

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1	Meeting:	Cabinet
2	Date:	17th October 2012
3	Title:	Capital Programme Monitoring 2012/13 and Capital Programme Budget 2013/14 to 2014/15
4	Directorate:	Resources

5 Summary

The purpose of this report is to provide details of the current forecast outturn for the 2012/13 programme and enable the Council to review the capital programme for the financial years 2013/14 and 2014/15.

6 Recommendations

CABINET IS ASKED TO:

NOTE THE CONTENTS OF THIS REPORT; AND

RECOMMEND THE APPROVAL OF THE UPDATED 2012/13 TO 2014/15 CAPITAL PROGRAMME BY FULL COUNCIL.

7 Proposals and Details

7.1 Background - The Capital Programme 2012/13 to 2014/15

The budget process that led to the original Capital Programme for 2012/13 to 2014/15 ensured that the Council's capital investment plans were aligned with its strategic priorities and vision for Rotherham.

In order to maintain that strategic link, and make best use of the capital resources available to the Council, it is important that the programme is kept under regular review and where necessary revisions are made. This programme was initially reviewed in July 2012, following the finalisation of the 2011/12 outturn capital expenditure and financing and has now been the subject of a further review, the results of which are reflected in the Directorate summary table presented below. A detailed analysis of the programme for each Directorate is attached at appendices 1 to 4.

	2012/13 Revised Estimate	2013/14 Estimate	2014/15 Estimate
Directorate	£m	£m	£m
Children & Young People's Service	21.186	10.119	3.725
Environment & Development Services	18.624	15.898	7.170
Neighbourhoods & Adult Services	25.426	32.063	28.984
Resources	10.779	1.275	1.275
TOTAL	76.015	59.355	41.154

7.2 Children and Young People's Services Capital Programme 2012/13 to 2014/15

The revised proposed spend for 2012/13 is £21.186m, with a further £13.844m of investment in the following years of the current programme. The Council has recently been notified of a further £0.208m of unringfenced capital grant funding being allocated to it by the DfE. This funding is intended to help local authorities and their health partners to create better access to short break provision by providing new equipment, adaptations and facilities for disabled children and young people. Proposals on how the funding will be used are currently being worked up.

A copy of the current full programme is attached to this report at Appendix 1. Commentary on the main aspects of the programme and the nature of the spend is given below.

Primary Schools

Spend on Primary Schools is expected to be £5.858m in 2012/13, with a further £1.322m of planned spend in 2013/14 to 2014/15. The major investments to note in this area are:

- Work is underway on the **Maltby Lilly Hall** new school project (£4.000m) which will create six new classrooms together with associated facilities and external play areas. In addition re-roofing work is being carried which also requires the removal of asbestos.
- The Council is providing **Wentworth C of E School** (£0.228m) with a two storey extension, including disabled toilets, an additional class room, store rooms and other resource facilities.
- Work is continuing on the **Thornhill Primary School** (£0.831m) extension designed to create Special Educational Needs facilities and a dining room extension to accommodate increased pupil numbers.
- The provision of additional classroom facilities and improved dining room facilities is underway at **Flanderwell Primary School** (£0.100m) in order to facilitate increased pupil numbers.
- Three new projects have been introduced which will see the installation of modular classrooms at **Catcliffe Primary** (£0.100m), **Treeton C of E** (£0.200m) and **Aston Hall Junior and Infants** (£0.047m) schools to address rising pupil numbers in their respective catchment areas.

Secondary Schools

Spend on Secondary Schools is expected to be £8.363m in 2012/13 with a further £5.061m in the subsequent two years. The major investments to note in this area are:

- **Maltby Academy** (£6.500m) – a development contractor has been appointed to the project and commenced on site in September 2012 with the aim of delivering extensive refurbishment of existing buildings plus a new sports hall and teaching block. The Council continues to have an interest in the buildings until finalisation of the proposed long term lease of the assets to the Academy and is providing professional and technical support for the project.
- Essential remedial works are still planned to renovate and improve facilities at **Swinton Community School** (£1.550m), including re-roofing and re-wiring. Following the rejection of a bid for funding under the Priority Schools Building Programme a thorough review of the works to be carried out is underway and a further report will be brought to Members in due course.

Other Projects

The other major investments to note are:

- Using Government funding minor enhancement works are carried out at schools. The **Capitalised Minor Enhancements** programme in 2012/13 is forecast to be £3.231m with a further £5.500m in the subsequent two years.
- **Devolved Formula Capital Grant** is paid annually to schools for them to use on small capital projects. In 2012/13 £1.822m is available for them to spend with a further £1.706m to be allocated in the subsequent two years.
- **Orchard Centre Conversion** (£1.176m) – the major refurbishment of the Orchard Children’s Centre has been completed allowing the provision of long term therapeutic residential care and overnight respite care. This will reduce the need for “Out of Authority” provision and create revenue savings in future years.
- The programme for **Property Adaptations** has been increased to £0.659m in 2012/13 with a further £0.255m to be spent in the subsequent two years. This programme will be used to improve the homes of foster carers, allowing greater capacity for fostering placement and improving their quality of life. It will reduce the need for Independent Fostering, delivering substantial future revenue savings.

Environment and Development Services (EDS) Capital Programme 2012/13 to 2014/15

The revised proposed spend for 2012/13 is £18.624m with a further £23.068m of investment in subsequent years. A copy of the full programme is attached to this report at Appendix 2. Commentary on the main aspects of the EDS programme and the changes to planned spend are shown below:

Culture and Leisure

The overall programme spend in 2012/13 is expected to be £2.130m including on-going work on the **Civic Theatre** (£0.536m), which will renovate the building fabric and mechanical and electrical services, allowing continued use for up to the next ten years. Current expectations are that the scheme will be completed in March 2013. In addition:

- Renovation of **Boston Castle** (£0.139m) is almost complete. The building has been restored from a derelict shell into a fully functional building. The work also includes the remodelling of the external

courtyard into an amphitheatre which can be used for a variety of events.

- A delay to the completion of the **Clifton Park** restoration project (£0.214m) was caused by the insolvency of the contractor. The funding body has agreed to a one year extension of the project which will now be completed in 2013/14.
- Planned works to develop **Library facilities** (£0.658m) have been deferred pending the outcome of the Libraries Customer Services Review, due to be concluded in November 2012.
- The scheme to refurbish **Wath library** (£0.163m), allowing relocation of services currently delivered from Wath Neighbourhood Office at Wath Town Hall, will commence in December 2012, with a target date for completion of March 2013.
- **Thrybergh Country Park Refurbishment** (£0.133m) has been completed with the toilet and shower facilities being completely remodelled, making them more attractive to users and increasing capacity.

Highways

The Council's highways continue to be a priority for investment with £14.112m expected to be spent in 2012/13 and a further £22.818m invested over the next two years. The main areas of investment to be made in 2012/13 are:

- the **A57 Improvement Scheme** has commenced at a total anticipated cost of £14.700m. Delays to DfT approval for the scheme has resulted in £1.840m of spend slipping into 2013/14. The scheme will improve the A57 between Junction 31 of the M1 and Todwick crossroads, replacing the single carriageway with a re-aligned dual carriageway.
- Higher than anticipated funding has led to an increase in the **LTP Integrated Transport Block** (£1.856m). This will help to deliver projects including Howard Street traffic management scheme, Oldgate Lane junction bus access improvements and Main Street/Don Street junction footbridge and signalisation improvements.
- The **Highways Maintenance** programme (£3.448m) has been reduced in 2012/13 due to slippage of some schemes. The programme will deliver schemes such as carriageway works to Dale Road Rawmarsh and Salisbury Road, Maltby, also resurfacing work to Mansfield Road, Aston and East Bawtry Road, Broom.
- Anticipated spend on **Other Highways Projects** has increased (£2.808m) mainly due to an increase in the grant funded contribution to the SYPTE.

Other investments

The Council has in 2012/13 continued to invest in the Borough's infrastructure, in particular:

- **Rotherham Townscapes Heritage Initiative** (£0.902m) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements.
- The re-development of **Rotherham Central Railway Station** (£0.108m) is nearing completion. Landscaping is due to be completed in November 2012 which will provide a quality public realm area to the new Central Station.
- Work on the culvert collapse at the **Pithouse West** site (£0.290m) is almost complete. The culvert has been repaired with only landscaping work to be completed.
- The demolition of **Crinoline House** (£0.135m) and subsequent site clearance has been completed due to health and safety issues.

Neighbourhoods and Adults Services Capital Programme 2012/13 to 2014/15

The forecast spend for 2012/13 is £25.426m, with a further £61.047m planned in the remainder of the programme. A copy of the full revised programme is attached to this report at Appendix 3.

Adult Services

The Service is now expecting to spend £0.144m in 2012/13, the main projects being:

- The completion of the **Transformation Project** (£0.064m) which will help the Council share relevant social care data across other Yorkshire and Humber Councils.
- Relocation of the Council's mental health day service from **Clifton Court to 68 Wellgate**, (£0.034m) allowing the drop-in service to be delivered in a central location.
- Conversion of therapy rooms into offices at the **Lord Hardy Court** and **Davies Court Pavillions** (£0.015m), enabling improved service delivery, in terms of the health and welfare of residents in the units, and more effective management of staff.
- The introduction of new projects which will see minor renovations/equipment installation at **Lord Hardy Court, Davies Court, Quarry Hill and Netherfield Court** (£0.021m).

Neighbourhoods Services

For 2012/13 the Service is expected to spend £25.282m with a further £61.047m to be invested during the remaining period of the programme. A copy of the full programme is attached to this report at Appendix 3 and the most notable items are detailed below.

Improving Council Housing & Housing Services - The programme for 2012/13 has increased by £1.000m to £20.003m due to the introduction of the Strategic Acquisitions scheme. This project will increase the Council's housing stock by purchasing rather than building properties. The Council would look to acquire properties where it considers it would re-invigorate stalled projects; provide a specialist housing need; or where there is a clear housing need in the local area.

Other notable investments in this area are:

- **Refurbishment Works** (£10.914m) will be carried out to improve the quality of the housing stock both internally and externally across the borough.
- **Environmental Works** (£0.500m) - schemes are being drawn up to undertake various environmental works, most notably on Pike Road, Brinsworth where there are plans to erect fencing, build bin stores, create private space for tenants and provide off road parking areas.
- The **Decent Homes Void Programme** (£1.588m) is on-going with 51 major voids completed and re-let so far in 2012/13.
- **New Housing Management IT System** (£0.550m). Work is underway on the purchase and installation of the new IT system which will replace a variety of legacy housing systems, consolidating all housing related information and allowing for on-line citizen self-service.
- **Non-traditional Investment** (£1.289m). The programme has already delivered the renovation of properties in the Whiston area and further projects are due to start in Swallownest, Rawmarsh and East Dene in 2012/13.

Fair Access To All: Disabled Adaptations (£3.270m) – The private sector programme was increased in 2012/13 to reflect additional demand. Work is on-going to ensure these demand led works are completed within the statutory timescales. To date 218 major and over 1,500 minor adaptations have been completed.

Neighbourhood Regeneration & Renewal (£1.747m) – most notably work is continuing on the **Canklow Phase 1 & 2** projects (£0.560m) designed to acquire properties designated for clearance. Three further properties have been acquired and a further four are awaiting completion. The **Bellows Road Redevelopment** project (£0.307m) is

progressing with notice of the intention to demolish being issued and negotiations ongoing with occupiers.

Neighbourhoods Improvements Non-HIP Programme (£0.262m) – the majority of the spend in this area will be on the **Landfill Sites (£0.224m)** where issues with legal negotiations, contractual obligations and surveys led to the project slipping into 2012/13 and 2013/14. Work is continuing to resolve these issues which will then allow the Council to improve the gas/leachate systems and restore the land.

Resources Capital Programme 2012/13 to 2014/15

Overall the 2012/13 programme is expected to spend £10.779m with a further £2.550m to be invested in the ensuing years. A copy of the full programme is attached to this report at Appendix 4, the main aspects being:

Asset Management (£2.842m)

- Work on **Rawmarsh Customer Service Centre (£0.648m)** slipped into 2012/13 but has now been completed (April) delivering a customer service centre, GPs surgery, library, sports changing facilities and a community room.
- Residual works, including final fit-out, and improvements to the exterior of **Riverside House (£1.157m)** are on-going and are expected to be completed this financial year
- Work is also continuing on the **Ancillary Services Building (£0.830m)** with alteration and renovation of the buildings on target to be completed in 2012/13. The aim of the scheme is to provide storage for the museum, corporate records and historical archives, the York and Lancaster Regimental Museum, a corporate print room, offices for Electoral Services and general storage areas.
- A new project, **Demolition of Rotherham International Centre (£0.088m)** has been added to the programme. This project will see the removal of asbestos and demolition of the building, prompted by health and safety issues.

Other Investment Projects (£7.937m)

- The Council continues to invest in its **ICT infrastructure (£2.837m)** as part of its ICT Strategy. The Strategy is focussed on ensuring the Council is able to support effectively the services it delivers and promote new, innovative, ways of working that will result in greater efficiencies and effectiveness.

- The majority of the **Community Stadium Development Facility** (£5.000m) has now been advanced allowing the Stadium to be operational.
- The final advance of the **High Street Re-development Facility** (£0.100m) was made in April 2012 allowing the continued renovation of properties on the High Street.

7.3 Funding of the Programme

The table shown below outlines the funding strategy associated with the schemes profiled above and detailed in the Appendices 1 to 4.

Funding	2012/13 Revised Estimate	2013/14 Estimate	2014/15 Estimate
	£m	£m	£m
Grants & Contributions	35.742	22.753	10.943
Supported Borrowing	0.210	0.188	0.000
Unsupported Borrowing	16.976	7.218	1.843
Usable Capital Receipts	1.890	1.049	0.741
Major Repairs Allowance (HRA)	20.003	19.480	20.142
Revenue Contributions	1.194	8.667	7.485
Total	76.015	59.355	41.154

8. Financial Implications

These are contained within the body of this report. Any revenue implications from the revised programme have been fully reflected in the Council's latest 2012/13 outturn revenue forecast and its updated Medium Term Financial Strategy.

9. Risks & Uncertainties

The Capital Programme is funded through a number of sources: borrowing (both supported and unsupported), capital grants & contributions, revenue contributions and capital receipts. Any uncertainty over the funding of the Programme rests on confirmation that grants/contributions and capital receipts continue to be available in coming years. Where funding sources are volatile in nature the risks will be managed by continually keeping the programme under review.

10. Policy and Performance Agenda Implications

The preparation of the Medium Term Financial Strategy incorporating a profiled capital programme and the associated revenue consequences, together with regular monitoring, highlights the Council's commitment to sound financial management.

11. Background Papers and Consultation

- Capital Programme Outturn 2011/12 and Updated Estimates 2012/13 to 2014/15 Report.
- Project / Scheme monitoring reports
- Monitoring returns and budget setting details from Directorates.

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