



# Northumberland

## County Council

Cabinet

Tuesday, 9 April 2024

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

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

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

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

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

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

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

#### 3. **Recommendations**

3.1 Cabinet is recommended to:

##### 3.2 **Berwick Culture and Creative Zone**

- a) Accept capital grant funding of £0.330 million for the Berwick Culture and Creative Zone (CCZ) and approve the amendment to the Capital Programme to include the capital grant funding in 2024-25.
- b) Note the reallocation of grant funding from revenue to capital of £0.110 million and approve the amendment to the Capital Programme to include the capital grant funding in 2025-26.
- c) Approve the amendment to the Capital Programme to reprofile £0.100 for the CCZ project from 2024-25 to 2025-26.

##### 3.3 **Northumberland Playzones**

- a) Note the 75% grant contribution of £1.396 million from the Football Foundation for the 6 sites within Portfolio 1 and approve the amendment to the capital programme to include the grant funding in 2024-25.
- b) Note the Section 106 funding of £0.284 million and approve the amendment to the Capital Programme to include the funding in 2024-25.
- c) Note the other external funding of £0.050 million detailed in the report and approve the amendment to the Capital Programme to including the funding in 2024-25.
- d) Note the £0.020 million contribution from Cllr Stewart and Cllr Scott and approve the amendment to the Capital Programme to reallocate £0.020 million from the Member's Local Improvement Schemes budget to the Northumberland Playzones Project in 2024-25 .
- e) Approve the proposed spend of £0.111 million which will be funded using the existing Northumberland Playzones project in the Capital Programme, which has a current budget of £0.300 million in 2024-25.

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

The date this report was added to the forward plan was 27 February 2024.

#### **5. Background**

- 5.1 This paper summarises reports considered by the Officer Capital Strategy Group on the allocation of funding within the Medium-Term Financial Plan to specific projects. The amendments to the Programme were considered by the officer Capital Strategy Group (CSG) on 27 February 2024.

### **Summary of New Capital Proposals Considered by Officer Capital Strategy Group on 27 February 2024**

#### **6. Berwick Culture and Creative Zone**

- 6.1 CSG was asked to consider a capital spend of £0.440 million for the Berwick Culture and Creative Zone. This spend is externally funded by the North of Tyne Combined Authority (NTCA)
- 6.2 In October 2021, Cabinet welcomed the NTCA intent to co-develop a Culture and Creative Zone (CCZ) pilot within each of the constituent local authority areas and agreed that the initial pilot Zone for the County should focus on the town of Berwick-upon-Tweed. In October 2022 Cabinet agreed to establish the Berwick Culture and Creative Zone Project (CCZ) in the Capital Programme at a cost of £0.100 million and accept a grant from NTCA of £0.100 million into the Council's budget to fully cover this project cost.
- 6.3 Create Berwick is one of three pilot projects forming the Culture and Creative Zone and funded by North of Tyne Combined Authority. The Council secured £1.500 million over 5 years until 2026-27 to invest in creative led regeneration of Berwick, helping creative, cultural and community led organisations to innovate and strengthen the local economy. Taking inspiration from Berwick's rich coastal and borderlands

heritage, traditions and landscapes the CCZ will help create new contemporary cultural experiences and support a thriving creative businesses.

- 6.4 The CCZ for Berwick is an opportunity to co-ordinate and scale up the town’s many cultural and creative assets and activities, creating significant impact and meaningful growth of the sector. It also offers the opportunity to build on and amplify the impacts of planned strategic investments in the town, including the developments of The Maltings Theatre, Cinema and Arts Centre and Berwick Barracks.
- 6.5 Create Berwick will deliver:
- a) A focal point for strategic co-ordination and collaboration, bringing together the wide range of existing and planned cultural and creative projects and activities.
  - b) Increased access to existing and planned creative and cultural activities and support.
  - c) Improved visibility of Berwick’s cultural and creative sector and offer.
  - d) A 2027 Cultural Vision for Berwick, delivering transformational change.
- 6.6 The first year of the project was largely developmental, with a focus on establishing awareness and building a strong foundation for the CCZ. Create Berwick is being delivered through partnerships to deliver the following Work Programmes:
- a) Skills & Enterprise
  - b) Profile
  - c) Engaging Communities
  - d) Places & Spaces

The capital and revenue funding profile for the initiative is detailed in the table below. As part of this, an additional capital provision of £0.330 million and a reallocation of revenue funding of £0.110 million to support the provision of the Places and Spaces programme has been agreed by the North of Tyne Combined Authority, which alongside the £0.100 million originally secured results in total capital funding of £0.540 million. This funding will bring vacant buildings into use for creatives, artists, and others thereby building initial momentum behind collaborative workspaces in the town. Costs would include improvement and refurbishment works to make meanwhile spaces attractive and safe, and purchase of small items of equipment (e.g., digital displays, lighting).

	TOTAL ELIGIBLE EXPENDITURE BY FUNDING SOURCE					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	£ million	£ million	£ million	£ million	£ million	£ million
NTCA UKSPF Capital	-	-	0.330	-	-	0.330
NTCA Investment Fund Capital	-	-	-	0.210	-	0.210
NTCA UKSPF Revenue	-	-	-	-	-	-

	TOTAL ELIGIBLE EXPENDITURE BY FUNDING SOURCE					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
NTCA Investment Fund Revenue	0.006	0.127	0.454	0.391	0.312	1.290
<b>Total NTCA</b>	0.006	0.127	0.784	0.601	0.312	1.830
NCC Capital	-	-	-	-	-	-
NCC Revenue	0.001	0.009	0.041	0.036	0.029	0.116
<b>Total Match</b>	0.001	0.009	0.041	0.036	0.029	0.116
<b>Total Capital</b>	-	-	<b>0.330</b>	<b>0.210</b>	-	<b>0.540</b>
<b>Total Revenue</b>	<b>0.007</b>	<b>0.136</b>	<b>0.495</b>	<b>0.427</b>	<b>0.341</b>	<b>1.406</b>
<b>Project Total</b>	<b>0.007</b>	<b>0.136</b>	<b>0.825</b>	<b>0.637</b>	<b>0.341</b>	<b>1.946</b>

6.7 The development and delivery of the CCZ is overseen by a CCZ Project Manager, who is responsible for leading the development of CCZ programmes.

## 7. Northumberland Playzones

7.1 CSG was asked to consider capital spend of £1.861 million for the creation of 8 Multi-Use Games Areas (MUGA) in Northumberland. £1.446 million will be funded externally (either from the Football Foundation or other sources), £0.284 million will be funded from S.106 contributions and the remaining £0.131 million will be funded from existing budgets in the Capital Programme.

7.2 Northumberland is part of a national programme to refurbish or create new facilities to provide opportunities for people in Low Social Economic Groups access to sport and physical activity.

7.3 There is 75% funding available for each MUGA from The Football Foundation and the other 25% is a minimum partnership funding contribution agreed by the Council towards the total capital cost of each individual site.

7.4 Across Northumberland 16 sites were selected where they fit the profile of the programme with the intention for each site to be led and managed by community organisations rather than The Council, where possible. Sites were allocated into portfolios based on ability to progress in terms of site identification, lead organisation and match funding availability.

7.5 Community Engagement has been conducted on all portfolio 1 and 2 sites to determine the most appropriate locations. The response to Community Engagement identified football, fitness, basketball and netball as key sports to be included.

7.6 The Council was invited as part of a select few to apply for the funding in advance of the Programme opening nationally and formal Offer Letters for the 75% funding for 6 sites have been received from The Football Foundation and were accepted by The Council in July 2023.

7.7 The Council's ambition is to be one of the fore runners nationally for which the Council needs to ensure that all conditions have been met. Planning permission, compliance with NCC Health and Safety and Procurement are being finalised. There are no anticipated issues and conditions are expected to be met.

- 7.8 The Football Foundation want to progress the Northumberland sites at the next available opportunity. The 16 sites are split into 3 Portfolios. Portfolio 1 includes the 6 sites that have received formal Letter Offers.
- 7.9 Sites with formal offer letters are Alnwick, Amble, Hirst (Ashington), Newbiggin, West Wylam and West Lea (Bedlington). The budget in the offer letter is based on site surveys and designs, the final confirmed costs are still outstanding. Work is anticipated to commence in April 2024.
- 7.10 The sites at Cleasewell Hill (Choppington) and Hexham are included in Portfolio 1 but the final offer letter is outstanding. It is anticipated that work will commence in July 2024 on these sites.
- 7.11 Portfolio 2 is made up of the sites at Berwick, Cramlington, Blyth, Haltwhistle and Lynemouth. These sites do not have indicative costs at present. Once site surveys and forecasts have been finalised by the Football Foundation an additional CSG report will be submitted.
- 7.12 Portfolio 3 is made up of the sites at Wooler, Seaton Valley and East Bedlington. These sites do not have indicative costs at present. Once site surveys and forecasts have been finalised by the Football Foundation an additional CSG report will be submitted.
- 7.13 The key output of this project is providing exciting, modern, and attractive facilities which will be embedded in some of Northumberland's most deprived areas. The Programme will:
- a) address the Inequalities Plan by increasing access to facilities;
  - b) help residents to become more physically active;
  - c) it will improve community cohesion and help address some anti-social behaviours;
  - d) it will refurbish run down and tired facilities;
  - e) empower local communities who will run and manage the site;
  - f) allow the Council to take advantage of this unique opportunity to access 75% funding towards capital development; and,
  - g) put Northumberland on the map nationally as a leading player in this programme with more Playzone sites planned than any other.
- 7.14 The capital spend for Portfolio 1 is set out in the table below, all of the below spend will occur in 2024-25:

Site	Total cost £ million	75% Football Foundation funding £ million	25% Match funding required £ million
<b>Portfolio 1 – Phase 1</b>			
Alnwick	0.172	0.129	0.043
Amble	0.315	0.236	0.079
Newbiggin	0.241	0.181	0.060
Hirst	0.203	0.152	0.051

Site	Total cost £ million	75% Football Foundation funding £ million	25% Match funding required £ million
West Lea	0.272	0.204	0.068
West Wylam	0.211	0.159	0.052
<b>Portfolio 1 phase 1</b>	<b>1.414</b>	<b>1.061</b>	<b>0.353</b>
<b>Portfolio 1 – Phase 2</b>			
Hexham	0.247	0.185	0.062
Choppington	0.200	0.150	0.050
<b>Portfolio 1 phase 2</b>	<b>0.447</b>	<b>0.335</b>	<b>0.112</b>
<b>Total</b>	<b>1.861</b>	<b>1.396</b>	<b>0.465</b>

7.15 The funding of the £0.465 million match contribution is shown in the table below:

Site	Section 106 £ million	Playzone funding agreed by Cabinet £ million	Member contributions £ million	Other external funding £ million	Total £ million
<b>Portfolio 1 – Phase 1</b>					
Alnwick	0.043	-	-	-	0.043
Amble	0.075	0.004	-	-	0.079
Newbiggin	0.025	0.035	-	-	0.060
Hirst	0.015	0.036	-	-	0.051
West Lea	0.064	0.004	-	-	0.068
West Wylam	-	0.002	0.020	0.030	0.052
<b>Portfolio 1 phase 1</b>	<b>0.222</b>	<b>0.081</b>	<b>0.020</b>	<b>0.030</b>	<b>0.353</b>
<b>Portfolio 1 – Phase 2</b>					
Hexham	0.062	-	-	-	0.062
Choppington	-	0.030	-	0.020	0.050
<b>Portfolio 1 Phase 2</b>	<b>0.062</b>	<b>0.030</b>	<b>-</b>	<b>0.020</b>	<b>0.112</b>
<b>Total</b>	<b>0.284</b>	<b>0.111</b>	<b>0.020</b>	<b>0.050</b>	<b>0.465</b>

7.16 The funding for the Member contributions of £0.020 million will be reallocated from the budget already included in the Capital Programme. The contributions are as follows:

- a) Cllr Stewart £0.010 million
- b) Cllr Scott £0.010 million

7.17 The other external funding of £0.050 million is made up of the following:

- a) National lottery funding of £0.015 million
- b) Funding from Northumberland Estates of £0.03 million
- c) Funding from Prudhoe Town Council of £0.005 million
- d) Funding from Friends of Eastwood Park of £0.008 million

e) Funding from Choppington Parish Council of £0.020 million

- 7.18 All of the funding apart from Choppington Parish Council of £0.020 million has been agreed and appropriate documentation signed. The funding from Choppington Parish Council has been verbally agreed.
- 7.19 The Alnwick and Hexham sites both have a S.106 funding allocation of £0.075 million available so additional S.106 funding can be drawn if required.
- 7.20 Included within the match funding for the Amble site in the table above is £22,500 in unclaimable VAT. This is because Amble Development Trust are not VAT registered and since the Trust is the landowner VAT cannot be reclaimed. This cost is being negotiated with the Football Foundation and the expectation is that the Football Foundation will cover 75% of the VAT cost, equating to £16,875. Once this is confirmed the match funding required would reduce by £16,875, the reduction would be taken from the NCC funding first and any remaining reduction would reduce the S.106 contributions.
- 7.21 Each Playzone has a dedicated lead organisation responsible for running and managing each Playzone. A suite of management agreements has also been created to formalise the responsibilities for each Playzone to comply with the conditions set in the offer letter which include management agreements, lease or Community Asset Transfers bespoke to each site. Terms of reference and Pricing Policies have been approved by the Football Foundation
- 7.22 Each PlayZone will have a local multi agency Steering group who will monitor and review the conditions of the funding including financial monitoring. All Playzone income will be ringfenced for that Playzone
- 7.23 As part of the funding application and development of a sustainable facility, a business case was created for each site, matching potential income in an area of deprivation against a break- even income target, set by the Football Foundation of £5,000 pa which included sinking fund contribution. In all areas this income target was achievable based on the interest expressed during the Community Engagement.
- 7.24 Sport England have announced that revenue funding for Playzones will be available for application in April 2024, with Northumberland sites being targeted first to progress. This is revenue funding of £10,000 pa per Playzone, available to be applied for annually for 3 years, to support the development of the programme of use on site. This application will be made by the lead organisation.
- 7.25 The Playzone in Hirst in Ashington will be ran by the Council. It is anticipated that the income generated from the facility will cover any revenue costs. This facility has been progressed with approval from Neighbourhood services. Sports Development will actively support this site and it will form part of the Hirst development Plan with Northumberland Communities Together.
- 7.26 One of the key risks of the project is the 25% match funding. If the 25% cannot be met by a combination of external funding and existing Council funding, sites will need to be prioritised with the risk that not all sites will be developed. This is mitigated by applying for external funding and working in partnership with community organisations. Robust budget monitoring and forecasting is in place.
- 7.27 There is a risk that Planning permission is not in place in which case no building work can start. The Football Foundation have submitted and are managing all Planning Applications.

7.28 There is some potential reputational damage to the Council if the commencement of this project is delayed. Although The Football Foundation have delayed start dates, mainly due to the inclement weather over the winter, the Council would like to reduce any further risk of delays by ensuring the funding is in place when building work is ready to start.

## 8. Implications

<b>Policy</b>	The schemes identified in the report support all of the priorities within the Corporate Plan 2023-26.
<b>Finance and value for money</b>	The report outlines proposed project allocations and amendments to the approved Capital programme 2024-25 and 2025-26. The financial implications of these proposals are outlined in the main body of the report. The projects and the proposals identified in the report will be funded from either external funding or existing funding in the Capital Programme.
<b>Legal</b>	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.
<b>Procurement</b>	Procurement will follow the Council's standard procedures and financial rules. The Corporate Procurement team will be consulted as appropriate.
<b>Human resources</b>	Not applicable
<b>Property</b>	Not applicable
<b>The Equalities Act: is a full impact assessment required and attached?</b>	No - not required at this point EIA is not applicable to the subject of this report.
<b>Risk assessment</b>	The risks associated with the proposals are regarded as acceptable, but these risks will continue to be reviewed up to and during implementation of the proposals.
<b>Crime and disorder</b>	There are no specific crime and disorder implications within this report.
<b>Customer considerations</b>	The proposals will carefully consider the impact upon both customers and residents of Northumberland.



<b>Carbon reduction</b>	Carbon Reduction measures have been considered within the proposals.
<b>Health and wellbeing</b>	The Council's Capital budget is founded on the principle of promotion inclusivity.
<b>Wards</b>	(All Wards);

**9. Background papers**

Not applicable.

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

Not applicable.

**11. Author and Contact Details**

Gemma Simpson,  
Email: [Gemma.Simpson@northumberland.gov.uk](mailto:Gemma.Simpson@northumberland.gov.uk)