
**CAPITAL PROGRAMME
QUARTERLY MONITORING REPORT – DECEMBER 2006**

Responsible Cabinet Member - Councillor Don Bristow, Resource Management Portfolio

Responsible Director - 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 details the extensive programme of work currently underway and the progress being made across housing, transport, etc. In terms of resourcing requirements, the report confirms that the Authority requires capital receipts of £4.424m to fund capital expenditure commitments. Slippage is projected to reduce the requirement for 2006/07 to £2.989m.
3. The 2006/07 asset disposal programme totals £1.689m. There is, therefore, a projected shortfall in capital receipts of £1.300m in 2006/07, which is included in the Capital MTFP review report as the starting point for 2007/08 onwards.
4. The shortfall of capital receipts will be covered by short term Prudential Borrowing.

Information and Analysis

5. **Appendix 1** summarises the Council's capital commitments and resources position.
6. **Appendix 2** summarises departmental capital budgets, spend position of ongoing capital projects and projected under/over spends
7. **Appendix 3** details the current position of all previous and current year capital projects that are currently ongoing.

Capital Spend and Resources Monitoring

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

(a) Children Services

- (i) A major review of the Children's Services capital programme has identified a number of movements in the programme. A detailed report was presented to Cabinet on the 7th November 2006 and approved.
- (ii) Further to the Cabinet report above the following movements have been made: -
 - a) An additional allocation of £0.078m towards Devolved Formula Capital was received from DFES. The allocation has been added to this programme
 - b) An under spend of £0.030m is anticipated on the Remodelling project due to costs relating to Heighington Primary Pupil Toilet.
 - c) Resources of £0.036m not needed for replacement window/door schemes and rewiring schemes. This work to be completed within future major capital projects.
 - d) Spending on urgent works has increased by £0.080m this is due to a gas leak at Hurworth Comprehensive; this is to be funded from contingencies.
 - e) Spending on miscellaneous works has increased by £0.033m, due to ICT equipment required for Branksome Comprehensive.
 - f) An over spend of £0.140m has been identified under the budget heading of AMP Support. This relates to fees in relation to the Educational Village and is to be funded from contingencies.
 - g) Spending on NOF (multi use games areas) has increased by £0.035m this is due to additional development costs.

(b) Housing

- (i) Current projections show that the Housing capital programme will overspend against the original budget. This is due to additional spending for remodelling works undertaken at a number of Flats throughout Darlington. Although final costs are not yet available, any additional spending will be financed through either additional Housing Capital Receipts or Departmental Borrowing.
- (ii) Spending on the Adaptation works is projected to increase by £0.030m due to increased works and specifications required. The overspend is to be covered by a reduction in the Roofwork scheme.
- (iii) Spending on Decoration works is projected to increase by £0.039m this is due to increased works. The overspend is to be covered by a reduction in the Structural Repairs work.
- (iv) Spending on the Door Entry scheme has increased by £0.035m due to unexpected additional costs. The communal works programme has been reduced to reflect this.

(c) *Development and Environment*

- (i) An under spend of £0.040m has been identified on the Northgate Building Improvement scheme. This is due to a reduction in capital grant available to the project; the programme of works has been reduced to reflect this.
- (ii) Spending on Railway Centre urgent roof works is projected to increase by £0.010m this is due to emergency propping to defective trusses that was kept in place longer than originally anticipated. This was to allow for the design of the repair to take place and to obtain the relevant permissions to allow work to proceed.
- (iii) An under spend of £0.009m has been identified on the Public Realm works.

(d) *Equal Pay Settlement*

- (i) To date the Authority has incurred £3.628m of equal pay claims. The Government have given authorisation to capitalise these payments. Further costs are likely to be incurred in this year, for which £1.000m is provisionally included in Appendix 3. Council approval is sought in the Capital MTFP review report. A further capitalisation directive has been applied for to enable these costs to be treated as capital expenditure.

Capital Receipts Programme

9. Since the last update, a review of the Capital Receipts (Asset Disposal) programme has been undertaken by the Estates and Property Section. A number of anticipated land sales have slipped into future year resulting in the 2006/07 capital receipt programme decreasing by £1.720m.

Capital Programme Monitoring (Outputs)

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

(a) *Children Services*

- (i) Since the 2006-07 mid year update report was presented to Cabinet in November the majority of Children's Services capital projects have progressed significantly and a number are complete or are nearing completion.
- (ii) Examples of schemes now completed in primary schools include an extension at High Conniscliffe for the provision of an ICT/Resource area, an extension of Hurworth Primary school for the provision of children's toilets and an extension and refurbishment project at Heighington Primary for the provision of children's toilets.
- (iii) In relation to large-scale capital projects. The designs have now been frozen and a planning application has been submitted for the project at the former Rise Carr Primary School building, which is being refurbished to accommodate Darlington's Pupil Referral Unit. The design has also been frozen for the new hall at the Federation of Abbey Schools and planning permission has been

submitted. With regard to the project at Hummersknott School, the planning application has now been approved and the design team are now preparing tender documentation.

(b) Housing Services

- (i) Internal planned maintenance and heating improvements are continuing. Remodelling work at Mount Pleasant House and Dinsdale Crescent Phase 3 is continuing. Additionally £0.592m and £0.259m 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) Darlington Eastern Transport Corridor - Transport Minister Gillian Merron granted funding approval for the Darlington Eastern Transport Corridor on 18th December. The announcement gives the Final Approval for the scheme and confirms the Department for Transport's contribution of £12.040m towards the cost of the scheme. The works will be carried out by Birse Civils Limited.
- (ii) 'Let's Get Cracking' – Delivery of the programme of works is ongoing. 10 schemes are about to commence; 9 are ongoing and 7 have recently been completed.
- (iii) Cabinet approved to vary the proposed expenditure of the 2006/07 budget for the Second Local Transport Plan, in order to bring forward a scheme which would help meet the objectives of the Plan. The scheme at Greenbank Road/Woodland Road traffic lights is to help traffic congestion and would be beneficial to all road users.
- (iv) Haughton Road Cycle/Footbridge – Tender assessment currently being carried out.
- (v) The improvement works to the footpath from Feethams to Leadyard Bridge are underway, providing pedestrian and cycling facilities, which will link to a new toucan crossing, replacing the existing light controlled crossing on St Cuthbert's Way. This Second Radial Route provides a cycle route from Bank Top station to the town centre. Design work is nearing completion on a scheme that will improve cycle access from the town centre to South Park, which will use the new crossing facilities mentioned above.

(d) Pedestrian Heart

- (i) Paving works in Blackwellgate are now complete, with the Life Pulse structure itself anticipated in the spring.

- (ii) The works on High Row are progressing, as large sections are now available for Birse staff to work on. The first area of steps outside Binns has now been unveiled with work now continuing both from the north and south of High Row.
- (iii) Paving on West Row has been brought forward in the programme with works ongoing on both the footpath and the roadway.
- (iv) The majority of paving on Prebend Row is now complete with both bus stops fully operational.
- (v) Workers are in the process of paving sections of Tubwell Row with the area outside the Indoor Market almost complete and work on going on the disabled parking bay.
- (vi) Paving of the roadway and footway from Northgate around Prospect Place to tie in with the works already complete on Bondgate is now complete, as is the area along Northgate to its junction with Prebend Row.
- (vii) The events space in Prospect Place is now complete and has been unveiled to the public. The surrounding curved planter is also nearing completion, it is anticipated that this area will also be opened up shortly.
- (viii) Lower Northgate works are largely complete with paving, street furniture and lighting columns installed. The final works required are the installation of the rising bollards, which is expected shortly.
- (ix) On upper Northgate the new bus shelters were installed in the autumn with the repaving works commencing in mid January.

Legal Implications

11. 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

12. 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

13. No formal consultation has been undertaken regarding this report

Council Policy Framework

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

Decision Deadline

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

Conclusion

16. The current projected outturn of the capital programme is £64.494m, which is in line with the approved capital programme.
17. A revised Capital Receipts (Asset Disposal) programme has decreased the projected capital receipts to be achieved in 2006-07 by £1.720m.
18. General Fund Capital Receipts of £4.424m are required to fund capital commitments. Projected capital receipts are £1.689m, leaving a projected deficit of £2.736m. Slippage within this years programme is projected to reduce the deficit to £1.300m, which will be recovered in future years. The shortfall of capital receipts will be covered by Prudential borrowing in the short term.

Recommendation

19. It is recommended that: -
 - (a) The 2006/07 updated Capital Programme is noted.
 - (b) The projected under and over spends are noted.

Reasons

20. 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