
CAPITAL PROGRAMME
QUARTERLY MONITORING REPORT – APRIL - JULY 2006

**Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio**

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. This reports presents an update of the Capital Programme and looks at spending and resource levels.

Summary

2. The report confirms that the Authority requires capital receipts of £1.404m to be achieved during 2006/07. The 2006/07 asset disposal programme totals £3.401m therefore surplus capital receipts of £1.997m are anticipated to be carried forward to future years. This carry forward will be required to fund future years capital programmes.

Information and Analysis

3. **Appendix 1** summarises the Councils projected capital expenditure and resource position. The current projection is that capital receipts will be available to achieve a fully-funded programme in 2006-07 and contribute to funding future years programmes. This is however, dependant on expenditure being contained within the current projections, sales of assets being achieved and additional resource approvals.
4. **Appendix 2** provides a departmental summary of a budget against spend position of ongoing capital projects and anticipated under/over spends.
5. The format of the detailed information presented in **Appendix 3** has been significantly amended to provide more information. Resources approved and spent prior to 2006-07 are shown (columns A to C). Resource approvals in 2006-07 are shown separately (columns D to G). Spend to date, projected outturn and variances from approved resources are detailed for each scheme. It is intended that this revised format will enable attention to be prioritised towards schemes that vary most significantly from approved resources.

Capital Spend and Resources Monitoring

6. Movements within the capital programme since the approval of the Capital Medium Term Financial Plan: -

(a) Children's Services

- (i) A major review of the Children's Services capital programme has identified a number of movements in the programme. With the number and the complexity of the schemes involved in this programme it has to be acknowledged that there will always be variations in projections. The movements have occurred due to the review of all project estimates since the original capital programme was agreed. Project costs have been firmed up with architects and the amendments to budgets have had a slight alteration to the original contingency highlighted within the 2006-07 programme. A separate Cabinet report is being compiled to provide an update to Members on the proposed changes to the programme, to be presented in October.
- (ii) Additional grant of £0.107m was received from DFES for E-Learning. The additional resource has been added to this years capital programme. A report to release this funding will be brought to Cabinet in October 2006.

(b) Housing Services

- (i) The movements in expected outturn from the original budget approved by Cabinet on 4th April 2006 relate to new costings for the programme of works.
- (ii) The extra care scheme at Rosemary Court (reported to Cabinet 30th August 2005) now shows an expected outturn of £3.558m and increase of £2.758m which covers all of the payments due including those payments made to Hanover Housing for their part of the scheme. Of this increased outturn, £2.450m is covered by grant received from the Department of Health, the remaining £0.308m will be financed through a mixture of increased revenue contributions and prudential borrowing.

(c) Transport

- (i) At 31st July 06, expenditure on the Darlington Eastern Transport Corridor (DETC) is £0.104m higher than the approved resources. It is projected that a further £0.096m will be spent before the scheme reaches Department of Transport approval stage. It is anticipated that this expenditure will be covered within the £12.040m scheme. This is, however, dependant on the overall cost of the scheme remaining within the estimate figure. There is a risk that corporate resources will be required to fund pre-tender and/or construction costs on the scheme. An additional contribution of £0.100m was received from Tees Valley Regeneration, this was to cover the purchase of land at McMullen Road.

(d) Corporate Services

- (i) An anticipated overspend of £0.018m has been identified in respect of the Customer Service Centre building costs.

(e) Development and Environment

- (i) An overspend on the Crown Street Library works has been identified of £0.039m due to essential additional works in respect of Health and Safety issues. The overspend is to be covered by the Planned Maintenance scheme.
- (ii) An additional £0.042m was approved at Cabinet on the 11th July 2006 for fencing work at Ullswater Avenue. This is to be financed through capital receipts or prudential borrowing.
- (iii) A comprehensive review of the Pedestrian Heart scheme is underway and it is anticipated that additional capital funds will need to be allocated. A report will be presented to Members shortly.

Capital Programme Monitoring (Outputs)

7. The following identifies the progress of a number of major Capital Schemes: -

(a) Children Services

- (i) The Children's Centre extension at Dodmire Junior, started in December 2005, has been completed and is scheduled to be operational on the 12th September. Works undertaken during the school Summer holiday included electrical rewire works at Mowden Infant, miscellaneous electrical works at Branksome and Longfield Comprehensives, although electrical testing at Hurworth and Eastbourne Comprehensives had to be rescheduled for the October half term holiday period; the replacement of the heating system at Abbey Infant and miscellaneous works to hot & cold water installations at Branksome and Longfield Comprehensives; and window replacement/repairs at Branksome and Longfield Comprehensives, Abbey Infant, Abbey Junior, Heathfield and Red Hall Primary. In addition, internal remodeling works and an extension to improve the cloakroom and DDA provision was undertaken during the summer holiday period at Heighington CE Primary; the demolition and replacement of the KS1 toilet block at Hurworth Primary commenced on schedule and is expected to be completed before the end of November 2006; and the construction of an extension at High Coniscliffe CE Primary to provide staff and pupil resource bases also commenced and is expected to be completed before the end of December 2006. Fire stopping works at Branksome, Eastbourne, Hurworth and Longfield Comprehensives have been rescheduled for the October half term holiday period.

(b) Housing Services

- (i) The first phases of internal planned maintenance and heating improvements are well underway. Remodelling work at Mount Pleasant House and Dinsdale Crescent Phase 3 is continuing and anticipated to conclude over the summer months. Remodelling

works are anticipated to begin shortly at Stocksmoor Close and Copley House. Additionally £0.203m and £0.186m has been expended in relation to disabled facility grants and private sector renovation grants respectively. Although the Council has adopted a new loans based system for Private Sector Financial Assistance, the expenditure thus far has been on outstanding grants based cases.

(c) Transport

- (i) The following main areas of work have been undertaken within the Highways and Transport Portfolio: -
- (ii) The delivery of the 'Lets get Cracking' programme of works has commenced with both Community Services and Alfred McAlpine Government Services Limited carrying out the various schemes. Nine schemes are about to start on site. As part of the project, a Customer Services Officer has been appointed and she is liaising with the public and organisations before, during and after the works.
- (iii) The Darlington Eastern Transport Corridor detailed design is being finalised and the tender process is underway.
- (iv) Cycling Schemes, both for LTP and Cycling England programs are finishing schemes around the Education Village and the new College.
- (v) Public transport measures including support for route 21 and Performance Improvement Partnership.
- (vi) Design works and consultation on local safety schemes and decriminalised parking. 20 Miles per Hour zones and residents parking zones.
- (vii) New CCTV works for East Street, covering bus stops, monitored by the CCTV centre.

(d) Pedestrian Heart

- (i) Progress is continuing right across town as an increased number of pavers are now on site.
- (ii) Paving on Bondgate finished in mid July and this area now awaits the installation of the Gateway Pillar, when it will be the first area to be fully completed. Paving at the West end of Blackwellgate was also completed in mid July and work has commenced paving the South side of the road, due for completion in September.
- (iii) Works have been accelerated on the lower section of Northgate, from Crown Street to Prospect Place by reducing the phasing from four to three. The road has been closed to traffic from Monday 10th July for up to three months as the road area is paved in one phase.

- (iv) The North side of the top of Tubwell Row has been completed, including the installation of a new loading bay. Construction has now commenced on the South side of the top of Tubwell Row, which is due for completion in September.
- (v) The existing tarmac on the East side of Prebend Row has been planed off ready for replacement.
- (vi) The foundations for two of the planters and the first steps on High Row South have been laid. Work has commenced within the redundant High Row toilet block in readiness for the foundations for the water cascade.
- (vii) Birse contractors are continuing to work from 7.30 am to 6.00 pm to clawback some time lost on the gas main works. The current construction completion date is early summer 2007.

Conclusion

- 8. The expected outturn of the capital programme is £47.158m, the approved capital programme totals £46.940m leaving an overspend of £0.218m. At this point, approval is sought only for the increased costs of the Customer Service Centre. A full report on the Children Service capital programme is to be presented to Cabinet in October 2006. The projected increase in DETC cost is currently anticipated to be covered by the overall resources available for the scheme. Capital Receipts of £1.404m are required in 2006/07. Asset disposals have been identified to cover this and to support future years Capital Programmes.

Legal Implications

- 9. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members.

Section 17 of the Crime and Disorder Act 1998

- 10. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Consultation

- 11. No formal consultation has been undertaken regarding this report

Council Policy Framework

- 12. The issues contained within this report do not represent change to Council policy or the Council's policy framework

Decision Deadline

13. For the purpose of the 'call-in' procedure this does not represent an urgent matter

Recommendation

14. It is recommended that:-

- (a) The 2006/07 updated Capital Programme is noted.
- (b) The projected £0.218m overspend be noted.
- (c) Additional resources of £0.018m are approved for the Customer Service centre.
- (d) The Children Services Capital programme be reported to Cabinet in October 2006.

Reasons

15. To allow Members to note the progress of the agreed Capital Programme and agree changes to the Capital Programme.

Paul Wildsmith
Director of Corporate Services

Background Papers

Capital Medium Term Financial Plan 2006/07 – 2009/10
Accounting Records

Richard Norris: Extension 2323