
PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER TWO 2017/2018

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 £135.586M against an approved programme of £135.582M. 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 2017/18 – 2020/21.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 30 live projects currently being managed by the Council with an overall project outturn value of £87.482M. 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 20.

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 2017/18 – 2020/21
- (ii) Project Position Statement August 2017

Brian Robson : Extension 6608/Claire Hayes : Extension 5416

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.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers.

MAIN REPORT

Information and Analysis

2017/18 Capital Spend and Resources

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 where it is intended for them to be financed from. The total value of commitments, including available resources brought forward from previous years and 2017-18 schemes previously released by Cabinet, is £35.728M.
10. **Appendix 3** shows the Council's projected capital receipts and how they are going to be utilised to help finance the capital programme over the life of the MTFP.

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 August 2017, 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.

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

	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
(a) Economic Growth	12	31,622,533	31,415,707	(0.65)	(206,826)
(b) Neighbourhood Services & Resources	14	52,481,323	51,426,388	(2.01)	(1,054,935)
(c) People	4	4,717,256	4,639,807	(1.64)	(77,449)
TOTAL	30	88,821,112	87,481,902	(1.51)	(1,339,210)

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
Economic Growth	0	1	3	1	2	5	12
Neighbourhood Services & Resources	0	1	0	2	9	2	14
People	0	0	1	1	1	1	4
TOTAL	0	2	4	4	12	8	30

- (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			
Economic Growth	0	12	0
Neighbourhood Services & Resources	2	11	1
People	0	3	1
TOTAL	2	26	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.

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 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.
Red Hall Courts - Anfield and Aintree New Build Housing	Additional Houses incorporated into the design/bid.	Reconfiguration scheme £297k separate budget. Linkages with other Red Hall schemes.

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	87.482
Schemes closed or on hold within CP but awaiting PPS post project review.	2.482
Annualised Programmes.	9.730
Non-construction projects not included in PPS report.	4.034
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.	27.783
Projects under £75k are excluded from PPS reporting.	2.064
Funding not yet allocated.	5.924
Schemes Included with PPS & CM Reporting	-4.338
Capital Programme	135.586

Capital Programme

19. Paragraph 20 shows the movements in the Capital Programme since the approval of the 2017/18 Capital MTFP, some of which have not yet been approved by Members.

20. Adjustment to resources requested by Departments:-

Virements

Department	Scheme	Value £	Reason for adjustment	Resource Type adjusted
Economic Growth	Cockerbeck Reconnection	-30,000	Virement	Nil Effect
Economic Growth	Biodiversity Carlbury	30,000	Virement	Nil Effect
Economic Growth	Baydale (Mowden Park)	-30,000	Virement	Nil Effect
Economic Growth	Cockerbeck Reconnection	30,000	Virement	Nil Effect

Department	Scheme	Value £	Reason for adjustment	Resource Type adjusted
Economic Growth	Town Hall & Dolphin Centre Feasibility work	-74,358	Virement	Nil Effect
Economic Growth	Town Hall WC Refurbishment Works	74,358	Virement	Nil Effect
Economic Growth	Planned Maintenance	-33,641	Virement	Nil Effect
Economic Growth	Railway Museum Structural Repairs	33,641	Virement	Nil Effect
TOTAL		Nil		

Adjustments needing approval/release

Department	Scheme	Value £	Reason for adjustment	Resource Type adjusted
Economic Growth	Contribution to Biodiversity Network Rail	13,000	Earmarked resources to fund biodiversity project	RCCO
Economic Growth	S106 01/00560/FUL B Bellway Homes Ettersgill	80,703	Contribution from Bellway Homes	S106
TOTAL		93,703		

Outcome of Consultation

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