
**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER THREE 2016/2017**

**Responsible Cabinet Member – Councillor Stephen Harker,
Efficiency and Resources Portfolio**

**Responsible Directors - Paul Wildsmith,
Director of Neighbourhood Services and 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 £130.061M against an approved programme of £129.915M. 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 2016/17 – 2019/20.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 33 live projects currently being managed by the Council with an overall project outturn value of £95.673M. 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 adjustments to resources as detailed 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 and Resources

Ian Williams
Director of Economic Growth

Background Papers

- (i) Capital Medium Term Financial Plan 2016/17 – 2019/20
- (ii) Project Position Statement December 2016

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| | |
|----------------------------------|---|
| 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 | This report does not represent a change to the budget and policy framework. |
| 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

2016/17 Capital Spend and Resources

Information and Analysis

8. **Appendix 1** lists all live construction projects and provides 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.
9. **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 2016-17 schemes previously released by Cabinet, is £48.3M.

Project Position Statement

10. 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.
11. The Project Position Statement (Appendix 1) details the current live construction projects, up to the end of December 2016, by delivery area, and provides 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. The statement excludes any completed projects or those on hold.

12. The overview of live construction projects is as follows:-

| | Projects | Current Approved Budget £ / p | Projected Outturn £ / p | Variance % | Variance (Value) £ / p |
|--|-----------|----------------------------------|----------------------------|---------------|---------------------------|
| (a) Economic Growth | 13 | 32,337,163 | 32,170,707 | -0.51 | -166,456 |
| (b) Neighbourhood Services & Resources | 15 | 59,208,209 | 58,758,900 | -0.76 | -449,309 |
| (c) People | 5 | 4,799,256 | 4,743,807 | -1.16 | -55,449 |
| TOTAL | 33 | 96,344,628 | 95,673,415 | -2.43 | -671,214 |




13. 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.

14. The live projects are at the following stages:

| Department | Brief | CP1 | CP2 | CP3 | CP4 | CP5 | Total |
|------------------------------------|----------|----------|----------|----------|-----------|----------|-----------|
| Economic Growth | 0 | 4 | 1 | 0 | 8 | 0 | 13 |
| Neighbourhood Services & Resources | 0 | 1 | 1 | 2 | 8 | 3 | 15 |
| People | 0 | 0 | 2 | 0 | 3 | 0 | 5 |
| TOTAL | 0 | 5 | 4 | 2 | 19 | 3 | 33 |

- (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.

15. The status on live projects is as follows:

| Department |  |  |  |
|------------------------------------|--|---|---|
| Economic Growth | 0 | 12 | 1 |
| Neighbourhood Services & Resources | 1 | 13 | 1 |
| People | 0 | 5 | 0 |
| TOTAL | 1 | 30 | 2 |

- (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.

16. 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 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. |

Reconciliation of Project Position Statement to Capital Programme

17. 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 | 95.673 |
| Schemes closed or on hold within CP but awaiting PPS post project review. | 5.530 |
| Annualised Programmes. | 10.715 |
| Non-construction projects not included in PPS report. | 5.841 |
| Capital schemes that were complete or nearing completion, before the production of PPS, are not included within PPS. | 0.425 |
| Capital schemes not yet integrated into PPS reporting. | 23.533 |
| Projects under £75k are excluded from PPS reporting. | 2.865 |
| Funding not yet allocated. | (3.181) |
| Capital funding passported direct to Academies. | 0.000 |
| Schemes Included with PPS & CM Reporting | -11.341 |
| Capital Programme | 130.061 |

Capital Programme

18. Paragraph 19 shows the movements in the Capital Programme since the approval of the 2016/17 Capital MTFP, some of which have not yet been approved by Members.

19. Adjustment to resources requested by Departments:-

| Department | Scheme | Value £ | Reason for adjustment | Resource type adjusted |
|-----------------|----------------------------------|------------|--|---------------------------|
| Economic Growth | Town Hall WC Refurbishment Works | 160,000 | RCCO 15/16 Town Hall Toilets. Funded from the Town Hall Building budget. | RCCO |
| Economic Growth | Advanced Design Fees | 100,000 | RCCO 15/16 Future Developments "Shovel Ready". Funded from Economic Growth budgets | RCCO |
| Economic Growth | Central Park - Yarm Rd Junction | 130,000 | RCCO 15/16 Support spine road at Central Park. Funded from the Highway Maintenance budget. | RCCO |
| Economic Growth | Trespass Restriction Scheme | (10,756) | Trespass Restriction Scheme Funds no longer required | Reduction in borrowing |
| Economic Growth | Challenge Fund - Street Lighting | 100,000 | RCCO 16/17 Challenge Fund for the Street Lighting LED programme | RCCO |

| Department | Scheme | Value £ | Reason for adjustment | Resource type adjusted |
|--|---|----------------|--|---------------------------|
| | | | 16/17 & 17/18. Funded from the Road Lighting Maintenance budget | |
| Neighbourhood Services & Resources | S106 10/00412/FUL Bussey Armstrong Ecology | 70,000 | Contribution from Bussey Armstrong towards Ecology | S106 |
| Neighbourhood Services & Resources | S106 Leach Grove Landscaping | 28,200 | Contribution from Bussey Armstrong towards Landscaping | S106 |
| Neighbourhood Services & Resources | S106 1100461FUL Glaisdale Court Housing Development | 14,375 | Contribution from Persimmon towards open space | S106 |
| Neighbourhood Services & Resources | Depot Electric charging units | 15,000 | RCCO 15/16 Purchase & installation of electric charging units at depot to support purchase of electric vehicles. Funded from the Highways budget | RCCO |
| TOTAL | | 606,819 | | |

Outcome of Consultation

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