

# Place Commissioning

## Business Plan

2017-18 to 2020-21

### Place Directorate commissioning intentions

- The Place Directorate will seek to achieve efficiencies through improved processes, practices and procedures, by rationalising a range of work and disparate activities currently undertaken across a range of delivery vehicles and Directorates.
- Place will deliver financial savings through more joined-up service delivery and re-engineering processes associated with the Council's strategic assets and properties.
- The entirety of the Council's Capital Programme will be overseen by the Place Directorate and all of the Council's existing PFI programmes will be managed corporately through smarter and more coherent management as a consequence of the benefits of single control and economies of scale.
- By bringing together the broad range of functions and activities we will be able to have a new dialogue with the public, private and voluntary sectors with the ability to lever in investment and services.
- This is about a new entrepreneurial approach to get things done for the people of Northamptonshire whilst at the same time securing significant savings and benefits for the Council.

### 1. Vision Statement

*"To achieve sustainable improvements in the economic, social and environmental wellbeing of Northamptonshire communities by ensuring the right infrastructure and facilities are available in the right place, at the right time, for the right people in the most safe and cost effective manner."*

#### 1.1. Our Purpose and Main Activities

The Place Directorate addresses all aspects of Council services from a perspective of a physical, tangible and place-based asset within the geography of Northamptonshire and beyond. This includes not just the management and operation of these assets but also their exploitation in order to help achieve wider policy goals through new and innovative approaches.

#### Key Outputs and Inputs

- Road length managed 4521.8km, 2154km of Footpaths, 813km Bridleways, 107km Byways
- 65,766 street lights replacement as part of PFI

- 5,948,000 Bus journeys starts in county for concessionary fares 2015-16
- 332,445 tonnes household waste managed in 2015-16 of which 46% (152,863 tonnes) was recycled
- 9 Recycling Centres provided in County
- 820 planning applications required Sustainable Urban Drainage comments in 2015-16
- 6098 incidents attended in 2015-16
- 317 Killed or Seriously Injured on County roads in 2014
- Details of 65,000 monuments held on Historic Environment Record database
- NCC has 1,370 assets valued £1bn including schools, libraries, residential units and major offices, plus 327 ha of Agricultural land
- 35 new schools required by 2021
- 53,810 premises able to take up Superfast Broadband as at March 2016
- 96% of planning applications determined within statutory period
- 42% of Local Wildlife Sites in positive management, 135,000 trees planted in partnership with Woodland Trust as at April 2016
- £1.5bn PFI Programmes (schools, care facilities and street lights)
- £650m Capital programme

**Primary Place Directorate activity strands**

Strand	Activity: What is provided
<b>Highways and Transportation</b>	Maintaining the Highway, footpaths and Rights of Way Maintenance of Street Lights Delivering transport infrastructure Passenger Transport
<b>Waste Management</b>	Disposal and treatment of Waste Recycling of Waste
<b>Emergency Response and community protection</b>	Flood and Water Management Fire and Rescue Emergency Planning Community Safety & Prevention Road Safety

	Trading Standards
<b>Culture and Heritage</b>	Archives and Heritage Heritage Gateway
<b>Physical Assets</b>	Corporate Asset Management Exploitation of Strategic Assets and Landholdings Schools Build Programme PFI Management Capital Programme management
<b>Economy</b>	Economic and Commercial Development Superfast Broadband Infrastructure and Delivery
<b>Environment</b>	Strategic Land-use Planning/ Minerals and Waste Planning Environment and Carbon Management

### 1.2 Our Vision in Four Years

The direction of travel of the Place Directorate is based upon the initial “Big Ideas” put in place by the old Environment Development and Transport Directorate and will continue the development of existing *Strategic Alliances* and the establishment of new ones in order to achieve Council objectives. However, the organisational arrangements and governance for the delivery of PLACE functions is expected to change dramatically through the implementation of a new operating “Joint Venture” vehicle and the introduction of a “Managing Agent” public private sector concept. This will provide an opportunity to lever in significant up-front investment to derive longer-term revenue benefit for the Council. This is wholly in keeping with federated model structure for Next Generation Council.

The range of initiatives that will be promoted through the new model include: the potential introduction of a renewable energy facility, a dementia and research village, new care facilities, new schools built, the Total Transport Social Enterprise concept, a programme of community hubs, Sub-National Transport Body status as part of England’s Economic Heartland, the delivery of smart transport corridors, a billion pound infrastructure programme, Heritage Gateway concept, closer collaboration between Police and Fire Services, and 100% coverage of Superfast Broadband. This will also mean working in continuing partnership with other public authorities including the NHS, SEMLEP and the England Economic Heartland group of authorities.

## 2. Strategic Outcomes

The Council has agreed an outcome framework at Cabinet in October 2016, which is outlined in figure 1. The framework consists of two parts, the first of which are 5 strategic objectives for the Council, and second of a series of specific outcomes to the achievement of which all of our services are contributing.

*Fig 1. Strategic Outcomes for the Council*

People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities	People have the information and support they need to make healthy choices and achieve wellbeing	People achieve economic prosperity, in a healthy low carbon economy which gives access to jobs, training and skills development	Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure	Resources are utilised effectively and efficiently, in coordination with partners and providers
The voluntary and community sector provides accessible universal services and targeted support where needed	Our children grow up in a county which promotes healthy lifestyles and nurtures aspirations	Our education provision equips children and young people with the skills they need to achieve their full potential and ambitions	Businesses, communities and individuals have access to 21 <sup>st</sup> century connectivity	Taxpayer money is used and managed effectively to deliver cost-effective solutions
People are safe and able to live fitter for longer in their homes and communities	People have access to timely, good quality and relevant advice to help them make informed lifestyle choices	Improved levels of qualifications, skills and pay in our county	The County's physical and natural environment is resilient and is enjoyed by residents & visitors	Robust knowledge of the county and how it will develop informs commissioning
Children live in safe and supportive family environments	People have access to high quality and accessible wellbeing services to help them staywell and enjoy good physical and mental health	Our first class, thriving and diverse economy attracts business into the county	Our planning infrastructure is fit for the future, supports economic and demographic growth and delivers resilient strategic solutions for partners and ourselves	A democratic, transparent, representative and accountable public service
Individuals and their communities are protected from harm and are supported to take responsibility for their wellbeing	Where eligible, people have access to the right services to help them achieve their health and care outcomes	People have access to good jobs and are able to work, contribute and enjoy a good standard of living	Councillors have the support needed to effectively represent and lead their communities	Getting a fair deal for Northamptonshire through engagement and representation with the Government
Children who need care and protection receive timely and proportionate help to ensure they staysafe and thrive		The County has an energy efficient, low carbon economy with reduced unnecessary waste		The reputation of the public sector is protected and enhanced
				Responsive, high quality and good value for money support services.

See table below showing how the various services delivered by PLACE Directorate contribute to the County Council's Strategic Outcomes.

<b>People of all ages are safe, protected from harm and are able to live happy, healthy and independent lives in our communities</b>	<b>People have the information and support they need to make healthy choices and achieve wellbeing</b>	<b>People achieve economic prosperity, in a healthy low carbon economy which gives access to jobs, training, skills and development</b>	<b>Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure</b>	<b>Resources are utilised effectively and efficiently, in coordination with partners and providers</b>
Fire & Rescue Services Emergency Planning Community Safety Environmental Protection Trading Standards Road safety Police & Ambulance Collaboration Winter Gritting Service	Heritage & Archives	Waste Management & Recycling Economic Development International Office England's Economic Heartland Asset Utilisation Strategic Alliances Carbon & Energy Management	Development Control Minerals & Waste Highways Maintenance Passenger Transport/ Total Transport Street Lighting Superfast Broadband Parking & Regulation New Infrastructure Biodiversity Flood & Water Management	Strategic Land Holdings Corp. Business Development Schools Build Programme Corporate Landlord Capital Programme Management PFI Contract Management (inc Schools, Shaw)

### 3. Context and key data

The population of Northamptonshire now stands at 723,026 persons, an increase of 4.5% since the 2011 Census, above national average growth. It is projected (ONS, 2014-based) that the population of Northamptonshire will grow by a further 4.6% (from 2014 levels) by 2019 based on a combination of natural change (births minus deaths), internal (within-UK) and international migration. This means that over the next twenty years or so, Northamptonshire will be subject to unprecedented levels of growth with 70,000 new houses planned and 80,000 new jobs, this coupled with a growing and ageing population impacts significantly on the Council with a requirement to ensure that infrastructure is available to meet this growth, this together with a current existing identified requirement to provide an additional 35 schools by 2021.

The impact of the UK's exit from the EU on population statistics is uncertain, and although no changes are anticipated in the immediate to short-term, there is likely to be some change to immigration policy in the longer-



term, which may, to an unknown extent, affect population and associated projections including housing demand, traffic volume and demand for school places in the longer-term.

Many commentators are also predicting a **slowdown in the economy**, in the short-term at least, due to the effects of heightened uncertainty following the vote to leave the EU. Anecdotally, this is already affecting investment decisions. The measurable economic effects of an exit/ lead up to an exit from the EU will not be known immediately, but some effect should be anticipated and associated knock-on effects for PLACE income and projections affecting capital decisions factored in. For example, we are aware that in recent years 30% to 40% of in-year new additions to the school aged population in Northamptonshire have been from abroad and therefore this becomes an unknown variable for future years.

The latest available data (pre-referendum) depicts economic conditions as being relatively stable with an above average (better) employment rate (to end Dec 2015) and below average (better) **unemployment** rate (to end Dec 2015) and Jobs Seekers Allowance claimant rate (May 2016), now sitting below pre-recession levels.

Along with demographic trends, and changes within the economy, the weather can also generate volatility resulting in a direct impact on the expenditure levels required by services. For example, during hot weather there can be an increase in fires, and in wet weather there can be an increase in flood related activity. Similarly, road conditions can deteriorate rapidly due to a combination of all weather conditions, and there are also significant seasonal variations in the amounts of waste requiring disposal. Whilst every effort is made to accommodate these weather impacts within existing budgets and resources, it should be noted that there are no designated budgets to tackle many of these events.

Transport statistics indicate that traffic volume (motor vehicle traffic vehicle miles, DfT) in Northamptonshire is increasing at a similar rate to the national average (estimated 1.3% in the 10 years to 2014) and is forecasted to increase by 11.6% by 2020. In 2014 (latest data) the number of motor vehicle traffic vehicle miles in Northamptonshire was the highest figure since 2007 (5.25 billion vehicle miles). In recent years vehicle speeds have been consistently higher in Northamptonshire (and therefore better in congestion terms) than England.

#### 4. Risk Factors

The high level risks associated with the new responsibilities for the PLACE Directorate currently include:

- Government funding to support the implementation of new infrastructure is not forthcoming;
- EU funding dries up as a result of BREXIT;
- England's Economic Heartland disbands or Sub-National Transport Body Status does not come to fruition;

- Negative changes to the economic climate will affect opportunities to exploit our assets, both land and property;
- Potential public and political opposition to sensitive “Big Ideas”;
- Lack of private sector interest in the new “Joint Venture” concept.

## 5. Net Revenue Budget Requirement – 2017-18 to 2020-21

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
<b>Prior Yr Base Budget b/fwd</b>	<b>89,231</b>	<b>81,104</b>	<b>79,931</b>	<b>70,425</b>
Inflation	2,053	1,731	1,621	1,651
Service Pressure	(321)	805	832	825
<b>Total</b>	<b>1,732</b>	<b>2,536</b>	<b>2,453</b>	<b>2,476</b>
Efficiencies	(5,350)	250	0	0
Income Generation	(859)	(159)	(159)	0
Service Transformation	(3,550)	(3,800)	(11,800)	0
Service Cuts	(100)	0	0	0
<b>Total</b>	<b>(9,859)</b>	<b>(3,709)</b>	<b>(11,959)</b>	<b>0</b>
<b>Net Budget Requirement</b>	<b>81,104</b>	<b>79,931</b>	<b>70,425</b>	<b>72,901</b>

## 6. Capital Investment

The Council’s Capital Programme and the Capital Strategy that underpins it are critical components to the delivery of step change and redesign of the Council’s business activity, service delivery and the growth of Northamptonshire as a great place to live, work and visit.

The PLACE Directorate has oversight and corporate management of all capital spend across the County Council. The importance of high level corporate governance cannot be overstated in developing a strategic and seamless approach to efficient management of the Council’s Capital Programme and capital funding. All capital schemes progress through corporate governance arrangements, ensuring robust business cases test schemes prior to approval and post investment reviews are undertaken upon major schemes completion.

The Capital Strategy provides the Council with clarity of purpose over its Capital Programme and capital funding ensuring a ‘one Council’ approach to funding and a corporate responsibility over debt financing.

The Capital Strategy is reviewed on an ongoing basis to reflect the consistently changing environment in which the Council operates. The Council's Capital Strategy 2017-18 to 2021-22 forecasts a Capital Programme of £721m over the five year plan period, which comprises:

- A Development Pool totalling £558m and the prioritisation of 52 key schemes against the associated funding streams making up the Pool;
- Discretionary Funding Pot totalling £39.5m over the plan period including the announcement of £23.6m of new discretionary funding;
- Forecasted capital receipts of £43.1m over the plan period supporting the levels of capital investment able to be announced; and
- 68 schemes/priorities achieving programme entry into the Council's Pre-Qualification Group which the Council will consider for future capital investment.

For more information see the County Council's Capital Strategy 2017-18 to 2021-22.

## **7. Summary of Medium Term Strategy to 2020-2021**

The PLACE Directorate will be seeking to achieve efficiencies through improved processes, practices and procedures, by rationalising a range of work previously undertaken within other directorates and better exploiting our assets. The main focus for activity will be to strengthen existing Strategic Alliances and develop new ones in order to help deliver an increasing workload with reduced resources and funding, including closer collaboration with other blue light services. This will involve the exploitation of NCC assets more effectively and the potential for establishing new joint ventures with public, private and voluntary sectors.

### **Efficiencies**

Given that the overwhelming majority of the HALO Transformation Strategy has been effectively and successfully delivered, there is not a great deal of scope for further efficiencies within the former EDT Directorate. However, with the establishment of the PLACE Directorate there are new opportunities to explore savings and efficiencies more holistically. As a result of this new approach the broader PLACE service is now able to put forward a further £5.4m of efficiencies in 2017-18 largely through improved asset exploitation.

### **Income Generation**

The main increase in income will be through better exploitation of our heritage and archive assets and introducing new discretionary charges within the Planning service. A review of our Highways fees and charges has already been undertaken and implemented following approval by Cabinet. Many of the Council's charges (e.g. skip licences and pavement crossovers) are significantly affected by the elasticity of demand. In other words, if costs go up then public take-up might reduce. Many of our charges are also set by Government and cannot be changed.



**Service Transformation**

Every part of the Directorate has already undergone significant and radical transformation that was successfully delivered. The final part of the overall plan is to cover the newly combined property and asset functions of the authority to fully realise the benefits of the PLACE Directorate and further exploitation of our assets to drive revenue savings.

In addition, the Directorate is engaged with partners in a Total Transport Project which aims to integrate transport services to meet the transport needs of all the community in a social enterprise model which will benefit the community and reduce costs.

We will also continue to develop the partnership with all council partners of England's Economic Heartland, to achieve economies of scale, particularly through the development of one of the country's first sub-national transport Bodies.

An innovative approach to energy generation will see us working with private sector partners to develop new and sustainable models over the medium to long term.

**Service Cuts**

The savings proposals for 2017-18 translate into service reductions of various degrees of magnitude. The implications of these cuts are made transparent in the Equality Impact Assessments and will be subject to consultation where appropriate.

8. Medium Term Plan Proposals

Proposal Number	Growth Proposals	Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
<b>Inflation</b>							
10-033-01c	Forecast Pay inflation	Budget growth in respect of locally negotiated pay inflation	245	247	250	252	994
10-035-01c	PLACE Contract Inflation	Contract Inflation in relation to PLACE Directorate	1,251	953	974	995	4,173
10-036-01	Utilities Inflation	Inflationary pressure on the utilities contracts	182	145	0	0	327
10-037-01a	PFI Increases NTLF	Contractual inflation for the grouped schools Private Finance Initiative scheme	233	239	245	245	962
15-009-03a	National Living Wage Increase	Budgeted inflation in National Living Wage incorporating changes announced in the Autumn Statement.	142	147	152	159	600
<b>Total Inflation</b>			<b>2,053</b>	<b>1,731</b>	<b>1,621</b>	<b>1,651</b>	<b>7,056</b>

<b>Other Service Pressures</b>							
10-015-01	Volume changes on Waste budgets	Using data, forecasts are made as to how much waste will be produced in the county. Both quantity and price are forecast to increase, however two types of waste that was previously sent to landfill will now be treated resulting in reduced costs. In addition, recycling may increase. These changes are reflected in the yearly budget figures.	426	434	460	460	1,780
13-006-13	Highways structural maintenance	Return to revenue funding of a proportion of the £5m structural maintenance budget to be funded from capital from 2014-15 onwards.	350	350	350	350	1,400
13-009-07	Project Angel Transition Pressure	Reversal of the one off budget increase for 2016-17 to cover double running costs and dilapidations of leased buildings to facilitate the delivery of Project Angel.	(800)	0	0	0	(800)
16-006-01	Flood & Water	Funding for Lead Local Flood Authorities is included as part of the local government finance settlement. Secretary of State on 17 December 2015 stated there would be a protection in real terms funding for lead local flood authorities and for those authorities to act as statutory consultees in planning sustainable drainage systems.	39	7	8	0	54
16-006-02	Highways Contract Pension Commitments	Inescapable commitment linked to staff related costs.	14	14	14	15	57
14-002-19	East Northants Temporary Accommodation	Removal of one off growth requirement given in 2016-17 to fund the temporary accommodation as part of the East Northants 3 tier to 2 tier school system reorganisation.	(350)	0	0	0	(350)
<b>Total Other Service Pressures</b>			<b>(321)</b>	<b>805</b>	<b>832</b>	<b>825</b>	<b>2,141</b>
<b>Total Growth Proposals</b>			<b>1,732</b>	<b>2,536</b>	<b>2,453</b>	<b>2,476</b>	<b>9,197</b>

Proposal Number	Savings Proposals	Description	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Total £000
13-005-07 16-006-10	Property Exploitation Strategy	Continued efficiencies from rationalising the property estate achieving reduced property costs such as maintenance and rents.	(1,000)	0	0	0	(1,000)
13-009-08b	Project Angel - Property Operational Savings	Reduced running costs from operating one new building and exiting 12 old buildings.	(1,000)	0	0	0	(1,000)
15-009-09	PFI Schemes - Review of contract costs	A review of the NCC contract management arrangements across all of its PFI schemes as part of NCC's Next Generation Council model.	(200)	0	0	0	(200)
15-009-10	PFI Scheme - Debt Assignment	Continued working with NSL (the Schools PFI Contractor) to seek to achieve savings in respect of the grouped schools PFI contract.	(300)	0	0	0	(300)
16-006-04	Home to School Transport Review	A review of Home to School, and Post 16 Education Transport to ensure existing policies are appropriately applied, remove any discretionary services which no longer apply, and to consider alternate more cost effective delivery of transport provision.	(600)	0	0	0	(600)
16-008-68	Chester Farm	Capitalisation of 2017-18 delivery cost.	(250)	250	0	0	0
16-006-09	No 1 Angel Square asset exploitation	Saving and additional income through financial exploitation of newly completed and fully owned Public Services Hub.	(2,000)	0	0	0	(2,000)
<b>Total Efficiency</b>			<b>(5,350)</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>(5,100)</b>

Income Generation							
15-004-19d	Fees and Charges	NCC charges the lowest council tax of any council in England and believes that where customers have a choice of whether to pay for something, including enhanced services then they should have that option. Similarly if the 'state' already provides funding for individuals that includes a provision to pay for services, then NCC should not further subsidise or duplicate that funding. These we believe are at the heart of our Fees and Charges policy. Where appropriate we will also avoid the build up of debt, and potential bad debt provision' through charging appropriate payments in advance. Examples of this will include, changing the charging policies to ensure all our charging is in line with other councils and reflects our lowest taxation position.	(159)	(159)	(159)	0	(477)
16-006-69	Income Generation	Annual revenue stream from investment in commercial real estate.	(600)	0	0	0	(600)
16-006-06	Income Generation	Introduction of a new discretionary charging regime for Planning Services.	(100)	0	0	0	(100)
<b>Total Income Generation</b>			<b>(859)</b>	<b>(159)</b>	<b>(159)</b>	<b>0</b>	<b>(1,177)</b>
Service Transformation							
13-006-01	Total Transport - Social Enterprise Model	Create an integrated transport service to meet the transport needs of all the community, possibly involving strategic alliances or social enterprises with profits channelled back into the local community.	(500)	(1,000)	(1,000)	0	(2,500)

13-006-04	Renewable Energy Facility	Development of a renewable energy facility based on new technologies in conjunction with private sector to generate revenue.	0	0	(10,000)	0	(10,000)
14-006-23	Review of Fire Service	Savings arising from a fundamental review of the entire Fire and Rescue Service and subject to consultation on the Integrated Risk Management Plan. This will include the exploration of closer collaboration with Police and other blue-light services.	(700)	(500)	(300)	0	(1,500)
15-006-42	England's Economic Heartland	Creation of a Strategic Transport Forum of County and Unitary Council's and LEPs to drive savings from collaborative procurements and other efficiencies derived from increased economies of scale.	(400)	(400)	0	0	(800)
15-006-44	PLACE Joint Venture	Engage Private Sector to participate in new joint venture partnership for the PLACE Directorate which will provide up front funding for infrastructure for a long-term return on investment along with ongoing revenue efficiencies and income generation opportunities.	(1,500)	(500)	(500)	0	(2,500)
15-006-45	Partnership with Neighbouring Authorities	Efficiency savings through closer collaboration with adjacent authorities.	(100)	(400)	0	0	(500)
15-006-46	Exploitation of Superfast Broadband	Increase the optimisation of Superfast Broadband to over 50% to trigger further sharing of benefits.	0	(1,000)	0	0	(1,000)
15-006-47	Place Commissioning Efficiencies	Deliver financial savings through more joined-up services and improved processes.	(250)	0	0	0	(250)
16-006-05	Archives Service Review	Savings arising from a fundamental review of the Archives Service to achieve efficiencies and identify income-generating opportunities.	(100)	0	0	0	(100)
<b>Total Service Transformation</b>			<b>(3,550)</b>	<b>(3,800)</b>	<b>(11,800)</b>	<b>0</b>	<b>(19,150)</b>



Service Cuts							
16-006-03	Trading Standards Reduction	Reduce the overall operational budget of the Trading Standards service.	(50)	0	0	0	(50)
16-006-08	Economic Development Reduction	Remove the residual economic development budget used to match external funding bids.	(50)	0	0	0	(50)
<b>Total Service Cuts</b>			<b>(100)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100)</b>
<b>Total Savings Proposals</b>			<b>(9,859)</b>	<b>(3,709)</b>	<b>(11,959)</b>	<b>0</b>	<b>(25,527)</b>