

CABINET
05 JULY 2022

PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
OUTTURN 2021/22

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) Information on delivery of the Council's Capital Programme, the financial outturn position as at 31 March 2022 and the proposed financing of the 2021/22 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 largescale 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 2021/22 totalled £43.388m. 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 48 live projects currently being managed by the

Council with an overall project outturn value of £188.383m. 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 2021/22 Capital Programme.
 - (b) Note projected capital expenditure and resources.
 - (c) Approve the adjustments to resources as detailed in paragraph 26.

Reasons

8. The recommendations are supported by the following reasons:
 - (a) The recommendations are supported to enable Members to note the progress of the 2021/22 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 2021/22 – 2024/25
- (ii) Project Position Statement March 2022

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.
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

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 2021/22 totalled £43.388m compared to £29.875m in 2020/21. **Appendix 3** analyses the 2021/22 capital spend by department, the proposed financing of the overall approved programme and corporate resources to be carried forward into 2022/23. The total of resources already approved to finance the outstanding capital programme including part finished projects is £202.949m therefore £159.561m will be carried forward into 2022/23 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 £306.650m, along with spend to date of £147.089m and the projected outturn position which is lower than budget at £290.815m.
13. The proposed financing of the 2021/22 expenditure is:

	2021/22
Capital Expenditure	£M
Financing of Capital Expenditure	43.388
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	7.623
Capital Receipts	0.586
<i>Externally funded</i>	
Capital Grants	19.372
Capital Contributions	0.038
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	0.986
HRA - Revenue Contribution	8.502
Departmental - Borrowing for Leasable Assets	0.299
Departmental - Unsupported Borrowing	5.859
Departmental – Revenue Contribution	0.123
Total Capital Financing	43.388

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 2022, 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
Chief Executive & Economic Growth	16	55,598,101	55,456,218	(0.3)	(141,883)
Operations	18	57,798,271	57,784,601	(0.0)	(13,670)
People	2	4,154,566	4,154,566	0.0	0
Services	12	70,876,623	70,987,420	0.2	110,797
TOTAL	48	188,427,561	188,382,805	(0.1)	(44,756)

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
Chief Executive & Economic Growth	0	1	4	7	2	2	16
Operations	0	1	0	7	9	1	18
People	0	0	0	2	0	0	2
Services	0	2	1	5	3	1	12
TOTAL	0	4	5	21	14	4	48

19. **Control Point 1 (CP1) – Start Up:** is used to define the position of a project at its conception stage.

- (a) **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.
- (b) **Control Point 3 (CP3) – Define:** the point that the project is progressed to RIBA Stage F, i.e. detailed design.
- (c) **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.
- (d) **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.

20. The status on live projects is as follows:

Department	p	~	ê
Chief Executive & Economic Growth	3	13	0
Operations	6	12	0
People	0	2	0
Services	6	6	0
TOTAL	15	33	0

- (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.

21. Current projects with the triangle symbol are as follows:

Project	Reason for Variance	Action
A68 Woodland Road Outram Street Duke Street	A delay has been encountered due to the need for a public Inquiry for the Duke Street proposals	Awaiting outcome of public inquiry, design will be reviewed depending on outcome
External works 2021-22	Due to supply chain issues the contractor have not yet completed the works	Works being carried forward to 22/23
Garages 2020-22	Works have been delayed due to further consultation with residents required, which means works will be delayed into 22/23	Works being carried forward to 22/23
LAD 1b funding	The contractor has been delayed and will be delivering until the end of April with reporting to be carried out by May 22	Works being carried forward to 22/23

<p>Repairs before painting and External Decoration 2021-22</p>	<p>Awaiting final programme for the 21/22 delivery. Approx 50% has been completed to date. Budget to be slipped for the remainder of the programme to be completed by end of April/May 22</p>	<p>Works being carried forward to 22/23</p>
<p>Replacement Door Programme 2021-22 Housing</p>	<p>Following a delay to works with the supply chain issues the contractor is off site, suffering from a shortage of materials. Priority is being given to Responsive replacements, albeit this will be with another contractor where appropriate. Remainder of programme and outstanding responsive replacements will need to be slipped into 22/23</p>	<p>Works being carried forward to 22/23</p>
<p>S & D Trackbed</p>	<p>Delays were encountered with remedial works being completed, now complete</p>	<p>Some remedial works still to complete</p>
<p>Skinnergate & Indoor Market</p>	<p>Revised completion date 31/07/22, however this may slip again dependant on final design</p>	<p>Design to be finalised asap</p>
<p>Walking Cycling Route MSG Yarm Road-Mill Lane</p>	<p>Scheme required additional drainage and structural design work which extended the programme</p>	<p>Consultants on-board to complete design work</p>
<p>Windows Replacement Programme 2021-22 Housing</p>	<p>The appointed contractor has encountered delays with deliveries which has affected the programme</p>	<p>Works being carried forward to 22/23</p>
<p>Skinnergate Re-development Housing</p>	<p>A delay was encountered following the production of a revised design to satisfy concerns raised by Historic England at the planning application stage</p>	<p>The design team are working on the Stage 4 design and reviewing the programme to see if there is an opportunity to save time</p>
<p>Ingenium Parc Masterplan + Infrastructure</p>	<p>Delays encountered due to ground conditions, phase II works underway</p>	<p>Contractor on board to complete drainage works</p>

Dolphin Centre Bowling & Soft Play	Complete	The over £1m Outturn report to be produced
Crown Library Refurbishment	Delays and additional costs have been encountered from the withdrawal of the originally appointed roofing contractor	Building Services are now working with new roofing contractor and looking at ways to make up time
Central Park Mound Removal & Transformation	A delay was created with the uncertainty of the location for the Treasury North development	An option to include for Treasury and an option to develop without them is being taken forward

Reconciliation of Project Position Statement to Capital Programme

22. 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	188,383
Schemes closed or on hold within CP but awaiting PPS post project review.	26,702
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	687
Annualised Schemes excluded from PPS - Highways Maintenance	8,447
Non construction excluded from PPS	15,487
Capital Investment fund excluded from PPS	30,013
Projects under 75k excluded from PPS	2,144
Capital Schemes not yet integrated into PPS reporting	13,535
Included in PPS & CMR	153
Funding not yet allocated	5,264
Capital Programme	290,815

23. The table below shows the split of the approved capital programme of £291.140m, 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 £0.325m 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	32.874	0.687	6.744	0.122	0.955	0.000	34.278	75.660
Economic Growth	55.191	0.000	0.918	0.590	10.204	30.013	2.037	98.953
Highways/Transport	57.505	8.447	18.880	1.095	1.314	0.000	0.000	87.241
Leisure & Culture	21.620	0.000	0.000	0.225	0.000	0.000	0.000	21.845
Education	4.155	0.000	0.160	0.112	0.053	0.000	0.000	4.480
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	171.345	9.134	26.702	2.144	15.487	30.013	36.315	291.140

Capital Programme

24. The following major areas of work have been undertaken in 2021/22:

(a) Children, Families and Learning

- (i) Condition works were undertaken at the maintained schools over Summer 2021 and surveys are underway to identify the works for Summer 2022.
- (ii) The Red Hall and Rise Carr special educational needs units are now complete and opened in September 2021.

(b) Housing

- (i) Adaptations – The provision of disabled adaptations including Flat Floor Showers, ramps, stair lifts, handrails, grabrails and other adaptations were provided to over 132 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 to 168 properties. Due to Covid restrictions, the remaining programme will be carried out in 2022-23.
- (iii) Structural Repairs – Ongoing structural monitoring continues and as a result, a number of properties had structural repairs carried out.

- (1) Park Pace bin store walls – Demolition and rebuild of unstable walls were completed

- (2) 31 properties in Phase 3 of Arnold Road and Hundens Lane required structural repairs, new lintels, wall tie replacement, cavity clean and fully repointed
 - (3) Flats in Havelock Street required structural remedial works to be carried out.
- (iv) Repairs before Painting – 1209 properties + 228 garages had joinery repair works as part of the cyclical external painting programme in Banktop / Lascelles and Haughton / Springfield areas.
 - (v) Roofing – 75 properties at Haughton and 30 properties in Sadberge received replacement of roofs, fascias, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. All brickwork to elevations of properties were also fully repointed
 - (vi) 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.
 - (vii) The decision was made that we would demolish the garages and to allow the works to be completed in 2022-23.
 - (viii) External Works –
 - (1) 59 Properties were identified at Albert Hill that required the fences replacing
 - (2) 132 properties were identified by responsive inspections and required some fencing replacing
 - (3) The waste pump on Fenby was beyond economical repair and has been replaced
 - (4) Issues identified with the external paving need have been completed on the whole site of Branksome Hall Drive.
 - (5) 2 properties we identified to require the external render replacing
 - (ix) Pavement Crossings – 5 properties had pavement crossings installed in their properties across the borough.
 - (x) Replacement Door Programme – 51 properties were identified by responsive inspections and required replacement doors.
 - (xi) 174 Properties in Banktop / Lascelles area were upgraded as part of our planned programme. Due to Covid restrictions and supply chain issues, the programme was delayed, it is proposed that we will carry out the remainder of the planned properties in 2022-23.

- (xii) Communal Works & Door Entry Systems –
 - (1) King William estate – 12 Blocks of flats had Communal doors replaced (fronts and rears) and new door entry systems
 - (2) North Road – 13 Blocks of Flats had Communal doors replaced fronts and rears- Existing Door Entry Systems were retained.
 - (3) Longfield Road – 4 Blocks of Flats had Communal doors replaced fronts and rears- Existing Door Entry Systems were retained.
 - (4) Balcony replacement completed to block at Church Row.
- (xiii) Internal planned maintenance – 17 properties have been completed this year due to Labour constraints within Building Services.
- (xiv) Windows – We were awarded grant funding under the Local Authority Delivery phase1b (LAD1b) stream. This enabled us to carry out upgrades to 347 properties, with remaining grant and programme properties to continue into 2022/23 programme year.
- (xv) Loft Insulation – 293 properties were upgraded under the LAD1b grant funding.

(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 Local Cycling and Walking Infrastructure Programme, and various grants awarded by the Department for Transport (DfT) including Incentive and the Pothole Challenge fund.
- (ii) 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 Cockerton Roundabout scheme; the resurfacing of the Town Hall car park, and the four-year programme to replace traffic counter equipment continues. The highway maintenance programme was based upon condition data and included:
 - (1) Structural maintenance schemes such as West Auckland Road; Middleton Lane/Sadberge Road; and Heighington By-pass.

26. Adjustment to resources requested by departments:

Virements

Department	Scheme	Value £	Reason for adjustment	Impact on budget
Services	Indigenous Growth Fund	(£2,200,000)	Indigenous Growth funding moved to the Railway Heritage Quarter	Nil Effect
Services	Railway Heritage quarter	£2,200,000	Indigenous Growth funding moved to the Railway Heritage Quarter	Nil Effect
TOTAL		£0		

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Operations	Green Homes Grant - LA Delivery Phase 1b	£238,978	Match funded grant for energy efficiency as per MTFP	Release
Services	Crown Street Library	£216,876	RCCO Contribution towards Library capital project	Release
Services	Town Hall Car Park	£34,663	RCCO 21/22 Contribution to Town Hall Car Park	Release
Services	Broken Scarr play area	£24,057	S106 15/00513 - 17/00398 Esh Salutation Rd LTD Children's play	Release
Services	Staindrop Road Crossing Point	£25,168	S106 Vistry Partnerships North East 18/00989 - Sustainable Transport	Release
Services	School Aycliffe	£91,098	Miller Homes 17/00283 Sustainable Transport	Release
Services	Station Road Heighington	£43,699	Heighington JV S106 16/00820 Cycle Way & Footpath	Release
Services	Bus Stop improvements West Auckland Road	£3,750	S106 16/01041/FUL Bus Stop improvements (Aldi Stores)	Release

Services	Bus Stop improvements West Auckland Road	£3,750	S106 16/01060/FUL Bus Stop improvements (Fintry Estates)	Release
Services	Bus Stop Improvements Milbank Crescent	£7,475	S106 02/00937 Charles Church bus shelter	Release
Services	Bus Stop Improvements Croft House	£6,000	Yorvik Homes 13/01001 - Sustainable Transport	Release
Services	Bus Stop Improvements Auction Mart	£23,352	D'ton Farmers Mart S106 13/00110 Bus Stop improvement	Release
Services	Bus Stop Improvements Woodburn Nursery	£16,000	S106 15/00513 - 17/00398 Esh Salutation Rd LTD Bus Stops	Release
Services	Bus Stop Improvements Edward Pease Way	£10,136	West Park JV LTD S106 15/00450 Bus Stop Contribution	Release
Services	Bus Stop Improvements Edward Pease Way	£16,020	Bussey & Armstrong S106 15/00450 Bus Stop	Release
Services	Bus stop improvements Heighington Village Hall	£5,015	S106 16/00820 Heighington JV contribution public transport	Release
Services	Bus Stop Improvements Oak Tree Pub	£5,945	S106 16/01256 Mandale Homes North Bus Stop	Release
Services	Bus Stop improvements Acorn Close	£7,000	S106 17/00847 Karbon Homes LTD Bus Stops & Speed Limit	Release
Services	Bus Stop improvements Walworth Road	£5,139	S106 18/00035 Bellway Homes Public Transport	Release
Services	Coachman Hotel	£7,800	S106 Empire Property Holdings The Coachman Hotel	Release
Services	Lingfield Point Sustainability	£109,113	S106 08/00638/OUT Marchday Lingfield Point Sustainability	Release
TOTAL		£901,034		

27. **Appendix 5** details the general fund capital receipts and corporate resources received and brought forward from previous years. These amount to £1.248m of which £0.586m has been utilised to finance capital expenditure as well as £0.267m of earmarked receipts to fund slippage, leaving a balance of £0.395m to carry forward into future years.

Conclusion

28. The total capital spend incurred during 2021/22 was £43.388m. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2021/22.

Outcome of Consultation

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