

CABINET
5 SEPTEMBER 2023

PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER 1 2023/24

Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio

Responsible Director -
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 £296.406m against an approved programme of £296.697m. 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 2023/24 – 2026/27.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 43 live projects currently being managed by the Council with an overall projected outturn value of £167.347m. 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) Approve the adjustments to resources as detailed in paragraph 23.

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.

Dave Winstanley
Group Director of Services

Elizabeth Davison
Group Director of Operations

Background Papers

- (i) Capital Medium Term Financial Plan 2023/24 – 2026/27
- (ii) Project Position Statement and Capital Monitoring Outturn 2022/23

Brian Robson : Extension 6608
Steve Wake : Extension 5424

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

2023/24 Capital Spend and Resources

Information and Analysis

8. **Appendix 1** 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.
9. **Appendix 2** 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 2022-23 schemes previously released by Cabinet, is £140.043m.
10. **Appendix 3** 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.
11. **Appendix 4** is the final outturn report for the Crematorium Refurbishment and New Chapel Scheme.

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 2023, 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.
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	9	23,497,854	23,086,734	(1.7)	(411,120)
Operations	16	50,902,203	50,492,346	(0.8)	(409,857)
People	3	5,278,616	5,066,039	(4.0)	(212,577)
Services	15	87,876,903	88,701,617	1.7	824,714
TOTAL	43	167,555,576	167,346,736		(208,840)




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	3	0	1	3	2	9
Operations	0	6	4	3	2	1	16
People	0	0	0	0	1	2	3
Services	0	0	2	8	3	2	15
TOTAL	0	9	6	12	9	7	43

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.

17. The status on live projects is as follows:

Department			
Chief Executive & Economic Growth	1	6	2
Operations	1	14	1
People	0	2	1
Services	4	10	1
TOTAL	6	32	5

- (a) Star and triangle symbols (star better the, triangle worse than) 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
Skinnergate Re-development Housing	A delay was encountered following the production of a revised design to satisfy concerns raised by English Heritage at the planning application stage. It has also been impacted by the Nutrient Neutrality issue which will have an impact on the start on site date.	The design team are working on the Stage 4 design and reviewing the programme to see if there is an opportunity to save time. The team are also working through issues with Nutrient Neutrality.
Ingenium Parc Masterplan + Infrastructure	Delays have been encountered due to ground conditions. Phase II works are underway.	The contractor is on site and has completed drainage works. Final fencing and landscaping work is underway and will be complete in July 2023.
Demolition of 12-18 King Street	The expected outturn cost currently sits above the initial budget.	Forecast outturn cost to be market tested.
Crown Library Refurbishment	Delays and additional costs have been encountered from the withdrawal of the originally appointed roofing contractor.	No further issues have been experienced and scheme is expected to complete in September 2023.
Dolphin Centre – Pool Repairs	This is a complex project and the extent of the work required was difficult to identify until the tiling had been removed and a further intrusive investigation carried out which has identified the need to carry out additional work to ensure the pool will be watertight once complete.	Additional funds to cover the project have been set aside from underspends in the Dolphin Centre budget.
West Cemetery Development	The Outturn cost is greater than the approved budget.	A review of the project has taken place and an outturn report is included in Appendix 4.

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 Crematorium Refurbishment and New Chapel Scheme has been reviewed (CP5) and the results and final outturn are shown in **Appendix 4**.
20. If approved this scheme will be removed from the live PPS listing in **Appendix 1**.

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	167.347
Schemes closed or on hold within CP but awaiting PPS post project review.	18.684
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	9.797
Annualised Schemes excluded from PPS - Highways Maintenance	11.762
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0.414
Non construction excluded from PPS	17.535
Capital Investment fund excluded from PPS	35.358
Projects under 75k excluded from PPS	2.317
Capital Schemes not yet integrated into PPS reporting	27.000
Included in PPS & CMR	0.481
Funding not yet allocated	5.711
Capital Programme	296.406

22. The table below shows the split of the approved capital programme of £296.697m, 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 £0.291m 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	60.594	9.972	5.032	0.035	1.205	0.000	0.433	77.271
Economic Growth	38.982	0.080	3.388	0.337	10.817	33.481	3.476	90.561
Highways/Transport	67.020	11.590	7.648	1.379	1.645	1.877	1.512	92.671
Leisure & Culture	23.161	0.000	2.618	0.200	0.000	0.000	0.000	25.979
Education	5.279	0.414	0.002	0.362	0.079	0.000	0.290	6.426
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	3.718	0.000	0.000	3.718
Total	195.036	22.056	18.688	2.313	17.535	35.358	5.711	296.697

Capital Programme

23. Paragraph 24 shows the movements in the Capital Programme since the approval of the 2023/24 Capital MTFP, some of which have not yet been approved by Members.

24. Adjustment to resources requested by departments:

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Services	CCTV Replacement Programme	£16,082	RCCO 23/24	Release
Services	Railway Heritage Quarter	£10,000	RCCO 23/24	Release
Services	Dolphin Centre Pool Works	£63,000	RCCO 23/24	Release
TOTAL		£89,082		

Virements

Department	Scheme	Value £	Reason for adjustment	Impact on budget
Operations	SHDF - Wave 1	£275,266	Contribution from Energy Efficiency	Nil Effect
Operations	Energy Efficiency	(£275,266)	Contribution to SHDF – Wave 1 project	Nil Effect
TOTAL		£0		

Outcome of Consultation

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