

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1	Meeting:	Cabinet
2	Date:	24th September 2014
3	Title:	Capital Programme Monitoring 2014/15 and Capital Programme Budget 2015/16 to 2016/17
4	Directorate:	Resources

5 Summary

The purpose of this report is to provide details of the current forecast outturn for the 2014/15 programme and enable the Council to review the capital programme for the financial years 2015/16 and 2016/17.

6 Recommendations

CABINET IS ASKED TO:

NOTE THE CONTENTS OF THIS REPORT; AND

RECOMMEND THE APPROVAL OF THE UPDATED 2014/15 TO 2016/17 CAPITAL PROGRAMME BY FULL COUNCIL.

7 Proposals and Details

7.1 Background - The Capital Programme 2014/15 to 2016/17

The budget process that led to the original Capital Programme for 2014/15 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 this programme is kept under regular review and where necessary revisions are made. This programme was initially reviewed in June 2014, following the finalisation of the 2013/14 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.

The financial implications of the Programme are reflected in the Council's Medium Term Financial Strategy (MTFS) and Treasury Management and Investment Strategy.

	2014/15 Revised 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
Children & Young People's Service	12.034	-1.865	8.036	+2.702	2.694	0
Environment & Development Services	29.400	+0.654	10.658	+2.499	1.200	0
Neighbourhoods & Adult Services	37.100	-0.230	29.513	+1.499	28.062	0
Resources	3.179	+1.037	1.002	+0.532	1.002	+0.532
TOTAL	81.713	-0.404	49.209	+7.232	32.958	+0.532

This updated programme has been prepared in light of the capital resources known to be available to the Council over these financial years, and estimated on a prudent basis.

The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio, with the aim to rationalise both its operational and non-operational asset holdings, which may contribute both a future capital receipt and a revenue saving.

7.2 Children and Young People's Services Capital Programme 2014/15 to 2016/17

The revised proposed spend for 2014/15 is £12.034m, with a further £10.730m 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, including new schemes at several schools across the Borough required to address the increase in pupil numbers, including the central Rotherham catchment areas where the problem is particularly acute.

Primary Schools

Spend on Primary Schools is estimated to be £5.581m in 2014/15, with a further £4.209m of planned spend in 2015/16 to 2016/17. The major investments to note in this area are:

- Work was completed in April 2014 on the **Autism Resource at Flanderwell Primary School** (£0.205m in 2014/15). This resource will cater for 10 pupils who will benefit from a purpose built facility.
- Works are continuing on the expansion of **Wath CE Primary School** (£1.070m in 2014/15). The project, which has also seen the renovation of existing classroom and toilet areas is due to complete by the end of September 2014.
- Work is continuing at **Dalton Listerdale Junior & Infant School** (£1.266m in 2014/15). This project will see a permanent expansion of the school, creating a further four classrooms, to be completed in September 2014.
- The tender report for the School House and Foundation Unit refurbishment at **Wales Primary School** came in at £0.088m, £35k higher than the budget for this work. In addition, £0.150m has been built into the programme for 2015/16 for 1 additional modular classroom, to deal with an increase in pupil numbers at the school.
- Works are continuing at **Badsley Moor Infants School** (£0.212m in 2014/15) to construct an extension to form a new main entrance area to the school, together with the conversion of classrooms to form an IT suite and administrative areas. Works have also been carried out to the dining room of £0.023m, funded from the Universal Free School Meals grant, which is discussed in more detail below. This explains the increase in expenditure compared to the previous Cabinet report.
- Design development has begun at the **New Central Primary School** to be located on Eldon Road Allotment site (£1.500m in 2014/15). Surveys and investigations are continuing, with building on site likely

to begin in October 2014. Spend has been reprofiled to reflect the delay in works commencing, with £3.839m now estimated to be spent in 2015/16, with works programmed to complete by September 2015.

- Work was completed at the beginning of September on an additional one classroom block at **Brampton Ellis Junior School** (£0.186m in 2014/15).
- Work was completed at the end of August on an extension to form an additional classroom facility at Thurcroft Infants School (£0.128m in 2014/15).
- The Council has received grant funding of £0.600m in 2014/15 in respect of works required to meet the Government's requirement to provide **Free School Meals** to infant school pupils. The monies are being spent on capital works to kitchens, including extensions and new kitchen equipment.

Secondary Schools

- **Maltby Academy** (£1.006m in 2014/15). 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. Building works have now been completed and the school have taken possession of the new buildings.
- Preparation work has been ongoing on the 18 block classroom extension at **Wickersley School and Sports College** (£1.600m in 2014/15). This has been delayed owing to the need to obtain approval from the PFI funders. The work on site, which is required in order to address an increase in pupil numbers, is due to commence in September 2014, to be completed for July 2015.

Other Projects

The other major investments to note are:

- Using Government funding minor enhancement works are carried out at schools. The spend on the **Capitalised Minor Enhancements** programme in 2014/15 is estimated to be £2.003m, these works include:
 - Refurbishment works at The Bridge, required as the facility is being brought under the control of Newman School.
 - Roofing works at Redscope Primary School.
 - An extension and refurbishment works at Rawmarsh Sandhill Primary.
 - Replacement windows at Swinton Comprehensive School.
 - Replacement windows at Kiveton Park Meadows Junior School.

- Repair works and alterations to the School Hall and School House at Wales Primary.
- A further £3.6m 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 2014/15 £1.177m is estimated to be spent with a further £1.368m to be allocated in subsequent years.
- Investment is continuing in the **Property Adaptations** programme (£0.262m in 2014/15), which will deliver greater capacity in terms of fostering placement.
- Investment is also continuing in the **Entitlement for Early Years Provision** project (£0.266m in 2014/15), which will allow 2 year olds to take up free early education entitlement.

Environment and Development Services (EDS) Capital Programme 2014/15 to 2016/17

The revised proposed spend for 2014/15 is £29.400m with a further £11.858m 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, that are contributing to the regeneration of the Borough and the enhancement of its infrastructure and the changes to planned spend, are shown below:

Culture and Leisure

The overall programme spend in 2014/15 is expected to be £1.381m, which encompasses the projects discussed below.

- Catcliffe Glass Cone (£0.045m in 2014/15). The emergency work on the tower has now been completed.
- 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. £0.155m has been assumed in the 2014/15 capital programme at this stage.
- Brinsworth Parish Council is still seeking funding that will allow the **Brinsworth Library** project to commence in 2014/15. Works to the building will see it extended to form a combined library and arts centre. £0.499m has been assumed in the 2014/15 capital programme at this stage.
- With regard to the Borough's **Library facilities**, 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 (£0.078m in 2014/15).

- Works commenced in April 2014 on the **Rother Valley Country Park** project (£0.241m in 2014/15). This project will deliver a new classroom and cycle centre in the park.
- Works related to the discontinuance of Firsby Reservoir are due to take place (£0.125m 14/15) including scalloping of the shoreline, to bring the site back into a good ecological state.

Highways

The Council's highways continue to be a priority for investment with £20.233m earmarked in 2014/15 when the current Government funding programme comes to an end. The next round of funding is expected to be announced at the end of 2014. As a result, the Council has not included any proposed grant funded spend to the programme beyond 2014/15 at this time, other than on the major projects (A57 & Pinch Point schemes). The main areas of investment in 2014/15 are:

- The **A57 Improvement Scheme** (£1.300m in 2014/15). Completion of the scheme was certified on the 12th May 2014. The project has provided a dual carriageway and new roundabout, together with associated shared use footways and cycleways, including a new pedestrian, cyclist and horse signalised crossing. It is now anticipated that compensation for land acquisition will not be agreed and paid until 2015/16.
- The **LTP Integrated Transport Block** (£2.196m in 2014/15). 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. It will also be used to co-contribute towards the costs of the Pinch Point Pool Green roundabout scheme.
- The **Highway Maintenance** programme (£4.283m in 2014/15) will deliver many improvements to the Borough's road infrastructure, including carriageway resurfacing. Works carried over from 2013/14 on Morthern Road and Meadow Bank Road were completed by the end of May 2014 and June 2014 respectively.
- The **LSTF/PTE Bids** (£2.311m in 2014/15) will deliver a number of schemes including bus, walking and cycling initiatives in the town centre and out towards Rawmarsh along the A633. Specifically, amendments to traffic lights to provide more bus priority and to aid cyclists; and the implementation of a traffic control plan in the town centre

- **Pinch Point - Pool Green roundabout** (£4.032m in 2014/15). Replacement of the Main Street Roundabout with a signalised junction. The most significant changes to the scheme are the widening of the Centenary Way approaches to 3 lanes, and accommodating the right turn movements from Main Street and Centenary Way.
- **Pinch Point - Old Flatts Bridge** (£2.175m in 2014/15). Replacement of “Old Flatts Bridge” on the A630 Sheffield Parkway. Works are due to commence on the 29th September with a 56 week programme scheduled.
- **Street lighting improvements - LED Lanterns** (£1.208m in 2014/15) and **Column Replacement** (£0.550m in 2014/15). Two schemes to improve the Borough’s lighting infrastructure and reduce energy costs. LED lanterns £3m over three years 2013/14 to 2015/16 and Columns £1.650m over three 2014/15 - 2016/17.

Anticipated spend on **Other Highways Projects** (£1.508m in 2014/15) has been adjusted to reflect the separate reporting of both Pinch Point and Street Lighting schemes.

Other EDS investments

The Council will in 2014/15 continue to invest in the Borough’s infrastructure, in particular:

- **Rotherham Townscape Heritage Initiative** (£1.352m in 2014/15) continues to deliver improvements to the town centre, investing in the renovation of shop frontages, structural works and roof replacements. Works being undertaken include The Three Cranes, George Wright Building and 29-29a High Street which are expected to be completed by December 2014. Work on these projects will involve significant structural repair to the building fabric along with the reinstatement of architectural details. The public realm improvements to the street scene are also being undertaken in 2014/15.
- **Flood alleviation works** are planned in the following areas in 2014/15:
 - **Drainage Works on Don Street** are still on-going due to protracted negotiations and works will now commence in 2014/15 (£0.627m).
 - **Wath upon Dearne** (£0.345m in 2014/15), where defective trash screens at the head of the culverted watercourses are to be replaced with more appropriately designed and maintained screens.

- **Aston, Aughton and Swallownest Phase 1** scheme (£0.204m in 2014/15) 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 (£0.195m in 2014/15) has completed, leading to the relocation of the York and Lancaster Regimental Museum and works to improve customer access and the overall visitor experience.
- Work on the **Bailey House Renovation** project (£0.255m in 2014/15) 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.
- The **Demolition of Former Council Offices** (£0.115m in 2014/15) on Doncaster Gate is almost complete, this will help enhance the value of the site for future disposal and mitigate ongoing maintenance and security costs.
- **Aston CSC works** to accommodate Dinnington MacAlloy Staff (£0.280m 2014/15). This involves the adaptation of the Aston Joint Service Centre to accommodate additional staffing; the works will generate revenue savings of £40,000 per year.
- The full purchase of two new business investment units at R-Evolution on the **Advanced Manufacturing Park** site will be completed in 2014/15 (£4.000m) on completion of the development by Harworth Estates, which is expected to be in October 2014. The Council, working with Harworth Estates, is actively seeking tenants for the properties, and is in discussion with a number of interested parties.
- **Investment in caged vehicle replacement** (£0.312m in 2014/15). This involves the purchase of 10 caged vehicles used to support litter bin emptying and litter picking operations and 1 HIAB vehicle used to support fly tip removal operations.

Neighbourhoods and Adults Services Capital Programme 2014/15 to 2016/17

The forecast spend for 2014/15 is £37.110m, with a further £57.575m 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 estimated to spend £1.178m in 2014/15, the main projects being:

- The **Assistive Technology** scheme continues to its completion (£0.460m in 2014/15). This will enable people requiring care support services to live independently within their own homes through the purchase of telecare equipment. This equipment includes fall detectors and monitoring alarms.
- The **REWS (Rotherham Equipment and Wheelchair Service) Equipment** programme continues to its completion (0.190m in 2014/15). This involves 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.
- **Rothercare Alarms** – The replacement of 700 existing alarms, with approval having been given to upgrade the existing community alarm units (purchase 4,500 units at a cost of £0.526m) in 2014/15.

Neighbourhoods Services

For 2014/15 the Service is estimated to spend £35.922m with a further £57.575m 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 2014/15 is estimated to spend £29.678m. Notable planned investments in this area are:

Refurbishment Works (£12.986m in 2014/15). This budget is to fund works for internal and external refurbishments to properties. Internal works will include elements such as new kitchens and bathrooms. External elements include re-roofing, external render, fascia's, soffits & bargeboard replacements and outhouse improvements. Total spend to the end of July 2014 was £2.3m with 486 properties have received works through this programme.

Environmental Works (£1.612m in 2014/15) – This budget will fund a variety of projects throughout the Borough some of which are currently subject to consultation with tenants and elected members. Current works on site include i) completing a trial property at Birks Holt, Maltby with cladding to the external porch area, and ii) fencing and footpath improvements at Brameld Road, Rawmarsh. Other works still to commence include path way improvements at China Town, Maltby and replacement bin stores at Plantation Court, Dinnington.

Decent Homes Void Programme (£2.900m in 2014/15). This budget is to fund major voids where the cost exceeds £4,000. This often occurs when a previous tenant has refused decency works so properties require new kitchens and bathrooms etc. prior to re-letting. Spend to the end of July 2014 was £0.4m with a total of 54 major voids completed to that point.

The **Replacement of Central Heating** programme (£3.761m in 2014/15). There is an ongoing programme of Central Heating replacements in order to reduce the revenue burden as a result of increasing repairs to Buderus and Alpha boilers. Total spend to the end of July 2014 was £0.78m with a total of 336 completions.

The **New Integrated Housing Management IT System** (£0.274m in 2014/15). This budget is to fund the purchase and implementation of the new integrated Housing Management System. Cabinet member for Safe and Attractive Neighbourhoods has approved additional costs of £0.241m to be funded from the HRA at the meeting of 16 June 2014. At this time the available budget has not been amended as it may be possible to fund from slippage elsewhere within the HRA programme as spend forecasts are refined through the year. The position will be updated in the next Cabinet report.

Non-traditional Investment (£1.400m in 2014/15). This budget is to complete the external refurbishment and insulated render works to non-traditional properties. This is part of an ongoing programme to extend the life of non-traditional stock by circa 25 years.

Total spend to the end of July 2014 was £646,835 with 92 completions.

Strategic Acquisitions (£1.537m in 2014/15 and £1.299m in 2015/16). This funding is part of a multiyear commitment to acquire properties to add to the council's social housing stock through the 30 Year HRA Business Plan. Spend to the end of July 2014 was £0.432m with a total of 6 properties purchased in the period at Willow Tree Way, Wickersley. The budget in respect of the Barber's Avenue development has been reprofiled into 2015/16. HCA grant of £0.437m has been received in respect of this development.

Fair Access To All: Disabled Adaptations (£4.094m in 2014/15) – This will fund the ongoing provision of disabled adaptations to council and private dwellings. At the end of July 2014 spend on public sector adaptations was £0.390m with a total of 97 completions. For the same period spend on private sector adaptations was £0.427m with 109 completions. The budget for private sector adaptations has increased to reflect rising demand for this service, this will be funded from RTB receipts. Eligibility criteria are being reviewed as there is likely to be pressure on this service in the future.

Investment into **Neighbourhood Regeneration & Renewal** (£2.037m in 2014/15) is continuing with the most notable projects being:

Canklow Phase 1 & 2 (£0.721m in 2014/15). This is a multi-year programme of activity to regenerate an area within Canklow through Housing Market Renewal. The project is focused on demolition, buy back and refurbishment of public and private sector properties in the area. At the current time there are 3 properties subject to offers and 4 properties where negotiations are ongoing.

Bellows Road, Rawmarsh, Service Centre Clearance (£0.592m in 2014/15). This is an ongoing Housing Market Renewal scheme and includes the construction of new shop units and the provision of new housing within the area. At the present time a planning application and lease agreement are pending for the re-location of a telephone mast. Asbestos surveys and removal are all outstanding.

Garage Site Investment (£0.250m in 2014/15) - This will fund improvement works to garage sites across the Borough. Works will include re-surfacing to the highway, re-roofing, new doors and general environmental improvements. Works will be issued to contractors for pricing in September 2014.

Resources Capital Programme 2014/15 to 2016/17

The Council continues to invest in its **ICT infrastructure** as part of its ICT Strategy, with £2.142m estimated to be spent in 2014/15 and a further £0.940m estimated to be spent in the following 2 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 ongoing 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 providers and the deployment of new networking equipment, enabling continued delivery of faster broadband services.

Other Resources expenditure includes a further £300,000 secured capital loan facility and a £190,000 capital grant for the ongoing High Street re-development in the Town Centre.

In addition, the Cabinet meeting of 9th July 2014 agreed to underwrite a total of £1.596m, along with a contingency budget of £0.124m, spread over the next three years, in respect of the Broadband Delivery UK (BDUK) Project which will further enhance the provision of high speed

broadband across South Yorkshire. At this stage it is expected that SCR Infrastructure Funding will be available for this project, but approval for the use of this funding will not be known until later in the year.

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	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
Grants & Contributions	33.007	+0.455	8.888	+4.635	3.623	+2.000
Unsupported Borrowing	16.035	-1.385	13.076	+2.397	2.252	-1.468
Usable Capital Receipts	2.414	+0.721	0.332	0	0.332	0
Major Repairs Allowance (HRA)	21.566	-0.195	20.864	+0.200	20.664	0
Revenue Contributions	8.691	0	6.049	0	6.087	0
Total	81.713	-0.404	49.209	+7.232	32.958	+0.532

7.3 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.

	2014/15 Previous Report	2014/15 Revised Estimate	2014/15 Variance to Previous Report	2015/16 Previous Report	2015/16 Revised Estimate	2015/16 Variance to Previous Report	2016/17 Previous Report	2016/17 Revised Estimate	2016/17 Variance to Previous Report
ANSTON & WOODSETTS	88	332	244	36	0	-36	36	0	-36
BOSTON CASTLE	7,518	8,038	520	379	925	546	9	0	-9
BRINSWORTH & CATCLIFFE	3,267	3,129	-138	35	1,744	1,709	35	0	-35
DINNINGTON	37	171	134	36	0	-36	36	0	-36
HELLABY	54	2,089	2,035	14	1,303	1,289	14	0	-14
HOLDERNESS	1,197	1,021	-176	31	100	69	31	0	-31
HOOBER	164	186	22	14	0	-14	14	0	-14
KEPPEL	35	300	265	35	0	-35	35	0	-35
MALTBY	1,054	1,054	0	20	0	-20	20	0	-20
RAWMARSH	1,512	2,135	623	33	1,268	1,235	160	160	0
ROTHER VALE	430	438	8	19	0	-19	19	0	-19
ROTHERHAM EAST	2,955	1,739	-1,216	2,651	3,839	1,188	51	0	-51
ROTHERHAM WEST	42	2	-40	42	0	-42	42	0	-42
SILVERWOOD	18	129	111	18	0	-18	18	0	-18
SITWELL	17	0	-17	17	0	-17	17	0	-17
SWINTON	289	10	-279	39	0	-39	39	0	-39
VALLEY	3,501	1,364	-2,137	32	0	-32	32	0	-32
WALES	936	795	-141	150	250	100	27	0	-27
WATH	1,704	1,631	-73	52	0	-52	52	0	-52
WICKERSLEY	3,168	205	-2,963	34	60	26	34	0	-34
WINGFIELD	61	47	-14	14	0	-14	14	0	-14
ALL WARDS	54,070	56,898	2,828	38,276	39,720	1,444	31,691	32,798	1,107
TOTAL	82,117	81,713	-404	41,977	49,209	7,232	32,426	32,958	532

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 2014/15 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 and 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 2014/15 to 2016/17
- Project / Scheme monitoring reports
- Monitoring returns and budget setting details from Directorates.

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