

**CABINET  
14 JULY 2020**

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**PROJECT POSITION STATEMENT & CAPITAL  
PROGRAMME MONITORING OUTTURN 2019/20**

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**Responsible Cabinet Member – Councillor Charles Johnson,  
Resources Portfolio**

**Responsible Directors - Paul Wildsmith, Manager Director  
Ian Williams, Director of Economic Growth and Neighbourhood Services**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report provides:
  - (a) Information on delivery of the Council's Capital Programme, the financial outturn position as at 31st March 2020 and the proposed financing of the 2019/20 capital expenditure.
  - (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. Significant enhancements have been made to the Council's assets in three major programme areas of schools, housing and transport, mostly using external funding, as well as several other large scale schemes in the Borough. These investments are 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.
4. Capital expenditure in 2019/20 totalled £42.939m. Since the last revision of the Capital Medium Term Financial plan further refinements to estimates 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.
5. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 42 live projects currently being managed by the Council with an overall project outturn value of £136.217m. The

majority of projects are running to time, cost and quality expectations with no foreseeable issues.

6. 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**

7. It is recommended that Cabinet:-
  - (a) Note the delivery and financial outturn of the 2019/20 Capital Programme.
  - (b) Note projected capital expenditure and resources.
  - (c) Approve the adjustments to resources as detailed in paragraph 25.

### **Reasons**

8. The recommendations are supported by the following reasons: -
  - (a) The recommendations are supported to enable Members to note the progress of the 2019/20 Capital Programme and to allow the capital spend to be fully financed.
  - (b) To inform Cabinet of the current status of construction projects.
  - (c) To maintain effective management of resources.

**Paul Wildsmith, Managing Director**  
**Ian Williams**  
**Director of Economic Growth and Neighbourhood Services**

### **Background Papers**

- (i) Capital Medium Term Financial Plan 2019/20 – 2022/23
- (ii) Project Position Statement March 2020

Brian Robson : Extension 6608  
Claire Hayes : Extension 5404

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 and Climate Change	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

#### 2019/20 Capital Spend and Resources

### Information and Analysis

9. **Appendix 1** is a summary of all of the live construction projects and provides an overview on numbers, client responsibility, details of projected spend against budget and projected completion dates.
10. **Appendix 2** is for information and 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.
11. The Capital outturn for 2019/20 totalled £42.939m compared to £36.791m in 2018/19. **Appendix 3** analyses the 2019/20 capital spend by department, the proposed financing of the overall approved programme and corporate resources to be carried forward into 2020/21. The total of resources already approved to finance the outstanding capital programme including part finished projects is £169.485m therefore £126.546m will be carried forward into 2020/21 to fund completion. The spend summary shows the amount available to be utilised in future years to help finance the capital programme.

12. **Appendix 4** summarises the total approved departmental capital budgets of £282.869m, along with spend to date of £156.323m and the projected out turn position which is lower than budget at £282.074m.

13. The proposed financing of the 2019/20 expenditure is :-

	<b>2019/20</b>
	<b>£M</b>
<b>Capital Expenditure</b>	
<b>Financing of Capital Expenditure</b>	<b>42.939</b>
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	13.791
Capital Receipts	2.349
<i>Externally funded</i>	
Capital Grants	16.705
Capital Contributions	0.162
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	1.432
HRA - Revenue Contribution	7.411
Departmental - Borrowing for Leasable Assets	0.134
Departmental – Revenue Contribution	0.955
<b>Total Capital Financing</b>	<b>42.939</b>

### Project Position Statement

14. 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.

15. The Project Position Statement (**Appendix 2**) details the current live construction projects, up to the end of March 2020, 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.

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

	Projects	Current Approved Budget £ / p	Projected Outturn £ / p	Variance %	Variance (Value) £ / p
Economic Growth & Neighbourhood Services	40	133,387,132	133,185,094	(0.2)	(202,038)
People	2	3,099,209	3,031,945	(2.2)	(67,264)
<b>TOTAL</b>	<b>42</b>	<b>136,486,341</b>	<b>136,217,039</b>	<b>(0.2)</b>	<b>(269,302)</b>




17. 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.

18. The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Economic Growth & Neighbourhood Services	0	20	4	10	6	0	40
People	0	0	2	0	0	0	2
<b>TOTAL</b>	<b>0</b>	<b>20</b>	<b>6</b>	<b>10</b>	<b>6</b>	<b>0</b>	<b>42</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.

19. The status on live projects is as follows:

Department			
Economic Growth & Neighbourhood Services & Resources	1	38	1
People	0	2	0
<b>TOTAL</b>	<b>1</b>	<b>40</b>	<b>1</b>

- (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.

20. Current projects with the triangle symbol are as follows:-

Project	Reason for Variance	Action
Ingenium Park	The drainage works for the scheme have had to be delayed due to the working restrictions we have around the Great Crested Newts. The window for undertaking the drainage works is only between November-February, and has therefore delayed the completion of the overall scheme	The drainage works will go out to tender in September for a November start on site

### Reconciliation of Project Position Statement to Capital Programme

21. 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
<b>Live Projects from Project Position</b>	<b>136.217</b>
Schemes closed or on hold within CP but awaiting PPS post project review.	69.517
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	1.136
Annualised Schemes excluded from PPS - Highways Maintenance	15.031
Annualised Schemes excluded from PPS - Children's Services School Maintenance	0.192
Non Construction excluded from PPS	11.249
Capital Investment Fund excluded from PPS	38.829
Projects under £75k are excluded from PPS reporting.	1.943
Schemes Included with PPS & CM Reporting	(7.880)
Capital schemes not yet integrated into PPS reporting.	13.493
Funding not yet allocated	2.346
<b>Capital Programme</b>	<b>282.074</b>

22. The table below shows the split of the approved capital programme of £282.869m, between the different service areas and also the various categories of spend. When compared to the table above it shows that there is a projected £0.795m underspend on the approved capital programme.

	Construction				Non construction	Capital investment fund	Housing New Build not yet allocated	Total
	Live Schemes 75k & Over	Annualised Schemes	Completed Schemes awaiting review	Live Schemes under 75k				
Area	£m	£m	£m	£m	£m	£m	£m	£m
Housing	27.377	1.136	31.279	0.167	0.392	0.000	2.346	62.697
Economic Growth	87.833	0.000	30.315	0.556	6.528	38.829	0.000	164.061
Highways/Transport	4.410	15.031	5.589	0.929	0.968	0.000	0.000	26.926
Leisure & Culture	19.112	0.000	0.645	0.134	0.360	0.000	0.000	20.252
Education	3.099	0.192	2.631	0.156	0.177	0.000	0.000	6.256
Adult Social Care	0.000	0.000	0.138	0.000	0.993	0.000	0.000	1.131
Other	0.000	0.000	0.215	0.000	1.331	0.000	0.000	1.546
<b>Total</b>	<b>141.831</b>	<b>16.359</b>	<b>70.812</b>	<b>1.943</b>	<b>10.749</b>	<b>38.829</b>	<b>2.346</b>	<b>282.869</b>

## Capital Programme

23. The following major areas of work have been undertaken in 2019/20.

### (a) Children, Families and Learning

- (i) In June 2019 cabinet released £141,894.00 of School Condition Allocation funding for the 2019/20 financial year. This together with an underspend of £97,000 from the previous year provided a programme of condition and health & safety related work in maintained schools and nurseries over the summer of 2019.
- (ii) A one-off grant of £13,581 from the Health Pupils Capital Fund Council, generated from the Government's soft drink industry levy, with an underspend of £25,419 from the Funded Places for Two Year Olds programme completed in 2014, was used to support a project at Borough Road Nursery to improve independence and promote self-care and hygiene.
- (iii) The devolved formula capital grant of £50,367.00 was allocated to the LA on a formulaic basis based on pupil numbers in maintained schools. The LA allocated the funding directly to schools for the schools themselves to support the other capital needs of their buildings.

### (b) Housing

- (i) Adaptations – The provision of disabled adaptations including Flat Floor Showers, ramps, stair lifts, handrails, grabrails and other adaptations to over 201 Council Properties.
- (ii) Heating Replacement - The upgrade of heating systems including 'A' rated Combi boilers, radiators and heating controls and the progressing of

Electric to gas central heating replacement programme including the installation of new gas services and pipelines. Work was carried out in 218 properties primarily in Park Place, Middle St George, Haughton

- (iii) Structural Repairs – Ongoing structural monitoring continues and as a result a number of properties had structural repairs carried out.
- (iv) Park Pace bin store walls – Demolition and rebuild of unstable walls.
- (v) Properties in Havelock Street & Byron Road required structural repairs.
- (vi) Repairs before Painting – 969 Properties had joinery repair works as part of the cyclical external painting programme in Albert Hill, Geneva Road, Brankin Moor, Firth Moor, Lingfield, Bishopton, Middleton St George, Sadberge
- (vii) Roofing –
  - a) 93 properties at Firthmoor Estate and 16 properties in Sadberge received replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. All Brickwork to elevations of properties were also fully repointed. Works were also carried out to various properties that were identified as the roofs were beyond economical repair. These include:
    - b) Properties in Headlam Road, Dinsdale Crescent, Headingley Crescent & Goodison Way - received replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate
    - c) Properties in Daryngton Close and Hardwick close had the off shot flat roof recovered with a warm roof system.
    - d) A property in Low Moor – had the concrete outhouse roof removed and replaced with timber roof and PVC fascia with felt covering
    - e) A block in George Short close had the communal stairwell roof covering replaced.
- (viii) Garages – Planned Improvements to the Council's garage blocks for-
  - a) Replacement of asbestos sheet roofing with Steel sheet roofing, rainwater goods were renewed and new PVC fascias was carried out to the garages as below, with some as required also receiving new steel doors with 4 point locking devices.
    - (1) 20 Nightingale Avenue Garages.
    - (2) 5 Nickstream Lane Garages.
    - (3) 5 Denton Lane Garages.
    - (4) 2 in l'Anson Street Garages (2no).
    - (5) Block in Streatlam Road.
    - (6) 3 Whitby Way Garages.



- (ix) External Works - Responsive repairs across the borough and the planned replacement of fencing to 109 properties.
  - a) Darynton Close to Salters Close path was replaced with new tarmac path
  - b) Spring Court parking area required to be overlaid with tarmac.
  - c) RedHall Path – the communal path was dug up and replaced with a new tarmac path
  - d) Pavement Crossings – 12 properties had pavement crossings installed in their properties across the borough.
  - e) Replacement Door Programme – 234 properties across Haughton estate received new composite doors as a replacement for poor condition existing doors.
  - f) Communal Works & Door Entry Systems –
    - (1) Mickleton and Hammond Close – alterations were carried out to enable external opening to the front communal doors.
    - (2) Stocksmoor Close required a new steel door to be installed.
  - g) Internal planned maintenance – Kitchen, bathroom, rewires and boiler replacements to 208 properties identified on the 20 year investment programme. Work was carried out to properties in Branksome.
  - h) Windows – 252 properties across various estates including Haughton.

(c) Transport

- (i) Darlington continues to deliver capital schemes in support of its Transport Strategy. The objectives of the Transport Strategy as set out in the Third Local Transport Plan include supporting employment, economic activity and sustainable development; tackling climate change; improving accessibility to jobs, education, training, health, and green spaces; and improving the journey experience. Capital investment sources to deliver the Transport Programme were provided by: the third Local Transport Plan (LTP3), the Local Growth Fund, the National Productivity Investment Fund and various grants awarded by the Department for Transport (DfT) including Incentive and Pothole funding.
- (ii) LTP3 funding was spent on delivering a programme of maintenance schemes and integrated transport schemes. The integrated transport programme included: Initial modelling work on the A68 Woodlands Road scheme; installation of new traffic signals at the junction of Victoria Road and Feethams and the commencement of a four year programme to

replace traffic counters. The highway maintenance programme was based upon condition data and included:

- a) Structural maintenance schemes such as Redworth phase 2, School Aycliffe Lane phase 1; Great Stainton to Bishopton and Carmel Road North.
  - b) An additional £500k was allocated from the Council for a programme of micro asphalt schemes to address the declining condition of unclassified roads (mainly residential streets).
  - c) There was also a programme of assessments carried out on Darlington's bridges, parapets and other structures and a programme of work was started to address identified issues. This has included the installation of Vehicle Restraint systems to protect bridge parapets in certain locations.
- (iii) Funding was secured from the Local Growth Fund for two schemes as follows:
- a) In August 2019 funding was awarded for the creation of a new shared use (pedestrian and cycling) route along the north side of Allington Way from the junction with McMullen Road to the junction with Lingfield Way including the addition of a second lay by. The route is currently open to both pedestrians and cyclists, however a small amount of works (grass seeding and surfacing works to both laybys) remains outstanding which have been delayed due to COVID-19 restrictions.
  - b) In February 2020 funding was awarded for creation of a new cycleway, two pedestrian crossings (one new and one upgraded) and a 20 mph zone on Victoria Road which will strengthen the link between Darlington railway station and Darlington town centre. Works are currently suspended due to COVID-19 but delivery is expected to be complete by December, 2020
- (iv) Funding was secured in May 2018 from the Department for Transport from the National Productivity Improvement Fund (NPIF) for improvements on improvements on the Tees Valley Key Road Network from the A66 Strategic Road Network to Central Park Enterprise Zone. This funding has been successful enabling 3 key schemes to proceed:
- a) Improvements to B6280 McMullen Road / Yarm Road roundabout. Works were completed October, 2019.
  - b) The introduction of traffic signals at Lingfield Way / Yarm Road junction. All utility and main civils works including new kerbs and the creation of a cycle route have been completed. Outstanding works include the road surfacing and installation of new traffic signals which have been suspended due to COVID-19. This work will become a priority once restrictions have been lifted

- c) Improvements to the B6279 Houghton Road / Tornado Way junction (through-about). The majority of works have been completed including new kerb lines and works to the retaining wall. Works are currently suspended due to COVID-19. It is hoped that once restrictions have been lifted a new programme can be developed to deliver the remaining elements of this scheme.
- (v) Funding was secured from the Rural Payments Agency in November, 2019 to support a project to upgrade a section of existing bridleway running over the A66 eastwards to Middleton St. George. The funding will be used to improve surfacing, drainage and access measures. The project is due for completion December, 2020.

24. Paragraph 24 shows the movements in the Capital Programme since the approval of the 2019/20 Capital MTFP, some of which have not yet been approved by Members.

25. Adjustment to resources requested by departments:-

### Virements

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Economic Growth & Neighbourhood Services	Library Dovecot Works	(£26,540)	Virement	Nil Effect
Economic Growth & Neighbourhood Services	Library Service	£26,540	Virement	Nil Effect
<b>TOTAL</b>		<b>Nil</b>		

### Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Economic Growth & Neighbourhood Services	ICT Architecture	(£293,813)	Funds no longer required.	Funds returned to centre
Economic Growth & Neighbourhood Services	ICT Architecture	(£41,405)	Funds no longer required.	Funds returned to centre
Prudential Borrowing - Leasable assets	Various	£133,554	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.	Departmental unsupported borrowing
<b>TOTAL</b>		<b>(£201,664)</b>		

26. **Appendix 5** details the general fund capital receipts and corporate resources received and brought forward from previous years. These amount to £3.202m of which £2.349m has been utilised to finance capital expenditure as well as £0.391m of earmarked receipts to fund slippage, leaving a balance of £1.195m to carry forward into future years.

### Conclusion

27. The total capital spend incurred during 2019/20 was £42.939m. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2019/20.

## **Outcome of Consultation**

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