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**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING**  
**QUARTER ONE 2010/2011**

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

**Responsible Directors - Paul Wildsmith, Director of Corporate Services**  
**Cliff Brown, Director of Community Services**

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**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
  - (c) Final cost reports for projects with values below £1M (larger projects are subject to separate reports).
2. It also seeks approval for a change to the programme.

**Summary**

3. The current projected outturn of the 2010/11 Capital Programme is £148.7million against an approved programme of £148.7million. 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 2010-14.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 108nr live projects currently being managed by the Council with an overall project outturn value of £137.5million.
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 release of £13,000 Disabled Facility Grants as detailed in Para.20
- (d) Note those schemes completed, shown in **Appendix 3**.

## 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 Corporate Services**

**Cliff Brown**  
**Director of Community Services**

## Background Papers

Capital Medium Term Financial Plan 2010/11 – 2013/14  
 Project Position Statement May 2010

Peter Urwin Extension 2322, 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

8. **Appendix 1** summarises the Council's capital commitments and resources position. The total value of commitments, including 2010-11 spending and projected future spending, is £57.7million. It is estimated that prudential borrowing of £982,000 will be required to fund the capital programme. The revenue impact is included in the Medium Term Financial Plan.
9. **Appendix 2** lists all live construction projects and provide details on numbers, type and details of 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 3** lists those schemes with an outturn of less than £1million that are now completed.

### Project Position Statement

11. Over the past 12 months new procedures for project management have been developed including 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 2**) details the current live construction projects, up to the end of May 2010, 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) Children's Services	23	76,108,371	76,561,257	0.59%	452,886
(b) Community Services	8	17,617,463	17,694,172	0.48%	76,709
(c) Corporate Services	2	2,443,000	2,511,897	2.82%	68,897
(d) Housing	10	14,836,790	14,820,896	-0.11%	-15,894
(e) Regeneration	6	11,899,158	12,029,158	1.09%	130,000
(f) Transport	59	13,913,000	13,899,581	-0.09%	-13,419
<b>TOTAL</b>	<b>108</b>	<b>136,817,782</b>	<b>137,516,961</b>	<b>0.5%</b>	<b>699,179</b>

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
Children's Services	1	5	4	5	6	2	23
Community Services	1	2	1	1	2	1	8
Corporate Services	-	-	-	1	1	-	2
Housing	-	-	2	4	4	-	10
Regeneration	-	3	2	-	1	-	6
Transport	4	41	4	4	6	-	59
<b>TOTAL</b>	<b>6</b>	<b>51</b>	<b>13</b>	<b>15</b>	<b>20</b>	<b>3</b>	<b>108</b>

- (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			
Children's Services	2	21	
Community Services	1	7	
Corporate Services	1	1	
Housing		10	
Regeneration	2	4	
Transport		57	2
<b>TOTAL</b>	<b>6</b>	<b>100</b>	<b>2</b>

- (a) Green stars and red 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 blue 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 red triangle symbol are as follows:-

<b>Project</b>	<b>Reason for Variance</b>	<b>Action</b>
Darlington Eastern Transport Corridor	Cost overrun due to compensation events and associated time delay	Contract complete
Town Hall Basement Void	Significant extra works required by the client and associated programme overrun	Contract complete
Central Park Depot	Original programme not been met owing to the economic climate and the delay in the start of the Central Park programme	Option to relocate is at an early stage and Officers are reviewing options
Central Park Footbridge	Contractors delays	Contract being managed through Project Manager
Northwood Primary	Complications in remediation strategy for contaminated land	Negotiations ongoing to reduce cost with the Contractor
Hurworth Primary	Current floor plans over budget	Reviewing design, contingencies & alternative options for temporary accommodation

### **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.

		<b>Value £m</b>
	<b>Live Projects from Project Position</b>	<b>137.517</b>
<i>less</i>	Revenue funded projects. Only capital schemes are included within the CP.	(0.044)
<i>less</i>	Externally managed projects.	(9.000)
<i>less</i>	Future years funding not yet released by Cabinet.	(61.361)
<i>add</i>	Projects of a non-construction nature are not subject to PPS reporting.	14.538
<i>add</i>	Capital Schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	49.390
<i>add</i>	Capital resources not yet allocated to specific projects.	9.157
<i>add</i>	2010/11 Capital Schemes not yet integrated into PPS reporting.	4.028
<i>add</i>	Schemes Closed or on hold.	2.681
<i>add</i>	Projects under £75k are excluded from PPS reporting.	1.691
<i>add</i>	PPS & CP Variances to resolve.	0.063
	<b>Capital Programme</b>	<b>148.660</b>

### **Capital Programme**

19. Paragraph 20 shows the movements in the Capital Programme since the approval of the 2010/11 Capital MTFP that have not yet been approved by Members:-
20. Release of Funding requested by Departments:-

Department	Scheme	Value £	Reason & Funding Source
(a) Children's Services	-	-	
(b) Community Services	-	-	
(c) Corporate Services	-	-	
(d) Housing	Disabled Facility Grants	13,000	Additional Revenue Contribution made by Department
(e) Regeneration	-	-	
(f) Transport	-	-	
<b>TOTAL</b>		<b>13,000</b>	

### Completed Projects/Schemes

21. Financial Procedure Rules require that final accounts of completed schemes are reported to Cabinet within eighteen months of the work being completed. Those schemes with an outturn value of less than £1million are reported as part of this report. Completions up to year end 2009/2010 are shown in **Appendix 3**.

### Conclusion

22. The current projected outturn of the 2010/11 Capital Programme is £148.7million against an approved programme of £148.7million. It is expected that prudential borrowing will be used to achieve the shortfall in corporate resources of £982,000 that are required to fund commitments. The revenue impact is included in the Medium Term Financial Plan.
23. Of those schemes which are included in the Project Position Statement the majority are running to time, cost and quality expectations with no foreseeable issues.

### Outcome of Consultation

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

