
PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER THREE 2014/2015

Responsible Cabinet Member – Councillor Stephen Harker,
Efficiency & Resources Portfolio

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

SUMMARY REPORT

Purpose of the Report

1. This report provides;
 - (a) A summary of the latest Capital resource and commitment position, to inform monitoring of the affordability and funding of the Council's capital programme,
 - (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. The projected outturn of the current Capital Programme is £113.1million against an approved programme of £112.6million. The investment is 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. The programme, including commitments, remains affordable within the Medium Term Financial Plan (MTFP) for 2014/15 – 2017/18.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 65 live projects currently being managed by the Council with an overall project outturn value of £95.3million. The majority of projects are running to time, cost and quality expectations with no foreseeable issues.
5. 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

6. It is recommended that Cabinet :-

- (a) Note the attached status position on construction projects.
- (b) Note projected capital expenditure and resources.
- (c) Approve the resource virements as indicated in paragraph 19.

Reasons

7. The recommendations are supported by the following reasons: -

- (a) To inform Cabinet of the current status of construction projects.
- (b) To make Cabinet aware of the latest financial position of the Council.
- (c) To maintain effective management of resources.

Paul Wildsmith
Director of Neighbourhood
Services & Resources

Ian Williams
Director of Economic Growth

Background Papers

Capital Medium Term Financial Plan 2014/15 – 2017/18
Project Position Statement November 2014

Brian Robson : Extension 2334, Claire Hayes : 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

8. The projected outturn of the current Capital Programme is £113.1million against an approved programme of £112.6million. The programme includes schemes valued over £0.075M included and detailed in the Project Position Statement (PPS), it also includes all schemes under £0.075M. The projected overspend on the overall programme is £0.500m (0.44%), of which £0.256M is related to two schemes in the PPS noted below in paragraph 16. The remaining £0.244M is on schemes under £0.075M in the housing and highways and transport areas and managers are taking action to reduce where possible.
9. **Appendix 1** lists all live construction projects and provides details on numbers, type and 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.
10. **Appendix 2** summarises the Council's capital commitments which are yet to be financed and also shows how it is intended for them to be financed. The total value of commitments, including available resources brought forward from previous years and 2014-15 schemes previously released by Cabinet, is £67.5million.

Project Position Statement

11. 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.
12. The Project Position Statement (**Appendix 1**) details the current live construction projects, up to the end of November 2014, by delivery area, excluding any completed projects or those on hold.
13. The overview of live construction projects is as follows:-

	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
(a) Place	34	64,933,420	64,418,892	-5.41	-514,528
(b) People	30	29,432,993	29,366,236	-0.23	-66,757
(c) Resources	1	919,500	919,500	0.00	0
TOTAL	65	95,285,913	94,704,628	-5.64	-581,285




14. 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.

15. The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Place	-	6	2	6	17	3	34
People	-	-	-	-	30	-	30
Resources	-	-	-	-	1	-	1
TOTAL	0	6	2	6	48	3	65

- (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.

16. The status on live projects is as follows:

Department			
Place	2	25	7
People	-	27	3
Resources	-	1	-
TOTAL	2	53	10

- (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.

17. 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 of £180k 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.
Neasham Road Gypsy and Traveller Site Extension	Currently projected at £76k over budget due to scope increase.	Value Engineering ongoing to reduce cost back to budget.

Reconciliation of Project Position Statement to Capital Programme

18. 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 Statement	95.286
Schemes closed or on hold within CP but awaiting PPS post project review.	-25.619
Annualised Programmes.	7.116
Non-construction projects not included in PPS report.	12.914
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.	9.192
Projects under £75k are excluded from PPS reporting.	3.031
Funding not yet allocated.	3.818
Capital funding passported direct to Academies.	6.429
Capital Programme	112.594

Financial Implications for the capital programme

19. Paragraph 20 show the movements in the Capital Programme since the approval of the 2014/15 Capital MTFP that have not yet been approved by Members:-

20. Virement of resources requested by Departments:-

Department	Scheme	Value £	Reason for Virement
People – Children, Families & Learning	Borough Rd Nursery	1,390	Minor adjustments to/from contingency
	George Dent Nursery	10,000	
	Temporary Accommodation	13,275	
	Contingency	-24,665	
Economic Growth	North Rd Station	-3,000	Minor adjustments
	Refurbish Former Goods Shed	3,000	
Commissioning	DFG 12/13	-172,000	
	DFG 13/14	-52,000	
	DFG 14/15	224,000	
TOTAL		0	

Consultation

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