



Northumberland County Council

CABINET

08 JUNE 2021

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of: Neil Bradley, Service Director, Strategic Commissioning and Finance

Cabinet Member: Councillor Richard Wearmouth, Deputy Leader and 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 via email on 01 May 2021.

2. Recommendations

In relation to new projects, Cabinet is recommended to:

- 2.1. **Astley Park Depot:** approve the proposal to refurbish Astley Park Depot in Seaton Delaval at a cost of £200,000, to be funded from the Property Stewardship Fund within the Council's 2021/22 Medium Term Financial Plan.
- 2.2. **Lynemouth Bay Waste Recovery Scheme:** approve an update to the current allocation within NCC's Medium Term Financial Plan for the Lynemouth Waste Recovery Scheme from £4.5 million to £7 million with the additional contribution funded by the Coal Board and to approve delivery of the scheme.
- 2.3. **On-Street Residential ChargePoint Scheme:**
 - Note that the Council declared a Climate Emergency in 2019 and that Northumberland must reach net zero emissions by 2030;
 - Note that the Council has allocated £500,000 in its 2021/22 Medium Term Financial Plan for "electric vehicle charger installation";
 - Note that the Executive Director and Cabinet Member have delegated authority to agree any further EV charging point locations from any remaining funding up to the total value of the allocation of £500k; and

- Approve the addition of the expected external funding of £115,337.15 from the Office for Zero Emission Vehicles into the Council's 20/21 Capital Programme.

In relation to the acceptance of additional grant funding, Cabinet is recommended to:

2.4. Cramlington Section 106 Highway Improvements:

- Note the overall funding contribution of £570,000 for highway improvements secured via a Section 106 agreement from the Cramlington South West Sector development;
- Note that the first tranche of this funding, amounting to £383,000 has been released to the Council by the developer; and
- Approve the addition of this £383,000 to the Council's 2021/22 capital programme to enable the first tranche of works to be carried out.

2.5. Rural Business Growth Fund: approve the addition of £2,475,000 European Regional Development Fund (ERDF) funding being provided to the Council for the provision of capital grants to businesses, to the Council's capital programme.

In relation to the re-profiling of previously approved capital expenditure, Cabinet is recommended to:

2.6. Fire and Rescue Service – Risk Critical Equipment Replacement: approve a realignment of the capital profile for 2021/22 and 2022/23 in relation to Northumberland Fire & Rescue Service and its ongoing programme to replace critical equipment required to maintain the current emergency services provision to protect communities within Northumberland.

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 and proposed amendments to accept additional external grant funding into the Medium-Term Plan.

SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 01 MAY 2021

5. ASTLEY PARK DEPOT REFURBISHMENT

- 5.1. The Group received a proposal to refurbish Astley Park Depot in Seaton Delaval, at a cost of £200,000. Work will include: replacement of workshop/garage facility, new salt and grit bays, repositioning of welfare unit, new external lighting, drainage works and yard resurfacing. Funding for the project is already included in the 2021/22 Medium Term Financial Plan under Property Stewardship.

Background

- 5.2. The Depot is located in Astley Park and operated by Neighbourhood Services who have confirmed that they will continue to have a long term requirement for this site to service their operations in the Seaton Delaval area.
- 5.3. The Depot is leased from Lord Hastings as part of the lease for Astley Park. The lease was renewed in 2018 for a further 25 years and expires in June 2043. The Council has security of tenure and there is no obligation to remove any buildings at the end of the lease. Landlords consent for the refurbishment works will be required but it is anticipated that the Lord Hastings Estate will be supportive.
- 5.4. The poor state of the buildings and yard area has been identified in local Depot Audits and it is no longer considered a suitable environment in which staff should be operating.
- 5.5. The main garage building is now leaking and beyond economic repair and therefore needs to be replaced.

CSG Recommendation

- 5.6. The group supported the report and recommends Cabinet approve the proposal to refurbish the Astley Park Depot at a cost of £200,000 to be funded from the Property Stewardship Fund within the Council's 2021/22 Medium Term Financial Plan.

6. LYNEMOUTH BAY WASTE RECOVERY SCHEME

- 6.1. The Group received a paper seeking approval to update the allocation currently within NCC's Medium Term Financial Plan (MTFP) for the Lynemouth Waste Recovery Scheme, and for approval to progress the scheme to delivery in the financial year 2021/22.

Background

- 6.2. Ongoing erosion of previously tipped colliery spoil by coastal processes throughout Lynemouth Bay has exposed 'hot spot' locations within the tipped spoil cliffs, containing various other waste materials which are now at risk of being released into the wider environment.
- 6.3. Intrusive site investigations have identified the presence of contaminants, including buried asbestos fibres, with the potential to harm human health, ecology and controlled waters, although at levels to be considered very low risk.
- 6.4. This matter gained considerable media attention throughout 2019. Since then the Local Services team have worked with specialist consultants to understand the extent of the problem and develop a sustainable scheme to prevent the release of waste materials into the coastal and marine environment.
- 6.5. A scheme has been developed to excavate the waste material from each of the hot spot locations, for treatment on site by means of sorting/ screening, for the undesirable wastes to be sent off-site and dealt with in accordance with the waste hierarchy, and for the residual excavated colliery spoil to be used to backfill / reinstate the land profile.
- 6.6. It is estimated that a total of 150,000m³ of material will be excavated across the site, of which 25,000m³ will be disposed of in accordance with the waste hierarchy, and the remainder used to reinstate the site.
- 6.7. The Council's Public Protection team and the Environment Agency have concluded from the analysis of samples taken from the site that the site would not be designated as contaminated land under Part 2A of the Environmental Protection Act 1990.
- 6.8. Therefore, the findings have not triggered a legal requirement for the Council and the Coal Authority, as landowners of the area of concern, to intervene. However, in light of the Council's concern for plastics and other waste materials from littering the beach and washing into the marine environment and creating adverse ecological impacts, it is the Council's ambition to voluntarily remediate the site. This ambition contributes to the Council's commitment to tackle the climate emergency, and it risks significant reputational damage if it does not address the issue.
- 6.9. External funding opportunities are limited. Efforts to leverage both DEFRA and Environment Agency coastal defence funding have been unsuccessful owing to there being no benefit to property or infrastructure from reduced erosion risk. Despite Lynemouth being at the forefront of a national historic coastal landfills issue, there is no national funding policy to support schemes of this type.
- 6.10. There is already provision (£4.5 million) within the MTFP to implement the scheme within the Council's land ownership and approval is sought for this budget to be committed to the project. Additional funding of £2.5 million is being sought from the Coal Authority to deliver the scheme in its entirety across the affected site. Approval is, therefore, sought to increase the allocation within the MTFP to £7 million and to approve this additional spend should the required contribution be forthcoming.

- 6.11. The scheme has been developed with Early Contractor Involvement procured via the Environment Agency's Procurement Framework. Given the ongoing pollution incident and the need to progress the scheme at the earliest opportunity, the continued use of this framework for the main works is preferred. Although a single supplier framework, it requires the target cost to be set by NCC and provides the ability for NCC to benchmark contractor/sub-contractor rates to illustrate value for money. The procurement route is being progressed separately via the Procurement Direct Award Approval Process.
- 6.12. The Early Contractor has submitted a detailed price based on this information and a draft NEC4 contract. The following provides a breakdown of the target cost into key components:

	Total £000
H&S and Security	466
Soil Sampling Laboratory	279
Temporary Works	1,280
Plant	138
Site Establishment	297
Excavation, Disposal and Reinstatement	2,239
Contractor's Risk	337
Inflation	96
Supervision	702
Contractor's Fee	577
Contractor's Sub-Total	6,411
Project and Contract Management	120
Optimism/Risk Allowance	469
Budget Total	7,000

CSG Recommendation

- 6.13. The group accepted the report and recommends Cabinet to:
- Approve an increase in the Lynemouth Waste Recovery Scheme allocation within the Council's MTFP for 2021/22 from £4.5m to £7m, with the additional resource funded by the Coal Board;
 - Approve expenditure of up to £4.5 million for the delivery of the Lynemouth Bay Waste Recovery scheme in 2021/22 where the eroding landfill waste is buried within Council owned land, and for the further expenditure of £2.5 million where waste is buried within third party owned land once a contribution is confirmed from the responsible landowner; and

- Approve the delegation to the Council's Chief Executive to sign the works contract up to £7 million, as required by the finance and procurement rules for contracts above £1 million.

7. ON-STREET RESIDENTIAL CHARGEPOINT SCHEME

- 7.1. The Group received a paper to approve external funding from an intended application to the Office for Zero Emission Vehicles (OZEV) On-Street Residential ChargePoint Scheme (ORCS). This funding will go towards the purchase and installation of new electric vehicle (EV) charging infrastructure.

Key Issues

- 7.2. In June 2019, the Council declared a climate emergency. Under this declaration, the Council committed that Northumberland, as a county, would become 'net zero' by 2030.
- 7.3. The most recent data from central Government shows that 33% of Northumberland's total emissions are due to road transport. Decarbonising vehicles is therefore critical to achieving net zero in less than a decade. The Council's 2021-23 Climate Change Action Plan and the regional North East Transport Plan both state the need to decarbonize transport and accelerate the switch to EVs.
- 7.4. Whilst many Northumberland residents are able to install an EV charger at home, it is estimated that approximately 20% of residents do not have access to off-street parking. At present, there are no on-street EV charge points in Northumberland. This is a barrier to wider EV adoption required to meet net zero. Without investment in on-street charging infrastructure, this could lead to a disparity of provision across the county and prevent all streets from benefiting from reduced air pollution.
- 7.5. The Council's Corporate Plan 2018-21 includes the following statement under the key theme 'We want you to have access to the things you need (connecting)': *"We will insert a comprehensive network of electric car charging points that give you the assurance that you will never run out of power on county roads."*

Background

- 7.6. The Council allocated £500,000 in its Medium Term Financial Plan for electric vehicle charger installation. In a previous Capital Strategy Group report, it was approved that authority be delegated to the Interim Executive Director and Cabinet Member for Environment and Local Services to agree any further EV charging point locations from any remaining funding, up to the total value of the allocation of £0.500 million.
- 7.7. The Council intends to submit an application to OZEV for ORCS funding. This is a Government fund whereby local authorities can apply for 75% of project costs to

install EV charge points on residential streets that do not have access to off-street parking. Due to undersubscription and conversations with the scheme administrator, it is expected that the application will be accepted. If the initial bid is not accepted, revisions and repeat submissions can be made until the scheme administrator is satisfied.

- 7.8. NCC procured an external supplier, Connected Kerb, to identify potential sites, develop a bid to the fund, and install the necessary equipment for charging.
- 7.9. Seven sites have been identified and included in the application in the following locations:
 - Alnwick;
 - Ashington;
 - Bellingham;
 - Berwick-Upon-Tweed;
 - Corbridge;
 - Felton;
 - Haltwhistle
- 7.10. Fifteen charge points will be installed at the seven sites, allowing 30 vehicles to charge at any one time. These sites have been reviewed and agreed upon by a number of officers across the Council, including the Director of Local Services. The technology, pricing, payment and maintenance were all reviewed and agreed upon as part of the original procurement process.
- 7.11. A delegated decision has been signed by the relevant Executive Director and Cabinet Member to agree the required 25% match funding can be assigned to the project, from the remainder of the £0.500 million already allocated in the Medium Term Financial Plan. £115,337 would then be contributed by OZEV towards the remaining costs of the project.
- 7.12. All costs associated with the project have been provided by Connected Kerb, who have already been formally procured to install the equipment. Connection costs to the electricity grid have been quoted by the relevant distribution network operator.
- 7.13. Modest income is expected from these residential charge points which will align with the new pricing structures for electric vehicle charging which have been adopted for all council provided charging points. The income will compensate for any upkeep, maintenance, monitoring and electricity costs associated with the running of these assets.

CSG Recommendation

- 7.14. The Group supported the proposals and recommends Cabinet agree for the expected external funding from OZEV of £115,337 to be included in the capital programme and for the project to progress.

8. CRAMLINGTON SECTION 106 HIGHWAY IMPROVEMENTS

- 8.1. The Group received a paper seeking approval to accept funding secured via a Section 106 agreement towards highway improvements in Cramlington, and to add the works to the Council's capital programme.

Background

- 8.2. Outline planning permission has been granted for the development of up to 1,600 dwellings, a primary school, a new local centre comprising convenience store, medical centre, public house, other ancillary local centre uses, flats and associated infrastructure and landscaping at land south and west of White Hall Farm in Cramlington, commonly known as the 'Cramlington South West Sector'.
- 8.3. As part of the planning approval, an agreement has been made between the Council and the developers under Section 106 of the Town and Country Planning Act. The agreement commits the developers to a total financial contribution of £570,000 towards local highway infrastructure improvements, specifically:
- £383,000 prior to the first Disposal of the 1st Dwelling;
 - £140,500 prior to first Disposal of the 501st (five hundred and first) Dwelling; and
 - £46,500 prior to the first Disposal of the 1st Dwelling in Phase B of the development.
- 8.4. Under the terms of the agreement the Council has ten years to complete the works or the funding must be paid back. The deadline is November 2026.
- 8.5. The first tranche of £383,000 has now been released by the developers. This amount consists of:
- £168,000 to fund improvements to Beacon Lane (re-surfacing with a bound surface and provision of street lighting);
 - £165,000 to fund improvements to Beaconhill Green (a new 3m wide footpath/cycleway with lighting to link with the existing footpath/cycleway network); and
 - £50,000 to fund an improved link from Beacon Lane to Beaconhill Primary School (a new section of 3m wide footpath/cycleway with lighting to create a more direct route, increased width of existing sections of footpath from 2-3m and upgrade to existing lighting).

CSG Recommendation:

- 8.6. The group accepted the report and recommends Cabinet to:
- Note that an overall funding contribution of £570,000 for highway improvements has been secured via a Section 106 agreement from the Cramlington South West Sector development;

- Note that the first tranche of this funding, amounting to £383,000 has been released to the Council by the developer; and
- Agree that this amount of £383,000 be added to the Council's 2021-22 capital programme to enable the first tranche of works to take place.

9. RURAL BUSINESS GROWTH FUND (RBGS)

- 9.1. The Group received a paper seeking approval to include the £2,475,000 European Regional Development Fund (ERDF) funding being provided to the Council for the provision of capital grants to businesses, into the Council's capital programme.

Background

- 9.2. In February 2020 the Council was awarded £4,509,020 external funding for the delivery of the RBGS project. £2,034,020 is for the delivery of the business support service which is being delivered by Advance Northumberland and £2,475,000 is for the provision of grants to businesses for growth and expansion.
- 9.3. Cabinet approval for the overall project was given in September 2019, however this was approved as a revenue grant.
- 9.4. The business grants element should be classed as capital expenditure from a Council accounting perspective and therefore needs to be included within the Council's Medium Term Financial Plan.

CSG Recommendation

- 9.5. The group accepted the report and recommends Cabinet approve the addition of £2,475,000 European Regional Development Fund (ERDF) funding being provided to the Council for the provision of capital grants to businesses, to the Council's capital programme.

10. FIRE AND RESCUE SERVICE – RISK CRITICAL EQUIPMENT REPLACEMENT

- 10.1. The Group received a paper seeking approval for Northumberland Fire & Rescue Service (NFRS) to realign the capital profile during 2021/22 and 2022/23 in relation to its ongoing programme to replace critical equipment required to maintain the current emergency services provision to protect communities within Northumberland.

Background

- 10.2. Northumberland Fire & Rescue Service (NFRS) has an ongoing programme to replace risk critical equipment at the end of life. This equipment is required to

maintain the current emergency service provision to protect the communities within Northumberland.

- 10.3. The current NFRS capital plan for purchasing fire appliances, other vehicles and risk critical equipment is based upon three business cases, originally approved by the NCC Capital Strategy Group in 2017. The business cases projected capital expenditure from 2018/19 to 2022/23.
- 10.4. In recent months, NFRS has been conducting a review of the fleet and equipment replacement profiles. The aim of the review is to make recommendations regarding future capital funding requirements.
- 10.5. Following the review, NFRS has proposed the realignment of previously allocated capital funding from the NFRS Fleet capital replacement programme to the NFRS risk critical equipment capital replacement programme, primarily to fund the procurement of replacement breathing apparatus equipment.
- 10.6. The current capital allocation in the MTFP is as follows:

	Year 2021/22	Year 2022/23
	£000	£000
CURRENT CAPITAL PLAN		
FRS Fleet Requirement	1,763	1,795
FRS Risk Critical Equipment	300	6
Total	2,063	1,801

- 10.7. The proposed capital profile realignment following the NFRS review is as follows:

	Year 2021/22	Year 2022/23
	£000	£000
PROPOSED CAPITAL PLAN		
FRS Fleet Requirement	1,400	1,789
FRS Risk Critical Equipment	663	12
Total	2,063	1,801

CSG Recommendation

- 10.8. The group accepted the report and recommends Cabinet to approve a realignment of the capital profile for 2021/22 and 2022/23 in relation to Northumberland Fire & Rescue Service and its ongoing programme to replace critical equipment required to maintain the current emergency services provision to protect communities within Northumberland.

Implications

Policy	The capital programme is part of the Medium-Term Financial Plan 2021-24. 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.
Legal	There are no direct legal implications.
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 (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
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	There are no Customer Considerations.
Carbon reduction	Carbon Reduction projects are included within this report, specifically the residential on street chargepoint scheme.
Health & Wellbeing	There are no Health and Wellbeing implications.
Wards	All wards

Background papers:

Medium Term Financial Plan 2021-24

Report sign off:

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

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