

Agenda Item No 7(e)**DERBYSHIRE COUNTY COUNCIL****CABINET****20 September 2016****Report of the Director of Finance****CAPITAL BUDGET MONITORING TO MONTH 3 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 £639m, with the latest monitoring showing a forecast overspend over the life of the projects of £1.674m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – projected overspend* £0.793m

There are 23 open schemes within Adult Care with a budget value of £61.058m. The major projects are:

Belper Integrated Specialist Facilities Centre	£11.959m
Darley Dale Specialist Community Care 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.

*This relates to expenditure on aids and adaptations in people's own homes so they may remain as independent as possible. It will be fully financed by

contributions from the district councils. It is therefore merely a timing difference between spend and cost recovery.

2.2 Children's Services - projected overspend - £0.940m

Children's Services currently have 772 open schemes with a budget value of £206.178m. 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
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. Aldercar School is due to be completed in October 2017 and work on Glossopdale Phase 1 has recently begun.

Since the previous monitoring report 359 projects have been completed and closed, the largest of which is Church Gresley Infants School (£6.479m). 231 new projects have been added, including refurbishment at Breadsall PRU and Primary School (£1.750m); Alfreton Park Bingham House (£1.450m) and Alfreton Grange School (£1.160m). 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 £0.940m is represented by the BSF Phase 1 Programme (£0.945m) 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 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 £52.900m.

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
Elvaston Castle Pitched roof	£0.720m

Work has commenced on the Buxton Crescent scheme, the current gross value of which is £46.700m. 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, the remainder comes from non-County Council resources. 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 90% completed and is due to be finished by 31 March 2017.

The existing Orderpoint system has been upgraded and integrated into the current SAP finance system. The replacement of the current TASK system is expected to be completed by July 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 Economy, Transport & Communities– projected overspend - £0.041m

The budget for schemes under this portfolio is currently £318.938m and now incorporates the former Health and Community Services budgets (£6.280m). The budget represents approximately half of the total capital expenditure budget. The major schemes are:

Local Transport Plan 2013-2017	£100.298m
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	£10.751m

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 with the plant still being on target to be fully operational by April 2017.

Following an initial delay, the LED Street Lighting scheme began this summer and is expected to be completed in Spring 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 5 remain outstanding. In 2016/17, 112 sites were identified of which 45 remain outstanding. Site preparation work for next year 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 June 2016, saw superfast broadband being delivered to 91,500 homes and the take up of the service standing at 31.5%.

The budget for Ilkeston Station has been increased by £0.813m and construction is now underway. The station is due to open in Autumn 2016.

The overspend of £0.41m relates to the Grassmoor Lagoons reclamation site. The Strategic Director of Economy, Transport and Communities will be responsible for ensuring that any overspend will be suitably funded.

2.5 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 53% 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, social value 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

	Current Budget	Total spend to June 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	61,058	39,055	19,006	58,061	3,790	0	0	0	61,851	793
Childrens Services	206,178	136,055	62,430	198,485	7,915	718	0	0	207,118	940
Council Services	52,900	18,692	33,558	52,250	550	0	0	0	52,800	(100)
Economy, Transport & Communities	318,938	166,489	88,268	254,757	28,684	22,978	9,363	3,197	318,979	41
Total	639,074	360,291	203,262	563,553	40,939	23,696	9,363	3,197	640,748	1,674

APPENDIX 2

Top Ten Capital Projects according to Budget Value

Scheme	Approval Year	Current Budget	Total spend to June 2016	Planned 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 Revised planned expenditure	(Under) / Over
		£	£	£	£	£	£	£	£	£	£
Local Transport Plan	13/17	100,298	67,450	15,772	83,222	8,712	6,122	2,242	0	100,298	0
BSF Schemes	07/08	57,184	58,105	24	58,129	0	0	0	0	58,129	945
Markham Employment Growth Zone	88/89	36,031	31,273	4,758	36,031	0	0	0	0	36,031	0
Buxton, The Crescent	06/07	29,000	6,009	22,991	29,000	0	0	0	0	29,000	0
Waste Project (Derby)	07/08	25,000	0	25,000	25,000	0	0	0	0	25,000	0
Street Lighting LEDs	15/16	23,300	56	3,852	3,908	7,750	7,767	3,875	0	23,300	0
Accelerated Highways Maintenance	14/15	23,000	7,381	3,422	10,803	6,500	5,697	0	0	23,000	0
A61 - Growth Deal project	15/16	16,000	2	5,331	5,333	2,667	2,667	2,667	2,666	16,000	0
Tibshelf School & Autism Centre	11/12	15,592	15,448	144	15,592	0	0	0	0	15,592	0
Digital Derbyshire	13/14	14,780	10,879	3,901	14,780	0	0	0	0	14,780	0
Total		340,185	196,603	85,195	281,798	25,629	22,253	8,784	2,666	341,130	945