

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1	Meeting:	Cabinet
2	Date:	20th February 2013
3	Title:	Capital Programme Budget 2013/14 to 2015/16
4	Directorate:	Resources

5 Summary

The purpose of this report is to enable the Council to review and approve the capital programme for the financial years 2013/14 to 2015/16.

6 Recommendations

CABINET IS ASKED TO:

NOTE THE CONTENTS OF THIS REPORT; AND

RECOMMEND THE APPROVAL OF THE UPDATED CAPITAL PROGRAMME 2013/14 TO 2015/16 BY FULL COUNCIL.

7 Proposals and Details

7.1 Background - The Capital Programme

Ongoing restrictions on Government funding for local government capital investment plans continue to limit the level of funding available to regenerate and enhance the Borough's infrastructure.

Concurrently, the Council has continued to be proactive in looking to rationalise its asset and buildings portfolio so as to realise revenue savings and potential capital receipts from any future asset sale. Generally, such capital receipts are expected to be used to reduce future capital financing costs so as to reduce the revenue cost of borrowing in support of the Council's Medium Term Financial Strategy.

The Capital Programme 2013/14 to 2015/16

The budget process that has led to the recommended capital programme for 2013/14 to 2015/16 ensures that Council's capital investment plans are aligned with strategic priorities and available funding. The financial implications of the programme are reflected in the Council's Medium Term Financial Strategy (MTFS) and Treasury Management and Investment Strategy.

Over the three year period of this programme the Council intends to invest £134.724m in capital schemes across the Borough, including £61.767m which will be invested in regeneration and enhanced infrastructure schemes in 2013/14. It should be noted that a number of central government and other funding agencies grant funding notifications have not been received at this time, which has limited the development and inclusion of schemes in the 2015/16 financial year. Once those notifications are received, scheme reports will be brought forward for approval by Members for inclusion in the programme.

Current expenditure plans and profiles are reflected in the Directorate summary forecast capital spend table presented below. A detailed copy of the programme for each Directorate is attached at Appendices 1 to 4.

Directorate	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Children & Young People's Service	9.906	3.453	1.850
Environment & Development Services	16.954	6.962	0.650
Neighbourhoods & Adult Services	33.647	29.288	29.481
Resources	1.260	1.273	0.000
TOTAL	61.767	40.976	31.981

7.2 Children and Young People's Services Capital Programme 2013/14 to 2015/16

The proposed spend for 2013/14 is £9.906m, with a further £5.303m of investment in the following years of the current programme. At this time the government grant allocations for the coming years is yet to be confirmed so the projects shown in the programme are based on the existing allocations.

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 £1.370m in 2013/14, the investments in this area being as follows:

- Work will continue on the **Maltby Lilly Hall** new school project (£0.472m) which will create six new classrooms together with associated facilities and external play areas. Completion is expected to be in September 2013.
- The **Flanderwell Primary School** development (£0.898m) will continue until August 2013 and will provide permanent accommodation and facilities, consisting of a 5 classroom single storey building. This is necessary as the number of pupils in the catchment area exceeds places available.

Secondary Schools

Spend on Secondary Schools is expected to be £4.961m in 2013/14 with a further £0.100m in the subsequent years. The investments in this area are:

- Funding will be made available under the **Support to Schools** heading (£0.100m) to pay for essential capital works at PFI schools, which fall outside of the original long term contract.
- Investment will continue to be made through the **Access Initiative** project (£0.188m) to improve facilities in line with Disability Discrimination Act requirements.
- Completion of the **Maltby Academy** project (£4.523m) is planned for 2013/14 following commencement in September 2012. The scheme will deliver 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** (£0.150m), 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 to be conducted and a further report will be brought to Members in due course.

Other Projects

The other major investments are:

- Using Government funding minor enhancement works will be carried out at schools. The **Capitalised Minor Enhancements** programme in 2013/14 is forecast to be £2.517m with a further £3.450m over the following two years.
- **Devolved Formula Capital Grant** is paid annually to schools for them to use on small capital projects. In 2013/14 £0.853m is expected to be available for them to spend with a further £1.653m to be allocated in the subsequent years.
- The programme for **Property Adaptations** will be £0.205m in 2013/14, with a further £0.305m to be spent in the remaining years in this programme. This investment 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 2013/14 to 2015/16

The whole EDS programme covers regeneration schemes, cultural and leisure, flood alleviation, waste management and infrastructure related schemes.

The proposed spend for 2013/14 is £16.954m with a further £7.612m of investment in subsequent years. At this time grant allocations for the coming years is yet to be confirmed so the projects shown in the programme are based on the existing allocations. 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 2013/14 is expected to be £0.884m. The investments in this area are:

- A delay to the completion of the **Clifton Park** restoration project (£0.226m) 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.

- Agreement has been reached in principal to build an extension to **Brinsworth Library** (£0.499m) on the Parish Council site. It is anticipated that work will be completed in 2013/14.
- The **Library and Information Service** review was concluded in November with a new service redesign model being proposed. Following this, a review of the current buildings configuration is being undertaken to ensure alignment with the proposed service redesign. It is anticipated that any works required will now be carried out in 2013/14 (£0.159m).

Highways

The Council's highways continue to be a priority for investment and current plans are for £23.056m to be invested over the next three years, with £15.444m of that expected to be spent in 2013/14. The programme reflects that 2014/15 is the final year for the current round of Government funding, consequently schemes for 2015/16 will be brought forward once notification of the new allocation is received.

Commentary on the main aspects of the Highways programme and the nature of spend is given below:

- The **A57 Improvement Scheme** (£8.050m) has commenced and been reprofiled in line with contractors revisions, which will see the scheme completed over a 65 week rather than a 72 week period.
- The **LTP Integrated Transport Block** (£1.534m) will continue to fund projects within the five main schemes, Bus Projects, Connectivity, Local Safety, Network Management and Smarter Choices.
- The **Highways Maintenance** programme (£2.478m) will continue to cover major Borough wide works including the resurfacing of Meadowbank Road, Rotherham and Main Street in Wingfield.
- Grant funding has allowed the Council to proceed with the **LSTF Main Bid** project (£1.282m) and in 2013/14 work will continue on schemes including:
 - improvements to the intelligent transport system in the Dearne Valley corridor which will introduce traffic systems and signals that respond to traffic conditions, electronic variable message signs and car park capacity signs;
 - accessibility and bus improvements to the A633 in Rotherham;
 - canal towpath improvements between Rotherham and Sheffield.
- Anticipated spend on **Other Highways Projects** (£1.450m) will include investment to:

- signalise the junction of Oldgate Lane, Thrybergh and the TATA steel access route;
- install new tracking equipment into vehicles to allow the tracking of salting activities, navigate winter service drivers along routes without the need for route familiarisation training and provide automated salting;
- refurbish the deck and joint on Crinoline bridge;
- install a new culvert at Hellaby Brook.

Other investments

The Council has, in 2013/14, continued to invest in the Borough's infrastructure, in particular:

- **Rotherham Townscapes Heritage Initiative** (£0.525m) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements. Work on these improvements will continue into 2013/14 including completion of the High Street/Church Street public realm works.
- **Town Centre Business Vitality Scheme** (£0.077m) is designed to encourage and support new independent niche retail businesses to open up in the Rotherham town centre. These schemes have slipped into 2013/14 as some applications for support could not be processed either because they were outside the designated support zone or because they duplicated existing retail outlets.

Neighbourhoods and Adults Services Capital Programme 2013/14 to 2015/16

The forecast spend for 2013/14 is £33.647m, with a further £58.769m planned in the remainder of the programme. A copy of the full revised programme is attached to this report at Appendix 3.

Adult Services

In 2013/14 Adult Services will receive £0.723m PSS grant, an increase of just over 1% on 2012/13, with a further £0.738m to be received in 2014/15. The Service is currently in the process of developing projects to utilise this grant and these will be brought forward in future reports to Members.

Currently firm plans are in place, with total expenditure anticipated to be £0.654m, which will see the development of the following projects:

- The **Transformation Project** (£0.064m) will see the introduction of systems which will help the Council share relevant social care data with other Yorkshire and Humber Councils, creating a more efficient service.

- The **Assistive Technology** scheme (£0.400m) will enable people requiring care support services to live independently within their own home through the purchase of telecare equipment. This equipment includes fall detectors and monitoring alarms.
- **Rotherham Equipment and Wheelchair Service (REWS)** (0.190m) – the purchase of equipment, after Occupational Therapist assessment, to support people within their own homes. Equipment will include a range of specialist bath and shower aids and mattresses which will be managed by Rotherham Foundation Hospital Trust.

Neighbourhood Services

For 2013/14 the Service is expected to spend £32.993m with a further £58.769m 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 (£27.803m) – The projects within this area of investment have been revised to reflect schemes identified from the refreshed housing condition survey, which drives the identification and delivery of the Housing Investment Programme.

Notable investments in this area are:

- **Refurbishment Works** (£13.863m) will be carried out to improve the quality of the housing stock both internally and externally across the borough.
- **Environmental Works** (£1.491m) – the scheme aims to address crime and health and safety issues through small scale projects, such as the installation of fencing and the renovation of paths, which fall outside of the general repairs regime.
- The **Decent Homes Void Programme** (£1.813m) is on-going with the aim of renovating approximately 150 void properties in 2013/14, allowing them to be re-let to tenants.
- **Replacement of Central Heating** systems (£2.990m) will continue to modernise the heating systems in Council Houses across the Borough, with up to 1,500 systems earmarked for replacement in 2013/14.
- **Non-traditional Investment** (£1.400m). The investment in this area will deliver the renovation of 56 properties in Swallownest and 83 properties in Rawmarsh. It is also hoped that work will also commence, in 2013/14, on a further 97 properties in Rawmarsh.
- **Strategic Acquisitions** (£2.166m). The Council will continue to increase its housing stock with the acquisition of existing housing or

new build units. Opportunities have already been identified in the Wath, Wickersley, Thrybergh and Rawmarsh areas and work will continue to identify other potential purchases.

Fair Access To All: Disabled Adaptations (£3.091m) – Work will continue to ensure these demand led works are completed within the statutory timescales.

Investment into **Neighbourhood Regeneration & Renewal** (£1.750m) will continue with the most notable projects being:

- **Canklow Phase 1 & 2** (£0.450m) will continue to deliver the phased regeneration programme on Warden Street with the acquisition of properties in preparation for demolition.
- **Bellows Road, Rawmarsh, Service Centre Clearance** (£0.585m). 2013/14 will see the delivery of the new retail provision, which is scheduled for completion in December 2013. Following on from that, once all remaining tenants have been relocated, the remainder of Bellows Road will be demolished and the site prepared for residential development.
- **Garage Site Investment** (£0.500m) which will see the renovation of a number of garage sites, making them safe and secure for use, most notably in Rawmarsh and Wath.

Neighbourhoods Improvements Non-HIP Programme (£0.349m) – the majority of the spend in this area will be on the **Landfill Sites** (£0.330m) where issues with legal negotiations, contractual obligations and surveys led to the project slipping into 2013/14 and 2014/15. 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 2013/14 to 2015/16

Overall the 2013/14 programme is expected to spend £1.260m, with a further £1.273m to be invested in the ensuing years, as the Council continues to invest in its **ICT infrastructure** 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. A copy of the programme is attached to this report at Appendix 4.

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	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m
Grants & Contributions	23.452	10.694	2.779
Supported Borrowing	0.188	0.000	0.000
Unsupported Borrowing	8.568	1.851	0.700
Usable Capital Receipts	1.412	0.782	0.332
Major Repairs Allowance (HRA)	19.480	20.164	21.664
Revenue Contributions	8.667	7.485	6.506
Total	61.767	40.976	31.981

7.4 Amount of Capital Expenditure on a Ward Basis

The table shown below shows the expenditure associated with the schemes profiled above, and detailed in the Appendices 1 to 4, on a Ward basis.

Ward	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m
Anston & Woodsetts	0.038	0.038	0.035
Boston Castle	1.514	0.536	0.034
Brinsworth & Catcliffe	0.537	0.037	0.035
Dinnington	0.063	0.038	0.035
Rawmarsh	0.639	0.054	0.051
Hellaby	0.571	0.054	0.051
Holderness	3.608	0.033	0.031
Hooper	0.060	0.015	0.014
Keppel	0.060	0.060	0.056
Maltby	4.545	0.022	0.020
Rother Vale	0.025	0.025	0.023
Rotherham East	0.063	0.063	0.059
Rotherham West	0.094	0.044	0.042
Silverwood	0.092	0.037	0.035
Sitwell	0.036	0.036	0.034
Swinton	0.195	0.045	0.042
Valley	1.678	1.572	0.057
Wales	3.644	0.049	0.027
Wath	0.178	0.127	0.055
Wickersley	0.934	0.036	0.034
Winfield	0.076	0.051	0.030
All Wards	43.117	38.004	31.181
Total	61.767	40.976	31.981

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 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 Monitoring 2012/13 to 2014/15 Report to Cabinet.
- Project / Scheme monitoring reports
- Monitoring returns and Programme setting details from Directorates.

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