

DERBYSHIRE COUNTY COUNCIL

CABINET

13 October 2015

Report of the Director of Finance

CAPITAL BUDGET MONITORING TO MONTH 3 2015-2016
(STRATEGIC POLICY, ECONOMIC DEVELOPMENT AND BUDGET)

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. It also includes any new schemes which are considered additions to the approved Capital Programme for which separate Cabinet approval has been sought. 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 current budget for open schemes is approximately £591m, with the latest monitoring showing a forecast overspend over the life of the projects of £1.461m. The position statement is attached as Appendix 1.

2.1 Adult Care – projected overspend - £0.506m

There are 23 open schemes within Adult Care with a budget value of £42.545m. The major projects are:

Heanor Specialist Community Care Centre	£10.750m
Darley Dale Specialist Community Centre	£11.270m
Disabled Adaptations 2015-16	£4.000m
Long Eaton Specialist Accommodation Unit	£2.500m
Belper Extra Care Centre	£1.295m

Major changes since the last reporting period include the completion of The Oaklands Care Home at Swadlincote (£7.767m) which has been removed from the programme and a new 2015-16 Disabled Adaptations programme of £4.000m. The projected overspend is due to additional land costs of £0.5m at Belper Extra Care Centre which is to be funded from outstanding Social Care Grant monies.

2.2 Children's Services - projected overspend - £0.960m

Children's Services currently have 863 open schemes with a budget value of £207.615m. The major schemes are:

Building Schools for the Future (BSF) Phase 1	£57.184m
Tibshelf School and Autism Centre	£15.592m
Aldercar Community Language College Replacement	£7.400m
Church Gresley new Infant and Nursery School	£6.479m
Glossopdale Replacement School	£5.500m
North Wingfield new Primary School	£5.405m

New projects include refurbishments at Bennnerley Fields Special School - £3.000m; Belper Pottery Primary School - £1.900m and Linden House Children's Home - £1.200m; a further programme of work for Primary School refurbishment under the School Condition Allocations initiative (formerly Capital Maintenance) - £5.208m.

In addition, the Dallimore Primary short break scheme has been completed - £1.748m and the proposed Alfreton Grange Arts College refurbishment scheme - £1.400m has been withdrawn and both schemes have been removed from the programme.

The projected overspend of £0.961m is largely represented by the BSF Phase 1 Programme (£0.943m) for which funding has yet to be determined.

The Strategic Director, Children's Services will need to obtain approval for further funding for these schemes to cover the projected overspends.

2.3 Council Services - projected underspend - £0.111m

There are 215 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 £47.948m

The major schemes under this portfolio are:

Buxton Crescent	£29.000m
Green Deal and Fuel Poverty grant	£2.485m
County Hall Reroofing and refurbishment	£2.000m
Mercian Close Ilkeston	£0.842m
Accommodation Project	£0.732m
Elvaston Castle Pitched roof	£0.720m
County Hall East Wing refurbishment	£0.715m

The current gross value of the Buxton Crescent scheme is £46.700m of which Derbyshire County Council is accountable for £29.000m, however the Council is only contributing £1.000m in direct funding. The remainder is coming from

partners. Additionally, the Council has agreed, in principle, a loan to the developer of £10.700m, the terms of which have yet to be finalised. This will represent a significant increase in risk to the authority.

The Green Deal project is fully funded by grants.

Budget holders have projected an underspend on the projects of £0.112m. Any underspend on projects funded from the Corporate Maintenance budget will be spent on other qualifying schemes.

2.4 Health and Communities - No projected under/overspend

The budget for Health and Communities is £7.283m and is made up of 5 projects:

Ashbourne Library	£3.029m
Glossop Library	£1.895m
Belper Library	£1.433m
Heanor Library	£0.893m
Ripley Library Fire Risk Assessment works	£0.033m

The Matlock Records Office extension scheme (£4m) has been completed and has been removed from the programme.

The Officers responsible for these projects have indicated that these schemes are currently within budget.

2.5 Economy, Transport & Environment - projected overspend £0.106m

The budget for schemes under this portfolio is currently £285.352m, representing approximately half of total capital expenditure budget. The major schemes are:

Local transport Plan 2011-2014	£101.955m
Waste Project	£25.000m
Markham Vale Employment Zone	£24.795m
LED Street Lighting	£23.300m
Accelerated Highways Grant	£23.000m
A61 Growth Corridor	£16.000m
Digital Derbyshire	£14.780m
Derelict Land Reclamation	£7.850m
Ilkeston Station	£7.323m

The bulk of the expenditure for these projects, such as the Local Transport Plan, is funded from grant. As such, managers ensure that the grant is fully utilised.

New projects that have received cabinet approval at this reporting period include a LED Street Lighting scheme - £23.300m and works on the A61 Growth Corridor - a scheme supporting major housing and employment growth along the A61 corridor in Chesterfield and north east Derbyshire - £16.000m.

The projected overspend of £0.106m relates to an extension to Markham Vale Centre for which ERDF grant and revenue funding has been secured.

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 56% in value of the current capital schemes.

3 Other 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, transport, property, prevention of crime and disorder.

4 Key Decision

No.

5 Background Papers

Files held by the Director of Finance.

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

APPENDIX 1

Summary of Projected Capital Spend by Department

	Current Budget	Total spend to June 2015	Estimated spend remaining 2015-16	Total projected spend to date	Planned spend 2016-17	Planned spend 2017-18	Planned spend 2018-19	Planned spend 2019+	Total Projected Spend	(Under)/ Over
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	42,545	29,218	13,796	43,014	37	0	0	0	43,051	506
Children's Services	207,615	134,804	57,988	192,792	13,306	2,437	41	0	208,576	960
Council Services	47,948	12,317	18,940	31,257	16,439	141	0	0	47,837	(111)
HACS	7,283	3,097	922	4,019	1,175	1,900	189	0	7,283	0
ETE	285,336	135,159	59,791	194,950	53,913	21,615	9,631	5,333	285,442	106
Total	590,727	314,595	151,437	466,032	84,870	26,093	9,861	5,333	592,189	1,461

APPENDIX 2

Top Ten Capital Projects according to Budget Value

	Approval Year	Budget	Total spend to June 2015	Planned spend remaining 2015-16	Total projected spend to date	Planned spend 2016-17	Planned spend 2017-18	Planned spend 2018-19	Planned expenditure 2019 +	Total Projected Spend	(Under)/Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan ¹	11/15	101,955	71,496	15,102	86,598	5,264	3,664	3,664	0	99,190	(2,765)
BSF Schemes 07/08 starts	07/08	57,184	58,104	24	58,128	0	0	0	0	58,128	944
Buxton, The Crescent	06/07	29,000	4,738	10,162	14,900	14,100	0	0	0	29,000	0
Waste Project (Derby)	07/08	25,000	0	0	0	25,000	0	0	0	25,000	0
Markham Employment Growth Zone	88/89	24,795	21,252	3,543	24,795	0	0	0	0	24,795	0
LED Street lighting	15/16	23,300	0	4,500	4,500	7,750	7,750	3,300	0	23,300	0
Accelerated Highways Maintenance	14/15	23,000	1,345	6,655	8,000	7,500	7,500	0	0	23,000	0
A61 Growth Corridor	15/16	16,000	0	2,667	2,667	2,667	2,667	2,667	5,332	16,000	0
Tibshelf School & Autism Centre	11/12	15,592	15,448	117	15,565	0	0	0	0	15,565	(27)
Digital Derbyshire	13/14	14,780	4,351	7,893	12,244	2,536	0	0	0	14,780	0
Total		330,606	176,734	50,663	227,397	64,817	21,581	9,631	5,332	328,758	(1,848)

¹ Note – this underspend will be committed to other projects