
CAPITAL PROGRAMME MONITORING
APRIL TO AUGUST 2009

Responsible Cabinet Member – Councillor Chris McEwan
Efficiency and Resources Portfolio

Responsible Director - Paul Wildsmith, Director of Corporate Services

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 minor changes to the Programme.

Summary

2. The current projected outturn of the 2009/10 Capital Programme is £154.9million against an approved programme of £154.8million. The 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.
3. The overwhelming majority of the Programme is funded by Government grants. Council resources of £3.313million 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

4. It is recommended that Cabinet :-
 - (a) Note the projected capital expenditure and resources.
 - (b) Note the reasons for the variances within Children's Services.
 - (c) Approve the resource virements required for Children's Services, Housing, Corporate Services and Community Services budgets, with no change to overall resource approvals.
 - (d) Note the additional externally funded resources of £20,000 available for Disabled Facility Grants.

- (e) Approve £44,000 increase in resources in respect of the Section 278 Agreement at Morton Palms, funded by Capital Receipts/Prudential Borrowing.
- (f) Approve the release of additional resources of £21,000 in respect of the Library & Art Centre, funded by Capital Receipts/Prudential Borrowing.
- (g) Note the reduction in departmental unsupported borrowing requirement relating to the Dinsdale Court Scheme.

Reasons

5. 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

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

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

2009/10 Capital Spend and Resources

6. **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 £69.394million. It is estimated that prudential borrowing of £3.313million 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.
7. **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 projected future expenditure is £154.8million. The projected outturn is £154.9million.
8. **Appendix 3** details the current position of all capital projects that are currently ongoing.

Capital Programme Update

9. 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 2 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 5th January 2009 and has progressed well. Phase 1 of the project, to build the new school premises, is scheduled to be completed in December, so that the School can be operational from the new premises from the 5th January 2010. Phase 2 of the project, to demolish the original school buildings and reinstate the land, is scheduled to commence in January 2010 and 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 2 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 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; and essential kitchen repair works at Hurworth Primary School. PCP construction work currently underway include Phases 4 and 5 of remodelling works at the Abbey Federation schools; an extension for 4nr. new classrooms at Alderman Leach Primary School; the formation of a vehicular turning circle at High Conniscliffe Primary School; Phase 2 of remodelling works at Reid Street Primary School; and kitchen remodelling and refurbishment works at Heighington 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; and an extension for a multi-purpose room and remodelling works as Phase 1 of the proposed works at Mount Pleasant Primary School.
- (v) Other projects undertaken to date that have been funded from Schools Devolved Formula Capital and the 2009/10 Modernisation fund include extensive remodelling works that have been completed and an extension that is scheduled for completion in November at Borough Road Nursery; and the provision of a temporary classroom at Hurworth Comprehensive School.
- (vi) Generally the building works undertaken over summer holiday period went extremely well, and the feedback obtained from schools has been very positive.

(b) Housing

- (i) Internal Planned Maintenance (IPM) 2009/10 - to date 133 properties have been completed to date in the Firthmoor, Neasham and Haughton areas of town. 26 of these have been completed by our Partners (Wates Living Space). 89 of the properties also had central heating upgrades to more economic gas boilers. Ground floor flats and bungalows also had their bathrooms upgraded to accommodate level access showers as well as the normal electrical rewire and kitchen upgrades. Work continues in Haughton and North Road.
- (ii) Roofing 2009/10 programme - work is due to start in Middleton St George with properties in Pounteys Close and Thorntree Gardens being completely stripped and recovered with new felt, battens and original tiles. Existing gutters, rainwater pipes, soffits and fascia are being replaced with UPVC reducing the need for future external decoration. Work has also been identified for the Heighington which is currently out to tender

- (iii) Fencing 2009/10 programme - the second phase of Whinfield external improvements included replacing old timber boundary fencing to the rear of the properties and drying areas with new 1.8m timber fence was completed June 09. Work is currently ongoing in the Rise Carr area of town replacing existing timber fencing. Work is almost complete on the second phase of Hundens Lane providing steel front boundary fences to once open plan fronts and upgrading the rear timber dividing fencing with new 1.8m high timber. Work is also in progress providing steel boundary fencing to a number of open courtyards at Bank Top. Other areas of town to benefit from new fencing in the coming months will be Albert Hill, Geneva Road and Cliffe Way bungalows.
- (iv) Footpaths 2009/10 - included as part of the second phase of Whinfield improvements was the reinstatement of communal drying areas and gardens and also patch repairs to communal footpaths. Work has also been complete at Bank top to improve the paved courtyards. Rise Carr and Hundens Lane are both seeing the houses receiving new paths both front and rear. Albert Hill will also benefit from improvements to front paths and garden areas.
- (v) Garages 2009/10 - work to resurface garages forecourts in Skeeby Road, Harris Street, Tintern Avenue and Denton Close will take place in October 09. Roof works will also take place at Streatlam Road Garages in October 09 also.
- (vi) Central Heating – 30 properties have been completed within Haughton and a further 46 in Springfield.

(c) Transport

- (i) From the start of 2009/10 financial year the way Capital Projects are being delivered has been changed to reflect changes in Corporate Project Management. The process now involves a high level five stage Control Point approval process. The five high level stages have been designed to accommodate the many variations on project types that exist throughout the council. Each stage requires approval prior to progression to the following stage. Some of the key areas include, risk logs, issues changes and action log and also a detailed communication strategy along with a post project review which is carried out at a point in time where the benefits of the project can be recognized and suitably assessed.
- (ii) 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.
- (iii) 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:
 - increasing road capacity at pinch points,
 - further improving the management of the road network to increase traffic flow, and

- encouraging more sustainable travel behaviour to reduce the pressure on the road network.

(iv) Schemes recently completed include:

- Houghton Green Traffic Calming. This recently completed scheme involved the installation of a mini roundabout at the junction with Salters Lane South and St Andrew's church, improvements to bus stops and designated parking areas and a new toucan crossing near to the Stockton Rd roundabout. Initial plans to install a roundabout at the Winchester Way junction were removed from the scheme following public consultation. This locks in the benefits of the DETC.
- A68 Route Action Plan. This recently completed safety scheme involved closing the right turn gap on the central reservation particularly around the Burtree Lane junction.
- St Teresa's School 20mph zone. This recently completed scheme was an extension of the Firthmoor 20mph zone to incorporate Harris Street and adjoining side roads to Yarm Road.
- Barnes Road Footway. This recently completed scheme involved replacing the paving flags with Bitmac.
- Piercebridge to High Coniscliffe. This recently completed scheme involved resurfacing the carriageway with a high strength rut resistant surface.

(v) 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.

(vi) 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) Chief Executive

- (i) The Railway Museum Scheme is now complete.
- (ii) 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.
- (iii) The Houghton Road Footbridge contract is still being managed in accordance with the strategy agreed by Cabinet in March 2009 and a further report will be brought to Members in due course.

Capital Spend and Resources Monitoring

10. 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) Two projects planned within the Education Village have been cancelled by the School resulting in an £80,000 variance pending a decision on where the resource will be used.
- (iii) Previously unallocated Sure Start Grant funding of £425,000 has now been allocated to be integrated with PCP at Hurworth, Heathfield and Mount Pleasant primary schools and accounts for the variances shown within Early Years and PCP Capital Projects.

(b) Corporate Services

- (i) Land Sale costs include the cost of Highways improvement works that were required to satisfy planning conditions on the Morton Palms Development Site. These works were carried out under a Highways Act section 278 agreement on behalf of the Council by the Highways Agency, which requires the Council to reimburse their costs. The final account for the costs associated with design, construction, statutory advertising and admin has been received and amounts to £24,641. Also required by the s.278 agreement is a commuted sum of £19,040 for HA future maintenance of the new carriageway on their network.
- (ii) The remaining increase in Land Sale Costs is expected to be met from capital receipts expected in the near future.
- (iii) The costs for both the Library high level walkway (£12,000) and the masonry work at the Art Centre (£9,000) have increased because of vandalism and fees. This will need to be funded from Corporate Resources.
- (iv) Additional site investigation required at Skipbridge & Shearwater Landfill sites has resulted in an increase to the expected outturn of £12,000. This increase will be wholly funded by DEFRA.

(c) Housing

- (i) Each financial year the capital programme sets aside a contingency budget for large scale structural works. The frequency and nature of these works are both unpredictable and varied in scale with some identified works being completed over two financial years. It is requested that £53,000 not spent in the 2008-09 programme be carried forward to the 2009-10 programme.

- (ii) Branksome Hall Drive & Rockwell House Emergency Lighting - savings have been realised on the projected improvement works costs due to more favourable material costs being realised. It is intended to utilise this saving within Internal Planned Maintenance
- (iii) The Housing Capital Programme report dated 31st March 2009 contained an error in respect of the redevelopment of Dinsdale Court. Effectively, £1.3Million included in the Housing Business Plan for 2010-11 was incorrectly shown in the report as expenditure for 2009-10. Correction of this has the effect of reducing departmental borrowing for the current year.
- (iv) Disabled Facility Grant resources have increased to reflect additional funding of £20,000 that has been secured.

(d) Community Services

- (i) Virement within the three separate South Park Play provision schemes is requested so that the schemes can be managed within approved resource levels.
- (ii) The Fishing Reserve Phase 1 scheme, funded by grant and contribution, has outturned at £45,000, £5,000 under budget.

(e) Chief Executive

- (i) Additional spending of £12,000 on the Arnold Road Allotment Relocation means that the scheme will now outturn at £762,000. This project is resourced through external funding.

Conclusion

11. The current projected outturn of the 2009/10 Capital Programme is £154.9million against an approved programme of £154.8Million. It is expected that prudential borrowing will be used to achieve the corporate resources of £3.313million that are required to fund commitments. The revenue impact is included in the Medium Term Financial Plan.

Outcome of Consultation

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