023-24 – Position at the end of December 2023**

The purpose of the report is to ensure that the Cabinet is informed of the current and forecast financial position for the Council against the Budget for 2023-24 (Agenda item 4).

**5. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 69 - 76)

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

This report summarises proposed amendments to the Capital Programme considered by the Capital Strategy Group (Agenda item 5).

**6. 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.

**PART II**

It is expected that matters included in this part of the Agenda will be dealt with in private. Reports referred to are enclosed for members and officers only, coloured pink and marked "Not for Publication".

**7. EXCLUSION OF PRESS AND PUBLIC**

The Cabinet is invited to consider passing the following resolution:

- (a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the Agenda as it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and
- (b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

**Agenda Items                      Paragraph of Part I of Schedule 12A**

8 Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

AND The public interest in maintaining the exemption outweighs the interest in disclosure because disclosure could adversely affect the Authority's ability to conduct its affairs and achieve best value.

**8. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES**

(Pages  
77 - 80)

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

To consider a confidential appendix in relation to item 5 on this agenda (Agenda item 8).

**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** –
- your own financial interest or well-being;
  - a financial interest or well-being of a relative or close associate; or
  - 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:
- to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
  - 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](#).

Subject	Description
<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>
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\* ‘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)

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# Agenda Item 2

## NORTHUMBERLAND COUNTY COUNCIL

### CABINET

At a meeting of the Cabinet held at County Hall, Morpeth on Tuesday 13 February 2024 at 10.00 am.

### PRESENT

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

### CABINET MEMBERS

Horncastle, C.	Riddle, J.
Pattison, W.	Stewart, G.
Ploszaj, W.	Watson, J.G.
Renner Thompson, G.	Wearmouth, R.

### OFFICERS IN ATTENDANCE

Bradley, N.	Executive Director for Adults, Aging & Wellbeing
Elsdon, A.	Director of Finance and Procurement
Hadfield, K.	Democratic and Electoral Services Manager
Hunter, P.	Assistant Chief Executive
Kingham, A.	Executive Director for Children, Young People and Education
Masson, N.	Deputy Monitoring Officer
McMillan, S.	Director of Economic Development and Growth
Neilson, S.	Executive Director for Place and Regeneration
O'Neill, G.	Executive Director for Public Health (DPH), Inequalities & Stronger Communities
Paterson, Dr H.	Chief Executive
Willis, J. (remote)	Executive Director for Transformation and Resources (S151)

### 75. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Jones.

## **76. MINUTES**

**RESOLVED** that the minutes of the meeting of Cabinet held on 16 January 2024, as circulated, be confirmed as a true record and signed by the Chair.

## **77. DISCLOSURES OF MEMBERS INTERESTS**

Members received some guidance from the Deputy Monitoring Officer on the position regarding the Budget and Medium Term Financial Plan.

## **78. REPORT OF THE LEADER**

### **Budget Engagement Report**

The report provided a summary of the engagement on the Council's Budget which commenced in July 2023 and included a Budget Survey which closed on 26th January 2024. This engagement helps to inform the Council's Budget and Medium-Term Financial Plan (copy attached to the signed minutes).

**RESOLVED** that the Budget engagement activities and the summary results of the Budget Consultation Survey undertaken between December and January 2024 be noted.

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

### **Budget 2024-25 and Medium-Term Financial Plan 2024-2028**

The purpose of the report was to enable the Cabinet to make formal budget recommendations to the County Council.

The report provided the Revenue Budget for 2024-25 and Revenue MTFP 2024-28 and the Capital Budget for 2024-25 and Capital MTFP 2024-28, following the Government's Autumn Statement on 22 November 2023, and the publication of the provisional Local Government Finance Settlement on 18 December 2023 (copy attached to the signed minutes).

The Leader made some introductory remarks on the budget, highlighting the key features.

Councillor Ploszaj detailed the main points of the capital programme which included spend across the County.

Councillor Wearmouth agreed this was a very strong budget from a Council with a strong financial capacity and capability. As well as an ambitious capital programme, money was also being spent on fixing the day to day issues which were important to residents such as pothole repairs and parks enhancements.

Councillor Riddle welcomed the additional money being spent on U and C roads and for pothole repairs. Almost £11m of investment from Government and the Council would provide a long term programme of improvement and better standard of repairs.

Councillor Pattinson referred to the Hirst Welfare Centre in Ashington. This was going to be managed by the local community as part of the review of the leisure service. The Centre would be provided with £250,00 in 2024-25, £180,000 in 2025-26 and £100,000 in 2026-27 to support them in that.

Councillor Stewart commented that investment in major towns was having a ripple effect across neighbouring communities.

Councillor Watson welcomed the way capital funding was being spent across the County, both where it was needed and as a result of the residents' survey, which had identified where they wanted to see funding spent.

Councillor Horncastle commented that in his area, most roads were U and C roads and in rural areas one of the most important issues which was raised all the time, was the state of the roads. The amount of proposed investment would make a big difference and was very welcome.

Councillor Renner Thompson referred to the investment in education, particularly in schools in Seaton Delaval, Amble and Berwick. The quality of education in the County had risen enormously under the current Administration, with support from the Government.

The Leader reminded members that the 1,000 affordable homes target had been exceeded, with 1,700 actually achieved, with the help of partners such as Advance Northumberland and Ascent Homes and he expressed his thanks to them for that.

Councillor Horncastle added that there were a number of new schemes being looked at now to deliver affordable homes, making up a very good programme and all efforts were being made to expand into rural areas.

Councillor Wearmouth moved recommendations 1-44 as detailed in the report, with an amendment affecting Recommendation 2(a) to delete the proposal in Environment and Transport to increase the charge for a pay and display and display parking permit (2024-25 £0.012m; 2025-26 ££0.011m; 2026-27 £0.015m). This meant £10.834m of efficiencies in 2024-25 and £14.939m in 2025-26. This was seconded by the Leader.

**RESOLVED** that County Council be recommended to:-

1. Note that the figures contained within the Budget 2024-25 within Appendix 1 are based on the provisional Local Government Finance Settlement of 18 December 2023.
2. Approve:
  - a) the Revenue Budget for 2024-25 including the efficiencies totalling £10.834 million for 2024-25 contained within Appendix 1 (detailed

- in Appendix 10), which includes the deletion of the proposal in Environment and Transport to increase the charge for a pay and display and display parking permit (2024-25 £0.012m; 2025-26 £0.011m; 2026-27 £0.015m); and,
- b) the Schedule of Efficiencies totalling £14.939 million for 2025-26 contained within Appendix 1 (detailed in Appendix 10) noting that the efficiencies identified may be progressed during 2024-25 in order to realise the efficiencies early.
3. Note the Revenue MTFP covering the period 2024-28 detailed within Appendix 1 and the requirement to deliver budget balancing measures of £20.248 million in 2026-27 and £14.238 million in 2027-28.
  4. Note the estimated receipt of Revenue Support Grant of £14.020 million for 2024-25 contained within Appendix 1.
  5. Note the estimated retained Business Rates and the Top-Up Grant funding to be received by the Council for 2024-25 of £103.696 million and £324.303 million over the remaining period of the MTFP contained within Appendix 1.
  6. Note the estimated surplus from prior years on Collection Fund Business Rates balance of £3.471 million in 2024-25 contained within Appendix 1.
  7. Note the estimated receipt of Rural Services Delivery Grant of £2.745 million for 2024-25 contained within Appendix 1.
  8. Note the estimated receipt of the New Homes Bonus of £1.682 million (excluding service element of £0.028 million) for 2024-25 contained within Appendix 1.
  9. Note the estimated receipt of Improved Better Care Funding Grant of £12.496 million for 2024-25 contained within Appendix 1.
  10. Note the estimated receipt of Social Care Grant funding of £25.821 million for 2024-25 contained within Appendix 1.
  11. Note the estimated receipt of Adult Social Care Discharge Grant funding of £2.920 million in 2024-25 contained within Appendix 1.
  12. Note the estimated receipt of Adult Social Care Market Sustainability and Improvement Fund Grant of £6.656 million in 2024-25 contained within Appendix 1.
  13. Note the estimated receipt of the Services Grant of £0.439 million in 2024-25 contained within Appendix 1.
  14. Approve a 2.99% increase in Council Tax for 2024-25, noting that this is in line with the Government's assumptions regarding the Council's Core Spending Power; and, within the Government's referendum limit of 3.00%.

15. Note that the MTFP 2024-28 includes a 2.99% annual increase in Council Tax for 2025-26 and then 1.99% thereafter for the remaining years of the MTFP and, that an estimate of annual tax base growth has been included.
16. Note the non-collection rate for Council Tax purposes remains at 1.00% for 2024-25 (1.00% in 2023-24).
17. Note the estimated surplus of £4.149 million from prior years on the Collection Fund Council Tax balance for 2024-25 contained within Appendix 1.
18. Approve the Council Tax Support Hardship Scheme 2024-25; a reduction of up to £100.00 to council tax bills for all working age Council Tax Support claimants; and those pensionable age Council Tax Support claimants that do not receive 100.00% Council Tax Support, once all other discounts have been applied.
19. Approve a 2.00% increase in Council Tax for 2024-25 for use on Adult Social Care services; raising an additional £4.993 million to support the Budget 2024-25 and note that the assumed increase included in the MTFP is 2.00% for 2025-26 and zero thereafter.
20. Approve the Reserves Policy 2024-25 detailed in Appendix 2.
21. Note the Schedule of Reserves and Provisions contained within Appendix 3.
22. Approve:

The net contributions from the Strategic Management Reserve of £20.885 million in 2024-25 and note the proposed net contributions from reserves of £10.831 million in 2025-26 and £0.027 million in 2026-27, and the proposed net contribution to the reserves of £0.997 million in 2027-28, contained within Appendix 1, comprising:

  - a) non-recurrent pressures of £7.147 million for 2024-25, and note the non-recurrent pressures totalling £2.084 million in 2025-26, £0.027 million in 2026-27, and £0.028 million in 2027-28, (as detailed within Appendix 9; excluding the Adult Social Care Discharge Fund, Locality Coordinators, Hirst Welfare Centre – transitional support, Council Tax Support Hardship Scheme, and BEST Initiative);
  - b) delayed investment interest due from the airport as a result of Covid-19 will be repaid to the Strategic Management Reserve. It is anticipated that the airport will start to repay the delayed interest over a three-year period, commencing in April 2027 at £1.025 million per annum;
  - c) revenue contribution to capital (RCCO) of £13.171 million in 2024-25; comprising of £8.171 million for investment in the Schools' Development Programme, and £5.000 million for investment in the enabling works at strategic employment sites within

- Northumberland; and £6.591 million in 2025-26 for investment in the Schools' Development Programme; and,
- d) contribution from the reserve of £0.567 million in 2024-25 and note the subsequent proposed use of up to £2.156 million in 2025-26 in order to balance the Budget.
23. Approve the use of the Public Health Revenue Grant Reserve of £0.428 million in 2024-25, and note the proposed contribution from this reserve of £0.180 million in 2025-26 and £0.100 million in 2026-27 contained within Appendix 1, comprising:
- a) four fixed term Locality Coordinators totalling £0.178 million in 2024-25; and,
- b) Hirst Welfare Centre – transitional support at £0.250 million in 2024-25, £0.180 million in 2025-26, and £0.100 million in 2026-27.
24. Approve the use of the Council Transformation Fund Reserve of £3.000 million to fund BEST programme delivery costs in 2024-25 contained within Appendix 1.
25. Approve the use of the Council Tax Hardship and Discount Scheme Fund Reserve of £1.726 million in 2024-25 contained within Appendix 1 to fund the Council Tax Support Hardship Scheme for 2024-25.
26. Note the Schedule of Service Specific Grants of £263.663 million contained within Appendix 4, and that some are still indicative pending final confirmation.
27. Note the Schedule of Fees and Charges 2024-25 contained within Appendix 5.
28. Approve the Inflation Schedule for 2024-25 totalling £28.559 million detailed in Appendix 6.
29. Approve the Recurrent Growth and Pressures Schedules of £14.823 million and the additional revenue costs associated with the Capital Programme of £19.100 million for 2024-25; and note the Growth and Pressures of £2.265 million in 2025-26; £3.130 million in 2026-27; and, £0.875 million in 2027-28 and the additional revenue costs associated with the Capital Programme of £12.609 million in 2025-26; £6.000 million in 2026-27; and £6.000 million in 2027-28 included within Appendices 1, 7 and 8.
30. Approve the Non-Recurrent Pressures of £15.221 million for 2024-25 and note the Non-Recurrent Pressures of £2.264 million for 2025-26, £0.127 million for 2026-27, and £0.028 million in 2027-28 included within Appendix 9.
31. Approve the Non-Recurrent Income of £5.475 million for 2024-25 and note the Non-Recurrent Income of £0.314 million for 2025-26; £0.283 million for 2026-27, and £0.269 million for 2027-28 included within Appendix 9.



32. Approve the identified budget balancing measures contained within Appendix 10 of £10.846 million for 2024-25 and £14.950 million for 2025-26; and note those budget balancing measures totalling £6.017 million already identified for 2026-27 to 2027-28.
33. Note the Corporate Equality Impact Assessment at Appendix 11.
34. Note the Budget by Service Area 2024-25 detailed in Appendix 12.
35. Note the receipt of Dedicated Schools Grant of £175.086 million in 2024-25; and note the revised allocation of £158.046 million for 2023-24. This is following the conversion of four schools to academy status during 2023-24.
36. Approve the Capital Strategy 2024-25 to 2027-28 contained within Appendix 13.
37. Approve the revised Capital Programme as detailed within Appendix 14 and note the increase in the Capital Programme 2024-28 of £277.560 million detailed in Appendix 15.
38. Approve the delegation of the detail of the final Local Transport Programme and any subsequent in-year amendments to the Executive Director Place and Regeneration in consultation with the Cabinet Member responsible for improving our roads and highways.
39. Approve the delegation of the detail of the capital allocation for Highways Maintenance Investment in U and C Roads and Footpaths, and the Highway Maintenance and Pothole Repair Fund to the Executive Director Place and Regeneration in consultation with the Cabinet Member responsible for improving our roads and highways.
40. Approve the Capital Prudential Indicators 2024-25 to 2027-28 based on the proposed Capital Programme detailed within Appendix 16.
41. Approve the Annual Minimum Revenue Provision (MRP) Policy detailed in Appendix 17.
42. Approve the Treasury Management Strategy Statement 2024-25 detailed in Appendix 18.
43. Approve a delegation to the Executive Director for Transformation and Resources (the Council's Section 151 Officer) to draw down a total of £2.000 million from the Council's Transformation Fund Reserve and £0.800 million from the Estates Rationalisation Reserve in order to expedite work required with regard to the BEST initiative. Also, to note that Cabinet will receive updates of any drawdowns in the quarterly financial monitoring reports.
44. Approve a delegation to amend the Budget 2024-25 and MTFP in light of any changes as a result of the final Local Government Finance Settlement to the Executive Director for Transformation and Resources (the Council's Section 151 Officer) in consultation with the Cabinet

Member for Corporate Services if the final Settlement is received after the 21 February 2024 Council meeting. If the final Local Government Settlement is received prior to the Cabinet or 21 February 2024 Council meeting, then a supplementary report will be provided to Members advising of any changes necessary.

**80. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES**

**Revenues and Benefits Policies**

The report updated Members on the policies governing the administration of Revenues and Benefits and sought approval for the updates and amendments highlighted (copy attached to the signed minutes).

Councillor Wearmouth introduced the report and thanked the revenues and benefits team for their work throughout the year. He moved the recommendations, which was seconded by Councillor Renner Thompson.

Councillor Horncastle commented that he fully supported the recommendations on second and empty homes. Empty homes needed to be brought back into use and the effect on rural areas of second homes needed to be mitigated against so he supported any measures to redress this.

Councillor Renner Thompson agreed. The area he represented had the highest level of second home ownership in the County. He was pleased that the three representations which had been made to the Government on this topic from around the country had been heeded, with a tightening of the legislation. Any measures to bring local housing stock back onto the market was to be welcomed.

**RESOLVED** that County Council be recommended to:

- Approve the Revenues and Benefits Policies attached as Appendix 1 to Appendix 6;
- Approve implementing the 100% Empty Homes Premium after one year from 1 April 2024; and
- Make a determination to implement a 100% premium for second homes to increase the council tax charge to 200% from 1 April 2025.

**81. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES**

**Corporate Fraud Policies**

The report provided an update on the County Council's policies in relation to Corporate Fraud activity and sought approval for updated policies (copy attached to the signed minutes).

Councillor Wearmouth introduced the report . He moved the recommendations, which was seconded by the Leader.

**RESOLVED** that County Council be recommended to approve the updated Anti-Money Laundering Policy and Anti-Fraud, Bribery and Corruption Policy, attached as Appendix 1 and Appendix 2 to the report.

**82. 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 (copy attached to the signed minutes).

**RESOLVED** that:

**Energising Blyth Programme – Culture Hub and Market Place**

- (a) Cabinet approve the amended budget, shown in table 6.16, for inclusion in the Capital Programme of £16.546 million including £6.135 million from the Energising Blyth Project Delivery Support budget which is included in the Medium-Term Financial Plan;
- (b) authority be delegated to the Executive Director for Place and Regeneration to enter into the main construction contract relating to the project, subject to the appropriate procurement processes being followed.
- (c) Subject to approval by North East Mayoral Combined Authority (NEMCA) of the £2.5m Business Case, this be added to the Culture Hub & Market Place budget within the Medium-Term Financial Plan, and the associated financial profiles be approved as set out in the report; and
- (d) Cabinet approve the transfer of funding of £0.388 million from the 2024-25 Climate Change Fund to the Culture Hub Project.

**Gilesgate Structural Works**

- (a) Cabinet approve the spend of £0.100 million to undertake the structural works at 2 Gilesgate, Hexham. This spend will be funded from the Property Stewardship budget within the Capital Programme;
- (b) Cabinet approve the amendment to the Capital Programme to reallocate the funding from the Property Stewardship budget to the 2 Gilesgate, Hexham project.

**Broadband Connectivity and Oracle Upgrade**

- (a) Cabinet note the receipt of a Gainshare payment from BT of £3.707 million;

(b) Cabinet approve the payment of a portion of the Gainshare receipt of £1.723 million to BDUK as per the terms of the funding agreement. Approve the allocation of the remaining Gainshare receipt of £1.984 million to the Community Broadband project in the Capital Programme. The £1.984 million will be profiled with £0.044 million in 2023-24 and the remaining £1.940 million in 2024-25;

(c) Cabinet approve the spend of £0.088 million for the implementation of new functionality in the Oracle system. This will be funded as follows:

- A reallocation of £0.044 million from the Community Broadband project in 2023-24.
- A reallocation of £0.042 million from the Microsoft 365 project in 2024-25.
- A reallocation of £0.002 million from the Computer Hardware project in 2024-25; and

(d) Cabinet approve the amendments to the capital programme as per the above.

### **83. REPORT OF THE CABINET MEMBER FOR CARING FOR ADULTS**

#### **Adult Social Care: Extra Care and Supported Living Strategy**

The report presented the updated Extra Care and Supported Living Strategy (2024) (copy attached to the signed minutes).

The report was presented by Councillor Pattinson. She advised members that the Strategy was an updated version for 2024. It set out the Council's aspirations to develop extra care accommodation and supported living services for vulnerable residents. The document was aimed at housing developers and care providers to make them aware of what the Authority wanted to achieve. She detailed some of the schemes which were in progress. The development of housing solutions had been slower than had been hoped, due to covid and other issues and she hoped Cabinet would endorse the recommendations, which she proposed.

Councillor Riddle was delighted that the Bellingham development was going ahead on the old mart site. Previous facilities had been lost, leaving a significant gap in rural provision. He seconded the recommendations.

**RESOLVED** that:-

- (a) Cabinet endorse the Extra Care and Supported Living Strategy as the overarching strategy that will provide the context, vision and aspirations for delivery of projects in Northumberland;
- (b) Cabinet support opportunities which are consistent with the strategy including those that involve the use of Council land or buildings and planning decisions;

(c) Cabinet note that some schemes can be developed without Council funding, whilst others may require support including capital funding and/or the use of Council land. Where Council capital funding is required for the viability of schemes, detailed business cases will be prepared; and

(d) the Executive Director for Adults, Ageing and Wellbeing be requested to prepare a future report on the capital requirements of this programme once a number of submissions have been analysed.

#### **84. REPORT OF THE CABINET MEMBERS FOR SUPPORTING BUSINESS AND OPPORTUNITIES AND THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES**

##### **North East Investment Zone**

The report provided an overview of the North East Investment Zone proposal focused on Advanced Manufacturing and Green Industries and sought authorisation for designation of a Business Rates Retention Site in Northumberland (copy attached to the signed minutes).

The Leader introduced the report and proposed the recommendations, which were seconded by Councillor Pattison.

Councillor Renner Thompson welcomed the report. He felt there was a lack of awareness to some extent about the availability of this package of funding amongst the general public so more work was needed to promote it.

##### **RESOLVED** that:-

(a) Cabinet note the proposals in relation to the North East Investment Zone (NEIZ), including the inclusion of the Blyth Energy Central Site as an Investment Zone (IZ) Tax Site;

(b) Cabinet authorise inclusion of the Blyth Energy Central BRR Site in the NEIZ for 25 years, noting the NEIZ Business Rates Reinvestment Strategy (attached at Appendix 1); and

(c) Cabinet authorise the Executive Director of Place and Regeneration, in consultation with the Director of Finance, the Director of Law and Corporate Governance, the Cabinet Member for Supporting Business and Opportunities and Cabinet Member for Corporate Resources, to finalise the elements of the NEIZ proposal specific to Northumberland County Council in conjunction with the Interim Chief Executive Officer for the North East Mayoral Combined Authority, and enter into a written agreement with the North East Mayoral Combined Authority and constituent local authorities.

#### **85. REPORT OF THE CABINET MEMBER FOR INSPIRING YOUNG PEOPLE**

##### **School Admission Arrangements for Community and Voluntary Controlled Schools for the 2025/2026 Academic Year**

The report informed Cabinet of the outcomes of the consultation on School Admission Arrangements for Community and Voluntary Controlled Schools for the 2025/26 Academic Year as required by the School Admissions Code 2021. Approval (determination) of these admission arrangements was also sought (copy attached to the signed minutes).

Councillor Renner Thompson presented the report and moved the recommendations. The policy did not cover academy schools but the Authority worked closely with them and the majority of academy schools followed the Council's admissions policy. The PANs were to be reduced on two schools – Longhoughton Primary and Seahouses Primary from 21-15. The impact of second homes on these communities was clearly being felt.

Councillor Wearmouth commented that school admissions was an important subject which affected families in a significant way so he welcomed the positive dialogue with the Cheviot Trust on the admissions policy. He seconded the recommendations.

**RESOLVED** that:-

- (a) Cabinet note the outcomes of the six week consultation undertaken in relation to the Council's proposed admission arrangements for community and voluntary controlled schools for 2025/26 that took place between 10th November 2023 and 22nd December 2023;
- (b) Cabinet approve the proposed co-ordinated admission scheme for all maintained schools and academies, as provided in Appendix 1 of the report;
- (c) Cabinet approve (determine) the proposed admission arrangements, including proposed oversubscription criteria and proposed admission numbers for First and Primary community and voluntary and controlled schools, as provided in Appendix 2 of the report;
- (d) Cabinet approve (determine) the proposed admission arrangements, including proposed over subscription criteria and proposed admission numbers, for Middle, High and Secondary Community and Voluntary Controlled schools, including sixth forms, as provided in Appendix 3 of the report;
- (e) Cabinet approve a reduction of the Published Admission Number at Seahouses Primary School from 21 to 15 with effect from September 2025, in view of current and future pupil numbers; and
- (f) Cabinet Approve a reduction of the Published Admission Number at Longhoughton Primary School from 30 to 15 with effect from September 2025, in view of current and future pupil numbers.

**CHAIR**.....

**DATE**.....



## Northumberland County Council

Cabinet

12 March 2024

### Financial Performance 2023-24 – Position at the end of December 2023

**Report of Councillor:** Richard Wearmouth, Deputy Leader and Cabinet Member for Corporate Services

**Responsible Officer:** Jan Willis, Executive Director of Transformation & Resources

#### 1. Link to Key Priorities of the Corporate Plan

1.1 The Council's budget is aligned to the priorities in the Corporate Plan 2023-26 with significant investment in each of the priorities; achieving value for money, tackling inequalities and driving economic growth as well as specific funding set aside to deliver Best Value through the BEST work.

#### 2. Purpose of report

2.1 The purpose of the report is to ensure that the Cabinet is informed of the current and forecast financial position for the Council against the Budget for 2023-24.

#### 3. Recommendations

3.1 Members are requested to approve:

- the re-profiling to the Capital Programme of £47.326 million from 2023-24 to 2024-25 to reflect estimated expenditure levels in the current financial year. £4.738 million of this has already been factored into the 2024-25 to 2027-28 Medium Term Financial Plan.
- the utilisation of £2.000 million from the Business Recovery Reserve to fund additional financial support for Active Northumberland in recognition of significant inflationary pressures and to allow Active Northumberland to maintain reserves at a sufficient level to facilitate an orderly closure of the business and transition to the new leisure provider. Any funds remaining upon the winding up of the business will transfer back to the Council to support leisure services in Northumberland.

3.2 Members are requested to note:

- the projected overspend on services of £3.527 million and the assumptions outlined in this report.

- the projected net overspend of £0.510 million after the utilisation of the reserves.
- £2.000 million underspend on the Todstead Landslip scheme resulting in only £3.000 million of the £5.000 million allocation from the Severe Weather Reserve being required.
- the supplementary estimates at Appendix A and the required changes to the budgets.
- the delivery of the approved savings at Appendix B.
- the use of the contingency shown at Appendix L.
- the use of reserves shown at Appendix M.
- the virements requested by services shown at Appendix N.
- the details of capital project reprofiling shown at Appendix O.

#### **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 to the end of December 2023. The Council set its budget for 2023-24 on 22 February 2023 and this report focuses on the financial performance to the end of December 2023 and the projected year end position at that point in time.

##### **5. Projected Revenue Outturn 2023-24**

- 5.1 The Council's projected 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 - K 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 net budget of £401.878 million, providing revenue funding for the majority of the Council's services.
  - b. The Dedicated Schools Grant (DSG) of £158.046 million in 2023-24, which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the Children, Young People and Education Directorate.
  - c. Public Health, a ring-fenced grant of £17.932 million in 2023-24, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Public Health, Inequalities and Stronger Communities.
  - d. The Housing Revenue Account (HRA) with a gross expenditure budget of £42.588 million in 2023-24, is ring-fenced, and reported separately



from the General Fund, and is managed within the Place and Regeneration Directorate. The HRA forecast is detailed in Appendix L.

## 6. General Fund

6.1 The following table provides a summary of how each Directorate is performing against the General Fund revenue budget for the 2023-24 financial year.

Service	Budget	Forecast Outturn	Variance
	£m	£m	£m
Adults, Ageing & Wellbeing	132.840	133.239	0.399
Chief Executive	35.724	36.990	1.266
Children, Young People & Education	88.051	94.273	6.222
Place and Regeneration	82.953	85.619	2.666
Public Health, Inequalities & Stronger Communities	13.817	15.553	1.736
Transformation & Resources	31.212	30.374	(0.838)
<b>Total Services</b>	<b>384.597</b>	<b>396.048</b>	<b>11.451</b>
Corporate Expenditure and Income	17.281	10.949	(6.332)
<b>Total Net Expenditure</b>	<b>401.878</b>	<b>406.997</b>	<b>5.119</b>
<b>Budget funded by:</b>			
Council Tax	(231.720)	(231.720)	-
Retained Business Rates (including grants)	(92.863)	(94.455)	(1.592)
Revenue Support Grant	(12.430)	(12.430)	-
Other Corporate Grants	(47.014)	(47.014)	-
Earmarked Reserves	(17.851)	(17.851)	-
<b>Total Funding of Services</b>	<b>(401.878)</b>	<b>(403.470)</b>	<b>(1.592)</b>
<b>Net Total</b>	<b>-</b>	<b>3.527</b>	<b>3.527</b>

## 6.2 Inflationary Pressures

6.2.1 During the preparation of the 2023-24 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 was set aside in reserves to fund these additional costs.

6.2.2 The forecast position shown in section 6.1 now includes all known inflationary increases. The cost of pay awards for 2023-24 was significantly more than the 4.0% set aside in the 2023-24 budget. The shortfall in funding of £3.228 million is shown against Corporate Expenditure and Income. The £1.017 million set aside in the Exceptional Inflation Reserve at the end of 2022-23 and the use of £1.157 million, which is uncommitted the balance in the contingency, will be utilised to offset this. The £2.802 million underspend on energy hyper-inflation has been transferred to the corporate contingency and is included in the forecast for Corporate Expenditure and Income.

6.2.3 The net forecast position after the utilisation of reserves is shown below:

	£m
Overspend on services as per Section 6.1	3.527
Transfer from Exceptional Inflation Reserve	(1.017)
Transfer from Business Recovery Reserve	(2.000)
<b>Net overspend</b>	<b>0.510</b>

### 6.3 Key Movements

6.3.1 The key movements from the September position previously reported to Cabinet are summarised below:

	£m
<b>September position (after pay inflation and the use of reserves and contingency)</b>	<b>0.949</b>
Potential Waste PFI liabilities	1.130
Increase in cost of external residential and supported accommodation placements for children	1.820
Additional Business Rates income, Section 31 Grants and Renewable Energy	(1.592)
Decrease in required Minimum Revenue Provision (MRP)	(0.946)
Additional financial support for leisure	2.000
Use of the Business Recovery Reserve	(2.000)
Other changes	(0.851)
<b>December position (after the use of reserves)</b>	<b>0.510</b>

### 7. Other General Fund Items

- 7.1 Appendix A is a schedule of all supplementary estimates, including new grants and amendments to existing grants (capital and revenue) which the Council has been awarded during October to December 2023.
- 7.2 The Council at its meeting on 22 February 2023 agreed to implement a range of savings and efficiencies totalling £17.045 million in 2023-24. A recent review of the delivery of those savings has been conducted and the results are illustrated at Appendix B.
- 7.3 Appendix L is a schedule of all items which have been released from contingency during the period October to December 2023.
- 7.4 Appendix M is a schedule of the movement in the Council's Reserves.
- 7.5 Appendix N is a schedule of virements during October to December 2023.

## 8. CAPITAL PROGRAMME

8.1 The Capital Programme for 2023-24 totalling £222.949 million was agreed by full Council on 22 February 2023.

8.2 The Capital Programme has changed during the year as the phasing of schemes was reviewed at the end of the previous financial year with £72.638 million re-profiled from 2022-23 to 2023-24 and £71.863 million, approved by Cabinet on 12 September 2023 and 12 December 2023, reprofiled from 2023-24 to 2024-25. In addition, further approvals totalling £56.931 million have been agreed by Cabinet for additional schemes.

8.3 The following table sets out the position as at the end of December:

Directorate	Original Budget	Approved Adjustments	Revised Budget	Expenditure to date	Forecast Expenditure	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m	£m
Adults, Ageing and Wellbeing	4.427	(0.999)	3.428	1.901	3.183	(0.245)	-	(0.245)
Chief Executive	2.016	0.500	2.516	1.225	2.016	(0.500)	-	(0.500)
Children, Young People & Education	32.622	(5.543)	27.079	8.330	19.233	(7.846)	(0.267)	(7.579)
Place and Regeneration	166.270	57.974	224.244	109.001	187.441	(36.803)	(4.017)	(32.786)
Public Health, Inequalities and Stronger Communities	0.800	1.085	1.885	1.659	2.079	0.194	0.240	(0.046)
Transformation and Resources	16.814	4.689	21.503	9.875	17.100	(4.403)	1.767	(6.170)
<b>Total Programme</b>	<b>222.949</b>	<b>57.706</b>	<b>280.655</b>	<b>131.991</b>	<b>231.052</b>	<b>(49.603)</b>	<b>(2.277)</b>	<b>(47.326)</b>
<b>Financed by:</b>								
Capital Receipts	5.589	-	5.589					
External Grants	96.863	38.523	135.386					
GF Borrowing	106.236	16.629	122.865					
GF Revenue Contributions (RCCO)	0.250	6.321	6.571					
HRA Contributions (MRR & RCCO)	14.011	(3.767)	10.244					

Directorate	Original Budget	Approved Adjustments	Revised Budget	Expenditure to date	Forecast Expenditure	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Total Financing</b>	<b>222.949</b>	<b>57.706</b>	<b>280.655</b>					

8.4 Year-to-date capital expenditure is £131.991 million with forecast expenditure of £231.052. million. The major areas of capital investment during the year to date are as follows:

- i. £79.037 million invested in transport schemes including infrastructure, traffic management, integrated transport schemes and the reintroduction of the Northumberland Rail Line.
- ii. £3.739 million invested in fleet replacement.
- iii. £13.378 million invested in the Council's housing stock.

8.5 There is a net forecast variance of £49.603 million across the 2023-24 Capital Programme comprising of £47.326 million net reprofiling from 2023-24 to 2024-25 and £2.277 million underspend. A summary of the significant variances can be found at Appendix K with an explanation of those greater than £0.250 million and a full list of reprofiling can be found at Appendix O.

8.6 It is recommended that Cabinet approves estimated net reprofiling of £47.326 million from 2023-24 to 2024-25 albeit £4.738 million has already being factored into the 2024-25 to 2027-28 Medium-Term Financial Plan.

## 9. Capital Receipts

9.1 The opening balance on the Capital Receipts Reserve at 1 April 2023 was £8.330 million (£0.093 million General Fund and £8.237 million HRA). The level of capital receipts identified to support the 2023-24 Capital Programme was £5.589 million (£1.700 million General Fund and £3.889 million HRA). The following table shows the current position regarding in year capital receipts:

Asset Disposals	General Fund £m	HRA £m
Completed and available for use in year	0.594	1.956
On the market	0.445	-
Terms Agreed	1.056	-
Contracts exchanged	1.279	-

## 10. TREASURY MANAGEMENT

10.1 The Treasury Management Strategy Statement for 2023-24 was agreed by full Council on 23 February 2023.

10.2 The following table summarises the Council's quarterly borrowing activity for September to December 2023:

	Previous Quarter	Movement - Dec 23	Current
Outstanding principal - at quarter end (£m)	722.353	(41.502)	680.851
Weighted average interest rate - year to date (%)	3.106	0.006	3.112
Quarter end external borrowing as % of Operational Boundary (Borrowing)	74.926	(4.305)	70.621
Interest paid (including accruals) (£m)	5.381	2.626	8.007

10.3 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 December 2023, the Council's external borrowing represented 70.62% of its Operational Boundary, which was approved as part of the Treasury Management Strategy for 2023-24. 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.

10.4 Total external borrowing has decreased by £64.527 million, from £745.378 million at the start of the year to £680.851 million at 31 December 2023. This is due to maturing existing loans. However, considering future loan maturities and new borrowing, a net additional borrowing of approximately £130.975 million is forecast in the final quarter of the financial year. Overall borrowing is projected to total around £811.826 million by 31 March 2024 which is around £52.000 million lower than anticipated.

The table below demonstrates that in the quarter to 31 December 2023 the Council has maintained gross borrowing within its authorised limit and operational Boundary.

	Authorised Limit for External Debt £m	Operational Boundary for External Debt £m	Actual 30 Dec 2023 £m
External Borrowing	1,156.913	964.094	680.851

10.5 The following table provides an analysis by type of the quarterly borrowing activity for September to December 2023:

Lender Category	Repayment Type	Opening Balance	Repaid – Sept - Dec 2023	New Borrowing Sept - Dec 2023	Closing Balance
		£m	£m	£m	£m
PWLB	EIP	3.501	(0.500)	5.000	8.001
PWLB	Annuity	0.521	-	-	0.521
Salix	EIP	0.027	(0.002)	-	0.025
PWLB	Maturity	444.704	-	10.000	454.704
Other Local Authorities	Maturity	50.000	(10.000)	-	40.000
Other/Market	Maturity	223.600	(46.000)	-	177.600
<b>Total</b>		<b>722.353</b>	<b>(56.502)</b>	<b>15.000</b>	<b>680.851</b>

10.6 Measuring the maturity structure of borrowing ensures a reasonable spread of maturing debt as a safety mechanism to ensure significant amounts of debt do not mature at a time when interest rates for refinancing the debt may be high. The following table demonstrates the maturity structure of the Council's borrowing at 31 December 2023, against the prescribed limits:

Maturity Structure	Upper Limit for 2023-24	Actual 31 Dec 2023
Under 12 months	25%	7%
1 year - 2 years	40%	3%
2 years within 5 years	60%	3%
5 years within 10 years	80%	7%
10 years and above	100%	80%

10.7 The following table summarises the Council's quarterly investment activity for September to December 2023:

	Previous Quarter	Movement - Sept - Dec 2023	Current
Outstanding principal - at month end (£m)	118.150	(78.750)	39.400
Weighted average interest rate - year to date (%)	4.753	0.164	4.917
Weighted average interest rate - current (%)	5.360	0.045	5.405
Interest earned (£m)	2.886	1.861	4.747



10.8 The following table provides an analysis by type of the investment activity for the quarter September to December 2023:

<b>Category</b>	<b>Opening Balance</b>	<b>Repaid – Sept - Dec 2023</b>	<b>New Investment Sept - Dec 2023</b>	<b>Closing Balance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Term Deposit Banks	15.000	(15.000)	-	-
Term Deposit Building Societies	10.000	(10.000)	-	-
Term Deposit Other Local Authorities	37.000	(47.000)	10.000	-
Money Market Funds	56.150	(199.950)	177.200	33.400
Debt Management Office (DMO)	-	-	-	-
Notice Accounts	-	-	6.000	6.000
<b>Total</b>	<b>118.150</b>	<b>(271.950)</b>	<b>193.200</b>	<b>39.400</b>

10.9 The movement in the Money Market Funds represents daily deposits and withdrawals to manage cashflow.

10.10 Limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end. The table below summarises performance against the prescribed limits for the year to 31 December 2023:

	<b>Limit 2023-2024 £m</b>	<b>Actual Highest £m</b>	<b>Actual 31 Dec 2023 £m</b>
Principal sums invested > 364 days	120.000	-	-

## 11. Transformation Fund Reserve (BEST)

11.1 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.

11.2 To date several commitments have already been made against that fund as follows:

	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	£m	£m	£m	£m	£m	£m
Council Investment	3.000	3.000	3.000	-	-	9.000
Commitments to 7 Jan 2024	0.738	3.473	2.998	1.407	0.189	8.805
<b>Balance Available</b>	<b>2.262</b>	<b>(0.473)</b>	<b>0.002</b>	<b>(1.407)</b>	<b>(0.189)</b>	<b>0.195</b>

11.3 Projects have already been approved by the Best Working Board, including for example, Fix My Street, Living Leader and the Labman management system. In addition to this, several fixed term roles have been recruited to in order that the project can progress, and the service improvements can be delivered quickly. The roles are required for a maximum of three years and approval has been given for the forecast cost of £3.653 million.

11.4 It is likely that the profiling of the commitments will extend into 2026-27. The 2023-24 expenditure and commitments to 31 December are as follows:

	Approved requests	Expenditure to 31 Dec	Commitments Jan to Mar	Forecast Expenditure	Forecast Variance
	£m	£m	£m	£m	£m
Opening Balance	3.000				
Total as at 31 December	3.473	0.806	2.667	3.473	(0.473)
<b>Balance Remaining</b>	<b>(0.473)</b>				<b>(0.473)</b>

11.5 It should also be noted that an additional £0.112 million of expenditure has been incurred in 2023-24 relating to the Depot review. This has been agreed to be funded via the Estates Rationalisation Revenue Reserve. Therefore, £0.112 million has been removed from the commitments against the Transformation Fund.

## 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 2023-27 which supports the priorities outlined in the Corporate Plan 2023-26.
<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> (Impact Assessment attached)	There are no specific equalities implications within this report.
<b>Risk Assessment</b>	The risks associated with the budget were considered in February 2023 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 14 February 2023 and Council 22 February 2023: Budget 2023-24 and Medium-Term Financial Plan 2023-27

## Author and Contact Details

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<b>Directorate:</b>	Children, Young People and Education
<b>Grant Awarding Body:</b>	Department for Education
<b>Name of Grant:</b>	Dedicated Schools Grant
<b>Purpose:</b>	The grant is paid in support of the local authority's school budget. The grant allocation was updated in November 2023 to reflect school academy conversions since April 2023 and updated high needs block funding.
<b>Value:</b>	£168,820 reduction in grant
<b>Recurrent/Non-recurrent:</b>	Recurrent

<b>Directorate:</b>	Children, Young People and Education
<b>Grant Awarding Body:</b>	Department for Education
<b>Name of Grant:</b>	Local Authority Delivery Support Funding
<b>Purpose:</b>	To support local authorities to roll out the new expanded early years entitlements offer.
<b>Value:</b>	£61,062
<b>Recurrent/Non-recurrent:</b>	Non- recurrent

<b>Directorate:</b>	Children, Young People and Education
<b>Grant Awarding Body:</b>	Department for Education
<b>Name of Grant:</b>	Support for maintained schools in financial difficulty
<b>Purpose:</b>	The grant is to support the most significant maintained school budget deficits.
<b>Value:</b>	£344,357
<b>Recurrent/Non-recurrent:</b>	Non-recurrent

<b>Directorate:</b>	Children, Young People and Education
<b>Grant Awarding Body:</b>	Department for Education
<b>Name of Grant:</b>	Teachers Pay Additional Grant
<b>Purpose:</b>	Funding provided to support early years providers to meet the cost of the 2023-24 Teachers pay award.
<b>Value:</b>	£97,425 for September 2023 – March 2024
<b>Recurrent/Non-recurrent:</b>	Recurrent, separate grant for 2023-24 and will then merge into Dedicated Schools Grant from 2024-25 onwards.

<b>Directorate:</b>	Children, Young People and Education
<b>Grant Awarding Body:</b>	Department for Education
<b>Name of Grant:</b>	Wraparound Childcare Grant
<b>Purpose:</b>	The funding is to support local authorities to increase the supply of wraparound places to meet current and future demand for all primary aged children and from 8am-6pm each day.
<b>Value:</b>	£28,822 for 2023-2024 £2,105,199 for 2024-25 £974,199 for 2025-26 (provisional allocation)
<b>Recurrent/Non-recurrent:</b>	Recurrent for three years only

<b>Directorate:</b>	Place and Regeneration
<b>Grant Awarding Body:</b>	Department for Levelling Up, Housing & Communities
<b>Name of Grant:</b>	Nutrient Neutrality
<b>Purpose:</b>	Employment of a catchment project officer to develop a strategic solution to nutrient neutrality problems in the Lindisfarne catchment area.
<b>Value:</b>	£100,000
<b>Recurrent/Non-recurrent:</b>	Non-Recurrent

<b>Directorate:</b>	Place and Regeneration
<b>Grant Awarding Body:</b>	Department for Transport
<b>Name of Grant:</b>	Local Highways Maintenance – Additional Funding
<b>Purpose:</b>	To deliver local road resurfacing and wider maintenance activity on the local highway network.
<b>Value:</b>	2023-24 £2,768,000 2024-25 £2,768,000 2025-26 to 2033-34 to be confirmed
<b>Recurrent/Non-recurrent:</b>	Recurrent

Performance against the 2023-24 savings targets is shown in the table below. The savings have been RAG rated based on the ability to meet the savings target within the year.

Directorate	Red	Amber	Green	Total
	£m	£m	£m	£m
Adults, Ageing & Wellbeing	-	-	4.679	4.679
Chief Executive	0.037	0.063	0.351	0.451
Children, Young People & Education	0.301	0.063	0.388	0.752
Place and Regeneration	0.455	-	3.257	3.712
Public Health, Inequalities & Stronger Communities	0.169	-	0.825	0.994
Transformation & Resources	0.069	-	1.990	2.059
Corporate	-	-	4.398	4.398
<b>Total</b>	<b>1.031</b>	<b>0.126</b>	<b>15.888</b>	<b>17.045</b>

**Key**

Red – saving not expected to be delivered in year

Amber – saving at risk of non-delivery in year

Green – saving delivered or expected to be delivered in year

**Chief Executive**

An increase in fees and charges of £0.005 million relating to lettings and restaurant income at West Hartford Fire Station will not be achieved. The original proposal that room bookings would return to pre-pandemic levels has not been realised.

An increase in Public Protection fees and charges of £0.032 in relation to Land Charges is not expected to be achieved due to the slowing of the housing market in the current year.

No compensating savings have been identified for either at this point.

**Children, Young People & Education**

£0.285 million under-achievement in relation to the reduction in the cost of external residential placements. The saving was linked to the capital development of a new Council children’s home that was originally due to open in May 2023. Delays to the capital works have led to an expected opening date of Spring 2024 and intake to the additional 4 beds will be staggered over the opening months. The running costs of the home from May 2023 had also been budgeted for and will underspend by £0.630 million based upon the revised opening date.

**Place and Regeneration**

£0.382 million under-achievement of Planning Fee income. The budget was increased by £0.782 million as part of the 2021-22 and 2023-24 budget setting process in anticipation of an increase to the national planning fee structure. The changes to the planning application fee system have been considered by the Department for Levelling Up, Housing and

Communities (DLUHC) and Regulations reflecting the fee increase were laid before Parliament, later than expected. The proposed fee increase has been implemented in December so limited savings are anticipated to be achieved in this financial year.

Due to a change in law from 1 January 2024 relating to charging for rubble at Household Waste Recovery Centres, the income forecast for the final quarter is anticipated to reduce and therefore £0.013 million the saving target is unlikely to be achieved.

No compensating savings have been identified for either at this point.

### **Public Health, Inequalities & Stronger Communities**

A £0.045 million staff savings within Customer Services has not been realised as the move to the PlaceCube platform has been delayed. The migration, supported by the BEST workforce began on 25 September however the anticipated customer channel shift will not be realised until 2024-25.

A £0.124 million saving expected from the Tourist Information Centres (TICs) has not been achieved due to the TICs at Craster, Seahouses and the Morpeth Chantry continuing to operate on a business-as-usual basis, which is expected to continue until January 2024 at the earliest for the former two. A growth bid has been submitted to reinstate the Morpeth Chantry budget recurrently from 2024-25 which this will be considered as part of the budget.

### **Transformation & Resources**

A £0.069 million saving within Revenues and Benefits for the anticipated 20% reduction in postage costs has not yet been delivered as originally intended. However, this has been achieved within the service through other non-recurrent compensating savings. It is expected that this saving will be achieved in the future as a campaign is underway to promote an increase in online billing and to look at ways to make these bills more accessible to customers online. The Accounts Receivable Team are also looking at an initiative that involves sending out more invoices electronically which would reduce the outgoing postage costs.



## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Adults, Ageing &amp; Wellbeing

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Assessment & Safeguarding	22.238	22.595	22.411	(0.184)
Integrated Commissioning	84.011	98.139	99.808	1.669
Business Support	4.315	3.147	3.007	(0.140)
In-House Provider Services	6.128	8.033	7.272	(0.761)
Executive Director	0.698	0.926	0.741	(0.185)
<b>Total Adults, Ageing &amp; Wellbeing</b>	<b>117.390</b>	<b>130.840</b>	<b>133.239</b>	<b>0.399</b>

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

The main reasons for the forecast position for Adults, Ageing & Wellbeing are outlined below:

- a. Assessment & Safeguarding is forecast to underspend by £0.184 million. This is due to the following:
  - i. Staffing-related budgets are forecast to underspend by £0.337 million as a result of vacant posts;
  - ii. Non-staffing related budgets are forecast to underspend by £0.159 million; and,
  - iii. The delay in the redesign of the Telecare service will result in £0.312 million of the 2021-22 approved saving not being achieved again this financial year. Option proposals for the redesign of the service will be presented to Cabinet for approval in 2024-25.
- b. Integrated Commissioning is forecast to overspend by £1.669 million. This is due to the following:
  - i. There continues to be an upward trend in the growth in demand for services to support vulnerable people with complex care needs. The service is on track to deliver the cost reduction required to meet the 2023-24 saving target of £3.000 million but are unlikely to eradicate the pressure stemming from the balance of the prior year unachieved saving.
- c. In-House Provider Services is forecast to underspend by £0.761 million. This is due to the following:
  - i. Staffing-related budgets are forecast to underspend by £0.320 million because of vacant posts;
  - ii. Transport related expenditure including client transport costs are forecast to underspend by £0.192 million; and,
  - iii. Income from North East and North Cumbria Integrated Care Board for clients who have been assessed as being eligible for Continuous Health Care (CHC) or S117 funding under the Mental Health Act is anticipated to be £0.252 million more than budget.

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

## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Chief Executive

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Chief Executive	0.344	0.409	0.388	(0.021)
Fire and Public Protection	22.119	23.257	24.466	1.209
Strategy and Communications	1.104	1.245	1.255	0.010
Law and Corporate Governance	6.309	6.209	6.524	0.315
Workforce	4.168	4.604	4.357	(0.247)
<b>Total Chief Executive</b>	<b>34.044</b>	<b>35.724</b>	<b>36.990</b>	<b>1.266</b>

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

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

- a. Fire and Public Protection is forecast to overspend by £1.209 million due to:
  - i. There is a forecast overspend on pay of £0.290 million. Comprising of;
    - A forecast overspend on overtime of £0.456 million as a result of a significant increase in operational incidents, compounded by staffing shortages caused by sickness, a shortage of skills and to accommodate staff attendance at risk critical training courses.
    - Underspends from vacant posts of £0.459 million which are partly offset by sickness cover of £0.294 million;
  - ii. There is a forecast overspend on data lines, computer hardware and land line telephones of £0.355 million due to a number of contractual and inflationary increases which have been identified as a budget pressure within the 2024-25 budget setting process.
  - iii. Vehicle SLA budgets are forecast to overspend by £0.151 million mainly due to the agreement with Tyne and Wear Fire Authority for the repair and maintenance of Fire vehicles. This contract is demand led due to vehicles becoming damaged and having accidents. A higher number of accidents than in previous years along with higher than anticipated inflationary increases has led to the overspend.
  - iv. Within Building Control there is an overspend of £0.152 million forecast. This is mainly as a result of a shortfall in Building Regulation Fees income due to changes in the housing market. Legislative changes mean that reviewing applications and carrying out site visits take more time. The service and level of fees charged is to be reviewed going forward.
- b. Law and Corporate Governance is forecast to overspend by £0.315 million due to:

- i. Legal Services are forecasting a £0.137 million overspend relating to staff regrades, plus the cost of the temporary Director of Law and Corporate Governance of £0.067 million prior to the Senior Management restructure, offset by vacancies of £0.133 million; and,
- ii. External legal fees are forecast to overspend by £0.136 million due to an increase in fees, and an increase in the number of complex childcare cases.
- c. Workforce is forecast to underspend by £0.247 million due to:
  - i. Human Resources, Learning & Organisational Development, Corporate Union and Postgraduates are forecast to underspend £0.236 million due to 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.

## Forecast Revenue Outturn - Detailed budget summary by Service

Service: Children, Young People and Education

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Children, Young People and Families	50.226	54.268	59.673	5.405
Education, SEND & Skills	34.980	33.783	34.600	0.817
<b>Total Children, Young People and Education</b>	<b>85.206</b>	<b>88.051</b>	<b>94.273</b>	<b>6.222</b>
Dedicated Schools Grant	(1.532)	160.480	161.907	1.427

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

The main reasons for the forecast position for Children, Young People and Education are outlined below:

- a. Children, Young People and Families is forecast to overspend by £5.405 million due to:
  - i. There is a £5.799 million overspend on external residential care placements. There are currently 53 residential placements, 3 independent supported living arrangements and 5 emergency provision placements. This position is exacerbated by an increase in the average cost of placements due to market conditions, and in some cases the increasingly complex needs of the young people which is a national problem faced across many local authorities;
  - ii. A saving of £0.285 million was proposed for 2023-24 which will not be achieved. This was linked to the opening of 4 new beds in a residential children's home. However, delays to the capital programme will result in a delay in opening the new home until Spring 2024;
  - iii. There is an expected overspend of £1.089 million on foster care allowances (both in-house and independent agencies) adoption allowances and special guardianship allowances (SGO). Whilst there has been some growth in the number of SGO allowances, the pressure has largely arisen due to a mandatory inflation increase of 12.43% on the allowances that was announced after the Council set its budget for 2023-24, and exceeded the estimated inflation by 7%. This is offset by an underspend of £0.269 million on Independent Fostering agency placements;
  - iv. The new children's home was originally due to open in May 2023, but this is now expected to be Spring 2024 with the recruitment process underway. This will result in an underspend of £0.630 million on the running costs of the home which offsets the saving that will not be achieved on external placements;
  - v. Kyloe House is expected to run at an underspend of £0.445 million. This assumes the unit will maintain occupancy levels of 12 beds throughout the rest of the year and follows an increase in the bed price for the 2023-24 financial year, and,

- vi. The Family Placement Service is expected to overspend by £0.238 million across client transport and other placement costs which are ad-hoc costs for Looked After Children.
  - vii. There is a forecast overspend of £0.801 million on supported accommodation. There is currently a shortage of suitable placements across the county which has led to an increase in short-term emergency provision for young people aged 16+;
  - viii. There is additional grant of £0.633 million related to Unaccompanied Asylum-seeking Children grant and Turnaround grant funding which will be used to meet existing expenditure across the service;
  - ix. There is a forecast underspend on the Northumberland Families service of £0.590 due to a combination of vacant posts and grant funding which has been used to meet the cost of several posts;
  - x. There is an expected overspend of £0.399 million across the service on client transport. This results from a combination of increased demand for the service and the current high inflationary environment; and,
  - xi. There is an underspend on staffing of £0.281 million on several vacancies across the Quality Assurance service.
- b. Education, SEND & Skills is forecast to overspend by £0.818 million due to:
- i. An overspend of £0.960 million on the cost of SEN transport for the 443 routes currently transporting 1,744 pupils and escorts. This is forecast to rise over the year up to 1,764 pupils. Current estimates are less than expected at Northumberland special schools and higher at both mainstream schools and independent education provision. This has generated an increase in the forecast overspend as the average cost of routes to mainstream and independent provision is higher than to special schools due to the economies of scale possible; and,
  - ii. Mainstream transport is forecast to underspend by £0.144 million due to a slight decrease in average contract costs and a bank holiday at Easter falling in this financial year.
- c. The Dedicated Schools Grant is forecast to overspend by £1.427 million which will be met by a transfer from the DSG reserve, this is due to:
- i. The forecast overspend on SEN top-ups is £1.294 million based on expected growth of 16% for the 2023-24 academic year across both mainstream and special schools in the authority;
  - ii. An overspend on independent school placements of £0.493 million with an additional 6 placements since September along with the impact of inflation; and,
  - iii. An underspend of £0.247 million on the budget set aside to fund additional SEN places across mainstream schools and special schools. There was a contingency set aside for places required above those that were commissioned at the beginning of the year and it is not expected that this will be fully required. Place funding will be confirmed once the January 2024 census data is verified.

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

## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Place and Regeneration

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Economic Development and Growth	5.653	6.070	5.685	(0.385)
Environment and Transport	71.455	74.840	76.720	1.880
Housing and Planning	5.435	2.043	3.214	1.171
<b>Total Place and Regeneration</b>	<b>82.543</b>	<b>82.953</b>	<b>85.619</b>	<b>2.666</b>

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

The main reason for the forecast position for the Place and Regeneration Directorate is outlined below:

- a. Economic Development and Growth is forecast to underspend by £0.385 million due to:
  - i. There are a number of small underspends on Asset Management totalling £0.201 million, including £0.079 million additional income on Surplus Properties, £0.060 million due to the cessation of a lease and a staffing underspend of £0.040 million.
- b. Environment and Transport is forecast to overspend by £1.880 million due to:
  - i. The Waste PFI Contract is forecast to overspend by £1.845 million. From 1 January 2023, the Environment Agency banned the disposal of upholstered furniture containing Persistent Organic Pollutants (POPs) from recycling or landfill. The additional cost to handle this separately from other bulky waste is estimated at £0.311 million but work is being undertaken to explore how this can be mitigated. Final Annual Unitary Charge (AUC) inflation rates were higher than the estimates used in budget setting, causing the budget to be exceeded by £0.103 million, and increased waste volumes in quarter one has resulted in forecast additional costs through the AUC of £0.152 million. In addition, there are potential liabilities which have been identified with the Waste PFI contract totalling £1.239 million;
  - ii. Highways and Transport are forecast to underspend by £0.413 million with the most significant variances as follows:
    - Network Management is forecast to underspend by £0.400 million due to an over-recovery of income on Streetworks permits, Section 74 overrun charges and fixed penalty notices;
    - Parking Services is forecast to underspend by £0.400 million due to an over-recovery of income from parking charges, penalty charge notices and concessions income received from vendors utilising spaces within certain car parks;
    - There has been works required due to the deterioration of the highway network and continued surface water flooding of highways in December which has resulted in a

- predicted overspend for highway maintenance of £0.250 million. This will be funded from the Severe Weather Reserve; and,
- Winter Services is forecast to overspend by £0.250 million. Whilst fewer runs have been completed to date (43) than during the same period in 2022-23 (51) the actual salt spreading rates have increased as a result of the amount of flooding and surface water that has been encountered. In addition, there have been three significant snow events during the gritting season to date. This will be funded from the Winter Services Reserve.
- iii. Neighbourhood Services is forecast to overspend by £0.588 million mainly due to an anticipated shortfall in income of £0.404 million from Blyth Crematorium due to the impact of a new private crematorium opening.
- c. Housing and Planning is forecast to overspend by £1.171 million mainly due to:
- i. £0.882 million underachievement of planning fee income. The income budget was increased by £0.782 million as part of the 2021-22 and 2023-24 budget setting process in anticipation of an increase to the national planning fee structure. The changes to the planning application fee system have been considered by the Department for Levelling Up, Housing and Communities (DLUHC) and regulations reflecting the fee increase were laid before Parliament, later than expected. The proposed fee increase has been implemented in December so only partial savings are anticipated to be achieved in this financial year; and,
  - ii. £0.200 million underachievement of Planning Performance Agreements.

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



## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Public Health, Inequalities and Stronger Communities

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Public Health	0.064	0.164	0.164	-
Stronger Communities	23.138	13.653	15.389	1.736
<b>Total Public Health, Inequalities and Stronger Communities</b>	<b>23.202</b>	<b>13.817</b>	<b>15.553</b>	<b>1.736</b>

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

The main reason for the forecast position for Public Health, Inequalities and Stronger Communities is outlined below:

- a. Public Health is forecast to break even:
  - i. The terms of the main grant allow unspent allocations to be carried over into the next financial year. Public Health carried forward a reserve of £5.540 million to financial year 2023-24. It is anticipated that £1.048 million of the reserve will be utilised in year to provide additional services to reduce poverty and health inequalities.
  - ii. The budget also includes an unallocated saving of £0.250 million which will be achieved by utilising the Public Health grant to fund activity currently funded by other Council services.
- b. Stronger Communities is forecast to overspend by £1.736 million due to:
  - i. A £0.157 million forecast overspend is forecast for the Tourist Information Centres (TIC) at Craster, Seahouses and the Morpeth Chantry. The Centres were included in the savings proposal for 2023-24 however, Craster and Seahouses are both continuing to operate on a business-as-usual basis until March 2024 at the earliest. A growth bid has been submitted for Morpeth Chantry within the 2024-25 budget;
  - ii. A £0.162 million forecast overspend within Registrars due to an overspend on staffing costs and an underachievement on wedding income and related fees;
  - iii. A £0.217 million forecast underspend across Coroners and the Business Support Team, which is mainly due to an underspend on Body Conveyancing and Medical Fees and staffing vacancies;
  - iv. An overspend of £2.000 million relating to additional financial support to the Council's leisure provider Active Northumberland in recognition of significant inflationary pressures in 2023-24. This figure is in addition to the support committed through the annual Management Fee. It is recommended that Cabinet approve the use of £2.000 million from the Business

Recovery Reserve, which was set aside to assist local businesses with post pandemic recovery, to fund this support. This will allow Active Northumberland to maintain reserves at a sufficient level to facilitate an orderly closure of the business and transition to the new leisure provider. Any funds remaining after the complete winding up of the company will transfer back to the Council to support leisure services in Northumberland; and,

- v. A £0.338 million forecast underspend within Customer Services mainly due to £0.296 million underspend on staffing vacancies.

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

<b>Forecast Revenue Outturn - Detailed budget summary by Service</b>				
<b>Service: Transformation and Resources</b>				
<b>Summary by Service</b>	<b>2022-23 Outturn</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
<b>Service</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Audit and Risk Management	0.838	0.897	0.813	(0.084)
Digital & IT	10.375	11.871	11.811	(0.060)
Executive Director of Transformation and Resources	46.422	2.770	2.799	0.029
Finance and Procurement	5.139	6.578	5.797	(0.781)
Strategic Change & Service Improvement	4.620	9.096	9.154	0.058
<b>Total Finance</b>	<b>67.394</b>	<b>31.212</b>	<b>30.374</b>	<b>(0.838)</b>

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

The main reason for the forecast position for Transformation and Resources is outlined below:

Digital and IT is forecast to underspend by £0.060 million due to:

- i. Part year staffing vacancies totalling £0.246 million across the service which are expected to be filled during 2023-24;
- ii. £0.078 million non-recurrent overspend on computer software; and,
- iii. £0.108 million forecast overspend on non-staffing due to increased consultancy fees expected to bridge a temporary skills gap within the service.

Finance and Procurement is forecast to underspend by £0.781 million due to:

- a. Commissioning and Procurement forecast to underspend by £0.363 million due to:
  - i. A forecast underspend of £0.277 million relates to the Commercial Team which is mainly due to £0.221 million over-recovery of Feed-In tariff income.
- b. Transactional Services is forecast to underspend by £0.304 million due to:
  - i. A forecast underspend of £0.304 million relating to Revenue and Benefits is due to staff vacancies of £0.268 million, most of which are expected to be filled within the year. There is also an additional £0.124 million grant funding that has been received for New Burdens;
  - ii. Within Cost of Benefits there is a forecast net overspend in relation to Rent Allowance and Rent Rebate payments and claimed subsidy of £0.299 million. This forecast is due to the payments made in relation to the increased application of Supported Exempt Accommodation schemes which attract only 60% subsidy from the Department for Work and Pensions (DWP);

- iii. Forecast additional income of £0.110 million from Oxygen Finance Fiscal following a review of duplicate supplier payments; and,
- iv. An underspend of £0.133 million is forecast within Cashiers and Income Management mainly due to saving in renegotiating contracts.

Strategic Change & Service Improvement is forecast to underspend by £0.058 million due to:

- i. Property repairs and maintenance is forecast to overspend by £0.280 million. This overspend is being managed by only carrying out essential repairs and maintenance for the remaining months of 2023-24; and,
- ii. A forecast underspend of £0.237 million on staffing within Service Improvement and Best Value is predominantly due to staff vacancies with most posts filled in 2023-24

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

## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Corporate Expenditure and Income

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Corporate Items	(7.944)	22.331	21.406	(0.925)
Treasury Management	(26.442)	(23.242)	(25.901)	(2.659)
Capital Financing	93.046	18.192	15.444	(2.748)
Corporate Funding	(470.047)	(401.878)	(403.470)	(1.592)
<b>Total Other Corporate Expenditure &amp; Income</b>	<b>(411.387)</b>	<b>(384.597)</b>	<b>(392.521)</b>	<b>(7.924)</b>

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

The main reason for the forecast position for Corporate Expenditure and Income is outlined below:

- a. Corporate Items is forecast to underspend by £0.593 million mainly due to:
  - i. £0.140 million forecast overspend relating to the Apprenticeship Levy. This cost has increased due to the Council's total pay bill increasing as a result of the pay award. There has been a pressure included within the 2024-25 budget for this;
  - ii. £0.813 million forecast underspend on the General Contingency budget made up of an overspend of £3.147 million due to the pay award funding shortfall offset by £2.802 million underspend on utilities hyper-inflation and an £1.157 of general uncommitted balance; and,
  - iii. An in-year overachievement of the senior management restructure saving of £0.332 million due partly to the delay in recruitment to some posts.
- b. Treasury Management is forecast to underspend by £2.659 million due to:
  - i. The Council's budgeted investment income return for 2023-24 was originally £2.800 million. Due to the significant increase in interest rates in the first half of the year, and the higher than anticipated level of balances available for investment, returns to date have already achieved the budgeted level. It is estimated that investment interest received by year end will be £5.446 million, resulting in a forecast over-achievement of investment income of around £2.658 million.
- c. Capital Financing is forecast to underspend by £2.748 million due to:
  - i. Total external borrowing has decreased by £64.527 million, from £745.378 million at the start of the year to £680.851 million at 31 December 2023. This is due to maturing existing loans. However, considering future loan maturities and new borrowing, a net additional borrowing of approximately £130.975 million is forecast in the final quarter of the financial year. Overall borrowing is projected to total around £811.826 million by 31 March 2024 which is around

£52.000 million lower than anticipated. Although savings resulting from the reduced levels of borrowing will be partly offset by the higher-than-expected interest rates payable on those new loans taken out within the year, it is expected to generate an overall underspend of around £1.797 million; and,

- ii. The budget for Minimum Revenue Provision (MRP) is forecast to underspend by £0.946 million following a review, and the impact of slippage in the capital programme 2022-23 which was previously not factored into the forecast.
- d. Corporate Funding is forecast to overachieve by £1.592 million due to additional Business Rate income, Section 31 Grants and Renewable Energy.

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

## Forecast Revenue Outturn - Detailed budget summary by Service

## Service: Housing Revenue Account

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Housing Management	6.312	6.927	6.511	(0.416)
Housing Special	0.891	1.015	1.111	0.096
Repairs and Maintenance	9.540	9.148	9.695	0.547
Housing Capital Works	0.494	0.631	0.784	0.153
Other HRA Services	13.663	14.882	14.659	(0.223)
HRA Income	(30.175)	(32.916)	(32.655)	0.261
<b>Total HRA Expenditure &amp; Income</b>	<b>0.725</b>	<b>(0.313)</b>	<b>0.105</b>	<b>0.418</b>

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

The main reasons for the forecast variance for the Housing Revenue Account are as follows:

- a. Housing Management is forecast to underspend by £0.416 million mainly due to part year vacancies.
- b. Repairs and Maintenance is forecast to overspend by £0.547 million. The main reasons are:
  - i. £1.365 million is due to the use of external contractors on more specialised areas of work including surveyors' inspections, provision of expert reports and completion of remedial works in relation to damp and disrepair. The Repair and Maintenance team are looking to create a team dedicated to Housing Disrepair to identify and address issues more quickly to avoid the potential for claims. The team will proactively discourage any potential claims. The team will be funded through posts already within the structure; and
  - ii. There is a forecast underspend of £0.625 million on salaries due to part year vacancies and includes agency staffing costs.
- c. Other HRA Services is forecast to underspend by £0.223 million. The main reasons are:
  - i. Interest payable on HRA borrowing has increased by £0.338 million. This is due to the internal borrowing rates payable to the general fund, which are based on the 30-year PWLB rates. They are forecast to increase from 4.5% to 5.5% following a rise in the Bank of England base rate;

- ii. Interest received on balances is forecast to increase by £0.721 million. This is due to an increase in the 3-year Sterling Overnight Index Average (SONIA) rate which is forecast to average at 4.4% for the current year. The budget was set at an interest rate of 3.0%; and,
- iii. Depreciation has increased by £0.182 million following an upward revaluation of Council dwellings by the Council's external valuers.
- d. HRA Income is forecast to underachieve by £0.261 million mainly due to dwelling rent income. Voids are currently running at 3.72% rather than the budgeted figure of 3.0%.

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: Adults, Ageing & Wellbeing – Forecast variance (£0.245) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Adult Social Care Capital Fund	-	(0.100)
Tynedale House Fire Doors	-	(0.145)
<b>Total</b>	<b>-</b>	<b>(0.245)</b>

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

There are no significant variances to report.

## Service: Chief Executive – forecast variance (£0.500) million

Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Fire and Rescue - Berwick Fire Station	-	(0.500)
<b>Total</b>	<b>-</b>	<b>(0.500)</b>

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

The main reason for the forecast variance for Chief Executive is outlined below:

- a. A business case on future requirements at Berwick Fire Station is being considered, but none of the existing budget is due to be utilised in the current year. This has been reprofiled to 2024-25.

<b>Service: Children, Young People and Education – Forecast variance (£7.846) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
	<b>£m</b>	<b>£m</b>
Basic Needs Programme	(0.109)	-
Children's Homes	-	(0.475)
External Funding	-	(0.491)
High Needs Provision Capital Allocation	0.188	-
Kyloe House	-	(0.514)
Legacy Projects	(0.086)	-
NCC Contributions	(0.057)	(0.205)
Northumberland Skills	(0.107)	-
School Led (DFC and EECA)	(0.096)	-
School Redevelopments	-	(5.486)
Schools Condition Improvement Programme (SCIP)	-	(0.408)
<b>Total</b>	<b>(0.267)</b>	<b>(7.579)</b>

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

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

- a. Children's Homes – The variance of £0.475 million consists of £0.245 million against Pegsworth Children's Home and £0.230 million against the Multi-Site Residential Children's Homes. The Pegsworth variance is due to the project being delivered under budget; however, there are additional works which will be completed once the home has opened in the 2024-25 financial year to further enhance the site. The variance on the Multi-Site Homes is due to difficulties in purchasing appropriate properties. There have been a limited number of properties available in the catchment areas required, and those which are deemed appropriate have been in high demand.
- b. External Funding - There has been a delay to allow sufficient time for the newly redesigned proposal at Corbridge Middle to be considered to ensure it satisfies the Section 106 criteria imposed by the developer who is part funding the project. This project is expected to be complete in 2024-25.
- c. Kyloe House - There are several grant funded schemes at Kyloe House which are currently ongoing. The reason for the variance is that one of the larger schemes, the construction of a new 'High Dependency Unit' has been delayed due to issues with the contractor. The scheme was

- expected to be completed in 2023-24 but this is now unachievable, as a new Procurement process will have to be completed to find a new contractor.
- d. School Redevelopments - Works on Bellingham Children’s Centre have been identified as the remaining part of the School Reorganisation in the West and due to other works planned in the Middle and Primary Schools, the schemes are due to commence in 2024-25. Extensive planning and cross-departmental efforts are required and therefore the budget will be reprofiled into 2024-25. The updated spend profiles for both Seaton Valley and Coquet Schools redevelopment works have shifted expenditure and works into 2024-25. It will have no effect on the overall timeline of the programmes as all schemes are continuing despite contractors dropping out, pre-contract agreements are in place to mitigate delays.
  - e. School Condition Improvement Programme – Due to the priority of some projects moving forward, availability of contractors and limited timeframes for works to be undertaken in Schools some of the projects have been moved to completion in the summer of 2024.

Service: Place and Regeneration – forecast variance (£36.803) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
A1068 Shilbottle Road Junction Improvements	-	(0.300)
Affordable Homes Programme	-	(0.603)
Ashington North East Quarter Re-development Phase 2	-	(1.736)
Bedlington Town Centre Redevelopment Phase 1 and 2	-	(0.572)
Berwick Culture and Creative Zone	-	(0.100)
Berwick Gateway	-	(0.050)
Blyth Sports Centre	(0.078)	-

Borderlands – Berwick Maltings	-	(1.001)
Borderlands – Carlisle Station	-	(3.500)
Borderlands – Carlisle University	-	(3.245)
Car Parks	-	(0.187)
Choppington Mineral Rights	(0.300)	-
Climate Change Capital Fund	-	(1.020)
Community Housing Fund	-	0.041
County Hall Refurbishment	0.308	-
Cramlington Section 106 Improvements	-	(0.297)
Electric Vehicle Charger Installation	-	(0.317)
Energising Blyth Levelling Up Deep Dive	-	(2.709)
Energising Blyth Programme	-	(10.278)
Fleet Replacement Programme	-	(0.760)
Flood and Coastal Erosion Risk Management (FCERM) - Beadnell	-	(0.030)
FCERM – Bingfield	0.002	-
FCERM – Blenkinsopp	-	(0.084)
FCERM – Creswell Coastal Management	-	(0.038)
FCERM – Hepscoth Flood Alleviation Scheme	-	(0.281)
FCERM – Kirkwell Cottages	-	(0.104)
FCERM – Lynemouth Bay Landfill Encapsulation	-	(0.858)
FCERM – Next Generation Flood Resilience	-	(0.269)
FCERM – Otterburn	-	(0.054)
FCERM – Ovingham Surface Water	-	(0.043)
FCERM – Pilgrim’s Way Surface Water	-	(0.117)
FCERM – Seaton Delaval	(0.045)	-
FCERM – Wark	(0.047)	-
Great Northumberland Forest	-	(0.200)
Great Northumberland Forest – Storm Arwen	-	(0.200)
Great Northumberland Forest – Tenant Led Pilot	-	(0.634)

Homes England Grant Recovery (re Right to Buy)	(0.075)	-
Leisure Buildings – Essential Remedials	(0.240)	-
Leisure Buildings – Concordia Glass and Roof Replacement	-	(0.165)
Local Transport Plan – Additional Grant	-	(1.468)
Northumberland Small Business Service	-	(0.400)
North East Bus Service Improvement Plan	-	(0.071)
Parks Enhancement Programme – Improvements to main gateway at Ridley Park	-	(0.026)
Parks Enhancement Programme – Cleasewell Hill Park	-	(0.168)
Parks Enhancement Programme – Plessey Woods Bouldering Wall	-	(0.159)
Ponteland Broadway and Callerton Lane Section 106	-	(0.060)
Property Stewardship Fund – Bearl Depot Drainage and New Build	-	(0.310)
Property Stewardship Fund – Public Toilet Refurbishment	-	(0.045)
Public Sector Decarbonisation – Ground Source Heat Pumps	(0.354)	-
QEII Commemoration Schemes	-	(0.049)
Rural Business Growth Scheme	(0.916)	-
Salt Barns	-	0.015
Storm Arwen Damage Recovery	-	(0.068)
Strategic Regeneration Projects	-	(0.266)
Sustainable Warmth Grant	(0.719)	-
Todstead Landslip	(2.000)	-
Union Chain Bridge	0.535	-
Winter Weather Stations	(0.070)	-
Yourlink Refurbishment	(0.018)	-
<b>Total</b>	<b>(4.017)</b>	<b>(32.786)</b>

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

The main reasons for the forecast variance for Place and Regeneration are outlined below:

- a. A1068 Shilbottle Road Junction Improvements reprofiling is due to traffic modelling currently being undertaken to satisfy National Highways requirements with a design to be completed following the National Highways response to the modelling. The scheme has been delayed due to workload and resourcing issues, with construction expected to commence in February/March and continue into 2024-25.
- b. Affordable Homes Programme - several schemes have commenced but due to increased prices in construction, there have been delays in some projects while revised models have been updated and approved. For other schemes, work is in progress with demolition being finalised and groundwork preparation beginning to be ready for project commencement in 2024-25.
- c. Ashington North East Quarter Re-development Phase 2 – this forms part of the funding package for the Ashington Town Centre Regeneration project.
- d. Bedlington Town Centre Redevelopment Phase 1 and 2 based on the current cashflow statement supplied by Advance Northumberland. There have been delays in the project due to the collapse of the main contractor, with a new contractor now appointed to complete the scheme.
- e. Berwick Maltings reprofiling is due to delays in the programme as more time is being expended on design work than envisaged as the cost estimate for the scheme is currently significantly higher than the previous estimate on which the budget allocation is based. The design team is therefore looking at alternative options for the design to bring the costs in line with the budget available. The project is currently being delivered at risk until the final business case for Borderlands funding is approved by DLUHC and the grant released.
- f. Borderlands – Carlisle Station project delayed due to the recent Local Government Reorganisation in Cumbria.
- g. Borderlands – Carlisle University with the Borderlands programme currently in discussion with DLUHC over the release of funds for this project.
- h. Choppington Mineral Rights - The mineral rights for the whole development were purchased in 2019-20 so no more are required to be purchased for future requirements.
- i. Climate Change Capital Fund - The unallocated balance in 2023-24 is being reprofiled to be used on sustainability, solar and ground source heat pump projects currently being devised for delivery in 2024-25.
- j. County Hall Refurbishment – additional work identified during the project that was not included in the original scope of works such as creating the new Coroner’s Court and the required Covid adaptations to the project.
- k. Cramlington Section 106 Improvements – A scheme is currently in design with implementation expected to happen in 2024-25.
- l. Electric Vehicle Charger Installation with the programme continuing to install charging points at key locations across the County and will continue in 2024-25.
- m. Energising Blyth Levelling Up Deep Dive delays to the programme due to on-going discussions around how the scheme will be delivered with commencement now expected in 2024-25.
- n. Energising Blyth Programme with work continuing on the construction of the Energy Central Campus and the commencement of work on the Culture Centre and Market Place improvements with the enabling works currently being completed ahead of the construction works commencing. Business cases on other elements of the programme are being prepared and finalised for approval.

- o. Fleet Replacement Programme being reviewed. Due to the challenging market conditions continuing it is currently expected that reprofiling will be required. However, this may change as manufacturers amend expected delivery dates.
- p. FCERM – Hepscott Flood Alleviation Scheme. The detailed design is progressing alongside discussions with Network Rail and Local Landowners. It is expected the scheme will commence in 2024-25 subject to landowner agreement and scheme affordability.
- q. FCERM – Lynemouth Bay Landfill Encapsulation with works due to commence in February with the detailed programme and invoicing schedule recently received from the contractor. The forecast expenditure in the current financial year is lower than forecast due to lower than anticipated mobilisation costs.
- r. FCERM – Next Generation Flood Resilience. The project encountered a delayed start while approvals were received from the Environment Agency. Despite the delayed start the project will still be delivered within the approved timescale.
- s. Great Northumberland Forest – Tenant Led Pilot. Grants have been awarded with payment commenced. It is estimated expenditure will be in the region of £0.866 million in the current financial year.
- t. Local Transport Plan – Additional Grant. The Council received an additional £2.768 million from the Department for Transport following the Chancellor’s Autumn Statement. It is estimated £1.300 million of works will be completed by 31 March 2024 from this funding with the remaining schemes delivered in 2024-25.
- u. Northumberland Small Business Service with the first panel held and approved schemes starting to commence due to a small delay in the start-up of the scheme.
- v. Property Stewardship Fund – Bearl Dept Drainage and New Build due to the works being on hold pending the outcome of the depot review.
- w. Public Sector Decarbonisation – Ground Source Heat Pumps. The scheme has now been completed with only five of the six proposed schemes progressing.
- x. Rural Business Growth Scheme has underspent due to the level of applications received. There were fewer applications received than originally envisaged due to the requirement of recipients having to find match funding from their own resources and a reluctance for this due to the current economic conditions some businesses operate in. The scheme has now concluded with the final claims submitted to the funders.
- y. Strategic Regeneration Projects reprofiling is due to works being identified for completion in 2024-25 at Wooler from the previously approved funds to improve visitor infrastructure following the opening of the Ad Gefrin Visitor Centre. Schemes at the public toilets and car park have been undertaken to date.
- z. Sustainable Warmth Grant due to a reduction in the number of homes (173 to 107) being supported by the programme as a result of the time taken to procure the assessors and contractors.
- aa. Todstead Landslip has underspent due to works being completed for lower than originally anticipated. The scheme is expected to complete in Spring 2024 with the road reopening following the stabilisation of the embankment and preventing future cracking of the road surface at the location. Due to the £2.000 million underspend only £3.000 million of the £5.000 million allocation from the Severe Weather Reserve is required.

bb. Union Chain Bridge scheme is currently £0.535 million overspent in 2023-24. Discussions are ongoing with the contractor to achieve a settlement on the final account position to avoid an adjudication process. A final reconciliation will then be needed following the outcome of this process to identify any shortfall in funding to be shared between the Council and Scottish Borders Council.

<b>Service: Public Health, Inequalities and Stronger Communities – forecast variance £0.194 million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
<b>Project</b>	<b>£m</b>	<b>£m</b>
Haltwhistle Football Project	-	(0.046)
Provision of Leisure Facilities within Morpeth	0.240	-
<b>Total</b>	<b>0.240</b>	<b>(0.046)</b>

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

The main reasons for the forecast variance for Public Health, Inequalities and Stronger Communities are outlined below:

- a. Morpeth Leisure Centre is now complete and open to the public. The forecast £0.240 million overspend is due to additional car parking drainage works which will be funded from the Essential Leisure Remedial Works budget.
- b. The Haltwhistle Football Project balance is set to be reprofiled into 2024-25 and used for a Haltwhistle Playzone as per the Medium-Term Financial Plan.

<b>Service: Transformation and Resources – forecast variance (£4.403) million</b>		
<b>Summary by Project</b>	<b>Under/ Overspend</b>	<b>Reprofiling</b>
<b>Project</b>	<b>£m</b>	<b>£m</b>
Air conditioning	-	(0.159)
Broadband Phase 2 Gainshare Extension	1.767	-
CISCO Infrastructure	-	(0.462)
Loans to Third Parties	-	(4.465)
Hardware Infrastructure	-	(0.002)
IT Backup and Recovery	-	(0.100)



Office 365 Implementation		(0.042)
Repayment to Building Digital UK (BDUK)	-	(0.989)
Server Infrastructure	-	0.049
<b>Total</b>	<b>1.767</b>	<b>(6.170)</b>

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

The main reasons for the forecast variance for Transformation and Resources are outlined below:

- a. Loans to third parties is forecasting £4.465 million reprofiling due to schemes being delayed.
- b. Broadband Phase 2 Gainshare Extension is forecast to overspend by £1.767 million. A payment of £1.723 million has been made to Building Digital UK re the Broadband Phase 2 Gainshare agreement which is to be funded from the latest gainshare payment received from BT (£3.707 million). The budget relating to the gainshare payment from BT will be established in February once approved by Cabinet, offsetting the current overspend. In addition, £0.044 million of the additional gainshare payment received from BT is planned to be utilised to support the implementation of new functionality in a core corporate IT system, enabling Northumberland County Council to fulfil a statutory obligation for pensions.
- c. Unanticipated delays in progressing Project Gigabit (which consists of repayment to Building Digital UK (BDUK), Office 365 implementation, IT backup and recovery, Hardware Infrastructure and server infrastructure) have resulted in £1.084 million being required to be reprofiled into 2024-25.
- d. Unexpected delays in both the Air Conditioning project and CISCO Infrastructure project have resulted in a further £0.621 million funding required to be reprofiled into 2024-25.

### Items approved from the Council's Contingency

The following items have been approved from the Council's contingency during October to December 2023.

<b>Recurrent Funding</b>	<b>2023-24</b>	<b>2024-25</b>
	£	£
Release of Pay Award	7,146,660	7,146,660
<b>Total amount drawn from Contingency recurrently</b>	<b>7,146,660</b>	<b>7,146,660</b>

<b>Non-Recurrent Funding</b>	<b>2023-24</b>	<b>2024-25</b>
	£	£
Part return of funding for Graduates from the National Local Government Development Programme	(15,700)	(18,680)
Link Group review of Advance Northumberland Treasury Management advice	18,150	-
Civil Contingencies Tactical Training bid	4,450	-
Shortfall in Local Government Pay Award	2,541,630	-
<b>Total amount drawn from Contingency non-recurrently</b>	<b>2,548,530</b>	<b>(18,680)</b>

## Movement in the Council's Reserves

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
General Reserves/Balances				
General Fund	(50.955)	-	-	(50.955)
<b>Total General Reserve</b>	<b>(50.955)</b>	<b>-</b>	<b>-</b>	<b>(50.955)</b>
Ring-Fenced Reserves/Balances				
Housing Revenue Account	(29.147)	-	0.972	(28.175)
Major Repairs (HRA)	(9.855)	-	0.132	(9.723)
HRA Capital Investment	(1.740)	-	0.178	(1.562)
<b>Total Earmarked HRA Reserves</b>	<b>(40.742)</b>	<b>-</b>	<b>1.282</b>	<b>(39.460)</b>
Specific Reserves/Balances				
Capital Grants Unapplied	(63.478)	-	-	(63.478)
Capital Receipts	(0.093)	-	-	(0.093)
Capital Receipts - HRA	(8.237)	-	0.395	(7.842)
<b>Total Specific Reserves/Balances</b>	<b>(71.808)</b>	<b>-</b>	<b>0.395</b>	<b>(71.413)</b>

## Appendix M

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Earmarked Reserves				
ADC Section 106	(0.002)	-	0.002	-
Balances held by Schools	(8.941)	8.341	(5.698)	(6.298)
Borderlands Energy Masterplan	(0.808)	-	-	(0.808)
Business Recovery Reserve	(2.322)	-	2.322	(0.000)
Collection Fund Smoothing	(1.944)	-	1.944	-
Community Led Housing	(0.605)	-	0.069	(0.536)
Contain Outbreak Management	(0.260)	0.260	-	-
Council Commissioned Services	(7.520)	-	2.652	(4.868)
Council Transformation Fund	(17.144)	-	3.369	(13.775)
Council Tax Hardship & Discount Scheme	(6.588)	-	4.817	(1.771)
Dedicated Schools Grant	(4.501)	2.434	1.428	(0.639)
Economy & Regeneration Investments	(0.050)	-	0.050	(0.000)
Empty Dwelling Management Order	(0.077)	-	(0.017)	(0.094)
Estates Rationalisation	(6.257)	0.416	1.279	(4.562)
Exceptional Inflationary Pressures	(1.017)	-	1.017	-
FPF Admin Grant	(0.033)	-	-	(0.033)
FRS HMICFRS Improvement	(0.026)	-	0.018	(0.008)
Firefighters' Immediate Detriment	(0.200)	-	-	(0.200)
Food Waste	(0.058)	0.058	-	-
Haltwhistle Repairs Reserve	(0.036)	-	(0.030)	(0.066)
Highways Commuted Maintenance Funds	(1.127)	0.054	-	(1.073)
Highways Maintenance Investments	(0.225)	-	0.225	-
Home for Ukraine	(4.586)	-	4.586	-

## Appendix M

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Insurance	(7.822)	-	0.500	(7.322)
Legal Challenge	(1.071)	-	0.337	(0.734)
NCC Economic Regeneration	(0.138)	-	0.138	(0.000)
Open Spaces Maintenance Agreements	(0.094)	0.011	-	(0.083)
Parks and Green Spaces	(0.250)	-	0.250	-
Planning Delivery	(1.078)	-	0.040	(1.038)
Problematic Empty Properties	(0.047)	-	0.015	(0.032)
Recruitment & Retention	(0.439)	-	-	(0.439)
Regeneration Additional Capacity Reserve	(0.405)	-	-	(0.405)
Regeneration Development Reserve	(2.952)	0.147	0.969	(1.836)
Repair and Maintenance	(0.250)	-	-	(0.250)
Replacement of Defective Street Lanterns	(2.930)	-	0.510	(2.420)
Restructuring Reserve	(0.838)	0.111	0.051	(0.676)
Revenue Grants	(20.353)	6.626	0.479	(13.248)
School Libraries	(0.007)	-	-	(0.007)
Sealodge	(0.010)	-	(0.015)	(0.025)
Section 106	(14.697)	0.001	(3.874)	(18.570)
Severe Weather	(7.500)	-	4.293	(3.207)
Social Fund	(0.493)	-	-	(0.493)
Sports Development	(0.297)	-	0.010	(0.287)
Storm Arwen	(0.193)	-	0.193	-
Strategic Management Reserve	(49.708)	0.025	11.521	(38.162)
Transformation of the Revenues & Benefits Service	(0.215)	-	0.060	(0.155)
Violence Reduction	(0.039)	-	0.039	-

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Winter Services	(2.000)	-	0.250	(1.750)
Women's Safety in Public Places	(0.022)	-	0.022	-
<b>Total Earmarked Reserves</b>	<b>(178.175)</b>	<b>18.484</b>	<b>33.821</b>	<b>(125.870)</b>
<b>Total Usable Reserves</b>	<b>(341.680)</b>	<b>18.484</b>	<b>35.498</b>	<b>(287.698)</b>

	Opening Balance at 1 April 2023*	Movement in Provision	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
<b>Provisions</b>				
Redundancy	(0.545)	0.031	0.514	-
NNDR Appeals	(5.212)	-	(2.092)	(7.304)
Estates Rationalisation Project	(0.577)	-	0.450	(0.127)
Compensation Claims	(0.080)	-	0.013	(0.06)
Contractor Claims	(0.330)	-	0.330	-
<b>Total Provisions</b>	<b>(6.744)</b>	<b>0.031</b>	<b>(0.785)</b>	<b>(7.498)</b>
<b>Total Reserves &amp; Provisions</b>	<b>(348.424)</b>	<b>18.515</b>	<b>34.713</b>	<b>(295.196)</b>

\*Provisional un-audited opening balance figure

## Virements October to December 2023

Directorate	Reason for Virement	Virement from	Virement to	£
<b>Revenue</b>				
Children, Young People and Education	Budget to support the running costs of the Family Hub buildings which are now managed within Transformation and Resources	Northumberland Family Service	Transformation and Resources: Integrated Services	118,580
<b>Capital</b>				
Adults, Ageing and Wellbeing	The initial budget was approved prior to the current economic conditions	Capital Contract Inflation	Swift Replacement	53,000
Place and Regeneration	Change requests to the initial contract by NCC resulting in increased costs	Climate Change Capital Budget	Solar Car Port	201,000
Place and Regeneration	To enable the urgent replacement of temporary office and welfare accommodation at Tyne Mills Depot	Salt Barns	Tyne Mills Depot Accommodation	405,000
Transformation and Resources	To fund the purchase of 67 i-pads for members from the underspend on the air conditioning scheme	Information Services - Air Conditioning	Member i-pads	40,660

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Scheme	2023-24	2023-24	2023-24	2023-24 Comments	2023-24	2024-25	2025-26	2026-27	2027-28
	Original budget	Approved adjustments	Requested reprofiling		Revised budget	Revised budget	Revised budget	Revised budget	Revised budget
	£	£	£		£	£	£	£	£
<b>Adults, Ageing and Wellbeing</b>									
Adult Social Care Capital Fund	-	100,000	(100,000)	Delays in the Lyndon Walk extra care housing project mean that the contribution from Adults is not required until financial year 2024-25.	-	331,185	-	-	-
Disabled Facilities Grant	4,058,073	(1,558,073)	-		2,500,000	4,578,012	2,000,000	2,000,000	-
Person Centred Care Information System (SWIFT)	-	100,600	-		100,600	402,400	-	-	-
Sealodge Wet-room, Creswell	-	30,870	-		30,870	-	-	-	-
Telecare Digital Switch	-	547,000	-		547,000	-	-	-	-
Tynedale House Fire Doors	368,550	(218,550)	(145,000)	Structural issues on site has delayed the project. The tender process is progressing with work due to start on site in financial year 2024-25.	5,000	365,002	-	-	-
	4,426,623	(998,153)	(245,000)		3,183,470	5,676,599	2,000,000	2,000,000	-
<b>Chief Executive</b>									
FRS Berwick Fire Station Health & Safety Works	500,000	-	(500,000)	A business case on future requirements at Berwick Fire Station is being considered, but none of the existing budget is due to be utilised in the current year. This has been reprofiled to 2024-25.	-	500,000	-	-	-
FRS Fire Control and Communications Equipment	-	59,531	-		59,531	1,000,000	1,000,000	-	-
FRS Fleet Requirement	1,387,629	444,378	-		1,832,007	836,000	1,007,000	1,001,500	900,292
FRS Officer Support Vehicles (Blue Light Scheme)	56,392	-	-		56,392	-	-	-	-
FRS Risk Critical Equipment	72,080	(3,843)	-		68,237	335,700	121,500	328,438	343,000
	2,016,101	500,066	(500,000)		2,016,167	2,671,700	2,128,500	1,329,938	1,243,292
<b>Children, Young People &amp; Education</b>									
Basic Need - Other	-	561,312	-		561,312	721,654	-	-	-
Berwick Partnership Schools	250,000	-	(250,000)	Works are not expected to begin until 2024-25.	-	5,088,766	3,765,934	25,960,000	12,980,000
Children's Homes Provision (3 no. 4-Bed)	1,434,773	(589,728)	(245,045)	The Pegsworth variance is due to the project being delivered under budget; however, there are additional works which will be completed once the home has opened in the 2024/25 financial year to further enhance the site. The variance on the Multi-Site Homes is due to difficulties in purchasing appropriate properties. There have been a limited number of properties available in the catchment areas required, and those which are deemed appropriate have been in high demand.	600,000	245,045	-	-	-
Children's Homes Provision (6 no. 1-Bed) - Purchase of six residential properties		760,000	(230,000)		530,000	730,000	-	-	-
Choppington Primary Artificial Pitch	205,000	-	(205,000)	A business case and new tenders are being considered with a view to works being undertaken in 2024-25.	-	205,000	-	-	-
Cleaswell Hill SEND Capacity	-	248,335	-		248,335	-	-	-	-
Coquet Partnership Redevelopment	9,132,931	(1,818,715)	(2,998,627)	The updated spend profile for the Coquet Schools redevelopment works have shifted expenditure and works into 2024-25. It will have no effect on the overall timeline of the programmes as all schemes are continuing despite contractors dropping out, pre-contract agreements are in place to mitigate delays.	4,315,589	16,219,626	15,342,114	5,899,817	147,495
Corbridge Middle School - 3G Pitch	492,666	(2,065)	(490,601)	There has been a delay to allow sufficient time for the newly redesigned proposal at Corbridge Middle to be considered to ensure it satisfies the Section 106 criteria imposed by the developer who is part funding the project. This project is expected to be complete in 2024-25.	-	490,601	-	-	-
Devolved Formula Capital	829,780	(14,267)	-		815,513	591,570	591,570	591,570	-
Family Hub Grant	-	63,000	-		63,000	59,000	-	-	-
Gilbert Ward Academy	-	1,057,675	-		1,057,675	-	-	-	-
KEVI New Build Sports Block	-	-	-		-	2,871,000	3,165,817	-	-
Kyloe House	189,735	882,974	(515,856)	There are several grant funded schemes at Kyloe House which are currently ongoing. The reason for the variance is that one of the larger schemes, the construction of a new 'High Dependency Unit' has been delayed due to issues with the contractor. The scheme was expected to be completed in 2023/24 but this is now unachievable, as a new Procurement process will have to be completed to find a new contractor.	556,853	515,856	-	-	-
Kyloe House - New Recreation Area					-	251,283	-	-	-
Mobile Classroom Replacement Programme	524,071	759,909	-		1,283,980	675,721	-	-	-
Morpeth First School	-	56,664	-		56,664	-	-	-	-
New Hartley First School (Classroom)	-	50,000	-		50,000	-	-	-	-
Northumberland Skills ICT Hardware & Network Refresh					-	224,000	-	-	-
Pegswood Cemetery Lodge					-	150,000	-	-	-
Port of Blyth- Welding and Fabrication Skills Centre	-	529,798	-		529,798	-	-	-	-
Purchase of house to accommodate a disabled child					-	500,000	-	-	-
RDA relocation from Tranwell (Pegasus Centre)	-	203,273	-		203,273	-	-	-	-

Scheme	2023-24	2023-24	2023-24	2023-24 Comments	2023-24	2024-25	2025-26	2026-27	2027-28
	Original budget	Approved adjustments	Requested reprofiling		Revised budget	Revised budget	Revised budget	Revised budget	Revised budget
	£	£	£		£	£	£	£	£
School Condition Programme (SCIP) - Remedials / General Programme	2,928,930	862,185	(407,117)	Due to the priority of some projects moving forward, availability of contractors and limited timeframes for works to be undertaken in Schools some of the projects have been moved to completion in the summer of 2024.	3,383,998	2,481,117	2,750,000	2,750,000	2,750,000
School Led - Energy Efficiency Capital Allocation	-	1,235,260			1,235,260	50,400	-	-	-
Seaton Valley Federation of Schools	13,849,515	(7,988,268)	(1,852,744)	The updated spend profile for Seaton Valley Schools redevelopment works have shifted expenditure and works into 2024-25. It will have no effect on the overall timeline of the programmes as all schemes are continuing despite contractors dropping out, pre-contract agreements are in place to mitigate delays.	4,008,503	35,504,756	7,721,102	1,310,291	-
Special Educational Need (SEN) Capacity Growth	2,400,000	(2,400,000)			-	-	6,474,500	5,775,710	3,691,790
West of County Schools Restructure	384,878	-	(384,878)	Works on Bellingham Children's Centre have been identified as the remaining part of the School Reorganisation in the West and due to other works planned in the Middle and Primary Schools, the schemes are due to commence in 2024-25. Extensive planning and cross-departmental efforts are required and therefore the budget will be reprofiled into 2024-25.	-	384,878	-	-	-
	32,622,279	(5,542,658)	(7,579,868)		19,499,753	67,960,273	39,811,037	42,287,388	19,569,285
<b>Place and Regeneration</b>									
A1068 Shilbottle Road Junction Improvements	950,000	(550,000)	(300,000)	Due to traffic modelling currently being undertaken to satisfy National Highways requirements with a design to be completed following the National Highways response to the modelling. The scheme has been delayed due to workload and resourcing issues, with construction expected to commence in February/March and continue into 2024-25.	100,000	1,390,518	-	-	-
Acquisition of Wansbeck Square Site	-	1,365,000			1,365,000	-	-	-	-
Affordable Homes	7,467,180	(5,795,810)	(603,214)	Several schemes having commenced but due to increased prices in construction, there have been delays in some projects while revised models have been updated and approved. For other schemes, work is in progress with demolition being finalised and groundwork preparation beginning to be ready for project commencement in 2024-25.	1,068,156	16,441,917	12,742,412	3,300,000	2,760,000
Affordable Homes - Riverbrook Gardens Development	-	966,300			966,300	39,492	-	-	-
Alnwick Playhouse - Replacement of Lighting Rig	-	100,000	-		100,000	-	-	-	-
Amble Bord Waalk	-	8,688			8,688	-	-	-	-
Amble HUSK Bungalows	-				-	2,493,497	-	-	-
Ashington High Street Investment Programme	841,894	100,954			942,848	885,826	-	-	-
Ashington North East Quarter Re-development Phase 2	2,435,802	(700,000)	(1,735,802)	This forms part of the funding package for the Ashington Town Centre Regeneration project.	-	100,000	-	-	-
Ashington Town Centre infrastructure						-	500,000	3,000,000	-
Ashington Town Centre Renewal of Strategic Sites Programme	-	800,000			800,000	12,073,858	14,832,355	24,000	-
Bedlington Town Centre Redevelopment Phase 1 & 2	590,578	1,181,107	(571,685)	Based on the current cashflow statement supplied by Advance Northumberland. There have been delays in the project due to the collapse of the main contractor Tolent with a new contractor now appointed to complete the scheme.	1,200,000	1,745,383	-	-	-
Berwick Culture and Creative Zone	-	100,000	(100,000)	Scheme delivery now expected to take place in 2024-25.	-	100,000	-	-	-
Berwick Gateway		50,000	(50,000)	Scheme delivery now expected to take place in 2024-25.	-	50,000	-	-	-
Blyth Relief Road	1,498,000	552,026	-		2,050,026	8,866,836	37,706,723	-	-
Blyth Sports Centre Solar PV	-	78,050	-		78,050	-	-	-	-
Blyth to Bebside Cycle Corridor	192,532	159,146	-		351,678	3,262,329	3,244,739	-	-
Blyth Town Centre Northern Gateway (Phase 1)	-	306	-		306	-	-	-	-
Blyth Town Centre Northern Gateway (Phase 2)	97,211	65,430	-		162,641	1,534,285	1,681,925	-	-
Borderlands - Berwick Maltings	851,000	2,003,746	(1,001,309)	Due to delays in the programme as more time is being expended on design work than envisaged as the cost estimate for the scheme is currently significantly higher than the previous estimate on which the budget allocation is based. The design team is therefore looking at options for reducing the cost to narrow the budget gap and there have also been delays resulting from archaeological exploration on the site. The project is currently being delivered at risk until the final business case for Borderlands funding is approved by DLUHC and the grant released.	1,853,437	13,243,321	7,487,358	498,291	-
Borderlands - Carlisle Station	3,987,000	(487,000)	(3,500,000)	Carlisle Station project delayed due to the recent Local Government Reorganisation in Cumbria.	-	6,961,279	1,000,000	-	-
Borderlands - Carlisle University	-	8,135,059	(3,244,988)	Carlisle University with the Borderlands programme currently in discussion with DLUHC over the release of funds for this project.	4,890,071	17,549,675	23,682,615	-	-
Borderlands - Destination Tweed	-	250,000	-		250,000	750,000	-	-	-
Borderlands - Lilidorei	500,000	500,000			1,000,000	-	-	-	-
Borderlands Place Plans					-	-	2,500,000	11,500,000	1,500,000
Changing Places - Toilet Upgrades	-	202,600	-		202,600	-	-	-	-
Choppington Mineral Rights	300,000	-			300,000	-	-	-	-
Chronically Sick and Disabled Persons Grants	691,000	(189,713)			501,287	516,000	531,000	546,000	561,000

Scheme	2023-24	2023-24	2023-24	2023-24 Comments	2023-24	2024-25	2025-26	2026-27	2027-28
	Original budget	Approved adjustments	Requested reprofiling		Revised budget	Revised budget	Revised budget	Revised budget	Revised budget
	£	£	£		£	£	£	£	£
Climate Change Capital Fund	-	1,337,545	(1,020,055)	The unallocated balance in 2023-24 is being reprofiled to be used on sustainability, solar and ground source heat pump projects currently being devised for delivery in 2024-25.	317,490	1,909,120	2,639,324	-	-
Community Housing Fund	643,451	(643,451)	41,025	The final payment to Corbridge Parish Council to enable the acquisition of 4 rented homes through S106 agreement was expected to occur in 2024-25. The budget was previously slipped into 2024-25 but will need to be reprofiled back to 2023-24.	41,025	678,781	-	-	-
County Hall Refurbishment	600,000	(381,797)	-		218,203	515,000	3,900,000	-	-
County Hall Solar Car Port	2,700,000	(643,056)			2,056,944	-	-	-	-
County Hall Solar PV	-				-	98,939	-	-	-
Cowley Road Depot Refurb & Car Park	2,000,000	(2,000,000)			-	24,005	281,881	2,346	1,505,517
CP - Car Parks General	320,000	17,043	(187,043)	To support the delivery of three car park schemes namely Corbridge, Bellingham and the old library site in Newbiggin;	150,000	1,667,380	-	-	-
Cramlington					-	500,000	1,000,000	2,000,000	-
Cramlington S106 Improvements	300,000	17,359	(297,359)	A scheme is currently in design with implementation expected to happen in 2024-25.	20,000	297,359	-	-	-
Cycle Stands (Emergency Active Travel Fund)	-	14,780			14,780	-	-	-	-
Depot Rationalisation	158,000	-			158,000	555,861	282,198	1,315,501	51,000
Electric Vehicle Charger Installation	400,000	566,939	(316,939)	The programme continues to install charging points at key locations across the County and will continue in 2024-25.	650,000	316,939	-	-	-
Energising Blyth - Commissioners Quay Car Park	-	555,000			555,000	-	-	-	-
Energising Blyth - NEP1 & Battleship Wharf	-	27,626			27,626	-	-	-	-
Energising Blyth Acquisitions / Delivery Costs	3,375,000	(1,065,482)	(2,309,518)	Work continuing on the construction of the Energy Central Campus and the commencement of work on the Culture Centre and Market Place improvements with the enabling works currently being completed ahead of the construction works commencing. Business cases on other elements of the programme are being prepared and finalised for approval.	-	5,347,275	7,384,969	-	-
Energising Blyth Culture Centre and Market Place	7,307,140	2,274,939	(6,466,151)		3,115,928	10,427,565	372,553	-	-
Energising Blyth Energy Central Campus Phase 1	6,002,085	5,909,886			11,911,971	1,479,312	170,084	-	-
Energising Blyth Future High Street Fund (FHSF)	1,723,580	(888,334)	-		835,246	4,662,345	-	-	-
Energising Blyth Gasholder Site	-	-	-		-	-	-	-	-
Energising Blyth Keel Row Shopping Centre	-	2,127,783	-		2,127,783	-	-	-	-
Energising Blyth Levelling Up Deep Dive - Energy Central Campus Training Kit	-	-	-		-	1,450,000	-	-	-
Energising Blyth Levelling Up Deep Dive Funding - Housing Renewal and Town Centre	-	2,674,000	(2,674,000)	Delays to the programme due to on-going discussions around how the scheme will be delivered with commencement now expected in 2024-25.	-	9,300,000	8,700,000	-	-
Energising Blyth Levelling Up Deep Dive Funding - Welcoming and Safe Blyth	-	35,000	(35,000)		-	180,000	-	-	-
Energising Blyth The Link	1,468,507	341,003	(542,137)	Work continuing on the construction of the Energy Central Campus and the commencement of work on the Culture Centre and Market Place improvements with the enabling works currently being completed ahead of the construction works commencing. Business cases on other elements of the programme are being prepared and finalised for approval.	1,267,373	1,402,819	-	-	-
Energising Blyth Town Deal 2022-2026	5,879,240	(4,919,036)	(960,204)		-	10,037,197	3,739,214	-	-
England Coastal Path (Bamburgh to Scottish Borders)	-	81,443			81,443	-	-	-	-
FCERM - Beadnell	687,000	(657,000)	(30,000)	The business case is in the process of being finalised with design work commencing in 2024-25 ahead of prospective works in 2025-26 subject to planning, consents and business case approval;	-	155,000	1,805,000	-	-
FCERM - Bingfield A68 Surface Water	-	12,932			12,932	-	-	-	-
FCERM - Blenkinsopp Flood Alleviation Scheme	-	134,270	(84,270)	The scheme expecting to be complete in early 2024-25;	50,000	84,270	-	-	-
FCERM - Branton Surface Water	70,000	1,000			71,000	20,261	-	-	-
FCERM - Brumwell Court & Guessburn					-	12,000	162,000	-	-
FCERM - Chathill	-	110,976			110,976	-	-	-	-
FCERM - Cresswell Coastal Management	38,000	-	(38,000)	The business case is currently being finalised with construction due to commence in 2024-25 subject to planning consents and business case approval;	-	476,000	-	-	-
FCERM - Haydon Bridge	-				-	108,000	788,000	-	-
FCERM - Hepscoth FAS	289,000	21,766	(280,766)	The detailed design is progressing alongside discussions with Network Rail and Local Landowners. It is expected the scheme will commence in 2024-25 subject to landowner agreement and scheme affordability.	30,000	458,458	-	-	-
FCERM - Kirkwell Cottages	140,000	(35,616)	(104,384)	Currently developing detailed design with construction expected to commence in 2024-25 subject to landowner agreement and affordability.	-	145,824	-	-	-
FCERM - Loansdean	45,000	(45,000)			-	45,000	-	-	-
FCERM - Lynemouth Bay Landfill Encapsulation	50,000	1,378,589	(858,184)	Works are due to commence in February with the detailed programme and invoicing schedule recently received from the contractor. The forecast expenditure in the current financial year is lower than forecast due to lower than anticipated mobilisation costs.	570,405	4,037,184	-	-	-
FCERM - Meggie's Burn	6,000	(6,000)			-	6,000	33,000	11,000	-
FCERM - Next Generation Flood Resilience	-	2,219,000	(269,000)	The project encountered a delayed start while approvals were received from the Environment Agency. Despite the delayed start the project will still be delivered within the approved timescale.	1,950,000	1,481,000	1,049,000	1,125,000	-

Scheme	2023-24	2023-24	2023-24	2023-24 Comments	2023-24	2024-25	2025-26	2026-27	2027-28
	Original budget	Approved adjustments	Requested reprofiling		Revised budget	Revised budget	Revised budget	Revised budget	Revised budget
	£	£	£		£	£	£	£	£
FCERM - Otterburn	-	56,593	(53,593)	Detailed design is progressing with construction expected to commence in 2024-25 subject to landowner agreement and affordability;	3,000	53,593	-	-	-
FCERM - Ovingham Surface Water	-	50,000	(43,000)	The main works should be completed in the current financial year with further works being explored for 2024-25, subject to funding being available, due to further flooding occurring in October 2023;	7,000	95,756	-	-	-
FCERM - Pilgrims Way SW	57,000	70,287	(117,287)	Detailed design is progressing with construction expected to commence in 2024-25 subject to landowner agreement and affordability;	10,000	117,287	-	-	-
FCERM - Red Row	-	10,000			10,000	51,779	-	-	-
FCERM - Seaton Delaval	65,000	105,379			170,379	-	-	-	-
FCERM - Spa Well Groundwater, Spittal	30,000	-			30,000	-	-	-	-
FCERM - Stocksfield & Riding Mill	-	-			-	26,000	314,000	-	-
FCERM - Wark	-	46,584			46,584	-	-	-	-
FCERM - Wylam SW	-	-			-	-	-	-	96,000
Felton - HUSK	-	-			-	-	-	-	-
Fleet Replacement Programme	5,021,977	978,023	(760,000)	Due to the challenging market conditions continuing it is currently expected that reprofiling will be required. However, this may change as manufacturers continually amend expected delivery dates.	5,240,000	5,940,592	7,507,000	8,488,000	1,000,000
Fly Tipping Intervention	-	33,025			33,025	-	-	-	-
Great Northumberland Forest	551,579	(51,579)	(200,000)	Due to the level of applicants to date and expected payments to be made in the current financial year. Two further funding panels met in October and November to allow grants to be awarded for the planting season between October and March. It is estimated expenditure will now be in the region of £0.300 million.	300,000	2,335,294	16,579	-	-
Great Northumberland Forest - Storm Arwen Recovery	-	500,000	(200,000)	Further funding panels met in October and November due to increased demand with grants expected to be awarded to cover the planting season between October to March.	300,000	450,000	-	-	-
Great Northumberland Forest - Tenant Lead Pilot	-	1,500,000	(634,000)	Grants have been awarded with payment commenced. It is estimated expenditure will be in the region of £0.866 million in the current financial year.	866,000	634,000	-	-	-
Hexham - the Shambles	-	50,000			50,000	250,000	-	-	-
Hexham HAZ	1,452,347	1,756,502			3,208,849	100,000	-	-	-
Hexham Town Centre Redevelopment	-	-			-	-	-	-	-
Highway Maintenance and Pothole Repair Fund	-	3,872,000			3,872,000	5,770,500	5,268,000	-	-
Highway Maintenance Investment in U and C roads and Footways	-	650,159			650,159	4,450,000	-	-	-
Highways Laboratory Expansion	445,000	(130,000)			315,000	300,000	-	-	-
Hirst Area Containerisation of Waste	-	200,000			200,000	-	-	-	-
Homes England Grant Recovery (re RTB)	75,000	-			75,000	75,000	75,000	75,000	75,000
HRA Energy Efficiency	500,000	(500,000)			-	500,000	500,000	-	-
HRA Miscellaneous / Other	75,000	-			75,000	93,000	80,000	80,000	80,000
Kielder Observatory	-	2,459			2,459	-	-	-	-
Leisure Buildings - Essential Remedial	613,207	318,262			931,469	1,000,000	-	-	-
Leisure Buildings - Essential Remedial - Concordia Air Handling Units	119,181	-			119,181	-	-	-	-
Leisure Buildings - Essential Remedial - Concordia Glass and Roof Replacement	567,612	72,388	(165,000)	Planning approval has been awarded with the contractor currently on site.	475,000	165,000	-	-	-
Leisure Buildings - Essential Remedial - Prudhoe Waterworld Improvements	-	90,000			90,000	1,410,000	-	-	-
Leisure Buildings - Essential Remedial - Prudhoe Waterworld Wet Change	-	-			-	160,000	-	-	-
Levelling up Fund for Rapid Electric Vehicle Chargers	-	-			-	156,000	-	-	-
Levelling Up Funds - Bedlington East to West	-	72,134			72,134	3,910,000	3,748,000	-	-
Levelling Up Funds - Hexham to Corbridge	-	103,485			103,485	4,590,000	4,225,000	-	-
Loan to NELEP - Ashwood	518,725	285,249			803,974	1,335,069	-	-	-
Local Authority Housing Fund	-	2,190,455			2,190,455	-	-	-	-
Local Authority Treescap Fund	-	27,909			27,909	-	-	-	-
Local Cycling and Walking Infrastructure	3,962,244	(2,179,579)			1,782,665	3,864,000	-	-	-
Longframlington Affordable Housing Units	-	280,671			280,671	-	-	-	-
Longhorsley Flood Alleviation Scheme	-	-			-	40,000	12,000	-	-
LTP - Local Transport Plan	23,563,000	4,047,674	(1,468,000)	The Council received an additional £2.768 million from the Department for Transport following the Chancellor's Autumn Statement. It is estimated £1.300 million of works will be completed by 31 <sup>st</sup> March 2024 from this funding with the remaining schemes delivered in 2024-25.	26,142,674	27,489,619	23,426,000	23,426,000	-
Lyndon Walk (Dementia Bungalows)	-	-			-	1,563,796	1,063,795	-	-
Major Repairs Reserve	10,829,000	(681,218)			10,147,782	10,600,000	10,700,000	10,700,000	10,600,000
Members Local Improvement Schemes	1,505,000	(619,084)			885,916	2,418,037	1,035,000	1,035,000	1,035,000
Morpeth Leisure Centre Solar PV	-	84,000			84,000	-	-	-	-
New DfT Challenge Fund Bid Support - Steel Structures	-	74,000			74,000	26,000	-	-	-
New Hartley S106 Improvements	100,000	53,795			153,795	-	-	-	-

Scheme	2023-24	2023-24	2023-24	2023-24 Comments	2023-24	2024-25	2025-26	2026-27	2027-28
	Original budget	Approved adjustments	Requested reprofiling		Revised budget	Revised budget	Revised budget	Revised budget	Revised budget
	£	£	£		£	£	£	£	£
Northumberland Line	44,390,239	20,920,788			65,311,027	17,386,829	7,500,000	-	-
North East Bus Service Improvement Plan		121,000	(71,000)	The funding was recently approved in December with design commencing and continuing into 2024-25;	50,000	71,000	-	-	-
Northumberland Small Business Service		500,000	(400,000)	The first panel has been held with approved schemes starting to commence due to a small delay in the start-up of the scheme.	100,000	400,000	-	-	-
Parks Enhancement / Green Spaces Programme					-	600,000	400,000	-	-
Parks - Parks Enhancement Programme	150,000	(150,000)			-	-	-	-	-
Parks - Cleasewell Hill Park		240,000	(168,000)	The scheme is scheduled to commence in the current financial year but will run into 2024-25	72,000	168,000	-	-	-
Parks - Gallagher Park	-	19,000	-		19,000	-	-	-	-
Parks - Parks Enhancement Programme - Improvements to Main gateway into Ridley Park, Blyth	-	26,000	(26,000)	The scheme will now commence in 2024-25.	-	26,000	-	-	-
Parks - Parks Enhancement Programme - Isabella Heap	-	103,967			103,967	-	-	-	-
Parks - Parks Enhancement Programme - Prudhoe Eastwood Park	-	126,196			126,196	-	-	-	-
Parks - Parks Enhancement Programme - Replacement of Boating Pontoon in Wansbeck Riverside Park	-	120,000	-		120,000	-	-	-	-
Parks - Plessey Woods Bouldering Park		159,000	(159,000)	The scheme will now commence in 2024-25.	-	159,000	-	-	-
Parks - Parks Enhancement Programme - Valley Park Scheme	-	119,500	-		119,500	-	-	-	-
Parks - Parks Enhancement Programme - Warkworth Beach Scheme	-	12,000	-		12,000	-	-	-	-
Parks - QEII Commemoration Schemes	370,175	70,000	(49,400)	The schemes at Carlisle Park and the Community Woodland in Alnwick will now commence in 2024-25;	390,775	49,400	-	-	-
Parks - Queen Elizabeth II Memorial Garden, Bedlington Cemetary	-	43,459			43,459	-	-	-	-
Ponteland Broadway and Callerton Lane Section 106	-	75,217	(60,217)	Design work continuing ahead of expected scheme implementation in 2024-25.	15,000	60,217	-	-	-
Port of Berwick Grant	-	50,000			50,000	-	-	-	-
Portland Park - Grant to Advance Northumberland	3,000,000	(3,000,000)			-	668,548	-	-	-
Powburn Depot Recycling Facility						133,833	94,850	247,786	-
Property Stewardship Fund - Astley Park Depot	100,000	100,000			200,000	-	-	-	-
Property Stewardship Fund - Backlog M&E and Fabric	1,180,473	34,701			1,215,174	1,900,000	-	-	-
Property Stewardship Fund - Bearl Depot Drainage and New Build	301,561	19,121	(309,538)	Due to the works being on hold pending the outcome of the depot review.	11,144	311,087	48,186	24,322	-
Property Stewardship Fund - Cowley Road Depot Internal Refurbishment	-	-			-	-	-	-	-
Property Stewardship Fund - Powburn Depot Roof	119,636	(119,636)			-	119,636	-	-	-
Property Stewardship Fund - Public Toilet Refurbishment	325,000	107,994	(44,802)	To support the delivery of further toilet refurbishments in 2024-25;	388,192	514,902	258,240	-	-
Property Stewardship Fund - Woodhorn Heapstead	-				-	726,525	571,000	-	-
Property Stewardship Fund - Woodhorn Walker Fan Building	100,000	(100,000)			-	100,000	-	-	-
Public Sector Decarbonisation	-	366,169			366,169	-	-	-	-
Roads					-	-	-	-	-
Rural Asset Multiplier	-	200,000	-		200,000	-	-	-	-
Rural Business Growth	546,678	349,224			895,902	-	-	-	-
Salt Barns	1,223,275	(1,223,275)	15,106	Discussions are continuing around the potential site in Morpeth with the expenditure likely to be incurred in 2024-25 if successful.	15,106	1,335,042	-	-	-
Social Housing Decarbonisation Fund	-	1,540,485			1,540,485	-	-	-	-
Storm Arwen Recovery	100,000	68,221	(68,221)	Assessment of the works and suitable weather conditions in relation to the Holy Island causeway bridge.	100,000	68,221	-	-	-
Strategic Employment Sites Enabling Works					-	5,000,000	-	-	-
Strategic Regeneration Projects	3,391,611	(2,576,582)	(265,029)	Due to works being identified for completion in 2024-25 at Wooler from the previously approved funds to improve visitor infrastructure following the opening of the Ad Gefrin Visitor Centre. Schemes at the public toilets and car park have been undertaken to date.	550,000	5,840,000	1,560,415	-	-
Sustainable Warmth Competition – Local Authority Delivery Phase 3(LAD3)	-	2,103,444			2,103,444	-	-	-	-
Sustainable Warmth Competition – Home Upgrade Grant	-	3,330,000	-		3,330,000	-	-	-	-
Temporary Homelessness Accommodation	-	245,000	-		245,000	-	-	-	-
The Living Barracks					-	-	-	-	700,792
Todstead Landslip	6,316,000	2,540,760			8,856,760	-	-	-	-
Tyne Mills Depot, Hexham	-	405,000	-		405,000	110,987	162,372	3,683	6,480
Winter Maintenance Software	-	11,978			11,978	-	-	-	-
Winter Services Weather Stations	-	106,998			106,998	-	-	-	-
Yourlink Refurbishment	-	19,036			19,036	-	-	-	-
	166,269,720	57,974,334	(32,785,964)		191,458,090	261,602,659	206,781,787	67,401,929	19,970,789
<b>Public Health, Inequalities &amp; Stronger Communities</b>									
Berwick Swan Leisure Centre	800,000	659,052			1,459,052	-	-	-	-
Concordia Leisure Centre					-	1,048,376	503,525	-	-

Scheme	2023-24	2023-24	2023-24	2023-24 Comments	2023-24	2024-25	2025-26	2026-27	2027-28
	Original budget	Approved adjustments	Requested reprofiling		Revised budget	Revised budget	Revised budget	Revised budget	Revised budget
	£	£	£		£	£	£	£	£
Haltwhistle Football Project	-	46,486	(46,486)	The Haltwhistle Football Project balance is set to be reprofiled into 2024-25 and used for a Haltwhistle Playzone as per the Medium-Term Financial Plan.	-	46,486	-	-	-
Library Service New Vehicle	-	-	-		-	225,000	-	-	-
Northumberland Playzones	-	-	-		-	300,000	-	-	-
Provision of Leisure Facilities within Morpeth	-	379,617	-		379,617	-	-	-	-
Wentworth Sport Centre	-	-	-		-	796,854	444,135	-	-
Willowburn Sport Centre	-	-	-		-	1,338,521	956,882	-	-
	800,000	1,085,155	(46,486)		1,838,669	3,755,237	1,904,542	-	-
<b>Transformation &amp; Resources</b>									
Air Conditioning	-	159,340	(159,340)	Unexpected delays in the project have resulted in a reprofiling into 2024-25	-	159,340	-	-	-
Broadband Phase 2 Gainshare Extension	-	70,000	-		70,000	612,325	-	-	-
Capita One/SAAS	-	49,920	-		49,920	-	-	-	-
Capital Contract Price Inflation	5,500,000	(4,034,214)	-		1,465,786	5,000,000	-	-	-
CISCO Infrastructure	400,000	143,179	(462,179)	Unexpected delays in the project have resulted in a reprofiling into 2024-25	81,000	562,179	100,000	-	-
Cloud Migration	200,000	(200,000)	-		-	-	-	-	-
Community Broadband	-	279,180	-		279,180	2,651,820	-	-	-
Craster Mast	-	5,000	-		5,000	50,080	-	-	-
Desk Top Refresh - Phase 3	-	-	-		-	750,000	350,000	1,100,000	1,100,000
Desk Top Refresh - Phase 2	150,000	928,095	-		1,078,095	500,000	750,000	-	-
Hardware Infrastructure	-	4,236	(2,236)	Unanticipated delays in progressing Project Gigabit (which consists of repayment to Building Digital Uk (BDUK), Office 365 implementation, IT backup and recovery, Hardware Infrastructure and server infrastructure) have resulted in £1.084 million being required to be reprofiled into 2024-25.	2,000	240,550	360,000	-	685,000
IT Backup and Recovery	-	100,000	(100,000)		-	-	-	-	-
Library Kiosks	-	5,101	-		5,101	-	-	-	-
Loans to Third Parties (e.g. Advance Northumberland, Other Organisations)	6,895,206	5,735,954	(4,464,725)	Reprofiling due to schemes being delayed.	8,166,435	24,464,725	20,000,000	6,000,000	6,000,000
Local Full Fibre Network	-	16,972	-		16,972	82,823	-	-	-
Member i-pads	-	40,660	-		40,660	-	-	-	-
Mobile Phone Refresh	-	-	-		-	215,000	215,000	215,000	-
Network Infrastructure Modernisation	-	-	-		-	953,333	953,333	953,334	-
Northumberland WAN and Full Fibre	3,668,710	-	-		3,668,710	2,331,290	100,000	-	-
Office 365 Implementation	-	52,087	(42,087)	Unanticipated delays in progressing Project Gigabit (which consists of repayment to Building Digital Uk (BDUK), Office 365 implementation, IT backup and recovery, Hardware Infrastructure	10,000	42,087	-	-	-
Repayment to Building Digital UK (BDUK)	-	989,000	(989,000)	forms part of comment on lines 237 & 238	-	-	-	-	-
Schools Broadband	-	326,230	-		326,230	-	-	-	-
Server Infrastructure	-	18,127	49,873	forms part of comment on lines 237 & 238	68,000	54,363	-	-	-
	16,813,916	4,688,867	(6,169,694)		15,333,089	38,669,915	22,828,333	8,268,334	7,785,000
	<b>222,948,639</b>	<b>57,707,611</b>	<b>(47,327,012)</b>		<b>233,329,238</b>	<b>380,336,383</b>	<b>275,454,199</b>	<b>121,287,589</b>	<b>48,568,366</b>



## Northumberland County Council

Cabinet

Tuesday, 12 March 2024

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

**Report of Councillor(s)** Richard Wearmouth, Deputy Leader and Cabinet Member for Corporate Services

**Responsible Officer(s):** Jan Willis, Executive Director for Resources & Transformation (S151)

#### 1. **Link to Key Priorities of the Corporate Plan**

The Council's Capital Programme is consistent with all of the priorities in the Corporate Plan 2023-2026, being 'Achieving Value for Money', 'Tackling Inequalities' and 'Driving Economic Growth'.

#### 2. **Purpose of report**

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

#### 3. **Recommendations**

##### 3.1 **A197 Bothal Terrace, Ashington**

- a) Note the capital grant secured of £0.200 million via Sustrans from the Department for Transport (DfT) 6 National Cycle Network (NCN) Activation Programme.
- b) Approve the proposed spend and amend the capital programme in 2024-25 to include the capital grant of £0.200 million.

##### 3.2 **Wooler Visitor Infrastructure**

- a) Approve the spend of £0.106 million to carry out the works detailed in section 6.
- b) Approve the amendment to the Capital Programme to reallocate £0.106 million from the Strategic Regeneration Projects – Wooler Visitor Infrastructure to the Wooler Parking project in 2024-25.

### 3.3 Energising Blyth Strategic Acquisitions

- a) Approve the amendment to the Capital Programme to reallocate £0.634 million (£0.382 million in 2023-24 and £0.252 million in 2024-25) from the Energising Blyth Acquisitions Project to the Strategic Acquisitions project. Note the details of this project are included in Appendix 1 which is confidential for commercial reasons.

### 3.4 Prudhoe Waterworld Soft Play

- a) Approve the spend of £0.060 million to replace the existing soft play area at Prudhoe Waterworld in 2024-25.
- b) Approve the amendment to the Capital Programme to reallocate £0.060 million from the Prudhoe Waterworld project to the Prudhoe Waterworld Soft Play project in 2024-25.

## 4. Forward plan date and reason for urgency if applicable

This report was added to the forward plan on 1 February 2024.

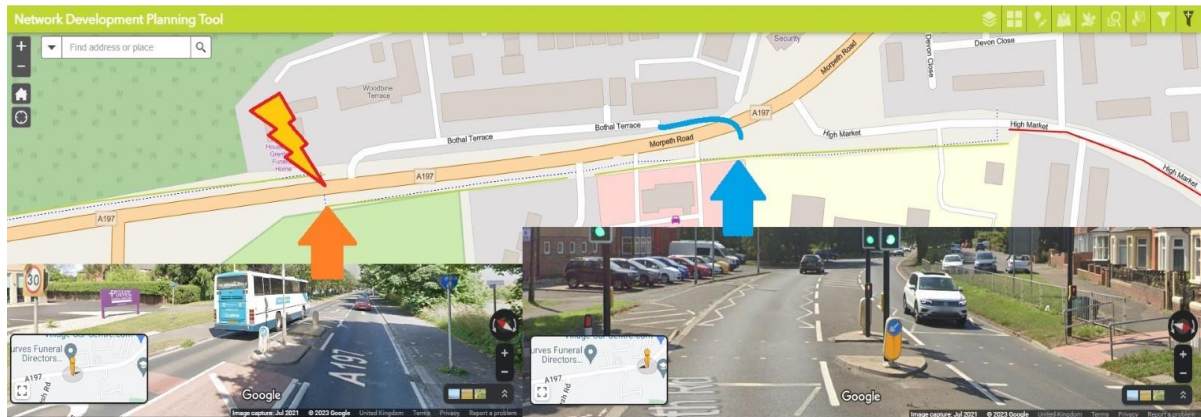
## Summary of New Capital Proposals Considered by Officer Capital Strategy Group on 30 January 2024

### 5. A197 Bothal Terrace, Ashington

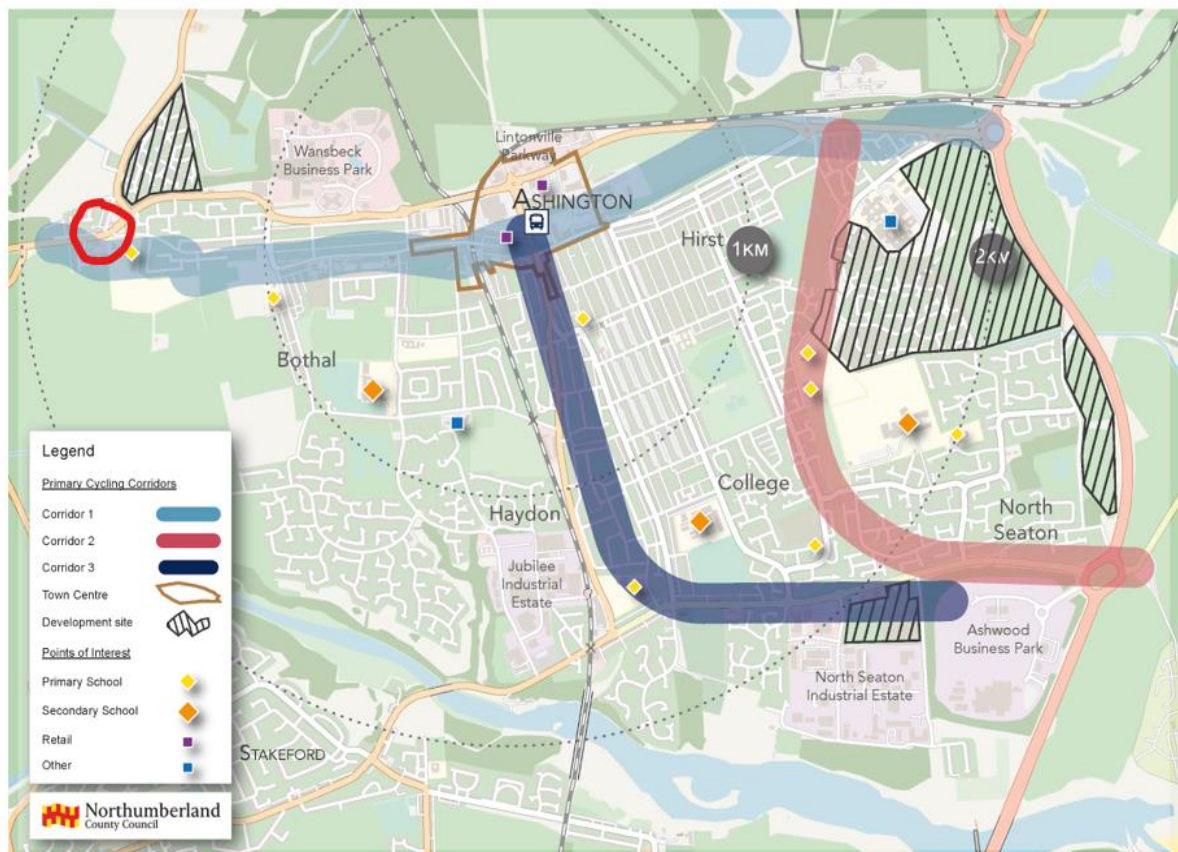
- 5.1 CSG was asked to consider a capital spend of 0.200 million to upgrade the existing Puffin Crossing on the A197 to a Toucan Crossing. This spend will be externally funded from the Department for Transport (DfT) 6 National Cycle Network (NCN) Activation Programme.
- 5.2 A number of years ago, Sustrans completed a review of the National Cycle Network (NCN), auditing provision and condition of the current infrastructure.
- 5.3 Following this review, numerous sections were deemed no longer fit for purpose and NCN status was withdrawn in 2020, while several other sections were highlighted as requiring immediate improvement, where routes still serve significant local value.
- 5.4 As part of a package of measures funded by the DfT, Sustrans highlighted several sections of the NCN that require improvement. This included NCN 155 (From Morpeth to Newbiggin by the Sea). Sustrans are recommending a safe controlled crossing of the A197 for NCN 155 to the west side of Ashington. The proposed scheme would upgrade the existing Puffin Crossing near Bothal Terrace to a Toucan crossing with associated works.
- 5.5 The original alignment of NCN 155 crossed the A197 via a pedestrian refuge, which is deemed substandard when applying current design standards for cycling infrastructure (LTN1/20).



- 5.6 Given the volume and the composition of traffic using this section of the A197 a controlled crossing is recommended. It is therefore proposed to upgrade the existing puffin crossing, to the east of the pedestrian refuge, to a Toucan crossing with a section of path linking the end of Bothal Terrace with the crossing as indicated in the following image. All elements of the scheme should comply with LTN1/20.



- 5.7 The scheme will provide an improved crossing over the A197 so that it can be used by cyclists as well as pedestrians. In addition, it will provide a safer crossing point, compared to the existing substandard crossing on NCN 155 to the west.
- 5.8 The key date to be mindful of is, 31 August 2024, when construction of the scheme should be complete. The original deadline was 31 March 2024, however officers were able to negotiate an extension with the funding provider.
- 5.9 This project aligns with the draft Local Cycling and Walking Infrastructure Plan for Ashington where one of the corridors starts and terminates at the proposed Toucan



location as indicated in the following plan. The location of the crossing is highlighted in the red ring.

- 5.10 The proposed crossing upgrade will connect Corridor 1 to the National Cycle Network (NCN).
- 5.11 Next steps would involve signing a funding agreement with Sustrans, followed by the generation of a brief for design to generate scheme drawings and a target cost.
- 5.12 The grant available is £200,000 from the DfT6 NCN Activation Programme.
- 5.13 The grant available is capped and any overspend will need to be picked up by the Council, however, officers are confident that the scheme can be delivered within the funds available based on similar schemes in the past.
- 5.14 The grant payments would be in areas and structured as below, following the achievement of key milestones as detailed below.

<b>% Grant Payable</b>	<b>Stage for Payment</b>
20%	Once design is agreed with budget holder
60%	Practical Completion of works (31 August 2024)
20%	Payment on Final Report with Grant Claim Evidence

## **6. Wooler Visitor Infrastructure**

- 6.1 CSG was asked to consider a capital spend of £0.106 million to improve the infrastructure and amend the time limits at the existing car parks at Padgepool Place and Riverside. This spend will be funded from the existing Strategic Regeneration Projects – Wooler Visitor Infrastructure budget within the Capital Programme.
- 6.2 In January 2022 Cabinet approved in principle an allocation of £650,000 from the Strategic Regeneration Reserve to invest in visitor infrastructure improvements in and around Wooler. £220,000 was subsequently approved to cover several projects in October 2022. These projects included the redevelopment of the public toilets at Wooler Bus Station as well as making the site of the former Wooler First School available for long stay parking. First School. Of the unallocated funding £400,000 was earmarked to support the development of a new 'countryside' car park at the historic Ad Gefrin site near Kirknewton, however the development of this countryside car park is now expected to be progressed independently of NCC via alternative external funding arrangements, allowing this funding to be considered for other alternative schemes to support the economic development of the town.
- 6.3 To support the improvements already made and encourage use of the new long stay parking facility, it is proposed that funding is allocated to improve the infrastructure and amend the time limits at the existing car parks at Padgepool Place and Riverside.
- 6.4 The proposed works included are as follows:
  - a) Conversion of Padgepool Place and Riverside long stay car parks to short stay.
  - b) Inclusion of the site of the former Wooler First School made available for long stay parking in the 'Off Street Parking Places' Order to allow enforcement.
  - c) Resurfacing Riverside car park to allow bays to be marked which will maximise capacity.

- d) Provision of two rapid electric vehicle chargers at Riverside car park.

### **Conversion of Padgepool Place and Riverside long stay car parks to short stay**

- 6.5 Padgepool Place and Riverside car parks are currently long-stay, allowing vehicles to park for up to 24 hours. Padgepool Place is adjacent to the town centre and Riverside is opposite the new 'Ad Gefrin' visitor attraction. Both car parks are used by walkers accessing the surrounding countryside. This means they are generally full all day. This low turnover of spaces can have an adverse effect on the town centre economy.
- 6.6 The former Wooler First School was made available for use for parking in order to cater for both the existing long stay visitor demand and the expected increase in demand following the opening of 'Ad Gefrin'. As things stand, however, visitors will often use Padgepool Place or Riverside as they are reached before the former First School site. Riverside car park is particularly likely to be used by visitors to 'Ad Gefrin' due to its close proximity. To ensure long stay visitors use the former first school site, it is proposed to implement short stay time limits in Padgepool Place and Riverside. This will provide greater turnover which will benefit local shops and services and will maximise use of the former First School, leading to greater value for money from the investment already made.
- 6.7 Statutory consultees and local stakeholders have been consulted on the proposed short stay time limits. New signage required for this scheme is estimated to cost £3,000.

### **Inclusion of the former Wooler First School site in the Car Parks Order to allow enforcement**

- 6.8 Part of the former Wooler First School site has been made available for use for long stay parking but is not currently included in the Council's 'Off Street Parking Places' Order. To be able to impose standard conditions of use and a 24-hour maximum stay time limit (in line with all other Council owned long stay car parks), it is proposed to include it in the Order. This will allow enforcement to take place and ensure activities such as overnight stays do not occur. New signage required for this scheme is estimated to cost £3,000.

### **Resurfacing Riverside car park to allow bays to be marked which will maximise capacity**

- 6.9 Riverside car park is unsurfaced and parking bays are not marked out. This leads to inefficient use of the available space as motorists can leave large gaps between vehicles. It is proposed to provide a tarmac surface which will allow spaces to be marked out, maximising the use of the space available. This will also allow the provision of disabled bays and electric vehicle charging bays. This work is estimated to cost £30,000.

### **Provision of two rapid electric vehicle chargers at Riverside Car Park**

- 6.10 As part of the improvements set out above, it is proposed to install two rapid electric vehicle chargers in Riverside Car Park. The existing rapid charger located in the town centre serves a wide rural area. Demand is high and likely to increase as electric vehicle ownership grows. In addition, the location immediately adjacent to the A697 strategic road makes it an ideal site for EV charging.
- 6.11 Preliminary investigations have found that there is a suitable electricity supply available. It is estimated that this work will cost £70,000.

- 6.12 The total estimated capital cost of the above proposals is £0.106 million. It is expected that the proposals will be implemented during the first two quarters of 2024-25.
- 6.13 The provision of electric vehicle chargers will incur additional running costs (i.e maintenance, repairs and inspections) which are currently around £1,800 per charger per year, plus the electricity cost; however, these are offset by income from the Council's EV charger network. The average net annual income from rapid chargers is £12,882.72 per charger (based on Feb 2023 usage data after VAT and fees are deducted). The user tariff is set at a level that allows the Council to cover its running costs and electricity usage.
- 6.14 The provision of short stay time limits in car parks may place additional demand on the Council's Parking Enforcement staff and back office.
- 6.15 Adding the former First School site to the Off-Street Parking Places Order will lead to increased maintenance costs which will need to be met from existing maintenance budgets.

## **7. Energising Blyth Strategic Acquisitions**

- 7.1 CSG was asked to consider a capital spend of £0.634 million to complete the strategic site assembly in Blyth. This spend will be funded from the existing Energising Blyth Acquisitions Project budget within the Capital Programme.
- 7.2 The details of the project are included in a confidential appendix.

## **8. Prudhoe Waterworld Soft Play**

- 8.1 CSG was asked to consider a capital spend of £0.060 million to replace the existing soft play area at Prudhoe Waterworld. This spend will be funded from the existing Prudhoe Waterworld project budget within the Capital Programme.
- 8.2 Prudhoe Waterworld was opened in 1990 by Tynedale District Council. It features a 25 x 9 metre main pool, wave pool, gym, fitness studio, soft play area and café. During 2022-23 the facility attracted 140,401 visits, with 105,476 visits from members and 34,925 visits from non-members. In 2016-17 the gym and studio areas were refurbished with minor works carried out over the next three years including modifications to the flume. The pool plant was upgraded in 2020-21.
- 8.3 In June 2023 Cabinet agreed 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. The proposed major improvement project will focus on a refresh of the pool area as many of the finishes and fittings are end of life.
- 8.4 The current soft play structure at Prudhoe Waterworld has been in situ for over 10 years. Despite the condition of the soft play it has continued to prove popular due to the lack of soft plays available in the immediate area. The remedial maintenance costs continued to increase due to the need to ensure the facility remained safe and operational. User experience was very poor and with repairs not being economically viable or possible the area was closed in September 2023.
- 8.5 The soft play has remained closed due to the need for a full replacement. This proposal would renew the soft play area in the context of the wider improvement scheme.

- 8.6 The proposed works are to replace the existing soft play structure with a new, up to date offer which will enhance active play opportunities for children and young people. The costs of these works are estimated to be £0.060 million. These works are additional to the original Prudhoe Waterworld proposal but this will be funded from the existing budget for Prudhoe Waterworld in 2024-25 agreed by Council on 21 February 2024.
- 8.7 The project is necessary to improve overall customer experience as part of the Centre's overall leisure offer for the community and visitors and as a standalone attraction. Customers have expressed dissatisfaction with the lack of current soft play provision.
- 8.8 It is anticipated that the project will be completed by early Summer 2024.
- 8.9 This project will require procurement for external goods and services. Corporate Commissioning & Procurement Service have not been consulted however the delivery of the soft play scheme will be incorporated within the larger improvement project.

## 9. Implications

<b>Policy</b>	The schemes identified in the report support all of the priorities within the Corporate Plan 2023-26.
<b>Finance and value for money</b>	The report outlines proposed project allocations and amendments to the approved Capital programme 2023-24, 2024-25 and 2025-26. The financial implications of these proposals are outlined in the main body of the report. The projects and the proposals identified in the report will be funded from either external funding or existing funding in the Capital Programme.
<b>Legal</b>	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>	Procurement will follow the Council's standard procedures and financial rules. The Corporate Procurement team will be consulted as appropriate.
<b>Human resources</b>	Not applicable
<b>Property</b>	Not applicable
<b>The Equalities Act: is a full impact assessment required and attached?</b>	No - not required at this point EIA is not applicable to the subject of this report.

<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 and disorder</b>	There are no specific crime and disorder implications within this report.
<b>Customer considerations</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 and wellbeing</b>	The Council's Capital budget is founded on the principle of promotion inclusivity.
<b>Wards</b>	(All Wards);

**10. Background papers**

Not applicable

**11. Links to other key reports already published**

Not applicable.

**12. Author and Contact Details**

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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