
**CAPITAL PROGRAMME MONITORING
APRIL TO OCTOBER 2008**

Responsible Cabinet Member – Councillor Stephen Harker, Resources

Responsible Director - Paul Wildsmith, Director of Corporate Services

SUMMARY REPORT

Purpose of the Report

1. This report represents an update of the Capital Programme including spending and resource levels.

Summary

2. The Programme is on target with significant investment being delivered across a whole range of services, including schools, housing and roads. The current projected outturn of the 2008/09 Capital Programme is £133.011M against an planned programme of £132.61M. The main variance in the programme relates to Housing and this can be accommodated within existing resources.
3. The report describes the main projects and programmes of work and successful completion of projects across the Council
4. Cabinet reviewed the MTFP and capital programme in November 2008 and decided, in light of the economic downturn, to defer a number of schemes totalling £1.723M, pending the overall review of the MTFP in February 2009. The deferred schemes are not, therefore, included in the projected spending in this report.

Recommendations

5. It is recommended that Cabinet
 - (a) Note projected capital expenditure and resources.
 - (b) Approve the resource virements detailed in the report.
 - (c) Note the underspend of £0.090M on the PRU/Phoenix Centre scheme, to be returned to corporate resources.
 - (d) Approve the minor variations in a number of Community Services schemes amounting to £0.008M to be funded by Corporate Resources
 - (e) Approve the additional costs of £0.171M on land sales schemes to be funded from Corporate Resources
 - (f) Note the reduction of £0.260M in the projected cost of the externally funded Bus Depot works.

- (g) Approve the additional funding required by the Housing Capital Programme for works at Rockwell House and Branksome Hall of £0.250M and £0.042M for Disabled Facilities Grants, to be financed from future years Housing Capital Programme and by a temporary increase in departmental unsupported borrowing if the costs are incurred in this financial year.
- (h) Approve the increased costs on the South Park Changing Facilities project of £0.034M to be financed from departmental unsupported borrowing.

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

Capital Medium Term Financial Plan 2008/09 – 2011/12
Accounting Records

Appendices

- 1 Summary of the Council's capital commitments and resources position
- 2 Summary of departmental capital budgets, spend position of ongoing capital projects and projected under/overspends
- 3 Details the current position of all previous and current year capital projects that are currently ongoing

John Barrigan : Extension 2323

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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 equally. |
| 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 |

MAIN REPORT

Information and Analysis

Capital Programme Update

7. The following major areas of work have been undertaken in 2008/09.

(a) Children Services

- (i) The major capital project, to adapt the former Rise Carr Primary school building into a specialist referral unit, was completed with the opening of the Phoenix Centre in April. Hummersknott School's major refurbishment has seen significant progress with Phase 1 now complete and in use since September. Phase 2 has started and is scheduled for completion in August 2009. Work to build the new 700 place Eastbourne Academy on land near Hundens Lane commenced on site in May and has made significant progress with foundations and steelwork complete. The Pathfinder project to rebuild North Road Primary School has moved forward with the appointment of Keir Northern as main contractor. Construction is due to start on site at the beginning of December with completion expected in Autumn 2009.
- (ii) A range of Capitalised repairs were undertaken at various schools across the borough during the school summer holidays with the aim of improving the condition and the suitability of premises. The package of schemes was jointly undertaken in partnership with schools utilising centrally retained Modernisation Funding and schools Devolved Formula Capital. Projects included roofing works at Gurney Pease and Mount Pleasant Primary schools; remodelling of kitchen areas at Red Hall Primary and Hurworth Comprehensive schools; and window replacements at Abbey Infant, Abbey Junior and Branksome Comprehensive schools.
- (iii) Schools Access Initiative funding is allocated to projects which enable schools to be more accessible to children with disability and special education needs. Funding has been allocated to various schools including Mowden Junior, where a Hygiene facility has been incorporated into their suitability project; High Coniscliffe Primary, where the provision of a ramp to the playground area has been incorporated into remodelling works; Hurworth Primary, where adaptations include the construction of a ramp and the installation of a hoist within the existing Hygiene facility; and Hurworth Comprehensive, where remodelling works include the provision of a stair lift and DDA compliant doors for the Dining area.
- (v) Specific suitability related works, funded from a combination of centrally retained grant and Devolved Formula Capital, have been undertaken at various schools. Mowden Junior School return after the summer break to a newly built staff room extension and specialist resource Classroom. Works have been completed at High Coniscliffe Primary to remodel its KS1 provision. Other projects included the remodelling of teaching areas at Red Hall Primary, Branksome and Longfield Comprehensive schools.
- (v) Mechanical and Electrical schemes, undertaken to ensure continuity of provision, included the replacement of boilers and associated plant at Branksome Comprehensive School; the removal of fire hoses at

- Bishopton/Redmarshall and Heighington Primary schools; and extending the fire alarm and emergency lighting system at Corporation Road Primary.
- (ii) Significant virements that have taken place include the postponement of projects at Heathfield Primary School and Hurworth Primary School. With the announcement that both of these schools are to receive £1.5m allocation through the Primary Capital Programme for significant remodelling work, it was felt prudent to postpone smaller areas of capitalised repair work due to take place this year until a more in-depth assessment of overall need could be undertaken. Whole school projects will be developed for both of these schools during the later part of 2008-09 for investment in 2009/10 and 2010/11.

(b) Community Services - Housing

- (i) Internal Planned Maintenance 2008/09 - 241 properties completed to date to Park Place, Bank Top, Piercebridge and Red Hall areas of town. 113 of these properties were completed by our Partners. IPM work this year has also provided all ground floor flats and bungalows with level access showers as well as the normal electrical rewire, bathrooms, kitchens and loft insulation as required. Work has now commenced at Heatherwood Grove, Harrowgate Hill and North Road areas of town.
- (ii) Roofing 2007/08 work - Haughton Phase 2 have been delayed due to the weather but there is approx 12 properties to complete. 2008/09 - work has been identified for Piercebridge and Heatherwood Grove, these are being programmed for December /January respectively. A survey has been requested for Harrowgate Hill area with regards to condition and possible future works.
- (iii) Fencing Work 2007/08 - Haughton Phase 2 now complete. 2008/09 - front fencing work to Killinghall Street has been completed providing a private garden area to council owned properties in addition to the footpath works. Work to provide 50% of Hundens Lane with new front and rear fencing is nearing completion. Work has now commenced in Harrowgate Hill in secure rear fencing to properties. Fencing has also been identified to be included in the scheme at Bank Top.
- (iv) Footpaths 2008/09 - work to Killinghall Street to provide front garden spaces have been completed. Improvements to the external landscaping to Rise Carr (south of Westmoreland Street) have been completed. Work has now commenced in the Havelock Street area to improve the footpaths and paved areas to council owned properties, this work also includes repairs to freestanding brickwork and retaining walls. Drawings and an estimate is currently being prepared for the Bank Top area of town.
- (v) Repairs to Garages - Work has commenced on garage roofs to Cotherstone Moor, Springhill and Lock Street. Work to resurface a number of Garage forecourts are in the process of being programmed.
- (vi) Central Heating - Harrowgate Hill & Skerne Park complete but work at Branksome delayed because of issues with the Utility Company. All back boiler removals have been completed.
- (vii) Environmental Works for 2007/08 are complete - Estoril Rd Sth, Holgate Moor Green, Westminster Rd, Kildale Moor Place and Lanethorpe Rd. In 2008/09 Marston Moor Rd is 100% complete, Reethmoor Close 95% complete (some boundary issues to resolve on one property for rear fencing), Hewitson Rd South 90% complete (some boundary issues to resolve on two properties), Lanethorpe Cres is to be completed in November. The aforementioned account for approx 50% of the 2008/09 budget. The next phase is Whinfield, currently

finalising designs/costs for phase 1 (fronts) with a view of starting on site in November.

(viii) Transport

The Council have commenced implementation of the third year programme of the Second Local Transport Plan. The aim of the transport strategy is to tackle congestion; improve accessibility to employment, education, shopping, leisure and health; and further improve travel safety and security. This year's schemes support these aims.

- Schemes that have been advanced include:
Houghton Road/Stockton Road. An outline scheme to reduce traffic levels and speed is currently out to consultation. The scheme is intended to lock in the benefits of the Darlington Eastern Transport Corridor by discouraging through traffic along the Houghton Road corridor thus improving the environment for local people by reducing traffic congestion.
- Completion of a study into the viability of a Park and Ride scheme within the Borough. The study concluded that there was no business case for a Park & Ride scheme at the moment. A report has been presented to Cabinet detailing the study's findings.
- Provision of new bus stop timetables and flags and the provision of temporary bus stops in light of the recent bus network changes. This involved changing approximately 100 time tables, erection of 100 new timetable cases and approximately 70 bus stop flags.
- Cycle sign design has been implemented for 2 radial routes linking the Town Centre to Hummersknott and Mowden.
- Completion of the Grange Road cycle scheme which forms part of the route to Blackwell.
- Completion of four 20mph zones at Borough Rd., Firthmoor (Phase 5), Corporation Rd. and Bank Top.
- Consultation on the second phase of the A68 Route Action Plan to address safety concerns on the A68 in partnership with the Police. The initial tranche of work was completed and temporary restrictions have been put in place until the scheme can be completed, following completion of works on the nearby A1(M). In 2007 compared to 2006 KSI (Killed & Seriously Injured) decreased by 35 (53%) and Child KSI casualties decreased by 1 (14%). Slight casualties showed a reduction of 65 (16%).
- A new approach to consultation and community engagement has been adopted for the development and implementation of transport schemes. This has included work undertaken by Groundwork on a number of cycling schemes.

(ix) Using other funding, the Council also:

- Continued the LocalMotion initiative, implementing smarter travel choices. Evidence from the three interim surveys (2005, 2006 and 2007) shows that within each survey area (survey population approximately 13,000 households each year) car mileage reduced by 6%, 11% and 15% respectively, or the equivalent of annual savings in car miles of 2.3 million, 8.0 million and 9.6 million respectively. A final, comprehensive survey of travel behaviour is currently underway and is due to report in Spring 2009.

- The Medal Motion campaign in primary schools, the work of the ‘Bike It’ officer and implementation of school travel plans have contributed to a reduction of around 500 car trips per day.
- Work continued on the construction of the Darlington Eastern Transport Corridor including the bridge carrying National Cycle Network Route 14 over the A66 (T). The road was opened to traffic on 27 August 2008. Comparison of traffic flows for September 2007 and 2008 show that an average of 5,625 vehicles are using the eastern section of the DETC each weekday, with an average of 7,478 west of McMullen Road. Traffic levels at Houghton Green have fallen by an average of 4,209 vehicles each weekday as a consequence.

(c) Chief Executive Regeneration

- (a) All building works are now complete at the Railway Museum, however as the main contractor has gone into liquidation retention monies will be held until the appointed receivers apply for their release.
- (b) All works have now been completed at Arnold Rd, Allotments with only retention still outstanding. Snagging lists have been submitted to the contractor by those tenants currently on site.
- (c) Tenders have been received for both the demolition of the bus depot and the construction of the car park, with the demolition due to commence during January 2009. Negotiations are currently underway with One North East to discuss the construction of the car park, which remains on hold.

6. 2008/09 Capital Spend and Resources

Appendix 1 summarises the Council’s capital commitments and resources position.

Appendix 2 summarises departmental capital budgets, spend position of ongoing capital projects and projected under/overspends.

Appendix 3 details the current position of all previous and current year capital projects that are currently ongoing.

Capital Spend and Resources Monitoring

7. The following movements in the Capital Programme since the approval of the 2008/09 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.
- (ii) Firthmoor School have experienced a number of intermittent electrical problems in recent years, which were predominantly related to the alarm systems and the emergency lighting installation. Although repairs were undertaken, this year the frequency and degree of disruption caused by electrical problems escalated to the extent that Community Services were requested to thoroughly test all the electrical installations and carry out extensive investigation works throughout the building during the Easter school holiday period. Despite best endeavours, identifying and rectifying the cause of the electrical problems required that the building remain closed and that staff and pupils be temporarily relocated to

- other schools until the premises were re-opened on the 7th July. Efforts are being made to determine whether or not costs incurred to rectify the electrical faults might be recouped. All the increased costs have been managed within Children's Services Contingency budget using existing capital resources.
- (iii) Phoenix Centre – Costs are now predicted to underspend by £0.090M which was to be financed by Corporate Resources, this underspend will now be returned to Council balances.
- (b) Community Services – General
- (i) Community Services have identified various movements on a number of cost centres excluding the Darlington Eastern Transport Corridor which amount to an increase overall of £8,000.
- (c) Corporate Services
- (i) The difficulties of achieving planned capital receipts in the current economic environment are well documented. The downturn is also impacting on work required to sustain developments and disposals. Increased costs on land sales include work in relation to Commercial Street and Haughton Road. These additional costs are to be met through future anticipated capital receipts and are estimated to be £0.171M.
- (d) Chief Executive Regeneration
- (i) Following receipts of tenders the cost estimate relating to Bus Depot Works has been reduced to £2.000M against the original approved allocation of £2.260M. As this scheme is fully externally funded there is no impact on the Council's own resources.
- (e) Community Services -Housing
- (i) Internal Planned Maintenance (IPM) for 2007/08 has outturned at £2.502M resulting in an underspend of £0.379M. It is requested that this be used to meet the anticipated cost of professional fees in 2008/09 of £0.224M and to offset overspend on the Linden Court Scheme as identified below.
- (ii) The project budget for Linden Court has increased by £0.154M mainly because of additional disturbance costs. It is proposed that this be financed from the underspend on 2007/08 IPM as detailed above.
- (iii) 2007/08 Sheltered Housing Improvements at Branksome Hall incurred additional costs of £0.011M. This is offset by savings made within the Hornby House Remodelling Scheme.
- (iv) Following recent site surveys it has become evident that urgent work is required to upgrade the emergency lighting and fire alarm systems at both Rockwell House and Branksome Hall Drive this financial year. A risk assessment has been undertaken at both of the buildings, which are sheltered housing schemes accommodating vulnerable elderly residents. Given the nature of the works required and the vulnerability of existing residents, it is necessary to bring forward this work ahead of the planned upgrading of these sheltered schemes in subsequent years. The cost of the work is estimated to be £0.250M which can be financed from within the Housing capital programme. In 2008/09 it may need to be financed by a temporary increase in departmental unsupported borrowing.

- (v) Additional works are required on footpaths at Whinfield. It is requested that £0.200M from the budget set aside for Environmental works is used for this purpose.
- (vi) Additional spending on Disabled Facilities Grants is anticipated to be £0.042M. These grants are a continuous programme of improvements to vulnerable and disabled person households in the Borough which promote independent living. An element of flexibility in budget provision is required recognising that some works may be incomplete at year end but due to their value still require partial interim payments to allow contractors to work effectively and respond to the needs of the client. Disabled Facilities works can often be complex involving a number of stakeholder partners which can mean it is difficult to determine with any degree of accuracy when works will be completed. Any additional budget requirements in one financial year will be top sliced from the allowable and approved budget expenditure from the following financial year to ensure a balanced budget position at year end. In 2008/09 it may need to be financed by a temporary increase in departmental unsupported borrowing.

(f) Community Services -Adults

- (i) The increase in the South Park Changing Facilities project outturn costs, are due to variations to the scheme. These included additional works associated with environmental issues at the start of the contract concerning bats and at the end of the contract where the work scope increased to include a steel equipment storage facility and storage bays to recycle green waste from the parks operation. This increase of £0.034 M is to be funded by departmental unsupported borrowing.

8. The following additional resources have been previously approved by Cabinet:

(a) Corporate Services

- (i) Darlington & District Indoor Bowls Club £0.030M
- (ii) 2 Chancery Lane - £0.005M
- (iii) Land Sale Costs - Beaumont St. and demolition of Beck House £0.215M

(b) Chief Executive Regeneration

- (i) Central Park Allotments £0.250M
- (ii) Town Centre improvements £0.016M

(c) Community Services

- (i) CCTV at Victoria Embankment £0.030M
- (ii) South Park Play Provision £0.025M
- (iii) South Park S106 monies £0.029M

9. Cabinet deferred the following schemes in November:

(a) Children's Services

- (i) Skerne Park Community Centre £0.700M

(b) Community Services

- (i) Restoration of Bandstand in North Lodge Park £0.045M
- (ii) Crematorium Improvement £0.060M
- (iii) Extension of Skerne Valley Recreational Route £0.035M
- (iv) CCTV provision £0.050M

(c) Chief Executive Regeneration

- (i) Northgate Building Improvement Scheme £0.024M
- (ii) Town Centre Guard Rails £0.075M
- (iii) Town Centre Projects £0.084M
- (iv) Community Environmental Works 2008/09 £0.400M
- (v) Community Environmental Works future years £0.800M

(d) Community Services -Housing

- (i) Reduction in Capital Receipts, mainly impacting on Roof Works £0.100M

(e) Corporate Services

- (i) Town Hall refurbishment £0.100M
- (ii) DDA & Fire regulations £0.045M

Conclusion

11. The current projected outturn of the 2008/09 Capital Programme is £133.01M against an planned programme of £132.61M.(including funding required for the DETC)
12. Corporate resources of £9.063M (Appendix 1 Line27) are required to finance part of the existing Capital Programme. Capital receipts had been expected to cover this financing, however due to the “credit crunch” it may be some time before these can be realised. Any expected costs due to schemes covered by these corporate resources will now be financed by corporate prudential borrowing in the short term and the impact of such measures is been built into the review of the MTFP.

Outcome of Consultation

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