

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1	Meeting:	Cabinet
2	Date:	24 th April 2013
3	Title:	Capital Programme Monitoring 2012/13 to 2015/16
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 to 2015/16.

6 Recommendations

CABINET IS ASKED TO:

NOTE THE CONTENTS OF THIS REPORT; AND

RECOMMEND THE APPROVAL OF THE UPDATED 2012/13 TO 2015/16 CAPITAL PROGRAMME BY FULL COUNCIL.

7 Proposals and Details

7.1 Background - The Capital Programme 2012/13 to 2015/16

The budget process that led to the original Capital Programme for 2012/13 to 2015/16 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 again in October 2012. In addition the 2013/14 to 2015/16 programme was reviewed by Members in February 2013.

This review reflects the changes to the Council's capital investment programme since the last report, which are incorporated into 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	2012/13 Variance from Last Report	2013/14 Estimate	2013/14 Variance from Last Report	2014/15 Estimate	2014/15 Variance from Last Report	2015/16 Estimate	2015/16 Variance from Last Report
Directorate	£m	£m	£m	£m	£m	£m	£m	£m
Children & Young People's Service	14.986	-6.200	15.178	+5.272	3.357	-0.096	3.007	+1.157
Environment & Development Services	19.234	+0.610	18.647	+1.693	6.962	0.000	0.650	0.000
Neighbourhoods & Adult Services	23.019	-2.407	35.553	+1.906	29.288	0.000	29.481	0.000
Resources	10.744	-0.035	1.260	0.000	1.273	0.000	0.000	0.000
TOTAL	67.983	-8.032	70.638	+8.871	40.880	-0.096	33.138	+1.157

7.2 Children and Young People's Services Capital Programme 2012/13 to 2015/16

The revised proposed spend for 2012/13 is £14.986m, with a further £21.542m of investment in the following years of the current programme.

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 £4.451m in 2012/13, with a further £3.282m of planned spend in 2013/14 to 2015/16. The major investments to note in this area are:

- Work is underway on the **Maltby Lilly Hall** new school project (£1.954m in 2012/13) which will create six new classrooms together with associated facilities and external play areas. In addition re-roofing work is being carried out which also requires the removal of asbestos, which was discovered when the project commenced. As a result, commencement of the work was delayed and has since been further interrupted due to adverse weather resulting in a re-profiling of the scheme. Completion is still expected to be in September 2013.
- Work was completed in April 2012, providing **Wentworth C of E School** (£0.202m in 2012/13) with a two storey extension, including disabled toilets, an additional class room, store rooms and other resource facilities.
- Work was also completed, in October 2012, on the **Thornhill Primary School** (£0.785m in 2012/13) extension which created Special Educational Needs facilities and a dining room extension to accommodate increased pupil numbers.
- Additional classroom facilities are to be provided at **Kilnhurst St Thomas** (£0.017m in 2012/13) to meet additional pupil numbers. The majority of the project has slipped into 2013/14 following the liquidation of the original contractor and the consequent need to retender the project. An improved specification for the scheme and the need to retender have both added to the estimated cost of the project.
- The **Flanderwell Primary School** (£0.425m in 2012/13) development consists of a completed modular classroom and 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. Completion in August 2013 is expected. The cost of the project has increased due to the modular classrooms having to be modified to make them fit for purpose.
- A new kitchen facility has been built at **Kilnhurst Primary** (£0.220m in 2012/13) with an improved specification to that originally planned leading to higher than anticipated cost.
- The installation of modular classrooms at **Catcliffe Primary** (£0.340m in 2012/13), **Treeton C of E** (£0.450m in 2012/13) and **Aston Hall Junior and Infants** (£0.056m in 2012/13) schools has been completed. This work was necessary to accommodate rising pupil numbers in the respective catchment areas. Again the cost of

the project has increased due to the modular classrooms having to be modified to make them fit for purpose.

Secondary Schools

Spend on Secondary Schools is expected to be £4.372m in 2012/13 with a further £7.888m in the subsequent years. The major investments to note in this area are:

- Funding will be made available under the **Support to Schools** heading (£0.200m in 2012/13) to pay for essential capital works at PFI schools, which fall outside of the original long term contract.
- **Maltby Academy** (£3.832m in 2012/13) – 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. Work on the project has been delayed due to the weather and the discovery of asbestos, consequently some of the work has slipped into 2013/14. 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.
- Funding has been set aside to enable essential remedial works at **Swinton Community School** (£0.155m in 2012/13) to be completed. This element of the programme has been scaled back as it became necessary to re-prioritise funding in order to deliver schemes demanding more urgent investment.

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 now forecast to be £3.781m, an increase of £0.550m due to unforeseen urgent works having to be undertaken in the current year – those works include:
 - the underpinning of foundations at Badsley Moor Lane Infants
 - essential structural repairs at Broom Valley Primary School
 - adaptations driven by the Disability Discrimination Act at a number of schools.

A further £6.300m is due to be spent on similar schemes in the subsequent three years of this programme.

- **Devolved Formula Capital Grant** is paid annually to schools for them to use on small capital projects. In 2012/13 £1.085m is due to be spent with a further £3.186m to be allocated in the subsequent

years. Any underspend in the 2012/13 allocation will be carried forward and made available in future years.

- **Orchard Centre Conversion** (£1.090m in 2012/13) – 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 facilitate a reduction in the need for “Out of Authority” provision.
- Investment under the **Property Adaptations** heading (£0.168m in 2012/13) is being used to improve the homes of foster carers, allowing greater capacity for fostering placement and improving the child’s quality of life. Delays to the processes undertaken prior to building work commencing have caused much of the programme to slip into 2013/14.

Environment and Development Services (EDS) Capital Programme 2012/13 to 2015/16

The revised proposed spend for 2012/13 is £19.234m with a further £26.259m 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 £1.355m including on-going work on the **Civic Theatre** (£0.572m in 2012/13), which will renovate the building fabric and mechanical and electrical services, allowing continued use for up to the next ten years.

In addition:

- Work on the **Clifton Park Restoration Project** (£0.038m in 2012/13) has been completed within budget.
- The **Wath Library Refurbishment** project (£0.017m in 2012/13) is currently being reviewed as the building is in a worse condition than originally anticipated. Issues with asbestos have been encountered and re-wiring of the building may be necessary. Any further work to be carried out on this project will take place in 2013/14.
- Works have been carried out at **Firsby Reservoir** (£0.183m in 2012/13) in order to deal with subsidence in the dam structure, ensuring its safety. The extent of the works was greater than originally anticipated leading to an increase in project costs. To facilitate some of this work other planned reservoir projects have been reviewed.

- Agreement has been reached in principle to build an extension to **Brinsworth Library** on the Parish Council site. It is anticipated that work will commence in 2013/14 although discussions are still taking place with other funders.
- 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 commence in 2013/14.
- The purchase of a **14th Century Finger Ring** (£0.002 in 2012/13), which has been declared Treasure and is on offer through the British Museum, has been added to the programme. The purchase will be part funded by a grant from the Victoria and Albert Museum.
- New changing facilities are being provided at **Barkers Park** (£0.055m in 2012/13) in accordance with recommendations of the Playing Pitch Strategy. The associated site works will include renewal of existing drainage and is due to be completed in 2013/14.

Highways

The Council's highways continue to be a priority for investment with £16.038m expected to be spent in 2012/13, this being supplemented by the announcement in the Autumn Statement of an additional £0.828m of funding, to be received over the next two years. 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. Current plans are for £23.506m to be invested over the next two years.

The main areas of investment to be made in 2012/13 are:

- The **A57 Improvement Scheme** (£6.300m in 2012/13) has been reprofiled in line with contractors variations which will see the scheme completed over a 65 week rather than a 72 week period. In addition some aspects of the project are to be delivered in 2013/14 through the LTP Integrated Transport Block or Highways Maintenance programme, making delivery more focused and effective, and have therefore been amalgamated into those headings.
- The **LTP Integrated Transport Block** (£2.125m in 2012/13). This will deliver projects including Howard Street traffic management scheme, Oldgate Lane, Thrybergh junction bus access improvements and Main Street/Don Street junction footbridge and signalisation improvements.
- The **Highways Maintenance** programme (£3.448m in 2012/13) will deliver schemes such as carriageway works to Dale Road,

Rawmarsh; and Salisbury Road, Maltby as well as resurfacing work to Mansfield Road, Aston; and East Bawtry Road, Broom.

- New grant funding has allowed the Council to proceed with the **Local Sustainable Transport Fund Main Bid** project (£1.146m in 2012/13) which will see a number of investments 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; and canal towpath improvements between Rotherham and Sheffield.
- Anticipated spend on **Other Highways Projects** (£2.369m in 2012/13) has been reprofiled. These projects include works to signalise the junction of Oldgate Lane and TATA steel access which will now be completed in 2013/14, asbestos removal at the Parkway Bridge and new culverts at Netherthorpe and Hawk Hill Lane, Thurcroft. Other adjustments have also been made to the programme in order to utilise funding in the most effective manner.

Other investments

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

- **Rotherham Townscapes Heritage Initiative** (£0.117m in 2012/13) 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. Spend on the project had been deferred pending a decision from the Heritage Lottery Fund that they would extend grant payment beyond the original agreed period. Confirmation of the decision to grant the Council an extension was received at the end of March and the project can now be completed.
- A successful bid for additional Environment Agency funds for the **Chantry Bridge** project (£0.112m in 2012/13) meant that works could be carried out to install a new highway drainage system around the interchange entrance.
- A new project has been introduced which will see the renovation of several buildings, including **Millfold House** (£0.170m in 2012/13), as part of the regeneration of the town centre.
- **Town Centre Business Vitality Scheme** (£0.052m in 2012/13). These schemes have slipped into 2013/14 as some applications were not able to be supported as they were either outside the designated support zone or because they duplicated existing retail outlets.

Neighbourhoods and Adults Services Capital Programme 2012/13 to 2015/16

The forecast spend for 2012/13 is £23.019m, with a further £94.322m 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 £0.105m in 2012/13, the main projects being:

- Relocation of the Council's mental health day service from **Clifton Court to 68 Wellgate**, (£0.056m in 2012/13) allowing the drop-in service to be delivered in a central town centre location.
- Minor renovations/equipment installation at **Lord Hardy Court, Davies Court, Quarry Hill and Netherfield Court** (£0.035m in 2012/13).
- A new project **Mental Health Remind and Reassure Telecare Equipment** (£0.002m in 2012/13) which will see the introduction of a system to enable monitoring for assurance and medication calls.

Delivery of the capital element of the **Transformation Project** (£0.064m in 2012/13), which will see improvements in how the Council shares relevant social care data across other Yorkshire and Humber Councils, has slipped and completion is now expected in 2013/14.

In addition the following projects have been introduced into the programme for 2013/14:

- The **Assistive Technology** scheme (£0.400m in 2013/14) 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.
- **REWS (Rotherham Equipment and Wheelchair Service) Equipment** (0.190m in 2013/14) – 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.

Neighbourhoods Services

For 2012/13 the Service is expected to spend £22.914m with a further £93.668m 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 reduced by £1.444m to £18.559m due mainly to slippage on the **Strategic Acquisitions** scheme, where difficulties negotiating with developers has resulted in a longer than anticipated purchase phase, and the **Non-traditional Investment** project, which has been affected by the adverse weather and the discovery of asbestos, which impacted on the nature of the works and lengthened the tendering process.

Notable investments in this area are:

- **Refurbishment Works** (£10.884m in 2012/13) will be carried out to improve the quality of the housing stock both internally and externally across the borough.
- **Environmental Works** (£0.500m in 2012/13) - schemes including the securing of access routes to assist in making tenants feel more secure on leaving and returning home, improvements to parking, fencing and footpaths and the introduction of purpose built communal bin stores.
- The **Decent Homes Void Programme** (£1.588m in 2012/13) is ongoing. At least 125 major voids have been completed and re-let in 2012/13, with a further 16 being still being renovated.
- **New Housing Management IT System** (£0.455m in 2012/13). The project will see the installation of a new IT system to replace a number of legacy housing systems, which will enable the consolidation of all housing related information and allow on-line citizen self-service.
- **Non-traditional Investment** (£0.820m in 2012/13). The programme has already delivered the renovation of 83 properties in Whiston and Aston. The project will continue with the renovation of a further 55 properties in the Aston/Swallownest area and a number of properties in East Dene, where a property survey is identifying any final investment requirements.
- **Strategic Acquisitions** (£0.435m in 2012/13). This project will increase the Council's housing stock by purchasing rather than building properties. The Council will 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.
- In addition to these projects others have been amalgamated to streamline the process, making delivery more focused and effective. They are:
 - **Replacement of Central Heating and Replacement of Boilers**
 - **Asbestos Testing and Asbestos Removal.**

Fair Access To All: Disabled Adaptations (£3.109m in 2012/13) – Part of the programme for 2012/13 has slipped into 2013/14 but work is on-going to ensure these demand-led works are completed within the statutory timescales.

Neighbourhood Regeneration & Renewal (£1.108m in 2012/13) has seen several projects slip, most notably:

- **Bellows Road Service Centre Clearance** (£0.030m in 2012/13) where the developer of the shopping centre needs to pre let the new retail units to demonstrate commercial viability before construction can start on site. There have been a number of issues which has resulted in a delay of a number of months.
- **Occupation Road Clearance Project**, where the opportunity to develop new affordable housing on this site in Harley has been stalled due to issues around widening access.
- The **Self Build** and **Custom Build** schemes, which have been delayed pending a thorough review of both projects. Under the Self Build scheme Council land, with infrastructure, is provided and the buyer funds building of a home to an agreed design. The Custom Build scheme allows access to short term finance to support group house building projects.

Neighbourhoods Improvements Non-HIP Programme (£0.138m in 2012/13) – the majority of the spend in this area will be on the **Landfill Sites** (£0.110m) 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 all issues which will then allow the Council to improve the gas/leachate systems and restore the land.

Resources Capital Programme 2012/13 to 2015/16

Overall the 2012/13 programme is expected to spend £10.744m with a further £2.533m to be invested in the following years. A copy of the full programme is attached to this report at Appendix 4, the main aspects being:

Asset Management (£2.798m in 2012/13)

- The **Town Centre Design Work** project (£0.075m in 2012/13) is on course to be completed within budget allowing resources to be diverted to other projects within the programme.
- Residual works, including final fit-out, and improvements to the exterior of **Riverside House** (£1.157m in 2012/13) are on-going and are expected to be completed this financial year
- Work has continued on the **Ancillary Services Building** (£0.830m in 2012/13). The scheme will provide storage for the museum, corporate records and historical archives, a corporate print room,

offices for Electoral Services and general storage areas as well as housing the York and Lancaster Regimental Museum.

Other Investment Projects (£7.946m in 2012/13)

- The Council continues to invest in its **ICT infrastructure** (£2.846m in 2012/13) 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.
- Development facilities for the **Community Stadium** and redevelopment of the **High Street** have been completed.

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	2012/13 Variance from Last Report	2013/14 Estimate	2013/14 Variance from Last Report	2014/15 Estimate	2014/15 Variance from Last Report	2015/16 Estimate	2015/16 Variance from Last Report
	£m	£m	£m	£m	£m	£m	£m	£m
Grants & Contributions	32.082	-3.660	29.028	+5.576	10.598	-0.096	3.936	+1.157
Supported Borrowing	0.213	+0.003	0.188	0.000	0.000	0.000	0.000	0.000
Unsupported Borrowing	14.280	-2.696	10.289	+1.721	1.851	0.000	0.700	0.000
Usable Capital Receipts	1.249	-0.641	1.747	+0.335	0.782	0.000	0.332	0.000
Major Repairs Allowance (HRA)	18.858	-1.145	20.615	+1.135	20.164	0.000	21.664	0.000
Revenue Contributions	1.301	+0.107	8.771	+0.104	7.485	0.000	6.506	0.000
Total	67.983	-8.032	70.638	+8.871	40.880	-0.096	33.138	+1.157

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	2012/13 Revised Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m
Anston & Woodsetts	0.299	0.069	0.036	0.036
Boston Castle	10.398	2.285	0.534	0.034
Brinsworth & Catcliffe	0.786	0.615	0.035	0.035
Dinnington	0.482	0.094	0.036	0.036
Hellaby	2.223	2.161	0.052	0.052
Holderness	3.639	3.811	0.031	0.031
Hoover	0.289	0.073	0.014	0.014
Keppel	0.131	0.110	0.056	0.056
Maltby	3.909	7.040	0.020	0.020
Rawmarsh	1.245	0.713	0.051	0.051
Rother Vale	0.564	0.045	0.023	0.023
Rotherham East	0.270	0.117	0.060	0.060
Rotherham West	2.065	0.119	0.042	0.042
Silverwood	0.742	0.123	0.035	0.035
Sitwell	0.653	0.067	0.034	0.034
Swinton	0.658	0.296	0.293	0.043
Valley	2.296	1.729	1.569	0.058
Wales	3.521	3.856	0.047	0.027
Wath	0.409	0.379	0.124	0.056
Wickersley	0.539	1.181	0.034	0.034
Wingfield	0.161	0.128	0.050	0.030
All Wards	32.704	45.627	37.704	32.331
Total	67.983	70.638	40.880	33.138

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 Monitoring 2012/13 and Capital Programme Budget 2013/14 to 2014/15 Report.
- Capital Programme Budget 2013/14 to 2015/16 Report
- Project / Scheme monitoring reports
- Monitoring returns and budget setting details from Directorates.

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