

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Self Regulation Select Commission
2	Date:	27th March 2014
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 TO CABINET TO NOTE THE CONTENTS OF THIS REPORT; AND

THE REQUEST TO CABINET TO 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 2013/14 to 2016/17

The budget process that led to the original Capital Programme for 2013/14 to 2016/17 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 further reviews, the result of which is 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	2016/17 Estimate	2016/17 Variance from Last Report
Directorate	£m	£m	£m	£m	£m	£m	£m	£m
Children & Young People's Service	22.301	+1.193	11.143	+0.195	6.134	-0.173	3.084	-0.173
Environment & Development Services	19.607	-5.365	22.019	+7.780	8.159	+0.920	1.200	+0.550
Neighbourhoods & Adult Services	33.017	-1.461	35.885	+2.681	28.014	0.000	28.062	0.000
Resources	2.859	+1.022	1.380	+0.423	0.470	0.000	0.470	0.000
TOTAL	77.784	-4.611	70.427	+11.079	42.777	+0.747	32.816	+0.377

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

The revised proposed spend for 2013/14 is £22.301m, with a further £20.361m 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 £9.432m in 2013/14, with a further £9.124m 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 (£2.070m in 2013/14). The work has created six new classrooms together with associated facilities and external play areas. Budget, previously expected to not be required, has had to be reinstated to enable the subsequent discovery of asbestos to be properly managed as well as delays to roofing works caused by the recent adverse weather conditions.
- Work to build five new classrooms was completed in December 2013 at **Herringthorpe Infant and Junior Schools** (£1.979m in 2013/14). However, external problems with a wall, drainage and paths during the build, together with a requirement for extra landscaping and furniture, has resulted in additional investment being necessary.
- The new 4 classroom block at **Aston Hall Junior and Infant School** (£0.899m in 2013/14) was completed in September 2013. Additional, unforeseen, landscaping was required to deal with the changes in level of the buildings.
- The extension to facilitate the expansion of **Wath CE Primary School** (£0.309m in 2013/14) has been able to progress quicker than previously expected, resulting in the schedule of works being brought forward. The project, which will also see the renovation of existing classroom and toilet areas is due to complete in August 2014.
- The tender price for work at **Dalton Listerdale Junior & Infant School** (£0.120m in 2013/14) was in excess of the original programme estimate. The project will see a permanent expansion of the school, creating a further four classrooms.
- The budget for **Kiveton Park Meadows Junior School Expansion** (£0.470m in 2013/14) has been increased to allow work to replace existing windows to be carried out at the same time as the expansion. This work was originally scheduled to be carried out as part of the Capitalised Minor Enhancement programme.
- Work to **Badsley Moor Infants Reception** (£0.012m in 2013/14) and the **New Central Primary School** (£0.035m in 2013/14) has not progressed as anticipated resulting in slippage into 2014/15.

Secondary Schools

Spend on Secondary Schools is expected to be £7.936m in 2013/14 with a further £3.377m in the subsequent years. The most notable projects in this area are:

- **Maltby Academy** (£7.404m 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 is due to

complete in March 2014 but additional investment has been necessary to address asbestos related issues in the ground, which weren't covered by the contract agreement, and to facilitate additional works requested by the Academy, which they are funding.

- Work has commenced on the 18 block classroom extension at **Wickersley School and Sports College** (£0.200m in 2013/14). The work, which is required in order to address an increase in pupil numbers, is expected to complete in 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 £2.400m, 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 **Roughwood** and **Kelford Schools**.

A further £5.400m 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 £1.902m to be allocated in subsequent years.
- Due to delays with the commencement of several schemes under the **Property Adaptations** programme (£0.659m in 2013/14), which delivers greater capacity in terms of fostering placement, some of the investment has had to be slipped into 2014/15.
- Similarly part of the investment in the Entitlement for Early Years Provision project (£0.242m in 2013/14), which will allow 2 year olds to take up free early education entitlement, has been moved into 2014/15 to reflect current scheme approvals and works.

Environment and Development Services (EDS) Capital Programme 2013/14 to 2016/17

The revised proposed spend for 2013/14 is £19.607m with a further £31.378m 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 now expected to be £0.646m including the completed scheme at **Barkers Park** (£0.322m in 2013/14) which has delivered 8 team and 1 officials changing room, a disabled facilities unit and renewal of the drainage system.

Several schemes are now expected to slip into 2014/15:

- In view of the asbestos and re-wiring issues encountered during initial investigations at **Wath Library**, the building has been included in a full review of Wath town centre properties that are of similar construction. This review will determine whether the project should proceed in 2014/15.
- Brinsworth Parish Council is still seeking funding that will allow **Brinsworth Library** project to commence in 2014/15. Works to the building will see it extended to form a combined library and arts centre.
- The Borough's **Library facilities** (£0.081m 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. The remaining works will be completed pending a review of library facilities.
- A delay in obtaining preliminary approvals for the **Rother Valley Country Park** project (£0.003m in 2013/14) means that the works are not expected to commence until April 2014. This project will deliver a new classroom and cycle centre in the park.

In addition three new play area projects have been introduced to the programme at **Alexandra Park**, Aston (£0.001m in 2013/14), **Gordon Bennett** play area, Thurcroft (£0.011m in 2013/14) and **Sanctuary Fields**, North Anston (£0.015m in 2013/14). These grant funded projects will provide new safe play facilities in these localities.

Highways

The Council's highways continue to be a priority for investment with £17.760m expected to be spent in 2013/14 and a further £21.835m 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 made in 2013/14 are:

- The **A57 Improvement Scheme** (£6.480m in 2013/14) is nearing completion with work to apply final tarmac layers, and install lighting

and signals, scheduled to be completed early in 2014. It is now anticipated that compensation for land acquisition will not be agreed and paid until 2014/15 and planting mitigation works are to be delayed until such time as weather conditions permit.

- The **LTP Integrated Transport Block** (£2.028m 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. Delays in the acquisition of equipment and to statutory undertakings have meant some aspects slipping into 2014/15.
- The **Highway Maintenance** programme (£3.510m 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. A proposed contribution (£0.500m in 2013/14) from this programme to the A57 scheme is not now required, allowing the funding to be used for future maintenance projects.
- The **LSTF Main Bid** (£0.996m 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.

Protracted design and consultation periods have meant that much of what was intended to be delivered in the final quarter of 2013/14 will not now be done until the beginning of 2014/15.

- Anticipated spend on **Other Highways Projects** (£4.096m in 2013/14) has reduced in 2013/14 mainly due to slippage on the Pool Green Roundabout project, where design and construction was delayed to take account of the 2013 traffic flow survey, and Old Flatts Bridge, which has been re-profiled to avoid overlap with a Highways Agency pinch point scheme at junction 33 of the M1.

In addition a new invest to save scheme has been introduced (£0.550m per annum over the next 3 years) to install energy efficient residential street lighting into more areas.

Other investments

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

- **Rotherham Townscape Heritage Initiative** (£0.286m in 2013/14) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements. The main construction works on the George Wright building, Essoldo building and 14a High Street, plus the investigative work on the Three Cranes building, are expected to be finished by the end of March. The remaining buildings, and the surrounding public realm, will be completed in 2014/15.
- Protracted negotiations over the **Drainage Works on Don Street** are on-going and works are not anticipated to commence until 2014/15.
- Two new flood alleviation schemes have been added to the programme. **Wath upon Dearne Flood Alleviation Scheme** (£0.240m in 2013/14), which will replace defective trash screens at the head of the culverted watercourses with more appropriately designed and maintained screens, and **Aston, Aughton and Swallownest Phase 1** scheme (£0.027m in 2013/14) which will provide individual flood protection to thirty properties and replace defective screens at the head of the culverted water course.
- The **Ancillary Services Building** project (£0.177m 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 ongoing. The scheme will not now be completed until 2014/15 as problems with the original cabinet supplier mean they now have to be purchased from another source.
- Work on the **Bailey House Renovation** project (£0.050m in 2013/14) continues. 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 Station Road and Canklow Depots allowing those facilities to be closed. Due to preliminary delays the development will now be completed in 2014/15.
- Two new projects have been added to the programme:
 - The **Demolition of Former Council Offices** (£0.294m in 2013/14) on Doncaster Gate will help enhance the value of the site for future disposal and mitigate ongoing maintenance and security costs.
 - The **Demolition of Kirk House** (£0.050m in 2013/14). Since being declared surplus to requirements the building has been attracting anti-social behaviour and been the subject of vandalism. The work, which will make the site more attractive to developers, is almost complete.

- **Town Centre Business Vitality Schemes** (£0.019m in 2013/14). These schemes have had to be slipped into 2014/15 as it has been difficult to find small businesses that meet the qualifying criteria for these available grants.

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

The forecast spend for 2013/14 is £33.017m, with a further £91.961m 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 £0.697m 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.
- **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.

In addition, the **Parkhill Lodge Equipment** scheme (£0.007m in 2013/14) is a new project that will buy a new hot water boiler, fridge, dishwasher and chairs for the residential care home.

Neighbourhoods Services

For 2013/14 the Service is expected to spend £32.320m with a further £91.371m to be invested during the remaining period of the current programme.

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 £26.496m which has reduced since the last report as several schemes have not progressed as anticipated and will now be carried out in 2014/15. Further information on those movements is included in the areas of the programme detailed below.

Notable investments in this area are:

- **Refurbishment Works** (£13.500m in 2013/14) will be carried out to improve the quality of the housing stock both internally and externally across the borough. In 2013/14 the focus has been primarily on external works including replacement roofs, and replacement of fascias, soffits and rainwater goods. This investment has resulted in improvements to 1,669 properties this financial year. There has been some slippage in the programme due to the works taking longer than anticipated.
- **Environmental Works** (£1.373m in 2013/14) – schemes include improvements to parking, fencing and footpaths and the introduction of purpose built communal bin stores. Most notably, work is ongoing at Pike Road, Brinsworth, which is expected to be completed by the end of March 2014.

Also work is being undertaken at Briery Walk, Munsbrough where the removal of trees and bushes and the installation of new fencing will aid police surveillance and deter opportunities for crime.

Slippage of the Environmental Works programme is due to the rescheduling of works to Wharncliffe Flats so that all external improvements can be undertaken as one scheme rather than piecemeal over two years.

- The **Decent Homes Void Programme** (£1.819m in 2013/14) is ongoing with 185 major voids completed and re-let so far in 2013/14.
- The **Replacement of Central Heating** programme (£3.010m in 2013/14) aims to alleviate the revenue burden of the increasing number of repairs being carried out, by replacing the Ideal and Buderus boilers currently installed. A total of 592 new boilers have been fitted through the planned work programme.
- The **Boundary Wall Treatments** programme has slipped into 2014/15 as a result of delays in consultations with leaseholders and tenants on the improvement works to be undertaken and the costs to be recovered.
- The **New Integrated Housing Management IT System** (£0.080m in 2013/14) has experienced significant delays in implementation and is not now expected to be fully implemented until 2014/15.
- **Non-traditional Investment** (£1.841m in 2013/14). This is used to carry out the external refurbishment and insulation render works to non-traditional properties. Investment has been made in 377 non-traditional dwellings in Wath, Rawmarsh, East Dene and Whiston.
- A new scheme of works has been added to the programme which, in 2014/15, will see improvements to the lighting, fire safety

equipment and heating in **Sheltered Housing Communal Areas** (£0.100m in 2014/15).

Fair Access To All: Disabled Adaptations (£3.947m in 2013/14) – the budget for private adaptations has been increased so that contractors can increase the volume of work undertaken thereby reducing the backlog of these demand-led works from four to three months. There has been some slippage on the public adaptations as the long lead-in time to commence works will mean that recent referrals will not be started until 2014/15.

Investment into **Neighbourhood Regeneration & Renewal** (£1.407m in 2013/14) has continued with the most notable projects being:

- **Canklow Phase 1 & 2** (£0.210m in 2013/14) is a programme of activity to regenerate the Warden Street/Canklow Road area of Canklow. The project has focused on demolition, buyback and refurbishment of public and private sector properties in the area. Some slippage of the scheme has occurred due to protracted negotiations with private homeowners over the purchase of their properties.
- **Bellows Road, Rawmarsh, Service Centre Clearance** (£0.455m in 2013/14) aims to construct both new shops new housing units in the area. Work to reinstate a telecommunications mast is on-going, as is the decant of tenants from the old to the new units. Negotiations continue with the developer over the relocation of the mast and, as a consequence, part of the programme will slip into 2014/15.
- **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. This project has now been extended into 2014/15.
- The **Fuel Poverty – Vulnerable People** project (£0.220m 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. Phases 1 and 2 will be completed by year end and will have delivered improvements to 188 properties. The service is to obtain approval from the Department of Energy and Climate Change to extend the scheme into 2014/15 and deliver a further two phases, with the next one covering Wentworth and Harley.

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 Maltby, Droppingwell, Kiveton Park and Rawmarsh will all be completed by the end of March 2014, while others, in Greasbrough and Wath, will be completed in 2014/15.

Resources Capital Programme 2013/14 to 2016/17

The Council continues to invest in its **ICT infrastructure** as part of its ICT Strategy, with £2.859m expected to be spent in 2013/14 and a further £2.320m in the ensuing years. 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.
- The **Migration of The Council's Data Network** to new suppliers and the deployment of new networking equipment, enabling continued delivery of broadband services.

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	2016/17 Variance from Last Report
	£m	£m	£m	£m	£m	£m	£m	£m
Grants & Contributions	37.757	-1.795	27.897	+4.709	5.063	-0.173	4.013	-0.173
Supported Borrowing	0.186	+0.186	0.000	0.000	0.000	0.000	0.000	0.000
Unsupported Borrowing	8.890	-2.319	11.363	+3.764	10.679	+0.920	1.720	+0.550
Usable Capital Receipts	2.123	+0.308	1.246	+0.464	0.332	0.000	0.332	0.000
Major Repairs Allowance (HRA)	19.780	-1.257	21.373	+1.349	20.664	0.000	20.664	0.000
Revenue Contributions	9.048	+0.266	8.548	+0.793	6.039	0.000	6.087	0.000
Total	77.784	-4.611	70.427	+11.079	42.777	+0.747	32.816	+0.377

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 Outturn	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	2016/17 Variance from Last Report
	£m	£m	£m	£m	£m	£m	£m	£m
Anston & Woodsetts	0.175	+0.015	0.088	+0.052	0.036	0.000	0.036	0.000
Boston Castle	1.723	-1.668	7.697	+2.212	0.379	+0.345	0.009	-0.025
Brinsworth & Catcliffe	1.013	-1.983	3.260	+2.632	0.035	0.000	0.035	0.000
Dinnington	0.348	-0.002	0.037	0.000	0.036	0.000	0.036	0.000
Hellaby	2.207	+0.351	0.014	-0.038	0.014	-0.038	0.014	-0.038
Holderness	4.401	-0.106	0.768	+0.387	0.031	0.000	0.031	0.000
Hooper	0.448	0.000	0.014	0.000	0.014	0.000	0.414	0.000
Keppel	0.153	0.000	0.035	-0.021	0.035	-0.021	0.035	-0.021
Maltby	7.404	+0.583	0.068	+0.048	0.020	0.000	0.020	0.000
Rawmarsh	1.039	-0.130	1.200	+0.112	0.033	-0.018	0.033	-0.018
Rother Vale	0.131	-0.152	0.251	+0.228	0.019	-0.004	0.019	-0.004
Rotherham East	0.553	0.000	2.867	+0.207	2.651	-0.009	0.051	-0.009
Rotherham West	0.300	0.000	0.042	0.000	0.042	0.000	0.042	0.000
Silverwood	0.403	+0.253	0.018	-0.017	0.018	-0.017	0.018	-0.017
Sitwell	0.096	0.000	0.017	-0.017	0.017	-0.017	0.017	-0.017
Swinton	0.212	-0.251	0.289	-0.004	0.039	-0.004	0.039	-0.004
Valley	3.737	-0.671	3.399	+1.109	0.032	-0.026	0.032	-0.026
Wales	4.669	-0.134	0.532	+0.155	0.827	0.000	0.027	0.000
Wath	0.621	+0.155	1.430	-0.003	0.052	-0.004	0.052	-0.004
Wickersley	2.369	0.000	2.861	0.000	0.034	0.000	0.034	0.000
Wingfield	0.170	+0.001	0.059	-0.016	0.014	-0.016	0.014	-0.016
All Wards	45.612	-0.872	45.481	+4.053	38.399	+0.576	31.808	+0.576
Total	77.784	-4.611	70.427	+11.079	42.777	+0.747	32.816	+0.377

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 2016/17.
- Project / Scheme monitoring reports.
- Monitoring returns and budget setting details from Directorates.

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