

**CABINET
7 SEPTEMBER 2021**

ITEM NO.

**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER ONE 2021/22**

**Responsible Cabinet Member – Councillor Scott Durham,
Resources Portfolio**

**Responsible Directors – Dave Winstanley, Group Director of Services,
Elizabeth Davison, Group Director of Operations**

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 £268.833m against an approved programme of £269.715m. 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 2021/22 – 2024/25.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 45 live projects currently being managed by the Council with an overall projected outturn value of £134.570m. The majority of projects are running to time, cost and quality expectations but are being monitored given the current pressures on resources in the construction sector nationally.
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) Note the review and final outturn of scheme in paragraph 19.
 - (d) Approve the adjustments to resources as detailed in paragraph 24.

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.

Elizabeth Davison
Group Director of Operations

Dave Winstanley
Group Director of Services

Background Papers

- (i) Capital Medium Term Financial Plan 2021/22 – 2024/25
- (ii) Project Position Statement June 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 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.
Council Plan	The Capital Programme referred to in the report supports delivery of the Council Plan 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 2021-22 schemes previously released by Cabinet, is £166.204m.
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 June 2021, 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
Chief Executive & Economic Growth	13	52,349,894	52,261,020	(0.2)	(88,874)
Operations	17	23,033,201	23,019,531	(0.1)	(13,670)
People	2	4,154,656	4,154,656	0.0	0
Services	13	55,097,811	55,135,168	0.1	37,357
TOTAL	45	134,635,562	134,570,375	(0.2)	(65,187)




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
Chief Executive & Economic Growth	0	2	5	2	2	2	13
Operations	0	4	0	7	6	0	17
People	0	0	0	2	0	0	2
Services	0	4	1	4	3	1	13
TOTAL	0	10	6	15	11	3	45

- (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			
Chief Executive & Economic Growth	1	11	1
Operations	1	16	0
People	0	2	0
Services	0	13	0
TOTAL	2	42	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	<p>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.</p> <p>The complexity and delay in delivering Ingenium Park may have an impact on budget which is now being reviewed</p>	<p>The drainage works will go out to tender in September for a November start on site.</p> <p>Reassessment of project budget.</p>
Allington Way - Phase 3	<p>The lack of resource availability particularly bricklayers in the construction market has extended the programme beyond the original completion date.</p>	<p>Resources are being monitored and reviewed to see they can be moved from other work.</p>

19. In line with the Council’s Financial Procedure rules any scheme with an outturn value of in excess of a £1m has to be reported to Cabinet. In accordance with the agreed procedure the Dolphin Centre Refurbishment scheme has been reviewed (CP5) and the results and final outturn are shown in **Appendix 5**.

20. If approved this scheme will be removed from the live PPS listing in Appendix 2.

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
Live Projects from Project Position	134,570
Schemes closed or on hold within CP but awaiting PPS post project review.	21,729
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	1,018
Annualised Schemes excluded from PPS - Highways Maintenance	7,814
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0
Non construction excluded from PPS	17,134
Capital Investment fund excluded from PPS	35,560
Projects under 75k excluded from PPS	1,841
Capital Schemes not yet integrated into PPS reporting	14,323
Included in PPS & CMR	-5,500
Funding not yet allocated	40,344
Capital Programme	268,833

22. The table below shows the split of the approved capital programme of £269.715m, 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 £0.882m 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	22.980	0.893	6.815	0.049	0.940	0.000	42.213	73.890
Economic Growth	48.379	0.000	0.000	0.507	10.217	35.560	2.037	96.700
Highways/Transport	42.714	7.814	17.811	0.889	4.152	0.000	0.000	73.381
Leisure & Culture	19.310	0.000	0.000	0.184	0.000	0.000	0.000	19.495
Education	0.000	0.000	4.213	0.213	0.052	0.000	0.000	4.478
Adult Social Care	0.000	0.000	0.000	0.000	0.071	0.000	0.000	0.071
Other	0.000	0.000	0.000	0.000	1.701	0.000	0.000	1.701
Total	133.384	8.707	28.839	1.841	17.134	35.560	44.250	269.715

Capital Programme

23. Paragraph 24 shows the movements in the Capital Programme since the approval of the 2021/22 Capital MTFP, some of which have not yet been approved by Members.

24. Adjustment to resources requested by departments:

Virements

Department	Scheme	Value £	Reason for adjustment	Impact on budget
Chief Executive & Economic Growth	Advanced Design fees	(£10,000)	Advanced design funding for Treasury North	Nil Effect
Services	Treasury North	£10,000	Advanced design funding for Treasury North	Nil Effect
Chief Executive & Economic Growth	Dolphin Centre M&E Phase 3	(£7,500)	Advanced design funding for Dolphin Centre M&E Phase 3	Nil Effect
Services	Dolphin Centre M&E Phase 3	£7,500	Advanced design funding for Dolphin Centre M&E Phase 3	Nil Effect
TOTAL		£0		

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Services	Roundhill Road Miller Homes	£27,753	S106 Miller Homes sustainable transport contribution	S106
Services	West Park Travel Planning	£57,305	S106 Bussey & Armstrong S106 travel programme	S106
Services	Bridge Maintenance	£23,000	RCCO 20/21 Contribution from bridge maintenance	RCCO
Services	Carlbury Slip 2	£100,000	RCCO 19/20 contribution towards carlbury	RCCO
Services	Branksome Play Area	(£80)	Scheme complete.	Funds moved back to play area S106
Operations	Energy Efficiency - LAD 1b	£833,008	Match funded grant for energy efficiency as per MTFP	Release of funds
Operations	Joint Venture Esh - Heighinton	(£429,829)	Scheme complete. Funds no longer required.	Funds returned to centre
TOTAL		£611,157		

Outcome of Consultation

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