

Agenda Item No.6 (b)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Finance & ICT

**CAPITAL BUDGET MONITORING TO MONTH 3 2019-2020
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**

1 Purpose of the Report

To inform Cabinet of the latest budget monitoring position for the Capital programme.

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 2019 but have been completed and closed in year.

The current budget for open schemes is approximately £673m, with the latest monitoring showing a forecast overspend over the life of the projects of £0.018m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – projected overspend of £0.041m

There are 32 open schemes within Adult Care with a budget value of £64.697m. The major projects are:

Belper Integrated Specialist Facilities Centre	£13.837m
Darley Dale Specialist Community Centre	£11.270m
Heanor Specialist Community Care Centre	£10.750m
Disabled Adaptations 2019-20	£5.500m
Long Eaton Specialist Accommodation Unit	£2.500m
Buxton, Brown Edge Rd Residential Care Unit	£2.500m

The Belper Centre offers accommodation for up to 40 older persons with dementia, and includes a library on site. Construction work commenced in

May 2018 and is on target to complete in January 2020. The centre is scheduled to open to residents in April 2020.

The authority also has 4 specialist centres, providing care for physically frail, elderly clients with dementia. These are all operational, but the schemes cannot be closed yet due to the following issues. Darley Dale opened in March 2016, Heanor opened in August 2015, Long Eaton opened in August 2015 and Buxton opened in June 2018 and is awaiting its final invoice.

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 borrowing together with contributions from clients and district councils.

2.2 Children's Services - projected underspend - £0.088m

Children's Services currently have 648 open schemes with a budget value of £189.872m. The major schemes are:

Glossopdale School – Replacement	£23.699m
Tibshelf Secondary School & Autism Centre	£15,657m
Alfreton Park School Replacement	£11.900m
Aldercar Language College Replacement Phases 1 & 2	£11.140m
Tibshelf New Primary School	£7.000m

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. Tibshelf Secondary School is operational, with some remaining defect work outstanding. The scheme to replace the Park School Alfreton is due to start early next year and is scheduled to finish by December 2021. Aldercar School Phase 1 is complete and became operational in March 2018. Phase 2 still has some outstanding remedial work to be completed. The new Tibshelf Primary school is due to be complete and operational by March 2022.

The projected underspend of £0.088m is represented by overspends on the Alfreton Park Hydro Pool (£0.099m), Lady Manners School (£0.079m), Peak Lodge Special School (£0.045m). These are partially offset by anticipated underspends on a number of schemes. These include: Creswell Infants School (£0.093m), Hadfield Infants (£0.072m); Parkside Community School (£0.070m) and Brampton Primary School (£0.035m). The balance is made up of a number of school projects that have come in under budget.

The Executive 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 - £0.069m

There are 100 open schemes, the majority of which are funded from the Corporate Maintenance budget and cover all departments (excluding schools). The total budget for Corporate Services is £65.231m. It incorporates the former Health and Community Services budget of £6.608m. 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. The main construction contract commenced in May 2016 and it is anticipated that the scheme will be completed by 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 its costs are being finalised. Glossop Library opened in April 2018 and related snagging works are nearing completion.

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 £0.069m relates principally to works at High Peak Pump House, together with small over/underspends on several other schemes.

2.4 Economy, Transport & Environment - projected overspend - £0.134m

The budget for the 76 open schemes under this portfolio is currently £352.672m. It represents just over half of the total capital expenditure budget.

Local Transport Plan 2014-2019	£129.067m
Markham Vale Employment Zone (MEGZ)	£41,545m
LED Street Lighting	£32.100m
Waste Project, Derby	£25.062m
Accelerated Highways Maintenance	£22.800m
A61 Growth Corridor	£16.000m

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 years one and two are almost complete with a small percentage of the project over running. Year three is expected to be completed by December 2019 and will see the remaining street lights on the residential network converted to LED, apart from heritage and cast iron lighting columns. Overall this work is around 80% complete. Work is still behind schedule on the strategic network and is around 45% complete. The forecast completion of the strategic routes is the end of the 2021/22 financial year.

The contract, for delivery of the long term waste management including the Sinfyn plant, with Resource Recovery Solutions (Derbyshire) Ltd was terminated on 2 August 2019. Contingency measures have been put in place by the councils to make sure that waste continues to be dealt with. The councils will now enter negotiations to pay the banks an "estimated fair value" for the plant, taking into account all of the costs of rectifying ongoing issues at the plant, and the costs of providing the services to meet the agreed contract standards. The timing of this process is yet to be determined.

The three year planned programme of work for the Accelerated Highways Maintenance began in 2015-16 and all the surface dressing work has now been completed on all 457 identified sites, with the final external costs expected around autumn.

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, and Full Business Cases are due to be considered by the funding body (D2N2) in September 2019.

The anticipated overspend of £0.134m relates principally to an overspend on Grassmoor Lagoons (£0.343m) 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 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

Summary of Projected Capital Spend by Department

Department	Current Budget	Total spend to date (inc commitments)	Estimated spend remaining in 2019/20	Total projected spend to 31/3/2020	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022/23	Planned expenditure 2023 +	TOTAL Revised planned expenditure	(Under) / Over
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care & Health	64,697	52,853	8,896	61,749	1,989	1,000	0	0	64,738	41
Childrens Services	189,988	111,540	49,708	161,248	22,045	6,607	0	0	189,900	(88)
Commissioning, Communities & Policy	65,231	53,026	11,841	64,867	265	30	0	0	65,162	(69)
Economy, Transport & Environment	352,672	228,806	79,688	308,494	34,053	9,008	1,251	0	352,806	134
Grand Total	672,588	446,225	150,133	596,358	58,352	16,645	1,251	0	672,606	18

Top Ten Capital Projects according to Budget Value

	Approval Year	Current Budget	Total spend to date	Estimated spend remaining in 2019/20	Total projected spend to 31/3/2020	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022/23	Planned expenditure 2023+	TOTAL Revised planned expenditure	(Under) / Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	13/18	129,067	86,340	20,697	107,037	14,524	6,285	1,168	0	129,014	(53)
Markham Employment Growth Zone	88/89	41,545	36,493	2,262	38,755	2,529	261	0	0	41,545	0
Buxton, The Crescent	06/07	41,263	37,800	3,463	41,263	0	0	0	0	41,263	0
Street Lighting LEDs	15/16	32,100	19,323	6,295	25,618	6,482	0	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
New Glossopdale School - Ph 1 & 2	13/14	23,699	22,749	950	23,699	0	0	0	0	23,699	0
Accelerated Highways Maintenance	14/15	22,800	22,095	705	22,800	0	0	0	0	22,800	0
A61 - Growth Deal project	15/16	16,000	2,129	5,074	7,203	7,408	1,389	0	0	16,000	0
Tibshelf School & Autism Centre	11/12	15,657	15,448	209	15,657	0	0	0	0	15,657	0
Belper Integrated Specialist Facilities	12/13	13,838	7,472	3,754	11,226	1,612	1,000	0	0	13,838	0
		361,031	249,911	68,409	318,320	32,555	8,935	1,168	0	360,978	(53)