



# Northumberland County Council

## CABINET

09 FEBRUARY 2021

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

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

**Cabinet Member:** Councillor Nick Oliver, Portfolio Holder for Corporate Services

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#### 1. Purpose of report

The following report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group via email on 06 January 2021.

#### 2. Recommendations

In relation to new projects, Cabinet is recommended to:

- 2.1 **Car Parking Improvement Programme: Morpeth Goose Hill School Site:** approve an additional allocation of £1,723,154 from the proposed £10,377,000 overall capital provision for parking improvements included in the 2021-24 Medium Term Financial Plan to enable the construction of a new 140 space car park on the site of the former Goose Hill School in Morpeth.
- 2.2 **Solar PV:** approve the capital budget requirement of £150,000 for installation of Solar PV panels at the new Berwick Leisure Centre, to be met from the renewable energy provision within the 2021-24 Medium Term Financial Plan.

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

#### 2.3 SCIP Mobile Classroom Replacement Programme

- Accept the additional government grant funding of £3,623,573 and approve the associated increase in budget provision within the Council's Medium Term Capital Programme.

- Approve the additional funding to be allocated to facilitate a mobile classroom replacement programme in Northumberland schools.
- Approve the delegation to award the contracts for the individual school projects within the programme to the Director of Adults and Children's Services and The Lead member for Children's Services.

#### 2.4 **Disabled Facilities Grant**

- Accept the additional grant award of £395,058 from the Ministry of Housing, Communities and Local Government (MHCLG).
- Approve the associated increase in budget provision within the Council's Medium Term Capital Programme.

2.6 **England Coast Path – Amble to Bamburgh:** accept the grant award of £99,559 from Natural England and approve the associated increase in budget provision within the Council's Medium Term Capital Programme.

### 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 06 JANUARY 2021**

### 6. **CAR PARKING IMPROVEMENT PROGRAMME: MORPETH GOOSE HILL SCHOOL SITE**

6.1 The Group received a paper seeking approval to release funding to allow the continued implementation of the detailed parking action plans that have been developed. Specifically, the report requested the necessary funds for additional car parking on the site of the former Goose Hill First School in Morpeth.

#### **Background**

6.2 The results of detailed survey work and parking studies commissioned by the County Council, along with comprehensive stakeholder engagement activity, have provided a

clear evidence base that confirms action is required to address the parking issues in Morpeth.

- 6.3 The Parking Study found that there is limited spare capacity in the existing town centre car parks and that this is acting as a constraint on the town centre economy. It also noted a lack of long-stay parking for people who work in the town.
- 6.4 The study recommends that 146 additional spaces are required in the short term to address current capacity issues in the town. A planning application for a 140-space car park on the site has been submitted and demolition of the former school buildings has recently been completed.
- 6.5 The site has a number of constraints that make the project relatively complex to deliver and this is reflected in the estimated cost. Constraints include;
- existing site levels that are fixed on all four sides and cannot be altered. The new car park must therefore fit within these. Significant retaining walls are required on the northern side along the boundary with Goose Hill which will extend into the site along the access road.
  - a disused culvert running through the site, identified by a Drainage Survey, which will require further investigation and then either protection or in-fill.
  - new access to the carpark from Goose Hill requiring the lowering of BT and Northern Powergrid apparatus located under the pavement.
  - a new surface water drainage system is required for the proposed car park taking account of the DEFRA requirement to restrict the discharge flow rate.
  - very poor existing ground conditions identified by a site investigation, resulting in the need to provide a more substantial car park construction depth.
- 6.6 It is worth noting that the constraints listed above would significantly increase the costs of any form of development at this complex site.
- 6.7 Nonetheless, together these issues result in a significant amount of additional investigation and design work in addition to increasing the actual cost of the construction phase, resulting in an overall estimated cost for the whole scheme of £1,743,154 which includes of £1,541,075 for the actual construction phase itself (including a risk allowance of £108,975).
- 6.8 The capital allocation approved to date for the scheme is £20,000 so the additional capital funding allocation being sought is £1,723,154 to enable the full implementation of the scheme.
- 6.9 Although the complex nature of the site means that the proposed car park is relatively expensive to develop, it should be noted that, as a Council-owned site, there are no land costs.
- 6.10 There are no alternative sites currently available within or close to the town centre, which means this is a one-off opportunity to provide much needed additional car parking capacity for the town.

### **CSG Recommendation:**

- 6.11 The group accepted the report and recommends Cabinet to:
- Approve an additional allocation of £1,723,154 from the proposed £10,377,000 overall capital provision for parking improvements included in the 2021-24 Medium Term Financial Plan to enable the construction of a new 140 space car park on the site of the former Goose Hill School in Morpeth.

## **7. SOLAR PHOTOVOLTAIC INSTALLATION – BERWICK LEISURE CENTRE**

- 7.1 The Group received a business case on the proposed installation of solar photovoltaic (PV) panels at Berwick Leisure Centre to be funded from the renewable energy programme provided for within the medium-term capital plan.
- 7.2 The existing Swan Centre in Berwick, which is being replaced, currently has 9.36KW of solar and this proposal is to increase that to 84KW of solar on the new leisure centre. The requirement for solar on the new leisure centre is greater than the existing one as it is using renewable heating in the form of air source heat pumps, and this technology requires electricity to operate.
- 7.3 By installing 84KW of solar the building will benefit from 61,160kWhs of clean energy per year. The expectation is that 100% of the power generated will be utilised by the building which is equivalent to 8tCO<sub>2</sub> per year.
- 7.4 It should be noted that a Feed in Tariff is no longer available for solar installations. As such the business case is predicated purely on the savings gained against grid connected electricity. The estimates indicate that the savings achieved over the assumed 25-year life of the asset will offset the cost of the initial capital outlay (including interest) producing net savings of around £8,000 (over their lifetime).
- 7.5 The business case takes into account the need for maintenance over the 25-year life, as well as expected upgrade cost in year 15 to replace the inverter.
- 7.6 As Active Northumberland is responsible for the bills, an agreement needs to be reached between executive management at both organisations to determine how the capital cost is recovered.
- 7.7 Construction for the project is expected to begin in March 2021 and be completed by July/August 2021.

### **CSG Recommendation**

- 7.8 The Group supported the proposals and recommends Cabinet to approve the capital budget requirement of £150,000 for the installation, to be met from the renewable energy provision within the 2021-24 Medium Term Financial Plan.

## **8. SCIP MOBILE CLASSROOM REPLACEMENT PROGRAMME**

- 8.1 The Group received a report advising of the receipt of additional funding from the Ministry of Housing, Communities and Local Government (MHCLG).

## Background

- 8.2 In June 2020 the Government announced an additional £560 million grant fund to maintain and improve the school estate across England. Northumberland County Council received an additional allocation of £3,623,573.
- 8.3 The capital grant funding is allocated to local authorities to address the backlog maintenance issues within the maintained school estate on an annual basis. NCC has been in receipt of this grant for over 10 years so have addressed many backlog maintenances issues, however, a separate programme that focuses solely on a particular issue across the county schools has never previously been an option.
- 8.4 This unexpected additional funding has allowed for a different approach and so it is recommended that a programme is developed to replace several mobile classrooms. The development of a programme will achieve better value through procuring a larger package of replacements.
- 8.5 Many Northumberland schools use mobile classroom accommodation for teaching or other ancillary purposes. This accommodation ranges in age from brand new to over 20 years old and in some cases the mobiles have seen use at more than one site. This additional funding allocation has enabled officers to review the mobile classroom portfolio and form a programme for the replacement of those mobiles in the worst condition.
- 8.6 Following confirmation of the additional funding, all Northumberland schools were surveyed in relation to mobile classrooms on their site. They were asked to provide details including the number, size and age of the mobiles and their current use. They were also asked to assess the condition of their mobiles and rank this from 1 to 4, with 1 being the worst condition.
- 8.7 A number of the maintained schools that responded to the survey rated their mobiles as being in the worst condition. Each of these schools was visited by an officer from NCC Property Services, who conducted an inspection of each mobile against a checklist of condition elements of the building, such as structure, wall, roof and internal condition and mechanical and electrical services condition.
- 8.8 Each element was graded, with a weighting added to highlight the overall importance of each condition element, giving a points score to the mobile units at each school. A further coefficient was included to reflect the use of each mobile, with statutory teaching activities scoring more than mixed use or non-statutory activities.
- 8.9 The schools selected for the mobile classroom replacement programme are:
- Corbridge Middle School
  - Seaton Sluice Middle School
  - Bedlington Station Primary School
  - Felton Primary School
  - Amble First School
  - Red Row First School - South Mobile
  - Shilbottle Primary School
  - Red Row First School - North Mobile

8.10 These are the highest scoring sites currently providing a partial or full statutory educational service from their mobile classrooms and it is proposed that these sites are taken forward for detailed feasibility study and costing. If it is found that there is funding still available from the allocated budget, it may be possible to add further schools to the programme.

### **CSG Recommendation**

8.11 The group accepted the report and recommends Cabinet to:

- Accept the additional government grant funding of £3,623,573 and approve the associated increase in budget provision within the council's medium term capital programme.
- Approve the additional funding to be allocated to facilitate a mobile classroom replacement programme in Northumberland schools.
- Approve the delegation to award the contracts for the individual school projects within the programme to the Director of Adults and Children's Services and The Lead member for Children's Services.

## **9. DISABLED FACILITIES GRANT**

9.1 The Group received a report advising of the receipt of additional Disabled Facilities Grant (DFG) for 2020-21 from the Ministry of Housing, Communities and Local Government (MHCLG).

### **Background**

9.2 In a letter to all local authority Chief Executives in December 2020, MHCLG confirmed an additional £68 million of capital funding for the DFG in 2020-21 for local authorities in England. DFG is for the provision of adaptations to disabled people's homes to help them better access, and move around, their homes and/or gardens.

9.3 This extra boost in DFG funding is to help support local authorities to deliver more home adaptations for those people with disabilities who qualify for a DFG. Whilst recognising that, following the outbreak of Covid-19, local authorities have displayed innovation and resilience in maintaining the delivery of essential services under very challenging circumstances, MHCLG acknowledged that some authorities may have faced difficulties, including the delivery of the DFG during the ongoing pandemic.

9.4 MHCLG has encouraged authorities to allocate as much of this funding as possible within this financial year 2020-21. However, the grant conditions specify that any amounts that cannot be reasonably spent within the year should be spent at the earliest opportunity to ensure that eligible applicants are not disadvantaged.

9.5 Given the level of outstanding applications for DFG and the time it takes to complete those applications, it is unlikely that the additional amount will be utilised fully in 2020/21.

### **CSG Recommendation**

9.6 The group accepted the report and recommends Cabinet to:

- Accept the grant award of £395,058 from the Ministry of Housing, Communities and Local Government.

- Approve the associated increase in budget provision within the Council's Medium Term Capital Plan.

## 10. ENGLAND COASTAL PATH – AMBLE TO BAMBURGH

- 10.1 The Group received a paper seeking approval to accept a grant award from Natural England for path establishment works on the England Coast Path between Amble and Bamburgh.

### **Background**

- 10.2 In July 2013 Natural England's Coastal Access Scheme was approved by the Secretary of State and enacted the legislative provisions of the government's intention to create a continuous walking route (National Trail) around the entire coastline of England and Wales. The National Trail, to be known in England as the England Coast Path, has been in development since 2013 and work on the Northumberland Coast commenced in 2016.
- 10.3 After extensive research and consultation with landowners, the route proposed by Natural England (in consultation with the county council) between Amble and Bamburgh was submitted to the Secretary of State for approval in 2019 and was given approval in July 2020.
- 10.4 Works to establish the section of the England Coast Path between Seaton Sluice and Amble have already taken place (this section was the subject of a previous CSG report in December 2017). The Amble to Bamburgh section is the subject of this report. The Bamburgh to the Scottish border section is still to be fully agreed and will be the subject of a further CSG report later in 2021.
- 10.5 While Natural England have undertaken the path alignment research and consultation work themselves, it has been agreed that the local highway authorities will undertake the path establishment works and will (once the path is complete and opened) be responsible for ongoing maintenance.
- 10.6 Funding for this work is offered to the council according to the current National Trails funding formula where the government (through a grant to local highway authorities from Natural England/DEFRA), offer 100% of the establishment costs of new sections of trail and 75% of the ongoing maintenance costs.
- 10.7 The route of the path between Amble and Bamburgh mostly follows existing paths and recorded highways and footways. Sections where new access is required have been negotiated and agreed (by Natural England).
- 10.8 NCC officers have submitted a grant bid for £99,559 and expect to be in receipt of a purchase order from Natural England by March 2021; works will commence thereafter.
- 10.9 The County Council has assessed and is satisfied that the offer made by Natural England will meet 100% of the costs to be incurred.

## CSG Recommendation

10.10 The Group accepted the report and recommends Cabinet to in turn recommend County Council to accept the grant award from Natural England and approve the associated budget requirement of £99,559.

### Implications

<b>Policy</b>	The capital programme is part of the Medium-Term Financial Plan 2021-24. The plan supports the Corporate Plan.
<b>Finance and value for money</b>	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.
<b>Legal</b>	There are no direct legal implications.
<b>Procurement</b>	In line with all other capital expenditure, the additional spend will be subject to the Council's recognised procurement procedures.
<b>Human Resources</b>	Not applicable.
<b>Property</b>	The properties affected by the proposals are identified in the main body of the report.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
<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 &amp; Disorder</b>	There are no Crime and Disorder implications.
<b>Customer Consideration</b>	There are no Customer Considerations.
<b>Carbon reduction</b>	Carbon Reduction projects are included within this report, specifically as a result of installing solar pv at Berwick Leisure Centre.
<b>Health &amp; Wellbeing</b>	There are no Health and Wellbeing implications.
<b>Wards</b>	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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