
CAPITAL PROGRAMME OUTTURN 2009-10

**Responsible Cabinet Member – Councillor Chris McEwan,
Efficiency & Resources Portfolio**

Responsible Director - Paul Wildsmith, Director of Corporate Services

SUMMARY REPORT

Purpose of the Report

1. This report provides information on delivery of the Council's Capital Programme, the financial outturn position as at 31st March 2010 and the proposed financing of the 2009/10 capital expenditure.

Summary

2. Significant enhancements have been made to the Council's assets in three major programme areas of schools, housing and transport mostly using external funding. These investments have more critically delivered improvements to the Council's services through improved learning environments, refurbished council homes, better traffic management etc. further details are contained in the report
3. Capital expenditure in 2009/10 totalled £39.4m. Since the last revision of the Capital Medium term financial plan further refinements to estimate have occurred as part of the ongoing management of the programme and these are included in the recommendations below, all revisions can be contained within existing programmes.

Recommendations

4. It is recommended that Cabinet :
 - (a) Note the delivery and financial outturn of the 2009/10 Capital Programme.
 - (b) Approve the resource virements as detailed in **Appendix 3**.
 - (c) Note the overspend within the Transport Programme to be carried forward and resourced from the 2010/11 allocation.
 - (d) Note the overspend to be carried forward into 2010/11 within Adult Services, pending the release at Cabinet of Department of Health Carefirst Information Grant.

- (e) Approve the increases and (reductions) in budgets as detailed in the following table and release the funding for those schemes which are financed by contributions:-

Scheme	Amount	Financed by
Cycling England	£6,000	Grant
Former Landfill Sites	(£75,000)	Grant
Railway Centre	(£32,000)	Grant
Bus Depot Works	(£81,000)	Grant
SSC GIS	£4,000	Grant
Single Programme Schemes	(£290,000)	Grant
Allotments Clearance	(14,000)	Grant
Total	(£482,000)	
Refurb. of Parks	£20,000	Contribution
Red Hall Play Area	£20,000	Contribution
Bowes Ct Parks & Play	£55,000	Contribution
Lascelles Play Area	£29,000	Contribution
North Park Bandstand	£56,000	Contribution
West Park Play Area	£25,000	Contribution
Total	205,000	
The Phoenix Centre	(£100,000)	Corporate Resources
Dolphin Centre Refurb	(£35,000)	Corporate Resources
Pedestrian Heart	(£25,000)	Corporate Resources
Faverdale Archaeology	(£2,000)	Corporate Resources
DETC	£77,000	Corporate Resources
Various Corporate Services	£31,000	Corporate Resources
Total	(£54,000)	
Various Housing	(£1,079,000)	Departmental Borrowing
ICT Room	£44,000	Departmental borrowing
Total	(£1,035,000)	
Connexions	£1,000	Revenue Contribution
Grand Total	(£1,365,000)	

Reasons

5. The recommendations are supported to enable Members to note the progress of the 2009/10 Capital Programme and to allow the capital spend for to be fully financed

Paul Wildsmith
Director of Corporate Services

Background Papers

- (i) Capital Medium Term Financial Plan 2009/10 – 2012/13
- (ii) Accounting Records

Appendices

- (i) Council's capital commitments and resources position
- (ii) Departmental capital budgets, spend position
- (iii) Current position of all capital projects
- (iv) Capital Receipts

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.
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

2009/10 Capital Spend and Resources

6. **Appendix 1** analyses all 2009/10 capital spend by department, the proposed financing and resources carried forward into 2010/11
7. **Appendix 2** summarises departmental capital budgets, spend position of ongoing capital projects and projected under/overspends.
8. **Appendix 3** details the current position of all capital projects that are currently ongoing.
9. **Appendix 4** details the general fund capital receipts received and brought forward from previous years

Capital Programme Update

10. The following major areas of work have been undertaken in 2009/10.

(a) Children Services

- (i) The new North Road Primary School is a DCSF designated pathfinder project, designed to satisfy the criteria that new ways to utilise resources should be explored, so that “teachers can spend more time teaching, thus raising standards”. Work on site commenced on the 5th January 2009 and has progressed well. Phase 1 of the project, to build the new school premises, has now been completed and the School became fully operational from the new premises on the 6th January 2010. Phase 2 of the project, to demolish the original school buildings and reinstate the land, is also now complete.
- (ii) Primary Capital Programme (PCP) funding has been obtained to support an extensive programme of Capital works projects that are to be undertaken within Darlington schools over the next 2 years, to enhance facilities and improve the suitability and condition of the premises. PCP projects undertaken and completed to date include an extension for 4nr. new classrooms at Alderman Leach Primary School; a staff room and classroom extensions, a new teaching resource base and the creation of a link footpath and canopy at the Abbey Federation schools; the concluding phase of roofing and window replacement works at Gurney Pease Primary School; works to improve the external play and learning provision, and the formation of a vehicular turning circle at High Coniscliffe Primary School; heating, rewiring and roofing works at Red Hall Primary School; Phase 1 of extensive remodelling works at Reid Street Primary School; kitchen remodelling works and Phase 1 of ICT and rewire works at Whinfield Primary School; kitchen remodelling works at Heathfield Primary School; essential kitchen repair works at Hurworth Primary School; and kitchen remodelling and refurbishment works at Heighington Primary School. PCP construction works currently underway include Phase 2 of remodelling works at Reid Street Primary School; an extension for a new kitchen and multi-purpose Hall, with associated facilities, as Phase 1 of the proposed works at Corporation Road Primary School. Design and consultation works currently underway and

being progressed for PCP projects include a dining room extension as Phase 3 of the proposals for the remodelling works at Reid Street Primary School; an extension for 3nr. new classrooms at Harrowgate Hill Primary School; an extension for a multi-purpose room and internal remodelling works at Mount Pleasant Primary School; internal remodelling works as Phase 3 of the proposed works at Gurney Pease Primary; major remodelling and refurbishment works proposals at Dodmire School; and major remodelling and refurbishment works proposals at Hurworth Primary School, to consolidate the school within the existing infant building.

(b) Housing

- (i) Internal Planned Maintenance 2009/10 - This work was delivered by Building Services and our Partners Wates Living Space. 288 properties were completed at the end of this year, 98 of these received new central heating systems and 44 Level access showers. Building Services completed 180 properties and Wates completed 108 properties.
- (ii) Roofing Works 2009/10 - 67 properties in Middleton St. George and 20 properties in Heighington work carried out to there roofs which involved stripping and installing new felt/timber battens and refixing the existing tiles/slates, Existing soffits/facia and gutters were replaced with UPVC. Where properties had out houses attached with flat roofs had these refelted and new UPVC trims/guttering fitted. Work is due to start on Hurworth to replace tiles, felt, soffits and facias including rainwater goods.
- (iii) Fencing 2009/10 - Work to replace rear timber fencing to 192 properties in Rise Carr has now been completed. The second phase of steel front fencing and rear timber divides at Hundens Lane was completed in August 2009. Also completed in August was steel fencing to Bank Top (Adelphi, Alderberry and Globe) this provided a perimeter to the courts. Work to Cliffe Way bungalows to install 1.0m high steel fence to the perimeter was completed in December 2009. Work to improve the front of properties to 44 properties on Albert Hill was completed in March 2010, this provided new 1.0m high timber fencing and gates to the front of properties. Other work to West Auckland Road and other properties in rural areas identified towards the end of the year are currently in progress.
- (iv) Footpaths 2009/10 - In conjunction with the fencing work at Albert Hill, properties also received new paving to the rear gardens of houses and front/rears of flats. Again in tandem with the fencing works, properties on Albert Hill had new front paths and gardens provided. Both these two projects where completed by the year end. Bank Top courts also received new paved communal areas in conjunction with the fencing schemes. Work has recommenced on Hundens Lane to replace paths to domestic properties, this work is being carried out by Building Services Highway's section and was subsequently delayed due to the bad winter and the amount of emergency works required to the Highways, work is due to be completed by mid June 2010. Work to replace paths in Harrowgate Hill is ongoing and works to Arnold/Byron/Shelley is due to start on completion of Hundens Lane.
- (v) Garages 2009/10 - Resurfacing to garage forecourts in Branksome and Lascelles were completed in October 2009. Roofing work to Sherbourne Garages and Malvern Crescent Block B was completed March 2010, work delayed due to bad weather. Additional resurfacing work was identified at Malvern Crescent Block

B and Hexham Way garages in Branksome and also Harris Street, Firthmoor also completed March 2010.

- (vi) Central Heating – 148 properties completed. Haughton and some miscellaneous (30), Springfield (55), Branksome (52), Miscellaneous (11)

(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:
- a) increasing road capacity at pinch points
 - b) further improving the management of the road network to increase traffic flow, and
 - c) encouraging more sustainable travel behaviour to reduce the pressure on the road network.
- (iii) Schemes completed during the financial year include:

Cycling and Walking

- A cycle link from Harewood Terrace to Blackwell Lane
- Upgrade of cycle / footpath from Great Burdon to Sadberge
- A new cycle path link from Bensham Road to Laburnum Road
- A new cycle / footpath link from Henderson Road to Bedford Street within South Park
- The upgrading of surface on Green Lane linking Glebe Road to Sparrow Hall Drive
- The installation of cycle parking at St Teresa's and St Bedes schools
- Completion of the programme of providing dropped kerbs for residents with mobility issues.

Travel Safety

Casualty reduction schemes have been completed at:

- Whessoe Road – improved signs, lining and a new central refuge to protect existing crossing facility
- Geneva Road – installation of mini roundabout at the junction of Harris Street
- A167 Croft Road – provisions of new cats eye installations and refreshed white lining
- Dodmire Safer Routes to School – this scheme incorporated a series of speed cushions to provide a 20mph zone around Dodmire school linking to the existing Bank top 20mph zone and the Neasham Road toucan

- School 20mph zone at St Teresa's School – this scheme incorporated a series of speed cushions to the street around St Teresa's School.

Maintenance Schemes

- A67 Elm Ridge Roundabout – renewal of existing surface with high strength rut resistance surface.
- A6072 Coatsey Moor Lane – strengthening, reprofiling and resurfacing of existing carriageway.
- A67 Middleton St George to Yarm Road – strengthening of existing carriageway
- B6280 Yarm Road – strengthening and resurfacing of existing carriageway
- C180 Geneva Road – hardening of existing verges, resurfacing of existing footway and carriageway.

- (iv) It is important that the capital transport programme needs to be consistent with revenue funded actions to achieve the best results. The Local Motion travel behaviour project has as previously reported delivered good results . Other projects that are currently being reviewed in the North East is the possibility of introduction of 'Smart Cards', this would require all buses to have smart card readers fitted and would reduce the time that the bus is delayed due to the purchase of tickets.
- (v) 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, Cycling England and European funding as part of the Interreg 1V Boosting Advanced Public Transport Systems programme.
- (vi) Funding approval, subject to conditions, was also received for Tees Valley Bus Network Improvements and Plugged in Places. Further reports will be made to cabinet on the detail of both projects.

(d) Corporate Services

- (i) The build and fit-out of the Town Hall ICT Room is complete and the equipment will be moved in on a phased basis.
- (ii) Accommodation Review - a number of moves have taken place including the Contact Centre, Children's Services staff to Lingfield Point, Regulatory Services from Houndgate to the former print room and Housing staff to the former Kids and Co building. Some rented buildings have already been released with the remainder to take place once vacated. All moves are expected to be complete during the summer and the works expected to be within budget.

(e) Chief Executive

- (i) The Railway Museum Scheme is now complete.
- (ii) Work on the former bus depot complete. Footpath linking car park with crossing now constructed.

Capital Spend and Resources Monitoring

11. The Capital outturn for 2009/10 totalled £39.4million compared to £49.2million in 2008/09. The proposed financing of the 2009/10 expenditure is :-

	2009/10 £M
Capital Expenditure	39.400
Financing of Capital Expenditure	
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	2.646
General Fund – Capital Receipts	0.541
<i>Externally funded</i>	
Capital Grants	18.993
Capital Contributions	0.791
Major Repairs Allowance – Housing Revenue Account (HRA)	5.263
Supported Capital Expenditure (Borrowing)	3.869
<i>Departmental and Other Resources</i>	
HRA – Capital Receipts	0.089
HRA – Unsupported Borrowing	1.626
HRA – Revenue Contributions	3.300
Departmental Revenue Contributions	0.039
Departmental Borrowing for Leasable Assets	0.704
Departmental Unsupported Expenditure (Borrowing)	1.539
Total Capital Financing	39.400

12. The following movements in the Capital Programme since the approval of the 2009/10 Capital MTFP have not yet been approved by Members. These movements are referenced within Appendix 3 to the paragraphs shown below:

(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) The Phoenix Centre project has underspent by £100,000 in 2009/10. In total this project has outturned £190,000 underspent, with the other £90,000 previously reported during 2008/09.

(b) Housing

- (i) Several virements have been identified, as detailed in Appendix 3. The virements have been managed within the Housing programme budget using existing capital resources.
- (ii) Other movements within the Housing Programme include achieved savings, additional work undertaken and reductions to the Housing programme that have resulted in an overall reduction to HRA borrowing of £1.079M.

(c) Transport

- (i) Virement is requested within the Transport programme to meet additional costs identified.
- (ii) Savings, minor additional costs and some additional work in 2009/10 have led to an overall budget overspend. Costs will be carried forward to 2010/11, reducing available resource in that year by £65,000.
- (iii) Additional £6,000 costs incurred on Cycling Schemes will be funded by grant from Cycle England.

(d) Community Services

- (i) Increased costs outlined in Appendix 3 represent a mixture of small additional costs and virements of resources between various schemes predominantly funded by s.106 contributions. The increased costs have been managed within Community Services existing budgets.
- (ii) It is requested that the externally secured Capital funding be released for the following schemes:-
 - Refurb. Of Parks £20,000 Auckland Oval play area
 - Red Hall Play Area £20,000
 - Parks & Play Bowes Ct & Alan St £55,000
 - Lascelles Play Area £29,000
 - North Park Bandstand Restoration £56,000
 - West Park Play Area £25,000
 - Safer and Stronger Communities GIS £4,000
- (iii) No further spend is expected on the Dolphin Centre Refurbishment or on the Pedestrian Heart Scheme, returning £60,000 to Corporate Resources.
- (iv) Additional £77,000 resource is required to meet further costs in respect of the DETC.

(e) Corporate Services

- (i) Unavoidable additional costs mainly relating to the sale of land have been incurred totalling £31,000, as detailed in Appendix 3, to be met from Corporate Resources.
- (ii) Additional works, costing £44,000, due to water seepage is required to the retaining wall of the ICT Room to be funded by departmental prudential borrowing.
- (iii) The former landfill sites project is expected to outturn at £128,000, £75,000 under budget. This scheme is funded by grant from DEFRA so has no impact upon the Corporate Resource position.

(f) Chief Executive

- (i) Faverdale Archaeology – reduction in expected costs of £2,000 to be returned to Corporate Resources
- (ii) Connections Single Programme -additional fees of £1,000 to be funded by contribution from Revenue.
- (iii) The following schemes are complete with underspends to be returned to grantors:-
 - Railway Centre £32,000
 - Bus Depot works £81,000
 - Allotments Site Clearance £14,000
- (iv) Budget brought forward from previous years in respect of Single Programme Schemes has been overstated by £290,000. Single Programme Schemes are funded by grant therefore there is no impact on Corporate Resources.

(g) Adult Services

- (i) A report will be taken to future Cabinet requesting release of Department of Health Carefirst Information Grant.

(h) Prudential Borrowing – Leasable Assets

- (i) Since 2004 the introduction of the prudential code has allowed assets otherwise leased to be purchased outright with the costs paid by the department from revenue over the useful life of the asset. Spending on leasable assets in 2009/10 is £704,000 and has been added to the Capital programme.

General Fund Capital Receipts

13. Appendix 4 details the general fund capital receipts received and brought forward from previous years. These amount to £1.209M of which £541,000 have been utilised to finance capital expenditure, £373,000 used for repayment of ERDF grant, leaving a balance of £295,000 to carry forward into future years.

Conclusion

14. The total capital spend incurred during 2009/10 was £39.4million. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2009/10.

Outcome of Consultation

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