

---

**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING  
QUARTER TWO 2010/2011**

---

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

**Responsible Directors - Paul Wildsmith, Director of Corporate Services  
Cliff Brown, Director of Community Services**

---

**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 2010/11 Capital Programme is £145.1million against an approved programme of £145.9million. 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. It is expected that prudential borrowing will be used to achieve the shortfall in corporate resources of £882,000 that are required 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 102nr live projects currently being managed by the Council with an overall project outturn value of £75.3million. 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 Corporate Services**

**Cliff Brown**  
**Director of Community Services**

## Background Papers

Capital Medium Term Financial Plan 2010/11 – 2013/14  
Project Position Statement August 2010

Ken Poole : Extension 4440, 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
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

8. **Appendix 1** summarises the Council's capital commitments and resources position. The total value of commitments, including 2010-11 spending and projected future spending, is £55.1million. It is estimated that prudential borrowing of £882,000 will be required to fund the capital programme. 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. Over the past 12 months new procedures for project management have been developed including 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 August 2010, 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) Children's Services	23	25,305,671	25,224,671	-0.32%	-81,000
(b) Community Services	5	17,511,797	17,593,506	0.47%	81,709
(c) Corporate Services	2	2,443,000	2,509,886	2.74%	66,886
(d) Housing	10	14,748,643	13,765,135	-6.67%	-983,508
(e) Regeneration	5	2,473,158	2,405,389	-2.74%	-67,769
(f) Transport	57	13,806,000	13,792,581	-0.09%	-13,419
<b>TOTAL</b>	<b>102</b>	<b>76,288,269</b>	<b>75,291,168</b>	<b>-1.31%</b>	<b>-997,101</b>




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
Children's Services	-	-	4	13	6	-	23
Community Services	-	2	-	1	1	1	5
Corporate Services	-	-	-	1	1	-	2
Housing	-	-	2	4	4	-	10
Regeneration	-	2	2	-	1	-	5
Transport	4	28	7	3	15	-	57
<b>TOTAL</b>	<b>4</b>	<b>32</b>	<b>15</b>	<b>22</b>	<b>28</b>	<b>1</b>	<b>102</b>

- (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			
Children's Services		22	1
Community Services	1	4	
Corporate Services	1	1	
Housing		6	4
Regeneration	2	2	1
Transport		55	2
<b>TOTAL</b>	<b>4</b>	<b>90</b>	<b>8</b>

- (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:-

<b>Project</b>	<b>Reason for Variance</b>	<b>Action</b>
Darlington Eastern Transport Corridor	Cost overrun due to compensation events and associated time delay	Contract complete
Town Hall Basement Void	Significant extra works required by the client and associated programme overrun	Contract complete
Central Park Depot	Original programme not been met owing to the economic climate and the delay in the start of the Central Park programme	Option to relocate is at an early stage and Officers are reviewing options
Central Park Footbridge	Cost dispute resulting in programme overrun	Contract managed in accordance with strategy agreed by Cabinet in March 2009 with a further report to Members in due course

### **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 £90m relates to capital spend expended in previous years and the balance of £55.1million comprises of capital commitments brought forward from 2009/10 and schemes approved as part of the 2010/11 Capital Programme.

		<b>Value £m</b>
	<b>Live Projects from Project Position</b>	<b>75.291</b>
<i>less</i>	Future years funding not yet released by Cabinet.	(11.313)
<i>add</i>	Non-construction projects not included in PPS report.	13.078
<i>add</i>	Capital Schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	49.266
<i>add</i>	Children's Services resources not yet allocated to specific projects.	8.304
<i>add</i>	2010/11 Capital Schemes not yet integrated into PPS reporting.	4.104
<i>add</i>	Schemes Closed or on hold.	4.616
<i>add</i>	Projects under £75k are excluded from PPS reporting.	1.707
	<b>Capital Programme</b>	<b>145.053</b>

### **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:-

<b>Department</b>	<b>Scheme</b>	<b>Value £</b>	<b>Reason for adjustment</b>	<b>Resource type adjusted</b>
(a) Community Services	Concrete Street Lighting Replacement	(71,000)	Scheme complete – cost saving	Departmental Unsupported Borrowing
	Civil Parking Enforcement	(127,000)	Reduction in projected outturn	Departmental Unsupported Borrowing
	Geneva Lane/Railway View Landscaping	32,000	S106 funding to improve the landscape in the vicinity of the development	Capital Contribution
(b) Corporate Services	DDA and Fire – Workplace	26,000	Dolphin Centre Counter Modifications (report will be taken to future Cabinet)	Corporate Resources
	D & S Partnership ICT room	20,000	Additional costs	Departmental Unsupported Borrowing
	Land Sale costs	26,000	Additional costs in relation to work on Commercial St. & Houghton Rd.	Corporate Resources
(c) Housing	New Build Springfield	(649,000)	Reduction in projected outturn achieved through tendering	Departmental Unsupported Borrowing
(d) Regeneration	SSCF	(30,000)	Reduction in projected outturn	Corporate Resources
	Single Programme - Fringe	(30,000)	Reduction in projected outturn	Grant
<b>TOTAL</b>		<b>(803,000)</b>		

20. Virement of resources requested by Departments:-

<b>Department</b>	<b>Scheme</b>	<b>Value £</b>	<b>Reason for Virement</b>
(a) Children's Services	Bishopston Redmarshall	3,000	Roofing project outturned higher than original estimate.
	Mowden Infants	(3,000)	Saving on Mowden Primary footpath link
	North Rd Project	180,000	Extended School grant funding cut & projected overspend as per the PPS which will be reported to future Cabinet.
	BSF Preparatory Costs	(107,000)	Cancellation of BSF
	14-19 Diplomas	(7,000)	Aborted Sports Hall project committed twice in error.
	Cluster D Co-location	(235,000)	Unallocated funding vired to PCP Dodmire, Hurworth & Heathfield.

	PCP Dodmire	50,000	Unallocated funding – see comment above.
	PCP Hurwoth	35,000	Unallocated funding – see comment above
	PCP Heathfield	150,000	Unallocated funding – see comment above.
	Unallocated PCP Funding	(7,000)	Cancellation of BSF, reduction in outturn of Mowden Primary footpath & vire to Northwood to fund Extended Schools grant cut.
	Temporary Accommodation	67,000	Funding vired from 14-19 & Contingency to fund modular classrooms.
	Asset Management Costs	299,000	Capital Contribution to the staffing costs of the Children’s Services Capital & Assets team & IPF software.
	Contingency	(425,000)	As per above adjustments
(b)Housing	09/10 Prepaint Joinery	(12,000)	Adjustment to enable easier monitoring.
	10/11 Repairs Before Painting	12,000	
	09/10 Private Sector Energy Efficiency	(100,000)	Adjustment to enable easier monitoring.
	10/11 Private Sector Energy Efficiency	100,000	
	New Build Springfield	(200,000)	The Housing Business Plan has identified some key target areas for investment that can be brought forward to achieve savings to the Repairs and Maintenance budget without any adverse impact on the current financial commitments of the Housing Revenue Account. The efficiencies delivered through the tendering of the largest of the four Local Authority new build sites at Springfield, ensures that the proposed virement of £200k from the existing approved budget for the Springfield scheme will be cost neutral.
	10/11 Structural Repairs	200,000	
(c)Transport	Stockton Rd Roundabout	11,000	Prioritising of schemes within the Cycle England block.
	Advanced Stop Lines	(26,000)	
	Polam Lane Improvements	15,000	
<b>TOTAL</b>		<b>0</b>	

## Outcome of Consultation

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

