
**PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME OUTTURN
2013/2014**

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

**Responsible Directors - Paul Wildsmith,
Director of Neighbourhood Services and Resources
Ian Williams, Director of Economic Growth**

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 2014 and the proposed financing of the 2013/14 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 2013/14 totalled £29.3M. Since the last revision of the Capital Medium Term Financial plan further refinements to estimates 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 70 live projects currently being managed by the Council with an overall project outturn value of £94.2M. 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 2013/14 Capital Programme.
 - (b) Note the attached status position on construction projects.
 - (c) Approve the adjustments to resources as detailed in paragraph 24.

Reasons

8. The recommendations are supported by the following reasons:-
 - (a) The recommendations are supported to enable Members to note the progress of the 2013/14 Capital Programme and to allow the capital spend 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 Neighbourhood Services and Resources

Ian Williams
Director of Economic Growth

Background Papers

Capital Medium Term Financial Plan 2013-14 – 2016/17

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

2013/14 Capital Spend and Resources

9. **Appendix 1** analyses all 2013/14 capital spend by department, the proposed financing and resources carried forward into 2014/15.
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 provides 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.

Project Position Statement

13. 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

14. The Project Position Statement (**Appendix 3**) details the current live construction projects, up to the end of April 2014, by delivery area, excluding any completed projects or those on hold.

15. The overview of live construction projects is as follows:-

	Projects	Current Approved Budget £	Projected Outturn £	Variance %	Variance (Value) £
(a) Place	38	64,659,980	63,832,842	-1.28%	-827,138
(b) People	30	29,354,363	29,280,606	-0.25%	-73,757
(c) Resources	2	1,136,543	1,121,991	-1.28%	-14,552
TOTAL	73	95,150,886	94,235,439	-0.96%	-915,447




16. 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.

17. The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Place	-	6	2	7	23	-	38
People	-	-	-	-	30	-	30
Resources	-	-	-	-	2	-	2
TOTAL	-	6	2	7	55	-	70

- (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.

18. The status on live projects is as follows:

Department			
Place	1	28	9
People	-	27	3
Resources	-	2	-
TOTAL	1	57	12

- (a) Star and 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 circles.
- (c) In addition to cost, the same symbols are used to indicate similar levels of variances in time and quality/outputs/outcomes.

19. Current projects with the triangle symbol are as follows:-

Project	Reason for Variance	Action
DBC Depot Relocation	The scope increased to include additional office space at the new depot to enable the Vicarage Road office site to be redeveloped. This has enabled further accelerated housing development on Central Park. The costs associated with the additional works have raised the projected outturn above tolerance levels.	The final accounts for the project are being undertaken to finalise the projected outturn. The provision for the additional funding will be reported in a future report to Cabinet but will be financed from the most appropriate corporate capital resources available at the time.

Reconciliation of Project Position Statement to Capital Programme

20. 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.

	Value £M
Live Projects from Project Position	94.235
Schemes closed or on hold within CP but awaiting PPS post project review.	(20.410)
Annualised Programmes.	5.265
Non-construction projects not included in PPS report.	11.548
Capital schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	0.427
Capital schemes not yet integrated into PPS reporting.	6.142
Projects under £75k are excluded from PPS reporting.	2.303
Funding not yet allocated.	1.014
Capital funding passported direct to Academies.	6.448
Capital Programme	106.972

Capital Programme Update

21. The following major areas of work have been undertaken in 2013/14.

(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 is being prepared.
- (ii) 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.
- (iii) The plan sought approval for the release of the remaining £1.57M 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.
- (iv) 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. We are currently working up feasibility's for potential expansion at Red Hall Primary, Heathfield Primary and The Rydal Academy. Once we receive the priced feasibilities we will then be submitting a report to cabinet to have the funds and projects agreed.
- (v) We are currently awaiting the outcome of a report submitted to Cabinet requesting the release of £769,679 to be spent on maintained schools and community centre within the borough. This figure is made up from,

capital maintenance 2013/14 and 14/15, DFC allocations for 2013/14 and 14/15 and Universal Free School Meals (UFSM). The UFSM funding is for our maintained schools only and is to address the extra demand on school kitchens due to the change in legislation that comes into effect on 1st September 2014.

(b) Housing

- (i) Internal Planned Maintenance - kitchen, bathroom, rewires and boiler replacements to 254 properties identified on the 20 year investment programme. Work was carried out to properties in Heighington, High Conniscliffe, Sadberge, Middleton St. George, Cockerton and Springfield/Haughton.
- (ii) 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. Work was carried out in 304 properties primarily in Red Hall Courts, Branksome, Lingfield, Rural properties and Haughton.
- (iii) Energy Efficiency – 162 properties in the North Riverside Estate received new composite front and rear doors with improved thermal efficiency and security for residents. Additional heating was provided to entrance halls to remove a cold area to the properties.
- (iv) Garages – structural repairs, security work and roof replacements to approx. 20 garages in various locations around the town.
- (v) Adaptations - the provision of disabled adaptations including Flat Floor Showers, ramps, stair lifts, handrails, grabrails and other adaptations to 280 Council Properties. This also included a new extension to one property to accommodate the needs of the family to care for their child.
- (vi) Energy Efficiency – 164 properties in the Hundens Lane area had the single glazed UPVC windows and timber doors replaced. The new windows are 'A' rated double glazed with improved security and safety features, new composite doors were also provided with the tenants having a choice of four colours and designs.
- (vii) External Works – responsive repairs across the borough and the planned replacement of fencing and paths to over 200 properties in Haughton East and West including Springfield. Residents to 8 bungalows in Hilda Street benefited from improved parking and pedestrian access.
- (viii) Smoke Alarm – with the introduction of hardwired smoke alarms to the housing stock there is a need to ensure the battery backup which has a 10 year life are replaced as part of a rolling programme. 221 properties benefitted from this works which also saw the introduction of heat detectors in kitchens to bring the properties up to the current standards we install today as part of the IPM programme.

- (ix) Structural repairs – Structural works to 32 Feetham Avenue to rectify structural movement, re-pointing work to various properties, concrete repairs to individual garages, installation of insulation to garage ceilings in Springhill to improve thermal efficiency to the flats above and repairs to stone boundary wall in Heighington.
- (x) Roof Repairs – part of a two year programme to replace flat and pitched roofs in the Hundens Lane area of town, preparation works carried out to relocate BT lines to all work commenced. Also bungalows in Holgate Moor received a full roof replacement.
- (xi) Communal Works – Part of a programme of works to upgrade communal entrance doors and entry systems to provide increased security to blocks of flats across the Borough. Those doors and entry systems needing immediate replacement doors separate to the programme were William Street flats, Thorne Court and Deepdale House.

(c) Transport

- (i) Darlington continues to deliver capital schemes in support of its Transport Strategy. The objectives of the Transport Strategy as set out in the Third Local Transport Plan include supporting employment, economic activity and sustainable development; tackling climate change; improving accessibility to jobs, education, training, health, and green spaces; and improving the journey experience. Capital investment sources to deliver the Transport Programme are provided by: Tees Valley Bus Network Initiative (TVBNI), Local Sustainable Transport Fund (LSTF) and the Third Local Transport Plan (3LTP).
- (ii) TVBNI – This initiative seeks to make the best use of local transport infrastructure through targeted improvements that benefit bus passengers. Schemes this financial year include:-
 - a) Works commenced on the new junction between Parkgate, St. Cuthbert's Way and Stonebridge on the ring road.
 - b) Verge hardening and traffic calming in Firthmoor and Springfield.
 - c) Continuing works on core bus routes throughout the borough, including raised platforms and dropped kerbs.
- (iii) LSTF – This fund facilitates the development of a sustainable economy by mitigating traffic congestion, reducing carbon emissions and improving personal health. Schemes this financial year include: -
 - a) Significant improvements to North Road Station.
 - b) Construction of a shared footway / cycle link across Central Park.

c) Construction of a cycleway from Morton Palms to Middleton St. George.

(iv) 3 LTP – This plan is split into two parts. Part one, Integrated Transport, is concerned with managing and improving the transport network, whilst the second part, Highways Capital Maintenance is concerned with maintaining the highway asset. Schemes this financial year include:-

Integrated Transport

- Major refurbishment to various car parks.
- Construction of footpaths / cycle ways at West Park Primary and Darlington School of Maths and Science to provide safer routes to school.

Highways Capital Maintenance

- Continuing programme to replace street lighting columns.
- A167 Croft Road (southern end): carriageway resurfacing
- A68 Burtree Lane Junction Phase 1: Resurfacing of south bound dual carriageway.
- A68 Woodland Road: Carriageway resurfacing and patching

(d) Department of Education – New Build

Work on site is progressing well and the project remains on programme. The external elevations are nearing completion and the building will be water tight within the next couple of months. Once water tight the extensive internal works will progress in earnest, followed by the completion of the remaining external areas.

Capital Spend and Resources Monitoring

22. The Capital outturn for 2013/14 totalled £29.3M compared to £19.3million in 2012/13. The proposed financing of the 2013/14 expenditure is :-

	2013/14 £M
Capital Expenditure	29.338
Financing of Capital Expenditure	
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	6.424
Capital Receipts	1.638
<i>Externally funded</i>	
Capital Grants	11.775
Capital Contributions	0.296
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	0.298
HRA - Revenue Contribution	5.480
Departmental - Borrowing for Leasable Assets	2.100
Departmental - Unsupported Borrowing	1.184
Departmental – Revenue Contribution	0.143
Total Capital Financing	29.338

Capital Programme

23. Paragraph 24 shows the movements in the Capital Programme since the approval of the 2013/14 Capital MTFP, none of which have yet been approved by Members.

24. Adjustment to resources requested by Departments:-

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
(a) Housing	Adaptations	(48,000)	Various adjustments to the Housing capital programme with the overall effect of reducing the programme by £571k	HRA RCCO
	Communal Areas 2013/14	(37,000)		HRA RCCO
	Door Entry	(8,000)		HRA RCCO
	Fencing / Footpaths	(6,000)		HRA RCCO
	Garages 2013/14	(56,000)		HRA RCCO
	Green Deal	8,000		HRA RCCO
	Heating replacement programme	151,000		HRA RCCO
	IPM Additions 13/14	(140,000)		HRA RCCO
	IPM Works at Cockerton	(296,000)		HRA RCCO
	New Build - Springfield	16,560		HRA RCCO

	New Build Investigations 13/14	4,000		HRA RCCO
	Pavement Crossings 2013/14	(15,000)		HRA RCCO
	Repairs before painting 2013/14	(22,000)		HRA RCCO
	Structural Works 2013/14	6,000		HRA RCCO
	Ted Fletcher Court	(129,000)		HRA RCCO
(b) Resources	Customer Contact Centre	90,000	RCCO in respect of Town Hall works carried out alongside the refurbishment of the Contact Centre	RCCO
	Eastbourne School demolition	(19,000)	No further spend anticipated	Corporate Resources
	Land Sale Costs	151,000	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 the Feethams development and to the former Eastbourne School site. These additional costs are to be met through future anticipated capital receipts.	Corporate Resources
	Accommodation review	(66,000)	Virement	nil effect
	Town Hall refurbishment works	66,000	Virement	nil effect
(c) Regeneration	Green St Acquisitions & Demolitions	120,000	Additional funding received from HCA via TVU in respect of demolitions	Grant
(d) Children, Families & Learning	Mount Pleasant & McNay St. Family Support	20,000	Contribution received in respect of remodelling works	RCCO
	Mowden School Expansion	39,000	Contribution received from School in respect of purchase of enhanced IT equipment outside main contract	Contribution
	Contingency	(29,000)	Virement	nil effect
	Home & Hospital Teaching Service	12,000	Virement	nil effect
	Youth Centres	1,000	Virement	nil effect
	Heathfield Primary	1,000	Virement	nil effect

	Northwood	2,000		
	Children's Centres	1,000		
	Red Hall Primary	7,000		
	Corporation Road	5,000	Virement	nil effect
(e) Prudential Borrowing – Leasable Assets	Various	2,100,052	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 2013/14 is £2,100,052 and has been added to the Capital programme	Departmental unsupported borrowing
TOTAL		1,929,612		

General Fund Capital Receipts and Corporate Resources

25. **Appendix 4** details the general fund capital receipts and corporate resources received and brought forward from previous years. These amount to £4.368million of which £1.638M has been utilised to finance capital expenditure leaving a balance of £2.730M to carry forward into future years.

Conclusion

26. The total capital spend incurred during 2013/14 was £29.3M. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2013/14.

Outcome of Consultation

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