

March 2023

FINANCE

Budget 2023-24

Thank you to all the members that contributed to the debate that took place at the last full council meeting which agreed the budget for 2023-24 and set the Council Tax for that financial year.

We were pleased to be able to take into account some of the suggestions from some of the opposition groups as part of those discussions.

We now wait for the new financial year to begin to see what that holds for us and in the expectation that , based on what we know at the moment, we have set a robust and prudent budget for the year.

Financial Outturn 2022-23

Members will be well aware of the financial challenges we have had in this financial year. At the start of the year we were looking at a £26.9m overspend. However, we acted quickly and decisively to bring in a range of actions to seek to balance the budget before year end.

The last publicly declared position was the Period 9 position which showed the forecast year end position was at £3.9m.

Since that report I have received the period 10 position which showed a further improvement of approximately £1.0m bringing the forecast outturn position down to £2.9m.

At the time of writing this report I am awaiting the Period 11 position.

Assets & Environment

Property Strategy and Estates

Recruitment remains a challenge with numerous (five) vacant posts in the structure which includes the Asset Records and Systems Manager and the Property Strategy and Major Projects Manager. A recent round of recruitment was completed at the end of January 23 and while applications were received, applicant did not have the required level of experience. Having the pay and grading project completed should assist as applicants seek reassurance on salary at interview.

Work remains ongoing to regularise the estates data of the former Northampton Borough Council (NBC) and on reducing the current backlog of lease events with recruitment an issue in this area also. Despite this we have already seen some notable successes including resolving historic rent reviews on one property that led to back rent of c£60,000 and an increase in future rental commitments of £15k per annum.

While also discussed below, work has continued on the amalgamation of estates data into a single data source. While this work is ongoing, the majority of the core ex-NBC data is now in the system and the ex-Daventry District Council (DDC) data is being input. We currently anticipate having this completed by the end of the financial year. Procurement of the replacement estates management database has also progressed at pace, and we aim to have a new supplier / systems identified by the end of the current financial year.

Key projects updates:

- **Asset disposals** – The Council has a major programme of disposals of assets. These are either surplus to its needs, capable of generating capital or revenue income, or represent transfers of local facilities to parish councils.
- **Asset acquisitions** – There are also a number of cases where it is worthwhile to acquire new property assets to meet service needs in cost-effective ways.
- **Estates Management Database Procurement** – We anticipate having the new provider in place by the end of this year which will afford us 12 months to mobilise, implement and test the new system before the go live date in April 2024.
- **Estates coding** – A standardised estates coding for the Council has been agreed and implemented.
- **Asset valuations** – The 2020/21 Audit has been completed and work is now beginning on the 2021/22 Audit. The procurement of a new valuer has been completed for 2022/23 onwards. In order to align its processes and reporting formats, the Council has taken the decision to value all of its properties in 22/23.
- **Aged debt** . The PS&E team are working closely with the aged debt team in Finance to recover debt and implement payment plans where possible.
- **EPC assessments** – In light of the changes to Minimum Energy Efficiency Standards (MEES) which come into force on 1st April, we have an ongoing project to review the EPC's on the Council's corporate estate. These changes impact all commercial properties, including those already leased, and place obligations on the Council to bring them (at least) to the minimum standard of E.

Facilities Management

Facilities, Public Realm & Heritage Structure

The Facilities, Public Realm and Heritage structure has made positive progress, with a defined senior management team in place.

We are currently progressing with the restructure of the Daventry FM team. This will deliver a FM structure that supports the needs of the new Daventry Hub at the Abbey Centre and the temporary requirement at Lodge Road for the Job Centre Plus, until the expiration of their lease at the end of November.

We have successfully recruited an interim Facilities Manager in Daventry.

The FM team continue to lead or collaborate on a number of projects. Most recently we have concluded the decommissioning of the Vaccination centre, in Moulton Park. The site has now been handed back to the landlord. We have also supported the Regeneration service with the mobilisation of their contract with Oxford Innovations (OI) to operate the Vulcan Works and St Johns buildings. The FM team managed the facilities for approximately 18 months and have worked closely with the new provider to ensure the transition into their service was with minimum disruption to operations. The site is now fully managed by OI and looks like it will have a positive impact on Northampton.

Current projects

There are several projects underway which the Facilities Management team are either leading or have a key role within:

- **Contracts** – Our view to our FM contract requirements is to review our current arrangements, which are generally disaggregated across WNC with a view to aggregating them into single WNC contracts. Our approach is to undertake this review by priority. In 2022 we awarded the WNC Cleaning services contract. Our current focus is on the following contracts:
 - **Fleet Management contract.** This will see a modernisation of the current fleet vehicles, and the reduction of its carbon emissions, as we move towards a more sustainable transport solution that continues to meet our service needs. The invitation to tender is now live, and our target award date has been revised to 1st May 2023.
 - **Security services contract.** With support from the transformation team, we are in the process of analysing the on and off contract spend for security services. To ensure we have a clear picture of WNC's requirements by reviewing spend and engaging with services before we commence with the procurement of this contract. The new contract will be live in 2024.
 - **Waste services contract.** We are currently engaging with Waste services team, based at Tove Depot, to explore them meeting our commercial waste service needs. This service is currently contracted out.
- **In-house compliance** – We are working with the Works team to review the contract spend on minor compliance works such as weekly flushing for Legionella. This is with a view to analysing the cost benefit of bringing this service inhouse. This review is on-going.
- **Room bookings** – We are working across our buildings with a view to centralising all our room bookings requirements, both internal and external, into one structure. External room booking enquires will then have access to all external facilities across WNC and will be able to choose which better suit their needs.
- **Postal integration** – We are progressing with the integration of the services in Daventry and Towcester and working to have this in place by the new financial year.
- **Office optimisation** – Working to create a property portfolio that fits the needs of WNC both in terms of accommodation and budget.
- **Decommissioning of Lodge Road and establishment of the Abbey** – The plans for the Abbey Centre have now been finalised and are on site. The FM team have a lead role in supporting the refurbishment, relocating services to new accommodation, and decommissioning Lodge Road.
- **Integrating the Facilities Management Response service across WNC** – The requirement is currently managed slightly differently across WNC. With the expected outcome to have one integrated Property Response Service for WNC. Towcester is now fully integrated. The integration of Daventry will follow, with Northampton commencing in the future.

- **Integrated access control system for WNC** – The project has been subject to a thorough analysis by the DTI (Digital, Technology and Innovation) team to ensure the chosen solution is not only the right solution for now but the future too. We are now in position to move forward with DTI assuming the responsibility for the implementation of the technological solutions and A&E implementing the physical hardware i.e., door controllers.
- **Fire Warden and First Aid requirements** – The new scheme has now been implemented and our building managers are working to ensure our buildings continue to have sufficient coverage.

Works

Property Maintenance & Assurance

A wide range of works continue, including ensuring WNC buildings remain fit and safe for use, and supporting other parts of the Assets & Environment team, such as pre- and post-lease condition inspections of properties. Some highlights include:

Judges Lodgings: Works to floor and exterior finishes and ensuring that the building is watertight and gas appliances are fit and safe for use.

Historic Monuments: A structural assessment of the Obelisk at Obelisk Rise has been completed which has identified some issues. Works are progressing to resolve these issues whilst engaging with planning colleagues. Works at Denton Dovecote are complete and it is open for public viewing.

St Crispins community centre: Plan to provide an independent potable water source to have been agreed. This should facilitate the lease to Community Spaces Northampton and freehold transfer to Upton Parish Council.

Bellinge Depot: Site specification and tender documents being drawn up to bring the units and classrooms on site up to standard including new heat source, insulation, new windows and doors.

Augusta Avenue: Plans to provide strengthening to stream bank along with bunding to higher levels to ensure flood protection and stop bank erosion.

Duston Mill reservoir: Continued monitoring and minor works to keep down reed beds and make sure no bank erosion taking place. Spillway clearing and vegetation control.

Beckets Park Pavilion: Works to preserve the life span being gathered works to include new roof covering and rain water goods internal repairs and provide low energy heat source to internal areas.

Upton Mill flood defences: Biannual inspection by reservoir engineer. Works being carried out to embankment to ensure stability. Crest level survey works to be completed shortly to ensure no subsidence has occurred.

New contracts: A range of new contracts have been entered into, such as for water compliance and lift maintenance across all the Council's portfolio.

A planning application has been submitted for a new SEND Pavilion at Hunsbury Park Primary School. We are currently engaging with the PFI contractor to enable the Council to deliver the scheme.

In discussion with Northampton School for Girls they have asked that the Council proceed with the development of further design and costs to deliver their ambitions to redevelop the existing swimming pool and associated facilities.

The PFI Project team have been tackling the contractor in respect of its performance which has led to discussions with the Contractor and their FM contractor, Amey, at director level. It is hoped to recruit a replacement PFI Manager and Surveyor in the near future; previous attempts at recruitment have been unsuccessful.

Construction

The team is working on a wide range of projects from feasibility to construction. Highlights among the construction projects include:

Mulberry Place, Daventry: The final restaurant tenant's fit-out works are completed and the restaurant is open.

Braunston – Daventry Cycle Track Phase 2 (from Canal & River Trust (CRT) access track near Braunston Tunnel West Portal to Braunston village via the Grand Union Canal towpath and existing highway. CRT has completed its feasibility work for Phase 2, but costs are high due to the engineering involved so discussions on how to fund will need to take place.

Northampton Guildhall roof: works are completed. No claim has yet been received from the Contractor for additional costs.

Northampton Guildhall Heating: It has been agreed to progress with a feasibility study to refurbish the Guildhall which will include addressing the heating, cooling and ventilation issues.

Northampton Leisure Centres: Tendered costs for works to complete the project were above the remaining available budget so additional budget has been vired. This now means the works can be completed. A further proposal to enhance the installations to promote decarbonisation will be provided for approval.

Fire Risk Assessments (FRAs): have been completed for the leisure centres and these have been reviewed and works are being commissioned to address the issues. Approval was given for the virement of unutilised budget to the general leisure centre works as above.

Rural leisure centres: Work is underway to use the major grant funding to install new low carbon heating systems and additional solar panels at Daventry, Brackley, Towcester, and Moulton. This should reduce both carbon emissions and operating costs.

Units 4-14 High March, Daventry: we are currently reviewing the options of providing a new development in comparison to refurbishing the existing building. This may provide a more efficient solution whilst providing the required rental income.

Delapre Park – Active Travel Scheme and Cycle Hub: Applications have been submitted internally for CIL funding and Public Health grant funding to support the implementation of the

project should future specific Government grant not be awarded or is insufficient. The team has applied for the Government's active Travel Fund Round 4 for the project.

Delapre Park – Gate Lodge Conversion: Feasibility work has been completed and it has been concluded that the currently vacant and dilapidated lodge could be renovated and reconfigured to provide office and meeting accommodation for the Far Cotton & Delapre Community Council. Funding has been identified within existing budgets to deliver the works.

Abington Park (East) Toilets: Cabinet has approved the budget for the scheme. Engagement is ongoing with key partners to establish the best location and if separate facilities might be preferable at different locations.

Refurbishment of New Street Toilets, Daventry: Works to the toilets have been completed.

Proposed new schools:

- New 2FE primary school on the Overstone Leys SUE is continuing with design to be followed by a planning application. Engagement with the newly appointed trust is planned.
- Conversion of a former young people's secure unit at St John's, Tiffield to provide an extension to the existing Gateway SEND School which is on the same site.
- New SEND school, also at St John's Tiffield. Feasibility work has been completed for a new all-through 250 place school and the Council has approved a budget of circa £23 million to take this project forward.

Councillor Malcolm Longley
Cabinet Member for Finance