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**CAPITAL PROGRAMME MONITORING**  
**THIRD QUARTER 2009-10**

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**Responsible Cabinet Member – Councillor Chris McEwan,**  
**Efficiency & Resources Portfolio**

**Responsible Director - Paul Wildsmith, Director of Corporate Services**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report presents an update of the Capital Programme including spending and resource levels and requests approval to a number of changes to the Programme.

**Summary**

2. The current projected outturn of the 2009/10 Capital Programme is £167.5M against an approved programme of £167.2M. The increase in projected spending is very largely a result of receipt of additional grant funding.
3. The capital investment has delivered 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.
4. The overwhelming majority of the Programme is funded by Government grants. Council resources of £3.272M are required to fund the balance of the Programme and the planned repayment of debt. The revenue impact is included in the Medium Term Financial Plan.

**Recommendations**

5. It is recommended that Cabinet :
  - (a) Note projected capital expenditure and resources.
  - (b) Approve the resource virements required for Children's, Transport and Corporate Services budgets.
  - (c) Approve the release of funding for School Travel Plans (£47,000).
  - (d) Approve the release of funding for Humersknott Cycle Shelter (£3,576).

- (e) Approve the release of funding in respect of the Alternative Education Provision Programme. (£205,000).
- (f) Note the reduction of Children's Services brought forward balances (£807,000) to reflect completed works.
- (g) Note the departmental revenue contribution towards the Open Contractor Implementation (£6,000).
- (h) Note the budget update in respect of the Xentrall Partnership ICT Room.
- (i) Approve the release of funding in respect of the additional costs incurred as part of the Allotment Site Clearance (£10,000).
- (j) Note the return of resource in respect of the Orange Employment Grant (£85,000) to Corporate Resources.
- (k) Note the variances within the Safer Stronger Communities Fund Mobile Unit (£35,000) and Carefirst grants (£32,000) pending resource release at future Cabinet.

### **Reasons**

- 6. The recommendations are supported by the following reasons:
  - (a) To make Cabinet aware of the latest financial position of the Council.
  - (b) To maintain effective management of resources.

**Paul Wildsmith**  
**Director of Corporate Services**

### **Background Papers**

- 1 Capital Medium Term Financial Plan 2009/10 – 2012/13
- 2 Accounting Records

### **Appendices**

- 1 Council's capital commitments and resources position
- 2 Departmental capital budgets, spend position
- 3 Current position of all capital projects

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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
Sustainability	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

#### 2009/10 Capital Spend and Resources

7. **Appendix 1** summarises the Council's capital commitments and resources position. The total value of commitments, including 2009-10 spending and projected future spending, is £81.933M. It is estimated that prudential borrowing of £3.272M will be required to fund the capital programme and the planned repayment of £800,000 of debt. The revenue impact is included in the Medium Term Financial Plan.
8. **Appendix 2** summarises departmental capital budgets, spend position of ongoing capital projects and projected under/overspends. The total approved budgets of all current capital projects, including spending in previous years and future expenditure is £167.2M. The projected outturn is £167.5M. The increase in projected spending is very largely a result of receipt of additional grant funding, particularly Department for Children, Schools and Families (DCSF) grant for 14-16 year-olds' alternative education provision.
9. **Appendix 3** details the current position of all capital projects that are currently ongoing.

#### Capital Programme Update

10. The following major areas of work have been undertaken in 2009/10.

(a) Children Services

- (i) The last phase of the major capital project to remodel and refurbish Hummersknott School was completed in August. The project was completed to budget and on programme and the defects liability period is now in operation. The successful delivery of this project required extensive collaboration and co-operation between all the parties who were involved and, as a result, the school premises have been fundamentally transformed.
- (ii) Building work for the new premises to accommodate the 700 place Eastbourne Academy commenced in May 2008 and was completed in August this year. The project was completed within budget and approximately two weeks ahead of programme. The Academy is now operating from an exemplar building and it is understood that the key stakeholders are delighted with the end result. The final delivered project is the result of significant time and commitment invested by sponsors, consultants, Authority Staff and the lead contractor, all of which is a testament to the spirit of partnership that prevailed throughout the course of this project.
- (iii) The new North Road Primary School is a DCSF designated pathfinder project, designed to satisfy the criteria that new ways to utilise resources should be explored, so that "teachers can spend more time teaching, thus raising standards". Work on site commenced on the 5 January 2009 and has progressed well. Phase 1 of the project, to build the new school premises, has now been completed and the School became fully operational from the new premises on the 6 January 2010. Phase 2 of the project, to

demolish the original school buildings and reinstate the land, is now underway and scheduled to be completed in March 2010.

- (iv) Primary Capital Programme (PCP) funding has been obtained to support an extensive programme of Capital works projects that are to be undertaken within Darlington schools over the next two years, to enhance facilities and improve the suitability and condition of the premises. PCP projects undertaken and completed to date include a staff room and classroom extensions, a new teaching resource base and the creation of a link footpath and canopy at the Abbey Federation schools; the concluding phase of roofing and window replacement works at Gurney Pease Primary School; works to improve the external play and learning provision at High Conniscliffe Primary School; heating, rewiring and roofing works at Red Hall Primary School; Phase 1 of extensive remodelling works at Reid Street Primary School; kitchen remodelling works and Phase 1 of ICT and rewire works at Whinfield Primary School; kitchen remodelling works at Heathfield Primary School; essential kitchen repair works at Hurworth Primary School; and kitchen remodelling and refurbishment works at Heighington Primary School. PCP construction works currently underway include an extension for 4nr. new classrooms at Alderman Leach Primary School; the formation of a vehicular turning circle at High Conniscliffe Primary School; and Phase 2 of remodelling works at Reid Street Primary School. Design and consultation works currently underway and being progressed for PCP projects include a dining room extension as Phase 3 of the proposals for the remodelling works at Reid Street Primary School; an extension for a new kitchen and multi-purpose Hall, with associated facilities, as Phase 1 of the proposed works at Corporation Road Primary School; an extension for 3nr. new classrooms at Harrowgate Hill Primary School; an extension for a multi-purpose room and internal remodelling works at Mount Pleasant Primary School; internal remodelling works as Phase 3 of the proposed works at Gurney Pease Primary; major remodelling and refurbishment works proposals at Dodmire School; and major remodelling and refurbishment works proposals at Hurworth Primary School, to consolidate the school within the existing infant building.
- (v) Other projects undertaken to date that have been funded from Schools Devolved Formula Capital and the 2009/10 Modernisation fund include extensive internal remodelling works and an extension at Borough Road Nursery, the last phase of the work being completed in October 2009; and the provision of a temporary classroom at Hurworth Comprehensive School, which has been in use since September 2009.
- (vi) Generally the building works undertaken over summer holiday period went extremely well, and subsequent feedback obtained from schools has been very positive.

## (b) Housing

- (i) Internal Planned Maintenance 2009/10 - This work is delivered by Building Services and our Partners Wates Living Space. To date this year 231 properties have been completed including 97 central heating's (Building Services 147 properties, Wates 84 properties. Building Services continue to work at Haughton before moving onto Cockerton and Wates continue to work in North Road.
- (ii) Roofing Works 2009/10 - Work is in progress at Middleton St George with over 60% of the properties completed. Work is due to start in Heighington at Hopelands Court and Bungalows. Surveys and estimates continue for future work in Hurworth and possibly other rural locations.

- (iii) Fencing 2009/10 - Work is due to be completed in Rise Carr to replace rear timber fencing. A second phase of fencing to provide steel fencing to the front elevations and the upgrade of rear divide with new 1.8m high timber to Hundens Lane was completed in August 2009. A programme to provide steel fencing to the Bank Top area of Town (Adelphi, Alderbery, Globe) was completed in August 2009, this provided the Courts with a perimeter boundary. Work to provide new fencing to Geneva Road continues with over 50% of the properties completed to date. Work to provide Cliffe Way bungalows with 1.0m high steel fence to the front perimeter will be completed December 2009. Work on Albert Hill commenced in November to provide new timber fencing and gates to the front of properties in conjunction with providing new footpaths, nine properties complete by December 2009. Work has been identified at West Auckland Road and other individual properties around the town. Surveys continue in Middleton St George and Hurworth.
- (iv) Footpaths 2009/10 - As above work is due to be completed in Rise Carr to provide new footpaths to properties. Work is currently on going to replace footpaths to both the front and rear of properties in Hundens Lane with over 60% complete to date. Again as above in conjunction with the Fencing work new paths and gardens have been provided to nine properties in Albert Hill. Bank Top Courts have been repaved to improve the external environment for the tenants alongside the new fencing mentioned above. Future works due start early 2010 to Arnold, Byron and Shelley Road and the Harrowgate Hill area of town to upgrade tenants access to both front and rear of properties.
- (v) Garages 2009/10 - Resurfacing of garage forecourts in Branksome and Lascelles were completed in October 2009. Roof works to Streatlam Garages are to be rescheduled to January 2010. Further surveys to be carried out to in Hexham Way to garage forecourt and roofs.
- (vi) Central Heating – 120 Properties completed this year including Cockerton (31), Eastbourne (10) and Haughton (55).

(c) Transport

- (i) The Council has continued to deliver capital funded actions through the Second Local Transport Plan (2LTP) in support of its Transport Strategy. The objectives of the Transport Strategy are to tackle congestion; improve accessibility to employment, education, shopping, leisure and health; and further improve travel safety and security.
- (ii) Whilst road users in Darlington do not experience the levels of traffic congestion seen elsewhere; tackling traffic congestion is still important, not least due to the need to protect the local economy, and environment, from the detrimental effects of congested roads. In response to this need, the Council is currently implementing its Transport Strategy with an emphasis on tackling traffic congestion through:
  - a) increasing road capacity at pinch points
  - b) further improving the management of the road network to increase traffic flow, and
  - c) encouraging more sustainable travel behaviour to reduce the pressure on the road network.

(iii) Schemes recently completed include:

- a) Elm Ridge Roundabout - Renewal of existing surface with high strength rut resistant surfacing.
- b) Whessoe Road – Kitcheners point southbound: Renewal of existing surface.
- c) North Road: Aldam Street inbound: Renewal of existing flagged footpath with new high strength concrete flags.
- d) Geneva Road – Cemetery entrance towards Neasham Rd Roundabout: Hardening of verges with red bitmac and resurfacing of road.
- e) C34a Lime Lane: Strengthening of failed carriageway haunches.
- f) Houghton Road – Freemans Place to railway bridge: renewal of existing carriageway surface.
- g) Yarm Road Footpath - Lynton Gardens to Geneva Road inbound: Renewal of existing flagged footpath with new high strength concrete.
- h) Dodmire Safer Route to School scheme - This scheme incorporates a series of speed cushions to provide a 20mph zone around Dodmire school linking to the existing Banktop 20mph zone and the proposed Neasham Road Toucan crossing, providing a safer environment in which school children and their parents can access school.
- i) A167 Croft Road Improvements - Provision of new cats eye installations and refreshed white lining.
- j) Whessoe Road pedestrian refuge - Improved signs, lining and a new central refuge to protect the existing crossing facility.
- k) Completion of the programme of providing dropped kerbs for residents with mobility issues.
- l) Erection of new Town Centre/Lingfield Point/Central Park signage on the A66 Trunk Road.

(iv) It is important that the capital transport programme needs to be consistent with revenue funded actions to achieve the best results. The Local Motion travel behaviour project has as previously reported delivered good results. Other projects that are currently being reviewed in the North East is the possibility of introduction of 'Smart Cards', this would require all buses to have smart card readers fitted and would reduce the time that the bus is delayed due to the purchase of tickets.

(v) Delivery of this third strand of the Council's focus on tackling traffic congestion is being helped by the use of external funding from the Department for Transport, Cycling England and European funding as part of the Interreg 1V Boosting Advanced Public Transport Systems programme.

(d) Corporate Services

- (i) The build and fit-out of the Town Hall ICT Room will be completed by the end of February 2010 with the equipment being moved in on a phased basis over the following six months.
- (ii) Accommodation Review - a number of moves have taken place that has allowed work to start on the former Kids & Co building and works at the Studios are nearing completion. Works on the print room are scheduled to start early January 2010 along with other minor works to Pease House. Further moves are to take place in the New Year. All works are expected to be within budget.

(e) Chief Executive

- (i) The Railway Museum Scheme is now complete.
- (ii) Work on the former bus depot complete. Footpath linking car park with crossing now constructed.
- (iii) Work on the former bus depot is now complete and the car park opened on Friday 31st July, 2009. An option of providing a footpath link from the footway adjacent to the crossing and into the car park at the corner of the site is currently being reviewed.

### Capital Spend and Resources Monitoring

11. The following movements in the Capital Programme since the approval of the 2009/10 Capital MTFP have not yet been approved by Members:

(a) Children's Services

- (i) The majority of increased costs identified in Appendix 3 represent a mixture of small additional costs and additional work carried out within the existing programme. The increased costs have been managed within Children's Services Contingency budget using existing capital resources.
- (ii) Several schools have been awarded a school travel plan grant allocation, totalling £47,000, from the DCSF. School Travel Plans are an effective way of providing opportunities for schools to change its travel habits and reduce its dependency on the car. This funding will be used to develop safe routes to school through practical projects to encourage people to walk, cycle and use public transport for health, safety and environmental reasons. One example is through the erection of bike shelters.
- (iii) A contribution of £3,576 has also been received from Sustrans for the erection of a cycle shelter at Hummersknott School.
- (iv) DCSF have increased the grant allocation for Alternative Provision by £205,000. This programme supports the delivery of alternative education opportunities for a number of 14-16 year olds in Darlington who may otherwise be at risk of missing out on education, training or employment opportunities in the future.
- (v) Several of the School Cost Centres are made up of a number of distinct capital schemes, each with different start and finish times. It is requested that the brought forward balances of the following Schools Cost Centres be reduced to reflect schemes completed in 2008/09:
  - a) Hurworth £87,000
  - b) Abbey Junior £24,000
  - c) Mowden Infants £33,000
  - d) Mount Pleasant £197,000
  - e) Longfield Comprehensive £193,000
  - f) Gurney Pease £111,000
  - g) Firthmoor £162,000



(b) Transport

- (i) Virement is requested to be made from the West Field Cycle works scheme to Travel Safety in respect of works on that scheme (£15,000).

(c) Community Services

- (i) The DETC is currently projecting an outturn of £15.077m , however there are still a number of bills with utilities etc to settle which could increase or decrease the final cost of the project. A more accurate outturn position will be known in around 3-6 months.
- (ii) Open Contractor Implementation - an additional Departmental revenue contribution of £6,000 has been made increasing resource available to £75,000
- (iii) . A grant of £42,000 has been received from the Safer Stronger Communities Fund to facilitate the launch of a new mobile Safer Neighbourhoods Unit. A report to request release of this funding will be presented to a future Cabinet meeting.

(d) Corporate Services

- (i) Virement is requested to be made from the Art Centre scheme to offset the £2,000 additional cost on Planned Maintenance.
- (ii) As reported at November Cabinet, the remaining overspend of £20,000 on Land Sale Costs will be reduced by anticipated capital receipts expected in the near future.
- (iii) The design and specification of the new ICT room were revised to provide significantly improved resilience and capacity for future developments. Revenue funding for the financing costs is included in the Xentrall Shared Services Business Case and is being funded by efficiencies generated from the partnership between Darlington and Stockton.
- (iv) A grant of £42,000 has been received from the Safer Stronger Communities Fund to facilitate the launch of a new mobile Safer Neighbourhoods Unit. A report to request release of this funding will be presented to a future Cabinet meeting.

(e) Chief Executive

- (i) The Orange Employment Grant of £85,000 is no longer required and can be transferred back to Corporate Resources.
- (ii) Additional spending required on the Arnold Rd Allotment site clearance means that the scheme will now outturn at £85,000. This project is resourced wholly through external funding.

(f) Adult Services

- (i) A report will be taken to March Cabinet requesting release of Department of Health Carefirst Information Grant.

## **Conclusion**

12. The current projected outturn of the 2009/10 Capital Programme is £167.5million against an approved programme of £167.2million. The increase in projected spending is very largely a result of receipt of additional grant funding, the release of which is recommended in this report along with some minor changes to the projected outturn. It is expected that prudential borrowing will be used to achieve the corporate resources of £3.272million that are required to fund commitments. The revenue impact is included in the Medium Term Financial Plan.

## **Outcome of Consultation**

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