

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**22 November 2016**

**Report of the Director of Finance**

**CAPITAL BUDGET MONITORING TO MONTH 5 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 £658m, with the latest monitoring showing a forecast overspend over the life of the projects of £1.289m. 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 £61.845m. 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 - £1.101m

Children's Services currently have 792 open schemes with a budget value of £223.729m. 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

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. An enhanced scheme at Glossopdale School has been approved, increasing its budget by £17.000m up to £22.500m.

A further 21 minor (Schools Modernisation) schemes have been added to the capital programme, the largest of which is a classroom extension at Newhall Support Centre (£0.275m).

The projected overspend of £1.101m is represented by the BSF Phase 1 Programme (£0.945m); Cotmanhay Infants School (£0.116m) and Peak Lodge Special School (£0.044m). 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 - projected underspend - £0.100m

There are 272 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 £53.595m.

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. 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 over 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 - £0.288m**

The budget for schemes under this portfolio is currently £319.309m and now incorporates the former Health and Community Services budgets (£6.415m). 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, but following delays is now expected to be fully operational by autumn of 2017.

Following an initial delay, the LED Street Lighting scheme began this summer and is expected to be completed in spring of 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.

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

The latest available figures for the Digital Derbyshire Scheme, to 30 September 2016, show superfast broadband being delivered to 96,500 homes and businesses with the take up of the service standing at 36%.

The opening of Ilkeston Station has been delayed mainly due to groundwork issues and is now expected to open in early 2017.

The overspend of £0.288m relates principally to the Grassmoor Lagoons reclamation site (£0.224m) and the Cycle Access Scheme at Chesterfield Station (£0.063m). Negotiations are continuing with the Department of Business, Energy and Industrial Strategy for full settlement of Grassmoor Lagoons costs and with the contractor for the final account for the Cycle Access Scheme. If there is any remaining overspend, this will be met from reallocating LTP capital funds.

## **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 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, 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

	Current Budget	Total spend to August 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	61,845	39,916	18,139	58,055	3,790	0	0	0	61,845	0
Childrens Services	223,729	141,043	60,925	201,968	20,644	1,718	500	0	224,830	1,101
Council Services	53,595	20,186	31,970	52,156	1,339	0	0	0	53,495	(100)
Economy, Transport & Communities	319,309	177,070	70,334	247,404	36,830	21,612	10,514	3,237	319,597	288
Total	658,478	378,215	181,368	559,583	62,603	23,330	11,014	3,237	659,767	1,289

### Top Ten Capital Projects according to Budget Value

Scheme	Approval Year	Current Budget	Total spend to August 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
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	13/17	100,303	70,760	13,800	84,560	8,943	5,100	1,700	0	100,303	0
BSF Schemes	07/08	57,184	58,105	24	58,129	0	0	0	0	58,129	945
Markham Employment Growth Zone (MEGZ)	88/89	36,031	32,833	3,198	36,031	0	0	0	0	36,031	0
Buxton, The Crescent	06/07	29,000	7,180	21,820	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	223	2,000	2,223	7,750	7,750	5,577	0	23,300	0
Accelerated Highways Maintenance	14/15	23,000	11,613	(473)	11,140	6,500	5,360	0	0	23,000	0
Glossopdale School - Replacement	13/14	22,500	1,139	7,111	8,250	12,750	1,000	500	0	22,500	0
A61 - Growth Deal project	15/16	16,000	44	5,289	5,333	2,667	2,667	2,667	2,667	16,000	0
Tibshelf School & Autism Centre	11/12	15,641	15,448	193	15,641	0	0	0	0	15,641	0
		347,959	197,345	77,962	275,307	38,610	21,877	10,444	2,667	348,904	945