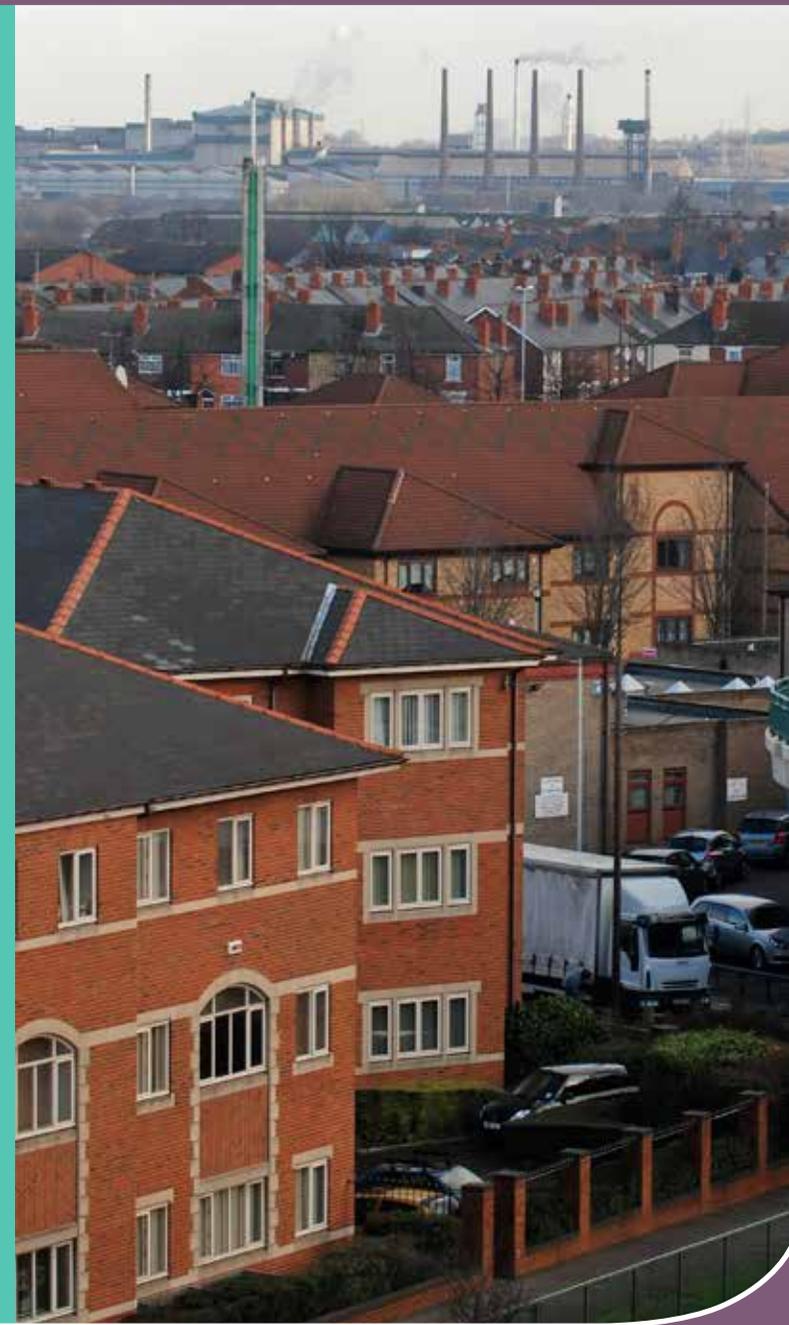


Draft Version



Capital Strategy 2016/17 to 2020/21



Draft Version

Foreword

Welcome to our new Capital Strategy 2016/17 to 2020/21, which sets out the processes by which the Council will allocate its capital resources, to maximise their contribution to the delivery of the Council's strategic aims and objectives.

Over the last year, since I became Leader of the Council, I have undertaken the biggest public consultation in the history of Rotherham Council. I met with people of all ages and all backgrounds, heard their thoughts, ideas and worries, and from that we adopted a new vision for the council.

Rotherham is our home, where we come together as one community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind.

To achieve this as a Council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focussed relentlessly on the needs of our residents.

Residents told me that they knew and understood the financial pressures that the council is under, but that they wanted to live in a clean, safe community. They need the council to be able to work more efficiently if we are to deliver. They talked about how they would like to see the town centre improved, and pot holes filled. Virtually everyone who took part in the consultation said that creating more local jobs is a priority.

And as we continue to improve the council, this Capital Strategy marks the next stage of our development; marshalling the council's resources to be able to deliver on the priorities of residents.

It has been informed by Directorate Asset Management Plans, and other key Council strategies such as the Growth Plan, the developing Digital Strategy and the Customer Access Strategy. It also signals our commitment to the developing Town Centre Master Plan.

The Capital Strategy will deliver a capital programme that is affordable and sustainable, and contributes to the Borough's economic growth. It will also ensure that the Council fully contributes to the delivery of the Sheffield City Region (SCR) Strategic Economic Plan, and maximises the potential for securing capital funding from the SCR and the Devolution Deal.

Our challenge is to ensure that the council works more efficiently, prioritising "invest to save" opportunities, makes best use of our existing buildings and makes the necessary investments to the working environment of our staff, and to improve the wider Rotherham environment to everyone's benefit.

I very much welcome this document as the latest step on that journey.



Contents

1. Executive Summary	4
2. Corporate Plan	7
3. Overview – Capital Expenditure	8
4. Why we need a Capital Strategy	12
5. Operating Environment	13
6. Sheffield City Region	14
7. Golden Rules	17
8. Capital Programme Development	20
9. Stage 1: Approved Programme	21
10. Stage 2: Agreed in Principle	24
11. Stage 3: Development Pool	34
12. Funding Streams	38
13. New Capital Governance	42



Executive Summary

Introduction

This Capital Strategy sets out the processes by which Rotherham Metropolitan Borough Council will allocate its capital resources to maximise their contribution to the delivery of the Council's strategic aims and objectives. The Council's vision is set out below.

A new vision for Rotherham

Rotherham is our home, where we come together as one community, where we seek to draw on our proud history to build a future we can all share. We value decency and dignity and seek to build a town where opportunity is extended to everyone, where people can grow, flourish and prosper, and where no one is left behind.

To achieve this as a council we must work in a modern, efficient way, to deliver sustainable services in partnership with our local neighbourhoods, looking outwards, yet focused relentlessly on the needs of our residents.

To this end we set out four priorities:

- Every child making the best start in life
- Every adult secure, responsible and empowered
- A strong community in a clean, safe environment
- Extending opportunity and planning for the future

Opportunity

There is significant growth potential in the Borough and the wider Sheffield City Region. Restoring business confidence and making Rotherham a place for 'doing business' will help attract much needed inward investment and will be integral to Rotherham's

future economic ambition. Rotherham has ambitious targets in the Local Plan for new housing, with a need for 958 new homes a year. We also have a jobs target of 1,000 a year and 750 net new businesses over the next 5 years. This correlates to the growth ambitions set out in the Sheffield City Region (SCR) Strategic Economic Plan. This level of housing and economic growth will require a step change in the amount of investment made in growing the Rotherham economy.

The Council also has a major role to play in helping drive this growth and enterprise, both as a facilitator and also in terms of a potential deliverer, as a major land and property owner. The Council working with the SCR, through the proposed devolution deal, will now be in a fairly unique position to drive growth and investment in the region. The Council will look to maximise the opportunities created through the devolution agreement, alongside the proposed Capital Strategy 2016 to 2021 to connect residents and businesses with skills and employment opportunities and support the investment in our Town Centre, housing and in transportation and highways infrastructure.

Challenge

The challenge for the future is to drive transformation, to help define Rotherham as an attractive place to live, further improve the quality of life for all residents, increase their overall social and economic prospects and enable them to participate fully in the life of the Town. Important to the delivery of these aspirations for the Town will be:

- To support, promote and drive the role and continuing growth of the town centre and Borough as a city region driver, as a focus for employment growth, through a strengthening and diversification of its economic base. This will be complemented through the ongoing development of the Advanced Manufacturing Park and the establishment of an Advanced Manufacturing Innovation District.
- To support investment in highways infrastructure, which will see £73.258m of investment in projects between now and 2021, which will help connect people to jobs, education, shopping, recreation and services.
- Realising the ambition to improve the Town Centre offer, making it an attractive place for people to live, work, shop and enjoy their leisure time.
- The delivery of housing, both to improve existing Council housing and to facilitate the provision of new housing in the Borough, through major developments such as Waverley and Bassingthorpe Farm, in order to meet regional housing demand.

The Council has undertaken a major piece of work over the last year to review its existing arrangements for the development of and approval of the Capital Programme. This has led to:

1. Extension of the planning period to 5 years from 3 years to 2020/21
2. New and Improved Capital Governance Procedures
3. New and Improved Capital Reporting and Monitoring Procedures

Council and Cabinet Members will have a key role to play in the new governance procedures, with a new focus on ensuring that Members are involved in the consultation and decision making process from the outset and throughout. From the initial review this was identified as a key priority, and as the Capital Programme governance and the Programme itself have been developed, we have sought to keep Members up to date. It is envisaged that through the Capital Strategy, Members will have the opportunity to review and scrutinise projects being considered for inclusion into the Capital Programme, with the aim that they will give their endorsement for these projects. These projects will then only be included within the Capital Programme once detailed business cases have been brought forward for approval.

What does the Capital Strategy cover

The development of the Capital Strategy and the detailed Capital Programme stems from the priorities outlined above and sets out the process by which the Council will allocate its finite capital resources, to maximise their contribution to the delivery of the Council's Vision and priorities. Together, both the Strategy and the detailed Programme have been informed by Directorate Asset Management Plans, and other key Council strategies such as the Growth Plan, the Transport Strategy and the developing strategies in Housing, Digital and Customer Services. It will also be informed by the developing Town Centre Master Plan, which is soon to conclude and be published.

The Capital Strategy will deliver a Capital Programme that is affordable and sustainable, and contributes to the Borough's economic growth. It will also ensure that the Council is able to fully contribute to the delivery of the SCR Strategic Economic Plan and maximise the potential for securing capital funding from the SCR and the Devolution Deal.

The Strategy sets out seven Golden Rules for determining which projects will be approved for inclusion in the Capital Programme. These rules proscribe the governance and approval procedures that must be followed, including the business case and financial appraisal process, and the financial framework under which the Capital Programme will operate. The Strategy outlines the new standardised governance arrangements that are being put in place, including the meeting structures to manage the Capital Programme. This includes corporate project management guidance, informed by Treasury Green Book guidance, and improved systems and reporting arrangements. Taken together these improvements will improve officer accountability, provide transparent and clear approval routes and enhance reporting arrangements, to enable Commissioners, Members and Officers to make timely, informed decisions on the Capital Programme and its performance and progress.

This Strategy encompasses the current approved Capital Programme for the period 2016/17 to 2017/18, as well as the forward five year Capital Programme for the period 2016/17 to 2020/21. Included in the Strategy are Projects for which conditional approval has been granted, termed Development Pool Projects. These are projects that the Council has the ambition to deliver, but have not been successful for inclusion into the forward Capital Programme at this stage, as they are dependent upon the right financial and non-financial conditions to make these projects viable.

There are three key stages for projects included within the Capital Strategy:

Stage 1 Approved – Projects already fully included in the Capital Programme.

Stage 2 Agreed in Principle – Projects that have been identified as high priority, for which we are seeking endorsement for inclusion into the Capital Programme.

Stage 3 Development Pool Projects represent some of the most significant proposals for future capital investment within the Borough. It includes projects which will deliver major improvements in key strategic areas such as highways, town centre regeneration, and housing and economic growth. These projects have been included within stage 3 as they have significant funding shortfalls, or require strategic approval (i.e. they are included within the Council's Growth Plan, Town Centre Master Plan or Asset Management Strategies).

This Capital Strategy is aligned with the Council's Medium Term Financial Strategy (MTFS), to ensure that the delivery and financing of the Capital Programme fully reflects the principles of the MTFS. This will be done by ensuring that the revenue implications of capital projects are reflected within the MTFS and in revenue budgets (such as the cost of borrowing and savings generated through invest to save schemes).

The table below illustrates the total capital programme for 2016-2021, including funding identified. This expenditure is made up from the schemes within the current approved programme, Stage 1 and new schemes being brought forward within Stage 2.

Summary of The Total Capital Programme 2016-21 – Including Funding

New Capital Programme & Funding 2016-21	Stage 1 (Approved)	Stage 2 (Agreed in Principle)	Total Capital Programme	Grants & Other Contributions	Major Repairs Allowance	Prudential Borrowing	Revenue Contribution to Capital Outlay	Usable Capital Receipts
	£m	£m	£m	£m	£m	£m	£m	£m
Town Centre Development	-	17.000	17.000	-	-	7.000	-	10.000
Improving Highways & Infrastructure	17.754	55.504	73.258	55.465	-	17.793	-	-
Housing & Neighbourhoods Investment	72.967	77.840	150.807	2.103	120.135	1.820	24.449	2.300
Key Invest To Save	2.240	11.360	13.600	0.640	-	12.960	-	-
Buildings Critical Condition	3.327	5.709	9.036	2.776	-	6.260	-	-
ICT Critical Condition	2.384	7.625	10.009	-	-	2.384	-	7.625
Housing Growth Projects	-	0.385	0.385	-	-	0.385	-	-
Development Fund	-	5.000	5.000	-	-	5.000	-	-
Grand Total	98.672	180.423	279.095	60.984	120.135	53.602	24.449	19.925

Conclusions

- The Council's Capital Strategy and Capital Programme are considered holistically with the Council's Medium Term Financial Strategy, Treasury Management Strategy, and Asset Management Plans.
- The Council is able to announce a potential Capital Programme of £279.095m over the next five years (approved + agreed in principle excluding development pool).
- The period of this Strategy will be very challenging for local government and the availability of capital financing to support the Council's Capital Programme will be limited. The Council will need to engage fully with the Sheffield City Region to maximise the grant funding that is available, as part of the devolution deal, and will work with the private sector to find gap funding for projects where appropriate.
- Revenue pressures over the plan period will have a significant impact on the ability of Rotherham Metropolitan Borough Council to undertake additional borrowing to support the Capital Programme. However, the Council will look to invest in capital projects which yield revenue savings on an invest to save basis.
- The new governance, reporting and monitoring procedures will improve the efficiency, effectiveness and overall control of the capital programme.

Corporate Plan

The Council's Capital Strategy and Asset Management Plans set out how they will contribute to meeting the Council's aims and objectives, as identified within the Corporate Plan 2016 - 2018. This Corporate Plan is an important milestone in the Council's improvement journey. It has been developed following the most extensive consultation ever held by the Council, which has shaped the Council's priorities for the future. The key themes of the Corporate Plan are:

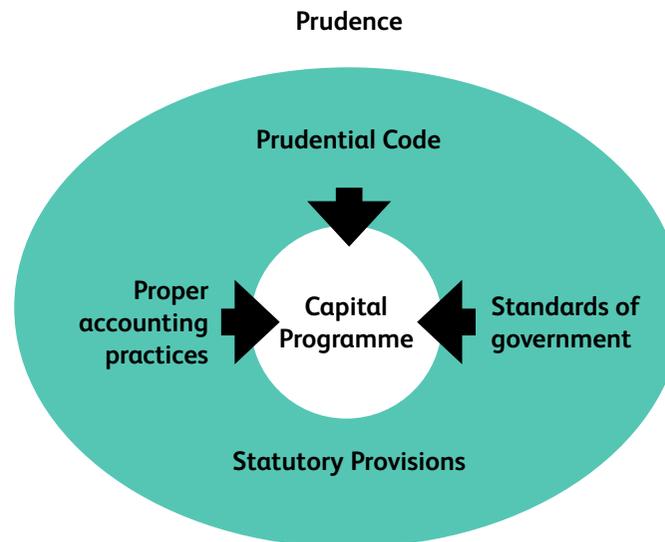
- Priority 1:** Every child making the best start in life
- Priority 2:** Every adult secure, responsible and empowered
- Priority 3:** A strong community in a clean, safe environment
- Priority 4:** Extending opportunity and planning for the future
- Priority 5:** Running a modern, efficient Council

In order to provide services and deliver the Corporate Plan objectives, the Authority needs access to long term assets. Long term assets, often referred to as "fixed assets", are defined as those that have an economic life of more than one year. The provision of long term assets is further defined as being capital expenditure.

Capital expenditure and finance is governed and operated under the Prudential Framework for Local Authorities in England. The Prudential Framework is an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans for

capital investment and expenditure, subject to an authority following due process in agreeing these plans and being able to provide assurance that they are prudent and affordable.

The Framework is based on the following foundations:



Overview

What is Capital Expenditure?

Capital planning is about capital investment or expenditure, as distinct from revenue expenditure or running costs. Capital expenditure can be defined as expenditure on assets that will provide a benefit to the organisation beyond the current financial year. This includes expenditure on:

- purchase of new assets
- creation of new assets
- enhancing and/or extending the useful life of existing assets.

A more detailed definition of capital expenditure, as it applies to UK local authorities, is contained in the Practitioners' Guide to Capital Finance in Local Government (CIPFA, 2012). In England and Wales, there are three routes by which expenditure can qualify as capital under the framework:



The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.

The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.

The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

Section 16 of the Local Government Act 2003 specifies that the definition of capital expenditure comprises these three descriptions of expenditure.

Regulation 29A of the Capital Financing Regulations [England] 2003 then exempts these three categories of expenditure from being charged to revenue.

Regulations 31 [England] define proper accounting practices as those contained in the SORP.

Overview

Financial regulations proscribe certain costs from being capitalised, in particular administrative and other general overheads, together with employee costs not related to the specific asset (such as configuration and selection activities). Authorities are also required to write off any abnormal costs that arise from the inefficiencies (such as design faults, theft of materials, etc.). The following table provides some examples

of the costs incurred by a local authority in the process of constructing a new administrative building on the site of existing office accommodation. The positions taken in the example below are just that an example, therefore advice should be sought from Capital Business Partners where there are any areas of uncertainty.



Item of expenditure	Capital or revenue?
Feasibility studies	<p>Revenue. All costs incurred whilst an authority is deliberating on the problems it wishes to resolve by having a new building, scoping potential solutions and choosing between them and assessing whether resources will be available to finance a project, will normally be revenue.</p> <p>This is because, until a specific solution has been decided upon, costs cannot be directly attributable to bringing an asset into working condition.</p> <p>Capital: Feasibility costs for chosen option.</p>
Demolition of existing building	<p>Capital. Demolition would usually be an act of destruction that would be charged to revenue. However, if the costs are incurred as a necessary step in preparing a site for a new building, it can be argued that they are an integral part of the new works.</p>
Costs of renting alternative accommodation for authority staff during building works	<p>Revenue. All costs incurred in carrying out the authority's regular business whilst construction is under way (no matter how great the cost of the inconvenience caused) will be revenue as they make no direct contribution of any value to the new building.</p>
Site security during construction	<p>Revenue. This activity protects the investment made in the building during construction but does not enhance it.</p>

Further Examples – Revenue or Capital?

Item of expenditure	Capital or revenue?
Professional fees	Capital. To the extent that the services provided make a contribution to the physical fabric of the new building (e.g.: architecture design) or the work required to bring the property into working condition for its intended use (e.g.: legal advice in the preparation of building contracts).
Furniture and fittings	Capital. Items that are needed to bring an asset into working condition for its intended use are often capitalised as part of the overall cost of the property, even if such items would normally be below the authority's minimal limit.
Rectification of design faults	Capital. Rectification work will take an asset closer to being in working condition. However, the expenditure previously incurred on the defective work would need to be written off to revenue
Training and familiarisation of staff in operation of new building	Revenue. The building will be regarded as being in working condition, even if there is no one competent at the authority actually to operate it. Training and associated costs do not therefore qualify for capitalisation.
Apportionment of costs of capital expenditure team and internal audit	Revenue. These costs are generally incurred to make sure the project runs as intended, rather than enhancing it.

Key Terminology

Asset Strategy

Long-term strategy for moving towards the optimal asset portfolio, which includes strategies for:

- Purchasing and constructing new assets
- Investing in and replacing existing assets
- Transferring assets to other organisations
- Disposing of assets that are surplus to requirements

Asset Management Plans

Detailed plans for individual assets or groups of assets covering

- How they will be managed on a day-to-day basis
- Investment in, replacement, transfer or disposal of those assets, in accordance with the asset strategy

Asset Planning

A general term for the activities covered by an asset strategy and asset management plans

Capital Strategy

Long-term strategy for investment in assets and for obtaining the resources required for that investment

Capital Programme

A set of capital projects that an organisation plans to undertake within a specified timescale, typically three to five years

Capital Planning

A general term for the activities covered by a capital strategy and the development of a capital programme



Why we need a Capital Strategy

A capital strategy is the foundation of proper long-term planning of capital investment, determining the priorities for this investment and how this is to be delivered and financed. Every public sector organisation that has significant capital assets and access to capital funding should therefore have a robust capital strategy. Rotherham Council's Capital Strategy defines and outlines the Council's approach to capital investment and is fundamental to the Council's financial planning framework, as enshrined in our Medium Term Financial Strategy.



The Capital Strategy will:

- Ensure capital expenditure contributes to the achievement of the Council's strategic aims and objectives, as defined in the Corporate Plan.
- Deliver a capital programme that is affordable and sustainable, and contributes to the Borough's economic growth.
- Maximise the use of resources and deliver Value for Money (VfM).
- Provide a clear governance framework for decisions relating to capital expenditure.
- Acquire and retain access to sufficient long term assets to provide services to the people of Rotherham.
- Encourage capital investment on Invest to Save (I2S) initiatives, to make efficiencies within the Council's revenue budget.
- Ensure that all investment decisions are based on a robust appraisal process, including the evaluation of VfM, affordability and risk.
- Ensure that the Council fully contributes to the delivery of the Sheffield City Region Strategic Economic Plan.

What is an Asset?

An item of property, plant or equipment that has a useful life of more than one year.

Operating Environment

Asset and Capital decisions need to be made in context. The following pages set out the environment anticipated over the plan period. There are three main elements to this environment which affect Rotherham Metropolitan Borough Council:

National Context

- Financial stability and tackling the deficit are the Government’s primary objectives. This will see continued pressure on capital and revenue budgets over the period of this Capital Strategy. Revenue budget reductions will limit the Council’s ability to support capital investment borrowing costs.
- The Government’s Joint 2015 Spending Review and Autumn Statement on the 25th November 2015 confirmed funding of £330m for the Sheffield City Region through the Devolution Deal. This funding will support investment in infrastructure, highways, skills and in support of economic growth.
- However, this Spending Review also confirmed cuts in revenue funding to local government of between 24% and 28% by 2020. These cuts will inevitably have a significant impact on the ability of public sector organisations to deliver long term capital programmes, due to having less ability to fund the revenue costs arising from additional borrowing, and reduced levels of staffing resources to support the development of capital projects.

- In addition, the Government announced plans to allow the flexible use of capital receipts for revenue funding on reforming and re-engineering services to secure efficiency savings. Whilst this is welcome, it will reduce the capacity for the Council to fund capital expenditure by using capital receipts.

Operating Environment – Local Conditions

- In February 2015 Louise Casey’s Corporate Governance Inspection declared that Rotherham Council was not fit for purpose. It resulted in far reaching government intervention, including the appointment by the government of Commissioners to oversee the running of the Council. Her report had been triggered by Professor Alexis Jay’s inquiry into Child Sexual Exploitation in the Borough.
- In addition to the specific CSE issues, these reports clearly highlighted that the Council needed to improve its governance procedures across the board. The governance of the Council’s Capital Programme is one such area. The new capital governance procedures will be covered later in this document.
- The lifecycle maintenance and repair of the Council’s operational assets and infrastructure, including the condition and suitability of its



school buildings, is a continuing challenge within the current budgetary environment, given the need to protect front line services.

- There is pressure on revenue budgets to keep pace with the deterioration of the highway network, given the pressure from increased usage and the effects of winter weather conditions. If the Council is to maintain its highway network at a level equal to or above the national average, it is clear that further capital investment is required.
- The Town Centre is a key priority for the Council, with the need to build on the award winning High Street regeneration to further improve the Town Centre offer, and make it more attractive and welcoming to residents and visitors.
- The Council must play an active role within the Sheffield City Region (SCR), to ensure that it receives its proportion of funding from the devolution deal, and to enable the Council to fully contribute to the delivery of the SCR Strategic Economic Plan.

Economic and Market Conditions

- The depressed property market is affecting the ability of the Council to realise capital receipts from property disposals, to support the funding of the Capital Programme.
- Property sale prices are still below pre-2007 levels, making the economic benefits of site disposals difficult to justify.
- Rotherham is ranked the 52nd most deprived district in England according to the Index of Multiple Deprivation 2015. Key challenges for Rotherham are people out of work, low levels of qualification, ill health and disability.

Sheffield City Region (SCR)

Central Government are continuing with their plans to promote and support the devolution of power and decision making within the United Kingdom. Within England powers are being transferred at a regional level to local government. This is illustrated with the devolution of powers to Greater Manchester and more importantly for Rotherham to the Sheffield City Region.

A second proposed devolution deal for the SCR was published in October 2015, which will further increase its power and authority on areas such as setting a consolidated multi-year transport budget, the power to produce a statutory spatial strategy, and the power to call in planning applications “of strategic importance.” The SCR will be a key vehicle for driving economic growth in the region.



Sheffield City Region

Sheffield City Region
The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, fabulous countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.

The City Region is located at the strategic heart of the country. It is comprised of the nine local authority areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.

It is vital that Rotherham remains a key player in the SCR to ensure that it can feed into and benefit from the SCR keys roles and funding opportunities. The SCR is the lead organisation for the following key strategic programmes:

- **Growth Plan:** sets out the Sheffield City Region’s plans to transform the local economy over the next decade.
- **LEP Board:** Local Enterprise Partnership (LEP) brings together business leaders and local politicians to make decisions that drive economic growth and create new jobs
- **Combined Authority:** The term “Combined Authority” means the bringing together of two statutory bodies – the Integrated Transport Authority (ITA) and an Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.

Barnsley 1
Bassetlaw 2
Bolsover 3
Chesterfield 4
Derbyshire Dales 5
Doncaster 6
North East Derbyshire 7
Rotherham 8
Sheffield 9





The Sheffield City Region represents the most significant funding source to the Council to enable it to deliver upon its major capital investment plans. With the wide variety, nature and size of the funding streams already at its disposal and funds that it will be responsible for in the near future, it is vital that the Council ensures its priorities are fed into SCR planning and programme development.

In July 2014, the SCR secured £297m of capital funding from the government's Local Growth Fund to invest over the period 2015/16 to 2020/21 on major transport and infrastructure schemes, developing sustainable transport, investing in skills infrastructure, and supporting business growth and investment. A further £30m was allocated in January 2015 under an extension to the Growth Deal covering the period 2016/17 to 2020/21. Rotherham has already benefited from SCR funding being allocated to support schemes such as the Waverley Link Road and Parkway Widening.

As part of the Devolution Deal, additional funding of £900m has been promised at a £30m annual budget spread over 30 years, split 60% capital and 40% revenue, and subject to five yearly performance review. The proposal is for the additional funding to form part of a flexible single pot together with the SCR's share of other national funding streams (as yet to be determined).

The SCR is organised around five themes, each under an executive board as indicated in the diagram below. The diagram below gives an indication of the sources of capital funding within each theme and across the SCR as a whole at this point in time.

Each board currently has its own funding allocations and approvals process, but the intention is to bring these separate frameworks together into a new overarching framework for making investment decisions across the full range of activities the CA is responsible for, Rotherham will need to be clear

on its capital priorities, in order to direct its own resources and time to ensure that project bids being put forward have the greatest chance of successfully accessing SCR funding. Rotherham's new capital governance arrangements have been developed to mirror the SCR's project appraisal process, to ensure that documentation required for approval within both organisations is of a similar format.

It is important to note and understand that the SCR boards and the new funding streams are still under development and as such the way the funds are governed, controlled and allocated is subject to change.

SCR Executive Boards

Business Growth	Transport	Housing	Skills, Employment & Education	Infrastructure
<p>Portfolio:</p> <ul style="list-style-type: none"> • Growth Hub • Centres of Expertise • Inward Investment • Rural <p>Funds:</p> <p>Regional Growth Fund £52m</p> <p>Northern Powerhouse Investment Fund £400m</p>	<p>Portfolio:</p> <ul style="list-style-type: none"> • Transport for the North • Rail North • HS2 • Commissioning body for Transport Committee <p>Funds:</p> <p>Transport for the North funding package linked to Northern Transport Strategy (to be published 2016)</p> <p>Sustainable and Inclusive Transport £24.6m</p> <p>LTP monies to support delivery of SCR Transport Strategy £8.7m (proposed)</p>	<p>Portfolio:</p> <ul style="list-style-type: none"> • Housing & Residential offer • Joint Assets Board <p>Funds:</p> <p>Housing Investment Fund (proposed)</p> <p>Additional resources through the rationalisation of the SCR Public Estate (proposed)</p>	<p>Portfolio:</p> <ul style="list-style-type: none"> • Skills • Employment • Education <p>Funds:</p> <p>Skills Capital £28m</p>	<p>Portfolio:</p> <ul style="list-style-type: none"> • SCRIF & JESSICA • Infrastructure Investment Plan • Broadband • Enterprise Zone <p>Funds:</p> <p>SCRIF £211.4m</p> <p>Enterprise Zone accelerator £5m</p> <p>JESSICA commercial property development fund £23m / Growing Places Fund £18.5m</p>
<p>SCR Cross - Cutting funds</p>	<p>Single Pot – to comprise additional funding of £30m per year over 30 years totaling £900m of investment for boosting growth plus SCR share of other national funding streams (proposed)</p> <p>EU Structural and Investment Fund (ESIF) 2014 to 2020 - £154m allocated comprising £90m Development Fund (ERDF), £61m Social Fund (ESF) and £3m Rural Development (overall allocation subject to exchange rate fluctuations – SCR seeking Intermediate Body status to administer funds)</p> <p>Business Rates Localisation - growth in business rates income in excess of agreed baseline (proposed).</p>			

Golden Rules

Golden Rule One

All future projects brought forward for inclusion into the capital programme must follow and adhere to the new capital project approvals process/governance procedures. Therefore project managers must ensure they follow the designated process for completing and gaining the relevant sign off for:

1. Strategic Outline Case
2. Outline Business Case
3. Capital Approval Document

Projects will not be included into the capital programme and allocated a project account unless these processes have been followed.

Golden Rule Two

Rotherham Council's annual financing costs for discretionary capital financing (not including Invest To Save) should not rise above the self-imposed ceiling of 10% of its Net Revenue Budget (Net Revenue Stream) over the plan period and any future periods. Note this is for General Fund projects, excluding the HRA which has its own borrowing principles.

- Financing costs include both interest and minimum revenue provision (MRP) costs.
- As revenue budget levels come under pressure during the plan period it is critical that financing costs do not rise to unaffordable levels. This will protect revenue funding for direct service delivery.
- This rule will not be affected by Invest to Save projects as any discretionary financing costs for such projects will be met by the scheme directly and projects of this nature are delivered to provide budgetary savings and wider benefits.
- This will result in a significant reduction in the ability of Rotherham Council to borrow to fund the Council's Capital Programme over the plan period.
- Implementation will result in prudent and affordable prudential borrowing for discretionary capital investment over the plan period to support the Council's Capital Programme.





Golden Rule Three

In the Local Government Finance Settlement, announced in December 2015, the Government is looking to introduce new flexibilities on the use of capital receipts from the 1st April 2016. As currently proposed, for a three year period, this will allow capital receipts received from that point to be used for revenue expenditure, where the revenue expenditure is improving the efficiency of the local authority. Therefore, any capital receipts received from that date will be earmarked to fund revenue expenditure of this nature, in the first instance.

With regard to the historic capital receipts that the Council holds, these will be used to fund the delivery of capital projects with the focus on short life assets, typically less than a 10 year asset life. This will help to increase the affordability of short-term capital projects and minimise the Council's borrowing costs, by matching the funding resources to the appropriate projects. This will aid the Council in ensuring that the Minimum Revenue Provision within the revenue budgets is maintained at a manageable level.

Capital receipts generated will continue to be pooled together within a corporate pot to be allocated out through the capital programme approvals process, via the Strategic Capital Investment Group (SCIG) and Strategic Capital Investment Board (SCIB).

Golden Rule Four (Financial Appraisals)

All capital projects will be subject to a series of financial appraisals carried out by the relevant capital business partner in conjunction with the project lead. These financial appraisals will be carried out on all options as part of the detailed Outline Business Case assessment stage.

The key financial appraisal techniques that will be used are Net Present Value (NPV), and Internal Rate of Return (IRR). NPV will be the key financial assessment tool. NPV calculations will be carried out using the Council's current cost of capital 4.6% plus 2% (to allow for risk).

Where a scheme is an Invest To Save programme of works it must generate a positive NPV. Where projects are being carried out that are not Invest to Save projects but have been

selected based on the basis of a wider social impact, the options appraisal will still be carried out with NPV being used as a financial indicator of value for money. NPV will indicate which of the potential options is most cost effective. However due to the nature of the Council's activities/role some projects of this nature may not select the project with the strongest NPV, in these cases the wider social impact of the proposed scheme must be sufficiently presented to SCIG/SCIB as part of the approvals process.

Golden Rule Five

Efficiency savings should be sought through the combining of capital projects that are carrying out similar works and can therefore be combined to form one tender process, to enable a more efficient and cost effective tender process and contract to take place.

For example, combining tender contracts for roofing works across services such as Schools, Housing and Corporate Property, rather than having 3 separate tender processes will assist with cutting the costs of procurement and ensure we can deliver better economies of scale.

Golden Rule Six

Capital projects must meet the requirements of being capital expenditure. In England and Wales, there are three routes by which expenditure can qualify as capital under the framework

1. The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.
2. The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.
3. The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

During the initial design stages of capital projects costs may be incurred for design fees, surveys and feasibility studies when preparing appraisals of possible delivery options. It is important to note that only the costs in relation to the chosen option can be capitalised.

Golden Rule Seven (Contingencies, Sanctions and Grants)

Contingencies:

All capital projects should include a contingency budget to cover any costs from unforeseen circumstances such as delays, contractor disputes etc. These contingencies should be set at either 10% of the capital project budget, or budget specified by the project's Quantity Surveyor.

In the event that the QS specifies a contingency greater than 10%, the justification for the increased contingency level must be clearly explained within the Outline Business Case and Capital Approval Document.

For the avoidance of doubt the contingency must be built into the projects budget. No additional funding will be provided for use as a contingency.

Sanctions:

Sanctions will be applied to the relevant service area where a capital project budget has not been managed effectively. In the event that a capital project overspends the financing costs of the additional expenditure will be charged to the revenue budget of the service concerned. This will help control and provide clear budgets for borrowing repayments, as well as reaffirming the need for effective budget management by the Council's project management teams.

In the event that there is a dispute over the responsibility of the project's overspend, the Strategic Capital Investment Group (SCIG) will review the circumstances to make a recommendation to SCIB on how the overspend will be treated.

Grants:

Where capital projects are approved on the basis that they are to be wholly funded via capital grants, they will not be supported with additional borrowing. Any pressures on these capital projects must be reported through the council's capital project governance with requests for additional resources to be addressed with the grant provider.

Grant funded projects will only be included within the capital programme once the grant award letter has been completed and we have assurance that the income expected can be realised.



Capital Programme Development

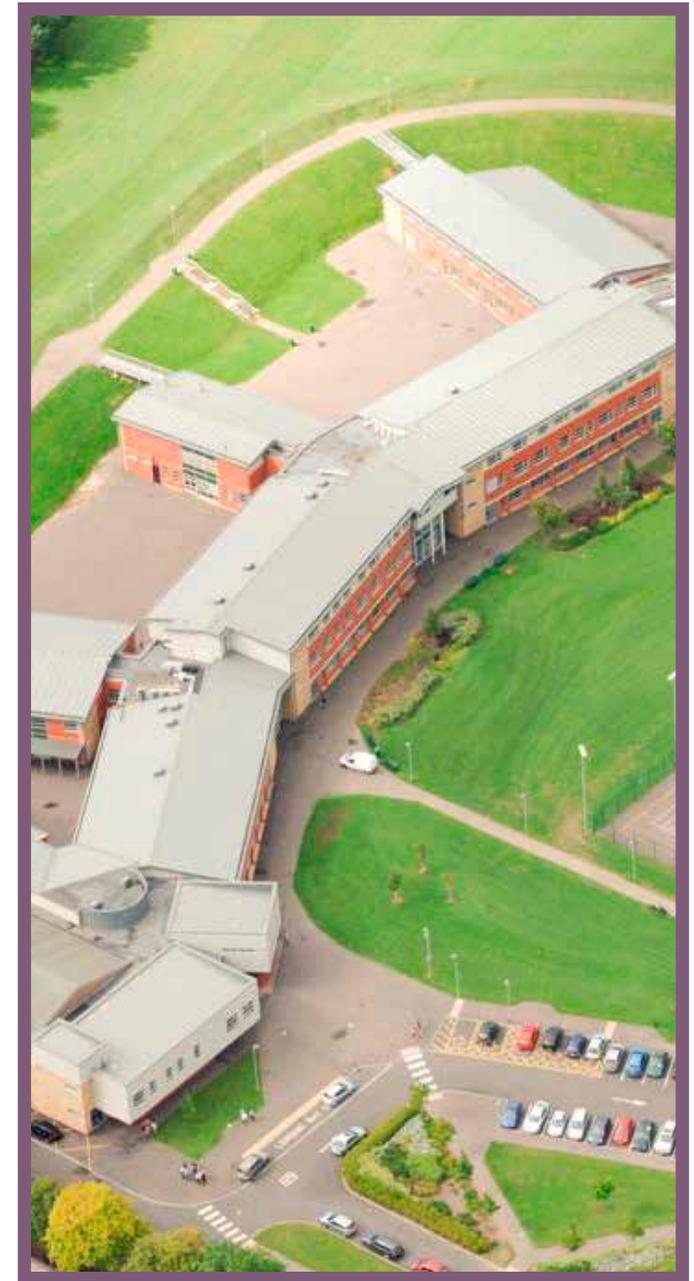
This section of the Capital Strategy outlines the specific details of projects included within the existing approved Capital Programme, as well as explaining our vision for future capital investment. It is important to separate the current approved programme that we intend to deliver, from the future investment opportunities which we hope to deliver, but are dependent upon strategic plans and funding availability. Projects that we are looking to include within the future Capital Programme are at a variety of stages in their development, from just being an initial project outline for consideration for funding or strategic backing, to more established projects that have been identified as a strategic priority and have reached the Strategic Outline Case Stage (SOC)/Outline Business Case (OBC) stage. Therefore, development of the forward Capital Programme has been broken down into the following three key stages:

Stage 1: Approved Capital Programme: Projects already included within the programme which are being delivered.

Stage 2: Agreed in principle: Projects to be included within the Capital Programme as they are critical, strategically important, or fully resourced.

Stage 3: Development Pool: Projects at this stage of development have been recognised as being something the Council wishes to consider for future capital investment, but at this point they are not ready to be brought forward for approval. The reason they are not ready for approval will be due to funding availability or strategic approval (i.e. inclusion within the Council's Growth Plan, Town Centre Masterplan or Asset Management Strategies). A key element of this stage are the projects which have been put forward for funding approval from the Sheffield City Region.

It is vital that we prioritise the development phases of the Capital Programme into these stages, so that we can be clear within the Capital Strategy on what we intend to deliver (Stage 1), what we aim to deliver providing business cases are robust (Stage 2), and what our vision is for future Capital Programme delivery (Stages 3).



Stage 1: Approved Capital Programme

The Council's current approved programme for the two year period 2016/17 to 2017/18 will deliver on the following key Council priorities:

- £15.3m investment in highway infrastructure projects and maintenance to improve the Borough's roads.
- £2.4m investment in street lighting to enable revenue savings by investing in new lighting technology.
- £3.3m investment in critical building condition works
- £72.9m investment in new housing and improvements to existing stock, the estate infrastructure and support to enable people to stay within their home through Disabled Facilities Grant (Private), and Adaptations (Public).

The revenue funding implications arising from the Approved 2016-2018 Capital Programme have been factored into the Council's capital financing budget and Medium Term Financial Strategy (MTFS). The approved programme of £98.672m is detailed below by theme

- All projects within Rotherham's approved Capital Programme are fully funded. By far the largest funding source is the HRA Major Repairs Allowance and HRA revenue contributions. These resources make up 67% of the overall Capital Programme.
- As can be seen below, the Programme is reliant on additional prudential borrowing of £13.003m, the financing costs attributed to this borrowing will be met in the revenue budget and as such have been built into the MTFS.



Stage 1 Approved Capital Programme 2016-18 (£m's)	Stage 1 Expenditure	Grants & Other Contributions	Major Repairs Allowance	Prudential Borrowing	Revenue Contribution to Capital Outlay	Usable Capital Receipts
	£m	£m	£m	£m	£m	£m
Improving Highways & Infrastructure	17.754	10.966	-	6.788	-	-
Housing & Neighbourhoods Investment	72.967	2.103	42.435	1.680	24.449	2.300
Key Invest To Save	2.240	0.640	-	1.600	-	-
Buildings Critical Condition	3.327	2.776	-	0.551	-	-
ICT Critical Condition	2.384	-	-	2.384	-	-
Grand Total	98.672	16.485	42.435	13.003	24.449	2.300

Committed Major Projects

Some of the larger projects the Council will be delivering within the current approved Capital Programme include:

Theme	Scheme Name	Scheme Description	Scheme Cost £m
Investment in Highways & Infrastructure	Upgrading Street Lighting	Includes the LED lanterns and column replacement programme. Two projects to improve the lighting infrastructure and reduce energy costs.	2.456
	Improving Highways Infrastructure	In addition to grant funding for highway maintenance, the approval of £2m to the capital programme for highway maintenance and improvements to non-principal roads to be funded by prudential borrowing. It is expected that the funding will permanently repair 50km of the unclassified road network. Works will be targeted to maximise the improvement to the durability and condition of the network.	7.532
	Sustainable Transport - STEP 2	The STEP 2 programme aims to deliver exemplar sustainable transport. The funding will be used to deliver improved walking and cycling access into Rotherham Town Centre and highway improvements on the A630 Centenary Way around Rotherham Town Centre.	1.856
Housing & Neighbourhoods Investment	Refurbishment of Council Dwellings	External and internal refurbishment to Council dwellings including work to windows, roofs, rain water goods, over shower baths, and external wall insulation.	27.710
	Fair Access For All – Aids and Adaptations	Aids and adaptations to Council dwellings and private sector properties to enable people to live independently.	8.800
	Replacement of Central Heating Systems	Replacement of central heating systems to Council dwellings. This is an ongoing programme of central heating replacements in order to reduce the revenue burden, as a result of increasing repairs to buderus and alpha boilers.	6.522
	Housing Growth - Strategic Acquisitions	A programme of building and purchasing new houses to increase stock numbers. 25 new homes have been constructed at Barbers Avenue, Rawmarsh. In addition we have purchased 10 properties at Wadsworth Road, Bramley and 31 properties at Sawn Moor Ave, Thurcroft.	12.210
	Decent Homes Voids Programme	Refurbishment work to bring void properties back to an agreed standard. Major voids occur when the cost of bringing a property up to the lettable standard exceeds £4,000. This often occurs where a previous tenant has refused decent homes work and so properties now require new kitchens, bathrooms or central heating systems.	5.200

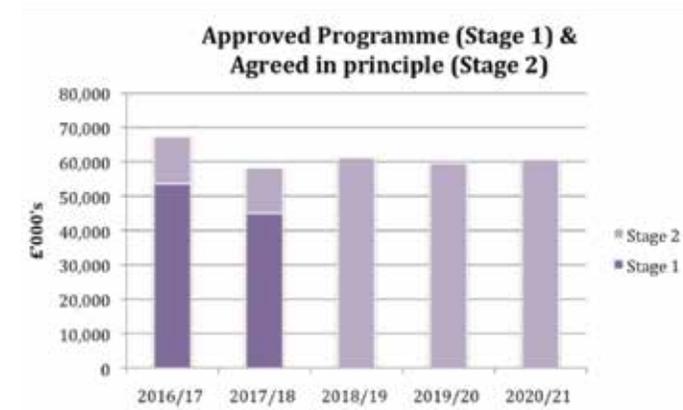
Key Invest to Save Infrastructure	Property Adaptations – Increasing foster care placements	Works to private properties to increase Borough capacity for foster care placements. The project generates revenue savings as a result of a reduction in out of authority placements.	1.600
Critical Building Condition Works	Capitalised Minor Enhancements – Schools	Grant funded programme for minor works at schools dealing with condition and suitability issues, including extensions and refurbishment works	1.800
	Devolved Formula Capital Grant – Schools	Grant paid annually to schools for them to spend on small capital projects. Funding has to be spent within 3 years of receipt.	0.537
	Library	Library and Customer Services have been working with Brinsworth Parish Council and colleagues in the Corporate Property Unit for some time to develop options to sustain and improve the library service within the area. Following consultation within the local community, the Parish Council is leading on and has submitted bids for external funding to support the development.	0.499
Critical ICT Infrastructure Works	ICT / Digital Strategy	Funding allocation in respect of key projects within the Council’s ICT and Digital Strategy. A 2015/16 ICT Delivery Plan has been approved. This encompasses expenditure on core networking equipment, server replacements and web filtering device upgrades. The 2016-2019 Digital Council Strategy is currently being developed.	1.519
	Improvement to ICT use within Social Care	Set up, purchase and implementation of Liquid Logic solution for CYPS and Adult Services. This meets a key recommendation in the Jay report to “Address the severe deficits in the ICS system as a matter of urgency and procure a replacement system”.	0.395
	Technological Refresh	Ongoing lap-top replacement programme as IT kit reaches the end of its useful life. To ensure the continuation of service provision.	0.470

Stage 2: Agreed in principle

These are additional projects over and above those already in the approved programme, to be included and financed in the new capital programme 2016 – 2021. These were agreed following an initial prioritisation process carried out with services, Commissioners and Cabinet members. Projects here are being included as they are critical works, strategically important, or fully resourced.

The result of this prioritisation process has led to projects receiving agreement in principle to the value of £180.423m set across the key theme areas detailed below. In addition to

the existing approved Capital Programme of £98.672m, this would give Rotherham a Capital Programme of £279.095m. The graph illustrates how the Capital Programme will look over the next 5 years, based on the approved Programme and the assumption that all the agreements in principle are approved for inclusion in the Capital Programme.



Stage 2 Agreed In Principle 2016-21 (£m's)	Stage 2 Expenditure	Grants & Other Contributions	Major Repairs Allowance	Prudential Borrowing	Revenue Contribution to Capital Outlay	Usable Capital Receipts
	£m	£m	£m	£m	£m	£m
Town Centre Development	17.000	-	-	7.000	-	10.000
Improving Highways & Infrastructure	55.504	44.499	-	11.005	-	-
Housing & Neighbourhoods Investment	77.840	-	77.700	0.140	-	-
Key Invest To Save	11.360	-	-	11.360	-	-
Buildings Critical Condition	5.709	-	-	5.709	-	-
ICT Critical Condition	7.625	-	-	-	-	7.625
Housing Growth Projects	0.385	-	-	0.385	-	-
Development Fund	5.000	-	-	5.000	-	-
Grand Total	180.423	44.499	77.700	40.599	0.000	17.625

The table above illustrates by theme the stage 2 agreed in principle capital schemes, including the funding identified.

Town Centre Investment (£17.000m):

The continued regeneration of the Town Centre offer, to build upon the successes of projects like the award winning High Street redevelopment, has been identified as a key priority by Commissioners and Advisory Cabinet Members. The Council is developing a town centre master plan, which will determine which town centre projects will be brought forward as a strategic priority.

However, the Council has already identified a number of key themes for the redevelopment and regeneration of the town centre, which will inform the master plan and our ambition for this Capital Strategy. These include:

- Enhancements to the town centre retail offer, including improvements to the Markets Complex and building on the success of the Townscape Heritage Initiative, a further Heritage Lottery Fund Bid to complete the High Street redevelopment and then begin to redevelop Westgate.
- Enhancements to the town centre leisure and night time offer. One of our key ambitions is to bring a cinema into Rotherham. This would bring a sea change to how the town centre is viewed, which in turn will attract secondary restaurant, shop and bar developments, to revitalise the town centre in the evening, as well as improving the day time offer.
- Improvements to the Transport Interchange, to address current condition and public safety issues. The aim is to create a new, brighter, safer environment and address some of the issues around CSE in and around the existing Interchange.
- Development of key strategic sites, including Forge Island, Westgate/Sheffield Road and the town's water side.

- Residential Development in the town centre. A key ambition is to increase the number of residential properties in the town centre, which will complement and support our leisure and retail ambitions. Exploiting key strategic transport developments such as the tram-train and Bus Rapid Transit (BRT) North, which will improve the access between Parkgate, Rotherham and Sheffield, the Council is looking to bring derelict and vacant sites forward for residential use.



- HE Campus Development. The Council are working with Rotherham College to develop a Campus on the Doncaster Gate site to cater for the increased numbers of HE students that they are attracting. The Campus will assist in developing a workforce that can meet the needs of Rotherham's businesses, to support their growth ambitions. In addition, it will increase footfall in the town centre. The College has approached the Council for a loan to help finance the development.

The Council is also working closely with the Sheffield City Region to identify funding for our town centre master plan projects. In addition, we will work closely with the private sector to identify development opportunities and will provide gap funding where sensible to do so.

Improving Highways & Infrastructure (£55.504m):

The Borough's highways connect people to jobs, education, shopping, recreation and services. They are an essential part of the overall transport network and we need to maximise their potential to connect people to places in a safe and sustainable way.

The highway network is an essential and valuable asset. Rotherham Council is responsible for 712 miles (1,143 km) of local highways network and it is the most valuable community asset under our control, currently valued at around £1.650 billion (Depreciated Replacement Cost).

It includes roads, footpaths, street lighting, road markings, road signs, safety barriers, traffic management systems, drainage systems and bridges. Note: the Department for Transport also manages some roads in the Borough - the combined 16 miles (25km) length of the M1 and M18 Motorway network.

The highways commitments put forward are linked to the Corporate Plan and aim to:

- Market Rotherham as an attractive business location.
- Make sure Rotherham's roads and footpaths are safe to use and that the condition is as good as (or better) than the national average.



A sample of the key highways projects put forward for inclusion into the Capital Programme are detailed below. The specific aims and objectives of the Highways Capital Programme can be found within the Highways Asset Management Plan (HAMP). A total of £55.504m has already been ring-fenced from the Sheffield City Region Investment Fund for two major highways projects (Parkway Widening & Waverley Link Road), on the basis that the feasibility studies and detailed business cases are completed and approved.

Scheme Name	Scheme Description	Total Scheme Cost £m
Highways Improvement Plan – Unclassified Road Network	To improve the condition of the highway network and in particular the unclassified carriageway network, with an additional investment of £10m over five years. There will be a requirement to ensure that an investment of around £6m (from various funding streams) per year is allocated to maintain and improve the network. This project will enable the condition of the unclassified highway network to achieve national average condition, in accordance with the Council's corporate priority. This would build on the already approved £5m investment for 2015/16-2016/17. The outcome would be that the unclassified roads in Rotherham are at, or better than, the national average condition.	10.000
Herringthorpe Valley Flood Alleviation Scheme	This project has been identified on the Environment Agency's Medium Term Plan for Flood Defence Projects. The proposed scheme will create a flood storage area in parkland upstream of the flood risk area. Furthermore, the Council will explore the possibility of introducing a wetlands feature within the Council owned land, in partnership with the Council's leisure and community services. As a result of the scheme, 112 residential properties and 4,877m ² of non-residential property would have a reduced risk of flooding.	0.275

Waverley Link Road (SCR Request)	<p>1.9km link road connecting the Waverley new community at Highfield Lane with the B6064 Furnace Lane in Woodhouse Mill. The project will lead to improved traffic flows and better access to the Advanced Manufacturing Park at Waverley.</p> <p>Approval has already been secured for the initial feasibility studies to be carried out on this scheme. The expenditure shown here is for the physical delivery of the major capital works, which will be funded through a combination of SCR/DfT grants and a developer contribution.</p>	<p>9.800</p>
Parkway widening (SCR Request)	<p>Widening of the A630 Parkway from 2 lanes to 3 from the Europa Way junction to the M1. The project will deliver improved traffic movements/flows in the Sheffield-Rotherham Corridor. Council approval has already been secured for the initial feasibility studies to be carried out on this scheme.</p> <p>The expenditure shown here is for the physical delivery of the major capital works. Funding of £42.26m is being sought from the Sheffield City Region / Department for Transport, this includes £8.82m in 2021/22 which is outside the time frame of this five year strategy. In October 2015 the Sheffield City Region approved the Outline Business Case for the project and recommended that it proceeds to the Detailed Business Case stage.</p>	<p>33.440</p>

Housing & Neighbourhoods Investment Commitments (£77.840m):

To follow on from the existing £72.967m HRA programme, a further 3 year HRA Capital Programme is being developed, that will tackle the key issues facing Council housing provision in the Borough over the period 2018-21. The HRA programme as a whole is under a review process, following the changes to rent policy made by Central Government and as such the programme level is subject to change. This element of the programme is entirely funded through ring-fenced HRA resources, if the available resources reduce the programme will have to be adjusted accordingly.

Area Assembly Investment

This investment will provide a small capital pot £0.140m for public realm works, parking schemes, highways improvement works etc. at individual local neighbourhood areas. The premise being that each local neighbourhood area will be able to identify what the key issues are within their area and prioritise how their budget is allocated to these issues. This project will increase collaboration between the community and the Council.



Scheme Name	Scheme Description	Total Scheme Cost £m
Council Housing Investment Programme	<p>Annual Housing Investment programme to maintain decency, carry out stock improvements, aids and adaptations and new stock provision, energy efficiency and environmental works to our 21,000 council homes.</p> <p>An annual programme of £30m is built into the Capital Programme for 2015-18. 21,000 Council homes meet Rotherham decent homes plus standard and we continue to improve access and reduce CO2 emissions.</p>	<p>77.700</p>

Key Invest To Save Projects (£11.360m):

Invest to Save projects are projects that can demonstrate through the business case process and financial appraisal, that the benefits of the project (savings made year on year) are sufficient to cover the financing costs of the borrowing to complete the project. Therefore, the savings made year on year during the useful life of the asset, will be greater than the cost of repaying the borrowing used to fund the project.

Examples might include an investment in an energy efficient boiler, resulting in lower annual running costs, or an investment in a new car park generating an additional income stream.

The cost of additional borrowing arising from Invest to Save projects is built into the Medium Term Financial Strategy, including where it will be funded from within the revenue budget. Revenue savings generated by the project are also reflected in revenue budgets. This information is key to ensuring that the MTFs and Capital Strategy interlink, but also will form vital performance information over the longer term, as we assess the actual impact of these projects on future cashflows.

Within the current Capital Programme commitments there are three Invest to Save projects that have been through the initial evaluation process by Advisory Cabinet Members and Commissioners, however, we do have a number of these projects on a potential scheme list. In future years Capital Programme reviews some of them may be brought forward as a capital project request, to be considered for full inclusion into the Capital Programme.



The two projects below have been identified as key Invest to Save projects that are of strategic importance.

Scheme Name	Scheme Description	Total Scheme Cost £m
Extra Care Housing Scheme	<p>To deliver a 70 bed Extra Care Housing Scheme (for older people) and provide new complementary residential housing.</p> <p>This project meets cross cutting objectives between Housing, Adults and Health services. Budget savings will be realised through property and service rationalisation. The proposed Extra Care development will enable older people to live independently for as long as possible. This will reduce the pressure on existing budgets, as care packages can be added flexibly as and when required, based on need.</p>	10.560
Maltby Library Relocation	<p>Relocation of Maltby Library from a separate building into the Maltby Joint Service Centre. Maltby Library is located 200 metres from Maltby JSC, which is a PFI building that houses a Sports & Leisure centre, Customer Service Centre, NHS-GPs, Pharmacy and a localities office for Rotherham and the NHS teams.</p> <p>It is proposed to reconfigure the Customer Service Centre on the ground floor to include a library. The existing library site could then be combined with the adjacent Fire Station, due to close in 2016, and some unused green space land, to create a mixed use retail and residential site.</p> <p>Note: a consultation process will be carried out before any decision and actions are taken.</p>	0.275

Critical Building Conditions Work (£5.709m):

This programme of works is focused on maintaining the operational functionality of Council owned buildings such as office space, markets, libraries and museums. A detailed assessment of the Council's future corporate asset requirements is currently underway. This will help to define the future use of these buildings, which in turn will define the level of improvements required. In the interim period the programme of works put forward is specifically to target critical works required to tackle health and safety issues, which would put the occupants at risk, and the Council at risk of failing in its duties under Health and Safety Standards, and therefore be unable to continue to provide services from these buildings.

Some of the main projects put forward are detailed below:

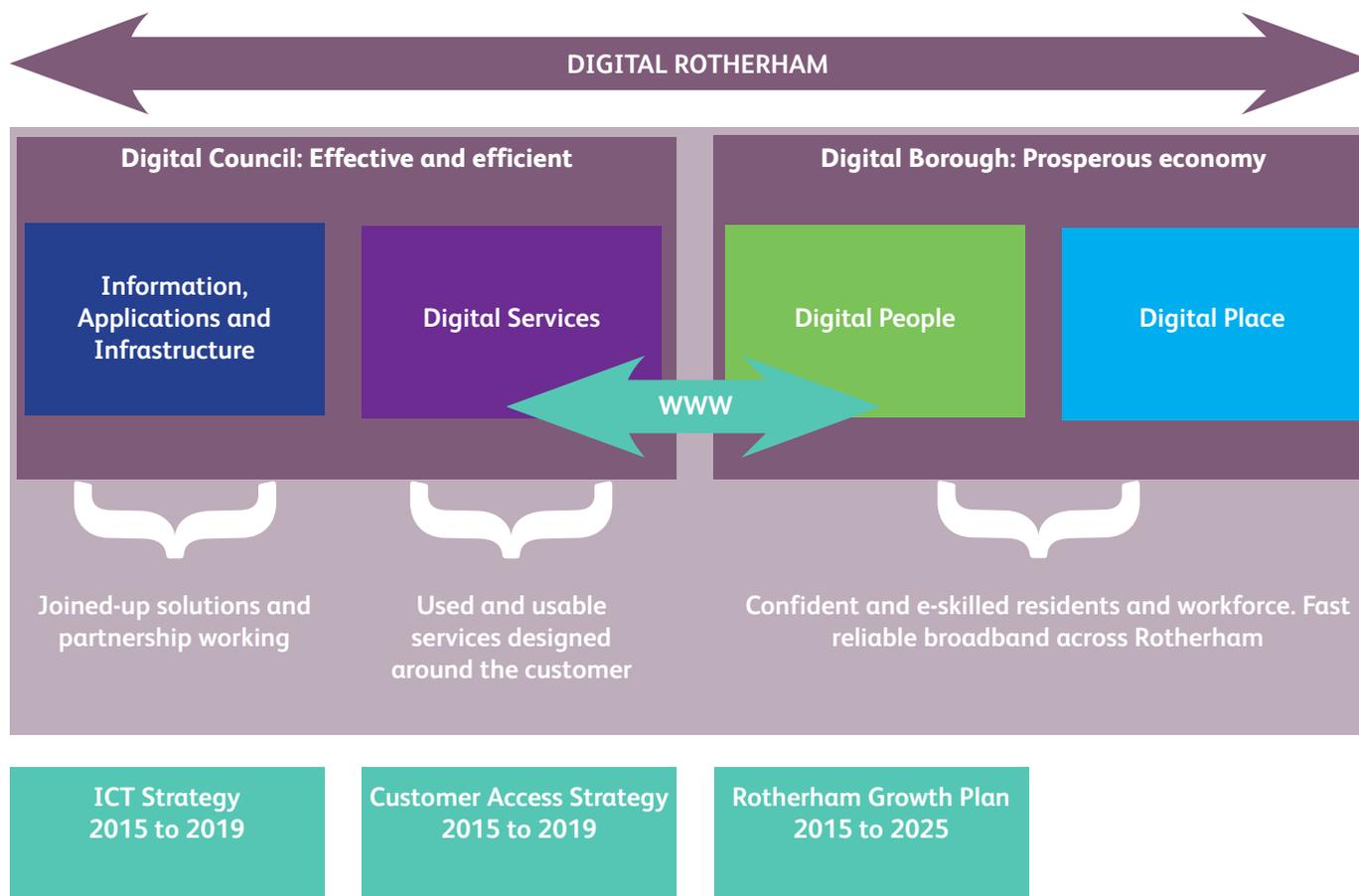
Scheme Name	Scheme Description	Total Scheme Cost £m
Operational Buildings Capital Investment	<p>The aim of this project is to allow the Council to catch up on backlog maintenance on its operational estate. To ensure the Council has an effective, good condition estate that is suitable for the Services provided by the Council. The programme of works will help reduce revenue maintenance costs, however, it will require significant support from Services to establish a prioritisation of work and a clear asset management plan.</p> <p>Lack of investment in the estate will create health and safety issues and potential reputational risk and potential service delivery failure. The expenditure profile shown is based on a do-minimum option, covering the costs of maintenance to ensure the buildings remain functional.</p>	3.294

Scheme Name	Scheme Description	Total Scheme Cost £m
Children and Young People's Service – Property Projects	Property related projects to support the Children and Young People's Service Improvement Plan. The works are subject to the outcome of operational and locality reviews, including, but not limited to, Social Care and Early Help services. The works will include suitability and condition works to existing Council buildings.	0.900
Treeton St Helens Church Yard	Inspections have found the retaining (and other boundary) walls are at risk of collapse. The graveyard annex is dangerous for visitors and staff who maintain it, due to many of the graves sinking and the memorials collapsing. The project will rebuild all the retaining walls to the relevant standards and stabilise the retained land and the individual graves.	0.450

Critical ICT Infrastructure works (£7.625m):

This programme of work is focused on maintaining the operational functionality of the Council's ICT Infrastructure. A detailed assessment of the Council's ICT requirements has taken place, which has identified key areas for investment to maintain the current services, as well as identifying areas where improvements are required. The projects delivered by this new Strategy will directly support service delivery and will have a critical role in supporting the achievement of Rotherham's Improvement Plan priorities.

The proposed 2015 to 2019 Digital Strategy is just one of a series of interlocking strategies that will allow the Council to deliver



The main areas of ICT which require capital investment relate to:

- ICT systems that are out of warranty and therefore prone to maintenance issues/costs, leading to delays in service provision.
In most cases these systems are no longer capable of running the latest business systems, leading to performance and efficiency problems.
- ICT systems that have reached the end of their useful life, where maintenance and security patches will no longer be released by the manufacturer. Failure to rectify this will expose the Council to security and performance risks and will preclude the Council from gaining an accreditation to the Public Services Network (PSN).
- A sample of the ICT infrastructure works are detailed below:

Scheme Name	Scheme Description	Total Scheme Cost £m
Computer Refresh Laptop, desktop and tablet replacement	<p>Over 50 % of the current laptop device estate is over 6 years old. These devices are out of warranty and are breaking down more, leading to an increase in IT support costs. They are not capable of running the latest business systems, which is causing performance and efficiency problems for staff. The current IT asset policy requires that devices are replaced every 4 years.</p> <p>The proposal is to continue the existing do minimum replacement rolling programme. There is an existing annual capital approval of £470,000 with funding for 2016/17 already included within the Capital Programme.</p>	2.860
Networking Equipment Refresh Replacement of core networking equipment.	<p>The IT networking equipment is coming to the end of its useful life. Maintenance and security patches will not be released by the manufacturer for this equipment. There is a statutory responsibility to provide a secure network for our data. Failure to do this work will expose the Council to security and performance risks and will preclude the Council from gaining an accreditation to the Public Services Network (PSN). Services using the PSN, such as Revenues and Benefits and registrars, will be disconnected. The Council's reputation for security will be damaged and networking failures will increase.</p> <p>Funding of £170,000 was approved as part of the ICT Delivery Plan 2015/16.</p>	2.363

Development Fund (£5.000m):

The Economic Growth Plan identifies a priority action to set up a Property Investment Fund to bring forward employment sites within the Borough. Experience through the R:evolution development on the AMP demonstrates that Rotherham can invest to bring forward development and enable economic growth, that if reliant on the private sector would either stall or be significantly delayed.

The Growth Plan also identifies the priority to develop strategic packages of sites to maximise growth, working with landowners, public and private sector partners to develop site packages and phased regeneration plans for growth zones. To effectively negotiate with land owners and exert influence over the strategic development of sites, Rotherham will need to have fiscal incentives to hand, of which a Property Investment Fund would be one.

Another key intervention from the Growth Plan is to create a “Rotherham Investment Product”, which is supported by a business facing culture within Rotherham; promoting the Local Authority as an organisation that works effectively with business. The product will set out a menu of options that will

enable the Local Authority to be more receptive to business investment and negotiate bespoke deals, to attract or retain businesses within the Borough, by removing barriers to investment and growth.

It is clear that if Rotherham is going to be credible in negotiating with the private sector, there needs to be a fiscal option within this menu, which should include being able to make property investments.



Scheme Name	Scheme Description	Total Scheme Cost £m
Development Fund	<p>Economic Development / Growth Fund - To provide a fund to pump prime capital developments, which can be shown to deliver jobs and business rates to the Borough. Awards would be loans or purchases with a quick sell on, or a guaranteed income stream; so the Fund will be revolving.</p> <p>The project aims to provide more sites and buildings for economic growth, increased business rates and increased employment for local residents.</p>	£5.000

Stage 3: Development Pool

Stage 3 represents some of the most significant proposals for future capital investment within the borough. It includes projects which will deliver major improvements in key strategic areas such as highways, town centre regeneration, and housing and economic growth. These projects have been included within stage 3 as they have significant funding shortfalls or require strategic approval (i.e. inclusion within the Council's Growth Plan, Town Centre Matersterplan or Asset Management Strategies).

A number of these projects have therefore been identified as potential projects to be funded from the Sheffield City Region, using its resources gained under the proposed Devolution Deal.

Stage 3: Development Pool	Project Expenditure Total	Project Resources Total	Total Shortfall
	£m	£m	£m
Improving Highways & Infrastructure	4.000	0	4.000
Housing Growth Projects	0	0	0
Economic Growth Projects	20.200	0	20.200
Grand Total	24.200	0	24.200



Highways & Infrastructure (£4.000m): Housing Growth Projects (£tbc)

A number of projects have been identified under the theme of Housing Growth projects that will be targeted to increase and improve the housing offer within Rotherham and enable us to meet Central Government set new housing delivery targets. We will be looking for support from the Sheffield City Region to find funding for these projects. At present, as they are in the initial project stages, costing is not available.



Scheme Name	Scheme Description	Total Scheme Cost £m
Crinoline Bridge	This scheme comprises the refurbishment of Crinoline Bridge which carries the A630 Centenary Way, a section of Rotherham’s inner bypass, over the River Don. Over the past 20 years severe leakage of the bridge joints has allowed chloride salts to penetrate and attack the concrete bearing shelves, abutments and pier. A full refurbishment of Crinoline Bridge will address the current condition of the structure and ensure that this major route is not subject to disruption due to restrictions or closure. DfT grants will be sought for this project.	4.000
Residential development in Town centre (SCR Request)	Rotherham Town Centre has the potential to develop an additional 2,000 new homes. This proposal is about supporting both private and public sector residential development, to take place where the market is unable to deliver, by dealing with site abnormalities and constraints. Support could also be in the form of utilising Council owned strategic sites in the town centre as assets, to support development and assembling sites through strategic acquisitions with capital investment. A request has been made via the HCA for site infrastructure funding to help with flood alleviation and other site abnormal development costs.	tbc

Economic Growth Projects (£20.200m)

A number of projects have been identified under the theme of Economic Growth that will be targeted to boost the local economy, creating jobs, making Rotherham an attractive location for major businesses, and increasing the quality and

offer of local district centres. We will be looking for support from the Sheffield City Region to find funding for these projects. At present, as they are in the initial project stages, costing is not available.

Scheme Name	Scheme Description	Total Scheme Cost £m
New Rotherham Mainline Railway Station (SCR Request)	Potential provision of a new railway station to enable mainline passenger services to serve the Rotherham central urban area. Parkgate has been identified as the most appropriate location. In conjunction with the tram-train link to the town centre, a new station could provide a park and ride site that would serve much of Rotherham's urban area. A new station would bring significant economic benefits, resulting in an annual GDP uplift of £26m, and provide direct access to 6 of the UK's top 10 Cities. This is in line with the aims of the Growth Plan and would increase the number of new businesses starting up in the borough, grow existing businesses and attract businesses to locate and invest in the borough.	15.1
Todwick North Development Site (SCR Request)	30 hectare site proposed for economic development in the emerging Local Plan. The site is intended to attract major inward investment by accommodating one or more large users, or through the development of smaller plots, which will comprise a high quality business park. The site will be delivered by the private sector, however, the Council may wish to consider any assistance which enables the site to come forward, or reduces the risk of non-delivery. Todwick North will achieve the aim of providing more sites and buildings for economic growth, leading to an increase in business rates and employment for local residents. The current timetable is that the plan is adopted in early 2017, so that the site would be allocated for development and removed from the green belt. The site would then go through the planning process, with infrastructure enabling works following. On this basis development would start in 2018/19 at the earliest.	tbc

Scheme Name	Scheme Description	Total Scheme Cost £m
<p>Advanced Manufacturing Innovation District (AMID) (SCR Request)</p>	<p>The AMID brings together universities, Local Authorities and the private sector around a 2,000 acre centre of excellence in metals and materials manufacturing, spanning the Rotherham-Sheffield border that will accelerate and enhance the growth potential of businesses encompassing design, technical services, professional services and distribution across the whole of the SCR.</p> <p>AMID builds on the research and innovation capacity of the Advanced Manufacturing Park (AMP). It is a flagship project for the Northern Powerhouse and is specifically referenced in the Devolution Deal. AMID will transform business and investor perceptions of SCR as a place to invest, where world-leading innovation is driving an advanced economy.</p> <p>The Council will master plan the area between the AMP and the town centre and deliver strategic interventions to connect the town centre and Templeborough, including Magna, with the AMID core. This will address the need to expand the core within the next 5 years and unlock the potential for up to 6,000 homes in and around the town centre creating a place for people to work, live and spend their leisure time.</p>	<p>tbc</p>
<p>New Incubation Centre (Successful Centres) - Hellaby/Maltby (SCR Request)</p>	<p>Rotherham Investment and Development Office (RIDO) would like to add a fifth Incubation Centre to their existing portfolio of successful centres. The ideal location would be around the M18, Hellaby/Maltby area. This particular area has been selected due to the popularity of the Matrix@Dinnington Business Centre, which is currently 100 % occupied. A number of enquiries have been made by start-up/early stage companies showing an interest in starting a business in this area.</p> <p>The current successful business incubation model will be used in a new development, which would be a 30,000 sq. ft. centre. This would be a mixture of both office and workshop space, offering approximately 45 – 50 units, split 60/40 office/workshop space. The new centre will also provide co-working space, a new resource to the existing RIDO Business Centres operation.</p> <p>A new facility would assist in the creation of new start-up businesses and employment opportunities in the Rotherham, Sheffield City Region area.</p>	<p>5.1</p>

Funding Streams

There are a wide variety of funding streams available to the Council to enable it to resource the capital programme expenditure. Each of them have their own set of rules, regulations and restrictions that dictate how and when they can be used. The funding of the programme is therefore designed to maximise the use of ring-fenced and restrictive resources such as government grants and contributions to enable us to minimise our need for prudential borrowing. We also have sought to match resources to the nature of the assets being enhanced within the scheme, for example funding short term assets with capital receipts (ICT programme), and long term assets through prudential borrowing (Highways).

The tables to follow will provide a description of each of the funding sources that have been identified to resource the capital programme 2016-21. They also show the level of each funding stream against each approval stage.

Carry Forward Requests

As the forward Capital Programme is refreshed and reviewed each year, we will need to consider any programme area carry forward requests. These will be factored into the Capital Programme planning for the year ahead, as well as being updated in detail once the current financial year has ended and we know what the true carry forward position is. The capital team will liaise with project leads to collate the carry forward requests, in order to take them through the approvals process.

The capital team will also take responsibility for ensuring the funding to meet the carry forwards can be rolled over into the new financial year, and for ensuring that these resources are appropriately controlled and earmarked.



Funding Source (£m)	Stage 1 Approved (£m)	Stage 2 Agreed In Principle (£m)	Total Funding (£m)										
<p>Grants & Other Contributions</p> <p>Grants:</p> <p>One of the largest sources of capital funding is external grants, which are primarily specific to service areas, such as the Highways Local Transport Plan (LTP), or Department for Education (DfE) School condition/basic need grants. Grants generally come with specific terms and conditions imposed by the funding body, which restrict what they can be spent on. Grants are also received through a myriad of government agencies to support specific projects or programmes of work. It is anticipated that with the growing devolution powers handed to the SCR, that more and more external grants will be channeled through this route, rather than through central government agencies/departments.</p> <table border="0"> <tr> <td>Highways DfT</td> <td style="text-align: right;">£53.206</td> </tr> <tr> <td>Environment Agency</td> <td style="text-align: right;">£0.270</td> </tr> <tr> <td>Department for Communities and Local Government</td> <td style="text-align: right;">£2.103</td> </tr> <tr> <td>Education Funding Agency</td> <td style="text-align: right;">£3.416</td> </tr> <tr> <td>Other contributions</td> <td style="text-align: right;">£1.989</td> </tr> </table> <p>Section 106 (S106)/Community Infrastructure Levy (CIL) and External Contributions:</p> <p>Elements of the Capital Programme are funded by contributions from private sector developers and partners. Rotherham's Local Plan sets out where new developments are expected to take place and where additional infrastructure will be required, identifying the level of planned works and contributions required.</p> <p>The Authority is in the process of adopting a borough-wide CIL. Once approval has been granted by Council, the proposals will be sent to Government for examination. Subject to this proceeding as planned, it is proposed that the CIL will be implemented in late 2016.</p> <p>This will be a pressure area for the Council in the coming years as the levels of S106, CIL and external contributions are far lower than the anticipated levels of infrastructure improvements required.</p>	Highways DfT	£53.206	Environment Agency	£0.270	Department for Communities and Local Government	£2.103	Education Funding Agency	£3.416	Other contributions	£1.989	£16.485	£44.499	£60.984
Highways DfT	£53.206												
Environment Agency	£0.270												
Department for Communities and Local Government	£2.103												
Education Funding Agency	£3.416												
Other contributions	£1.989												

Funding Source (£m)	Stage 1 Approved (£m)	Stage 2 Agreed In Principle (£m)	Total Funding (£m)
<p>Major Repairs Allowance (MRA)</p> <p>The Authority makes an annual depreciation charge to the Housing Revenue Account (HRA), referred to as MRA, which is calculated on the basis of the cost of maintaining the HRA assets. This depreciation charge is transferred into the Major Repairs Reserve (MRR), and is used to fund capital expenditure within the HRA.</p>	£42,435	£77,700	£120,135
<p>Prudential Borrowing</p> <p>The introduction of the prudential code in 2004 allows the Council to undertake additional borrowing. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This has provided the Council with the flexibility to borrow to support capital expenditure, as demand and business need have dictated the requirement to do so.</p> <p>This type of borrowing has revenue implications for the Council, in the form of financing costs (interest and MRP), and these costs must be factored into both the decision to approve the scheme, the Treasury Management Strategy and the Medium Term Financial Strategy. This resource will be used in the majority of Invest To Save projects, as by their very nature the benefits from these projects will cover the financing costs of additional borrowing</p>	£13,003	£40,599	£53,602
<p>Revenue Contribution to Capital Outlay</p> <p>The Council can use revenue resources to fund capital projects on a direct basis and this funding avenue has been used in the past, it is known as a Revenue Contribution to Capital Outlay (RCCO). This method differs from revenue budgets picking up only the financing costs of capital borrowing, in that the revenue resources act as a funding stream to support the physical project costs.</p>	£24,449	£0	£24,449

Funding Source (£m)	Stage 1 Approved (£m)	Stage 2 Agreed In Principle (£m)	Total Funding (£m)
<p>Capital Receipts</p> <p>The Council is able to generate capital receipts through the sale of surplus land and buildings. The Council is seeking to maximise the level of these resources which will be available over the Strategy period, to support the Council's plans. There are 3 main types of capital receipts that the Council can generate:</p> <ul style="list-style-type: none"> • Capital Receipts – Land (Proceeds from the sale of Council owned land, these are unrestricted) • Capital Receipts – Buildings (Proceeds from the sale of Council owned buildings, again unrestricted) • Capital Receipts – RTB (Proceeds from the sale of Council housing to the tenants, ring-fenced to the Housing Investment Programme). <p>The use of capital receipts within the Capital Programme will be focused predominantly on short term assets, where the cost of bringing in external financing is high. The Government has recently introduced flexibilities on the use of capital receipts to fund revenue expenditure, where the expenditure is improving the efficiency of the local authority. Under these proposals this will apply from 1st April 2016 for a period of three years.</p>	£2.300	£17.625	£19.925
	£98.672	£180.423	£279.095

New Capital Governance

Capital Strategy & Asset Management Plans

Until this year Rotherham did not have an overarching Capital Strategy. Clearly this needed to be rectified to ensure that the management of the Capital Programme could be effectively controlled and directed.

In addition, the Council has reviewed its existing capital governance arrangements to introduce a consistent approach across the Council and to ensure that detailed asset management strategies and plans are in place, and that they align with the Council's priorities and key documents. The priorities that flow out of these individual strategies have informed this Capital Strategy.

A key area of governance that the Council is looking to improve upon is the involvement of Members throughout the decision making and consultation process. It was clear that although Members were involved in the approval of the Capital Programme as a whole, the Council's governance did not consistently include Members at the outset and throughout the process of setting, reviewing and scrutinising capital projects coming forward for endorsement and ultimately inclusion within the Capital Programme.

Council and Advisory Cabinet Members will have a key role to play in the new governance procedures, with a new focus on ensuring that Members are involved in the consultation and decision making process from the outset and throughout. In reviewing the capital governance procedures and bringing forward a new five year capital programme we have sought

to keep members up to date throughout. It is envisaged that through the Capital Strategy, Members will have the opportunity to review and scrutinise projects being considered for inclusion into the Capital Programme, with the aim that they will ultimately give their endorsement for these projects. These projects will then only be included within the Capital Programme once detailed business cases have been brought forward for approval.

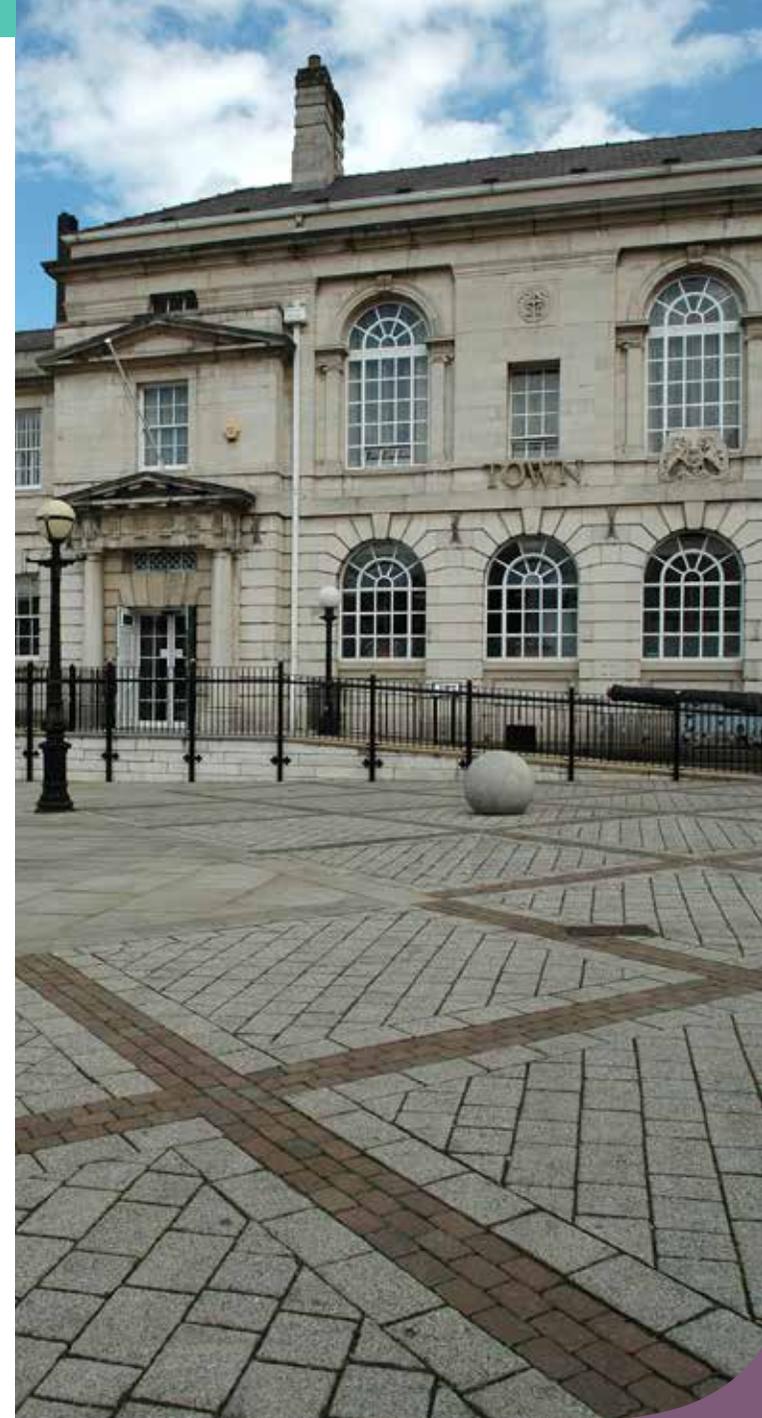
New Governance

The Chartered Institute of Public Finance and Accountancy (CIPFA) have produced a guidance document; 'Capital Strategies and Programming' (revised, Oct 2014), which has been the key guide document for this work on producing a Capital Strategy.

Following the CIPFA approach, 5 key work streams have been identified to develop a Capital Strategy and to ensure the implementation of the new Capital Programme approval process for the 2016/17 budget.

These are as follows:

- (1) Creation of a Capital Strategy for Rotherham
- (2) Creation of a Capital Programme for Rotherham – 2016/17 – 2020/21
- (3) Improve Governance Procedures, Standardisation and Accountability
- (4) Improve Systems and Reporting
- (5) Improve Project Management Guidance



Creation of Capital Strategy for Rotherham

Completion of Asset Management Plans & Strategies

Analysis of National & Local Environment

Golden Investment Rules

Disposal Rules

Resource Analysis

Post Investment Reviews

Creation of Capital Programme for Rotherham 2016/17 - 2020/21

Forward programme of approved projects, new approvals and long term priorities

Funding Statement

Revenue Implications

Knowledge sharing with similar LAs

Clear picture of each area of capital investment

Improve Governance Procedures, Standardisation & Accountability

New standardised approvals process

Increased accountability

Increased transparency

New meeting structure

Annual Programme Refresh timetable

Standard approval doc - Capital Approval Document - CAD

Automated sign offs

Improved Systems and Reporting

Improved quality and flexibility of capital reporting

Focus on financial performance

Tracking of approvals

Monthly position statement

Automated approvals process

Improved Project Management Guidance

Standardised project management guidance to be created and used by all.

Business cases

Project mandates

Focus on providing the key info that decision makers need

Focus on links to corporate and service aims



Creation of a Capital Strategy and a Capital Programme for 2016/17 to 2020/21

Evidenced by this document we are now in a position where we have a Capital Strategy, which we plan to review and update on an annual basis. The forward Capital Programme has also been extensively detailed within this document and will be refreshed in line with the new governance procedures on an annual basis.

Improved Standardised Governance Procedures:

A new governance and approvals procedure manual has been developed, that takes project managers through a step by step guide as to how they can get a capital project approved. This new standardised process provides Rotherham with a robust approvals process, which has sufficient scrutiny and involvement from Commissioners and Advisory Cabinet Members. This process is mandatory for all capital projects.

An illustration of the approvals process for a capital project is shown on the next page. You can see here how each one of the key approval documents is taken through the relevant meetings for approval, before being included within the Capital Programme as a live scheme.

Key Documents:

1. Strategic Outline Case (SOC) / Strategic Outline Programme (SOP)
2. Outline Business Case (OBC)
3. Capital Approval Document (CAD)

Standardised templates have been created for all these documents and for the financial approval document, the CAD, we are looking at a web based solution to manage, control and retain an audit trail of approvals. The CAD document will have three stages inclusion, variation and project closure.

The project closure stage will be key for project leads to identify any lessons learnt during the delivery of the project that can be shared across the Authority to improve future performance.

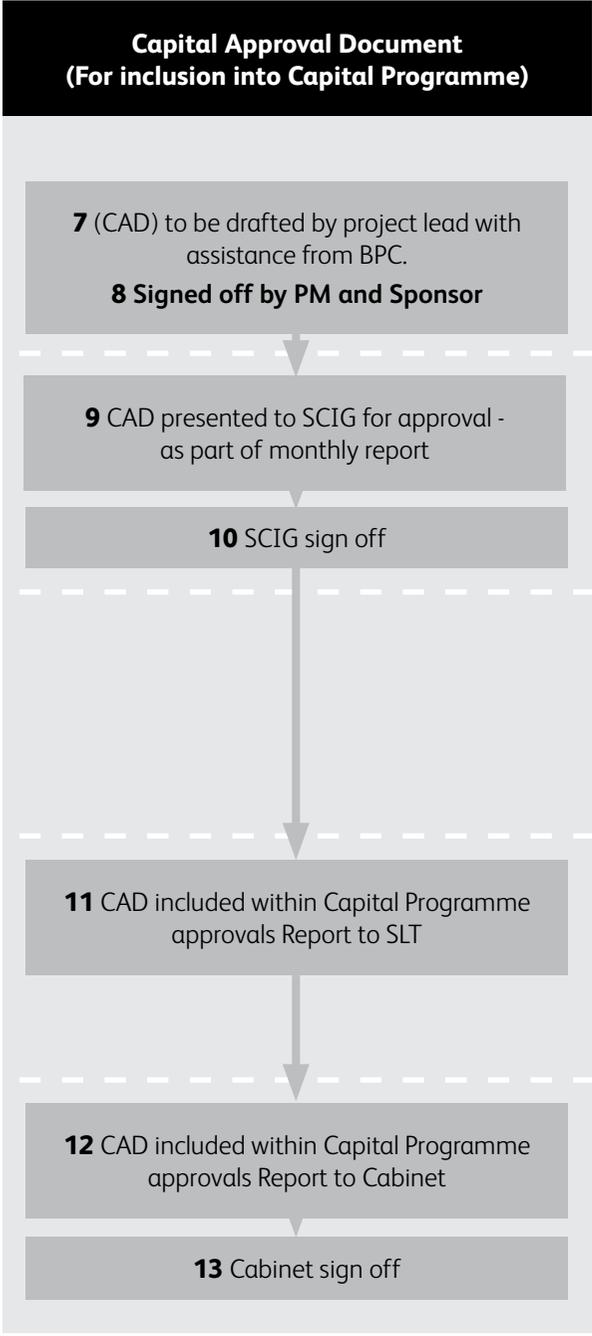
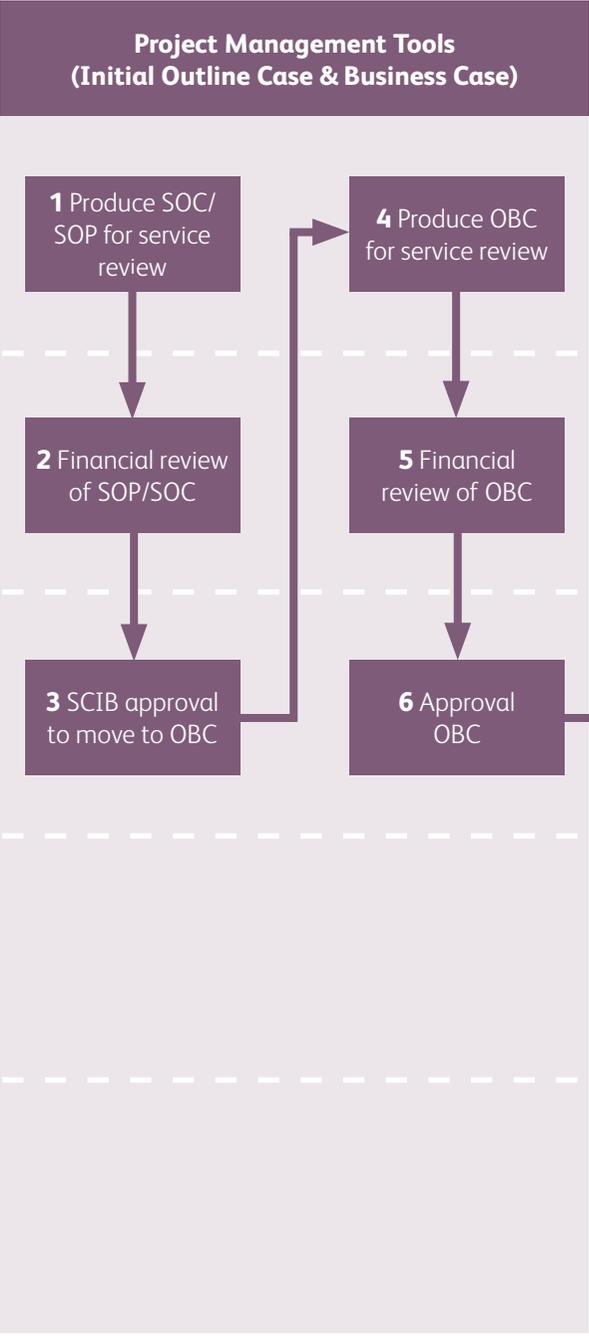
Service Level Approval

Strategic Capital Investment Group

Strategic Capital Investment Board

Senior Leadership Team

Commissioner /Cabinet Advisory Board



Key Documents:

Although there are now three key project documents the SOC/ SOP and OBC to detail and seek approval for the specific nature of the project and then the CAD to seek financial approval and inclusion within the capital programme, not all capital projects will be required to complete all documentation.

For example a high budget, high profile project would be required to go through the full approvals process, completing a SOC, then OBC and finally a CAD. However a low budget, low profile, project with few complexities would only be required to complete the SOC and CAD as there would be no need for a more detailed business case.

The capital governance guidance provides a table to help you assess the level of documentation your project would likely require, however it is important to note that a project with a small budget, which is relatively simple could still be subjected to all three processes due to the reputational risk involved with the delivery of the project. Therefore the Strategic Capital Investment Group (SCIG) will advise on any schemes coming forward for approval if the SOC/SOP is sufficient or if the OBC will be required.

New Meetings:

To assist with the new governance arrangements we have established two new meetings to sit between the Directorate Management Teams and Strategic Leadership Team (SLT).

Strategic Capital Investment Group (SCIG)

SCIG is responsible for the oversight of the Council's approved Capital Programme. Its role is to manage the approvals process and make recommendations to SLT on new project approvals, variations and completion reports. It also has a key role to play in the performance analysis of the Capital Programme, reviewing the financial performance of the programme on a monthly basis and reviewing the output/ outcome performance.

Strategic Capital Investment Board (SCIB)

SCIB will provide the strategic level review of the Capital Programme, incorporating the need to bring in Advisory Cabinet Members into the approvals process and increasing the level of scrutiny and review of future capital projects. Its role will be to review the existing Capital Programme projects, new requests for inclusion into the Capital Programme and longer term project proposals.



Capital Approval Document (CAD) Automated System

One of the key gaps in the Council's previous capital approvals process was the lack of a specific, standardised approval document, to provide a clear audit trail of approval and therefore officer accountability.

The new Capital Approval Document, through the automated system that is being developed with IT, will provide a solution to these problems.

The new system will:

Provide a standardised document that all capital projects must complete before being included in the Capital Programme.

Through the automated circulation and sign off of CADs we will be able to cover the authorisation gaps and provide a clear audit trail of accountability for the approval.

The CAD will provide Finance, Advisory Cabinet Members, and project sponsors with access to a standard project template, that provides details of the key aspects of the project, so that they may quickly gain a clear understanding of what the project is trying to deliver.

Improved Systems and Reporting:

The current method of reporting on the Capital Programme is through a quarterly report produced by Financial Services. The focus of this report is on financial performance, with the comparison being to the previous quarterly report. Other than through the narrative in the report, it is very difficult to

determine the project's overall performance against budget, as the report presents information for the current and future years, and not on previous year's expenditure. It is also difficult to identify whether project outputs and outcomes have been achieved.

In order to improve the way that capital budgets are being monitored across the Council, and to improve transparency and the accountability of project managers, Financial Services have introduced a budget monitoring solution, Capital Collaborative Planning (CCP) across Directorates. This replicates the Council's current revenue budget monitoring solution, but across multiple years. The next step is to incorporate CCP in the Council's Business Analytics data warehouse, which would significantly enhance the timeliness and the scope of the reporting tools available. These new reports will form the basis of the regular monitoring reports to Commissioners / Advisory Cabinet Members.

Improved Project Management Guidance:

The Council has developed standardised project management guidance and templates to be used by Council officers when developing major projects. This guidance is based on the HM Treasury's Green Book guidance, but tailored and simplified for Rotherham use. This is the key reference document when undertaking an evaluation on whether to proceed with a major project, either revenue or capital in nature.

New templates for Rotherham versions of the Strategic Outline Case, Outline Business Case and Full Business Cases have been developed, along with supporting procedural guidance.

The first step will be to produce a Strategic Outline Case (SOC), which will be a three / four page document, covering the following headings.

- Purpose of the project
- Strategic context
- Case for change
- Available options
- Timescale
- Preferred option
- Procurement route
- Funding and affordability
- Management arrangements

In many cases a document of this size will be sufficient to enable a project to be approved. More complex projects will require an Outline Business Case (OBC) before a project can be approved and the procurement process commence, which will form the basis of the Full Business Case (FBC), as the final stage approval, when contracts are ready to be let and the project commence.

The aim is to introduce robust, standardised project management processes, which provide the key information for decision makers. This will enable them to make sound judgments about the right investment decisions to deliver the Council's objectives, as set out in the Capital Strategy.