

21<sup>ST</sup> April 2022

## **Finance**

As we progress into our first financial year end as a unitary council, I wanted to focus this update on the revenue monitoring position.

I'm pleased to report that we are still on target for a balanced financial revenue outturn position, and it is now likely that we will not need to draw down from the £5m general contingency budget, that was set aside for any unforeseen events.

Officers have worked hard during the year to deliver their savings proposals, understand and grip their detailed budgets, and maintain financial control in some quite challenging circumstances.

With that being said, there is still an element of financial risk, as you would expect from a large and complex organisation in its first year of operation, and work continues from officers to assess, and mitigate any adverse financial implications that may arise.

However I'm cautiously optimistic that we will outturn on a favourable financial position to put us on a firm financial footing for 2022/23 financial year and beyond.

## **Assets & Environment**

### **Property Strategy and Estates**

Since the last update provided in December 2021, the initial phases of the restructure have been completed and James Aldridge has been appointed as the Head of Property Strategy and Estates. Unfortunately, since the last update, Len Jones, the former estates lead from Daventry District Council has chosen to leave the Council. His post remains vacant pending the finalisation of latter phases of the restructure.

Over the last three months, the Property Strategy and Estates teams across the West have continued to collaborate to implement standardised process and procedures in relation to legal instructions, disposal, and wider asset management activities. It has continued to work on regularising the estates data within the former Northampton Borough Council estate, and the AutoCAD project to prepare plans for all former NBC properties is progressing well and is helping to implement robust and structured estates management practices.

In terms of the other key projects that are currently ongoing,

- **Estates Coding** – A standardised estates coding for the Council has been agreed. For simplicity this will follow the former County Council's structure, used on former District areas. New "D" Codes will be created for the DDC Portfolio, "S" Codes for the former NBC and "N" codes for the former NBC portfolio. An asset mapping exercise is currently

being completed by the Asset Records Team and we hope to implement the new structure in Q1 2022/23.

- **Asset Valuations** – A new asset valuation matrix has been created following an exercise within the estates team to amalgamate the Fixed Asset Registers from the predecessor councils. We are currently reviewing the data and ensuring the naming conventions are consistent and, where needed, reclassifying any properties where their current CIPFA Coding does not accurately reflect the current use of the properties. We are likely to procure a new external valuer but this cannot start until the Framework (through ESPO) have been implemented (Q2 2022/23).
- **Aged Debt** – We have now completed an extensive review of the debt position from the NBC portfolio which stands at around £2.2m. Around £2m of this has been accumulated since Feb 2020. We are currently working with Debt Recovery to agree processes for wider tenant engagement and are also considering the potential impact that the Commercial Rent (Coronavirus) Bill may have on the Council's ability to recover all of the debt.
- **Portfolio Review** – We have continued to review the corporate portfolio and identify outstanding lease events. This work is still ongoing, but our understanding has increased since the last update. Once implemented and all lease events resolved, it is likely that this will generate significant
- **EPC Assessment** – As part of the above Portfolio review, we are also assessing current EPC assessment, principally within the investment category at this stage, and will shortly start the process of procuring an EPC on those properties where one is currently not available, or where it has previously expired. This is to assess the potential impact on the Council of the changes to the Minimum Energy Efficiency Standards which come into force in 2023 and could have capital implications for the authority.

## **Facilities Management**

### **Management**

Since the last update provided in December 2021, the initial phases of the restructure have been completed and Jason Chambers has been appointed as the Head of Facilities.

### **Returning to the offices**

Working with Corporate, Health, Safety and Wellbeing, HR, Transformation, and the trade unions to ensure appropriate measures are in place following the cessation of Covid-19 related restrictions. This included a range of methods to support staff returning to the offices:

- Revised risk assessments for all HQ accommodation.
- Creating a generic assessment to support building managers located outside of the HQ's.
- Resetting our HQ accommodation to ensure space allocation meets the need of the services.
- A managers' checklist of key activities to support their teams to return.
- A building user guide for HQ accommodation.
- Creating the WNC Facilities Intranet pages; this is expected to go live shortly.
- For consistency (and supporting introduction of a saving) introduction of free milk at all our HQ accommodation.

### **Coroner's Service relocation**

The service has enabled the Coroner's service will conclude its relocation to the Guildhall on Friday 1<sup>st</sup> April. The smaller inquests moved to the Guildhall approximately 2-3 months ago. The larger inquests

and the office accommodation will be hosted from the Guildhall following the office move this Friday. This provides the service and clients with a venue befitting of their needs. The move was delayed due to the reopening of the temporary Mortuary at Wollaston. This was also a project the Facilities Management team supported the Coroners to deliver.

### **Staff consultations**

- Post room integration – The restructure concluded on 18<sup>th</sup> March 2022. The project will shortly commence on a transitional process to integrate the four former Post service into one WNC service based at the Guildhall. Whilst there are some implementation challenges this is expected to realise a £100k pa saving.
- Receptions and Facilities Administrators – This former NCC team based out of One Angel Square included the Receptions and Business support functions. In order to provide a consistent customer experience across WNC the roles have been disaggregated with the Receptionists moving from Assets and Environment to the Customer Service team from 1<sup>st</sup> April 2022. There are no savings associated to this consultation.

### **Collaborative Working Agreement**

The Service supported NNC with the management of their property portfolio through reactive and planned maintenance activities. We have successfully closed the CWA and transferred all operational responsibility for Facilities Management to NNC.

### **St Johns and the Vulcan works**

The Service has worked across Assets & Environment to transfer the operational ownership of these facilities to the new provider, procured by the Regeneration team.

### **Current projects**

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

- Office optimisation – Working to create a property portfolio that fits the needs of WNC both in terms of accommodation and budget.
- The Guildhall roof works – an extensive project to the repair the roof at the Guildhall. This is due to conclude by early the April.
- Integrated access control system for WNC – Approval has been given by ELT and a paper is being prepared for the Capital & Assets Board.
- Integrating the Facilities Management Helpdesk service across WNC – Currently in feasibility stage. The requirement currently managed slightly differently across WNC. Expected outcome to have one integrated Helpdesk for WNC.
- Driver Policy/Handbook - Working with colleagues from Waste (Tove depot) to develop a policy that suitable for all drivers at WNC.
- A number of procurement activities taking place:
  - New Audio-Visual system for the Guildhall to support Member meetings, and also income generation through conferencing and events.
  - Cleaning – Currently in evaluation for 3+1 years contract for WNC, expected to be awarded in May 2022. This included for the former NCC and SNC requirements. The DDC and NBC requirements will be reviewed during the term of the contract; currently these are in-house.
  - Security – Awarding a WNC agreement to bring the former NCC, SNC and DDC contracts in line with contracts awarded by NBC prior to vesting day. This will allow for the full WNC requirement to be reprocured in 1-2 years' time.
  - Grounds maintenance – transferring the former NCC requirement into the former NBC contract. This is to ensure we have continuity in service and management for WNC.

### **Works**

## **Management**

Since the last update provided in December 2021, the initial phases of the restructure have been completed and Colin Barratt has been appointed as the Head of Works.

## **Property Maintenance & Assurance**

### **Term maintenance contracts**

Existing term maintenance arrangements of the predecessor councils has been completed and the re-procurement of term maintenance contracts covering activity such as electrical, mechanical, building fabric, lifts etc has begun. Where possible we have sought to provide opportunities for local SME's via open tenders.

### **Statutory and mandatory compliance**

Statutory compliance continues to be delivered via existing arrangements including landlord gas safety inspections, fixed electrical testing, water management etc.

Procurement is currently underway to commission fire and water risk assessments, asbestos, and radon surveys of assets where an existing condition survey cannot be located.

New arrangements have been put in place to respond more effectively and efficiently to remedials from mandatory servicing and inspection. This includes setting a pre-arranged schedule of rates for parts and labour where failures are identified to continue with replacement whilst on site. Activities where this arrangement benefits are thermostatic mixing valves and emergency lighting.

### **Planned maintenance and minor works**

A wide range of works continue, including:

*Lighting at the County Records Office:* This has been replaced with LED. This has had an immediate benefit to employees and visitors providing them adequate compliant lighting levels, and reduces energy use. Work continues to address other environmental concerns such as heating and humidity.

*Judges Lodgings:* Works including replacing floor finishes and decoration have started at the Judges Lodgings to bring the accommodation to a suitable standard and to isolate the building systems from the neighbouring Sessions House.

*Wootton Hall Park:* Pre-demolition works have started at Wootton Hall Park; Ex-DVLA, Bolton House and Trading Standards.

*Brackley Cricket Club:* Works to resolve a long-standing drainage issue at Brackley Cricket Club have been completed in time for the new cricket season.

*Temporary accommodation:* Working with housing colleagues eighteen houses in Daventry have been refurbished to provide essential accommodation for the most vulnerable within the area. Six houses are now accommodated.

*Elderly People's Homes (EPH):* Refurbishment of water damaged shower facilities, undertaking works that have been identified via Fire Risk Assessments (FRA) and undertaking works that have been identified via building condition surveys. This work is ongoing.

*Historic Monuments:* Repair of Denton Dovecote is currently in progress; this is challenging due to heritage & ecology restrictions (bats) as well as being located on privately owned property. A detailed structural survey has been undertaken and planning and heritage discussions are underway.

*Intruder Alarms:* Various intruder alarm systems are being upgraded in 14 properties.

*Roof Refurbishment:* 4 buildings have been identified as needing roof works with procurement commenced for 2 of them.

*Schools works:* These are being undertaken in phases whereby each school has a condition survey completed to identify issues. Works are then undertaken to ensure that they are safe, warm and dry. Works include roof replacements, fenestration, drainage, structural and internal improvements.

- *Phase 1:* This is complete with works having been carried out on 14 local authority-maintained schools.
- *Phase 2:* This work to 13 authority-maintained schools is currently in ongoing with 9 schools completed, 4 in progress.
- *Phase 3:* Condition surveys are complete on a further 8 authority-maintained, 4 schools in progress.
- *Phase 4:* 8 schools identified for condition surveys pending 2022/23 funding availability.

## **Northampton PFI Schools**

A new 30 place special educational needs (SEN) unit has been developed at Blackthorn's Primary School to meet urgent demand within Northampton town for places. An additional 50 place SEN unit at Hunsbury Park Primary has been approved for delivery. Further projects are currently at feasibility stage.

We have successfully negotiated a commercial settlement of £380k for benchmarked facilities maintenance costs in the context of the contractor expecting just over a million. The team continues to ensure performance is managed; the Council is also on course to deduct nearly half a million pounds in performance deductions for the year.

## **Policies**

Asbestos, water, fire, and radon corporate policies are currently in draft form to be consulted on within the organisation prior to being presented for approval and adoption.

## **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 remaining issues with the cinema were overcome and fit out works completed on 3rd March 2022. This was celebrated at an opening event to which Councillors and Officers previously and currently involved in the project were invited. The fit-out was completed to a high standard creating an attractive, comfortable and luxurious environment which should prove popular with customers. The leases were completed on the two restaurant units with Dough & Co and Amour Burger and fit-out has commenced with the floor slabs being installed. It is anticipated that these will be open by May. The new public realm and its fountains are an attractive feature, already appreciated by children.

*Marie Weller Primary School, Towcester:* The new primary school opened in September 2021. A few snags remain to be rectified which will take place during the Easter school holiday. The building is currently operating on temporary electricity supply due to the permanent supply not yet being provided by the network operator (UK Power). This is currently being delayed by the wayleave process and the completion of the lease with the academy. The permanent supply is an improved design from that originally proposed which should save the Council circa £40k. It has been agreed with the Education Team to explore the possibility of fitting a solar PV system at the school, this would likely be a 12kW system.

*Radstone Primary School, Brackley and Silverstone Primary School:* The defects correction work that remained as a result of the previous contractor (Lakehouse) going into liquidation is now complete. Legal work between the Council and the contractor's administrators is ongoing.

*Braunston – Daventry Cycle Track:* Phase 1 (Middlemore, Daventry to Canal & River Trust (CRT) access track near Braunston Tunnel Portal on the Grand Union Canal) has been completed and is now open for use. It is proposed that the unspent budget of £230k from the original £720k budget funded from CIL be carried forward for use on Phase 2 which will be located on Canal & Rover Trust (CRT) land and so requires its cooperation and partnership working. CRT has appointed a project manager and consultant designer to progress this work to investigate options will shortly commence. Funding from CIL is being sought for a further £500k to fund Phase 2.

*Northampton Guildhall:* Major scheme of roofing and allied repairs. Opening the roof has revealed a combination of conditions better and worse than indicated on the original survey. Consequently, there have been some savings and some additional costs. The Council's contract administrator is projecting an overspend of around £50k. The work has recently been completed, having taken much longer than first programmed by the contractor. The delay has mainly been due to the contractors poor planning and inefficiencies. The contractor has not performed well in some aspects of the works and allowed water ingress into the building which has damaged some of the artwork which is being repaired via a claim on the contractor's insurance.

There is also a project in feasibility stage to replace and relocate the boilers. Various options are being investigated with the aim of improving energy efficiency and improved access for easier installation, maintenance and replacement.

*Professional services frameworks:* This procurement is nearing completion. Consultants have submitted applications to provide a range of professional services as part of the Council's new framework contract. This will enable the Council to secure good value in a timely way and maximise the opportunity for local and smaller businesses to provide services to the Council and other public bodies. The applications are currently being evaluated with the intention of awarding in April.

*Northampton Leisure Centres:* Major scheme of replacement plant and equipment. An initial phase of work to replace boilers at the Mounts Baths Swimming Pool is proceeding, with completion planned for the end of March. This was delayed whilst asbestos was removed. Works at Lings Forum were completed in February. Options for work at Danes Camp are being evaluated. Options for a second phase of work for Mounts Baths is also being evaluated. Whilst undertaking design and installation work, it has been discovered that works to reduce fire risk at the leisure centres is likely to be required and so a budget has been approved for any works identified by a Fire Risk Assessment.

*Northampton Watercourses:* A review of the watercourses owned by the Council is being undertaken to put in place arrangements for their safe and sustainable management, including potential works. The watercourses have been added to the Council's digital mapping system and identified issues are being recorded and options for solutions will be investigated and costed. Budget will then be sought to address the issues. The Innovative Flood Resilience Project (see below) funded by the Environment Agency will integrate with this project.

*Units 4 - 14 High March, Daventry:* This project is to convert and refurbish 6 existing, individual, dilapidated commercial units that are adjacent to each other in a block to create circa 30,000 ft for a single tenant that needs to expand its business. The units will be refurbished to high environmental and energy efficiency standards with Net Zero in mind. A budget of £1.8million has been approved. Multidisciplinary consultants have appointed for design and costing and are working on options and this will enable the full project budget and business case to be determined. The tenant has confirmed how it would wish the units to be configured to suit its business. Rental income will be received from the tenant. Once the design and specification has been finalised, it is proposed to use a contractor from the Council's own construction framework to undertake the works, potentially commencing in June. The Council owns a significant number of similar units and this project will inform any future refurbishments projects.

*Completion of Highway Infrastructure at Middlemore Residential Estate, Daventry:* Tenders will shortly be sought for completion of the remaining unsurfaced length of carriageway and footway at Middlemore, Daventry.

*Legacy Bridge, Grand Union Canal Towpath, Braunston:* This is a Canal & River Trust (CRT) project to replace an existing narrow footbridge which carries the towpath over an entrance to Braunston Marina. Braunston is at the heart of the canal network and an iconic location for canal tourism and this generates substantial footfall. Use of the existing footbridge requires users to ascend and descend steep steps, thus it prevents a barrier to anyone with mobility challenges. The CRT has been left a legacy sum of £164k towards replacing the bridge with a new bridge that will be wider and will have approach ramps at suitable gradients instead of steps, thus making the towpath more accessible. However, the cost is estimated at circa £300k so the CRT is seeking funding contributions towards the project. It is proposed that WNC works in partnership with CRT and contributes £100k to support the implementation of the project. This will still leave a shortfall, but CRT has other sources of funding to pursue. The funds would be from the former Daventry District Council CIL funds that were unspent from a previous canal bridge project at Crick, which was also delivered using a partnership approach.

*Westbridge Depot – New Accommodation for NPH:* The Council has agreed with NPH to provide it with 500m<sup>2</sup> of new accommodation (known as the Engagement Building) at Westbridge Depot. The Council is due to provide this by September 2022, up to a cost limit of £1m plus demolition works (if required). Any further investment would be the Council's choice. NPH will enter a lease with the Council for the accommodation. Options have been explored and constructing a new modular building is the preferred solution.

However, it has been determined that there are potential limitations on what can be achieved at the current location of the NPH offices at Westbridge as there is a substantial fuel storage facility adjacent to the site and Health and Safety Executive (HSE) guidance on new development in the proximity of this would need to be followed. Confirmation on what would be acceptable is being sought. There is ongoing liaison with NPH as location and timescale are impacted.

*Delapre Park – Active Travel Scheme and Cycle Hub:* With the assistance of the Council, Delapre Park made an application to the Government's Active Social Prescribing Fund for circa £1.5 million as a Social Prescribing Pilot. The proposal was awarded £93k revenue funding to develop a feasibility project and this could lead to further funding to implement a pilot project. The evidence gained from the pilot could then be used to seek the full amount of capital funding. Applications have been submitted internally for CIL funding and Public Health Grant funding to support the implementation of the project should only partial grant or no Government grant be awarded.

The pilot will focus on enabling greater adoption of green and active travel, focussing on both improved infrastructure and supported behavioural changes through programmed activity and the development of a 'Cycle Hub' social enterprise. The pilot would be delivered in conjunction with the Thriving Communities funded programme. West Northamptonshire Council would lead on the infrastructure improvements within the open spaces as asset owner. The Thriving Communities fund programme seeks to increase awareness of social prescribing and improve the range and access to social prescribing activity. The partnership is made up of Northamptonshire Sport, General Practice Alliance, Northampton Leisure Trust, and the University of Northampton. The Council supported the application and will deliver the infrastructure.

*Delapre Park – Gate Lodge Conversion* – Feasibility work is being undertaken to determine if the currently vacant and dilapidated lodge can be renovated and reconfigured to provide office and meeting accommodation for the Far Cotton & Delapre Community Council.

*Abington Park (East) Toilets:* The existing toilet block and changing facilities on the eastern part of the park are subjected to repeated vandalism and the flat roof of the changing facilities is a health and safety concern as people climb on to it and that could result in injury. The project is to relocate the facilities to a location where they are subject to greater natural surveillance to deter vandalism, and to demolish the existing facilities. The preferred location will be determined by consultation with users of the park, an assessment of whether the preferred location is reasonably practicable in terms of capital and revenue costs associated with the location and whether it would meet the objectives of security and practicality. The initial cost estimate is £1.2m and it is proposed that this be funded from CIL.

*Queen's Green Canopy:* To celebrate the platinum jubilee of Queen Elizabeth II in 2022, the Queen's Green Canopy (QGC) tree planting initiative has been created. This "invites people from across the United Kingdom to "Plant a Tree for the Jubilee". WNC's role has two aspects: Firstly, engaging with parish councils and community groups to help them achieve suitable planting. Secondly, to agree and secure planting on WNC land. In both cases this needs to include consideration of the future management of maintenance of the trees. In order to deliver the second aspect, it will be necessary to have funding for the purchasing and planting of semi-mature trees on WNC land. This will ensure that trees will have an immediate impact, become useful as habitat and are sufficiently robust to withstand possible vandalism. Therefore, applications have been made for £50k CIL funding from Public Health Grant and a decision is awaited.

*Long Buckby Flood Alleviation Scheme:* Working with the Flood Resilience Team to deliver a flood alleviation scheme which is at design stage, but further investigations into utility locations and pipe conditions along with statutory approvals from Anglian Water are required before moving the project to tender and construction stage.

*New Care Home in Towcester:* Feasibility work is currently underway regarding constructing a new care home with circa 80-100 bedrooms to enhance provision in the area.

*Proposed New Schools:* Feasibility work is proceeding on the following:

- New 2FE primary school on the Overstone Leys SUE funded from S106 contributions.
- New 2 FE primary school on Norwood Farm SUE funded from S106 contributions.
- 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.
- Conversion of an existing building at Elizabeth Woodville School at Roade for SEND provision and construction of a new SEND unit on the same site.

Other School Works:

- Work is in progress on the provision of new toilets and a covered outside play area at Pitsford Primary School.
- The project to refurbish mobile classrooms at Clipston Primary School has been completed.
- Project at Harlestone Primary School to provide a new MUGA & playing fields drainage funded from S106 contributions is underway.
- Conversion of an existing building at the Dantre and Southbrook Learning Village (DSL) at Daventry for SEND provision with a budget of £500k. Consultants are being commissioned to design the facility.

Councillor Malcolm Longley  
**Cabinet Member for Finance**