

NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW EXECUTIVE COMMITTEE MEETING

26th November 2020

Report Title	Assets, Capital Schemes and Reserves Notification Process - Chester House Estate Update	
Report Author	Kerry Purnell, Assistant Director Corporate & Community Services NCC kepurnell@northamptonshire.gov.uk	
Future Northants Programme	Place	
Future Northants Programme Lead	Martin Hammond	

List of Appendices

Appendix A – Report to NCC Cabinet 10th November 202

Appendix B – Addendum Report to NCC Cabinet 10th November 2020

1. Purpose of Report

- 1.1 The purpose of this report is to advise the Shadow Executive of a proposal that is considered to be notifiable under the Assets, Capital Schemes and Reserves Notification Process (the Process) adopted by the Shadow Executive at its meeting on 23 July 2020.

2. Background

- 2.1 The new unitary authorities for North and West Northamptonshire will come into existence from 1 April 2021. The resources, investments and assets of the predecessor authorities will transfer to one or other of the new authorities on that date. It is recognised that decisions and actions taken by the existing authorities should be done so in the context of not adversely impacting on the new authorities.
- 2.2 A Process was adopted by the Shadow Executive at their meeting on 23rd June 2021. Under the process, any **proposed** purchase, disposal and transfer of assets, new capital schemes with on-going financial commitments and use of reserves **above those already set out in each council's budget**, by any of the existing councils above a set *de minimis* level must be notified to the relevant Shadow Executive(s).

- 2.3 The *de minimis* level above which notification for financial proposals must be made is £100,000. The notification requirement and de minimis level will apply to both capital and revenue proposals. Exceptions exist for:
- Adult and Children care packages
 - HR matters and issues.
- 2.4 The process requires that any qualifying proposal must be submitted by the applicable authority's Chief Executive or Chief Finance Officer (s.151 officer) to the Interim Chief Executive(s), who will arrange for the proposal to be discussed at the next available meeting of the Shadow Executive(s).
- 2.5 The Shadow Executive will act as a consultee and will be asked to endorse, rather than approve the proposal put before it.

3. Recommendations

- 3.1 It is recommended that the Shadow Executive Committee endorse the sovereign Authority, NCC's, decision to:
- Endorse the updated Business plan for Chester House Estate (formally Chester Farm) and acknowledge the progress made over the last 6 months
 - Support the proposed media launch (date to be determined) post lifting of national restrictions
 - Approve the proposal to uplift the budget by £850k for the bond funding which is required in order to complete the capital works as indicated in the December 2019 Cabinet report
 - Approve the uplift of the capital budget by £722k in respect of Heritage Lottery Grant Funding previously assigned to revenue for project management and other fees which will now be capitalised
 - Approve the further uplift of the capital budget by £700k in anticipation of a further Heritage Lottery Grant

4. Issues and Choices

- 4.1 The proposals for consideration are set out at Appendices A and B to this report. The Business Plan and slides at Appendices C and D provide the full outline of the Chester House Estate programme.

5. Implications (including financial implications)

5.1 Policy

- 5.2 The proposals for consideration are considered to be notifiable under the Process as outlined above.

5.3 Financial Implications and Risk

5.4 The process of notifying the Shadow Executive of the attached proposals is a mechanism for reducing the risk of an individual authority making a decision that may be detrimental to the unitary authority.

5.5 Although there were no immediate financial implications from NCC's decision to endorse the recommendations, the Shadow Authority should in particular note paragraph 2.8 in Appendix B (addendum report) which states:

'If the new NHLF grant application is not successful the intention is to complete the capital works within the existing budget envelope through any value engineering that is necessary but will not compromise the delivery of the business plan.'

5.6 NCC will know by 19th December if the new HLF grant application is successful and will know by week commencing 23rd November what the final contract sum of the new capital works contract will be, and therefore if any funding gap remains. The Chester House Estate project team are working up mitigations should a gap emerge.

5.7 In addition to the capital investment the report to NCC Cabinet sets out, the business case which will have a financial impact on the new council, will need to be incorporated into future budget provisions.

5.8 **Legal**

5.9 The Process is an alternative to a Section 24 notice and allows local needs to be met, such as certain exceptions, and builds on the spirit of collaboration and co-operation in managing resources, investments and assets that already exists amongst the existing councils.

5.10 **Equality and Health**

5.11 The report has no immediate or direct impact on equalities. It will be important to do equalities impact assessments when it gets to the detailed planning of individual activities that will be delivered on site.

5.12 **Climate and Environment**

5.13 The whole scheme has been through a Planning Process. This includes consultation with statutory partners including Natural England, Environment Agency and Highways Agency.

5.14 **Community**

5.15 None specifically.

6 **Background Papers**

Chester House Estate Business Plan
Chester House Estate Business Plan changes presentation