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**PROJECT POSITION STATEMENT AND CAPITAL PROGRAMME MONITORING  
OUTTURN 2017/2018**

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**Responsible Cabinet Member – Councillor Stephen Harker,  
Efficiency and Resources Portfolio**

**Responsible Directors -  
Paul Wildsmith, Manager Director  
Ian Williams, Director of Economic Growth and Neighbourhood Services**

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**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 31st March 2018 and the proposed financing of the 2017/18 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 large scale 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 2017/18 totalled £40.010M. 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 32 live projects currently being managed by the Council with an overall project outturn value of £67.999M. 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 2017/18 Capital Programme.
  - (b) Note the attached status position on construction projects.
  - (c) Approve the adjustments to resources as detailed in paragraph 21.

### **Reasons**

8. The recommendations are supported by the following reasons: -
  - (a) The recommendations are supported to enable Members to note the progress of the 2017/18 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.

**Paul Wildsmith**  
**Managing Director**

**Ian Williams**  
**Director of Economic Growth and**  
**Neighbourhood Services**

### **Background Papers**

- (i) Capital Medium Term Financial Plan 2017/18 – 2020/21
- (ii) Project Position Statement March 2018

Brian Robson : Extension 6608  
Claire Hayes : Extension 5416

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	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.
One Darlington: Perfectly Placed	The Capital Programme referred to in the report supports delivery of the Sustainable Community strategy 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

#### 2017/18 Capital Spend and Resources

### Information and Analysis

9. The Capital outturn for 2017/18 totalled £40.010M compared to £34.1M in 2016/17. **Appendix 1** analyses the 2017/18 capital spend by department, the proposed financing of the overall approved programme and corporate resources to be carried forward into 2018/19. The total of resources already approved to finance the outstanding capital programme including part finished projects is £60.573M therefore £21.560M will be carried forward into 2018/19 to fund completion. The Corporate Resources table shows the amount available to be utilised in future years to help finance the capital programme.
10. **Appendix 2** summarises the total approved departmental capital budgets of £150.281M, along with spend to date of £131.291M and the projected out turn position which is slightly lower than budget at £149.938M

11. The proposed financing of the 2017/18 expenditure is :-

	<b>2017/18 £M</b>
<b>Capital Expenditure</b>	<b>40.431</b>
<b>Financing of Capital Expenditure</b>	
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	2.007
Capital Receipts	5.534
<i>Externally funded</i>	
Capital Grants	13.349
Capital Contributions	1.716
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	0.985
HRA - Revenue Contribution	13.424
Departmental - Borrowing for Leasable Assets	0.421
Departmental – Revenue Contribution	2.995
<b>Total Capital Financing</b>	<b>40.431</b>

### **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 3**) details the current live construction projects, up to the end of March 2018, 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
(a) Economic Growth	12	19,761,554	19,352,757	-2.07	-408,797
(b) Neighbourhood Services and Resources	13	46,134,476	44,976,557	-2.51	-1,157,919
(c) People	7	3,705,550	3,669,946	-0.96	-35,604
<b>TOTAL</b>	<b>32</b>	<b>69,601,580</b>	<b>67,999,260</b>	<b>-2.30</b>	<b>-1,602,320</b>




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
Economic Growth	0	2	3	1	5	1	12
Neighbourhood Services and Resources	0	0	0	1	9	3	13
People	0	0	1	4	1	1	7
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>15</b>	<b>5</b>	<b>32</b>

- (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			
Economic Growth	0	10	2
Neighbourhood Services and Resources	0	12	1
People	0	6	1
<b>TOTAL</b>	<b>0</b>	<b>28</b>	<b>4</b>

- (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.

### 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
<b>Live Projects from Project Position Statement</b>	<b>67.999</b>
Schemes closed or on hold within CP but awaiting PPS post project review.	41.987
Annualised Programmes.	8.592
Non-construction projects not included in PPS report.	4.648
Capital schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	0.425
Capital schemes not yet integrated into PPS reporting.	24.341
Projects under £75k are excluded from PPS reporting.	1.840
Funding not yet allocated.	6.874
Schemes Included with PPS & CM Reporting	-6.768
<b>Capital Programme</b>	<b>149.938</b>

### Capital Programme Update

19. The following major areas of work have been undertaken in 2017/18.

(a) Children, Families and Learning

- (i) In June 2017 cabinet released £179,406 of School Condition Allocation funding. Together with a previously released underspend figure of £222,449 this provided a £401,855 programme of condition and health and safety related work in maintained schools and nurseries.
- (ii) The devolved formula capital grant of £49,815 is allocated to the LA on a formulaic basis based on pupil numbers in maintained schools. The LA then allocates the funding directly to schools for the schools themselves to support the other capital needs of their buildings.
- (iii) Cabinet allocated £300,000 capital receipt from the sale of the former Eastbourne Playing Fields to build multi-use games areas at Heathfield Primary and St Teresa's Primary. These schools were the nearest to the former Eastbourne School site and it was a requirement of the Secretary of State's approval to the disposal of the playing fields that a proportion of the capital receipt was invested in improving sports facilities at local schools.
- (iv) The St George's CE Academy expansion project was completed in October 2017. Cabinet allocated £1,200,000 of basic need grant in 2016 to a project to expand St George's CE Academy by 105 places. This basic need allocation is in advance of developer contributions which it is hoped will cover 100% of the project costs.

(b) Housing

- (i) Adaptations – The provision of disabled adaptations including Flat Floor Showers, ramps, stair lifts, handrails, grabrails and other adaptations to over 170 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 in 237 properties primarily in North Riverside and Harrowgate Hill
- (iii) Structural Repairs – Ongoing structural monitoring continues and as a result a number of properties had structural repairs carried out. Major structural works have been completed to the boundary wall at Heatherwood Grove site, and a retaining wall replacement also at Heatherwood Grove.
- (iv) Repairs before Painting – 1,300 Properties had joinery repair works as part of the cyclical external painting programme in Lacselles, Parkside, Hundens Lane, Harrowgate Hill, Skerne Park and Heatherwood Grove.

- (v) Roofing – 33 properties at Hilda Street, Mary Court, and Spring Court received replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. Other adhoc properties received new re-roofing including 3 no Lamella type houses at Glebe Road, 2 no houses at Whitby Way, and 1 house at Skerne Park estate.
  - (vi) Garages - Improvements to the Council's garage blocks were carried out in the Lascelles and Middleton St George Wards
  - (vii) External Works - Responsive repairs across the borough and the planned replacement of fencing and paths to 111 properties. Newton Court Carpark and drying area, Tansley Gardens car park, Branksome estate planned maintenance to all properties (lift relay pavings, level access ect.) ongoing.
  - (viii) Pavement Crossings – 8 properties had pavement crossings installed in their properties across the borough.
  - (ix) Replacement Door Programme – 251 properties across Branksome estate received new composite doors as a replacement for poor condition existing timber doors.
  - (x) Communal Works and Door Entry Systems – Refurbishment to lift at Roxby Court. Upgrade communal flooring at Church Row Hurworth. Replacement Communal doors to Murrayfield Way Flats.
  - (xi) Internal planned maintenance – Kitchen, bathroom, rewires and boiler replacements to 216 properties identified on the 20 year investment programme. Work was carried out to properties in Skerne Park, Mowden Terrace and Firthmoor.
- (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 National Productivity Investment Fund and various grants awarded by the Department for Transport (DfT) including Challenge Fund, Incentive and Pothole funding.
  - (ii) LTP3 funding was spent on delivering a programme of maintenance schemes and integrated transport schemes. The integrated transport programme included: an upgrade of pay and display machines in car



parks located throughout Darlington; a programme of improvements to bus stops and the provision of dropped kerbs at various locations. The highway maintenance programme was based upon condition data and included:

- a) Structural maintenance schemes such as Redworth phase 1, the Inner Ring Road, Haughton phase 1, Piercebridge phase 1 and improvement works to the Tubwell Road / Crown Street roundabout.
- b) An additional £500k was allocated from the Council for a programme of micro asphalt schemes to address the declining condition of unclassified roads (mainly residential streets).
- c) The severity of the winter meant that the number of potholes increased prompting the DfT to release additional funding. During 2017/18 6,582 potholes were filled in, 336 more than in 2016/17.
- d) There was also a programme of assessments carried out on Darlington's bridges, parapets and other structures and some work was carried out to address identified issues.

(iii) In 2014/15 a bid was submitted to the Department for Transport's Maintenance Challenge Fund by the Council. In March 2015 it was announced that the bid was successful, securing an additional £5.792m to be spent between 2015 and 2018. The money was to fund two schemes:

- a) The strengthening of Stonebridge, which was completed in 2016/17 and reopened in September 2016;and
- b) Acceleration of the programme to convert all street lights to LED lighting and replacing street lighting columns that are over 40 years old. This was completed in March 2018 and across the three years, 4,091 columns have been erected with 12,102 LED lanterns installed. The Council benefitted from significant savings in electricity through the LED programme.

(iv) Funding was secured in June 2016 from the Local Growth Fund for three schemes as follows:

- a) Feethams Connections – completed in 2016/17
- b) The River Skerne Sustainable Transport and Heritage Corridor project – completion of a new walking and cycling route alongside the River Skerne from John Street to Albert Road. The scheme opened up access to the historic Skerne Bridge as well as providing a link to Northgate opposite North Road Station improving access between the Railway Museum and the historic bridge. The route was formally opened in September, 2017, with the unveiling of a Transport Trust Red Wheel plaque on the bridge.
- c) The Parkgate Connections Scheme – contributing to better connections between Central Park, Darlington Station and

Darlington town centre. The resurfacing and creation of an advisory cycle way on Park Place was completed in October 2017 and the footway / cycleway improvements alongside St. Cuthbert's Way to Park Place were completed in March 2018.

- (v) Funding was secured in July 2017 from the Department for Transport from the National Productivity Improvement Fund (NPIF) for improvements on the B6280 Yarm Road which links the A66 to Central Park Enterprise Zone and Darlington Station. This will improve resilience on the A66, performance on the local road network and improve access to Tees Valley national and international gateways. A subsequent bid for NPIF funding of £3.37m was successful enabling 3 key schemes to be delivered by March 2020:
  - a) Improvements to McMullen Road roundabout
  - b) The introduction of traffic signals at Lingfield Way/Yarm Road junction.
  - c) Improvements to the Haughton Road/Tornado Way junction (throughabout).
- (vi) All schemes will include improvements for cyclists and pedestrians, including a new section of cycle route alongside Lingfield Way.
- (vii) Tees Valley Combined Authority's Development Fund grant was awarded to initiate the design of a foot bridge / cycle bridge. This was undertaken by Esh Construction. A further sum, funded by local contribution, was spent on feasibility and options studies, site investigation and clearance and the erection of a Network Rail security fence. A successful bid to the Local Growth Fund Sustainable Access to Employment Programme will enable the bridge to be constructed and installed in 2018/19.

(d) Miscellaneous Schemes

- (i) Hippodrome – £13.2M of funding has been allocated to the scheme from HLF grant, capital contributions and corporate resources. Total expenditure on the scheme to date is £11.5M and final accounts should be completed in 2018/19.

## Capital Programme

20. Paragraph 21 shows the movements in the Capital Programme since the approval of the 2017/18 Capital MTFP, some of which have not yet been approved by Members.

21. Adjustment to resources requested by Departments:-

**Virements**

<b>Department</b>	<b>Scheme</b>	<b>Value £</b>	<b>Reason for adjustment</b>	<b>Resource type adjusted</b>
Economic Growth	Former Feethams Bus Depot	(10,246)	Virement	Nil Effect
Economic Growth	Land sale commercials street	10,246	Virement	Nil Effect
Economic Growth	Former Feethams Bus Depot	(31,693 )	Virement	Nil Effect
Economic Growth	Dolphin centre M&E Works	31,693	Virement	Nil Effect
Economic Growth	Former Feethams Bus Depot	(11,251)	Virement	Nil Effect
Economic Growth	Carriage works funds	11,251	Virement	Nil Effect
Children Family's & Learning	Heathfield Primary School Expansion	(41,000)	Virement	Nil Effect
Children Family's & Learning	MUGA Heathfield & St Teresas	41,000	Virement	Nil Effect
<b>Total</b>		<b>Nil</b>		

**Adjustments needing approval release**

<b>Department</b>	<b>Scheme</b>	<b>Value £</b>	<b>Reason for adjustment</b>	<b>Resource type adjusted</b>
Neighbourhood Services & Resources	South Park	6,000	S106 Toddlers play area South Park	S106
Neighbourhood Services & Resources	Parks & Play Green Park	(5,132)	Funds no longer required.	Funds moved back to centre
Neighbourhood Services & Resources	Civic Toilet Refurbishment	(4,794)	Funds no longer required.	Funds moved back to centre
Children Family's & Learning	Borough Road Nursery Drainage 17-	(4,750)	Funds no longer required.	Funds moved back to capital

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
	18			maintenance
Children Family's & Learning	George Dent condition works 17/18	(7,953)	Funds no longer required.	Funds moved back to capital maintenance
Children Family's & Learning	Red Hall Fencing 17-18	(351)	Funds no longer required.	Funds moved back to capital maintenance
Children Family's & Learning	Red Hall Roof 17-18	6,383	To be funded from previously released funds	Release
Children Family's & Learning	George Dent Conservatory Works	22,000	To be funded from previously released funds	Release
Prudential Borrowing - Leasable assets	Various	420,876	Since 2004 the introduction of the prudential code has allowed assets otherwise leased to be purchased outright with the costs paid by the department from revenue over the useful life of the asset. Spending on leasable assets in 2017/18 is £420,876 and has been added to the Capital programme	Departmental unsupported borrowing

22. **Appendix 4** details the general fund capital receipts and corporate resources received and brought forward from previous years. These amount to £9.395M of which £5.533M has been utilised to finance capital expenditure as well as £0.667 of earmarked receipts to fund slippage, leaving a balance of £3.195M to carry forward into future years.

## **Conclusion**

23. The total capital spend incurred during 2017/18 was £40.010M. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2017/18.

## **Outcome of Consultation**

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