
**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER ONE 2011/2012**

**Responsible Cabinet Member – Councillor Stephen Harker,
Efficiency & 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 2011/12 Capital Programme is £126.8million against an approved programme of £126.8million. 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. In line with existing plans and as previously reported, it is expected that prudential borrowing of £1.7million will be used to fund commitments. The programme, including commitments, remains affordable within the Medium Term Financial Plan (MTFP) for 2010-14.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 72 live projects currently being managed by the Council with an overall project outturn value of £75.2million. 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.
 - (d) Approve the resource virements as indicated in paragraph 20.

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 2010/11 – 2014/15
Project Position Statement June 2011

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 2011-12 spending and projected future spending, is £42.1million. In line with existing plans and as previously reported, it is expected that corporate prudential borrowing of £1.7million will be used to fund capital expenditure commitments in 2011-12. The revenue impact is included in the Medium Term Financial Plan.
9. **Appendix 2** lists all live construction projects and provide 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 2011, 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) People - Children, Families & Learning	23	25,309,326	25,690,436	1.51	381,110
(b) Place - Community Services	5	17,585,797	17,660,482	0.42	74,685
(c) Resources - Transformation	2	2,443,000	2,509,886	2.74	66,886
(d) People - Adult Social Care & Housing	12	15,895,273	15,220,265	-4.25	-675,008
(e) Place - Place, Policy & Regeneration	4	2,473,158	2,408,703	-2.61	-64,455
(f) Place - Highways, Design & Projects	26	11,758,658	11,667,296	-0.78	-91,362
TOTAL	72	75,465,212	75,157,068	-0.41	-308,144

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
People - Children, Families & Learning	-	1	5	10	7	-	23

Place - Community Services	-	-	1	2	2	-	5
Resources - Transformation	-	-	-	1	1	-	2
People - Adult Social Care & Housing	-	-	1	3	8	-	12
Place - Place, Policy & Regeneration	-	2	1	-	1	-	4
Place - Highways, Design & Projects	1	3	6	6	10	-	26
TOTAL	1	6	14	22	29	-	72

- (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			
People - Children, Families & Learning	2	20	1
Place - Community Services	1	4	
Resources - Transformation	1	1	
People - Adult Social Care & Housing		7	5
Place - Place, Policy & Regeneration	1	2	1
Place - Highways, Design & Projects	4	18	4
TOTAL	9	52	11

- (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
Darlington Eastern Transport Corridor	Cost overrun due to compensation events and associated time delay	Contract complete – finalising outstanding land compensation act claims within the reported project costs
Town Hall Basement Void	Significant extra works required by	Contract complete

	the client and associated programme overrun	
Harrowgate Hill PCP	Tender prices higher than pre-tender estimates plus increased costs associated with variations to the PFI contract. Delays associated with difficulty amending PFI contractual arrangements.	The scope of the project has been reduced. The funding and reductions will be subject to a future Cabinet report.
North Rd Primary Pathfinder	Issues arising from complications and interrelated variations that can be classed generally into 4 areas: contaminated land, design changes, design omissions and client changes	Project closure being managed in accordance with strategy & contingency agreed at Cabinet on 8 th March 2011
Central Park Footbridge	Cost and programme overrun dispute	Bridge manufacture has recommenced. Discussions, in accordance with agreed strategy, are ongoing with the Project Manager and Contractor on disputed Compensation Events
A68 Royal Oak Ph1	Valuation submitted exceeded approved budget and is not agreed	Valuation to be agreed
Cleveland St	Valuation submitted exceeded approved budget and is not agreed	Valuation to be agreed
Priestgate	Valuation submitted exceeded approved budget and is not agreed	Valuation to be agreed
A1150 Whinfield Rd	Valuation submitted exceeded approved budget and is not agreed	Valuation to be agreed

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. Of those schemes included within the Capital Programme £84.7million relates to capital spend expended in previous years and the balance of £42.1million comprises of capital commitments brought forward from 2010/11 and schemes approved as part of the 2011/12 Capital Programme.

		Value £m
	Live Projects from Project Position	75.157
<i>less</i>	Future years funding not yet released by Cabinet.	(9.203)
<i>less</i>	Revenue funded projects. Only capital schemes are included within the CP.	(0.008)
<i>add</i>	Schemes Closed or on hold.	(0.202)
<i>add</i>	Non-construction projects not included in PPS report.	11.207
<i>add</i>	Capital Schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	27.596
<i>add</i>	Capital Schemes not yet integrated into PPS reporting.	15.831
<i>add</i>	Projects under £75k are excluded from PPS reporting.	6.430
	Capital Programme	126.808

Capital Programme

18. Paragraphs 19 & 20 show the movements in the Capital Programme since the approval of the 2010/11 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 - Community Services	Red Hall MUGA	(2,000)	Funding adjustment	Capital contribution
(b) Resources - Transformation	Land sale costs	18,000	Additional costs in relation to work on Haughton Rd.	Corporate resources
	Boundary walls	(11,000)	Work completed	Corporate resources
	Lightning protection works	(8,000)	Work completed	Corporate resources
(c) Place - Place, Policy & Regeneration	Bus depot works	(6,000)	Work completed	Capital contribution
	Allotment site clearance	(10,000)	Work completed	Capital contribution
	SSCF	(4,000)	Work completed	Revenue contribution
TOTAL		(23,000)		

20. Virement of resources requested by Departments:-

Department	Scheme	Value £	Reason for Virement
(a) People - Children, Families & Learning	Carmel RC Comprehensive	20,000	Roofing repairs
	Contingency	(20,000)	Roofing repairs
(b) People - Adult Social Care & Housing	Dinsdale Court	(37,000)	Various programme virements requested to fund Internal Planned Maintenance at Cockerton £652k and at Parkside £82k
	Windsor Court	(288,000)	
	Footpaths/Construction	(203,000)	
	Fencing	66,000	
	Roofwork	(50,000)	
	Branksome Hall Drive Remodelling	6,000	
	New Build - Adj. Linden Ct	1,000	
	New Build - Adj. Dinsdale Ct	41,000	
	New Build - Springfield	(163,000)	
	New Build - Richmond Close	41,000	
	New Build - Burnside Rd	14,000	
	Adaptions 10/11	(42,000)	
	Heating Replacement 10/11	20,000	
	Internal Planned Maintenance 10/11	(245,000)	
	Structural Repairs 10/11	122,000	
	Repairs Before Painting 10/11	(27,000)	
	Roof Work 10/11	(5,000)	
	Roxby Court	22,000	
	Professional Fees	(17,000)	
	Internal Planned Maintenance 11/12	744,000	
TOTAL		0	

Outcome of Consultation

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