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**PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME OUTTURN  
2012/2013**

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

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

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report provides :
  - (a) Information on delivery of the Council's Capital Programme, the financial outturn position as at 31st March 2013 and the proposed financing of the 2012/13 Capital expenditure.
  - (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. Significant enhancements have been made to the Council's assets in three major programme areas of schools, housing and transport mostly using external funding. These investments are 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.
4. Capital expenditure in 2012/13 totalled £19.3million. Since the last revision of the Capital Medium Term Financial plan further refinements to estimate have occurred as part of the ongoing management of the programme and these are included in the recommendations below, all revisions can be contained within existing programmes.
5. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 73 live projects currently being managed by the Council with an overall project outturn value of £69.5million. The

majority of projects are running to time, cost and quality expectations with no foreseeable issues.

6. 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**

7. It is recommended that Cabinet :-
  - (a) Note the delivery and financial outturn of the 2012/13 Capital Programme.
  - (b) Note the attached status position on construction projects.
  - (c) Approve the adjustments to resources as detailed in paragraph 26.
  - (d) Note the attached outturn reports for the North Road Bus Priority and Richmond Close Housing capital schemes.

### **Reasons**

8. The recommendations are supported by the following reasons: -
  - (a) The recommendations are supported to enable Members to note the progress of the 2012/13 Capital Programme and to allow the capital spend for to be fully financed.
  - (b) To maintain effective management of resources.
  - (c) To inform Cabinet of the current status of construction projects.

**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

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 Impact	There are no carbon impact implications in this report
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

#### 2012/13 Capital Spend and Resources

9. **Appendix 1** analyses all 2012/13 capital spend by department, the proposed financing and resources carried forward into 2013/14.
10. **Appendix 2** summarises departmental capital budgets, spend position of ongoing capital projects and projected under/overspends.
11. **Appendix 3** 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.
12. **Appendix 4** details the general fund capital receipts received and brought forward from previous years.
13. **Appendix 5** reports on outturn and lessons learned in respect of the North Road Bus Priority capital scheme.
14. **Appendix 6** reports on outturn and lessons learned in respect of the Richmond Close Housing capital scheme.

## Project Position Statement

15. 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
16. The Project Position Statement (**Appendix 3**) details the current live construction projects, up to the end of March 2013, by delivery area, excluding any completed projects or those on hold.
17. The overview of live construction projects is as follows:-

	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
(a) Place	38	37,561,021	36,751,013	-2.20	-810,008
(b) People	31	29,905,305	29,972,636	0.22	67,331
(c) Resources	4	2,723,043	2,742,929	0.72	19,886
<b>TOTAL</b>	<b>73</b>	<b>70,189,369</b>	<b>69,466,578</b>	<b>-1.04</b>	<b>-722,791</b>


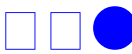

18. The table shown above includes a column for current approved budget. In certain cases this budget figure may be different from the original approved budget. This could be as a result of variances identified during construction or other variables not known at the initiation stage. The original budget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

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Place	-	7	1	7	21	2	38
People	-	3		5	22	1	31
Resources	-	1			3		4
<b>TOTAL</b>	<b>-</b>	<b>11</b>	<b>1</b>	<b>12</b>	<b>46</b>	<b>3</b>	<b>73</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.

20. The status on live projects is as follows:

Department			
Place	2	27	9
People		31	
Resources		4	
<b>TOTAL</b>	<b>2</b>	<b>62</b>	<b>9</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.

21. There were two reported red triangle projects on the project position statement at the end of March 2013. The report at Appendix 6 outlines the final outturn and lessons learned from the project, which effectively closes the project and removes reporting requirements from the Project Position Statement. Similarly, reports to Cabinet in May 2013 addressed the Houghton Road Project and effectively closes that project.

### Reconciliation of Project Position Statement to Capital Programme

22. 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.

	<b>Value £m</b>
<b>Live Projects from Project Position</b>	<b>69.467</b>
Future years funding not yet released by Cabinet.	(2.744)
Schemes closed or on hold within CP but awaiting PPS post project review.	(11.366)
Annualised Programmes.	4.534
Non-construction projects not included in PPS report.	7.754
Capital schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	2.375
Capital schemes not yet integrated into PPS reporting.	14.043
Projects under £75k are excluded from PPS reporting.	1.967
Funding not yet allocated.	0.401
Capital funding passported direct to Academies.	5.429
<b>Capital Programme</b>	<b>91.860</b>

### **Capital Programme Update**

23. The following major areas of work have been undertaken in 2012/13.

(a) Children, Families and Learning

- (i) Final accounts have been agreed on all Primary Capital Programme (PCP) projects and an outturn report of the entire programme, including the Northwood project, is being prepared.
- (ii) PCP funding was obtained to support an extensive programme of Capital works projects within Darlington primary schools. The main objectives of the PCP projects being to enhance facilities and improve the suitability and condition of the premises.
- (iii) As agreed by Cabinet following the settlement of the Northwood PCP Pathfinder final account in November 2011 Capital Maintenance 2011/12 funds held in contingency to cover that account were released for a pre-approved programme of projects. Works were mainly restricted to summer holidays to avoid disruption to the schools and therefore the majority of this work was carried out in Summer 2012.
- (iv) Capital Maintenance grant 2012/13 was released in September 2012 for remaining Community Schools only and was spent in line with key priorities identified through the locally agreed asset management planning (LAMP) process. Ongoing projects include: the relocation of Home and Hospital Service to more suitable accommodation, toilet refurbishment at High Coniscliffe and Corporation Road and some small works to Children's Centres across the town.
- (v) The Local Authority was allocated £2.45million Basic Need funding in 2012-13 to support the need for additional school places across the authority. This is an annual source of funding allocated on a formulaic basis and priorities for this funding should be considered across all

schools within the Borough, including maintained, Academies, Voluntary Aided schools and Free Schools.

- (vi) In June 2012 Cabinet agreed the release of £175,000 to fund adaptations at Heathfield Primary School to accommodate a one year 'bulge' expansion. Following a feasibility study and the development of a detailed cost estimate Cabinet released £3.03million in July 2012 for the expansion of The Federation of Mowden Schools. The expansion will provide an additional 30 places per year group and will take the school's Planned Admission Number from 60 to 90. Construction started in January 2013 and the project is due to complete in June 2014.
- (vii) In November 2012 Cabinet released a further £60,000 of Basic Need grant to enable early feasibility work and the further development of the School Organisation Plan (SOP). The School Organisation Plan 2013-2017 was approved by Cabinet in March 2013. The plan provides an assessment of current capacity in Darlington schools, the expected future demand for places and the priorities against which the suitability of future expansions will be assessed.
- (viii) The plan sought approval for the release of the remaining £1.58million Basic Need grant for five expansion projects. These projects will create sufficient additional places across the lifetime of the SOP for the authority to meet its statutory duty of providing every child that is resident within the Borough of Darlington a place in a state funded school in Darlington.
- (ix) The Plan considers the supply and demand of school places initially between 2013 and 2017, but recognises that constant fluctuations in pupil population will require an annual review process with updates and revisions agreed as appropriate.
- (x) 2012-13 saw the completion of the 14-19 grant funded projects at DSMS and Hurworth School. Longfield's project is ongoing and the final grant payment will be made by the authority in first quarter 2013/14. This funding was allocated to the Council following the demise of the national Building Schools for the Future programme as future large scale capital investment would be unlikely in the short or medium term. Initial condition works were carried out at the three schools by the Local Authority in 2011/12 and the balance of the funding and the rest of the allocation (split by pupil numbers across the three schools) was transferred to the schools following their signing of a legal agreement on how the funding was to be spent and monitored.

(b) Housing

- (i) Structural repairs – repairs to boot lintels and concrete canopies in Eastbourne and Haughton East wards.

- (ii) Parkside – completion of major remodelling works including verge hardening, timber fencing and laying paths, drives and pavement crossings in the Parkside area of the Park East wards.
- (iii) Cockerton – major remodelling and improvement works including demolishing and side clearance of 44 flats and 16 houses to enable new build development. 56 flats and 86 houses received kitchen bathroom, rewires and boiler replacements where required as well as new fencing, paths drives and pavement crossings, roof repairs. 17 properties received external wall insulation and render.
- (iv) Garages – structural repairs, resurfacing of garage forecourts and roof replacements to 33 garages in the Lingfield ward.
- (v) Adaptations - the provision of disabled adaptations including Flat Floor Showers, ramps, stairlifts handrails, grabrails and other adaptations to 245 Council Properties.
- (vi) Heating Replacement - The upgrade of heating systems including 'A' rated Combi boilers, radiators and heating controls and the progressing of Electric to gas central heating replacement programme including the installation of new gas services and pipelines. 542 properties received working primarily in the Central, Cockerton West, Eastbourne, Lascelles, North Road, Haughton East, North Road, Haughton North, and College wards.
- (vii) Internal Planned Maintenance Additions – kitchen, bathroom, rewires and boiler replacements to 23 properties which could not be accessed in previous investment programmes.
- (viii) Fencing and footpaths – responsive repairs across the borough and the planned replacement of fencing and paths to 41 properties in Haughton East.
- (ix) Green Deal – 20 properties across the borough received replacement windows and doors. Solid wall properties received internal wall insulation.

(c) Transport

- (i) The Council has continued to deliver capital funded actions through the Tees Valley Bus Network Improvement Scheme, the Third Local Transport Plan (3LTP), and the Local Sustainable Transport Fund in support of its Transport Strategy. The objectives of the Transport Strategy are to tackle congestion; improve accessibility to employment, education, shopping, leisure and further improve travel safety and security.



- (ii) Major Scheme Bid - The TVBNI scheme proposals aim to tackle traffic congestion and improve reliability of bus services.
  - a) The completion of a new road and junction layout at the junction of North Road and Whessoe Road
  - b) Verge hardening a traffic calming in Firthmoor
  - c) The resurfacing and traffic calming of Clifton Road
  - d) The continuation of a programme of works which include raised bus platforms and dropped kerbs on core routes throughout the Borough.
  
- (iii) Cycling and Walking
  - a) The completion of the upgrading of pedestrian / cycle foot path from North Rd to the Borough boundary, linking through to Newton Aycliffe, this scheme is funded through the LSTF bid.
  - b) The commencement of a pedestrian / cycle path through Central Park enabling access to Darlington College and Teesside University, this scheme is funded through the LSTF bid.
  - c) The commencement of improving the existing footpath from Morton Palms to Middleton St George, this scheme is funded through the LSTF bid.
  - d) A scheme to improve the footway linking Haughton Road with Hutton Avenue via the Hutton Avenue Bridge which was completed in February 2013.
  
- (iv) Maintenance Schemes
  - a) Ongoing programme of works to replace street lighting columns.
  - b) North Road: A167 North Rd retexture phase 1
  - c) Haughton Rd / Salters Lane South Roundabout: Carriageway resurfacing with heavy duty rut resistant surfacing
  - d) Whinbush Way Ph2: Structural reconstruction and carriageway resurfacing.
  - e) A167 Burtree Lane to Coatham Munderville: Structural reconstruction and carriageway resurfacing.

### **Capital Spend and Resources Monitoring**

24. The Capital outturn for 2012/13 totalled £19.3million compared to £64.2million (of which 33.3million HRA Self Financing) in 2011/12. The proposed financing of the 2012/13 expenditure is :-

	<b>2012/13 £M</b>
<b>Capital Expenditure</b>	<b>19.308</b>
<b>Financing of Capital Expenditure</b>	
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	0.370
<i>Externally funded</i>	
Capital Grants	11.000
Capital Contributions	0.257
Supported Capital Expenditure (Borrowing)	0.829
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	0.280
HRA - Revenue Contribution	5.440
HRA – Unsupported Borrowing	0.170
Departmental - Borrowing for Leasable Assets	0.898
Departmental - Unsupported Borrowing	0.039
Departmental – Revenue Contribution	0.025
<b>Total Capital Financing</b>	<b>19.308</b>

### **Capital Programme**

25. Paragraph 26 shows the movements in the Capital Programme since the approval of the 2012/13 Capital MTFP, some of which have not yet been approved by Members:-

26. 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) Housing	Dinsdale Court	2,000	Virement	nil effect
	Windsor Ct	(16,000)	Virement	nil effect
	Energy Efficiency 09/10	(17,000)	Virement	nil effect
	B'Hall Drive	3,000	Virement	nil effect
	Adaptions 10/11	4,000	Virement	nil effect
	Structural Repairs 10/11	(94,000)	Virement	nil effect
	Digital TV Aerials 10/11	5,000	Virement	nil effect
	Adaptations 11/12	7,000	Virement	nil effect
	IPM 11/12	(8,000)	Virement	nil effect
	General External 11/12	(4,000)	Virement	nil effect
	Energy Efficiency 11/12	(2,000)	Virement	nil effect
	IPM Additions 11/12	(34,000)	Virement	nil effect
	Door Entry Systems 11/12	(2,000)	Virement	nil effect
	Adaptations 12/13	100,000	Virement	nil effect
	Structural Works 12/13	36,000	Virement	nil effect
	Pavement Crossing 12/13	14,000	Virement	nil effect
	Door Entry 12/13	6,000	Virement	nil effect
	Rockwell House	105,000	Works carried out for lifts and to divert utilities had not been included in the original specification and the building works overspent due to changing specifications and problems encountered on site	RCCO
(b) Community Services	Source of the Denes	(15,000)	LAA element of funding to be spent on Play Area works	Grant
	Central Park – College Junction	(6,000)	No further spend anticipated	Grant
(c) Regeneration	Darlington Business Incubator	(97,000)	Scope of the project changed and RIBA design went to stage A & B only	Grant
	Green St Acquisitions & Demolitions	(674,000)	Following discussions between ONE & DBC it was agreed that £1,750,000 (less demolitions paid for	Grant

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
			directly by ONE) could be drawn down as the total funding for this project. The remaining funding will be used for on-going ONE demolitions and potentially future CPO costs, funding to remain with TVU until agreed.	
(d) Schools	Red Hall Primary	50,000	Contribution received from School in respect of renovation works	Contribution
	Heathfield	20,000	Contribution received from School in respect of renovation works	Contribution
(e) Prudential Borrowing – Leasable Assets	Various	898,000	Since 2004 the introduction of the prudential code has allowed assets otherwise leased to be purchased outright with the costs paid by the department from revenue over the useful life of the asset. Spending on leasable assets in 2012/13 is £898,000 and has been added to the Capital programme	Departmental unsupported borrowing
<b>TOTAL</b>		<b>281,000</b>		

### General Fund Capital Receipts

27. **Appendix 4** details the general fund capital receipts received and brought forward from previous years. These amount to £2.555million of which £0.143million has been utilised to repay debt leaving a balance of £2.412million to carry forward into future years. As part of the 2013/14 MTFP report, Cabinet approved the setting aside of £2million from this balance to support the 2013/14 – 2016/17 MTFP.

### Schemes with an outturn value in excess of £1million

28. Financial procedure rules require that the final outturn of all schemes with a value in excess of £1million should be reported to Cabinet. Reports in respect of the North Road Bus Priority and Richmond Close Housing schemes are attached at **Appendix 5** and **Appendix 6**.

### Conclusion

29. The total capital spend incurred during 2012/13 was £19.3million. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2012/13.

## **Outcome of Consultation**

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