



Northumberland

County Council

CABINET

8 FEBRUARY 2022

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of: Jan Willis, Interim Executive Director of Finance

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 via email on 7 January 2022.

2. Recommendations

Cabinet is recommended to:

2.1 Hexham High Street Heritage Action Zone:

Approve an additional allocation of £835,000 in 2022/23 from the Strategic Regeneration Projects Budget within the Council's 2021-24 Medium Term Financial Plan to invest in public realm works at Eastgate Junction, and along the Priestpople/Battle Hill corridor at a total scheme cost of £1,447,436.

2.2 Public Convenience Improvements:

- Approve the allocation of £1,500,000 from the Property Stewardship Fund included in the Council's 2021-24 Medium Term Financial Plan across the public convenience facilities detailed in this report, enabling Property Services to develop an investment plan and a 3 year programme of work aligned with the 3 key themes outlined below.
- Agree that any changes to the proposed programme of toilets identified for refurbishment and modernisation be delegated to the Service Director – Local Services, in consultation with the Cabinet Member for Local Services.

2.3 Parks Enhancement Projects

Approve a maximum Council contribution of £61,660 towards the following schemes to enhance parks in Berwick and Ashington during 2021/22 funded from the Parks Improvement Budget included in the Council's 2021-24 Medium Term Financial Plan:

- Re-lining the Lily pond in Castle Vale and replacement of the gates and reconfiguration of the terracing in Coronation Park in Berwick at a total cost of £20,060 with £17,560 contributed by NCC and £2,500 contributed by the Freemen of Berwick.
- Improvements to the Childrens Play area in Wansbeck Riverside Park in Ashington at a total cost of £44,100. An application for grant funding of £21,600 has been submitted to Ashington Leisure Partnership which if successful will reduce NCC's contribution from £44,100 to £22,500.

2.4 Social Housing Decarbonisation Fund

Approve a proposal to improve energy efficiency across 120 social housing units in Northumberland in 2022/23 subject to receipt of a grant award of £1,193,000 from the Social Housing Decarbonisation Fund which will be added to the Capital Budget included in the Councils 2021-24 Medium Term Financial Plan. The Council has put forward the proposed scheme in partnership with Bernicia and Karbon Housing Associations with each organisation providing an element of match-funding for their homes included in the scheme. The Council's contribution of £366,167 towards the work to be carried out on its own stock will be funded through the Housing Revenue Account.

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 7 JANUARY 2022

5. Hexham High Street Heritage Action Zone

- 5.1 The Group was asked to approve a proposal to increase funding for public realm works by £835,000 based on a preferred design option with a revised total scheme cost of £1,447,436.

Background

- 5.2 The Hexham HSHAZ scheme is a £2.4m scheme funded by Historic England and NCC which seeks to address multiple issues in Hexham Town Centre including in particular the rapid deterioration of the condition of the Conservation Area, now 'at risk' including visible issues with the condition of multiple buildings resulting from lack of maintenance and limited custodianship of heritage assets. These are significantly concentrated in the Priestpopple/Battle Hill corridor. This area has diverse and relatively detached ownership and management, creating a lack of collective action and requiring a public sector stimulus to incentivise investment for wider benefit.
- 5.3 There is clear justification for public funding to be used to overcome market fragility including:
- An acknowledged higher cost for improving historic buildings creating a barrier to investment by private owners and landlords / investors (conservation deficit).
 - A disincentive for private landlords to invest in buildings due to falling demand for property, and lower rents and returns
 - Negative externalities - deteriorating condition of some buildings imposes costs on neighbouring businesses and landlords by contributing to a less attractive place.
 - Public good - individual businesses will not invest in the improvement of public realm or cultural events because the benefits are unevenly distributed.
- 5.4 Central to the scheme is a major capital investment in the street scene within the target area to underpin the wider programme interventions. Public realm works will focus on the key corridor of Priestpopple, Cattle Market and Battle Hill within the Hexham HSHAZ boundary, as well as improvements to the Eastgate junction.
- 5.5 In December 2019, the Council approved an allocation of £950,648 (of which £8,000 was revenue and £942,648 was capital) to support the delivery of the full Hexham High Street Heritage Action Zone scheme. Of the full programme value of £2.4m, Public Realm spend was originally anticipated to be £643,300 (of which £31,000 has already been spent on consultancy work).

Public Realm Redesign

- 5.6 The existing design, appearance and poor maintenance of the area detracts from the character of this part of the Hexham Conservation Area and improvements are viewed as integral to moving towards the removal of its 'at risk' status. The public realm in the area currently consists of concrete, squared pavements and kerbs, with modern and standard street lighting not befitting the historic environment. The street furniture including bins, bollards and signage is old, basic and needs de-cluttering. These factors combine to create a 'run-down' feel across a wide area and this together with a dominance of vehicle movements, reduces the impact of the impressive architecture along the whole street.
- 5.7 In summer 2021 NCC commissioned the services of a landscape architect/urban designer to produce proposed options for the design of public realm in the key corridor of Priestpottle, Battle Hill, Cattle Market in Hexham. The objective was to improve the street environment in a way that enhances the conservation area and complements its historic buildings, but also improves safety for all road users and reduces the dominance of motorised traffic. This in turn will contribute to the wider aim of creating an improved quality and distinctiveness that can catalyse wider investments. The challenge of reinforcing and integrating the unique character of the surrounding historic buildings with the physical environment whilst effectively accommodating the town's modern needs will be met by public realm enhancements to synergise with the impressive architecture alongside the route.
- 5.8 Proposals were asked to include, but were not limited to:
- The replacement of existing surfaces with natural materials.
 - The reassessment of all existing loading bays including their need and appropriate location(s).
 - The reassessment of existing parking bays, including need, location and the potential for increasing their efficiency.
 - The need for, and appropriate location and size of the taxi rank.
 - The potential to create additional pedestrian space, including external sitting out spaces for cafes and bars.
 - The assessment of the vehicular flows throughout the street and identification of opportunities to 'calm' this flow.
 - Improving the ease of pedestrian movement across the street including suitable use of materials as well as traditional 'highway' solutions.
 - A high-quality street lighting scheme.
 - Rationalising existing street furniture and replacing it with a high-quality unified scheme.
 - The reassessment of existing highways signage and proposals for rationalising this.
 - The reassessment of existing soft landscaping and the introduction of mature trees in grilles and other robust landscaping to increase the attractiveness of the street.

5.9 Following a tender process Southern Green, who were suitably experienced and have worked with NCC before on schemes in Blyth and elsewhere, were appointed to complete the study. They were requested to provide details of 3 comparative schemes including costs.

Options and Costings

5.10 Southern Green presented their report in October 2021 with three options as follows:

- **Option 1 costed at £937k.** This option is subtle in relation to highways interventions, but still includes uplifts to footpath materials throughout. Pedestrian crossing points are highlighted with tactile paving and dropped kerbs. The existing trees are retained, but additional greening is limited to the new island adjacent to the taxi rank. The existing parking areas are retained. Ultimately this option gives little value for money and sees little real change to the area from the present look.
- **Option 2 costed at £1,447k.** This option includes subtle highways redesign, to maximise pedestrian footpath widths where possible. All paving materials are upgraded to natural stone, new lighting provided and street trees to maximise greening where possible. At the Priestpottle end, the footpaths are widened to create additional space for seating/ pavement cafes. Road crossings are introduced with raised platforms for level access and pedestrian priority spaces. The existing parking areas are retained.
- **Option 3 costed at £2,500k.** This includes significant highways interventions along Priestpottle to maximise the pedestrian space on the north side of the road, slow traffic and maximise greening with new street trees and raised planters. Option 3 also narrows the road along the length of Battle Hill, making the road a single lane width to increase the width of the pavements on both sides and create space for additional street trees. This option maximises the space for pedestrians but offers limited parking/ servicing drop off for businesses and is very expensive with little additionality.

5.11 All options are now significantly more expensive than the original budget estimate as the scope of required work to achieve the desired impact in the area has expanded. In addition there has been a significant increase in material and labour costs as a result of shortages across the industry as experienced in all current construction projects.

5.12 The preferred option is option 2 which will see much improved quality of materials and environment including the ability of businesses to use pavement areas for extended hospitality areas to bring a “café style” culture to Hexham Town

Centre. The forecast spend for this option is £1,447,436 including design, construction, project management and contingency.

CSG Recommendation

5.13 The Group supported the proposal to proceed with the level of public realm investment in option 2 and recommends Cabinet to approve an additional allocation of £835,000 in 2022/23 from the Strategic Regeneration Projects Budget within the Council's 2021-24 Medium Term Financial Plan.

6. Public Convenience Improvements

6.1 The Group was asked to approve a programme of works to refurbish the public convenience facilities across the county at a cost of £1,500,000.

Background

6.2 The County Council are responsible for 54 public conveniences, many of which have received only essential maintenance in the past decade and there is therefore a backlog of refurbishment work required across most facilities. Until 2019 no significant refurbishments had been undertaken resulting in facilities looking tired and unwelcoming and offering a very basic standard of service.

6.3 In 2019 a good quality internal refurbishment costing £25,000 was undertaken at Bamburgh, Church Street resulting in a modern facility that now provides a high-quality public convenience to one of the County's principal tourism destinations.

6.4 In 2020 a £315,000 investment was approved to undertake a full remodelling and complete refit in the County's two largest and most visited public conveniences in Seahouses and on Holy Island, incorporating a brand-new changing places facility into both to provide a suitable facility for residents and visitors with profound and multiple disabilities. Seahouses reopened in April 2021 and Holy Island will reopen early in 2022, having been delayed as a result of the contractor going into administration.

6.5 The Council budget to be approved in February 2022 includes a commitment to a £1.5m capital investment programme from within the Property Stewardship Fund allocation to improve the standards of Public Conveniences over the next three years. It is proposed that the investment plan centres around 3 key themes:

- NCC facilities in our larger main towns and in key tourism destinations will be subject to a programme of full refurbishment and modernisation.
- All remaining NCC facilities will be subject to a programme of essential refurbishment only, so that facilities are brought up to a decent standard of repair and good visual appearance and are easier to keep clean and maintain.

- Accessibility improvements are delivered to all facilities, incorporating aspects of the best practice guide to 'Improving Access to Toilets in Northumberland', produced by 'Nowhere to Go' a collaborative project funded by Newcastle University.

- 6.6 Condition surveys of all public conveniences were undertaken in 2019 to give an indication of the refurbishment work required in each facility.
- 6.7 Careful consideration has been given to improving the accessibility of our public conveniences. Changing Places facilities best meet the needs of people with profound and multiple disabilities, though they require a lot of space, and the costs of provision are significant. The only two public conveniences with enough space to incorporate a Changing Places facility are Seahouses and Holy Island and both redevelopments included one. Though it is not possible to fit one into the building footprint of any other facilities there are a number of other accessibility improvements that can be made and they are factored into the investment plan. In addition, the County Council is providing Changing Places facilities in its new Leisure Centres and in the refurbished County Hall.

Proposed Investment Programme

- 6.8 **Full Refurbishment & Modernisation of Key Facilities** – approximately £920,000 will be allocated to improving NCC facilities in our larger main towns and key tourism destinations. This refurbishment will include any backlog maintenance required, replacement of old equipment where required (urinals, pans, sinks, hand driers etc) and where it is affordable new cubicles, internal wall finishes etc. The aim, subject to affordability, will be to deliver the quality of refurbishment delivered to Bamburgh Church Street in 2019. These facilities are:

- Alnmouth
- Alnwick, Greenwell Lane
- Alnwick, The Shambles
- Amble, TIC
- Amble, Broomhill
- Ashington, Station Road
- Beadnell
- Berwick, Castlegate
- Berwick Spittal
- Blyth, Keel Row
- Blyth, Market Place*
- Craster
- Fountain Head, Seaton Sluice
- Hexham, Wentworth car park
- Hexham, St Marys Wynd
- Haltwhistle
- Plessey Woods Country Park
- Warkworth Beach
- Wooler**

- * Blyth, Market Place will be demolished as part of the Future High Street (FHS) Programme so no investment will be made at this time, but it is anticipated that FHS will re-provision with new modern facilities.

** The upgrade of Wooler facilities will be funded separately through Borderlands funding.

6.9 **Essential Refurbishment** - approximately £500,000 will be allocated to essential refurbishment on all remaining facilities so that they are brought up to a decent standard of repair.

6.10 **Accessibility Improvements** - refurbishments will ensure accessible units are all in a good order and have the appropriate equipment such as grab rails etc. However Accessibility is not just about whether a wheelchair user can enter and use a toilet and not every disability is visible. £50,000 will therefore be allocated to implementing, in all facilities, aspects of the best practice guide to 'Improving Access to Toilets in Northumberland', produced by 'Nowhere to Go' a collaborative project funded by Newcastle University. This will ensure all NCC facilities meet the different needs that come with dementia, incontinence, sight impairment, sensory impairments, etc. Small changes can make a big difference to accessibility so all facilities will incorporate elements from the guide including colour contrasts, appropriate signage, and lighting.

Description	Indicative Budget Allocation
Refurbishment programme	£920,000
Backlog Maintenance programme	£500,000
Accessibility Improvements	£50,000
Contingency	£30,000
Total	£1,500,000

Next Steps

6.11 The Property Services team will agree the scope and specifications for the works to individual facilities with Neighbourhood Services as the client service.

6.12 The agreed schemes will be packaged up by Property Services relative to the nature, size and complexity of the works, so that the Council can ensure value for money through the procurement arrangements by enabling a range of different sized companies across the county to tender for work. The grouping of work into geographic lots will also be considered as this will assist in reducing the costs incurred by the Council for the management and supervision of the contractors involved in the programme.

6.13 It is envisaged that the programme spend profile will be £150,000 for the remainder of 2021/22 with £450,000 pa for each of the following three years.

CSG Recommendation

- 6.14 The Group supported the proposal and recommends Cabinet approve the allocation of £1,500,000 from the Property Stewardship Fund across the facilities detailed in this report and agree that any changes to the proposed programme of toilet refurbishments and allocation of individual budgets for each facility be delegated to the Service Director – Local Services, in consultation with the Cabinet Member for Local Services.

7. Parks Enhancement Projects

- 7.1 The Group were requested to approve three schemes to enhance parks in Berwick and Ashington.

Castle Vale and Coronation Park in Berwick

- 7.2 It is proposed that the lining for the Lily Pond in Castle Vale Park is replaced with a new Sika waterproofing system - this will involve emptying out the existing pond, retaining and storing plants and replacing the gravel and old pipe work and a Cobble soak away.
- 7.3 It is also proposed to reconfigure the terracing and replace the rotten gate in Coronation Park to improve Health and Safety in respect of works undertaken by volunteers and staff.
- 7.4 The total cost of the works is £20,060 with £2,500 being contributed by the Freemen of Berwick and £17,560 being requested to be funded by Northumberland County Council.

Wansbeck Riverside Park in Ashington

- 7.5 It is proposed to make the following improvements:
- to replace six items of old play equipment and safety surfaces with six new pieces of play equipment to enhance and refresh the existing play park.
 - to install a new 30 metre long hard surface path from the carpark to the entrance of the park.
 - to install a bicycle stand area suitable for six bicycles
- 7.6 The development of a quality play facility at Wansbeck Riverside Park will provide opportunities for families who may not have the ability or opportunity to visit other leisure or play facilities both locally or further afield. Additionally, the

development of this facility will support the mental health and well-being of the town's children and their wider families.

- 7.7 This project is supported by county and town councillors following a significant number of requests from residents to enhance and improve the play area. Ongoing safety checks and maintenance of the facility will be undertaken by Northumberland County Council to ensure the play area remains in a safe and good condition.
- 7.8 The costs of materials, plant and labour are estimated to be £44,100 (based on current contractor quotes). A funding contribution of £21,600 towards the scheme has been submitted to Ashington Leisure Partnership which if successful will reduce the Council's contribution to £22,500.

CSG Recommendation

- 7.9 The Group supported the proposals and recommends Cabinet to approve a total maximum Council contribution of £61,660 towards the improvement schemes with work to be carried out in 2021/22 funded from the Parks Improvement Budget included in the Council's 2021-24 Medium Term Financial Plan.

8. Social Housing Decarbonisation Fund

- 8.1 The Group were asked to approve a scheme to improve energy efficiency within the Council's housing stock subject to receipt of a grant from the Social Housing Decarbonisation Fund.

Proposal

- 8.2 The Social Housing Decarbonisation Fund will award funding to Local Authorities to improve the energy efficiency within their social housing stocks. NCC has applied for funding on behalf of Northumberland County Council's own social housing stock as well as funding for Bernicia Housing and Karbon Homes for their stock within the Northumberland Region.
- 8.3 The Climate Change Team, in conjunction with Housing, has placed a bid for funding to support £1.84m worth of low carbon measures being delivered into 120 homes across Northumberland including 65 Council owned homes.
- 8.4 The schemes are focused upon upgrading the worst insulated homes with energy efficiency installations. Upgrades on properties will follow a 'fabric first' approach and will utilise a mixture of external wall insulation and underfloor insulation.
- 8.5 In the case of Bernicia and Karbon, NCC will effectively operate as a grant funding provider. NCC will be responsible for the administration of the grant for these Housing providers, however, will not be responsible for the delivery of the allocated measures.

8.6 The Council will go out to tender for installers for their own housing stock. A procurement framework is in development with North of Tyne Combined Authority and NCC will ideally use this framework for the appointment of a suitable contractor to undertake delivery of the scheme.

8.7 Due to the grant funding and eligibility criteria, the scheme will alleviate fuel poverty in Northumberland and reduce the county's emissions, an important step towards becoming a net zero county by 2030, as dictated by the climate emergency declaration.

8.8 Breakdown of Capital Spend

	Year 2022-23
	£000
Social Housing Decarbonisation Grant Funding	1,193
Bernica Housing Capital	55
Karbon Homes Capital	225
NCC Housing Revenue Account	366

CSG Recommendation

8.9 The Group supported the grant application and recommends Cabinet to approve the proposal to improve energy efficiency within 120 social housing units in Northumberland subject to receipt of a grant award of £1,193,000 from the Social Housing Decarbonisation Fund. The Group noted that the Council's contribution of £366,167 towards the work to be carried out on its own housing stock will be funded through the Housing Revenue Account.

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 measures have been considered within each project.
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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