

Agenda Item No 6 (a)**DERBYSHIRE COUNTY COUNCIL****CABINET****11 October 2018****Report of the Director of Finance & ICT****CAPITAL BUDGET MONITORING TO MONTH 3 2018-2019**
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**1 Purpose of the Report**

To inform Cabinet of the latest budget monitoring position for open capital schemes.

2 Information and Analysis

The report reflects those schemes that are currently under way and have had previous Cabinet approval. Each scheme has a nominated budget holder who is responsible for ensuring the scheme stays within budget, and who verifies the projected spend against their allocated schemes. The report contains some schemes that were open at 1 April 2018 but have been completed and closed in year.

The current budget for open schemes is approximately £675m, with the latest monitoring showing a forecast underspend over the life of the projects of £0.279m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – no projected overspend

There are 27 open schemes within Adult Care with a budget value of £63.242m. The major projects are:

Belper Integrated Specialist Facilities Centre	£13.863m
Darley Dale Specialist Community Centre	£11.270m
Heanor Specialist Community Care Centre	£10.750m
Disabled Adaptations 2018-19	£4.000m
Long Eaton Specialist Accommodation Unit	£2.500m
Buxton, Brown Edge Rd Residential Care Unit	£2.500m

The Belper Centre is a 40 bed residential home for older persons with dementia, and includes a library on site. The construction commenced in May 2018 and is due for completion in July 2019. The centre will be open to residents in October 2019.

The specialist centres at Heanor, Long Eaton and Darley Dale, providing care for physically frail, elderly clients with dementia, are now fully operational and any outstanding snagging/remedial work will be completed by March 2020.

The disabled adaptations scheme relates to aids and adaptations installed in people's own homes so they may remain as independent as possible and will be fully financed by contributions from the district councils and clients.

Buxton, Brown Edge Rd Residential Care Unit is scheduled to open around late September 2018.

2.2 Children's Services - projected overspend - £0.277m

Children's Services currently have 734 open schemes with a budget value of £213.011m. The major schemes are:

Building Schools for the Future (BSF)	£35.346m
Glossopdale School – Replacement	£22.536m
Tibshelf School and Autism Centre	£15.706m
Aldercar Language College Replacement Phases 1 & 2	£11.140m
Alfreton Park School Replacement - Phase 1	£6.500m

Elements within the BSF scheme have been closed and removed from the report and the BSF expenditure is now complete.

The replacement Glossopdale School building was completed in June 2018 and is operational. However, demolition and landscaping works are not expected to be complete until around April 2019. Tibshelf School is complete and operational but there are outstanding issues relating to the roof. Aldercar School became operational in December 2017 and any remedial work will be completed by December 2018. The new scheme to replace the Park School Alfreton (Phase 1) is underway and is due to finish by April 2019.

The projected overspend of £0.277m is represented by overspends on the BSF Programme (£0.668m) and Cotmanhay Infant School (£0.116m), and is offset by anticipated underspends on a number of primary school schemes. These include Dronfield Junior (£0.072m); Hadfield Infants (£0.072m); Dallimore Primary (£0.065m); Emsleigh Infants (£0.058m); Glebe Junior (£0.051m) and Clowne Infants (£0.050m). The balance is made up of a number of school projects that have come in under budget.

The estimated capital receipt from the sale of the former Bennerley School, Ilkeston, was reported to Cabinet on 21 February 2017 as £1.050m, and has now been revised down to £0.300m, leaving a shortfall of £0.750m.

The Strategic Director of Childrens Services will need to obtain approval for further financing when details have been confirmed for these schemes to cover the projected funding shortfall.

2.3 Commissioning, Communities & Policy – projected underspend - £0.131m

There are 175 open schemes, the majority of which are funded from the Corporate Maintenance budget and cover all departments (excluding schools). The total budget for Council Services is £57.747m. It incorporates the former Health and Community Services budget (£7.323m). The major schemes under this portfolio are:

Buxton Crescent	£33.500m
Ashbourne Library/Civic Centre	£3.029m
Green Deal and Fuel Poverty grant	£2.521m
New Glossop Library	£2.325m

Work is continuing on the Buxton Crescent scheme, the current gross value of which is now £68.411m. Of this, Derbyshire County Council is accountable for £33.500m of public funding, included in which is a contribution by the authority of £5.900m. Conservation and restoration works commenced on a large scale in May 2016. During the progression of these works additional, unforeseen issues with the building have been uncovered which require additional specialist attention in order for the project to be completed. As work progresses it is anticipated that further unplanned conservation and restoration costs will be incurred and there will need to be further discussions with project partners to explore additional funding options. Additionally, the Council has agreed a loan to the developer of £11.390m on commercial terms.

Ashbourne Library/Civic Centre is operational and Glossop Library opened in April 2018.

The original Green Deal and Fuel Poverty scheme is complete and residual funds of £0.124m have been allocated to Derbyshire councils for their Derbyshire Healthy Home programme to use the funds as match funding to help attract additional capital funding to their projects throughout 2018-19.

The projected underspend of £0.131m on maintenance schemes relates principally to schemes at Gladys Buxton Centre roof and curtain wall (£0.080m and £0.100m respectively); Parkwood Centre (£0.047m); Chesterfield Register Office (£0.025m) and Shipley Lake Reservoir Dam (£0.026m). These are offset by overspends at Granville Academy (£0.092m) and Elvaston Castle (£0.058m).

2.4 Economy, Transport & Environment - projected underspend - £0.425m

The budget for the 117 schemes under this portfolio is currently £340.598m. It represents just over half of the total capital expenditure budget.

Local Transport Plan 2013-2018	£121.475m
Markham Vale Employment Zone (MEGZ)	£37.291m
LED Street Lighting	£32.100m
Waste Project	£25.062m
Accelerated Highways Maintenance	£23.000m
A61 Growth Corridor	£20.860m

The majority of the expenditure on ETE projects is for the delivery of the Highways Infrastructure and Integrated Transport Programmes, managed within the Council's Local Transport Plans, and funded from grants provided by the Department for Transport. Managers ensure that any grant is fully utilised, and subject to approval, reallocated to other infrastructure projects.

Phase 1 of the LED Residential Network Street lighting scheme which began in December 2016 is virtually complete, Phase 2 is on course for completion by the end of November 2018 with phase 3 commencing in December 2018. There is slower progress on the Strategic (main road) Network, with LED installation by in-house teams. Contractors have been appointed to two main road areas which will be completed by November 2018.

Work is progressing on the commissioning of the Waste Treatment Centre. There have been delays but it is expected to be fully operational later in 2018. The three year planned programme of work for the Accelerated Highways Maintenance began in 2015-16 and in its first year identified 187 sites requiring work, all of which have now been completed. In 2016-17, 112 sites were identified of which 4 remain outstanding. In 2017-18, 119 sites were identified of which 35 remain outstanding.

Phase 1 works on the A61 corridor, improving walking and cycling networks, were completed on time in April 2017. Further phases are in design, land assembly etc, to be reported to Cabinet in September 2018, with full business cases for external (D2N2) funding due to be submitted from November 2018 onwards.

The anticipated underspend of £0.425m relates principally to Ikeston Awworth Road Link (£0.666m); Speed Camera Digitisation (£0.197m) and Chesterfield Canal (£0.040m). This is offset by anticipated overspends on Grassmoor Lagoons (£0.424m) and Flood Mitigation schemes (£0.050m). There are also a small number of schemes that have completed under budget.

Any funding shortfall on individual projects will need to be addressed by the Strategic Director of Economy, Transport & Environment.

2.6 Top Ten Capital schemes by value

Set out in Appendix 2 is a summary of the ten largest capital schemes that the Council currently has. These represent approximately 54% in value of the current capital schemes.

3 Considerations

In preparing this report the relevance of the following factors has been considered - financial, legal and human rights, human resources, equality and diversity, health, environmental, social value, transport, property and prevention of crime and disorder.

4 Key Decision

No.

5 Background Papers

Files held by the Director of Finance & ICT.

6 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

7 Officer's Recommendation

That Cabinet notes the current position on the monitoring of Capital schemes.

PETER HANDFORD

Director of Finance & ICT

Summary of Projected Capital Spend by Department

	Current Budget	Total spend to date (inc. commitments)	Current projected spend for remainder of current year	Total projected spend to 31/3/2019	Planned expenditure 2019/20	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022 +	TOTAL Revised planned expenditure	(Under) / Over
Department	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	63,242	41,780	15,837	57,617	4,470	1,155	0	0	63,242	0
Commissioning, Communities & Policy	57,747	42,610	14,742	57,352	214	50	0	0	57,616	(131)
Childrens Services	213,011	158,104	46,672	204,776	8,512	0	0	0	213,288	277
Economy Transport & Environment	340,598	208,430	81,912	290,342	31,229	14,591	4,011	0	340,173	(425)
	674,598	450,924	159,163	610,087	44,425	15,796	4,011	0	674,319	(279)

Top Ten Capital Projects according to Budget Value

	Approval Year	Current Budget	Total spend to date	Current projected spend for remainder of current year (18/19)	Total projected spend to 30/6/2019	Planned expenditure 2018/19	Planned expenditure 2019/20	Planned expenditure 2020/21	Planned expenditure 2021 +	TOTAL Revised planned expenditure	(Under) / Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	13/18	121,475	88,309	16,801	105,110	7,925	5,940	2,500	0	121,475	-
BSF Schemes	07/11	35,346	36,014	0	36,014	0	0	0	0	36,014	668
Markham Employment Growth Zone	88/89	37,291	36,286	538	36,824	400	67	0	0	37,291	0
Buxton, The Crescent	06/07	33,500	25,514	7,986	33,500	0	-	0	0	33,500	0
Street Lighting LEDs	15/16	32,100	13,290	9,910	23,200	7,800	1,100	0	0	32,100	0
New Waste Treatment Facility Derby	07/08	25,062	62	25,000	25,062	0	0	0	0	25,062	0
Accelerated Highways Maintenance	14/15	23,000	20,137	2,863	23,000	0	0	0	0	23,000	0
Glossopdale School - Replacement Ph 1 & 2	13/14	22,536	21,319	1,217	22,536	0	0	0	0	22,536	0
A61 - Growth Deal project	15/16	20,860	921	3,079	4,000	9,500	7,360	0	0	20,860	0
Tibshelf School & Autism Centre	11/12	15,706	15,449	207	15,656	0	0	0	0	15,656	(50)
		366,876	257,301	67,601	324,902	25,625	14,467	2,500	0	367,494	618