

Thursday 30th June 2022

Finance

Accounts

Since the last update in April I am pleased to report that the final two sets of accounts have been through the Audit and Governance Committee which is chaired by Cllr Cecile Irving Swift. These were the 2019-20 accounts for Northampton Borough Council and Northamptonshire County Council. These accounts still need final sign off from the external auditors but we are in a position where all the 'heavy lifting' has been done by the Audit and Governance Committee and officers and all of the old year accounts from all of the predecessor authorities are on the verge of being finalised. This will then set the opening balance sheet balances for West Northamptonshire and provide a starting point to close the first year's set of accounts for West Northamptonshire in their own right.

Thankfully, going forward we will only be responsible for one set of accounts, not the multiple sets of accounts we have had to deal with since the inception of West Northants which all related to the predecessor authorities.

Revenue Monitoring 2021-22

I reported at the April meeting that it looked likely that would be within budget in the first year of our existence. I am pleased to report that we still expect that to be the case. Officers are finalising the position of the 'provisional' outturn and we hope to be able to publicly report on that soon.

Revenue Monitoring 2022-23

Of course, as soon as one year closes another one opens and the finance team are also in the process of co-ordinating budget monitoring returns for us to be able to report on the latest position for this current financial year.

I do expect there to be a number of pressures flowing through our budget monitoring this year such as the significant impact of inflation which impacts not only households but also many aspects of the operations of big organisations like ourselves.

We will also begin to see what life without COVID funding is like and the overhang of any COVID related pressures on the provision of service costs. I expect there will continue to be a pressure on income budgets but also an increase in demand for services where I think demand for some services was suppressed throughout the pandemic and we may begin to see a much greater demand, and therefore costs, for our services and those operated by our partners. This picture will begin to emerge and be reported upon shortly.

Revenue and Benefits

Councillors will be aware that Revenues and Benefits was the first service that moved away from the separate arrangements that were inherited from predecessor authorities into a single operating model and team responsible for providing the service across the combined area.

There is still some way to go on the journey of transformation as we now need to streamline and harmonise systems that underpin the service but I wanted to highlight how performance has improved since the single in-house team was implemented.

The information detailed below tells its own story. Inherited performance was not great, and is still not where we want it to be, but the improvement is clear for all to see.

- The number of outstanding items of work inherited by the in-house team when it came into being on 8 November was **11,802 items**.
- The position at the end of the year with the in-house team only being in place for five months saw this figure reduced to **4,262 items**

- Total amount of in-year Council Tax and Business Rates outstanding the day before the in-house team was implemented **£19.9m**
- Total amount of in-year Council Tax and Business Rates outstanding at the end of the year **£7.5m**

- Average time to process a new benefit claim the day before the in-house team was implemented **45.32 days**
- Average time to process a new benefit claim by the end of 2021-22 **37.4 days**
- Current average time to process a new benefit claim **20.78 days**

- Average time to process a benefit change in circumstance the day before the in-house team was implemented **12.2 days**
- Average time to process a benefit change in circumstance by the end of 2021-22 **10.2 days**
- Current average time to process a benefit change in circumstance **4.89 days**

Can I remind members we also made savings of £200,000 in moving to a single in-house service. There appears to have been some concerns raised about the service so I just wanted to highlight some facts about it and the performance improvements since it was brought back in house in November.

Procurement

Finally, I just wanted to add my congratulations to our Head of Procurement Gus De Silva who picked up the “Individual Achievement of the Year Award” at the national Government Opportunities Excellence in Public Procurement Awards.

A very well deserved accolade for an excellent member of staff. Well done Gus!

Assets & Environment

Property Strategy and Estates

Since the last update, we are continuing to implement the new structure. Recruitment remains a challenge with numerous vacant posts in the structure. The Principal Surveyor post has recently been advertised, with no applicants and the Senior Surveyor post had no applicants at the time of writing; it closes on 17th June. The Property Strategy and Major Projects Manager post remains vacant pending the finalisation of other phases of the restructure which we are currently working closely with HR on completing.

The Property Strategy and Estates teams have continued to collaborate to implement standardised process and procedures in relation to legal instructions, disposal, and wider asset management activities. Work has continued on regularising the estates data of the former Northampton Borough Council (NBC) with a comprehensive review of all lease data from the former commercial estate nearing completion. In addition the 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 Management Database Procurement** – Work is progressing on the procurement of a new estates management database that will replace the four separate processes that existed in the predecessor councils. A working group and project board has been formed and is operational but currently awaiting the appointment of a Business Analyst. Initially planned to be a joint procurement with North Northamptonshire Council (NCC), given interdependency with K2 for the former County Council properties, it has recently been agreed that the parties will procure independently. System proposed to be in place by March 2024.
- **Estates Coding** – A standardised estates coding for the Council has been agreed. The Asset Records Team have mapped all locations and are currently inputting these into K2. This will then be used to generate new codes in ERP and facilitate the consolidation of existing costs centres (currently more than 60).
- **Asset Valuations** – A new asset valuation schedule has been created and is currently being reviewed. Estates are working with colleague in procurement to prepare a tender for new valuers for the 2022/23 financial year which we hope to have live within the next 4 weeks. Review of CIPFA classifications is being completed to ensure consistency.
- **Aged Debt** – We have now completed an extensive review of the debt position from the NBC portfolio and are currently working with Debt Recovery to agree processes for wider tenant engagement. We 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 improved revenue income for the Council.
- **EPC Assessment** – As part of the above portfolio review, we are also assessing current energy performance certificate (EPC) assessment, principally within the investment category at this stage, and are in 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 (MEES) which come into force in 2023 and which could require expenditure to MEES ratings.

- **Disposal of land at Sixfields** – A application for judicial review of the Cabinet decision to dispose of the land to Northampton Town FC Limited and County Developments (Northampton) Limited has been received and is being considered.

Facilities Management

Office provision

The service is working with Health, Safety and Wellbeing, HR, Transformation, and the trade unions to support employees. This includes:

- Completing the resetting of our main office accommodation to ensure space allocation meets the need of the services.
- A building user guide for each of the four main offices.
- Launching the WNC Facilities intranet pages.
- Restarting the Building User Groups, the One Angel Square meetings recommence on 16th June, with the Guildhall, Forum and Lodge Roads expected to commence soon after.
- 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 reprocurd in 1-2 years' time.

Full Council meetings

The project to provide modern audio-visual equipment for full Council meetings in the Great Hall at the Guildhall was successfully completed.

Coroner's Service relocation

The Coroner's service successfully relocated to the Guildhall on Friday 1st April. The smaller inquests moved to the Council Chamber in the Guildhall some time ago. Following the installation of the new Audio-visual system in the Great Hall to support Council meetings we are working with the service to explore the opportunity for the larger inquests to be facilitated within this room.

Postal integration

The project will see the four former post service into one WNC service, based at the Guildhall. The process to integrate the teams from the Guildhall and Angel is underway and is expected to be completed within the next month, with the services in Daventry and Towcester expected to follow by the end of the year. Whilst there are some implementation challenges this is expected to realise a £100k pa saving. The computer software ('drivers') for hybrid outgoing mail were recently rolled out at Angel.

Rationalisation of reception arrangements

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 1st April 2022.

Rationalisation of catering, Lodge Road

Pre-pandemic the Daventry offices of Lodge Road operated a tea trolley service. The service was ceased as part of the Covid control measures, and the two employees were redeployed to support enhanced cleaning on the sites. The accounts show the service has historically created a small annual budget pressure. However, Daventry District Council had deemed the pressure acceptable given the perceived wellbeing benefit the service provided for the building occupiers. Following a consultation process the service has now ceased permanently with one member of staff being made redundant and one being redeployed within the FM team. Alternative arrangements for onsite vending in line with other WNC offices has also been provided.

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. FM continues to support this site until the transfer is completed.

Cleaning

3+1 years contract for WNC awarded from 1st 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 provided in-house.

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.
- Integrated access control system for WNC – Approval has been given by ELT and a paper is now awaiting cabinet approval. Initial engagement with suppliers has also taken place.
- Integrating the Facilities Management Helpdesk service across WNC – The requirement is currently managed slightly differently across WNC. With the expected outcome to have one integrated Helpdesk for WNC. The Project is now underway with Towcester being chosen as the first area to integrate and provide proof of concept. Currently in the process of ensuring all the required system elements are in place before we move to user engagement and then go live.
- Driver Policy/Handbook - Working with colleagues from Waste (Tove depot) to develop a policy that suitable for all drivers at WNC. We are now working with policy summit to finalise and launch the policy for WNC.
- Grounds maintenance contract – transferring the former NCC requirement into the former NBC contract held by Veolia. This is to ensure we have continuity in service and management for WNC. This is in progress and has been slightly delayed due to processing the change notice for the former NBC contract. Continuity of service is in place during this transition.
- Fire Warden and First Aid requirements – There are currently different processed in place across WNC for payments. A paper has been submitted and approved by the CE and CFO which will see supplementary payments of £250pa, paid monthly, awarded to those staff that carry out Fire Warden, First Aid and Mental Health First Aid for WNC. We are now

meeting with HR colleagues to review the process of recruitment, training, payments, and budgets for these roles. Communication will then follow to employees.

- Service Management Solution (HALO) - IT have procured a new landesk facility to support the management of helpdesk requirements across WNC. This is a WNC DTI and the shared services project (Business Systems, Payroll Services and Finance Operations for WNC, NNC, MKC & CCC partners). The FM Helpdesk requirement had not been covered in the original scoping for this project, but it is being explored if it should be.

Works

Property Maintenance & Assurance

Term maintenance contracts

Re-procurement of term maintenance contracts covering activity such as electrical, mechanical, building fabric, lifts etc has continued. A number are now appointed, subject to completion of contracts.

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 approaching completion for fire and water risk assessments, asbestos, and radon surveys of assets.

Planned maintenance and minor works

A wide range of works continue, including:

Judges Lodgings: Works including replacing floor finishes and decoration are proceeding 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 completed at Wootton Hall Park; Ex-DVLA, Bolton House and Trading Standards. A demolition contractor has been appointed subject to contract completion.

Temporary accommodation: Working with housing colleagues 18 houses in Daventry have been refurbished to provide essential accommodation for the most vulnerable within the area. 12 houses are now suitable for use.

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: Repairs to various structures are being procured.

Schools works: These continue to be 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.

Northampton PFI Schools

Indexation has been applied to costs and communicated to schools. Dialogue with several schools about the implications has taken place. Work to rebuild the PFI affordability model to enable further discussion with the Department for Education about the costs of the PFI contract is being commissioned.

Work to enable various schools to carry out modifications, and to meet special educational needs and disability (SEND) needs has continued.

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 cinema has been operational since March 2022, but the operator has not yet signed the lease so this is being pursued. A tripartite agreement between the contractor, the operator and the Council is to be completed which will facilitate the settlement of the operator's costs which it incurred whilst the contractor was rectifying the ceiling drop rod issues which, in turn, delayed the fit out works. The Council is not required to pay any of those costs. Following completion of the leases, the operator of the two restaurant units (Dough & Co and Amour Burger) commenced its fit-out works, but progress has been slower than anticipated so these are unlikely to be open until July 2022.

Marie Weller Primary School, Towcester: The new primary school opened in September 2021. A few snags remain to be rectified, some were undertaken during the Easter school holidays, but some remain which will be completed during the summer holiday. The building is still operating on a temporary electricity supply due to the permanent supply not yet being provided by the network operator (UK Power). The cable has been laid, but there is still a delay on the completion of the wayleave and the completion of the lease with the academy.

The target is for all matters to be resolved and the meter installed for the start of term in September 2022. Quotations have been obtained for installing a 12kW solar PV system at the school, with the cost of £13k being accepted.

Radstone Primary School, Brackley and Silverstone Primary School: Legal work between the Council and the liquidated original 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. The Council has commissioned CRT to investigate options for the Phase 2 route and this has commenced. Funding from CIL is being sought for a further £500k to fund Phase 2.

Northampton Guildhall: The major roof works are now complete. There is ongoing discussion between the Council's contract administrator and the contractor regarding its claimed additional costs and additional time required to complete the works. In order to settle the dispute, the

contractor proposed a commercial settlement which the Council has rejected as the contractor has failed to adequately justify its position. The budget overspend is projected at circa £60k depending on the outcome of the discussions.

The feasibility work to replace and relocate the boilers at the Guildhall is ongoing. 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 evaluation of the submissions is now nearing completion. It is proposed to finalise the successful consultants by the end of June 2022, subject to any challenges being received. This will be followed by an award procedure with the framework being open for use in July 2022.

Northampton Leisure Centres: Major scheme of replacement plant and equipment. Reports approved by the former NBC Cabinet established a scope of works, energy saving objectives and a budget of £1.8 million to undertake the works. The first phase of works to replace the temporary boilers at Mounts Baths, with a gas fuelled combined heat and power (CHP) unit, new boilers, heat recover systems and new controls is now complete. The works at Lings Forum, to the boilers, the water heating systems, pumps and controls have been completed to the original intended specification. Options for work at Danes Camp have been evaluated and costed as have options for a second phase of work for Mounts Baths. It has been found that, due to the age and condition of some heating, ventilation and electrical equipment, more replacement and refurbishment works was necessary and is still required to achieve the original intended performance. This has resulted in additional cost. For example, at Lings Forum, a faulty and electrically unsafe control panel had to be replaced. Previously missed asbestos had to be removed at Mounts Baths and improvements to the access stairs to the plant room which were hazardous had to be undertaken. The additional works, the fact that there has been a 30% increase in the cost of mechanical and electrical works over the last 12 months and the significant demand for this type of work with a limited supply chain means that the cost to complete the works would exceed the budget by circa £600k. These issues are being considered and a strategy to resolve them being prepared.

Whilst undertaking design and installation work, it was discovered that works to reduce fire risk at the leisure centres is likely to be required and so a budget was approved by Cabinet in February 2022 for any works identified by a Fire Risk Assessment. This will be undertaken separately to the works described above.

Northampton Watercourses: A review of the watercourses owned by the Council is ongoing to put in place arrangements for their safe and sustainable management, including potential works. 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 six existing, individual, dilapidated commercial units that are adjacent to each other in a block to create circa 30,000 sq ft for a single tenant that needs to expand its business. A budget of £1.8 million has been approved. Multidisciplinary consultants have undertaken design and costings on options ranging from a basic refurbishment at circa £1.0m to achieving undertaking a refurbishment at £3.9 million which will achieve net zero in operation. Options are now being considered.

Completion of Highway Infrastructure at Middlemore Residential Estate, Daventry: Unfortunately, no tenders were received for completion of the remaining unsurfaced length of carriageway and footway at Middlemore, Daventry. Feedback is being sought from the contractors that initially expressed an interest as to why they did not submit a tender, but it may be reflective of the current 'over heated' market and cost risks that the industry is facing. An alternative procurement route through the Council's construction frameworks is being pursued.

Legacy Bridge, Grand Union Canal Towpath, Braunston: This is a circa £330k Canal & River Trust (CRT) project to replace an existing narrow footbridge which carries the towpath over an entrance to Braunston Marina to which the Council could choose to support by part funding of £100k from CIL. CRT is continuing with developing the design and an update on progress should be available for the next report.

Westbridge Depot – New Accommodation for NPH: The Council has agreed with NPH to provide it with 500m² of new accommodation (known as the Engagement Building) at Westbridge Depot. The Council was due to provide this by September 2022, up to a cost limit of £1m plus demolition works (if required) and subject to it being achievable. Any further investment would be the Council's choice. NPH would enter a lease with the Council for the accommodation. Options have been explored and constructing a new modular building was the preferred solution.

However, it has been determined that there are 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. Discussion with the Development Management has confirmed that it would strictly follow HSE guidance. Therefore, it will not be possible to locate the new accommodation adjacent to and linked to the existing NPH accommodation. As a result of this issue, other options are being considered. 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 insufficient Government grant be awarded. The feasibility work was submitted to the Department for Transport at the end of April 2022 and the outcome is awaited.

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 will be sought to establish a budget to develop the project supported by a business case. Bat surveys will be undertaken in July 2022 to check if they are roosting in the building or trees nearby as this could be a constraint on the project.

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. The Council has purchased commemorative plaques which are now available for organisations/groups to collect and place at their planting project.

Long Buckby Flood Alleviation Scheme: Working with the Flood Resilience Team to deliver a flood alleviation scheme which is at design stage. Investigations into utility locations and pipe conditions along with statutory approvals from Anglian Water are ongoing. The works will temporarily prevent access to an agricultural field, so the farmer requires the investigation works to be delayed until September 2022 after harvest.

New Care Home in Towcester: Initial feasibility work has enabled a site to be identified in Towcester. This can now be taken forward with further investigation and discussion with stakeholders to determine if constructing a new care home with circa 80-100 bedrooms to enhance provision in the area is viable. Funding will be sought to establish a budget to undertake more detailed feasibility work supported by a business case.

Refurbishment of New Street Toilets, Daventry: This is a legacy project and being delivered through the Council's construction framework. The works are nearing a start on site, but this will not commence until communications with interested parties have been completed to advise of the temporary closure whilst work is undertaken. Temporary toilets will be provided,

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. This is feasible, but the estimated cost was significantly above the target budget, so this is being considered further.
- Conversion of an existing building at Elizabeth Woodville School (EWS) at Roade for SEND provision and construction of a new SEND unit on the same site. Feasibility will also be undertaken at St John's Tiffield site to see if it could accommodate this in the eventuality that the existing Academy operating the EWS was unsuccessful in its bid to run any new SEND school on its site, as it would not be practicable to have two different school operators 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.
- Project at Harlestone Primary School to provide a new MUGA and 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 have been commissioned to design the facility and this is ongoing.

Councillor Malcolm Longley
Cabinet Member for Finance