

CABINET
14 JULY 2020

PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER ONE 2020/21

Responsible Cabinet Member – Councillor Charles Johnson,
Resources Portfolio

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

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 £252.094m against an approved programme of £252.194m. 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 2020/21 – 2023/24.
4. 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.
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 22.

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, Managing Director

Ian Williams, Director of Economic Growth and Neighbourhood Services

Background Papers

- (i) Capital Medium Term Financial Plan 2020/21 – 2023/24
- (ii) Project Position Statement April 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

2020/21 Capital Spend and Resources

Information and Analysis

8. **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.
9. **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
10. **Appendix 3** 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 2020-21 schemes previously released by Cabinet, is £159.486m.
11. **Appendix 4** 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

12. 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.
13. The Project Position Statement (Appendix 1) details the current live construction projects, up to the end of November 2019, by delivery area, and provides details on numbers, the current status position on each project with regards to budget and completion and any comments on current issues. The statement excludes any completed projects or those on hold.
14. 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)
TOTAL	42	136,486,341	136,217,039	(0.2)	(269,302)

15. 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.

16. 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
TOTAL	0	20	6	10	6	0	42

- (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.

17. The status on live projects is as follows:

Department			
Economic Growth & Neighbourhood Services & Resources	1	38	1
People		2	
TOTAL	1	40	1

- (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.

18. 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

19. 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	136.217
Schemes closed or on hold within CP but awaiting PPS post project review.	16.174
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	0.409
Annualised Schemes excluded from PPS - Highways Maintenance	18.147
Annualised Schemes excluded from PPS - Children's Services School Maintenance	0.020
Non Construction excluded from PPS	12.270
Capital Investment Fund excluded from PPS	36.685
Projects under £75k are excluded from PPS reporting.	2.031
Schemes Included with PPS & CM Reporting	(4.981)
Capital schemes not yet integrated into PPS reporting.	12.516
Funding not yet allocated	22.605
Capital Programme	252.094

20. The table below shows the split of the approved capital programme of £252.194m, 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 £0.100m 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	27.751	0.409	4.619	0.112	0.392	0.000	21.706	54.988
Economic Growth	89.971	0.000	7.502	0.644	9.831	36.199	0.899	145.048
Highways/Transport	4.410	18.147	3.695	1.092	0.000	0.000	0.000	27.344
Leisure & Culture	19.107	0.000	0.000	0.134	0.360	0.000	0.000	19.602
Education	3.099	0.020	0.358	0.048	0.052	0.000	0.000	3.578
Adult Social Care	0.000	0.000	0.000	0.000	0.993	0.000	0.000	0.993
Other	0.000	0.000	0.000	0.000	0.641	0.000	0.000	0.641
Total	144.338	18.576	16.174	2.031	12.270	36.199	22.605	252.194

Capital Programme

21. Paragraph 22 shows the movements in the Capital Programme since the approval of the 2020/21 Capital MTFP, some of which have not yet been approved by Members.

22. Adjustment to resources requested by departments:-

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Neighbourhood Services Economic Growth & Resources	Lancaster House Footpath	£162,400	S106 MSG JV ESH 16/00396 Cycle & Footpath	S106
Neighbourhood Services Economic Growth & Resources	Lancaster House Footpath	£21,315	S106 MSG JV ESH 16/00396 Bus Stops	S106
Neighbourhood Services Economic Growth & Resources	Bridge Parapet Inspections	(£500,000)	Funds no longer required.	Funds returned to centre
TOTAL		(£316,285)		

Outcome of Consultation

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