

**CABINET
4 FEBRUARY 2025**

**PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
QUARTER 3 2024/25**

**Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio**

**Responsible Directors -
Dave Winstanley, Executive Director – Environment, Highways & Community Services
Elizabeth Davison, Executive Director of Resources and Governance**

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 £330.800m against an approved programme of £330.901m. 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 £157.563m. 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 adjustment in resources as detailed in paragraph 22.
 - (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.

Dave Winstanley
Group Director of Environment, Highways and Community Services

Elizabeth Davison
Group Director of Resources and Governance

Background Papers

- (i) Capital Medium Term Financial Plan 2024/25 – 2027/28
- (ii) Project Position Statement and Capital Monitoring Outturn 2023/24

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 £154.853m.

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 November 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	Projected Outturn	Variance	Variance (Value)
		£ / p	£ / p	%	£ / p
Environment, Highways & Community Services	17	103,853,893	104,177,938	0.3	324,045
Resources & Governance	4	38,601,739	38,167,833	(1.1)	(433,906)
Economy & Public Protection	5	15,217,000	15,217,000	0.0	0
TOTAL	26	157,672,632	157,562,771		(109,861)

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.

The live projects are at the following stages:

Department	Brief	CP1	CP2	CP3	CP4	CP5	Total
Environment, Highways & Community Services	0	0	1	5	4	7	17
Resources & Governance	0	0	1	3	0	0	4
Economy & Public Protection	0	0	0	4	1	0	5
TOTAL	0	0	2	12	5	7	26

- 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.

15. The status on live projects is as follows:

Department	Red	Blue	Green
Environment, Highways & Community Services	2	15	0
Resources & Governance	0	3	1
Economy & Public Protection	0	5	0
TOTAL	2	23	1

- (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.

16. Current projects with the Red colour are as follows:

Project	Reason for Variance	Action
Skinnergate Re-development Housing	A number of delays have occurred on this project including the need to produce a revised design to satisfy concerns raised by English Heritage at the planning application stage and the requirements for Nutrient Neutrality.	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.	The site has been operational since 16 th July with works to the VR pod now complete. Awaiting breakdown of costs from Network Rail.

17. 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 Ingenium Parc Project have been reviewed (CP5) and the results and final outturn are shown in **Appendix 4**.

18. If approved this scheme will be removed from the live PPS listing in Appendix 1.

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	157.563
Schemes closed or on hold within CP but awaiting PPS post project review.	13.415
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	30.411
Annualised Schemes excluded from PPS - Highways Maintenance	11.308
Annualised Schemes excluded from PPS - Childrens Services School Maintenance	0.302
Non construction excluded from PPS	13.190
Capital Investment fund excluded from PPS	65.078
Projects under 75k excluded from PPS	2.503
Capital Schemes not yet integrated into PPS reporting	14.760
Included in PPS & CMR	0.000
Funding not yet allocated	22.270
Capital Programme	330.800

20. The table below shows the split of the approved capital programme of £330.901m, 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 £0.101m 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	43.667	30.179	0.000	0.033	1.705	0.000	17.294	92.878
Economic Growth	47.877	0.080	0.440	0.923	7.028	53.707	3.476	113.531
Highways/Transport	59.439	11.173	9.804	0.798	2.193	7.321	1.512	92.240
Leisure & Culture	21.617	0.125	2.545	0.445	0.000	3.974	0.000	28.706
Education	0.000	0.302	0.000	0.199	0.079	1.124	0.000	1.704
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	172.600	41.859	12.789	2.398	12.847	66.126	22.282	330.901

Capital Programme

21. Paragraph 22 shows the movements in the Capital Programme resources which have previously been approved and is noted for information.

22. Adjustment in resources to note:

Adjustments to note which have been prior released

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Chief Executive & Economic Growth	Neasham Road Development Site	£108,460	Prior release of capital receipts	Capital Receipts
Chief Executive & Economic Growth	Neasham Road Cell 'C'	£333,000	Prior release of Capital Receipts for Nutrient Neutrality	Capital Receipts
TOTAL		£441,460		

23. Paragraph 24 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.

24. Adjustment to resources requested by departments:

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Chief Executive & Economic Growth	Haxby Road MSG - Play Area Improvements	£25,000	Release of S106 funding - 13/00940/OUT Sadberge Road, MsG (Hunters Fold)	S106 Funding
Chief Executive & Economic Growth	Station Road MSG - Play Area Improvements	£18,479	Release of S106 funding - 13/00940/OUT Sadberge Road, MsG (Hunters Fold)	S106 Funding
Chief Executive & Economic Growth	South Park - Play Area Improvements	£27,190	Release of S106 funding - 13/01038/FUL Former Darlington Football Club Ground	S106 Funding
Chief Executive & Economic Growth	South Park - Play Area Improvements	£71,079	Release of S106 funding - 13/01038/FUL Former Darlington Football Club Ground	S106 Funding
Chief Executive & Economic Growth	South Park - Play Area Improvements	£7,000	Release of S106 funding - 05/00708/FUL Wimpey Housing Development Geneva Lane	S106 Funding
Chief Executive & Economic Growth	Skinnergate & Yards Project	£141,000	Release of Towns Fund Grant	Towns Fund

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Chief Executive & Economic Growth	Neasham Road Fees	£74,397	Release of Capital Receipts to cover additional fee charges connected with the development.	Capital Receipts
Chief Executive & Economic Growth	Neasham Road Cell 'C'	£145,000	Release of Capital Receipts to cover additional costs.	Capital Receipts
TOTAL		£509,145		

Outcome of Consultation

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