
**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER ONE 2012/2013**

**Responsible Cabinet Member – Councillor Stephen Harker,
Efficiency and Resources Portfolio**

**Responsible Directors - Paul Wildsmith, Director of Resources
Richard Alty, Director of Place**

SUMMARY REPORT

Purpose of the Report

1. This report provides:
 - (a) A summary of the latest Capital resource and commitment position, to inform monitoring of the affordability and funding of the Council's capital programme.
 - (b) An update on the current status of all construction projects currently being undertaken by the Council
2. It also seeks approval for a number of changes to the programme.

Summary

3. The current projected outturn of the 2012/13 Capital Programme is £75.5M against an approved programme of £75.4M. The investment is delivering a wide range of improvements to the Council's assets and more critically, to Council services. Refurbishment of Council homes, improved learning environments in schools, better traffic flows and opportunities for sustainable travel have been achieved and are detailed within the report. The programme, including commitments, remains affordable within the Medium Term Financial Plan (MTFP) for 2012/13 – 2015/16.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 59 live projects currently being managed by the Council with an overall project outturn value of £63.7M. The majority of projects are running to time, cost and quality expectations with no foreseeable issues.
5. The projects are managed either by the Council's in-house management team, a Framework Partner or by Consultants sourced via an open/OJEU tender process.

Recommendations

6. It is recommended that Cabinet:
 - (a) Note the attached status position on construction projects.
 - (b) Note projected capital expenditure and resources.
 - (c) Approve the adjustments to resources as detailed in paragraph 19.

Reasons

7. The recommendations are supported by the following reasons:
 - (a) To inform Cabinet of the current status of construction projects.
 - (b) To make Cabinet aware of the latest financial position of the Council.
 - (c) To maintain effective management of resources.

Paul Wildsmith
Director of Resources

Richard Alty
Director of Place

Background Papers

Capital Medium Term Financial Plan 2011/12 – 2014/15, 2012/13 – 2015/16
Project Position Statement June 2012

Brian Robson : Extension 2334, John Barrigan : Extension 2323

S17 Crime and Disorder	This report has no implications for crime and disorder.
Health and Well Being	There are no issues relating to health and wellbeing which this report needs to address
Carbon Emissions	There are no issues relating to environmental impact.
Diversity	There are no specific implications for diversity
Wards Affected	All wards are affected.
Groups Affected	The proposals do not affect any particular groups within the community
Budget and Policy Framework	The report highlights potential changes to the Council's budget.
Key Decision	The report does not represent a key decision
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter.
One Darlington: Perfectly Placed	The Capital Programme referred to in the report supports delivery of the Sustainable Community strategy through appropriate deployment of the Council's resources
Efficiency	The recommendations support the effective and efficient use of resources.

MAIN REPORT

Information and Analysis

8. **Appendix 1** summarises the Council's capital commitments and resources position. The total value of commitments, including 2012-13 spending and projected future spending, is £29.9M.
9. **Appendix 2** lists all live construction projects and provides details on numbers, type and details of the key individuals responsible for the delivery of the projects. It also provides a statement on the current status position on each project, details of actions being taken, where required and any current issues.

Project Position Statement

10. Project management procedures require the production by project managers of a Project Position Statement (PPS) for all projects over £75,000. This report brings together the pertinent data from the current PPS with financial information from the Financial Management System (FMS) and approvals by Cabinet
11. The Project Position Statement (**Appendix 2**) details the current live construction projects, up to the end of June 2012, by delivery area, excluding any completed projects or those on hold.
12. The overview of live construction projects is as follows:-




	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
(a) Place	21	16,238,172	16,089,645	-0.91	-148,527
(b) People	35	45,593,916	45,064,492	-1.16	-529,424
(c) Resources	3	2,506,000	2,509,886	0.16	3,886
TOTAL	59	64,338,088	63,664,023	-1.05	-674,065

13. The table shown above includes a column for current approved budget. In certain cases this budget figure may be different from the original approved budget. This could be as a result of variances identified during construction or other variables not known at the initiation stage. The original budget and all subsequent changes have been reported to and approved by Cabinet.
14. The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Place	-	1	1	5	14	-	21
People	-	1	1		33	1	36
Resources	-	-	-		2	-	2
TOTAL	-	2	2	5	49	1	59

- (a) **Control Point 1 (CP1) – Start Up:** is used to define the position of a project at its conception stage.
- (b) **Control Point 2 (CP2) – Initiate:** defines a project at feasibility stage and will likely include a desktop assessment of a project and the use of informed estimates.
- (c) **Control Point 3 (CP3) – Define:** the point that the project is progressed to RIBA Stage F, i.e. detailed design.
- (d) **Control Point 4 (CP4) – Construction Phase:** is the stage at which work begins on the project, i.e. for a construction project on site through to build completion.
- (e) **Control Point 5 (CP5) – Evaluate:** is the stage post completion of the project at which time the project is reviewed and lessons learned are discussed in order that they can be taken to the next or similar projects.

15. The status on live projects is as follows:

Department			
Place	1	16	4
People	2	28	5
Resources		3	
TOTAL	3	47	9

- (a) Green stars and red triangle symbols are used to identify projects that have variances which are:
 - (i) More than £5,000, if the variance is also more than 5% of the approved budget for the project, or
 - (ii) More than £50,000 regardless of the percentage variance
- (b) Projects that are within these margins are symbolised with blue circles.
- (c) In addition to cost, the same symbols are used to indicate similar levels of variances in time and quality/outputs/outcomes.

16. Current projects with the red triangle symbol are as follows:-

Project	Reason for Variance	Action
Central Park- Footbridge	Cost and programme overrun dispute	Discussions, in accordance with agreed strategy, are ongoing with the Project Manager and Contractor on disputed Compensation Events
Richmond Close - HCA	Increased costs mainly due to a contamination issue on site which has resulted in the removal of Asbestos.	Valuation to be agreed
Hurworth Primary	Anticipated increased costs are in relation to unforeseen claims from the Contractor.	Discussions ongoing to assess validity of claims

Reconciliation of Project Position Statement to Capital Programme

17. The table shown below reconciles the differences between the Capital Programme (CP) and the Project Position Statement (PPS). Differences occur because the Project Position Statement includes all construction projects over £75,000 in value funded from Capital and Revenue sources. Spending within the Capital Programme is not always of a construction nature, can be of any value and excludes Revenue funded schemes.

	Value £m
Live Projects from Project Position	63.664
Future years funding not yet released by Cabinet.	(2.699)
Schemes Closed or on hold.	(14.603)
Annualised Programmes.	6.145
Non-construction projects not included in PPS report.	6.355
Capital Schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	2.383
Capital Schemes not yet integrated into PPS reporting.	7.038
Projects under £75k are excluded from PPS reporting.	1.755
Funding not yet allocated.	0.095
Capital funding Passported direct to Academies.	5.400
Capital Programme	75.533

Capital Programme

18. Paragraph 19 shows the movements in the Capital Programme since the approval of the 2012/13 Capital MTFP that have not yet been approved by Members:-

19. Adjustment to resources requested by Departments:-

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
(a) Place - Regeneration	DCSF Development	(13,000)	Scheme no longer proceeding.	Corporate resources
TOTAL		(13,000)		

Outcome of Consultation

20. There has been no consultation in the preparation of this report.

2012/13 Capital Resources Summary					
Row Ref.		Approved Commitments £M	Virement of Resources £M	Variance £M	Total £M
1	Capital Commitments				
2	Brought forward from 2011/12	14.259			
3	2012/13 Capital Programme	15.457			29.716
4	Projected (Under)/Over Spend			0.141	0.141
5	Total Commitments	29.716		0.141	29.857
	To Be Funded By:				
	External and Departmental Resources				
	External Funding and Departmental Supported Borrowing	0.026	-	-	0.026
	Departmental Unsupported Borrowing	0.482	-	-	0.482
	Capital Grants	19.891	-	0.038	19.929
	Capital Contributions	0.192	-	-	0.192
	Revenue Contributions	6.780	-	0.116	6.896
	Capital Receipts - HRA	0.849	-	-	0.849
	Total	28.219		0.154	28.373
	Corporate Resources				
	Capital Receipts (General Fund)/Prudential Borrowing	1.497	-	(0.013)	1.484
	Total	1.497		(0.013)	1.484
13	Total Resources	29.716	-	0.141	29.857

Corporate Resources Analysis					
14	Corporate Resources available 2012/13				
15	Capital Receipts B/f			0.218	
16	Other Corporate Resources B/f			0.090	0.308
17	Actual receipts in 2012/13			-	
18	Anticipated and Potential Capital Receipts			0.097	
19	Other Corporate Resources			0.051	0.148
20	Total Projected Corporate Resources				0.456
	Less :				
21	Required Resources to fund 2012/13 expenditure				1.484
22	Other approved Capital Expenditure not released by Cabinet (1)				0.065
23	Total Planned Use of Corporate Resources				1.549
24	Prudential Borrowing required to Fund Capital Programme				1.093

Notes

(1) - Schemes included in the MTFP, not yet released: -

£'000

Planned Maintenance 08/09	40
DDA Works	25
Total	65