

Agenda Item No 6(c)**DERBYSHIRE COUNTY COUNCIL****CABINET****21 March 2019****Report of the Director of Finance & ICT****CAPITAL BUDGET MONITORING TO MONTH 9 2018-2019**
(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 2018 but have been completed and closed in year.

The current budget for open schemes is approximately £693m, with the latest monitoring showing a forecast overspend over the life of the projects of £0.457m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – no projected overspend

There are 29 open schemes within Adult Care with a budget value of £64.672m. The major projects are:

Belper Integrated Specialist Facilities Centre	£13.863m
Darley Dale Specialist Community Centre	£11.270m
Heanor Specialist Community Care Centre	£10.750m
Disabled Adaptations 2018-19	£4.000m
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 with dementia, and includes a library on site. Construction work commenced in May 2018 and is on target to complete in July 2019. The centre is scheduled to open to residents in January 2020.

The specialist centres at Heanor, Long Eaton and Darley Dale, providing care for physically frail, elderly clients with dementia, are now fully operational and any outstanding snagging/remedial work should be completed around spring 2020.

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 from loan together with contributions from clients and district councils.

Buxton, Brown Edge Rd Residential Care Unit became operational in October 2018 and has outstanding snagging issues.

2.2 Children's Services - projected overspend - £0.222m

Children's Services currently have 829 open schemes with a budget value of £207.582m. The major schemes are:

Glossopdale School – Replacement	£23.536m
Tibshelf School & Autism Centre	£15,706m
Alfreton Park School Replacement	£11.900m
Aldercar Language College Replacement Phases 1 & 2	£11.140m
North Wingfield New Primary School	£5.162m

The BSF Phase 3 schemes have been complete for some time but have remained on the report for budgetary reasons. These schemes have now been removed from the report.

The replacement Glossopdale School is now complete and operational, but the demolition and site works are still ongoing with asbestos issues at the Hadfield site. Cabinet approved a further £1m on 24 January 2019 to cover this. Tibshelf School is operational, with some remedial roof works remaining. The scheme to replace the Park School Alfreton is due to commence shortly and is due to finish by autumn 2020. Aldercar School became operational in March 2018 and all remedial work has been completed. North Wingfield Primary is complete and operational.

The projected overspend of £0.222m is represented by overspends on the Waingroves Primary School (£0.145m), Alfreton Park Hydro Pool (£0.122m), Cotmanhay Infant School (£0.116m), Lady Manners School (£0.071m), Peak Special School (£0.044m). These are partially offset by anticipated underspends on a number of schemes. These include Tibshelf School & Autism Centre (£0.124m); Creswell Infants School (£0.093m), Hadfield Infants (£0.072m); Dallimore Primary (£0.030m). The balance is made up of a number of school projects that have come in under 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.

The Strategic Director of Childrens Services will need to obtain approval for further financing when details have been confirmed for these schemes to cover the projected funding shortfall.

2.3 Commissioning, Communities & Policy – projected underspend - £0.053m

There are 198 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 £66.190m. It incorporates the former Health and Community Services budget (£7.135m). The major schemes under this portfolio are:

Buxton Crescent	£41.263m
Ashbourne Library/Civic Centre	£3.029m
Green Deal and Fuel Poverty grant	£2.521m
New Glossop Library	£2.325m

Work is continuing on the Buxton Crescent scheme. Derbyshire County Council is now accountable for £41.263m of public funding, included in which is a contribution by the authority of £13.400m. Conservation and restoration works commenced on a large scale in May 2016. Unforeseen issues with the building have required additional specialist attention to complete the project. It is anticipated that the scheme will be operational at the end of 2019. Additionally, the Council has agreed a loan to the developer of £11.390m on commercial terms.

Ashbourne Library/Civic Centre is operational and Glossop Library opened in April 2018. Remaining funds of £0.099m from the original Green Deal and Fuel Poverty scheme have been allocated to Derbyshire councils for their Derbyshire Healthy Home programme to help attract additional capital match funding to their projects up to 2020/21.

The projected underspend of £0.053m relates principally to works at Shipley Lake Reservoir Dam, together with small over/underspends on several other schemes.

2.4 Economy, Transport & Environment - projected overspend - £0.288m

The budget for the 125 schemes under this portfolio is currently £354.830m. It represents just over half of the total capital expenditure budget.

Local Transport Plan 2013-2018	£122.852m
Markham Vale Employment Zone (MEGZ)	£41.545m
LED Street Lighting	£32.100m
Waste Project	£25.062m
Accelerated Highways Maintenance	£22.800m
A61 Growth Corridor	£20.860m

Expenditure on ETE projects relates mainly to the delivery of the Highways Infrastructure and Integrated Transport Programmes. These are managed within the Council's Local Transport Plans, and funded from grants provided by the Department for Transport. All grants are fully utilised, and, subject to approval, are reallocated to other infrastructure projects.

Works on the residential network for year one is largely complete and year two almost complete with a small percentage of the project over running. As a result year three commenced in January 2019, however overall completion of year three is still expected to be December 2019. Year three will see the remaining street lights on the residential network converted to LED apart from heritage and cast iron lighting columns as these are outside the scope of the initial project. The strategic network is still behind schedule and forecast completion of the strategic routes is the end of the 2021/22 financial year.

Work is progressing on the commissioning of the Waste Treatment Centre. There have been delays but parties are working towards it being fully operational in 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, all of which have now been completed. In 2016-17, 112 sites were identified of which 4 remain outstanding. In 2017-18, 119 sites were identified of which 35 remain outstanding. No further surface dressing will be carried out until summer 2019.

Phase 1 works on the A61 corridor, improving walking and cycling networks, were completed on time in April 2017. Further phases are now on site (traffic signal upgrades) or in design and land assembly stages. Cabinet in October 2018 authorised the Local Enterprise Partnership (D2N2) pre-compliance funding to be drawn down to support this programme.

The anticipated overspend of £0.288m relates principally to an overspend on Grassmoor Lagoons (£0.424m) and an anticipated underspend on Ilkeston Awworth Road Link (£0.101m), after land compensation claims have been settled. The balance comprises of a small number of schemes that have completed under budget.

Any funding shortfall on individual projects will need to be addressed by the Strategic Director of Economy, Transport & Environment.

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 49% 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

Summary of Projected Capital Spend by Department

	Current Budget	Total spend to date (inc. commitments)	Current projected spend for remainder of current year	Total projected spend to 31/3/2019	Planned expenditure 2019/20	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022 +	TOTAL Revised planned expenditure	(Under) / Over
Department	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	64,672	47,485	11,363	58,848	4,669	1,155	0	0	64,672	0
Commissioning, Communities & Policy	66,190	50,795	7,257	58,052	8,025	30	30	0	66,137	(53)
Childrens Services	207,582	139,202	23,945	163,147	38,984	5,673	0	0	207,804	222
Economy Transport & Environment	354,830	228,522	53,984	282,506	43,699	22,060	6,853	0	355,118	288
	693,274	466,004	96,549	562,553	95,377	28,918	6,883	0	693,731	457

Top Ten Capital Projects according to Budget Value

	Approval Year	Current Budget	Total spend to date	Current projected spend for remainder of current year (18/19)	Total projected spend to 31/3/2019	Planned expenditure 2019/20	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022 +	TOTAL Revised planned expenditure	(Under) / Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	13/18	122,852	96,876	2,303	99,179	12,269	9,542	1,862	0	122,852	0
Markham Employment Growth Zone	88/89	41,545	36,241	500	36,741	2,275	2,529	0	0	41,545	0
Buxton, The Crescent	06/07	41,263	32,424	3,751	36,175	5,088	-	0	0	41,263	0
Street Lighting LEDs	15/16	32,100	16,276	6,924	23,200	7,800	1,100	0	0	32,100	0
New Waste Treatment Facility Derby	07/08	25,062	62	25,000	25,062	0	0	0	0	25,062	0
Glossopdale School - Replacement Ph 1 & 2	13/14	23,536	21,688	686	22,374	1,162	0	0	0	23,536	0
Accelerated Highways Maintenance	14/15	22,800	22,146	0	22,146	654	0	0	0	22,800	0
A61 - Growth Deal project	15/16	20,860	1,419	1,808	3,227	5,365	7,408	4,860	0	20,860	0
Tibshelf School & autism Centre	11/12	15,706	15,448	133	15,581	0	0	0	0	15,581	(125)
Belper Integrated Specialist Facilities	12/13	13,863	5,119	3,665	8,784	4,300	779	0	0	13,863	0
		359,587	247,699	44,770	292,469	38,913	21,358	6,722	0	359,462	(125)