

CABINET
10 SEPTEMBER 2024

PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER 1 2024/25

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 changes to the programme.

Summary

3. The projected outturn of the current Capital Programme is £330.867m against an approved programme of £331.530m. 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 2024/25 – 2027/28.
4. The Council has a substantial annual construction programme of work. The current project position statement (PPS) shows there are 26 live projects currently being managed by the Council with an overall projected outturn value of £157.308m. 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 21.

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 2024/25 – 2027/28
- (ii) Project Position Statement and Capital Monitoring Outturn 2024/25

Brian Robson : Extension 6608
Steve Wake : Extension 5424

| | |
|--|---|
| Council Plan | The Capital Programme referred to in the report supports delivery of the Council plan. |
| Addressing inequalities | There are no specific implications for Addressing Inequalities. |
| Tackling Climate Change | Tackling Climate Change issues are assessed and reported in individual projects. |
| Efficient and effective use of resources | The recommendations support the effective and efficient use of resources. |
| Health and Wellbeing | There are no issues relating to Health and Wellbeing which the report needs to address. |
| S17 Crime and Disorder | This report has no implications for crime and disorder. |
| 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. |
| 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

2024/25 Capital Spend and Resources

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 2024-25 schemes previously released by Cabinet, is £142.800m.

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.

Project Position Statement

11. 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.
12. The Project Position Statement (Appendix 1) details the current live construction projects, up to the end of June 2024, 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.
13. 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 | 14 | 53,543,342 | 53,433,533 | (0.2) | (109,809) |
| Operations | 4 | 38,601,739 | 38,167,833 | (1.1) | (433,906) |
| People | 0 | 0 | 0 | 0.0 | 0 |
| Services | 8 | 65,343,484 | 65,706,649 | 0.6 | 363,165 |
| TOTAL | 26 | 157,488,565 | 157,308,015 | | (180,550) |

14. 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.

15. The live projects are at the following stages:

| Department | Brief | CP1 | CP2 | CP3 | CP4 | CP5 | Total |
|-----------------------------------|----------|----------|----------|----------|----------|----------|-----------|
| Chief Executive & Economic Growth | 0 | 0 | 3 | 3 | 6 | 2 | 14 |
| Operations | 0 | 1 | 0 | 3 | 0 | 0 | 4 |
| People | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Services | 0 | 1 | 0 | 3 | 1 | 3 | 8 |
| TOTAL | 0 | 2 | 3 | 9 | 7 | 5 | 26 |

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.

16. The status on live projects is as follows:

| Department | Red | Blue | Green |
|-----------------------------------|----------|-----------|----------|
| Chief Executive & Economic Growth | 0 | 13 | 1 |
| Operations | 0 | 3 | 1 |
| People | 0 | 0 | 0 |
| Services | 2 | 6 | 0 |
| TOTAL | 2 | 22 | 2 |

- (a) Colours (Green better Red 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 the colour Blue.

- (c) In addition to cost, the same colours are used to indicate similar levels of variances in time and quality/outputs/outcomes.

17. Current projects with the Red colour 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 Nutrient Neutrality further delaying the start on site date. | Phase 1 demolition is now underway. |
| Hopetown | As previously reported, remaining risk and disputed sums remain. Depending on the outcome the current forecast is between £603k under budget and £363k over budget. The PPS is reporting the worst case scenario at this stage. | Remaining risk is being managed by the project team as the project approaches completion. |

Reconciliation of Project Position Statement to Capital Programme

18. 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 | 157.308 |
| Schemes closed or on hold within CP but awaiting PPS post project review. | 13.693 |
| Annualised Schemes excluded from PPS - Housing Repairs & Maintenance | 41.277 |
| Annualised Schemes excluded from PPS - Highways Maintenance | 13.366 |
| Annualised Schemes excluded from PPS - Childrens Services School Maintenance | 0.207 |
| Non construction excluded from PPS | 12.164 |
| Capital Investment fund excluded from PPS | 42.995 |
| Projects under 75k excluded from PPS | 2.288 |
| Capital Schemes not yet integrated into PPS reporting | 26.532 |
| Included in PPS & CMR | 0.000 |
| Funding not yet allocated | 21.037 |
| Capital Programme | 330.867 |

19. The table below shows the split of the approved capital programme of £331.530m, 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 £0.663m underspend on the approved capital programme.

| Area | 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 | | | | |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Housing | 43.842 | 41.264 | 0.000 | 0.033 | 1.705 | 0.000 | 15.673 | 102.517 |
| Economic Growth | 49.532 | 0.080 | 0.440 | 0.274 | 6.966 | 40.181 | 3.476 | 100.949 |
| Highways/Transport | 65.911 | 13.219 | 10.083 | 1.392 | 1.741 | 1.877 | 1.512 | 95.735 |
| Leisure & Culture | 25.040 | 0.104 | 2.545 | 0.274 | 0.000 | 0.551 | 0.000 | 28.514 |
| Education | 0.000 | 0.207 | 0.000 | 0.273 | 0.079 | 1.124 | 0.290 | 1.973 |
| 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 | 1.771 | 0.000 | 0.000 | 1.771 |
| Total | 184.325 | 54.874 | 13.068 | 2.246 | 12.333 | 43.733 | 20.951 | 331.530 |

Capital Programme

20. Paragraph 21 shows the movements in the Capital Programme since the approval of the 2024/25 Capital MTFP, some of which have not yet been approved by Members.

21. Adjustment to resources requested by departments:

Adjustments needing approval release

| Department | Scheme | Value £ | Reason for adjustment | Resource type adjusted |
|--------------|--------------------------|-------------------|---|------------------------|
| Operations | Sherbourne Close Phase 2 | £325,000 | Additional Homes England Grant for new build scheme | Release |
| Operations | Sherbourne Close Phase 2 | £1,533,399 | Release of HRA funding for new build scheme | Release |
| TOTAL | | £1,858,399 | | |

Outcome of Consultation

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