

Agenda Item No.7 (e)**DERBYSHIRE COUNTY COUNCIL****CABINET****15 March 2016****Report of the Director of Finance****CAPITAL BUDGET MONITORING TO MONTH 9 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. 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 £627m, with the latest monitoring showing a forecast underspend over the life of the projects of £1.080m. The position statement by department is attached as Appendix 1.

2.1 Adult Care - No projected under/overspend

There are 24 open schemes within Adult Care with a budget value of £53.821m. 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 2015-16	£4.180m
Long Eaton Specialist Accommodation Unit	£2.500m

The current approved budget for the Belper Integrated Specialist Facilities Centre (£11.959m) includes a Specialist Care Centre (£8.805m), a new Belper Library (£1.700m) and site acquisition costs of £1.454m.

At its meeting of 24 November 2015, Cabinet approved a revised budget for the Belper scheme of around £31m subject to a viable detailed business case. Proposals include an enhanced Specialist Care Centre (up by £1.695m from £8.805m to £10.500m); an Adult Care Centre (£1.091m); an Extra Care

Centre - 'invest to save scheme' (£13.417m) and an externally funded Health Centre (£4.744m).

Both the centres at Heanor and Long Eaton have been operational since November 2015 and the Darley Dale Centre should be opening in March 2016.

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

2.2 Children's Services - projected overspend - £0.953m

Children's Services currently have 898 open schemes with a budget value of £211.185m. 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 Phase 1	£5.500m
North Wingfield new Primary School	£5.405m

Both Tibshelf and North Wingfield schools are complete and operational but have small amounts of retention monies outstanding. Church Gresley Infant School is also complete but could not be closed financially due to an issue over Section 106 funding; this has now been resolved. Aldercar School is due to be completed in October 2017 and work on Glossopdale Phase 1 begins in July 2016.

New projects include work on the replacement Dallimore Primary School Phase 3 (£2.400m). There have also been a number of minor budget adjustments to schemes where these have been completed under budget, resulting in a saving to the authority.

The projected overspend of £0.953m is largely represented by the BSF Phase 1 Programme (£0.943m) for which funding details 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 this scheme, to cover the projected overspends.

2.3 Council Services - projected underspend - £0.100m

There are 259 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 £51.074m.

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
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 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, which is grant funded, is now 80% completed and is due to be finished by 31 March 2017.

A number of schemes have been completed under budget, resulting in a saving to the authority. Budget holders have projected an underspend on the projects of £0.100m. Any underspend on projects funded from the Corporate Maintenance budget will be spent on other qualifying schemes, or returned to the revenue budget.

2.4 Health and Communities - No projected under/overspend

The budget for Health and Communities is £5.850m and includes the following projects:

Ashbourne Library	£3.029m
Glossop Library	£1.895m
Heanor Library	£0.893m

Ashbourne Library opened in May 2013 albeit a few retention issues that have now been resolved. Heanor Library opened in October 2015 and work is due to start on Glossop Library in March 2017.

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

2.5 Economy, Transport & Environment - projected underspend £1.933m

The budget for schemes under this portfolio is currently £304.790m, representing approximately half of the total capital expenditure budget. The major schemes are:

Local Transport Plan 2011-2014	£101.079m
Markham Vale Employment Zone (MEGZ)	£36.031m
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	£9.938m
Derelict Land Reclamation	£8.371m

There are budget increases on projects, from the last report submitted, for replacement vehicles 2015-16 of (£4.968m) and MEGZ of (£11.236m).

The bulk of the expenditure on ETE 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. Therefore, the projected underspend of £1.933m which largely relates to Local Transport Plan (LTP) underspends will be reallocated to other schemes.

Other major projects include the £25m Waste Project, where work is now underway with the plant still being on target to be fully operational by April 2017.

The implementation of the LED Street Lighting has been delayed but is anticipated to commence in the Spring/Summer of this year.

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 those sites identified, 35 remain outstanding. Site preparation work for the new season is currently underway.

The A61 Growth Corridor schemes are currently being appraised and it is anticipated that work will commence in 2016-17.

The Digital Derbyshire Scheme, by December 2015, saw the first phase of fibre broadband being delivered to 88% of the targeted 88,000 homes and of these, 19.8% of households had taken up superfast broadband.

Ilkeston Station has had all necessary design and works completed to fulfil its planning conditions. The main construction works are now anticipated to start in March 2016 subject to Cabinet approval and the station is due to open in Autumn 2016.

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 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 December 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	53,821	35,749	6,160	41,909	8,122	3,790	0	0	53,821	0
Childrens Services	211,185	146,638	44,303	190,941	18,584	2,597	16	0	212,138	953
Council Services	51,074	16,394	15,899	32,293	18,525	156	0	0	50,974	(100)
HACS	5,850	4,036	92	4,128	925	797	0	0	5,850	0
ETE	304,790	162,211	29,396	191,607	71,513	22,160	12,244	5,333	302,857	(1,933)
Total	626,720	365,028	95,850	460,878	117,669	29,500	12,260	5,333	625,640	(1,080)

APPENDIX 2

Top Ten Capital Projects according to Budget Value

Scheme	Approval Year	Budget	Total spend to December 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	11/15	101,079	80,890	4,309	85,199	6,080	4,164	3,664	0	99,107	(1,972)
BSF Schemes 07/08 starts	07/08	57,184	58,105	24	58,129	0	0	0	0	58,129	945
Markham Employment Growth Zone	06/07	36,031	25,933	5,998	31,931	4,100	0	0	0	36,031	0
Buxton, The Crescent	07/08	29,000	4,961	9,939	14,900	14,100	0	0	0	29,000	0
Waste Project (Derby)	88/89	25,000	0	0	0	25,000	0	0	0	25,000	0
Street Lighting LEDs	15/16	23,300	7	2,000	2,007	7,750	7,750	5,793	0	23,300	0
Accelerated Highways Maintenance	14/15	23,000	5,636	2,364	8,000	7,500	7,500	0	0	23,000	0
A61 Growth Corridor	15/16	16,000	4	2,663	2,667	2,667	2,667	2,667	5,332	16,000	0
Tibshelf School & Autism Centre	11/12	15,592	15,448	143	15,592	0	0	0	0	15,592	0
Digital Derbyshire	13/14	14,780	8,116	4,129	12,245	2,535	0	0	0	14,780	0
		340,966	199,100	31,569	230,670	69,732	22,081	12,124	5,332	339,939	(1,027)