

---

**CAPITAL PROGRAMME  
MONTHLY MONITORING REPORT – JANUARY 2005**

---

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

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

---

**Purpose of Report**

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

**Summary**

2. The total Capital Programme now stands at £51.116m. The 2004/05 Capital Receipt requirement has decreased by £0.565m to £1.341m. This is due to £0.565m of associated costs relating to the replacement of Alderman Leach School being incurred by the developer and deducted from the Capital Receipt. This has had the effect of reducing the 2004/05 asset disposal programme to £2.220m therefore surplus capital receipts of c£0.879m 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 capital resource position within the Authority. Lines 2-4 details the Capital Commitments, lines 5-13 details capital resources available to the Authority. The balancing resource for the Capital Programme is general fund capital receipts. The current requirement of £3.741m is detailed at line 13. However expenditure of £2.400m is planned to be incurred in future years. Therefore only £1.341m needs to be generated during 2004/05 which has already been achieved.
4. An analysis of the movement in the forecast of capital resources is set out below.

Note Ref.		£m
	Capital Receipt requirement as 31st March 2005 as last reported.	+4.276
(a)	Decrease in Prior Years Commitments	-0.369
(b)	Increase in 2004/05 Capital Programme	+4.487
(c)	Increase in Capital Funding excluding Capital Receipts	<u>-4.653</u>
	Current Capital Receipt requirement	<u>+3.741</u>
	Less expected slippage	<u>-2.400</u>
	Capital Receipt requirement for 2004/05	<u>+1.341</u>

5. **Appendix 2** details schemes that have been approved in previous years. The total commitments have decreased by £0.369m as detailed below:

- (a) As detailed at paragraph 2 in relation to the replacement of Alderman Leach Primary, £0.565m of associated works have been incurred by the developer. This has reduced Darlington Borough Council's contribution to the scheme, however these costs have been deducted from the Capital Receipt received from the developer. This transaction has no overall financial effect on the Authority.
- (b) In relation to the Education Capital programme a virement of £0.057m is required from Current Year Schemes to Previous Year Schemes. This is an increase of £0.020m more than reported previously, due to additional fees relating to the Educational Village.
- (c) In relation to the Transport Capital programme a virement of £0.101m is now required between Current Year Schemes and Previous Year Schemes.
- (d) In relation to the Honeypot Lane Caravan Site £0.095m of additional capital contributions have been secured, consisting of £0.070m from Sure Start and £0.025m from the Darlington Primary Care Trust. This funding has not previously been formally released, Members are therefore requested to release this funding.
- (e) In relation to the Transforming Your Space scheme at North Lodge Park £0.062m of funding has been vired from Capital to Revenue, in agreement with the Heritage Lottery Fund. This virement is required to allow the necessary revenue costs to be incurred which are required to see the scheme successfully completed.
- (f) An additional £0.021m is to be incurred in relation to Various Land Sale Costs, predominately relating to the Central Park Development at Haughton Road. These costs maybe able to be re-imbursed, but in the first instance are required to be funded by the Authority. Members are requested to formally release this funding.
- (g) An additional £0.021m of Capital Contributions has been secured in relation to improvements at outdoor play areas. This funding is required to be formally released members are therefore requested to release this funding.

6. **Appendix 3** details 2004/05 Capital programme. The increase of £4.487m is explained below:-

- (a) As mentioned above in relation to the Education Capital programme an additional virement of £0.020m is required from Current Year Schemes and Previous Year Schemes.
- (b) Since the last update the Housing Capital Receipts position has been closely reviewed and it is anticipated that an additional £0.317m of usable receipts are expected to be received this financial year. At this late stage in the year and given the long lead in time the Capital schemes, it is unlikely that the additional capital receipts will be expended this financial year.
- (c) Also as mentioned above in relation to the Transport Capital programme a virement of £0.101m is required from Current Year Schemes to Previous Year Schemes.
- (d) In relation to the Arts Centre Refurbishment a revenue contribution of £0.091m has been agreed to allow the necessary preparatory work to be undertaken in advance of a major refurbishment scheme. This funding has not previously been formally released by Cabinet, Members are therefore requested to release this funding.
- (e) An additional £0.005m is required relating to the installation of the Town Hall Security system. This additional funding is to be financed from additional revenue contributions and has not previously been formally released by Cabinet, Members are therefore requested to release this funding.
- (f) The Authority is anticipated to face liabilities under Equal pay claims of c£4.000m. The Office of the Deputy Prime Minister has given the Authority special approval to capitalise these costs. The anticipated phasing of the costs is £2.600m in 2004/05 and £1.400m in 2005/06. Council considered the Capital Medium Term Financial Plan on the 10th March 2005, which included the £4.000m liability under the equal pay claim.
- (g) Since the last update the next Leasing/Prudential Borrowing evaluation has been completed. This has resulted in £0.195m of additional Prudential Borrowing to be undertaken, with repayments met from Departmental Resource Allocations. The equipment to be financed in this way consists of various vehicles, I.T. equipment and the new collator/folding machine located within the Print Room.

7. Movements in Capital funding excluding Capital Receipts are as detailed above.

## **Outputs**

8. In relation to the Education Capital Programme at Hurworth Comprehensive the construction of a new mathematics resource room and the administration extension is now fully complete and fully operational. Emergency works at Abbey Juniors in relation to the heating system is substantially complete, however the next phase of this work is scheduled to be undertaken during the 2005 summer holiday period. Work has been completed on the new Alderman Leach Primary School, which was fully operational from the end of February 2005. Construction work is continuing on the Education Village. Regarding the replacement of Skerne Park Primary, physical works commenced on site on 14th February

2005.

9. In relation to the Housing Capital Programme, Internal Planned Maintenance has been completed at 168 dwellings at Tennyson Gardens, Shakespeare Road, Wordsworth Road, Chaucer Road, Parkside, Westminster Road, Hilda Street, Shelley Road, and Byron Road. In total Central Heating has been replaced at 180 dwellings at Globe Close, King William Street, Peel Street, Rocket Street, Carlton Court, Dodds Street and Branksome Hall Drive. In relation to Extra Care work at Oban Court 80% of the work is now complete and Phase 1 of the flat remodelling works at Dinsdale Crescent is now complete.
10. In relation to the Transport Capital Programme, Carriageway Maintenance works are currently underway on the A1150 Salters Lane North Phase 1 and Carriageway Maintenance works at B6280 Yarm Road - McMullen Road are now substantially complete. In relation to cycling, the Compulsory Purchase Order for the Hurworth to Neasham footpath/cycleway has been advertised and no objections have been received. Work has commenced on the cycle route at Cemetery lane and the Red Hall/Skerne Valley cycle route. In relation to the North Road Corridor of Certainty, Traffic Calming works are now fully complete, the Traffic Order process for the North Road Bus Lanes are ongoing and work is about to start imminently on the Northgate Bus Bay Scheme. In relation to Walking work is also about to start imminently on the Carmel Road North Toucan Crossing and work is well advanced on the Cleveland Street Bridge Scheme. Work is also currently underway on the Eggleston View Road Calming scheme.

### **Conclusion**

11. The Capital Programme totaling £51.116m is on target with any variances reported above. Capital Receipts of £3.741m are required with an estimated requirement of £1.341m in 2004/05. Asset disposals have been identified to cover this and to support future years Capital Programmes.

### **Legal Implications**

12. 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**

13. 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**

14. No formal consultation has been undertaken regarding this report.

## **Council Policy Framework**

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

## **Decision Deadline**

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

## **Recommendation**

17. It is recommended that Cabinet:-
- (a) Note the progress and approve the updated 2004/05 Capital Programme.
  - (b) Note the additional anticipated Housing Revenue Account Capital Receipts.
  - (c) Release contributions of £0.095m relating to Honeypot Lane Caravan Site.
  - (d) Release additional Revenue contributions of £0.005m in relation to the Town Hall security system.
  - (e) Release additional contributions of £0.021m in relation to Various Land Sale Costs.
  - (f) Release additional Capital contributions of £0.021m relating to Play Areas.
  - (g) Release additional Revenue contributions of £0.091m in relation to the Arts Centre Refurbishment scheme.

## **Reasons**

18. The reasons for this report are :-
- (a) To approve the updated 2004/05 Capital Programme.
  - (b) To allow the Housing Capital Programme to proceed.
  - (c) To allow the 2004/05 Capital Programme to proceed.

**Paul Wildsmith**  
**Director of Corporate Services**

## **Background Papers**

Capital Medium Term Financial Plan 2004/05 – 2007/08  
Accounting Records

Brian Boggon: Extension 2305