
CAPITAL PROGRAMME OUTTURN 2010/2011

**Responsible Cabinet Member – Councillor Steve Harker,
Efficiency & Resources Portfolio**

Responsible Directors - Paul Wildsmith, Director of Resources

SUMMARY REPORT

Purpose of the Report

1. This report provides information on delivery of the Council's Capital Programme, the financial outturn position as at 31 March 2011 and the proposed financing of the 2010/11 Capital expenditure.
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 2010/11 totalled £29.4M. In addition, it was agreed in the 2011-15 MTFP to use capital receipts of £1.0M to repay debt. 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.

Recommendations

5. It is recommended that Cabinet :-
 - (a) Note the delivery and financial outturn of the 2010/11 Capital Programme.
 - (b) Approve the adjustments to resources as detailed in paragraph 14.
 - (c) Approve the resource virements as indicated in paragraph 15.
 - (d) Note the variances to be carried forward within Children's Services and Transport, to be funded from 2011/12 allocations.

Reasons

6. The recommendations are supported by the following reasons: -
- (a) The recommendations are supported to enable Members to note the progress of the 2010/11 Capital Programme and to allow the capital spend for to be fully financed.
 - (b) To maintain effective management of resources.

Paul Wildsmith
Director of Resources

Background Papers

Capital Medium Term Financial Plan 2010/11 – 2013/14, 2011/12 – 2014/15

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 Emissions	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 does make changes to the Capital MTFP.
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

2010/11 Capital Spend and Resources

7. **Appendix 1** analyses all 2010/11 capital spend by department, the proposed financing and resources carried forward into 2011/12.
8. **Appendix 2** summarises departmental capital budgets, spend position of ongoing capital projects and projected under/overspends.
9. **Appendix 3** details the current position of all capital projects that are currently ongoing.
10. **Appendix 4** details the general fund capital receipts received and brought forward from previous years.

Capital Programme Update

11. The following major areas of work have been undertaken in 2010/11.

- (a) Children Services

- (i) Primary Capital Programme (PCP) funding was obtained to support an extensive programme of Capital works projects within Darlington schools that are scheduled to be completed this 2011/12, the main objectives of the PCP projects being to enhance facilities and improve the suitability and condition of the premises.

PCP projects completed during 2010/11 include the final phase of remodelling and refurbishment works at the Abbey Federation schools; internal remodelling works and an extension at Gurney Pease Primary School; final phases of heating & rewiring works at Red Hall Primary School; phases 2-5 of extensive remodelling works at Reid Street Primary School; phase 2 of ICT and rewire works at Whinfield Primary School; phases 1-4 of extensive remodelling works at Heathfield Primary School; phase 2 of remodelling and refurbishment works at Heighington Primary School; phases 1-4 of extensive remodelling works at Corporation Rd Primary School; works to relocate Sure Start / Children Centre facility at Dodmire School; and phase 1 of remodelling works at Mount Pleasant Primary School. PCP construction works underway and progressing include an extension for 3nr. new classrooms at Harrowgate Hill Primary School; an extension for a new classroom at Whinfield Primary School; and ongoing phases of the remodelling works at Heathfield Primary School, Hurworth Primary School and Dodmire School. Design and consultation works underway and being progressed for PCP projects include final phase of remodelling and refurbishment works at Mount Pleasant Primary School; final phases of window replacements, boiler renewal and remodelling works at Reid Street Primary School; drainage renewal works at Corporation Rd Primary School; final phase of internal remodelling works at Gurney Pease Primary School and Heighington Primary School; further phases of major remodelling and refurbishment works proposals at Heathfield Primary School, Hurworth Primary School & Dodmire School.

- (ii) Phase 3 Sure Start Children's Centre Capital funding was obtained to create facilities that provide "good quality childcare with early education; family and health services;

and, training and employment advice". Projects completed during 2010/11 include an extension to the existing Mount Pleasant Sure Start facility; and an extension and extensive remodelling works at 92 Salters Lane, to create a new Centre. Construction works underway and progressing at George Dent Nursery, to provide a new self contained facility with established, close working links with the School.

- (iii) Diploma Development funding was allocated to address the most urgent condition, health and safety and Disability Discrimination Act (DDA) works required at Branksome; Hurworth and Longfield Secondary Schools. Phase 1 of the proposed works at Branksome School was carried out and completed. Design and consultation works underway and being progressed for works within each of the three schools.

(b) Housing

- (i) Internal Planned Maintenance 2010/11 - 84 properties were completed at the end of the year, 2 of these received new central heating systems and 31 Level access showers.
- (ii) Roofing Works - The only roof work in 2010/11 was carried over from 2009/10 at Hurworth which involved stripping and installing new felt/timber battens and re-fixing the existing tiles/slates. Existing soffits/facia and gutters were replaced with UPVC. Where properties had out houses attached with flat roofs had these re-felted and new UPVC trims/guttering fitted.
- (iii) Fencing - Fencing works performed in 2010/11 brought forward from 2009/10 included work to replace timber fencing at Redhall, West Auckland Road, Geneva Road, Middleton St George and High Coniscliffe and several single properties.
- (iv) Footpaths - Footpath works were carried forward from 2009/10. The schemes carried out were the completion of Hundens Lane, Harrowgate Hill, Rise Carr and a small scheme at Albert Hill.
- (v) Garages - Garage repairs were commenced at Lascelles and Branksome and will be completed in 2011/12.
- (vi) Central Heating – 33 properties were completed which included 21 at Redhall and 12 miscellaneous properties. There were additional works including 19 new flue systems, 24 dwellings received new gas carcassing and 10 properties required new cupboards.
- (vii) Parkside Internal Planned Maintenance - 65 properties were modernised as per the IPM programme of which 13 received new gas central heating and 9 were equipped with flat floor showers.
- (viii) Boot Lintel Replacement Programme - Works commenced at Firthmoor where works are to be completed in 2011/12.

(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:
- 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.
- iii) Schemes completed during the financial year include:

Cycling and Walking

- Improved pedestrian and cycle crossing on Staindrop Road and construction of new path through woods linking to existing cycle path.
- A new cycle footpath link from Whinbush Way to Whinfield Road providing two toucan crossing for safer crossing points for children walking or cycling to school.
- The installation of a cycle footpath linking Sparrow Hall Drive to Green Lane.
- The installation of cycle parking at Holy Family, Heighington, Mowden Infants, The Bridge, Education Village and St Augustine's school.
- Completion of the dropped kerb programme for residents with mobility issues.
- The refurbishment of Polam Lane Bridge.

Travel Safety

- Northwood School Safer Routes to School – this scheme incorporated a series of speed cushions to provide a 20mph zone around Northwood School.
- Skerne Park, Corporation Road and Cockerton Safer Routes to School scheme all consisted of improved crossing points and the construction of additional dropped kerbs.
- Gurney Pease Safer Route to School scheme incorporated the resurfacing of a back lane that links Haughton Road to Albert Road and the re-positioning of a pedestrian crossing.
- Carmel Safer Route to School this scheme incorporated the resurfacing of a well used link path and the installation of lighting.

Maintenance Schemes

- Cleveland Street - renewal of existing carriageway surface with high strength rut resistance surface and refurbishment of adjoining footways.
- A67 Piercebridge to High Coniscliffe - resurfacing of existing carriageway.
- A167 Durham Road - strengthening and resurfacing of existing carriageway and refurbishment of adjoining footways.
- Barton Street - resurfacing of existing carriageway.
- B6279 Freeman's Place - resurfacing of existing carriageway.

- iv) Delivery of the Third Local Transport Plan. The first priority MAINTAIN involves the use of LTP funding for structural maintenance, including roads, footways, bridges and street lighting, thus contributing towards improving travel safety, supporting economic activity, tackling congestion and carbon emissions. This ensures that the existing transport asset is maintained to ensure that it is fit for purpose.
- v) The second priority MANAGE, concerns using all the transport system (footways, cycle ways, roads & rail) more effectively and efficiently to support the economy, reduce carbon emissions and improve individual health outcomes.
- vi) The third priority, should there be any funding, is IMPROVE which covers investment in new facilities for all transport users. In the financial year 2011/12 it is proposed to spend £1.640m on footway maintenance, carriageway maintenance, cycle route maintenance, bridge maintenance and street lighting column replacement. This means 70.6% of Darlington's total LTP allocation of £2.323m will be used on maintenance work in accordance with the agreed priorities. The remaining amount of £0.683m is proposed to be spent on managing and improving the existing network.

(d) Corporate Services

- (i) Former Landfill Sites - the capital projects to carry out intrusive site investigation works at the former Summerhouse, Highside and Salters Lane North Landfill site are now completed and concluded that the land in question is not contaminated land under Part 2A Environmental Protection Act 1990. The investigation with regard to the former Shearwater Landfill site is nearing completion and the funding for the former Skipbridge landfill site was returned to Defra as the site will be investigated under the planning regime.
- (ii) Customer Led Transformation - the funding from CLG is being used to support the Early Intervention and Prevention service for children, implementing technology, data and developing intelligence to target families most in need and work with them to improve outcomes. The suite of technology needed to support the delivery of this project, and that of the new Insight and Information team, has been finalised and approved and the Terms and Conditions are currently under review in advance of orders being placed. It is anticipated that the technology will be implemented by the end of July 2011.
- (iii) Accommodation review - works largely completed and awaiting final accounts and Project Closure report.

Capital Spend and Resources Monitoring

12. The Capital outturn for 2010/11 totalled £29.4M compared to £39.4M in 2009/10. The proposed financing of the 2010/11 expenditure is :-

	2010/11 £M
Capital Expenditure	29.422
Financing of Capital Expenditure	
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	0.449
General Fund – Capital Receipts	1.139
<i>Externally funded</i>	
Capital Grants	15.148
Capital Contributions	0.637
Major Repairs Allowance – Housing Revenue Account (HRA)	2.336
Supported Capital Expenditure (Borrowing)	2.842
<i>Departmental and Other Resources</i>	
HRA – Capital Receipts	0.102
HRA – Unsupported Borrowing	5.419
Departmental Borrowing for Leasable Assets	0.708
Departmental Unsupported Expenditure (Borrowing)	0.642
Total Capital Financing	29.422

Capital Programme

13. Paragraphs 14 & 15 show the movements in the Capital Programme since the approval of the 2010/11 Capital MTFP, some of which have not yet been approved by Members:-

14. Adjustment to resources requested by Departments:-

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
(a) Children's Services	Hummersknott	-10,000	Previously anticipated capital contribution will not now be realised	Contribution
(b) Community Services	West Park Play Area	25,000	Further funding has been received from County Durham Community Foundation and West Park Friends for this project.	Contribution
	Lascelles Play Area	42,000	Funding has been secured via the Big Lottery Community Spaces development grant	Grant
	Highways Maintenance Winter Repairs	-198,000	Contributions from the LTP together with the funding of certain schemes from	Departmental unsupported borrowing

			Revenue	
(c) Corporate Services	Harewood House Wall	-4,000	Scheme completed	Corporate resources
	North Cem. Wall	-14,000	Scheme completed	Corporate resources
	Land Sale costs	3,000	Additional costs met by future capital receipts	Corporate resources
	Central Library high level walkway	2,000	Additional costs	Corporate resources
	Contaminated land project	54,000	DBC has been awarded a grant from the Environment Agency to undertake a site investigation of a former landfill site (former Salters Lane North Landfill)	Grant
	Customer Led Transformation	66,000	Transformation - funding from CLG has been secured and will be used to support the Early Intervention and Prevention service for children, implementing technology, data and developing intelligence to target families most in need and work with them to improve outcomes.	Grant
(d) Regeneration	Blackwell Meadows – College Playing Pitches	19,000	The previously reported repayment to Darlington College of £189,000 has been finalised at £170,000	Contribution (to be repaid to College)
(e) Transport	Cycling for England	30,000	Additional grant was secured from Cycling England prior to its abolition to be used for various cycling initiatives	Grant
	Cycling & Walking	5,000	Grant received from National England in respect of Rights of Way	Grant
(f) Prudential Borrowing – Leasable Assets	Various	708,000	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 2010/11 is £708,000 and has been added to the Capital programme	Departmental unsupported borrowing
(g) Capitalisation of Redundancy costs	Various	760,000	As per the 2011-15 MTFP	Corporate Resources
TOTAL		1,488,000		

15. Virement of resources requested by Departments:-

Department	Scheme	Value £	Reason for Virement
(a) Children's Services	Contingency	8,000	Financing of below adjustments from contingency balances
	PCP Red Hall Primary Heating Replacement	-60,000	Project is complete. DFC contribution returned to school
	PCP Red Hall Primary Heating Replacement	2,000	Project is complete. Minor overspend on final account
	14-19 Diplomas, SEN & Disabilities	-54,000	Financing of below adjustments from 14-19 funding
	Firthmoor Primary School	-30,000	Remodelling projects cancelled and school contribution returned
	Firthmoor Primary School	-7,000	DDA works cancelled. Disabled child transferred to another school
	Sure Start Projects	-29,000	Projects to improve quality and access at PVI nurseries didn't go ahead
	PCP Alderman Leach Classrooms	-12,000	Project is complete. Reported underspend on final account
	Youth Centres	-11,000	Underspend relating to electrical works to Branksome Community Centre
	PCP Corporation Road Remodelling	4,000	Minor projected overspend on total £1.5M budget
	Unallocated PCP Funding	6,000	Increase in PCP contingency balance due to below adjustments
	Temporary Accomodation	22,000	Modular classrooms required at Hurworth Comprehensive, commitment extended to July 2015
	BSF Preparatory costs	32,000	Additional fees incurred during the preparation stages of BSF prior to the programme being cancelled
	Hummersknott School	39,000	Projected overspend relating to additional heating works to the Sports Hall & Landscaping works
	Devolved Formula Capital	45,000	Increase in school's DFC balance due to below adjustments
	North Road Project	45,000	Additional school contribution to the cost of ICT
(b) Community Services	Highways Maintenance Winter Repairs	59,000	Contribution from LTP
(c) Transport	LTP Fees - Transport Policy	-122,000	Reallocation of Local Motion residual
	Carriageway Maintenance 2010/11	122,000	
	Carriageway maintenance – prior year	-29,000	

	Footway Maintenance	-29,000	Community Services in respect of winter repairs
	Cycle Route Maintenance	-1,000	
TOTAL		0	

2011/12 Allocations

16. Revisions to estimates to be resourced from 2011/12 allocations are as follows:-

- Children's Services – As reported to Cabinet in March 2011 £1.1M of the potential variance on the Northwood School project would be funded by 2011/12 Capital Maintenance allocation.
- Transport - there is a variance shown against TVBNI of £424,000 (land purchase at North Road) which will be carried forward into 2011/12 and funded partly from a grant from Department for Transport, surplus funds from LTP2 and the remainder from LTP3.

General Fund Capital Receipts

17. Appendix 4 details the general fund capital receipts received and brought forward from previous years. These amount to £2.162M of which £1.139M has been utilised to finance capital expenditure, £1.000M used for repayment of debt, leaving a balance of £23,000 to carry forward into future years.

Conclusion

18. The total capital spend incurred during 2010/11 was £29.4M. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2010/11.

Outcome of Consultation

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