

**CABINET  
6 JULY 2021**

**ANNEX 1**

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**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING  
OUTTURN 2020/21**

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

**Responsible Directors –  
Elizabeth Davison, Group Director of Operations  
Dave Winstanley, Group Director of 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 2021 and the proposed financing of the 2020/21 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 2020/21 totalled £29.875m. 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 38 live projects currently being managed by the Council with an overall project outturn value of £126.196m. 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 2020/21 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 2020/21 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.

**Elizabeth Davison**  
Group Director of Operations

**Dave Winstanley**  
Group Director of Services

### Background Papers

- (i) Capital Medium Term Financial Plan 2020/21 – 2023/24
- (ii) Project Position Statement March 2021

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	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

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 2020/21 totalled £29.875m compared to £42.939m in 2019/20. **Appendix 3** analyses the 2020/21 capital spend by department, the proposed financing of the overall approved programme and corporate resources to be carried forward into 2021/22. The total of resources already approved to finance the outstanding capital programme including part finished projects is £169.973m therefore £140.098m will be carried forward into 2021/22 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 £273.956m, along with spend to date of £133.858m and the projected out turn position which is lower than budget at £273.737m.

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

	2020/21 £M
<b>Capital Expenditure</b>	
<b>Financing of Capital Expenditure</b>	<b>29.875</b>
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	7.444
Capital Receipts	2.538
<i>Externally funded</i>	
Capital Grants	11.718
Capital Contributions	0.029
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	0.684
HRA - Revenue Contribution	5.750
Departmental - Borrowing for Leasable Assets	0.047
Departmental - Unsupported Borrowing	1.520
Departmental – Revenue Contribution	0.145
<b>Total Capital Financing</b>	<b>29.875</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 2021, 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	36	121,166,553	122,041,765	0.7	875,212
People	2	4,154,656	4,154,656	0.0	0
<b>TOTAL</b>	<b>38</b>	<b>125,321,209</b>	<b>126,196,421</b>	<b>0.7</b>	<b>875,212</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	11	3	7	12	3	36
People	0	0	0	2	0	0	2
<b>TOTAL</b>	<b>0</b>	<b>11</b>	<b>3</b>	<b>9</b>	<b>12</b>	<b>3</b>	<b>38</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	35	0
People	0	2	0
<b>TOTAL</b>	<b>1</b>	<b>37</b>	<b>0</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>126.196</b>
Schemes closed or on hold within CP but awaiting PPS post project review.	29.134
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	0.360
Annualised Schemes excluded from PPS - Highways Maintenance	17.199
Annualised Schemes excluded from PPS - Children's Services School Maintenance	0.000
Non Construction excluded from PPS	16.561
Capital Investment Fund excluded from PPS	44.077
Projects under £75k are excluded from PPS reporting.	2.201
Schemes Included with PPS & CM Reporting	0.494
Capital schemes not yet integrated into PPS reporting.	13.006
Funding not yet allocated	24.509
<b>Capital Programme</b>	<b>273.737</b>

22. The table below shows the split of the approved capital programme of £273.956m, 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 £0.219m 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	17.325	0.360	10.295	0.151	0.392	0.000	26.930	55.453
Economic Growth	85.045	0.000	14.439	0.667	11.385	46.906	0.799	159.242
Highways/Transport	7.499	17.502	4.115	0.978	0.882	0.000	0.000	30.975
Leisure & Culture	19.607	0.000	0.005	0.173	0.160	0.000	0.000	19.946
Education	4.155	0.000	0.450	0.226	0.052	0.000	0.000	4.884
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	2.463	0.000	0.000	2.463
<b>Total</b>	<b>133.631</b>	<b>17.862</b>	<b>29.305</b>	<b>2.195</b>	<b>16.327</b>	<b>46.906</b>	<b>27.729</b>	<b>273.956</b>

## Capital Programme

23. The following major areas of work have been undertaken in 2020/21.

### (a) Children, Families and Learning

- No school condition works were undertaken during summer 2020 due to the impact of Covid restrictions. However, following condition surveys at the remaining maintained schools a list of priority items for repair and maintenance have been identified for completion during summer 2021. These works are currently out to tender.
- The provision of a special educational needs unit at Red Hall primary school is now complete and will provide provision for 16 primary age pupils with social, emotional and mental health issues (SEMH). The unit will open in September 2021.
- The provision of a special educational needs unit at Rise Carr College is due to complete in July 2021 and will provide provision for 16 secondary age pupils with social, emotional and mental health issues (SEMH). The unit will open in September 2021.

### (b) Housing

- Adaptations – The provision of disabled adaptations including Flat Floor Showers, ramps, stair lifts, handrails, grabrails and other adaptations to over 197 Council Properties.
- 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 to 48 properties due to Covid restrictions. The remaining programme will be carried out in 2021-22.
- Structural Repairs – Ongoing structural monitoring continues and as a result a number of properties had structural repairs carried out.

- a). Park Pace bin store walls – Demolition and rebuild of unstable walls were completed
  - b). Properties in Shelley & Arnold Road required structural repairs, new lintels, wall tie replacement, cavity clean and fully repointed
  - c). Flats 20 & 23 Havelock Street required structural remedial works were carried out.
- Repairs before Painting – 1167 Properties had joinery repair works as part of the cyclical external painting programme in Banktop, North road, Redhall, Rise Carr, Northgate, Park West, College areas.
  - Roofing – 63 properties at Haughton and 29 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
  - Garages – They were no works carried out this year, we identified the prefabricated garages on Lascelles estate are beyond repair. It has been confirmed by housing that there is very little demand in the area. The decision was made that we would demolish the garages and to allow the works to be completed in 2021-22.
  - External Works - Responsive repairs across the borough identified fencing required replacement to 55 properties.
    - a) 45 Properties were identified at Albert Hill that required the fences replacing
    - b) 31 Gates/outhouse doors were identified to require replacement on North Road
    - c) The waste pump on Fenby was beyond economical repair and needs to be replaced
  - Pavement Crossings – 5 properties had pavement crossings installed in their properties across the borough.
  - Replacement Door Programme – 112 properties were identified by responsive inspections and required replacement doors. Due to Covid restrictions we were unable to complete any properties on the programme, it is proposed that we will carry out these properties in 2021-22
  - Communal Works & Door Entry Systems –
    - a) King William estate – all blocks required new doors and door entry systems.
    - b) North Road – all blocks required new doors and door entry systems.
    - c) Langfield Road – all blocks required new doors and door entry systems.
  - Internal planned maintenance – Due to Covid restrictions we were unable to complete any properties.



- Windows – Due to Covid restrictions we were unable to complete any window replacements, it is proposed that we will carry out these properties in 2021-22

(c) Transport

- 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 the Pothole Challenge fund.
- LTP3 funding was spent on delivering a programme of maintenance schemes and integrated transport schemes. The integrated transport programme included: continued design work on the A68 Woodlands Road scheme; the resurfacing of Abbots Yard car park, and the four-year programme to replace traffic counter equipment continues. The highway maintenance programme was based upon condition data and included:
  - a) Structural maintenance schemes such as Estoril Road South; A67 Morton Palms roundabout; and Fenby Avenue.
  - 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) A programme of assessments continues to be 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.
- 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 now open to both pedestrians and cyclists.
  - b) In February 2020 funding was awarded to improve the walking and cycling route between Darlington Station and Darlington town centre. This includes addressing concerns about speeding traffic with the introduction a 20mph speed limit and traffic calming features; new traffic signals at the Clifton Road junction to assist pedestrians crossing the road; widened footpaths; the introduction of trees and landscaping; and resurfacing of the back lane and formalisation of parking. Works are currently ongoing with delivery expected to be complete by July 2021.
- Funding was secured in May 2018 from the Department for Transport from the National Productivity Improvement Fund (NPIF) for

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 be completed:

- a) Improvements to B6280 McMullen Road / Yarm Road roundabout. Works were completed in October 2019.
  - b) The introduction of traffic signals at Lingfield Way / Yarm Road junction and the creation of a cycle route. Additional works were undertaken on Morton Way to provide a footpath link to Yarm Road Industrial Estate and the addition of a parking lay by on Yarm Road Industrial Estate. Works completed October 2020.
  - c) The redesign of the B6279 Haughton Road / Tornado Way junction from a signalised through-about to a roundabout. The scheme also included 2 new toucan crossings, footpath and cycle links and extensive landscaping. In addition, four sculptures have been installed on the Tornado Way roundabout celebrating Darlington's railway heritage. Works completed December 2020.
- 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 was used to improve surfacing, drainage and access measures. Due to COVID19 restrictions works were suspended for a time but have now been substantially completed with the final landscaping works being completed in May 2021.
  - Funding was secured from the Emergency Active Travel Fund in July 2020 which was used on temporary schemes to support cycling and walking in response to the COVID19 pandemic. Works included signage and road markings in the Town Centre and on Duke Street.
  - In March 2021 funding was secured from the Department for Transport from the Active Travel Fund Tranche 2 to support the Local Cycling and Walking Infrastructure Plan (LCWIP) to provide dedicated cycling infrastructure on Woodland Road/Outram Street/Duke Street. This will provide a route to key destinations including the Town Centre, Darlington Memorial hospital and Queen Elizabeth Sixth Form college.

24. Paragraph 25 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.

25. Adjustment to resources requested by departments:-

## Virements

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Neighbourhood Services Economic Growth & Resources	Indigenous Growth Fund	(£1,919,801)	Indigenous Growth fund for Temperate Garden	Nil Effect
Neighbourhood Services Economic Growth & Resources	Temperate Garden	£1,919,801	Indigenous Growth fund for Temperate Garden	Nil Effect
Neighbourhood Services Economic Growth & Resources	Indigenous Growth Fund	(£160,000)	Indigenous Growth fund for Union Street Demolition	Nil Effect
Neighbourhood Services Economic Growth & Resources	Union Street Demolition	£160,000	Indigenous Growth fund for Union Street Demolition	Nil Effect
<b>TOTAL</b>		<b>£0</b>		

## Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Neighbourhood Services Economic Growth & Resources	Middleton Lane Middleton St George	£13,565	S106 16/00972 Heritage North LTD Bus Stops	S106
Neighbourhood Services Economic Growth & Resources	Salters Lane Bus Stop Improvements	£62,500	S106 18/00442 - Salters Lane Bus Stop improvements	S106
Neighbourhood Services Economic Growth & Resources	Salters Lane Roundabout Improvements	£80,000	S106 18/00442 - Salters Lane Roundabout improvements	S106
Neighbourhood Services Economic Growth & Resources	Branksome Play area	£49,800	S106 10/00412/FUL & 08/00397/FUL Branksome Play Area	S106
Neighbourhood Services Economic Growth & Resources	West Park Travel Planning	£36,254	S106 West Park JV LTD S106 15/00450 Travel Programme Contribution	S106
Neighbourhood Services Economic Growth & Resources	Bridge Maintenance	£195,000	RCCO 17/18 Contribution to bridge inspections and replacement capital projected from 90942	RCCO
Neighbourhood Services Economic Growth & Resources	Bridge Maintenance	£23,000	RCCO 19/20 Contribution towards Bridge Maintenance	RCCO
Neighbourhood Services Economic Growth & Resources	Town Centre Strategic Acquisition Fund	£22,740	RCCO 20/21 Victoria Road Advertising Board	RCCO
Prudential Borrowing - Leasable assets		£46,581	Since 2004 the introduction of 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. Spending on leasable assets in 2017/18 is £420,876 and has been added to the Capital programme	Departmental unsupported borrowing
<b>TOTAL</b>		<b>£529,440</b>		

26. **Appendix 5** details the general fund capital receipts and corporate resources received and brought forward from previous years. These amount to £3.200m of which £2.538m has been utilised to finance capital expenditure as well as £0.371m of earmarked receipts to fund slippage, leaving a balance of £0.291m to carry forward into future years.

## **Conclusion**

27. The total capital spend incurred during 2020/21 was £29.875m. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2020/21.

## **Outcome of Consultation**

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