



# Northumberland

## County Council

**Your ref:**

**Our ref:**

**Enquiries to:** Rebecca Greally

**Email:**

democraticservices@northumberland.gov.uk

**Tel direct:** 01670 622616

**Date:** Friday, 15 March 2024

Dear Sir or Madam,

Your attendance is requested at a meeting of the **CORPORATE SERVICES AND ECONOMIC GROWTH OSC** to be held in **CONFERENCE ROOM 2, COUNTY HALL, MORPETH, NORTHUMBERLAND, NE61 2EF** on **MONDAY, 25 MARCH 2024** at **10.00 AM**.

Yours faithfully

Dr Helen Paterson  
Chief Executive

**To Corporate Services and Economic Growth OSC members as follows:-**

**D Bawn (Chair), J Beynon, L Dunn (Vice-Chair), P Jackson, N Oliver, A Wallace, C Taylor, M Robinson, P Ezhilchelvan and L Grimshaw**

**Portfolio Holder: R Wearmouth**



**Dr Helen Paterson, Chief Executive**  
County Hall, Morpeth, Northumberland, NE61 2EF  
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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  
- 4)

Minutes of the meetings of the Corporate Services and Economic Growth OSC held on 26th February 2024, as circulated, to be confirmed as a true record and signed by the Chairman.

### 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](mailto: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. FORWARD PLAN OF CABINET DECISIONS** (Pages 5 - 8)
- To note the decisions of Cabinet since the previous meeting of the OSC and the latest Forward Plan of key decisions. Any further changes made to the Forward Plan will be reported to the Committee.
- 5. ADVANCE NORTHUMBERLAND UPDATE** (Pages 9 - 26)
- Members to receive a presentation from the Group Executive Officer of Advance giving an overview and update on the work they are undertaking.
- 6. FINANCIAL PERFORMANCE 2023-24 - POSITION AT THE END OF DECEMBER 2023** (Pages 27 - 82)
- The purpose of the report was to ensure that the Cabinet was informed of the current and forecast financial position for the Council against the Budget for 2023-24.
- Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services is required to attend for this item.*
- 7. BEST IN CLASS COMMISSIONING UPDATE** (Pages 83 - 94)
- The purpose of this report is to provide the Corporate Services and Economic Growth Scrutiny Committee with an update on the Best In Class Commissioning Workstream so that the Committee may monitor progress to date
- Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services is required to attend for this item.*
- 8. MONITORING FORM** (Pages 95 - 98)
- The Committee is asked to review the issues raised by the Committee over the last year and consider whether further examination of the issues listed is required in 2024/25.
- 9. URGENT BUSINESS (IF ANY)**
- To consider such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

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

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

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

## Registering Interests

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

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

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

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

### Non participation in case of disclosable pecuniary interest

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

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

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

### Disclosure of Other Registerable Interests

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

### Disclosure of Non-Registerable Interests

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

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

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

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

## Table 1: Disclosable Pecuniary Interests

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

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)



## NORTHUMBERLAND COUNTY COUNCIL

### CORPORATE SERVICES AND ECONOMIC GROWTH OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the **Corporate Services and Economic Growth Overview and Scrutiny Committee** held in the Conference Room 2, County Hall, Morpeth, NE61 2EF on Monday, 26 February 2024 at 10.00 am.

#### PRESENT

Councillor D Bawn  
(Chair in the Chair)

#### COUNCILLORS

Beynon, J.  
Ezilchelvan, P.  
Grimshaw, L.

Oliver, N.  
Robinson, M.  
Wallace, A.

#### OTHER COUNCILLORS

Dale, PAM.

Morpeth, N.

#### OFFICERS

Pringle, S.  
Teasdale, K.

Thompson, C.  
Willis, J.

Team Leader ICT Practitioner  
Recovery and Accounts Receivable  
Manager  
Director of Digital and IT  
Executive Director – Transformation  
and Resources

#### 24. APOLOGIES

Apologies were received from Councillor E. Dunn and C. Taylor

#### 25. MINUTES

**RESOLVED** that the minutes of the meeting of the Corporate Services and Economic Growth Overview and Scrutiny Committee held on 29 January 2024, as circulated, be confirmed as a true record and signed by the Chairman.

#### 26. FORWARD PLAN AND CABINET DECISIONS

The Forward Plan of forthcoming Key Cabinet decisions was reported to the Committee as well as Cabinet decisions made since the previous OSC meeting. (Report enclosed with the signed minutes as Appendix A).

**RESOLVED** that the Forward Plan of key decisions and Cabinet decisions be noted.

## 27. BROADBAND UPDATE

Chris Thompson, Head of Digital and IT, presented the report to committee. Sylvia Pringle, Team Leader ICT Practitioner, was in attendance to assist in presenting to committee and answer any questions from members. The telephony project was making good progress and was on track for digital migration for all by 2025. It was confirmed that communications had gone out to residents including leaflets included in Council Tax letters.

Access to ultrafast broadband had increased by over 200% in the last 2 years in Northumberland, compared to 19.8% nationally. Project Gigabit was a national programme which aimed to provide gigabit broadband to hard to reach areas. In Northumberland there were two types of procurements covering the County which were Type A and Type B. Type A was underway and was set to connect over 3750 premises in North Northumberland. Unfortunately, Type B procurement had stalled which was frustrating as the supplier initially awarded the contract was unable to sign the contract that it had bid for. Buidling Digital UK (BDUK) was already working with other suppliers to identify alternatives and it was hoped plans would be finalised in the near future.

The following comments were made in response to members questions:-

- Officers acknowledged that there was consistent feedback regarding the digital telephony and the resilience of it during adverse situations such as storms. Members were assured that officers were working with civil contingency officers to look at alternatives but that they were aware of the concerns raised.
- It was hoped that the contracts would be secured quickly as the vouchers were only valid until March 2025. It was suggested that members could raise concerns over the timescale of the vouchers with members of parliament to highlight the issue. The Chairs of Corporate Services & Economic Growth and Communities and Place committees agreed to write to BDUK along with MP's in affected constituencies.
- The objective of the project was that residents would be connected to internet in some way, however it was important to highlight that not everyone will receive full fibre and it was necessary to manage residents' expectations.
- Members were encouraged to support the scheme and get residents on board as suppliers engaging in the scheme needed to be aware of where there was demand within the County.

**RESOLVED** that Members note the broadband improvement to date and prospects for the future.

## 28. DEBT RECOVERY UPDATE

Keith Teasdale, Recovery and Accounts Receivable Manager, presented the report to committee. The management of income was a key business area for Northumberland County Council. The Council collected income from many sources; some of this activity was governed by legislation while other areas by sound principles of financial management. The key to economic, efficient and effective income management was the creation and maintenance of a clear framework that sets out the approach, principles, ownership and strategy within which all activities would be conducted.

It was essential that income is collected effectively by the Council, and that debt owed to the Council was kept to a minimum. This was because the Council had both a legal duty and a responsibility to its citizens to ensure that income due was paid promptly to ensure it can minimise the burden of unpaid debt and enhance service delivery.

The management of all monies owed to the Council was detailed in the Corporate Debt Recovery Policy and includes the following:

- Council Tax and NNDR Recovery Policy
- Council Tax and NNDR Court Costs and Fees Policy
- Housing and Council Tax Benefit/Support Overpayments Policy
- Methods of Payment Policy
- Write Off Policy
- Sundry Debt Policy
- Overpaid Salaries and Wages Policy
- Bankruptcy Policy
- Enforcement Agent Code of Practice for Council Tax and NNDR
- Housing Income Management Policy

The report usually showed the position as at 30 September of each financial year but had been updated to show more up to date data as at 30 December where that data was available.

The following comments were in response to members questions:-

- It was confirmed that an update would be provided to committee to illustrate the impact of universal credit and increasing housing rates on debt recovery.
- Members would receive confirmation regarding the definition of Corporate Resource Finance within the report.
- Members were informed that Council Tax recovery was driven by legislation regarding reminders. Any recovery costs to residents would be granted by the Magistrates Court when a liability order was made. The small business rates relief was going through an evaluation which would result in some small businesses having to pay rates.
- Business rates reports were submitted to the Valuation Office Agency (VOA), an executive agency of HM Revenue & Customs, with regard to alterations to existing properties or newly built properties and the Council would have to wait until the VOA confirmed the rateable value of those properties to be able to issue bills to the relevant ratepayers.

- It was confirmed that internal postings were done later in the year due to the process carried out by the Authority.

**RESOLVED** that the report be noted.

## **29. WORK PROGRAMME AND MONITORING FORM**

The Committee received an update on its Work Programme for the 2022/23 council year, including an assurance that the additional issues identified at the meeting would be included.

It was confirmed that the Housing Regeneration Report would be considered at the Cabinet meeting scheduled for 9<sup>th</sup> April 2024.

Members were assured that a report regarding apprenticeships would be included as part of the BEST update.

**RESOLVED** that this information be noted.

**Chairman** \_\_\_\_\_

**Date** \_\_\_\_\_

# Agenda Item 4

## DECISIONS TAKEN BY CABINET SINCE LAST OSC MEETING AND FORTHCOMING CABINET DECISIONS - MARCH 2024 TO MAY 2024

DECISION	CABINET DATE/DECISION
Cabinet Papers – 12 March 2024	<a href="https://northumberland.moderngov.co.uk/ieListDocuments.aspx?CId=140&amp;MId=2296">https://northumberland.moderngov.co.uk/ieListDocuments.aspx?CId=140&amp;MId=2296</a>
Financial Performance 2023-24 – Position at the end of December 2023	<p>12 March 2024</p> <p><b>RESOLVED</b> that:</p> <p>(a) Cabinet approve the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p>(b) Cabinet note the following:</p> <ul style="list-style-type: none"> <li>• the projected overspend on services of £3.527 million and the assumptions outlined in this report.</li> <li>• the projected net overspend of £0.510 million after the utilisation of the reserves.</li> <li>• £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.</li> <li>• the supplementary estimates at Appendix A and the required changes to the budgets.</li> <li>• the delivery of the approved savings at Appendix B.</li> <li>• the use of the contingency shown at Appendix L.</li> <li>• the use of reserves shown at Appendix M.</li> <li>• the virements requested by services shown at Appendix N.</li> <li>• the details of capital project reprofiling shown at Appendix O.</li> </ul>
Summary of New Capital Proposals considered by Officer Capital Strategy Group	<p>12 March 2024</p> <p><b>RESOLVED</b> that:</p>
(a) A197 Bothal Terrace, Ashington	(1) Cabinet note the capital grant secured of £0.200 million via Sustrans from the Department for Transport (DfT) 6

<p><b>(b) Wooler Visitor Infrastructure</b></p>	<p>National Cycle Network (NCN) Activation Programme.  (2) Cabinet approve the proposed spend and amend the capital programme in 2024-25 to include the capital grant of £0.200 million.   (3) Cabinet approve the spend of £0.106 million to carry out the works detailed in section 6.  (4) Cabinet 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.</p>
<p><b>(c) Energising Blyth Strategic Acquisitions</b></p>	<p>(5) Cabinet 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.</p>
<p><b>(d) Prudhoe Waterworld Soft Play</b></p>	<p>(6) Cabinet approve the spend of £0.060 million to replace the existing soft play area at Prudhoe Waterworld in 2024-25.  (7) Cabinet 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.</p>

## FORTHCOMING CABINET DECISIONS

<p><b>Hirst Masterplan</b></p> <p>To introduce the Hirst Masterplan to cabinet and seek authorisation to move forward in developing its contents further.</p>	<p>9 April 2024</p>
<p><b>Housing Regeneration Report – Stock Rationalisation</b></p> <p>The report seeks Cabinet approval to:</p> <ul style="list-style-type: none"> <li>• Decommission a number of low demand homes in Blyth (See appendix 1A);</li> <li>• To place on hold lettings for empty homes and any homes that become empty in the addresses listed within this report;</li> <li>• To give priority status for re-housing to all customers who currently reside in any of the addresses detailed in this report.</li> <li>• To approve the award of Homeloss &amp; Disturbance payments for any customers relocating from the properties detailed in this report</li> </ul>	<p>9 April 2024</p>
<p><b>Q3 Corporate Performance Report</b></p> <p>For Determination</p>	<p>9 April 2024</p>
<p><b>Summary of New Capital Proposals considered by Officer Capital Strategy Group</b></p> <p>This is a summary of the New Capital Proposals considered by the Capital Strategy Group on 27 February 2024.</p>	<p>9 April 2024</p>
<p><b>Climate Change Action Plan 2024-26</b></p> <p>To replace the expiring Climate Change Action Plan 2021-23 and to set out our intended strategies for reaching our climate change targets across the next three years and beyond.</p>	<p>9 April 2024</p>
<p><b>Energy Central Campus Phase 1 – Technical Training Kit: Outline Business Case</b></p> <p>In accordance with the Energising Blyth Programme - Local Assurance Framework, the report seeks the approval of the Outline Business Case (OBC) for the Energy Central Campus Phase 1 – Technical Training Kit which is part of development and delivery of the £20.71m Levelling Up Deep Dive (LUDD) funding awarded to Blyth earlier this year. The OBC has been externally appraised with a recommendation to proceed to Full Business Case (FBC).</p>	<p>9 April 2024</p>
<p><b>Energising Blyth: Levelling Up Deep Dive – Bowes Ct.</b></p> <p>This report updates Cabinet and seeks approval of the Outline Business Case and other key decisions regarding the delivery of the Bowes Court retro-fit of properties. It will recommend the following:</p> <ul style="list-style-type: none"> <li>• To approve the Outline Business Case to enable progression to Full Business Case.</li> </ul>	<p>7 May 2024</p>

<ul style="list-style-type: none"> <li>• Delegate authority, in accordance with the Local Assurance Framework, to the Council's Executive Director of Finance (Section 151 Officer) following consideration by the Energising Blyth Programme Board to approve the Full Business Case.</li> <li>• Delegate approvals to the Executive Director for Place and Regeneration to enter into any contracts relating to the project subject to confirmation of associated funding being in place and the appropriate procurement processes being followed.</li> </ul>	
<p><b>Financial Performance 2023-24 - Position at the end of February 2024 (Provisional Outturn)</b></p> <p>The report will provide Cabinet with the revenue and capital forecast provisional outturn against budget for 2023-24. Due to the timing of the statutory accounts deadline the forecast provisional outturn will be based on the position at the end of February.</p>	7 May 2024



# Advance Northumberland Update 25th March 2024

**Robin Earl**  
**Group Executive Director**

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Agenda Item 5

# Advance Northumberland Corporate Update

## Introduced "Continuous Improvement Programme" (CIP)

- ISO 9001 / 14001 / 45001 Accreditation process underway
- Embedding Sustainability across Group, with dedicated intranet site and monthly news items
- Joined "Zellar" Sustainability reporting and management platform
- Enrolled Advance Northumberland as member of the British Safety Council
- Secured Investors In People Silver Award

## Governance Improvements

- Recruited 4 new Independent Non-Executive Directors
- Refreshed Articles of Association
- Refreshed Audit Committee and Remuneration Committee established
- New external auditor appointed
- Streamlining Records of Board Approvals
- Increased All-Department, Senior Leadership Team engagement in Business Performance & Risk management

# Advance Northumberland Projects Update

- The team have continued to support Northumberland County Council with new regeneration projects in Blyth and Ashington, as well as supporting the Climate change team with retrofit projects.
- Advance led projects in Ashington, Bedlington and at Northumberland Energy Park 1 are also continuing well.
- The team are supporting the Net zero carbon 2030 target by promoting sustainability and carbon reduction in all projects with ambitious targets being set for all new projects to minimise energy use.



## Morpeth Leisure Centre.

- Successfully opened March 2023.
- Advance Northumberland have supported Active Northumberland, Library services and Northumberland Skills through the defect period so far, dealing with any issues quickly to ensure the Centre continues to operate successfully.

# Advance Northumberland Projects Update

## Energising Blyth

The team have managed the design and build of **Energy Central Learning Hub** and works are progressing well with the external façade now underway and the building on track for September 24 opening.

At **Blyth Culture Hub** The team have managed the design process and coordinated the appointment of Kier as main contractor, enabling works started in October 24, the foundations and ground works are currently in construction.

The team have delivered a successful feasibility study for a District heating network at Blyth using waste heat from Mine water.

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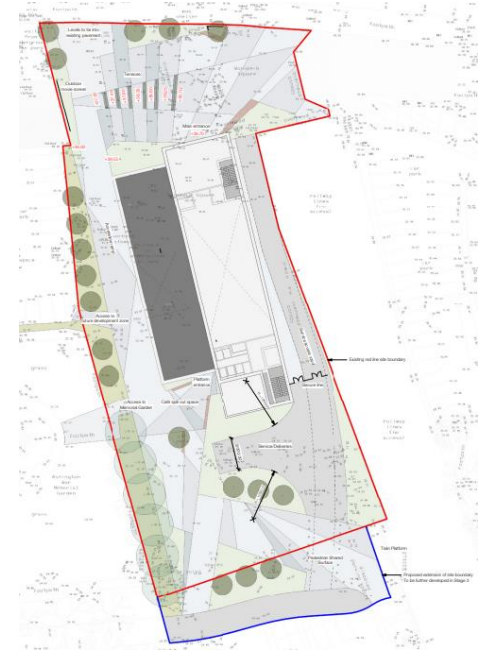


# Advance Northumberland Projects Update

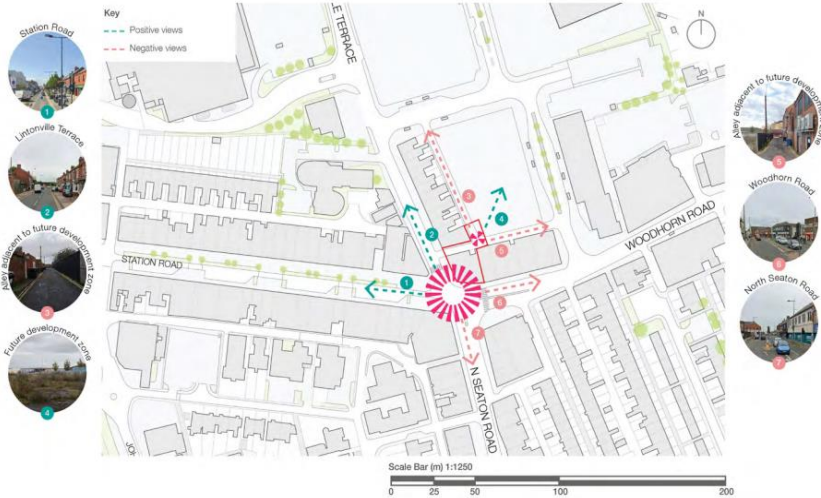
## Ashington Regeneration Programme

The team are managing the design of the Ashington Regeneration programme which includes projects at Wansbeck Square and Portland Park providing a new gateway link between the Northumberland Line station at Ashington Town Centre.

Designs are at an early stage and Planning Applications will be made later this year following public consultation and engagement events in summer 2024.



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# Advance Northumberland Projects Update

## Bedlington

- Following the administration of Tolent Construction, Advance Developments took over the ongoing construction works and delivered the first unit on budget with a minimal delay to programme.
- The unit is now occupied by Greggs.
- The second phase of work started in December 2023 and will complete early 2025 with a further three retail units and six apartments

## Berwick Barracks

Works to convert the historic Mob Store to a temporary Cinema are now complete.

## Berwick Leisure Centre

The Project Management team dealt with the fallout from Tolent construction entering administration including quickly appointing a new contractor and completing the final stage of the works including car park, play park and public realm works by August 23 with minimal delay.





## Ascent Homes Update

### Development Update

- Completed **98 homes** this financial year, across **5** developments from **Blyth up to Wooler**
- Started on site at Seton Hall in Berwick, acting as Principal Contractor for delivery of **58 Affordable & Shared Ownership homes on behalf of Bernicia**
- Delivered Ascent Homes' **600th home** at Kingsmead development in Wooler
- **Moved to new phases** at Wayside Point in Ellington, and Willow Farm in Choppington
- Currently working on Planning & Mobilisation stages for commencement of **6 new developments** to start on site within FY 24-25
- **Opened our first “off-gas” showhome** at Wayside Point in Ellington as part of our Net Zero Journey, incorporating ASHP, PV & Battery Storage

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## People Update

- **Invested in establishing our “in-house” Design & Technical team-** Giving greater control over design stages, and support during construction. Allowing the ability to adapt and be flexible in our different homes. Financial benefits in the long-term delivery
- **Formed, then grew our Health, Safety & Environmental team** -Offering direct support to our site delivery teams
- We appointed a H&S Manager directly employed by Ascent Homes and invested in our future by creating a Trainee Health & Safety Advisor position
- **Created a new Quality team** -Demonstrating our commitment to continuous improvement in our quality
- Created a Quality Manger role to support and inspect all works whilst on site. - Supporting our supply chain and our sub-contractors through cultural changes
- **Invested in our future growth** by creating a Trainee Quality Advisor role and a new Trainee Construction Planner role
- **Established an in-house qualified Town Planner within our Land & Planning team** - Offer greater support and advice ahead of committing significant resource to projects.

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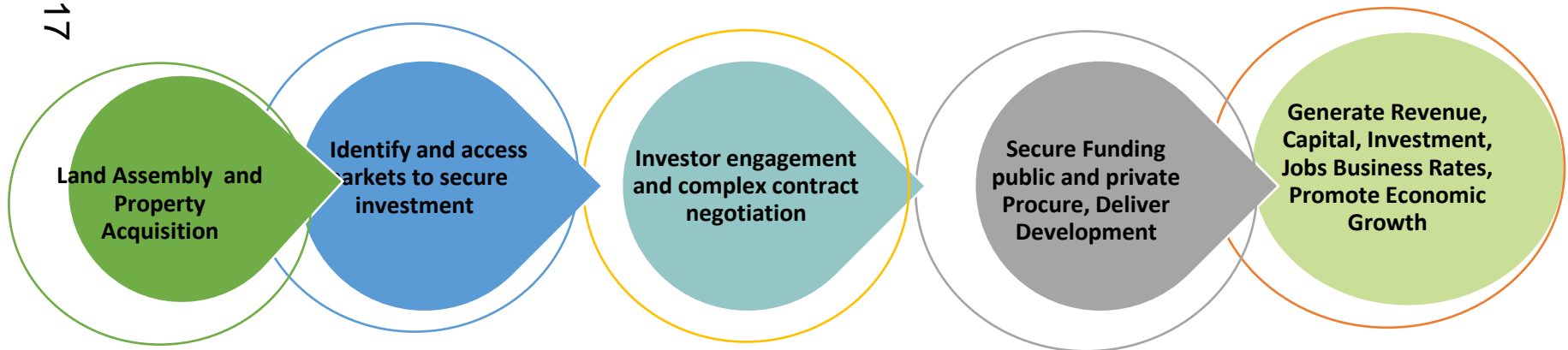


# Economic Growth and Investments

- Acquired and developed the Advance Northumberland portfolio of income producing assets that generates the revenue to drive the business
- Working with and on behalf of NCC to support businesses across the county
- A pivotal role in attracting and securing significant inward investment, creating new jobs, new locations and providing opportunities for economic growth

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Delivering commercial development in strategic employment locations and key towns throughout the County.



# Economic Growth and Investment Team continues to deliver against key Business Plan priorities for 2023/24:

## Key Town Centre and Strategic Sites including:

- Wansbeck Business Park - Ashington College Campus
- Ashington Regeneration Programme – Portland Park, Wansbeck Square and Accelerate Ashington a digital and enterprise support programme.
- Bedlington Town Centre redevelopment
- Tyne View Retail Park, Prudhoe
- Amble Retail Park

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Ashington College Campus, Ashington



Bedlington Town Centre



Tyne View Retail Park, Prudhoe

# Economic Growth and Investment Team continues to deliver against key Business Plan priorities for 2023/24:

## Inward Investment and Strategic Employment:

### Northumberland Energy Park (NEP)

- **NEP 1** – JDR Cable Systems Ltd – 69,000 sqm subsea cable manufacturing facility
- **NEP 2** – SSE Renewables – Berwick Bank Windfarm Ltd
- **NEP 3** – Gigafactory site

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### Other strategic employment sites

- **Ashwood Business Park**, Enterprise Zone
- **NEP 4** – NCC owned



Northumberland Energy Park



NEP1 – JDR Cables, Energy Central

# Economic Growth and Investment Team continues to deliver against key Business Plan priorities for 2023/24:

18 new growth projects which has delivered 538 new jobs and £144m of new investment.

Successfully completed three European Regional Development Fund Projects in June 2023:

- **Business Northumberland**
- **Rural Design Centre Innovation Project**
- **North of Tyne Rural Business Growth Service**

**Northumberland Small Business Service (NSBS)** - With NCC as accountable body, £4.8m of UK Shared Prosperity Funding, Rural England Prosperity Fund and North of Tyne Investment Fund secured.

Service launched in October 2023.

## Northumberland Small Business Service Launch Event



## RED Engineering, Hexham – Supported in development of a new Research Technology Centre



# Advance Northumberland Homes Update

## Tenant Satisfaction

Some examples of successful management so far this year are:

- **100%** of tenants rated their lettings experience as **very good or excellent**
- **100%** of tenants considered it to be as expected, or easy to contact ANH
- **97.5%** of tenants rated ANH's repairs provision **good, very good, or excellent**
- **96%** of tenants rated the standard of their property with ANH as **good, very good, or excellent**



## Advance Northumberland Homes Update

- **Occupancy** - Independent of Hirst (Ashington) Reintroduction Programme, occupancy is **98.5%**, which is an unprecedented level, and significantly above KPIs. **Overall occupancy** (including HRP) is 94.5%.
- **Hirst occupancy has increased by 16%** since the commencement of the Hirst Reintroduction Strategy (72% to 88%)
- We have successfully refurbished and let **104 Hirst units** in the same period- By the end of the 24/25 FY, we anticipate Hirst occupancy being **>95%**

**Stock rationalisation** - Stock rationalisation is ongoing, and this FY we have collected c.£1.1m in capital receipts from asset disposals, with a further £1.6m forecasted for FY 24/25.

- **Stock Condition Surveys** - Stock Condition Surveys have commenced, with an anticipated conclusion of March 2025. This will give an overview of property requirements over the next 30 years, which will inform future budgets.
- **Void turnaround times** - Average void turnaround time has halved since November 2022.
- **Void Refurbishment Tender** - In the process of procuring a contractor for the refurbishment of 30 void units. Works expected to start May 2024.

# Advance Northumberland Commercial & Workspace Update

**Occupancy across the portfolio continues to be above our targets - currently at 97% across the portfolio.**

- Increased occupancy across the overall Workspace portfolio with focus on energy at Blyth. Berwick workspace have entered into deals with 2 national banks.
- Capital receipts received over the year for surplus assets of over £3m as part of rationalisation and regeneration programmes.

**Full estate management process in place to ensure that portfolio continues to be 100% statutory Compliant**

- Large scale procurement exercise undertaken to ensure building condition survey undertaken across the commercial estate to identify a comprehensive building condition reports
- Successfully facilitated securing vacant possession and the sale of Wansbeck Square and 2-4 Woodhorn Road , Ashington to NCC as part of Wider long term Regeneration plan for Ashington Town Centre
- Work ongoing with Ascent Homes to identify potential residential sites within our garage portfolio

# Advance Northumberland Commercial & Workspace Update

## Energy and Sustainability

- Benchmarking of energy use undertaken and various energy saving schemes undergoing feasibility with regard to identify "invest to save" schemes looking at various sustainable uses including: PVs, Heat pumps and other sustainable uses with view to reduce carbon across portfolio
- Charging points installed at Manor Walks, Ashington and Wansbeck Workspace in partnership with NCC and also schemes agreed and ready for implementation at various retail and strategic sites across Northumberland

Extensive invest to save works at Manor Walks over the past 18 months on internal and external lighting has resulted in have Kwh savings of 46% against previous years consumption.





## Manor Walks

**7 million visitors per annum** - continuing to show increase year on year and back to pre-covid levels

- **High occupancy levels above national benchmark** figures for comparable retail sites
- Challenging year in retail with Wilko going into administration as well as some of leisure operators rationalising assets
- We have **continued to bring new retail tenants** into Cramlington including **Poundland** replacing Wilko, **B&M** moving into the vacant former Buzz bingo site to provide 30,000 sq ft of retail space, and securing food and beverage operators **Costello Lounge** and **Burger King**, along with signing anchor tenant Sainsburys on a new long-term lease
- Building on the success, an **Asset Strategy Brief** will be taken to Board in 2024 with regard future proposals for improving the offer and financial viability of the Centre.

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## 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)



## Appendix K

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.

Recurrent Funding	2023-24	2024-25
	£	£
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>

Non-Recurrent Funding	2023-24	2024-25
	£	£
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 Treescape 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 - Cleaswell 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

Corporate Services and Economic Growth Overview and Scrutiny Committee

25<sup>th</sup> March 2024

### **BEST in Class Commissioning Update**

**Report of Councillor(s)** Councillor 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**

This report is relevant to “Achieving Value for Money”, “Driving Economic Growth” and “Tackling Inequalities” priorities included in the NCC Corporate Plan 2023 - 2026

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

The purpose of this report is to provide the Corporate Services and Economic Growth Scrutiny Committee with an update on the Best In Class Commissioning Workstream so that the Committee may monitor progress to date

#### **3. Recommendations**

3.1 It is recommended that the contents of the report are reviewed and noted

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

This report does not require a key decision.

#### **5. Background**

5.1 BEST is the Council's new way of working which aims to:

- Provide the best experiences to residents through its services.
- Provide enhanced opportunities to broaden experience for staff.
- Improve efficiency and effectiveness to ensure value for money is achieved

- 5.2 The strategic business case, sponsored and led by the Executive Director of Transformation and Resources, was approved by Cabinet on 17th January 2023 and is the high-level strategic document that helped to begin the journey, identifying a programme of work under seven workstreams and encompassing around forty projects that are now being developed under BEST.
- 5.3 This is not about cutting services, but about moving to a new way of working, transforming the way services are delivered and how the Council operates to deliver value for money and achieve the best outcomes for our customers and residents.
- 5.4 On 14th March 2023, Cabinet made the key decision to proceed with the procurement of a Delivery Partner to work alongside council officers in delivering the priorities identified in the strategic business case and to support the design and delivery of projects falling within the scope of the programme. Deloitte were subsequently appointed as the Council's strategic delivery partner in October 2023, and the introduction and mobilisation of Deloitte commenced following contract award. The contract is managed by the Executive Director of Transformation and Resources who is also the internal client relationship lead.

**Best In Class Commissioning and Communities First Workstream:**

- 5.5 By introducing a new commissioning framework underpinned by a category management approach, and co-designing more services through a Communities First ethos, this workstream will improve the quality of public services in Northumberland, involve more people in how they are designed and delivered, and ensure we manage our spend with suppliers more commercially to generate efficiencies.

Further information is provided in appendix 1.

• **Implications**

<b>Policy</b>	The report supports the 3 priorities “Achieving Value for Money”, “Driving Economic Growth” and “Tackling Inequalities” priorities included in the NCC Corporate Plan 2023 – 2026.
<b>Finance and value for money</b>	Efficiencies are contained within appendix 1 to this report.
<b>Legal</b>	N/A
<b>Procurement</b>	Deloitte LLP were appointed following a public procurement exercise conducted in accordance with the Public Contracts Regulations 2015. Further procurement implications are explored within appendix 1.
<b>Human resources</b>	There are no Human Resources implications arising from the report.
<b>Property</b>	There are no Property implications arising from the report.
<b>The Equalities Act: is a full</b>	No - not required at this point

<b>impact assessment required and attached?</b>	There are no Equalities implications arising from the report.
<b>Risk assessment</b>	There are no Risk Assessment implications arising from the report.
<b>Crime and disorder</b>	N/A
<b>Customer considerations</b>	N/A
<b>Carbon reduction</b>	N/A
<b>Health and wellbeing</b>	N/A
<b>Wards</b>	All wards in Northumberland

- **Background papers**

Cabinet Report [17<sup>th</sup> January 2023](#)

OSC BEST Update [27th November 2023](#)

- **Links to other key reports already published**

Not applicable

- **Author and Contact Details**

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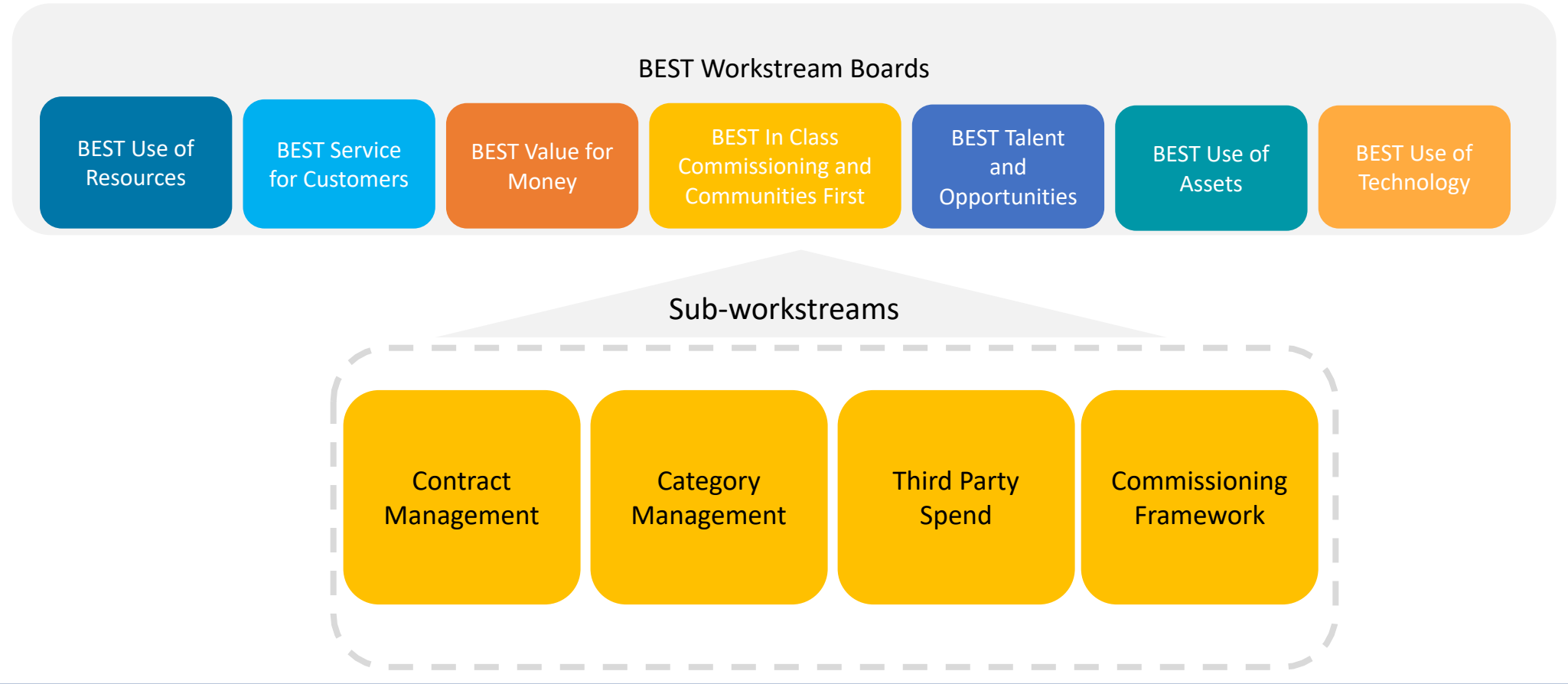
# Corporate Services and Economic growth Overview and Scrutiny Committee

Best In Class Commissioning Workstream spotlight

# Best in Class Commissioning within BEST

This workstream aims to develop a new approach to commissioning and procurement which will improve the quality of public services in Northumberland, involve more people in how they are designed and delivered, and manage spend with suppliers with an increased commercial lens.

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# Contract Management –Progress to date?

## Definition and Objectives

- **Definition:** Establish a central resource to support good contract management to ensure our suppliers provide and the Council receives contracted services and supplies.
- **Objective:** Embed a sustainable, consistent Contract Management approach, supported by toolkits, training and resources, to ensure that cost reductions remain locked in during the lifetime of contracts and that suppliers deliver ongoing value.

## Progress to date

- Recruited a **Contract and Supplier Relationship Manager**.
- Policies and documentation reviewed and **improvements identified**.
- Live contracts categorised into **Strategic, Tactical and Operational**.
- **Action plan** developed and change underway.

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## Benefits of Contract Management

- Improve **value/benefits realisation**.
- Improve **supplier performance**.
- Improve **services** to our community.
- Improve **control** on spend and variations to contracts.
- Drive **innovation** and continuous **development**.
- Mitigate supply **risks**.
- Increase **social value** impact.

Effective Contract Management



Contract Management Approach

In undertaking Contract Management, the activities required will always be proportionate, taking into account contract outcomes, contract value, contract complexity and risk.



# Category Management – What is it, Why do we need it and Progress to date?

## Definition and Objectives

- **Definition:** Establish a strategic approach that involves grouping similar products or services into categories and managing them as a single unit. It is a systematic and collaborative process that aims to optimise the procurement of goods and services within each category to achieve maximum value for an organisation.
- **Objectives:** Develop and implement a category management approach across the Council.

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## Benefits of Strategic Category Management

- Increase **value**.
- Improve **supplier performance**.
- Improve **collaboration** and **cross-functional working**.
- Improve **transparency**.
- Improve **control** on spend.
- Drive **innovation** and continuous **development**.
- Mitigate supply **risks**.
- Increase **social value** impact.

## Progress to date

- Developed a **new category structure** for the procurement team to manage.
- Revised **Job Description** for strategic category managers.
- Produced a **new category strategy template** to support new category strategies.
- Commenced **pilot to develop ICT category strategy**



# Third Party Spend Review – Objectives and Progress to Date

## Objectives

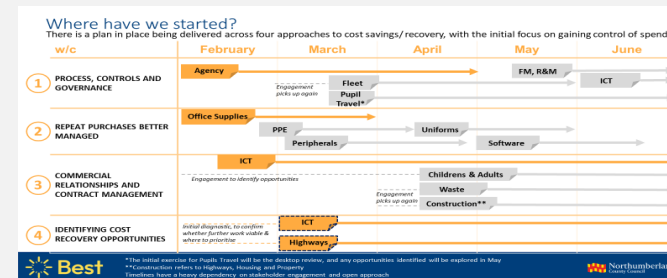
- **Identify priority savings opportunities** and implement targeted changes to contractual relationships, commissioning & management of services and purchasing processes to enable the realisation of recurrent third party savings across the Council.

## Benefits

- Reduce of Council **expenditure**
- Improve processes to create **efficiencies**
- Improve knowledge of **financial management** across the Council – consistent approach and clear tracking of savings
- Update policies, processes and governance and associated communications to create improved **awareness**.
- Establish consistent **monitoring** to ensure policies and processes are being followed as set out

## Progress to date

- **Procurement efficiencies of £2.2m achieved by Q3 in 2023-24.**
- **Agreed £418m addressable spend** that the Council can directly influence/control.
- Analysed the data and **engaged with relevant stakeholders across the categories** to co-develop a long list of opportunities.
- **Commenced implementation across four key themes** of specific category opportunities:
  - Process, Controls and Governance (Review of Agency spend is underway)
  - Review of repeatable purchase spend (office stationery, PPE and ICT Peripherals underway)
  - Commercial relationships and contract management (ICT underway)
  - Identifying cost recovery opportunities (Highways and ICT underway)



# Commissioning Framework – Objectives, Progress to Date, and Benefits

## Definition and Objectives

The **Commissioning Framework** will provide a strategic approach to both commissioning and decommissioning. It will:

- Provide a robust and commercially minded methodology to ensure that **good outcomes, value for money** and **social value** are achieved from all decisions to spend money with third parties.
- Blend **customer-centric engagement principles** with the Council's **Communities First approach** to tackling inequalities.
- Ensure the **assets and resources of communities** are considered in service design, as well as specific needs.
- Ensure that all **political, economic, social, technical, legal and environmental factors** are considered within the approach.

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## Progress to date

- Conducted Desk **research**.
- Commenced **stakeholder engagement** – see the [following slide](#) for greater detail.
- Developed the **delivery plan**
- Drafted skeleton **Commissioning Framework documentation**
- Drafted skeleton **training content** to create a common understanding of commissioning and ways of working across the organisation.

## Benefits of the Commissioning Framework

- Aligned language and clear **vision and principles for Commissioning** that apply holistically across the organisation.
- Greater **collaboration with local providers and community led organisations** to explore alternative commissioning models (Communities First).
- Clear understanding of **roles and responsibilities** and how each persons' role fits in the end-to-end process, with the opportunity to collaborate more to share best practice and knowledge across the council and with external providers.
- Greater **transparency across the organisation**.
- Increased **Value for Money**.
- Tangible next steps to move towards the future vision for Commissioning.



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# Northumberland County Council

## Corporate Services and Economic Growth Overview & Scrutiny Committee

### Work Programme and Monitoring Report 2023-2024

## 1. Terms of reference:

- (1) To maintain an overview of the Council's Annual Budget and Budgetary Management via the Medium Term Financial Plan.
- (2) To review the state of Northumberland and the County Council's activity in delivering its Corporate Plan.
- (3) To maintain an overview of the Council's performance management arrangements; highlighting areas of poor performance and monitoring recovery delivery plans.
- (4) To maintain an overview of the Management Agreements in place between the Council and Advance Northumberland.
- (5) To monitor, review and make recommendations about:
  - Corporate Services: Organisational Development, Health and Safety, ICT Strategy, Corporate Governance, Financial Services, Procurement Strategy, Risk Strategy, Shared and Traded Services
  - Partnership development coordination with local organisations
  - Relationships with external bodies
  - Regeneration and Economic Development
  - Strategic Transport Network and Infrastructure
  - Employability, Skills, and removing barriers to work
  - Capital Programme and Asset Management
  - Support to VCS organisations and the Council's relationship with town and parish councils.

### To be Timetabled:

This will include the OSC being more proactive in early stage development work in formulating new policies and strategies; to investigate matters of interest and concern to the wider community, and to keep under review the performance and financial position of the Council.

- Capital Programme (monitoring slippage)
- Gigafactory Site, Cambois



Northumberland County Council  
Corporate Services and Economic Growth Overview and Scrutiny Committee Monitoring Report 2023-2024

Ref	Date	Report	Decision	Outcome
1.	26 June 2023	<b>Presentations from Executive Directors on Forthcoming Issues (Jan Willis/Simon Neilson)</b>	<b>RESOLVED</b> that the information was noted and the issues identified for further examination be included on the Committee's work programme.	The work programme will continue to develop in accordance with the Committee's priorities.
2.	26 June 2023	<b>Financial Performance 2022/23: February 2023 (Provisional Outturn 2022/23)</b>	<b>RESOLVED</b> that (a) the information be noted, and (b) a report be presented to the next meeting setting out the proposals for ensuring the delivery the Parks and Green Spaces Programme.	A report on the issues identified regarding Parks and Green Spaces be prepared for the next meeting.
3.	26 June 2023	<b>Debt Recovery Update</b>	<b>RESOLVED</b> that the report be noted.	The Committee will continue to receive six monthly updates.
4.	25 September 2023	<b>Regeneration Update</b>	<b>RESOLVED</b> that the information in the presentation be noted.	Further updates be presented as requested by the Committee.
5.	25 September 2023	<b>Parks and Green Spaces</b>	<b>RESOLVED</b> that the information be noted.	No further action necessary.
6.	25 September 2023	<b>Financial Performance 2023/24 - Position at End of June 2023</b>	<b>RESOLVED</b> that the information be noted.	The Committee will continue to receive further updates.
7.	25 September 2023	<b>Performance of the Northumberland Lottery</b>	<b>RESOLVED</b> that the information be noted.	No further action necessary.
8.	25 September 2023	<b>HR Annual Update</b>	<b>RESOLVED</b> that (a) the report be noted; (b) the Committee agreed to continue to receive the Workforce Update annually; (c) the data that was contained in the whistleblowing report and the ongoing work to promote a safe environment for staff to raise concerns through various mechanisms across the Council be noted;	A further update on outstanding issues be presented to the OSC in January 2024.

			(d) the continued use of Safecall across the Council as an additional mechanism for staff to raise concerns be supported, and (e) the additional information requested by members as set out above, be presented to the next meeting of the Committee.	
9.	27 November 2023	<b>Budget 2024-25 MTFP 2024-28</b>	<b>RESOLVED</b> that (a) the information in the report be noted, and (b) the Cabinet be advised of the Committee's comments when it determines the report on 12 December 2023.	Cabinet considered the OSC's comments when it dealt with this report on 12 December 2023.
10.	27 November 2023	<b>Budget Consultation 2024-25 Draft Engagement Document</b>	<b>RESOLVED</b> that (a) the information in the report be noted, and (b) the Cabinet be advised of the Committee's comments when it determines the report on 12 December 2023.	Cabinet considered the OSC's comments when it dealt with this report on 12 December 2023.
11.	27 November 2023	<b>BEST Update</b>	<b>RESOLVED</b> that (a) the information be noted, and (b) a forward plan of deep dives into specific workstream to be brought to overview and scrutiny	A report on Commissioning and Procurement will be presented to the OSC on 26 February 2024.
12.	29 January 2024	<b>Budget 2024-25 Medium Term Financial Plan 2024-28</b>	<b>RESOLVED</b> that the report be noted.	No further action required.
13.	29 January 2024	<b>Workforce Update</b>	<b>RESOLVED</b> that the report be noted.	The Committee will consider the annual Workforce Report in September 2024.
14.	29 January 2024	<b>Cambois Development</b>	<b>RESOLVED</b> that the report be noted.	The Committee will receive further updates as necessary.
15.	26 February 2024	<b>Broadband Update</b>	<b>RESOLVED</b> that the report be noted.	The Committee will receive further updates as necessary.
16.	26 February 2024	<b>Workforce Update</b>	<b>RESOLVED</b> that the report be noted.	The Committee will receive an overview report on Apprenticeships within the Council in June 2024.