

Agenda Item No 7(c)**DERBYSHIRE COUNTY COUNCIL****CABINET****14 March 2017****Report of the Director of Finance****CAPITAL BUDGET MONITORING TO MONTH 9 2016-2017**
(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. 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 £670m, with the latest monitoring showing a forecast overspend over the life of the projects of £1.663m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – no projected overspend

There are 24 open schemes within Adult Care with a budget value of £61.302m. The major projects are:

Belper Integrated Specialist Facilities Centre	£11.959m
Darley Dale Specialist Community Centre	£11.270m
Heanor Specialist Community Care Centre	£10.750m
Disabled Adaptations 2016-17	£4.000m
Long Eaton Specialist Accommodation Unit	£2.500m
Buxton, Brown Edge Rd Residential Care Unit	£2.500m

The specialist centres at Heanor, Long Eaton and Darley Dale, providing care for physically frail, elderly clients with dementia, are now fully operational having only small amounts of remedial work outstanding.

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.

2.2 Children's Services - projected overspend - £1.280m

Children's Services currently have 852 open schemes with a budget value of £227.591m. The major schemes are:

Building Schools for the Future (BSF) Phase 1	£57.184m
Glossopdale School - Replacement	£22.500m
Tibshelf School and Autism Centre	£15.592m
Aldercar Community Language College Replacement	£7.400m
North Wingfield new Primary School	£5.405m

It is anticipated that the replacement Glossopdale School will be completed in April 2018. Both Tibshelf and North Wingfield schools are complete and operational but have small amounts of retention monies outstanding. Aldercar School is due to be completed in October 2017.

Fifty five minor schemes (£1.511m) have been added to the capital programme, the largest of which is a window replacement scheme at Ashbrook Junior School (£0.380m).

The projected overspend of £1.280m is represented by the BSF Phase 1 Programme (£1.016m); Cotmanhay Infants School (£0.116m) and Peak Lodge Special School (£0.044m), together with a small number of school projects that have gone over budget. Funding details for these schemes have yet to be confirmed.

The Strategic Director of Children's Services will need to obtain approval for further funding, if necessary, when details have been confirmed for these schemes, to cover the projected overspends.

2.3 Council Services – no projected overspend

There are 263 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 £53.371m.

The major schemes under this portfolio are:

Buxton Crescent	£29.000m
Green Deal and Fuel Poverty grant	£2.521m
County Hall Reroofing and refurbishment	£2.000m
Purchase of Shand House (spend to save)	£1.561m
Orderpoint upgrade and TASK replacement	£1.263m
Mercian Close Ilkeston	£0.842m
County Hall East Wing refurbishment	£0.744m
Accommodation Project	£0.732m

Work is continuing on the Buxton Crescent scheme, the current gross value of which has risen by £4.900m to £51.600m. Of this, Derbyshire County Council is accountable for £29.000m of public funding, included in which is a contribution by the authority of £1.400m. Additionally, the Council has agreed a loan to the developer of £11.390m, on commercial terms.

The Green Deal and Fuel Poverty scheme is over 90% complete and the Nottinghamshire and Derbyshire Local Authorities Energy Partnership is currently seeking approval from the Department of Business, Energy and Industrial Strategy (BEIS) to carry over any underspent funding into 2017-18 as match funding towards their affordable warmth project.

The existing Orderpoint system was upgraded in July 2016 and includes new functionality to assist with contract management. The replacement of the current TASK system is expected to be completed by May 2017.

2.4 Economy, Transport & Communities - projected overspend - £0.383m

The budget for schemes under this portfolio is currently £327.820m and represents approximately half of the total capital expenditure budget. It incorporates the former Health and Community Services budget (£7.199m). The ETC budget has increased by £7.800m from the last reporting period. The major schemes are:

Local Transport Plan 2013-2017	£99.060m
Markham Vale Employment Zone (MEGZ)	£37.291m
Waste Project	£25.000m
LED Street Lighting	£23.300m
Accelerated Highways Maintenance	£23.000m
A61 Growth Corridor	£16.000m
Digital Derbyshire	£14.780m
Ilkeston Station	£10.435m

The bulk of the expenditure on ETC projects is for the delivery of the Highways Infrastructure and Integrated Transport Programmes and is funded from grant. As such, managers ensure that any grant is fully utilised, and subject to approval, reallocated to other infrastructure projects.

Other major projects include the £25m Waste Project, where work is now underway, but following delays is expected to be fully operational by autumn of 2017.

Following an initial delay, Phase 1 of the LED Residential Network Street Lighting scheme began in December and is expected to be completed by December 2019.

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, of which 1 remains outstanding. In 2016-17, 112 sites were identified of which 35 remain outstanding. Site preparation work for next year is currently underway.

Cycling improvement work has commenced on the A61 Growth Corridor on junctions around Derby Road, Chesterfield with work due to be completed in April 2017. Design work is still progressing on other improvements across the Rother Washlands between Storforth Lane and Derby Road. Work is programmed for later this year.

Following revised information from BT, the latest available figures for the Digital Derbyshire Scheme to 30 December 2016 are slightly down on previous figures, showing fibre broadband delivered to 94,000 homes, of which approximately 85,000 homes and businesses are able to get Superfast broadband. Take up of the fibres service currently stands at 38%.

Construction work on Ilkeston Railway Station is due to end early February 2017. Snagging work will then be completed to enable Network Rail to hand over the station to East Midlands Trains. The station still needs to be accepted by the Office of Rail and Roads before passengers services can operate. Services are programmed to commence from early April.

A project for the regeneration of the former Coalite Chemicals Factory has been added to the capital programme. The site has the benefit of planning for a mix of employment and housing (660 units) and is being developed by Bolsover Land Limited. The project is worth £21.800m and is being met from the following sources; DCC grant of £2.002m, D2N2 (Local Enterprise Partnership for Derbyshire and Nottinghamshire) grant of £5.798m and £14.000m from Bolsover Land Limited.

The overspend of £0.383m relates principally to the reclamation schemes Grassmoor Lagoons (£0.179m) and Chesterfield Canal (£0.141m) together with the Cycle Access Scheme at Chesterfield Station (£0.063m). Negotiations are continuing with the contractor for the final account for the Cycle Access Scheme and with the BEIS for full settlement of Grassmoor Lagoons costs..

Members should also be aware that the outstanding costs on Grassmoor Lagoons currently under negotiation with the BEIS are now in the order of £1.610m.

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 52% 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.

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

Department	Current Budget	Total spend to December 2016	Estimated spend remaining 2016-17	Total projected spend to date	Planned expenditure 2017-18	Planned expenditure 2018-19	Planned expenditure 2019-20	Planned expenditure 2020 +	Total Projected Spend	(Under)/Over
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	61,302	41,197	16,316	57,513	3,789	0	0	0	61,302	0
Childrens Services	227,591	153,684	44,464	198,148	25,848	4,875	0	0	228,871	1,280
Council Services	53,371	23,011	14,652	37,663	15,708	0	0	0	53,371	0
Economy, Transport & Communities	327,820	196,196	23,887	220,083	70,563	21,689	11,430	4,438	328,203	383
Total	670,084	414,088	99,319	513,407	115,908	26,564	11,430	4,438	671,747	1,663

APPENDIX 2

Top Ten Capital Projects according to Budget Value

	Approval Year	Current Budget	Total spend to December 2016	Estimated Spend Remaining 2016-17	Total projected spend to date	Planned expenditure 2017-18	Planned expenditure 2018-19	Planned expenditure 2019-20	Planned expenditure 2020 +	Total Projected Spend	(Under)/ Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	13/17	99,063	77,729	5,604	83,333	7,903	5,366	2,461	-	99,063	-
BSF SCHEMES	07/08	57,184	58,200	-	58,200	-	-	-	-	58,200	1,016
Markham Employment Growth Zone	88/89	37,291	34,476	347	34,823	1,500	500	400	68	37,291	-
Buxton, The Crescent	06/07	29,000	9,113	5,887	15,000	14,000	-	-	-	29,000	-
Waste Project (Derby)	07/08	25,000	-	-	-	25,000	-	-	-	25,000	-
Street Lighting LEDs	15/16	23,300	385	3,115	3,500	8,200	7,450	4,150	-	23,300	-
Accelerated Highways Maintenance	14/15	23,000	15,679	(2,949)	12,730	6,500	3,770	-	-	23,000	-
Glossopdale School - Replacement School	13/14	22,500	2,572	516	3,088	15,412	4,000	-	-	22,500	-
A61 - Growth Deal project	15/16	16,000	80	560	640	3,840	3,840	3,840	3,840	16,000	-
Tibshelf School & Autism Centre	11/12	15,641	15,449	192	15,641	-	-	-	-	15,641	-
		347,979	213,683	13,272	226,955	82,355	24,926	10,851	3,908	348,995	1,016