

Agenda Item No 6(c)

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**16 March 2020**

**Report of the Director of Finance & ICT**

**CAPITAL BUDGET MONITORING TO MONTH 9 2019-2020  
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**

**1 Purpose of the Report**

To inform Cabinet of the latest Capital 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 schemes that were open at 1 April 2019 and also those that have been completed and closed in-year.

On 6 February 2019 Council approved proposals relating to the Capital starts programme for 2019-20 totaling £67.6m. Due to subsequent approvals and project adjustments the 2019-20 capital programme now stands at £86.9m. The Schemes contained within the Report include previously approved Capital Programmes over numerous funding years, including 2019-20.

The current budget for open schemes is approximately £646m, with the latest monitoring showing a forecast underspend over the life of the projects of £2.220m. This is different from the figures presented in Appendix 1 which is a position statement by department and shows the forecasted position for all schemes which were open as at 1 April 2019, some of which may have been subsequently closed within the year.

**2.1 Adult Care – projected overspend of £0.601m**

There are 48 open schemes within Adult Care with a budget value of £70.838m. Six schemes within the Department make up approximately 65% of the current departmental budget of schemes open as at the 1 April 2019. The major projects are:

<b>Scheme Name</b>	<b>£m</b>
Belper Integrated Specialist Facilities Centre	13.863
Darley Dale Specialist Community Centre	11.270
Heanor Specialist Community Care Centre	10.750
Disabled Adaptations 2019-20	5.024
Long Eaton Specialist Accommodation Unit	2.500
Buxton, Brown Edge Rd Residential Care	2.500

### **The Belper Centre**

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 February 2020. The Centre is scheduled to open to residents in April 2020. There is a risk of potential overspend currently estimated to be in the region of £1.5m (not currently reflected in the monitoring) but there are initiatives in place to mitigate this and potentially utilise underspends on other projects. The success of these measures will be determined in the new financial year.

### **Specialist Care Centres**

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 due to the following issues:

- Darley Dale - opened in March 2016 and had issues with its roof and remediation is now complete. This scheme is due for sign off pending receipt of a signed contract from Balfour Beatty.
- Heanor - opened in August 2015 and is awaiting final bills for remediation works.
- Long Eaton - opened in August 2015 and has had floor defects which have now been addressed. The project will be closed shortly. Any surplus funding will be moved to the Belper Centre scheme.
- Buxton - opened in June 2018 and is awaiting its final certificate and invoice. All issues will be dealt with by the contractor under the terms of the construction contract for each site.

### **Disabled Adaptations**

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. Currently there is a predicted underspend of approximately £1.0m as a result of waiting lists for assessments prior to work commencing.

## 2.2 Children's Services - projected underspend - £1.164m

Children's Services currently have 697 open schemes with a budget value of £194.489m. Five schemes within the Department make up approximately 35% of the current budgets open as at 1 April 2019. The major schemes are:

Scheme Name	£m
Glossopdale School – Replacement	23.814
Tibshelf Secondary School and Autism Centre	15.657
Alfreton Park School Replacement	13.223
Aldercar Language College Replacement Phases 1 and 2	11.139
Tibshelf New Primary School	7.000

### Glossopdale School

Whilst the premises at Glossopdale School are occupied, development work continues and is nearing completion. Works are continuing on site by the appointed design and build contractor, Henry Brothers Ltd. Completion of external works involving works to the playing fields and drainage have been impeded by inclement weather during the final quarter of 2019. As a result the project has suffered some delay and completion is now scheduled during the Summer of 2020.

### Tibshelf Secondary School and Autism Centre

Post completion of the project at Tibshelf Secondary School and Autism Centre, a period of defect rectification was completed by the contractor and the Certificate of Completion Making Good Defects was issued on 6 November 2019. The final account has been prepared for the scheme and with no further costs which will provide savings to the budget of £0.209m.

### Alfreton Park

The scheme to replace the Alfreton Park is currently in the design stage and progressing as planned. Planning approval for the project has recently been granted. The project will proceed through to final design, procurement and construction. Practical completion is scheduled for December 2021.

### Aldercar Language College

Aldercar School Phase 1 and Phase 2 are now complete. The defects related to the schemes have been rectified and the Certificate of Completion of Making Good Defects was issued on 6 December 2019 for Phase 1. The defects for Phase 2 were signed off by the Architect on 17 January 2020. The final costs attributable to the schemes are currently being reconciled prior to financial closure.

### Tibshelf Primary School

The feasibility for the new primary school at Tibshelf and permission have been granted to approach planning. The project will undergo consultation until 10 May 2020 with a view of preparing the pre-planning application. Following

the planning stage the project will be submitted to the Client for a decision to proceed.

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 - £0.359m**

There are 168 open schemes with a value of £66.452m, the majority of which are funded from the Corporate Maintenance budget and cover all departments (excluding schools). Four schemes within the Department make up approximately 73% of the current budgets open as at 1 April 2019. The major schemes under this portfolio are:

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

#### **Buxton Crescent**

The project at Buxton Crescent and Thermal Spa is nearing completion with the restored Pump Room opening as a visitor information point and venue for events in March 2019. Partial handover has taken place allowing the bedrooms to be furnished. The Ground Floor and Spa are nearing completion with the external works ongoing. The Council's involvement with the Buxton Crescent and Thermal Spa is to provide funding through enabling development in order to address the conservation deficit with the objective to secure the future conservation of a heritage asset.

#### **Ashbourne Library / Civic Centre**

The project at Ashbourne Library is now complete. A period of making good defects followed the completion of the scheme which have now been completed and a Certificate of Making Good Defects was issued on 17 October 2019. The final account has been prepared and accepted and no further costs for the works are expected, providing savings of £0.067m to the project.

#### **Green Deal and Fuel Poverty Grant**

Spending of the Green Deal and Fuel Poverty Grant has been delayed as separate external funding has been secured in its place which must be used before a specified deadline. It is anticipated that spending of the grant will resume later in the year and continue into 2021.

## Glossop Library

New Glossop Library was completed on 29 March 2018. Following practical completion the defect rectification period commenced. Outstanding defects were identified, some of which remain unresolved. Typically this period can take up to 12 months from completion on site.

## 2.4 Economy, Transport & Environment - projected overspend - £0.096m

The budget for the 90 open schemes under this portfolio is currently £314.175m. Six schemes within the Department make up approximately 73% of the current budgets open as at 1 April 2019. The current budget for the Department represents approximately 51% of the total Capital current budget for the Authority. The major schemes under this portfolio are:-

Scheme Name	£m
Local Transport Plan 2014-2019	126.887
Markham Vale Employment Zone (MEGZ)	41.641
LED Street Lighting	32.100
Waste Project, Derby	25.062
Accelerated Highways Maintenance	22.800
A61 Growth Corridor	16.000

### Local Transport Plan

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.

### Markham Vale

The remediation of Markham Vale is approximately 80% complete and development land is approximately 60% occupied. As of March 2019 there are currently 2,236 full-time employees working on-site. On both the Markham Vale North and Markham Vale East sites, companies have moved into their brand new buildings with tranches of staff continuing to locate to their premises on-site, with several companies having expansion plans for the future. On the western side of the M1 motorway a further new development has been completed and is now available for immediate occupation. In addition to the above progress, there are landscape improvements works to complete across the whole site and planning to improve and extend infrastructure in and around Markham Vale, including repair work to Seymour Link Road, additional routes for cyclists and walkers and further plot development earthworks alongside Enterprise Way and Markham Lane. Depending upon economic demand and completing the remaining engineering works it is anticipated the site will be completed in 2022. The project is still aiming to complete in 2022 in line with the anticipated expenditure plan that has been forecast.

### **LED Street Lighting**

Currently the residential element of the LED project is coming to a close, with both external contractors completing some final pieces of work which is anticipated to conclude by the end of March 2020. Electrical and lighting designs as well as site surveys are being undertaken on the strategic / resilient network with an anticipated completion of April 2022 in line with the budget allocation.

### **Waste Project**

The Waste Management facility aims to divert waste from landfill by heat-treating waste to produce a gas which is then burned to create electricity. The contract, for delivery of the long term waste management including the Sinfen 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 have now entered a process for determining 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.

### **Accelerated Highways Maintenance**

The Accelerated Highways Maintenance project was initially intended to be a three year programme of carriageway works with the predominant treatment being surface dressing. Unfortunately surface dressing is a seasonal process that can only be carried out in the summer months when conditions are favourable in accordance with national guidance recommendations. Over the last few summers there has been wet, cold and extremely warm temperatures which has delayed the surface dressing programme delivery, and caused incomplete schemes to be carried over to following years, however, all the sites in the project have now been completed.

### **A61 Growth Corridor**

The A61 Growth Corridor consists of a number of specific projects that provide enabling infrastructure to unlock new housing and jobs and mitigate the impacts of increased travel generated by growth. The enabling works consist largely of new highway and cycling infrastructures and the Council has taken the role of ‘scheme promotor’ with support from other local neighbouring councils and private sector developers. Full Business Cases for the 21<sup>st</sup> Century Transport Corridor and Standard Gauge Travel aspects of the project were approved by the Local Enterprise Partnership (D2N2) in September and the work progresses on site. Full Business Cases for the Chesterfield Station Masterplan and The Avenue, possibly with the addition of Clowne North, are due to be considered by the funding body by the end of the financial year. The current projected underspend on the project reflects reduced costs for the 21<sup>st</sup> Century Corridor and Standard Gauge but this is likely to be reallocated to a different project.

Any funding shortfall on individual projects will need to be addressed by the Executive 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 51% in value of all the capital schemes that were open as at 1 April 2019. These schemes are currently projected to underspend by £1.013m, the main underspend of £0.779m relates to the A61 Growth Deal Project. It should be noted that the current estimated expenditure for Belper Integrated Specialist Services in 2019/20 includes expenditure previously processed and allocated to the project which has now been partially reversed, this is to reflect the true split of the costs incurred between two projects.

## **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
<b>Adult Care &amp; Health</b>	70,838	59,646	7,602	67,248	1,989	1,000	0	0	<b>70,237</b>	(601)
<b>Childrens Services</b>	202,343	128,559	20,690	149,249	36,858	14,447	625	0	<b>201,179</b>	(1,164)
<b>Commissioning, Communities &amp; Policy</b>	67,603	55,449	9,415	64,864	2,289	90	1	0	<b>67,244</b>	(359)
<b>Economy, Transport &amp; Environment</b>	360,449	254,296	28,127	282,423	52,863	21,953	1,627	1,487	<b>360,353</b>	(96)
<b>Grand Total</b>	<b>701,233</b>	<b>497,950</b>	<b>65,834</b>	<b>563,784</b>	<b>93,999</b>	<b>37,490</b>	<b>2,253</b>	<b>1,487</b>	<b>699,013</b>	(2,220)



## APPENDIX 2

## 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	13/19	126,887	94,717	8,304	103,021	11,250	9,941	1,188	1,487	126,887	0
Markham Employment Growth Zone	88/89	41,641	36,715	130	36,845	1,910	2,529	357	0	41,641	0
Buxton, The Crescent	06/07	41,263	38,992	2,271	41,263	0	0	0	0	41,263	0
Street Lighting LEDs	15/16	32,100	22,107	3,511	25,618	6,482	0	0	0	32,100	0
New Waste Treatment Facility Derby	07/08	25,062	2,071	4,556	6,627	11,808	6,627	0	0	25,062	0
New Glossopdale School - Ph 1 & 2	13/14	23,814	23,150	414	23,564	250	0	0	0	23,814	0
Accelerated Highways Maintenance	14/15	22,800	22,081	719	22,800	0	0	0	0	22,800	0
A61 - Growth Deal project	15/16	16,000	3,726	1,477	5,203	8,629	1,389	0	0	15,221	(779)
Tibshelf School & Autism Centre	11/12	15,657	15,448	0	15,448	0	0	0	0	15,448	(209)
Belper Integrated Specialist Facilities	12/13	13,863	11,313	(87)	11,226	1,612	1,000	0	0	13,838	(25)
TOTAL		359,087	270,320	21,295	291,615	41,941	21,486	1,545	1,487	358,074	(1,013)