

**CABINET
8 FEBRUARY 2022**

PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING - QUARTER 3

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

**Responsible Director -
Elizabeth Davison, Group Director of Operations
Dave Winstanley, Group Director of 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 £274.173m against an approved programme of £274.463m. 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 46 live projects currently being managed by the Council with an overall projected outturn value of £138.928m. 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.

Recommendation

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.

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 November 2021

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S17 Crime and Disorder	This report has no implications for crime and disorder.
Health and Wellbeing	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

2021/22 Capital Spend and Resources

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 £176.774m.
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 August 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	12	52,011,633	51,927,513	(0.2)	(84,120)
Operations	20	31,679,271	31,665,601	(0.0)	(13,670)
People	2	4,154,566	4,154,566	0.0	0
Services	12	51,081,310	51,180,404	0.2	99,094
TOTAL	46	138,926,780	138,928,084	(0.0)	1,304

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	2	4	2	2	12
Operations	0	5	2	3	10	0	20
People	0	0	0	2	0	0	2
Services	0	3	1	4	4	0	12
TOTAL	0	10	5	13	16	2	46

- (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	2	9	1
Operations	2	18	0
People	0	2	0
Services	2	10	0
TOTAL	6	39	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	As previously reported the project requires drainage works to be undertaken during certain ecological windows, which has resulted in a delay on the programme. There are also drainage works required for the future phases of Ingenium Park that need to be undertaken at the same time as the Phase 1 drainage works Tender prices are being sought for these works.	The new design covering Phase 1 and also parts of phase 2 and 3 drainage works have been completed and bids have been received from a suitable contractor.
Allington Way – Phase 3	The lack of certain resources, particularly bricklayers, has extended the programme past the original completion date.	The programme and resources are being closely monitored to minimise the delay. Funders have accepted the delay.
Crown Street Library Refurbishment	A delay resulted as the Council was awaiting an investigation into an alternative scaffolding solution, due to the complexities of the building, it's age and condition.	Following extensive analysis, a retendering exercise with a simplified scaffolding arrangement has begun. This is expected to allow a start of site before Christmas 2021.
Dolphin Centre Bowling Alley and Soft Play	The soft play area fit out was delayed and was not able to be completed with the bowling alley works.	Work complete.
Salix Low Carbon Works	A delay was created as a result of having to re-tender the electrical elements of the works after the initial tendering exercise.	The remaining works are to be programmed in for completion in the new year.
Skinnergate Housing re-development	A delay was encountered following the production of a revised design to satisfy concerns raised by English Heritage at the planning application stage.	The design has been agreed and planning permission has been granted and the detailed design work including looking at Party Wall issues is now underway.

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	138,928
Schemes closed or on hold within CP but awaiting PPS post project review.	26,664
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	687
Annualised Schemes excluded from PPS - Highways Maintenance	7,894
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0
Non construction excluded from PPS	15,375
Capital Investment fund excluded from PPS	31,713
Projects under 75k excluded from PPS	2,109
Capital Schemes not yet integrated into PPS reporting	15,559
Included in PPS & CMR	-317
Funding not yet allocated	35,561
Capital Programme	274,173

20. The table below shows the split of the approved capital programme of £274.463m, 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 £0.290m 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	32.635	0.687	6.815	0.122	0.940	0.000	33.524	74.723
Economic Growth	50.919	0.000	0.918	0.487	10.200	31.713	2.037	96.274
Highways/Transport	45.132	7.894	18.872	1.063	1.220	0.000	0.000	74.181
Leisure & Culture	21.620	0.000	0.000	0.225	0.000	0.000	0.000	21.845
Education	4.155	0.000	0.058	0.213	0.053	0.000	0.000	4.479
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	2.890	0.000	0.000	2.890
Total	154.461	8.581	26.663	2.110	15.374	31.713	35.561	274.463

Capital Programme

21. Paragraph 22 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.

22. 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)	Eastbourne Sports complex	Nil Effect
Services	Eastbourne Sports complex	£10,000	Eastbourne Sports complex	Nil Effect
TOTAL		£0		

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Operations	Joint Venture Esh - Middleton St George	(£42,921)	Scheme complete. Funds no longer required.	Funds returned to centre
Operations	Green Homes Grant - LA Delivery Phase 1b	£239,568	Match funded grant for energy efficiency as per MTFP	Release
TOTAL		£196,647		

Consultation

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