



Northumberland County Council

CABINET

14 FEBRUARY 2023

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of: Jan Willis, Interim Executive Director of Finance and Section 151 Officer

Cabinet Member: Councillor Richard Wearmouth, Portfolio Holder for Corporate Services

1. Purpose of Report

The following report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 2nd December 2022 and 6th January 2023.

2. Recommendations

Cabinet is recommended to:

2.1 A1068 Hadston to Druridge Bay Country Park Pedestrian Crossing:

Accept an overall funding contribution of £85,000 for improvements to the above crossing released via a Section 106 agreement by the developer for phase three of the Park View housing development in Hadston and agree that this amount be added to the Council's capital programme for 2022/23 to allow the agreed scheme to be implemented.

2.2 Proposed improvements to the main gateway into Ridley Park, Blyth:

Approve capital contribution of £26,000 from the Parks Enhancement Capital Budget for 2022/23 included in the Council's MTFP in respect of NCC's contribution to Friends of Ridley Park for the provision of a new decorative Gateway at a total cost of £50,000.

2.3 Realignment of Capital Schemes relating to Broadband:

Approve the reallocation of capital funding for Broadband improvements across the county including the erection of a new mobile mast at Craster as detailed in the Table in paragraph 7.2 below, noting that there is no overall increase in the capital budget requirement already included in the Council's MTFP.

2.4 Queen Elizabeth Parks Commemoration Schemes

Further to the approval granted in the December Cabinet Paper to provide additional budget for a number of park enhancements to celebrate the life of the late Queen Elizabeth II, to confirm approval for the allocation of capital funds from the Parks Improvement Programme that was identified as being required as part of the overall funding arrangements within the approved list of commemoration schemes as follows:-

- Eastwood Park Scheme in Prudhoe to proceed at a gross cost of £126,196 with £121,196 funded from the Parks Enhancement Fund and £5,000 from external contributions.
- Carlisle Park Scheme in Morpeth to proceed at a cost of £110,000, with £70,000 to be funded from the Parks Enhancement Fund. £40,000 will be funded from the Queen Elizabeth II Commemoration Scheme budget if approved by full Council on 22 February 2023. The additional cost will not be committed until approved and will not be incurred before 1 April 2023.
- Valley Park Scheme, Cramlington to proceed at a gross cost of £119,500 with £112,000 funded from the Parks Enhancement Fund and £7,500 from external contributions.
- Cleaswell Hill Park Scheme to proceed at a gross cost of £200,000 to be funded from the Parks Enhancement Fund.
- Warkworth Beach Scheme to proceed at a gross cost of £12,000 to be funded from the Parks Enhancement Fund.

3. Links to Corporate Plan

The Council's Capital Programme is consistent with the priorities in the Corporate Plan in particular the 'Living', 'Enjoying' and 'Thriving' priorities.

4. Background

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

SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 2 DECEMBER 2022 AND 6th JANUARY 2023.

5. A1068 Hadston to Druridge Bay Country Park Pedestrian Crossing

- 5.1 CSG was asked to accept a S106 contribution of £85,000 into the Capital Programme to cover the cost of improvement works to the above pedestrian crossing.

Background

- 5.2 Outline planning permission was granted in February 2017 for 90 dwellings at Park View in Hadston. As part of the planning approval, an agreement was made between the Council and the developer under Section 106 of the Town and Country Planning Act. The agreement commits the developer to a financial contribution of £85,000 for improvements to the local highway infrastructure.
- 5.3 Specifically, the contribution was for a signalised pedestrian crossing on the A1068 between the development site and Druridge Bay Country Park. This arose from a request by East Chevington Parish Council.
- 5.4 Following the granting of planning permission, concerns were raised by Technical Services Officers about the safety of a controlled pedestrian crossing in this location. Feasibility work was therefore carried out which confirmed that a controlled pedestrian crossing would not be appropriate at this location for safety reasons. An alternative scheme was therefore agreed with the local Ward Member and East Chevington Parish Council. The revised scheme consists of:
- Additional road markings.
 - Provision of new warning signs.
 - Additional street lighting.
 - Provision of two mains powered Interactive warning signs that show “*pedestrians crossing*” and an exclamation mark when pedestrians are detected at the crossing point. When pedestrians are not present, the signs display a speed camera symbol if vehicles travelling in excess of the speed limit are detected.
- 5.5 Further liaison took place with the developer regarding the amendment of the s106 agreement as the original wording referred specifically to a signalised crossing. They have subsequently agreed to the alternative scheme and confirmed their agreement to enter into a new s106 agreement called a deed of variation. The financial contribution of £85,000 remains the same.

5.6 The variation to the s106 agreement was granted planning permission at Strategic Planning Committee on 3rd May 2022.

6. Proposed improvements to the main gateway into Ridley Park, Blyth

6.1 CSG was asked to consider a request to contribute £26,000 for the construction of a new gateway into Ridley Park with a total project cost of £50,000.

Background

6.2 Ridley Park, Blyth is one of the County's flagship strategic urban parks providing a valuable green space to the residents of Blyth and beyond. The excellent Splash Park feature within the park attracts many visitors from across Northumberland and Tyne & Wear and the two well stocked play areas and café are well used by visitors.

6.3 The general appearance of the park is open and inviting with attractive floral displays and wooded areas. However, the main entrance into the park from Park View next to the Park Lodge is looking somewhat old and tired. The metal gates that used to be there were removed many years ago and the remaining stone built entrance posts create an uninviting feature and offer a poor first impression that detracts from the overall appearance of the park. The gateway is highly visible from the main road that passes the park.

6.4 In response to this issue the Friends of Ridley Park (FORP) have come forward with a community project to design and install a new ornate gateway to attract visitors into the park. They have undertaken a successful fundraising campaign to raise funds towards the scheme.



Old existing entrance



Proposed new gateway

Proposal

- 6.5 The proposed improvements are to remove the old stone gate entrance and install a bespoke galvanised steel entrance feature as shown in the artist impression above.
- 6.6 FORP approached local senior schools to be involved in the design of the gateway entrance feature. As a result of this 'call-out' students from Blyth Academy worked in their free time to come up with the design. Northumberland County Council have granted full planning permission for the new entrance.
- 6.7 Blacksmith Artist Stephen Lunn was approached to help FORP make this project a reality. He was chosen for his reputation and his practice of galvanising his products to make them stand up to weather and the effects of salty air in coastal settings, minimising maintenance and keeping the structure looking attractive for generations to come. One of Stephen's most striking pieces is the Singing Gate at Alwick Gardens.
- 6.8 Stephen has a wealth of experience in working with young people and the community, inspiring and encouraging them and interpreting their designs into beautiful, intricate structures. The Friends of Ridley Park think, once installed, local people will take pride in the entrance which will be a fitting gateway to our beautiful park.
- 6.9 This project is supported by local county and town councillors with a total project cost of £50,000 to be funded as follows:
Northumberland County Council £26,000 (proposed)

Blyth Town Council £15,000 (confirmed)
 Joicy Trust £5,000 (confirmed)
 The Friends of Ridley Park £4,000 (confirmed)

7. Realignment of Capital Schemes relating to Broadband:

7.1 CSG was asked to consider a request to reallocate capital funding across several different Broadband Schemes including the erection of a new mobile mast at Craster.

Background

7.2 There are currently three capital budgets associated with the iNorthumberland Broadband programme as detailed in the table below:

| | Local Full Fibre Network | Community Broadband | Broadband Gainshare | Craster Mast |
|------------------------------------|--------------------------|---------------------|---------------------|--------------|
| Code | FA200008 | CA170001 | CA160003 | New |
| Starting balance | £181,822 | £2,411,405 | £726,325 | £0 |
| Spend to date 22/23 | -£66,979 | | | |
| Projected spend 22/23 | -£15,048 | | | -£75,000 |
| Repayment of underspend /clawback | | -£1,550,734 | | |
| Transfer to Craster mast | | £-75,000 | | £75,000 |
| Projected Balance | £99,795 | £785,671 | £726,325 | 0 |
| 23/24 Forecast | | | | |
| <i>Transfer to Comm. Broadband</i> | | £726,325 | -£726,325 | |
| NCC Top-Up Vouchers spend | | -£1,541,176 | | |
| Druridge & Plessey connection | -£70,615 | | | |
| <i>Transfer to Comm. Broadband</i> | -£29,180 | £29,180 | | |
| | | | | |

| | | | | |
|----------------|-----------|-----------|-----------|-----------|
| BALANCE | £0 | £0 | £0 | £0 |
|----------------|-----------|-----------|-----------|-----------|

Craster Mast Project

- 7.3 The village of Craster on the Northumberland coast has struggled for many years with no mobile signal. Working in partnership with Craster Parish Council and the telecoms company, Railsite, a plan has been put together for the installation of a mobile mast which would benefit around 200 households in Craster (and possibly Dunstan depending on coverage reach) and in excess of 250,000 visitors annually.
- 7.4 It is proposed to site a new mobile mast in the top left-hand corner of the council owned car park in Craster. It is intended that the planning application will be submitted in early 2023.
- 7.5 Despite being a tourist hot spot, the village has a substantial residential population, many of them elderly and at risk of isolation. Craster was greatly impacted by Storm Arwen last year and there are concerns for the future with the replacement of landlines with digital phones which will not function if the broadband connection is lost. Craster is a genuine 'not spot' for mobile signal and if this mast does not proceed then over 250 residents/businesses and 250,000 visitors to the area will not be able to access mobile services.
- 7.6 Costs for installing a new mast in Craster are quoted as £150,000. A mast supplier, Railsite have proposed a match funding agreement where they will fund 50% of the costs, leaving £75,000 to be funded by NCC.

Northumberland Top-Up Voucher Scheme

- 7.7 BDUK have recently announced changes to the Gigabit Voucher funding scheme and the revised scheme will apply to new projects from 5th December 2022. An NCC Top Up voucher scheme has been on hold pending the announcement of the changes, but we are now in a position to implement the scheme with support from BDUK. The new BDUK scheme has increased the maximum voucher value to £4,500 for both residents and businesses, an increase from £1,500 and £3,500 respectively.
- 7.8 If NCC top up the BDUK voucher scheme to a maximum of £7,000, this will mean up to 600 properties in the most rural parts of Northumberland can be supported. The scheme would apply to properties that can only access speeds of less than 30Mbps. A £2,500 Northumberland voucher, used in conjunction with a BDUK Gigabit Voucher of £4,500, would provide a maximum value of £7,000 per eligible property.

7.9 Without the provision of an NCC top-up scheme, some residents will be unable to receive fibre connectivity due to the rurality of their property and the associated cost of the infrastructure required.

Repayment of Gainshare from Superfast to DCMS

7.10 Our contracts with BT for the rollout of superfast broadband in Northumberland included an element referred to as “Gainshare funding”. This is the funding returned by BT where take up of superfast broadband was higher than anticipated. As a result, there was less market failure than the initial funding calculation was based upon and an over subsidy by the public sector funders (i.e. Northumberland County Council and DCMS).

7.11 NCC had 3 contracts with BT: Contract 1, Contract 2, and Rothbury Superfast. The table below illustrates the number of properties that have been connected as a result of these programmes and the capital funding allocated.

| | |
|--------------------------------|---------------|
| Total properties in Contract 1 | 50,672 |
| Total properties in Contract 2 | 8,328 |
| Total properties in Rothbury | 1,653 |
| Total properties | 60,653 |

7.12 The first contract was based on take up rates of 20% and the second was based on 30%, meaning that 20-30% of those properties that could take up a superfast broadband service would do so. In Northumberland we have seen take up of the service by over 70% of eligible properties. This has led to significant levels of gainshare funding being returned to Northumberland by BT, much of which has already been reinvested in further superfast roll out activities (e.g. contract one gainshare was invested into the second superfast contract in 2016).

7.13 The original intention was that this gainshare funding along with any unutilised funding could be used in full if it was reinvested by NCC in further deployment of superfast broadband infrastructure in the county. However, following the announcement by DCMS of a £5 billion investment through “Project Gigabit”, an amendment to the original grant funding agreement between DCMS and all local authorities (including Northumberland County Council) has resulted in a need for the DCMS element of our unspent gainshare funding to be returned to central government to help fund this £5 billion programme.

7.14 NCC are contractually obliged to pay a proportion of these funds to DCMS (46.11%). DCMS provided the following breakdown illustrating the breakdown of the funds due to be returned made up of underspend and gainshare:

| | | |
|----------------------------|-------------------|------------------------------|
| Utilised funding | £12,591,501 | |
| Unutilised funding | £4,083,116 | |
| Clawback | £1,442,326 | Gainshare from BT/ Openreach |
| Total | £5,525,442 | |
| Underspend utilised | £2,162,323 | |
| Underspend unutilised | £3,363,119 | |
| DCMS Share (46.11%) | £1,550,734 | |

7.15 The council are contractually obligated to provide DCMS with a proportion of any underspend and gainshare received as part of Contract 1 and Contract 2 of the Superfast Broadband programmes. The connectivity that these funds would have been used for should be fulfilled through the Centrally coordinated and funded Project Gigabit programme.

Implications

| | |
|------------------------------------|---|
| Policy | The capital programme is part of the Medium-Term Financial Plan 2022-26. The plan supports the Corporate Plan. |
| Finance and value for money | The report outlines proposed project allocations and amendments to the approved Capital programme. The financial implications of these proposals are outlined in the main body of the report. The projects will be funded from the existing capital programme or external funding. |
| Legal | Subject to any contractual implications arising from the receipt of grant funding, there are no direct legal implications. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council |
| Procurement | In line with all other capital expenditure, the additional spend will be subject to the Council's recognised procurement procedures. |
| Human Resources | Not applicable. |
| Property | The properties affected by the proposals are identified in the main body of the report. |
| Equalities | Craster Mast and Voucher Top-UP schemes both help address connectivity exclusion, and provide greater equal |

| | |
|---|---|
| (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> | opportunities to those currently excluded from modern connectivity expectations. |
| Risk Assessment | The risks associated with the proposals are regarded as acceptable but these risks will continue to be reviewed up to and during implementation of the proposals. |
| Crime & Disorder | There are no Crime and Disorder implications. |
| Customer Consideration | The reallocation of Broadband budgets addresses numerous issues raised by residents and businesses over lack of fast and reliable broadband and mobile in parts of the county |
| Carbon reduction | Carbon Reduction measures have been considered within each project and Carbon Impact Assessments have been completed for the relevant projects. |
| Health & Wellbeing | Potential to improve access to health care through remote monitoring and virtual consultations. Can reduce social isolation by providing connectivity |
| Wards | All wards. |

Background Papers:

Medium Term Financial Plan 2022-26

Report sign off:

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

| | Name |
|--|-------------------|
| Monitoring Officer/Legal | Suki Binjal |
| Executive Director of Finance and S151 Officer | Jan Willis |
| Interim Chief Executive | Rick O'Farrell |
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