
**CAPITAL PROGRAMME MONITORING
APRIL TO DECEMBER 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 current projected outturn of the 2008/09 Capital Programme is £134.3million against an approved programme of £134.4million.

Recommendations

3. It is recommended that Cabinet :-
 - (a) Note projected capital expenditure and resources.
 - (b) Approve the resource virements required for Children's Services and Community Services budgets.
 - (c) The additional funding of £28,000 from the Department of Children Schools and Families relating to Devolved Formula Capital be noted and released.
 - (d) The award of £128,000 from the Big Lottery Fund's Children's Play Programme be noted and released.
 - (e) The commuted sum of £16,000 in relation to Abbey Rd, received from Charles Church, be noted and released.
 - (f) Note the budget reduction of £50,000 on the Arnold Road Allotment Relocation.
 - (g) Note the underspends on the following schemes, to be returned to Corporate resources;
 - Town Hall lift replacement £2,000
 - Contact Centre £73,000
 - Fencing at Ullswater £4,000
 - Public Realm Works £10,000

- (h) Allow the Corporate underspends identified above to offset the £3,000 overspend on the additional masonry work required at the Art Centre.
- (i) Note the reduction of £25,000 in the projected cost of the Rockwell House and Branksome Hall works.
- (j) Approve the use of repaid improvement grants to fund the additional spending on Disabled Facilities Grants, instead of top slicing from the 2009/10 allocation.
- (k) Note the additional grant funding received from The Department for Transport of £1.229M for the Darlington Eastern Transport Corridor.

Reasons

4. 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

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
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

2008/09 Capital Spend and Resources

5. **Appendix 1** summarises the Council's capital commitments and resources position. Line 29 shows the amount of additional Prudential Borrowing required to balance the Capital Programme.
6. **Appendix 2** summarises departmental capital budgets, spend position of ongoing capital projects and projected under/overspends.
7. **Appendix 3** details the current position of all previous and current year capital projects that are currently ongoing.

Capital Programme Update

8. The following major areas of work have been undertaken in 2008/09.
 - (a) *Children Services*
 - (i) The major capital project, to remodel and refurbish Hummersknott School has seen significant progress with Phase 1 now complete and in use since September. Phase 2 is progressing well and is scheduled for completion in August 2009. Work to build the new 700 place Eastbourne Academy on land near Hunden's Lane commenced on site in May and has made significant progress with the main building now constructed, work is being undertaken on the internal layout. The Pathfinder project to rebuild North Road Primary School has moved forward with the appointment of Keir Northern as main contractor. Work commenced on site on 5th January 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) Other projects undertaken during 2008 were completed utilising Schools Access Initiative funding which is allocated to enable schools to be more accessible to children with disabilities and special education needs. Funding was 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.

- (iv) 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.
- (vi) 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.
- (vii) Briefs and Project Initiation Documents for these schools and other schools to receive funding through the Primary Capital Programme (investment in 2009-10 and 2010-11) are currently being developed. A range of consultation meetings and events are being held to ensure Schools and key stakeholders are fully involved before more detailed work commences with Architects and Design Teams.

(b) *Housing*

- (i) Internal Planned Maintenance 2008/09 - 320 properties completed to date to Park Place, Bank Top, Piercebridge, Red Hall, North Rd, Heatherwood Grove and Harrogate Hill areas of town. 130 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 is due to commence in Rise Carr on approx 60 properties.
- (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 2008/09 – Work to provide 50% of Hundens Lane with new front and rear fencing is now complete. Work has now commenced in Harrowgate Hill in secure rear perimeter fencing and rear dividing fences to properties. Fencing has also been identified to be included in the scheme at Bank Top. As soon as the hard landscape work is complete at Whinfield the fencing programme will commence.

- (iv) Footpaths 2008/09 - work to Killinghall Street to provide front garden spaces have been completed. Work to improve the visual appearance of the communal spaces in Rise Carr e.g. repairs to the car parking area, planters and verges is now completed. Work is nearing completion 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. Work in the Bank Top area of town to improve the footpaths and general area will commence in February.
- (v) Repairs to Garages - Repairs to garage roofs to Cotherstone Moor, Springhill, Coniscliffe Rd and Lock Street are complete. Work to resurface a number of Garage forecourts are in the process of being programmed and work is expected to start in late January.
- (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 - 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 is 100% complete (some boundary issues to resolve on two properties), Lanethorpe Cres is 100% complete. The aforementioned account for approx 50% of the 2008/09 budget. Work has commenced at Whinfield and the hard landscaping is progressing well with a completion due mid March. Once this is complete the fencing work will start to the rear of the properties.

(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) The new approach to consultation is being followed, with earlier involvement of local people and more opportunities for opinions to be heard. This process is proving better in terms of involvement, although it is delaying the delivery of some schemes.
- (iv) Schemes being delivered (or that have been delivered) that support these aims include:

- The Darlington Eastern Transport Corridor (DETC), which 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 Haughton Green have fallen by an average of 4,209 vehicles each weekday as a consequence.
 - Haughton Green Traffic Calming. An outline scheme to reduce traffic levels and speed has been extensively consulted upon. Cabinet is considering a revised proposal. The scheme is intended to lock in the benefits of the DETC by improving conditions for road users and frontages in Haughton Village. The scheme is currently scheduled for delivery by early 2009/10.
 - Civil Parking Enforcement (CPE). Further work is being undertaken to deliver CPE by November 2009 funded through the 2LTP and prudential borrowing. The sum of £100k has been allocated in 2008/09 to this project, with a further £200k proposed in 2009/10. CPE will help the Council further improve the management of the road network by reducing inappropriate parking that delays traffic.
 - Grange Road Cycle Route. One of six radial routes being planned for the town; this almost completed cycle route provides an attractive route for pedestrians and cyclists from the south west. Improving facilities for walkers and cyclists has been shown to encourage use, thus reducing the pressure on the road network. Cycling levels in Darlington are increasing – up 45% in 2007 – whilst car use is decreasing (-9% for car drivers in 2006). This is already having an effect on traffic levels in town (down 2.7% daily on inner ring road; more in summer & in peak hours).
- (v) It is recognised that the capital transport programme needs to be consistent with revenue funded actions to achieve the best results. The Local Motion travel behaviour project continues to deliver good results – for example, 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.
- (vi) Another successful work theme is 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.
- (vii) Delivery of this third strand of the Council’s focus on tackling traffic congestion is being helped by the use of external funding from the Department for Transport and Cycling England (for the Cycle Demonstration Town project). Further funding has now been secured until 2011 to continue this work.

(d) ***Chief Executive Regeneration***

- (i) All building works have been completed at the Railway Museum although retention monies remain outstanding. As the main contractor has gone into liquidation these will remain so until the appointed receivers apply for their release.

- (ii) 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.
- (iii) Tenders have been received for both the demolition of the bus depot and the construction of the car park, with the demolition having commenced during January 2009.
- (iv) Houghton footbridge – there is a separate report on this agenda.

Capital Spend and Resources Monitoring

9. 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. The increased costs have been managed within Children's Services Contingency budget using existing capital resources.
- (ii) Remodelling work planned for Reid St Primary School using devolved budget has been postponed and will form part of a bigger programme in 2009/10.
- (iii) Firthmoor School has suffered flood damage increasing overspend by £38,000. The increased costs are to be financed from the Contingency budget.
- (iv) The £25,000 underspend against Corporation Road Primary relates to the recent fire stopping works. A budget was set at £40,000 to repair roof voids and replace internal fire doors. The current projection against this budget has reduced to £15,000 for the roof voids only. The internal fire doors will now be incorporated into the £1.5million Primary Capital Programme works at the School during 2009-10.
- (v) Additional Funding was granted by the Department of Children, Schools and Families of £28,000 for work relating to travel Plans, this grant is paid by way of Devolved Formula Capital.
- (vi) The Fun & Free-time in Darlington project has been awarded £128,000 from the Big Lottery Fund's Children's Play Programme.
- (vii) The anticipated overspend for Hummersknott School is £280,000. Costs have exceeded the original estimate due to additional costs incurred during the installation of the mechanical and engineering aspects of the scheme and consequent compensation event claims. Officers have agreed with the School that they will not seek to further value engineer the project. Funding will be allocated from capital grant available in 2009-10 (**line 11, appendix 1**), but consideration is also being given to alternative funding opportunities that may be available through the Building Schools for the Future programme, should the authority's bid to accelerate the programme from 2013 to 2009 be successful.

- (viii) A reconciliation exercise has been carried out between Corporate and Children's Finance Staff to identify budgets released by Cabinet but not yet reflected on the Capital Monitoring Statements. This has resulted in several adjustments including £300,000, in respect of future year grant funding for Eastbourne Academy, now recognised on the Resources summary (**line 10, appendix 1**).

(b) Corporate Services

- (i) The final costs are now through in relation to the building works undertaken at the Contact Centre. A saving of £73,000 against the original estimate has been achieved.
- (ii) Further minor savings have been achieved in relation to work on the Town Hall lift replacement (£2,000) & fencing at Ulswater Avenue (£4,000) partly used to offset a £3,000 overspend caused by additional masonry work at the Art Centre with the remainder to be returned to Council balances.

(c) Chief Executive Regeneration

- (i) As reported to Cabinet in October, the total cost of relocating the Arnold Road Allotments is now expected to outturn at £750,000. This project was funded by One NorthEast's Single programme allocation for Central Park so any under/overspends falls to TVR/One NorthEast.
- (ii) No further costs are anticipated relating to Public Realm works resulting in a saving of £10,000 to be returned to Council balances.

(d) Housing

- (i) The original estimate of £250,000 in relation to the urgent works at Rockwell House and Branksome Hall Drive has been revised to £225,000.
- (ii) At Cabinet in December, Members approved additional spending on Disabled Facilities Grants to be financed from the 2009/10 Housing Capital Programme. The sum of £60,000 in respect of repaid improvement grants has become available, which can be used to finance the additional spending, removing the need to top slice from the 2009/10 allocation.

(e) Transport

- (i) A commuted sum of £16,000 has been received from Charles Church at the College development, for the provision of bus shelters and raised kerbs on Abbey Road.

(f) Community Services

- (i) Some minor variances have been identified to ongoing CCTV schemes that can be managed from within existing resources.
- (ii) The Department for Transport (DfT) has approved an additional £1.229M capital grant for the Eastern Transport Corridor. In approving the increased grant

DfT have taken account of exceptional circumstances, mitigating factors and relevant performance considerations.

Conclusion

10. The current projected outturn of the 2008/09 Capital Programme is £134.3million against an approved programme of £134.4million.

Outcome of Consultation

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