

CABINET
11 June 2019

PROJECT POSITION STATEMENT & CAPITAL PROGRAMME MONITORING
OUTTURN 2018/19

Responsible Cabinet Member – Councillor Charles Johnson,
Efficiency and Resources Portfolio

Responsible Directors - Paul Wildsmith, Managing Director
Ian Williams, Director of Economic Growth and Neighbourhood 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 31st March 2019 and the proposed financing of the 2018/19 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 2018/19 totalled £36.791M. Since the last revision of the Capital Medium Term Financial plan further refinements to estimate 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 29 live projects currently being managed by the Council with an overall project outturn value of £67.937M. 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 2018/19 Capital Programme.
 - (b) Note projected capital expenditure and resources.
 - (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 2018/19 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 2018/19 – 2021/22
- (ii) Project Position Statement March 2019

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	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

2018/19 Capital Spend and Resources

Information and Analysis

9. The Capital outturn for 2018/19 totalled £36.791M compared to £40.010M in 2017/18. **Appendix 1** analyses the 2018/19 capital spend by department, the proposed financing of the overall approved programme and corporate resources to be carried forward into 2019/20. The total of resources already approved to finance the outstanding capital programme including part finished projects is £97.250M therefore £60.459M will be carried forward into 2019/20 to fund completion. The spend summary 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 £201.517M, along with spend to date of £141.058M and the projected out turn position which is slightly lower than budget at £201.606M

11. The proposed financing of the 2018/19 expenditure is :-

	2018/19 £M
Capital Expenditure	36.791
Financing of Capital Expenditure	
<i>Corporate resources</i>	
Corporate Unsupported Capital Expenditure (Borrowing)	11.182
Capital Receipts	1.772
<i>Externally funded</i>	
Capital Grants	9.335
Capital Contributions	4.076
<i>Departmental and Other Resources</i>	
HRA - Capital Receipts	0.550
HRA - Revenue Contribution	9.446
Departmental - Borrowing for Leasable Assets	0.429
Total Capital Financing	36.791

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 2019, 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 £	Projected Outturn £	Variance %	Variance (Value) £
(a) Economic Growth & Neighbourhood Services & Resources	2	68,682,439	67,714,638	(1.41)	(967,801)
(b) People	27	222,000	222,000	0.00	0
TOTAL	29	68,904,439	67,936,638	(1.40)	(967,801)

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 & Neighbourhood Services & Resources	5	4	2	3	7	6	27
People	0	0	1	1	0	0	2
TOTAL	4	4	3	5	7	6	29

- (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 & Neighbourhood Services & Resources	0	24	3
People	0	2	0
TOTAL	0	27	2

- (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
Live Projects from Project Position Statement	67.937
Schemes closed or on hold within CP but awaiting PPS post project review.	42.718
Capital schemes that were complete or nearing completion, before the production of PPS, are not included within PPS.	0.429
Annualised Schemes excluded from PPS - Housing Repairs & Maintenance	12.046
Annualised Schemes excluded from PPS - Highways Maintenance	21.367
Non Construction excluded from PPS	21.683
Capital Investment Fund excluded from PPS	26.179
Projects under £75k are excluded from PPS reporting.	3.291
Schemes Included with PPS & CM Reporting	0.308
Capital schemes not yet integrated into PPS reporting.	5.219
Capital Programme	201.177

Capital Programme

19. The following major areas of work have been undertaken in 2018/19.

- (a) Children, Families and Learning

- (i) In June 2018 cabinet released £110,000 of School Condition Allocation funding. Together with a previously released underspend figure of £168,145 this provided a £278,145 programme of condition and health & safety related work in maintained schools and nurseries.
 - (ii) The devolved formula capital grant of £85,289 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.
- (b) Housing
- (i) Adaptations – The provision of disabled adaptations including Flat Floor Showers, ramps, stair lifts, handrails, grabrails and other adaptations to over 210 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 Branksome, Cockerton and town centre
 - (iii) Structural Repairs – Ongoing structural monitoring continues and as a result a number of properties had structural repairs carried out.
 - (iv) Repairs before Painting – 353 Properties had joinery repair works as part of the cyclical external painting programme in Hurworth & Neasham, Town centre, Whinfield and internal works to schemes
 - (v) Roofing –
 - a. 112 properties at Springfield Estate received replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. All Brickwork to elevations of properties were also fully repointed
 - b. 8 Houses on Bates Avenue were re-roofed
 - c. 2 Flats on Gouldsmith Gardens were re-roofed
 - d. 1 House and outbuilding at Cotherstone Moor Drive was re-roofed
 - e. 2 Bungalows at Church Row, Bishopton were re-roofed.
 - f. 8 Bungalows at Church Row, Bishopton also had roof repairs carried- included new Fascia's, Soffits, Rainwater goods, Dry Ridge and Dry Verge systems.
 - g. 2 Houses and outbuildings at Whitby Way were re-roofed
 - h. 2 Flats at Whinfield Estate had replacement Velux roof lights fitted to the kitchens and bathrooms
 - (vi) Garages – Planned Improvements to the Council's garage blocks for-
 - a. Nightingale Avenue Garages (20no)- Replace Asbestos sheet roofing with Steel sheet roofing; renew rainwater goods and provide new PVC fascia's; Renew Garage doors with Metal garage doors and frames- 4 point locking devices (12no)

- b. Nickstream Lane Garages (5no)- Replace Asbestos sheet roofing with Steel sheet roofing; renew rainwater goods and provide new PVC fascia's; Renew Garage doors with Metal garage doors and frames- 4 point locking devices (5no)
 - c. Denton Lane Garages (5no)- Replace Asbestos sheet roofing with Steel sheet roofing; renew rainwater goods and provide new PVC fascia's; Renew Garage doors with Metal garage doors and frames- 4 point locking devices (5no)
 - d. l'Anson Street Garages (2no)- Replace Asbestos sheet roofing with Steel sheet roofing; renew rainwater goods and provide new PVC fascia's; Renew Garage doors with Metal garage doors and frames- 4 point locking devices (2no)
 - e. Lock Street Garages- Proposed Demolition of 9no garages (in two blocks) and remedial works to perimeter walls
 - (vii) External Works - Responsive repairs across the borough and the planned replacement of fencing and paths to 112 properties. Cliffe way parking area drying area and paths, Romaldkirk drying area, selset drying area, Branksome green, Branksome estate planned maintenance to all properties (lift relay pavings, level access ect.) ongoing. Re-pointing work was carried out to properties in Springfield alongside the roofing works.
 - (viii) Pavement Crossings – 8 properties had pavement crossings installed in their properties across the borough.
 - (ix) Replacement Door Programme – 270 properties across Haughton estate received new composite doors as a replacement for poor condition existing timber doors.
 - (x) Communal Works & Door Entry Systems –
 - a. Replacement of 14 front entry doors at the Lascelles Estate Communal flats at Kilburn House, Coxwold House, Hornby House, Copley House, Ramsgill House and Rockcliffe House
 - b. Park Place Estate- Replacement door entry systems to all communal entrance lobby doors
 - (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 Firthmoor and Branksome
 - (xii) Windows – 223 properties across various estates including Northgate, Heighington, Parkside and Eastbourne.
- (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 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: the refurbishment of Hird Street car park; speed management initiative within the Town Centre with the introduction of a 20mph speed limit and the installation of variable speed signs; 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 2, Stockton Road; Firth Moor Estate phase 5 and the widening of Church Row.
 - 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) In the 2018 Budget the Chancellor of the Exchequer announced the availability of £770k of additional funding for local highway maintenance. This included repairing potholes and deep patching in advance of the 2019/20 maintenance programme.
 - d) There was also a programme of assessments carried out on Darlington's bridges, parapets and other structures and a programme of work was started to address identified issues. This has included the installation of Vehicle Restraint systems to protect bridge parapets in certain locations.

- (iii) Funding was secured from the Local Growth Fund for two schemes as follows:
 - a) In January 2018 funding was awarded for the construction of a pedestrian / cycle bridge over Parkgate linking Central Park to Darlington station. Adelaide Street between the new bridge and the existing footbridge into the station, was improved with a 20mph speed limit, raised table, widened footway, improved lighting and a new landscaped area. The bridge was formally opened in March, 2019.
 - b) In September 2018 funding was awarded for the construction of a new shared use cycleway alongside Rotary Way from Rotary Way / Centurian Way roundabout to the existing toucan crossing on West Auckland Road. The scheme links the existing cycleway network in the residential areas of High Grange and West Park and provides access to the existing businesses in Faverdale Industrial Estate. Works were completed in December, 2018.

- (iv) 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 Houghton Road / Tornado Way junction (throughabout).

All schemes will include improvements for cyclists and pedestrians, including a new section of cycle route alongside Lingfield Way. The first scheme at McMullen Road was under construction by the end of 2018/19 (due for completion in June 2019), and the other two schemes will be constructed in 2019/20.

- (v) Tees Valley Combined Authority's Development Fund grant was awarded to undertake a feasibility study and associated design work for sustainable transport access from Victoria Road to Darlington Station. This was undertaken by Groundworks. A successful bid to the Local Growth Fund Sustainable Access to Employment Programme will enable the scheme to be completed in 2019/20.

(d) Miscellaneous Schemes

- a. The acquisition of land at Neasham Road to facilitate the relocation of Clifton Road Darlington Farmers Auction Mart (DFAM). The total approved budget was £8.490M, to be funded from a combination of Investment fund and capital receipts. The total expenditure to date is £8.317M.
- b. Heighington Joint Venture to provide the infrastructure build and sale of homes in Heighington. The approved budget was £6.1M to be funded from the investment fund, expenditure to date is £4.305M
- c. Middleton St George Joint Venture to provide the infrastructure build and sale of homes in Middleton St George. The approved budget was £4.7M to be funded from the investment fund, expenditure to date is £1.772M

20. Paragraph 21 shows the movements since quarter 3 in the Capital Programme since the approval of the 2018/19 Capital MTFP, some of which have not yet been approved by Members.

21. Adjustment to resources requested by departments:-

Virements

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Economic Growth & Neighbourhood	Rowan West	(179,074)	Virement	Nil Effect

Services & Resources				
Economic Growth & Neighbourhood Services & Resources	Rowan West Contingency (ring-fenced for issues arising)	179,074	Virement	Nil Effect
Total		0		

Adjustments needing approval release

Department	Scheme	Value £	Reason for adjustment	Resource type adjusted
Economic Growth & Neighbourhood Services & Resources	Junior Soccer facilities South Park	15,000	S106 13/01038 Persimmon Contribution to Changing Facilities	S106
Economic Growth & Neighbourhood Services & Resources	Cemeteries Footpaths	(12,832)	Funds no longer required	Return to centre
TOTAL		2,168		

22. **Appendix 4** details the general fund capital receipts and corporate resources received and brought forward from previous years. These amount to £4.986M of which £1.772M has been utilised to finance capital expenditure as well as £0.262 of earmarked receipts to fund slippage, leaving a balance of £2.952M to carry forward into future years.

Conclusion

23. The total capital spend incurred during 2018/19 was £36.791M. Overall a balanced programme has been achieved with a wide variety of capital improvements undertaken throughout the Borough during 2018/19.

Outcome of Consultation

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