

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Self Regulation Select Commission
2	Date:	19th December 2013
3	Title:	Capital Programme Monitoring 2013/14 and Capital Programme Budget 2014/15 to 2016/17
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 to 2016/17.

6 Recommendations

SELF REGULATION IS ASKED TO NOTE THE REQUEST OF CABINET TO:

NOTE THE CONTENTS OF THIS REPORT; AND

RECOMMEND THE APPROVAL OF THE UPDATED 2013/14 TO 2016/17 CAPITAL PROGRAMME 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.

The Capital Programme 2014/15 to 2016/17

The budget process that has led to the recommended capital programme for 2014/15 to 2016/17 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.

In 2013/14 the Council will have invested £82.395m in capital schemes across the Borough. A further £133.817m will be invested in regeneration and enhanced infrastructure schemes over the following three year period, including £59.348m in 2014/15. It should be noted that some grant funding notifications have not been received at this time, which has limited the development of schemes to be undertaken in 2015/16 onwards. Once those notifications are received reports will be brought before Members, which will expand the current programme.

The 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.

	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	2016/17 Estimate
Directorate	£m	£m	£m	£m	£m	£m	£m
Children & Young People's Service	21.108	+0.615	10.948	+5.162	6.307	+2.600	3.257
Environment & Development Services	24.420	-1.116	14.239	+1.289	7.239	0.000	0.650
Neighbourhoods & Adult Services	34.478	-2.121	33.204	+2.584	28.014	-1.467	28.062
Resources	2.389	+0.109	0.957	-0.109	0.470	0.000	0.470
TOTAL	82.395	-2.513	59.348	+8.926	42.030	+1.133	32.439

7.2 Children and Young People's Services Capital Programme 2013/14 to 2016/17

The revised proposed spend for 2013/14 is £21.108m, with a further £20.512m of investment in the following years of the 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 £8.419m in 2013/14, with a further £8.829m of planned spend in 2014/15 to 2016/17. The major investments to note in this area are:

- The extension and refurbishment at **Maltby Lilly Hall Primary** school is now complete (£1.600m in 2013/14). The work has created six new classrooms together with associated facilities and external play areas.
- An extension at **Flanderwell Primary** to provide 5 additional classrooms was completed in October (£1.117m in 2013/14). The extension was necessary in order to accommodate an increase in pupil numbers.
- Work has begun on the **Autism Resource at Flanderwell Primary School** (£0.543m in 2013/14). The resource will cater for 10 pupils who will benefit from a purpose built resource.

- Work is almost complete at **Herringthorpe Infant and Junior Schools** (£1.784m in 2013/14). The classrooms for both schools are complete, the remaining work is to the external areas which was scheduled to finish at the end of November.
- The new 4 classroom block at **Aston Hall Junior and Infant School** (£0.845m in 2013/14) was completed in September 2013.
- The extension to facilitate the expansion of **Wath CE Primary School** (£0.050m in 2013/14) is currently in the planning stage and is expected to start on site in February, with a completion in the summer of 2014.

In addition two new schemes have been introduced to the programme in order to accommodate an increase in pupil numbers:

- Design development has begun of the **New Central Primary School** to be located on Eldon Road Allotment site (£0.150 in 2013/14). Surveys and investigations will continue this financial year, with building on site to begin in the Summer of 2014 subject to necessary approvals.
- Early planning has begun to create additional teaching, learning and other required facilities at **Brampton Ellis Junior School**. A further 3 classrooms will be needed, construction of which is anticipated to begin in 2016/17, to accommodate additional pupil numbers.

Secondary Schools

Spend on Secondary Schools is expected to be £7.250m in 2013/14 with a further £3.377m in the subsequent years. The most notable projects in this area are:

- **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 business and enterprise block has recently been completed enabling work to begin on the Sports Hall, which is programmed to be complete in February 2014.
- An additional project to provide an 18 block classroom extension at **Wickersley School and Sports College** (£0.200m in 2013/14) has been added to the programme. The work, which is required in order to address an increase in pupil numbers, is expected to start in December 2013 and be complete for October 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 now forecast to be £2.465m, 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 £5.735m is due to be spent on similar schemes in the remaining years of this programme.

- **Devolved Formula Capital Grant (DFCG)** 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 £2.421m to be allocated in subsequent years.
- The **Property Adaptations** programme (£0.859m in 2013/14) aims 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 2016/17

The revised proposed spend for 2013/14 is £24.420m with a further £22.128m 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 in 2013/14). The refit work to the ground floor at Dinnington Library is now complete, including the service centre relocation. Similarly work facilitating the movement of the customer service centre into Swinton Library is nearing completion. 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. A decision is expected by late December.

- 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. Discussions are also taking place with the Arts Council and other partners regarding funding for the renovation of the building fabric together with the mechanical and electrical services, which will allow 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.
- 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 £21.800m expected to be spent in 2013/14 and a further £15.200m invested over the next three years. The current Government funding programme comes to an end in 2014/15 with the next round of funding expected to be announced at the end of 2014. As a result the Council is unable to introduce any grant funded spend to the programme beyond 2014/15 at this time. 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. It is also 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** (£2.170m 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) will deliver a number of schemes including:
 - An off road cycle route from Queens Street, 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** (£6.328m in 2013/14) has risen slightly due to an increase in costs associated with the creation of a priority bus lane and signalisation of the Oldgate Lane/TATA Steels junction. The Department for Transport have agreed to fund the additional cost.

Other investments

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

- **Rotherham Townscapes Heritage Initiative** (£0.325m in 2013/14) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements. The project has been granted an extension by the Heritage Lottery Fund to enable the completion of the remaining buildings and subsequent public realm works on the High Street. The main physical works on 10-12 High Street, the Three Cranes and Alfonso's buildings will now take place in 2014/15, along with the improvements to the surrounding public realm.
- 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.

In addition a capital contribution is to be made in 2015/16 to the **PFI Residual Waste Facility** contractor. This payment will reduce the overall cost of the project by reducing any future debt burden. This project will deliver a new waste disposal facility operated in conjunction with Doncaster and Barnsley Councils.

Neighbourhoods and Adults Services Capital Programme 2013/14 to 2016/17

The forecast spend for 2013/14 is £34.478m, with a further £89.280m 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 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 £33.788m with a further £88.690m to be invested during the remaining period of the current programme. There have been a number of movement's to the planned Housing Capital programme for 2014/15 onwards due to better use of asset management intelligence. This has resulted in reductions to external and internal work budgets following significant investment during the Decent Homes programme. Going forward programmes will increasingly focus on investment to empty properties, due to increasing volumes as a consequence of welfare reform and rationalising, plus refurbishing existing District Heating networks across the borough.

A copy of the existing 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 is now £27.553m with the only change being to the **Strategic Acquisitions** programme (£0.725m in 2013/14) where the purchase of properties in Wickersley and Rawmarsh is not expected to complete until 2014/15.

Other 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 renovation and 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 128 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 312 boilers under the planned programme and 212 boilers that were unplanned. A further 21 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:
 - Work on 84 properties in the Rawmarsh area has commenced and should be completed in February 2014.
 - Renovation work, which commenced in 2012/13, on properties in the Swallownest area has now been completed.
 - Work on a further 133 properties is continuing in the Wath area with completion now expected in January 2014, which is earlier than originally anticipated.
 - 97 properties in the Rawmarsh Manor Farm area will also receive external wall insulation. The work is currently out to tender and is expected to commence in 2014/15.

In addition two new programmes have been introduced from 2014/15 onwards:

- **New Build Disabled Persons Unit (DPU) Bungalows.** The Council is to invest in the building of four bungalows, two in Kimberworth and two in Thurcroft, specifically designed to cater for the needs of disabled tenants.
- Investment will be made **into Enabling Works on HRA Land.** These works will facilitate the releasing of HRA land for new build housing development

Fair Access To All: Disabled Adaptations (£3.784m in 2013/14) – work is on-going to ensure these demand-led works are completed within the statutory timescales. Up to the end of October 445 major and 2108 minor adaptations had been completed.

Investment into **Neighbourhood Regeneration & Renewal** (£1.981m 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, although there has been some delay due to the need to find a suitable site for the relocation of a telecom mast.
- **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 has been delivered with cavity and loft insulation being installed in 130 properties in a number of areas across Rotherham. Building on the success of Phase 1, a second phase of the project is currently being developed.

Neighbourhoods Improvements Non-HIP Programme (£0.470m 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 to improve the gas/leachate systems and restore the land in order to make the sites safe. Work at three of the sites, Maltby, Droppingwell and Kiveton Park, is nearing completion whilst that at Rawmarsh and Wath is still ongoing.

Resources Capital Programme 2013/14 to 2016/17

Overall the 2013/14 programme is expected to spend £2.389m with a further £1.897m 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 continuing with new display cases and signage due to be fully installed in December 2013.
- Work has commenced on the **Bailey House Renovation** project (£0.277m in 2013/14). 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 is to 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. Work should be completed by the end of March 2014

- The Council continues to invest in its **ICT infrastructure** (£1.837m 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. The most notable projects are:
 - **Developing Customer Access and On-line Self Service.** Making customers' data available on-line in a secure way to improve customer service and realise efficiencies by moving transactions from more expensive contact channels.
 - **Upgrading Key Financial Management Systems** to support on-going improvements to the Council's financial management capability.
 - The **Electronic Document Records Management** project, designed to enable staff to access the information they need to do their jobs from any location and to reduce the amount of paper document storage.

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	2016/17 Estimate
	£m	£m	£m	£m	£m	£m	£m
Grants & Contributions	39.552	+0.217	23.188	+5.881	5.236	+0.600	4.186
Unsupported Borrowing	11.209	-2.770	7.599	+2.730	9.759	+2.000	1.170
Usable Capital Receipts	1.815	+0.040	0.782	-0.045	0.332	0.000	0.332
Major Repairs Allowance (HRA)	21.037	0.000	20.024	-0.140	20.664	-1.000	20.664
Revenue Contributions	8.782	0.000	7.755	+0.500	6.039	-0.467	6.087
Total	82.395	-2.513	59.348	+8.926	42.030	+1.133	32.439

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	2016/17 Estimate
	£m	£m	£m	£m	£m	£m	£m
Anston & Woodsetts	0.160	+0.091	0.036	0.000	0.036	0.000	0.036
Boston Castle	3.391	-1.111	5.485	+1.164	0.034	0.000	0.034
Brinsworth & Catcliffe	2.996	+0.103	0.628	0.000	0.035	0.000	0.035
Dinnington	0.350	+0.171	0.037	+0.001	0.036	0.000	0.036
Hellaby	1.856	+0.026	0.052	0.000	0.052	0.000	0.052
Holderness	4.507	+0.227	0.381	0.000	0.031	0.000	0.031
Hooper	0.448	+0.036	0.014	-0.045	0.014	0.000	0.414
Keppel	0.153	+0.043	0.056	0.000	0.056	0.000	0.056
Maltby	6.821	+0.008	0.020	0.000	0.020	0.000	0.020
Rawmarsh	1.169	+0.456	1.088	+0.150	0.051	0.000	0.051
Rother Vale	0.283	+0.034	0.023	0.000	0.023	0.000	0.023
Rotherham East	0.553	+0.171	2.660	+2.600	2.660	+2.600	0.060
Rotherham West	0.300	+0.086	0.042	0.000	0.042	0.000	0.042
Silverwood	0.150	+0.008	0.035	0.000	0.035	0.000	0.035
Sitwell	0.096	+0.029	0.034	0.000	0.034	0.000	0.034
Swinton	0.463	+0.115	0.293	0.000	0.043	0.000	0.043
Valley	4.408	+0.226	2.290	0.000	0.058	0.000	0.058
Wales	4.803	+0.485	0.377	0.000	0.827	0.000	0.027
Wath	0.466	+0.080	1.433	0.000	0.056	0.000	0.056
Wickersley	2.369	+0.461	2.861	+2.827	0.034	0.000	0.034
Wingfield	0.169	+0.072	0.075	0.000	0.030	0.000	0.030
All Wards	46.484	-4.330	41.428	+2.229	37.823	-1.467	31.232
Total	82.395	-2.513	59.348	+8.926	42.030	+1.133	32.439

8. Finance

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

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