

Agenda Item No 7(b)**DERBYSHIRE COUNTY COUNCIL****CABINET****26 April 2018****Report of the Director of Finance & ICT****CAPITAL BUDGET MONITORING TO MONTH 9 2017-2018**
(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 2017 but have been completed and closed in year.

The current budget for open schemes is approximately £701m, with the latest monitoring showing a forecast overspend over the life of the projects of £1.618m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – no projected overspend

There are 26 open schemes within Adult Care with a budget value of £61.589m. 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 2017-18	£4.954m
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, including a library. The proposed site is currently being cleared and the scheme is scheduled to open around April 2019.

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 and clients.

2.2 Children's Services - projected overspend - £0.785m

Children's Services currently have 910 open schemes with a budget value of £247.496m. The major schemes are:

Building Schools for the Future (BSF) Phase 1	£57.374m
Glossopdale School – Replacement	£22.500m
Tibshelf School and Autism Centre	£15.706m
Aldercar Language College Replacement Phases 1 & 2	£11.131m
Alfreton Park School Replacement - Phase 1	£6.500m

BSF Phase 1 expenditure is now complete. It is anticipated that the replacement Glossopdale School will be completed in May 2018. Tibshelf School is complete and operational but has small amounts of retention monies outstanding. Aldercar School became operational in December 2017. 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 £0.785m is represented by the BSF Phase 1 Programme (£0.946m); Belper Whitemoor Centre (£0.120m); Cotmanhay Infant School (£0.116m) and Peak Lodge School (£0.044m), and is offset by anticipated underspends on a number of primary schools. These are Glebe Junior (£0.093m); Hunloke Park Primary (£0.085m); Dallimore Primary (£0.065m); Ashover Primary (£0.050m); Clowne Infant (£0.050m) and Riddings Junior (£0.050m). The balance is made up of a small number of school projects that have gone over 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 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 Commissioning, Communities & Policy – projected underspend - £0.030m

There are 240 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 £63.155m. 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
Orderpoint upgrade and TASK replacement	£1.790m
County Hall Reroofing and refurbishment	£1.741m

Work is continuing on the Buxton Crescent scheme, the current gross value of which is £65.233m. 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. Following discussions with other funding partners to seek the additional funds required to remedy the issues the Council, at its meeting on 13 September 2017, agreed to underwrite the publicly funded element of £4.5m of the additional costs from the General Reserve to ensure the project continued. 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 it is expected that work on the new Glossop Library will be completed by April 2018.

The Green Deal and Fuel Poverty scheme is complete and has an underspend of £0.217m. This has been distributed between the Nottinghamshire and Derbyshire Local Authorities Energy Partnership members. £0.093m has been given to Nottingham district and borough councils to spend on their Warm Homes on Prescription project. The remainder (£0.124m) has been given 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 2017-18.

The reroofing and refurbishment work at County Hall is now complete.

The projected underspend of £0.030m on maintenance schemes relates principally to anticipated underspends on Shirebrook Adult Community Education Centre and Shipley Lake Reservoir Dam.

2.4 Economy, Transport & Environment - projected underspend - £0.863m

The budget for the 122 schemes under this portfolio is currently £329.042m, and now excludes the former Health and Community Services budget (£7.323m). It represents just under half of the total capital expenditure budget.

Local Transport Plan 2013-2017	£102.072m
Markham Vale Employment Zone (MEGZ)	£37.291m
LED Street Lighting	£32.100m
Waste Project	£25.062m
Accelerated Highways Maintenance	£23.000m
A61 Growth Corridor	£16.000m
Digital Derbyshire (Phases 1 & 2)	£15.257m
Ilkeston Station	£10.435m

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 nearing completion and phase 2 has started in December 2017. Some work to implement LED on the Strategic Network, by in-house teams started in August 2017, contracts for large scale replacements are being procured and are expected to start in May 2018.

Work is progressing on the Waste Project. There have been some delays but it is expected to be fully operational in the summer of 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 17 remain outstanding. In 2017-18, 119 sites were identified of which 36 remain outstanding.

Phase 1 works on the A61 corridor, improving walking and cycling networks, were completed on time in April 2017. The final phase on Derby Road, Chesterfield, is nearing completion. Further phases are in design following feasibility studies last year, to be confirmed during autumn 2017 through the completion of business case procedures and Cabinet approval.

Phase 1 of the Digital Derbyshire Scheme is complete, having delivered fibre broadband to 91,606 premises, of which 81,867 homes and businesses are able to get Superfast broadband. Phase 2 commenced in September 2016 and has delivered fibre broadband to over 10,000 premises, taking the

combined total number of premises able to receive fibre services to over 101,000. Take up currently stands at 36.21%.

Ilkeston Station opened to passengers on 4 April 2017. Some minor enabling works on access and parking have continued since then, and agreement on the final account has been reached with Network Rail which does not exceed the project budget. A 'Final Certificate' is expected during spring 2018.

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 capital receipt of £2.002m, D2N2 (Local Enterprise Partnership for Derbyshire and Nottinghamshire) grant of £5.798m and £14.000m from Bolsover Land Limited. Planning permission has been secured and the first phase (Phase A) of remediation work now completed on site. D2N2 grant funding has been released in full to Bolsover Land Ltd in contribution to currently completed contracted remediation work.

The overspend of £0.863m relates principally to anticipated overspends on LED Street Lighting (£1.233m); Grassmoor Lagoons (£0.343m) and Flood Mitigation schemes (£0.152m). This is offset by expected underspends on Ilkeston Aysworth Road Link (£0.666m); Dronfield Cycleway (£0.150m); the Pedal Peak scheme (£0.040m) and Staveley Canal Basin (£0.017m). There are also a small number of schemes that have completed under budget.

Following negotiations with the Department of Business, Energy and Industrial Strategy (BEIS) a final settlement figure of £1.602m has been agreed and invoiced for the Grassmoor Lagoons scheme.

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 & 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

APPENDIX 1

Summary of Projected Capital Spend by Department

Department	Current Budget	Total spend to date (inc. commitments)	Current projected spend for remainder of current year (17/18)	Total projected spend to 31/3/2018	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
Adult Care	61,589	42,907	10,007	52,914	8,175	500	0	0	61,589	0
Childrens Services	247,496	177,352	32,664	210,016	31,974	6,291	0	0	248,281	785
Commissioning, Communities & Policy	63,155	40,594	16,148	56,742	6,383	0	0	0	63,125	(30)
Economy, Transport & Environment	329,042	212,139	15,640	227,779	66,227	22,501	11,887	1,511	329,905	863
	701,282	472,992	74,459	547,451	112,759	29,292	11,887	1,511	702,900	1,618

	Approval Year	Current Budget	Total spend to date	Current projected spend for remainder of current year (17/18)	Total projected spend to 31/3/2018	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	13/17	102,072	80,928	6,468	87,396	7,761	3,875	3,039	-	102,072	-
BSF Schemes	07/08	57,374	58,200	120	58,320	-	-	-	-	58,320	946
Markham Employment Growth Zone	88/89	37,291	36,104	100	36,204	500	420	167	-	37,291	-
Buxton, The Crescent	06/07	33,500	19,887	8,113	28,000	5,500	-	-	-	33,500	-
Street Lighting LEDs	15/16	32,100	9,033	1,500	10,533	9,200	9,600	4,000	-	33,333	1,233
New Waste Treatment Facility Derby	07/08	25,062	-	62	62	25,000	-	-	-	25,062	-
Accelerated Highways Maintenance	14/15	23,000	20,038	762	20,800	2,200	-	-	-	23,000	-
Glossopdale School - Replacement Ph 1 & 2	13/14	22,500	13,827	5,323	19,150	3,000	350	-	-	22,500	-
A61 - Growth Deal project	15/16	16,000	468	282	750	4,715	5,885	4,650	-	16,000	-
Digital Derbyshire	13/14	15,257	12,976	1,099	14,075	1,000	182	-	-	15,257	-
		364,156	251,461	23,829	275,290	58,876	20,312	11,857	-	366,335	2,178