

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1	Meeting:	Cabinet
2	Date:	16th October 2013
3	Title:	Capital Programme Monitoring 2013/14 and Capital Programme Budget 2014/15 to 2015/16
4	Directorate:	Resources

5 Summary

The purpose of this report is to provide details of the current forecast outturn for the 2013/14 programme and enable the Council to review the capital programme for the financial years 2014/15 and 2015/16.

6 Recommendations

CABINET IS ASKED TO:

NOTE THE CONTENTS OF THIS REPORT; AND

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

7 Proposals and Details

7.1 Background - The Capital Programme 2013/14 to 2015/16

The budget process that led to the original Capital Programme for 2013/14 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 2013, following the finalisation of the 2012/13 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.

	2013/14 Revised 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
Children & Young People's Service	20.493	+0.566	5.786	-0.050	3.707	0.000
Environment & Development Services	25.536	+2.595	12.950	+5.080	7.239	+5.764
Neighbourhoods & Adult Services	36.599	+0.398	30.620	+1.363	29.481	0.000
Resources	2.280	+0.277	1.066	0.000	0.470	0.000
TOTAL	84.908	+3.836	50.422	+6.393	40.897	+5.764

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

The revised proposed spend for 2013/14 is £20.493m, with a further £9.493m of investment in the remaining two 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 £8.269m in 2013/14, with a further £3.229m of planned spend in 2014/15 to 2015/16, including new schemes at a number of schools across the Borough, required to address the increase in pupil numbers. The major investments to note in this area are:

- Work is continuing on the **Maltby Lilly Hall** new school project (£1.600m in 2013/14) which will create six new classrooms together with associated facilities and external play areas. The scheme will be completed in October 2013.
- The project to provide **Flanderwell Primary School** (£1.117m in 2013/14) with a five classroom single story extension to accommodate an increase in pupil numbers is on-going and expected to complete at the end of September 2013.
- Work is also continuing at **Herringthorpe Infant and Junior School** (£1.784m in 2013/14) to provide five new teaching areas, and other required space, to provide sufficient pupil places. The two infant classrooms are complete and already in use whilst the three junior classrooms are scheduled to be finished in mid-October 2013.
- Investment in **Aston Hall Infant and Junior School Expansion** project has increased (£0.845m in 2013/14) due to an improvement to the specification resulting in further works on landscaping being added to the project.
- Revisions have been made to the cost of the **Flanderwell Primary Autism Resource** (£0.543m in 2013/14), **Bramley Sunnyside Junior School Renovation** (£0.115m in 2013/14), **Kiveton Park Meadows Junior School Expansion** (£0.415m in 2013/14) and **Wales Primary School Expansion** (£0.400m in 2013/14) projects as tenders received were in excess of original cost estimates.
- An increase to the investment in **Wath C of E Primary School** (£0.050m in 2013/14) has been made following a review of the project and its potential cost.
- The project to expand **Brampton Cortonwood Infant School**, originally scheduled for 2014/15, has now been delayed until 2017/18, when an increase in pupil numbers is anticipated, in order to coincide with a linked project at **Brampton Ellis Junior School**.
- In addition two new projects have been introduced.
 - Work predominantly around **Badsley Moor Infants** reception area (£0.090m in 2013/14) will be carried out to facilitate the amalgamation of the infant and junior schools

- **Treeton C of E New Sports Pitch** (£0.038m in 2013/14). A new junior sized football pitch has been created on the school field and adjoining land following the erection of a modular building on the existing playing field.

Secondary Schools

Spend on Secondary Schools is expected to be £7.050m in 2013/14 with a further £0.550m in the subsequent two years. The most notable project in this area is **Maltby Academy** (£6.725m in 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. The work commenced in September 2012 and several Blocks have already been refurbished and handed back to the Academy. The new build Business and Enterprise Block is also due to complete at the end of September 2013, when work on the new sports hall will commence. Overall completion of the project is programmed to be the end of February 2014.

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 2013/14 is forecast to be £2.200m, those works will include:
 - New kitchen lighting, ventilation and the replacement of a ceiling containing asbestos at **Bramley Grange Primary School**.
 - Partial re-roofing work, toilet refurbishment and work to address damp issues at **Harthill Primary**.
 - The replacement of windows at **Kiveton Park Meadows, Roughwood and Kelford Schools**.

A further £4.000m is due to be spent on similar schemes in the subsequent two years of this programme.

- **Devolved Formula Capital Grant** is paid annually to schools for them to use on small capital projects. In 2013/14 £1.572m is due to be spent with a further £1.614m to be allocated in subsequent years.
- The programme for **Property Adaptations** has been increased to £0.859m in 2013/14, in order to deal with the 21 requests received from foster carers or family members for a property extension, 13 of which will give the Council greater capacity in terms of fostering placement. It is also anticipated that this project will result in the long term reduction of revenue costs for fostering placements.

Environment and Development Services (EDS) Capital Programme 2013/14 to 2015/16

The revised proposed spend for 2013/14 is £25.536m with a further £20.189m 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 2013/14 is expected to be £1.562m including the planned works to the Borough's **Library facilities** (£0.159m). Work has already begun on a refit of the ground floor of Dinnington Library which has allowed the service centre to be relocated. Similarly the customer service centre has also been able to move into Swinton Library following work to that building. Work on other libraries is scheduled for this autumn. In addition:

- The original intention of the **Wath Library Refurbishment** project (£0.155m in 2013/14) was to relocate services currently delivered from Wath Neighbourhood Office at Wath Town Hall. In view of the asbestos and re-wiring issues, encountered during initial investigations, the project has been put on hold until a further review of accommodation in the north of the Borough has been concluded.
- Investment in **Brinsworth Library** (£0.499m in 2013/14) is still planned. Brinsworth Parish Council is currently carrying out a consultation on extending the building to form a library and arts centre. In the process renovation of the building fabric plus the mechanical and electrical services will be carried out, allowing the building to be used for the next ten years.
- The Completion of **Barkers Park Changing Facilities** (£0.322m in 2013/14) is imminent. The project will deliver 8 team and 1 officials changing room plus a disabled facilities unit and renewal of the drainage system.

In addition two new projects have been introduced into the capital programme:

- Heritage Services are to create a **Conservation Lab** (£0.020m in 2013/14) which, in partnership with Doncaster Museum and Art Gallery, will offer a conservation service to the wider museum sector and generate additional revenue income in the long term.
- A new classroom and cycle centre are to be created at **Rother Valley Country Park** (£0.166m in 2013/14). The classroom will be used to increase the range and number of educational experiences for both young people and adults and support the development of corporate activities. The new cycle workshop will expand the range

and number of cycles available to hire in the park, improving the user experience.

Highways

The Council's highways continue to be a priority for investment with £21.752m expected to be spent in 2013/14 and a further £14.425m invested over the next two years. The main areas of investment to be made in 2013/14 are:

- The **A57 Improvement Scheme** (£6.748m in 2013/14) is on-going with work to apply final tarmac layers and install lighting and signals scheduled to be completed early in 2014. There has been some slippage in the overall scheme. It is now anticipated that compensation for land acquisition will not be agreed and paid until the 2014/15 financial year and in addition planting mitigation works will now use the 2014 growing season to ensure best results.
- The **LTP Integrated Transport Block** (£2.150m in 2013/14). This funding stream will deliver a programme of schemes designed to address problems at identified accident black spots and investment in works that will promote walking, cycling and bus usage across the Borough.
- The **Highways Maintenance** programme (£4.093m in 2013/14) will deliver many improvements to the Borough's road infrastructure including carriageway resurfacing on; Worksop Road, Lindrick; Bawtry Road at Bramley; and Chapelfield Road, Thorpe Hesley.
- The **LSTF Main Bid** (£1.811m in 2013/14) has increased after the Department for Transport recalculated the programmes supported by the fund resulting in an increased allocation to the Council. The fund will deliver a number of schemes including:
 - An off road cycle route from Queens Street in Swinton to Manvers.
 - Surfacing of the canal towpath between Rotherham town centre and Sheffield city centre, in conjunction with Sheffield City Council.
 - Investment in identified bus hotspots on the A633 Dearne corridor.
- Anticipated spend on **Other Highways Projects** (£6.300m in 2013/14) has increased mainly due to the introduction of two new schemes funded by the DfT's Local Pinch Point Fund:
 - The conversion of **Pool Green Roundabout** (£0.651m in 2013/14), at the junction of Centenary Way and Main Street, into a signalised crossroads to improve the capacity of the junction, improve journey time reliability and reduce travel delays.

- A programme of bridge strengthening is required at **Old Flatts Bridge** (£1.784m in 2013/14) on the A630 Parkway in order to avoid either weight restrictions being imposed or even its closure to traffic.

Other investments

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

- **Rotherham Townscapes Heritage Initiative** (£1.489m in 2013/14) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements including:
 - The George Wright Building where work started on site in August to repair the structure of the building and re-instate the unique architectural features of the property.
 - The Three Cranes Building where work has now begun to investigate the structure of this listed, timber framed, property to assess the damage that occurred during the time that it was left vacant and exposed to the elements.
- Protracted negotiations over the **Drainage Works on Don Street** (£0.627m in 2013/14) are on-going. These are expected to be brought to a conclusion in 2013/14
- A capital contribution is to be made in 2015/16 to the **PFI Residual Waste Facility** contractor – this project will deliver a new waste disposal facility operated in conjunction with Doncaster and Barnsley Councils. By making a capital contribution it will be possible to reduce the ratio of institutional debt to finance the facility.

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

The forecast spend for 2013/14 is £36.599m, with a further £60.101m 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 £0.690m in 2013/14, the main projects being:

- 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. The project has now been extended into 2014/15 and will help to generate revenue savings over its lifetime.

- **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 and will be managed by Rotherham Foundation Hospital Trust. Again the project has now been extended into 2014/15 and will help to generate revenue savings over its lifetime.

Neighbourhoods Services

For 2013/14 the Service is expected to spend £35.909m with a further £59.511m 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 2013/14 has remained at £29.661m in 2013/14 with the only changes being small variations where a shortfall in the programme has been identified following the tendering of works. Notable investments in this area are:

- **Refurbishment Works** (£14.000m in 2013/14) will be carried out to improve the quality of the housing stock both internally and externally across the borough. Those works will include; roof and gutter works at 1,600 properties in six areas across the Borough; roof and chimney replacements in flats in Wingfield and Greasbrough; wall insulation work in the North Anston, Maltby and Wath areas.
- **Environmental Works** (£1.485m in 2013/14) – schemes include improvements to parking, fencing and footpaths and the introduction of purpose built communal bin stores. Most notably work is on-going at Pike Road, Brinsworth, with an anticipated completion date of December 2013. Work will also be undertaken at Birk's Holt at Maltby, where improvements are to be made to the boundary fences and railings.
- The **Decent Homes Void Programme** (£1.819m in 2013/14) is on-going with 92 major voids completed and re-let so far in 2013/14.
- Under the **Replacement of Central Heating** programme (£3.010m in 2013/14) the Council has replaced 219 boilers under the planned programme and 165 boilers that were unplanned. A further 224 boilers are scheduled to be replaced before the financial year end.
- **Non-traditional Investment** (£1.841m in 2013/14). Work to renovate non-traditional properties is planned in four areas of the Borough:

- Renovation work commenced in 2012/13 on properties in the Swallownest area and is nearing completion.
 - Work on 84 properties in the Rawmarsh area has also commenced and should be completed in November 2013.
 - A further 133 properties will also be started in the Wath area in this financial year, but completion is not expected until 2014/15.
 - Work to address the issue of wall rendering lifting away from the brickwork in properties in Whiston will also be undertaken.
- The **Strategic Acquisitions** project (£2.833m in 2013/14) aims to increase the Council's housing stock by buying rather than building properties. In 2013/14 the purchase of 12 properties at Manvers Lakeside, Wath has been completed and a further 6 at Churchfields, Wickersley have been identified for potential purchase. In addition 25 properties are to be acquired in Rawmarsh in 2014/15.

Fair Access To All: Disabled Adaptations (£3.784m in 2013/14) – Both the private and public sector programmes have been increased in 2013/14 in order to reduce the backlog of non-urgent major adaptations that had built up and to reduce the waiting time for new adaptations down to three months. Up to the end of August all the 2012/13 backlogged works had been allocated and, in total, 481 major and 1068 minor adaptations have been completed.

Investment into **Neighbourhood Regeneration & Renewal** (£1.984m in 2013/14) will continue with the most notable projects being:

- **Canklow Phase 1 & 2** (£0.450m in 2013/14) where there are seven properties identified for purchase, with negotiations on-going. A programme of demolition is also being prepared to clear the land where a further twenty properties have already been purchased.
- **Bellows Road, Rawmarsh, Service Centre Clearance** (£0.585m in 2013/14). Work is continuing to demolish the remaining shops in this precinct, with completion expected to be towards the end of 2013.
- **Garage Site Investment** (£0.500m in 2013/14) which will see the renovation of a number of garage sites across the Borough, making them safe and secure for use.
- The **Fuel Poverty – Vulnerable People** project (£0.424m in 2013/14) will deliver low cost energy efficiency improvements to private sector households in areas of the Borough with high levels of fuel poverty. Phase 1 will deliver cavity and loft insulation installations to 130 properties in a number of areas across Rotherham.

In addition the **Occupation Road Clearance Project** has been deferred until 2014/15 as issues around the access route for the land-locked piece of land continues and it is anticipated that the problems will not be resolved in the short term.

Neighbourhoods Improvements Non-HIP Programme (£0.480m in 2013/14) – the majority of the spend in this area will be on the **Landfill Sites** (£0.458m in 2013/14) where work is continuing improve the gas/leachate systems and restore the land in order to make the sites safe.

Resources Capital Programme 2013/14 to 2015/16

Overall the 2013/14 programme is expected to spend £2.280m with a further £1.536m 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 (£0.552m in 2013/14)

- The **Ancillary Services Building** project (£0.262m in 2013/14) is continuing, with the focus in 2013/14 being the relocation of the York and Lancaster Regimental Museum. Work to improve customer access and the overall visitor experience is nearing completion with new display cases and signage being installed.
- A new project, **Bailey House** (£0.277m in 2013/14), has been added to the programme. Following a review of options it was determined that there is no viable early exit strategy from the building and that it should now be considered a long term operational asset, utilised to enable further rationalisation of the Council's estate. Work will be carried out to address issues which include the leaking plant room roof, the heating of offices and the replacement of fire doors. The intention is to then move services from both the Station Road and Canklow Depots allowing those facilities to be closed.

Other Investment Projects (£1.728m in 2013/14)

- The Council continues to invest in its **ICT infrastructure** (£1.728m in 2013/14) 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.

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 Revised 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
Grants & Contributions	39.335	+2.929	17.307	+4.142	4.636	0.000
Unsupported Borrowing	13.979	+0.509	4.869	+2.206	7.759	+5.764
Usable Capital Receipts	1.775	+0.100	0.827	+0.045	0.332	0.000
Major Repairs Allowance (HRA)	21.037	+0.298	20.164	0.000	21.664	0.000
Revenue Contributions	8.782	0.000	7.255	0.000	6.506	0.000
Total	84.908	+3.836	50.422	+6.393	40.897	+5.764

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 Revised 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
Anston & Woodsetts	0.069	0.000	0.036	0.000	0.036	0.000
Boston Castle	4.502	+0.960	4.321	+3.787	0.034	0.000
Brinsworth & Catcliffe	2.893	+1.929	0.628	+0.593	0.035	0.000
Dinnington	0.179	+0.014	0.036	0.000	0.036	0.000
Hellaby	1.830	0.000	0.052	0.000	0.052	0.000
Holderness	4.280	-0.271	0.381	+0.350	0.031	0.000
Hooper	0.412	-0.045	0.059	-0.205	0.014	-0.800
Keppel	0.110	0.000	0.056	0.000	0.056	0.000
Maltby	6.813	0.000	0.020	0.000	0.020	0.000
Rawmarsh	0.713	0.000	0.938	+0.728	0.051	0.000
Rother Vale	0.249	+0.204	0.023	0.000	0.023	0.000
Rotherham East	0.382	+0.106	0.060	0.000	0.060	0.000
Rotherham West	0.214	+0.015	0.042	0.000	0.042	0.000
Silverwood	0.142	-0.040	0.035	0.000	0.035	0.000
Sitwell	0.067	0.000	0.034	0.000	0.034	0.000
Swinton	0.348	+0.052	0.293	0.000	0.043	0.000
Valley	4.182	+0.541	2.290	-0.199	0.058	0.000
Wales	4.318	-0.168	0.377	+0.350	0.827	+0.800
Wath	0.386	0.000	1.433	+0.200	0.056	0.000
Wickersley	1.908	+0.108	0.034	0.000	0.034	0.000
Wingfield	0.097	0.000	0.075	0.000	0.030	0.000
All Wards	50.814	+0.431	39.199	+0.789	39.290	+5.764
Total	84.908	+3.836	50.422	+6.393	40.897	+5.764

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 2013/14 outturn revenue forecast and its updated Medium Term Financial Strategy.

9. Risks & Uncertainties

The Capital Programme is funded through a number of sources: unsupported borrowing, 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 2012/13 and Updated Estimates 2013/14 to 2015/16.
- Project / Scheme monitoring reports
- Monitoring returns and budget setting details from Directorates.

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