

30th November 2023

FINANCE

Financial Monitoring 2023-24 – Period 6

The current year financial position at period 6 (September) showed that we were forecasting to be overspent by £2.2m at year end with financial pressures being experienced in:

- Children's Social Services
- Adults' social services; and
- Temporary accommodation

It appears that these particular services are causing cost pressures up and down the Country and therefore we are not alone in this respect. However, we continue to work hard to seek to manage this overspend down by the end of the financial year.

Offsetting these pressures are the contingency set aside in the budget and increased investment returns as a result of interest rates being higher than anticipated when we set the budget.

We are currently pulling the period 7 position together and that will be reported to Cabinet on 12 December 2023.

Draft Budget 2024-25

All efforts in Finance and across many services are currently focussed on bringing together the budget plans for 2024-25.

Cabinet colleagues met informally in mid-November to finalise the proposals which will feature as part of the budget for next year and officers are preparing the draft budget report that will be considered by Cabinet at their meeting on the 12 December and will then kick off the budget consultation process.

The Executive Director of Finance has organised group meetings with all the groups to walk Councillors through the budget proposals.

ASSETS & ENVIRONMENT

Property Strategy and Estates

Sites

- **Photovoltaics (solar panels)** – The Council continues to work with partners to scope out large scale photovoltaics on buildings and land it owns or controls, with a view to

reducing its net carbon emissions and reduce its energy bills. The initial results appear promising.

- **Lodge Road disposal** – Agents are instructed to market the property. Various surveys have been now completed and are currently under review by WNC. Proposals to relocate DWP from ground floor of Lodge Road to Daventry Leisure Centre are progressing. It has been agreed with DWP that they can remain at Lodge Road in the interim subject to covering the running costs for the property. Options for freehold or leasehold disposal are being explored.
- **Future of County Hall** – Carter Jonas has completed their initial report (in draft) which is currently under review. An engagement session with key stakeholders will refine future options before a report comes to Cabinet.
- **Dallington Grange development** – This land is subject to (separate) option agreements WNC and its fellow landowner, the Althorp Estate. Althorp has reached a provisional agreement with the developer. WNC is currently reviewing this in line with its own option, and a conclusion on the price appears to be in view. Discussions are also underway on the land proposed to be retained for WNC to deliver affordable housing.
- **Watering Lane, Collingtree development** – work continues to identify the best means of disposing this allocated housing site. A draft report from the consultants has been received and is currently under review. It is likely that the land is likely to be taken to the market in 2024/25. A Cabinet report is being prepared.
- **Daventry SE employment allocation** – Following some challenging late-stage negotiations, the hybrid promotion agreement has been entered into. The major issue with the site appears to be power supply for Daventry. The Council is therefore assisting the developer address this with National Grid.
- **Evelyn Wright EPH (former)** – Discussions on possible service interest in the site continues to be explored. Work on demolition is progressing given that it is target for anti-social behaviour and has been broken into in the past.
- **Former tram/bus depot, Northampton** – This site was acquired in order to secure it for future regeneration of the area focused on housing but which will also assist in sustaining local businesses with other opportunities considered. It is hoped that alongside funding that this site will be an exemplar in regard to sustainable development as well as ensuring the history of the site is celebrated.
- **Recruitment** – Very promising steps have been taken towards completing the Property Strategy & Estates team, although it will generally be some months before staff are actually in post. This will significantly help to reduce on going costs for the use of agency staff which has been necessary in the past to retain a level of service.

Systems and strategies

- **Asset management database procurement** – Work continues on the implementation of the Concerto system which will be a significant advancement in the Council's ability to manage its new portfolio effectively, supporting functions across Assets & Environment. The project remains on schedule to enable the Estates and Property Response functions to go live on 1st April 2024. We have an ongoing project to refine understanding of lease responsibilities, as well as obtaining CAD plans for all properties.
- **Asset valuations** – The 2022/23 draft valuations have been received and are being reviewed by Estates and colleagues in Finance. Work has started on the construction of the 2023/24 programme.

- **Aged debt** – Working closely with the aged debt team in Finance to recover debt and implement payment plans where possible. Aged debt remains a key area of focus and we are prioritising the larger aged debtors in the short term. In recent months the aged debt has been reduced by approximately 40% (£750k).
- **EPC assessments** – In light of the changes to Minimum Energy Efficiency Standards (MEES) which came into force on 1st April and future expected changes, we have an ongoing project to review the energy performance certificates (EPCs) on the Council's estate. An invitation to tender was issued recently and we expect to have a consultant in place to support the project by the end of November.
- **Improving estates data** – The team is making process in resolving outstanding lease renewals and rent reviews. As this work progresses, we are identifying issues with the use and condition of some of the properties which has taken priority. These are being addressed with colleagues.

Facilities Management

Facilities, Public Realm & Heritage Structure

The Facilities, Public Realm and Heritage structure continues to develop. The priority for the service is to ensure structures are robust, effective, and efficient.

Current projects

The Facilities, Public Realm and Heritage team continues to lead or collaborate on many projects, developing the corporate landlord function. Of particular note:

- **Contracts** – Reviewing 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. So far, we have awarded contracts for WNC cleaning services and for fleet management services. Our current focus is on the following contracts:
 - **Security services.** We are creating a framework of services that will enable other public bodies to access and generate an income for WNC. This is a large project and is being assisted by a project manager and business analyst from the Transformation team. The tender is expected to go live in January 2024.
 - **Window cleaning.** We have commenced the procurement process for a contract which provides cyclical cleaning at key accommodation i.e., HQ's and will enable services to call off against the contract for ad hoc cleaning requirements. Our aim is a go live date of April 2024.
 - **Pest control.** We have completed the spend review and discussed with Regulatory services with a view to them bringing the services inhouse. This matter continues with a view that future commercial opportunities may also exist.
 - **CCTV maintenance.** The current maintenance contract expires in March 2024, and we are currently progressing with the procurement of a new service contract.
- **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. Data analysis is underway. This is an ongoing project.
- **Centralised event hire and room bookings within WNC buildings** – We have engaged with the Place Shaping service to review the current activity across WNC 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, which should increase usage and income.

- **Decommissioning of Lodge Road and establishment of the Abbey Hub** – The Abbey Centre is now fully open with some minor snagging works to complete. Lodge Road is now restricted to key personnel and team are in the process of cataloguing items such as furniture for relocation or disposal.
- **Integrating the Property 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 and Daventry are now fully integrated. The former NBC properties are expected to come online with the introduction of the new asset management database. A rebranding exercise has taken place for the former Property Helpdesk team to the Property Response team and communications have been shared to this effect. This process will be fully implemented in line with the commencement of the Concerto asset management software.
- **Access control integration** – We are waiting for IT confirm the date that the new cloud server will be built. Once this has been completed, we will be able to commence with the project to integrate all access control requirements onto one server.

Works

Property Maintenance & Assurance

Alongside the implementation of the new asset management system, Concerto in April 2024, the Council will be adopting SFG20, which is the recognised industry standard for building compliance. This will enable the Council to produce a planned servicing, inspection, and testing regime which will enable it to ensure that its properties are safe, legally compliant, and fit for purpose.

A wide range of maintenance and assurance work is underway. Some highlights are listed below.

RAAC: Work is continuing to establish which WNC buildings contain RAAC using external resource for inspection and structural assessment.

Beckets Park Pavilion: External works complete, new roof covering, rain water goods fascia and soffits renewed.

Bellinge Depot: Project to uplift buildings and bring EPC to standard for letting now complete, with just new EPC required.

Commercial properties: Fire risk assessments and works proceeding, condition surveys to be rolled out across the portfolio to establish the overall condition and high-level cost implications.

Children's Trust. Supporting children's trust with compliance works and repairs to properties.

St Giles Terrace, Northampton: Project to replace roof and refurbish shops is underway

Brackely leisure centre: Replacement roof and PV panels project to start. This will provide a safe and dry environment for users and make full use of the PV panels

Abington Park Bandstand: Decoration and repair works commissioned.

Evelyn Wright Daventry: Demolition costs have been established to support business case for demolition.

Construction

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

St John's Tiffield: The detailed design work and associated costs of the new 250 place all through SEND school continues. Following pre-planning application meetings with key partners, the planning application was submitted. It is hoped that this will be determined in mid-December 2023 so that the enabling works to demolish some of the existing buildings and site clearance can take place. There are some on site ecological issues to resolve with badgers, but mitigation measures have been implemented and are being monitored.

Tiffield Gateway School Extension: Design work is close to nearing completion on the proposed Gateway School extension, which will use the former secure unit buildings. CIL funding has been approved for the refurbishment of the swimming pool and sports hall complex which will provide valuable on-site services for both Gateway and the new SEND school plus, if practical, the local community. The next step will be to procure the construction contractor to deliver the works.

Overstone Leys Primary School: Design and negotiations continue to provide the new school for September 2025. This includes discussions with the developer over the available land for the school. The DfE presumption process to obtain the operator is proceeding. The planning application has been submitted.

Northampton Leisure Centres: The contracted works to improve energy efficiency and operation of the Danes Camp Leisure Centre and further work to Mounts Baths have been completed. However, some further works have been identified at Danes Camp which are required to ensure fire safety compliance and these will be undertaken at Christmas during a temporary shut-down period.

County Hall: A budget of £948k was previously approved for roof, boiler and intruder alarm works, but further investigations have revealed that the whole roof needs major investment to protect the building in the future and cost inflation continues to be a challenge. Therefore, addition capital budget is being sought for these works.

Royal & Derngate Theatre: Scaffold being placed within the areas found to have RAAC these scaffold columns will be floor through to roof and will spread the load enabling the theatre to operate (although at reduced capacity due to fire evacuation procedures).

Construction & Maintenance Climate Strategy: The strategy has been completed and was submitted to Cabinet for approval. Once approved, it will provide clear objectives in respect of the Council's approach to the new built environment and provide a framework for those managing development to facilitate net zero in operation.

Recruitment: There were a large number of candidates for the three vacant Construction Project Manager roles, now they are on the new WNC grading. It seems likely we will be able to fill the roles, which will greatly help with team capacity.

Energy

In addition to the photovoltaics item mentioned above, the *Estate Climate Strategy* has been drafted and will be presented to Cabinet on November 14th for approval.

Sustainable heat network(s): The study is proceeding well and suggesting there are options for delivering sustainable heat, initially focused on central Northampton but with opportunities for further growth. Heat sources may include large river, canal, reservoir, or air source heat pumps, and commercial waste heat. The Council is currently preparing an application to the HNDU round 13 to secure funding for the next stage of this project (the Detailed Project Development, DPD, phase).

Councillor Malcolm Longley
Cabinet Member for Finance