

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1	Meeting:	CABINET
2	Date:	27 th February 2015
3	Title:	Capital Programme Monitoring 2014/15 and Capital Programme Budget 2015/16 to 2017/18
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 2017/18.

The proposed Capital Programme for 2015/16 to 2017/18 ensures that the Council's capital expenditure plans are aligned with its strategic priorities and vision for Rotherham.

Specifically the three year Capital Programme will deliver on the following key Council priorities:

- £15.9m investment in highway infrastructure projects and maintenance to improve the Borough's roads.
- £12.4m investment in school buildings to provide additional pupil places and improve existing building conditions.
- £4.2m investment in street lighting to enable revenue savings by investing in new lighting technology.
- £92.1m investment in new housing and improvements to existing stock and the estate infrastructure.

6 Recommendations

CABINET IS ASKED TO:

NOTE THE CONTENTS OF THIS REPORT; AND

RECOMMEND THE APPROVAL OF THE UPDATED 2014/15 TO 2017/18 CAPITAL PROGRAMME BY FULL COUNCIL. THIS PROGRAMME INCORPORATES EXPENDITURE FUNDED THROUGH GRANT ALLOCATIONS ANNOUNCED SINCE THE LAST REPORT WAS PRODUCED, AND INCLUDES THE 2017/18 HOUSING INVESTMENT PROGRAMME FUNDED THROUGH THE HRA.

IN PARTICULAR, MEMBERS SHOULD NOTE THE FOLLOWING MAJOR ADDITIONS TO THE CAPITAL PROGRAMME AND SUPPLEMENTARY APPROVALS TO EXISTING SCHEMES.

- **Additional expenditure on Highway Maintenance and Improvements to Non-Principal Roads funded by Prudential Borrowing (£3m in 2015/16, £2m in 2016/17). Recommended for approval.**
- **Waste Management – Capitalisation of Wheelie Bins (£0.181m in 2014/15 and £0.181m in 2015/16). Proposed as part of the 2015/16 Revenue Budget.**
- **Expansion of the Town Centre Street Market (£0.048m in 2014/15). Approved by the Cabinet Member for Business Growth and Regeneration, 12th January 2015.**
- **Reroofing works to Moorgate Crofts (£0.051m in 2014/15). Approved by the Director of Planning and Regeneration under delegated powers, 5th November 2014.**
- **Assistive Technology (£0.510m in 2015/16 and £0.400m in 2016/17). Proposed for approval as part of the 2015/16 Revenue Budget.**
- **Rotherham Equipment and Wheelchair Service (REWS) Equipment (£0.190m in 2015/16 and £0.190m in 2016/17). Proposed for approval as part of the 2015/16 Revenue Budget.**
- **Furnished Homes – Capitalisation of Furniture and White Goods – (£1.2m in 2014/15; £2.88m in future years). Proposed for approval as part of the 2015/16 Revenue Budget.**

Where not funded by grant or by the service from its own resources, the revenue implications from these schemes have been built into the Council's 2015/16 Revenue Budget and Medium Term Financial Planning assumptions.

7 Proposals and Details

7.1 Background - The Capital Programme 2014/15 to 2017/18

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 last reviewed in December 2014, 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	2017/18 Estimate
Directorate	£m	£m	£m	£m	£m	£m	£m
Children & Young People's Service	11.419	-0.477	9.736	+0.473	2.694	0	0
Environment & Development Services	27.484	-1.337	21.863	+5.774	5.929	+2.000	0
Neighbourhoods & Adult Services	37.238	+0.789	37.754	+7.148	36.504	+8.873	36.747
Resources	2.753	+0.004	0.671	0	1.283	0	0.706
TOTAL	78.894	-1.021	70.024	+13.395	46.410	+10.873	37.453

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 future capital receipts and revenue savings.

7.2 Directorate Programme Commentaries

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

The revised proposed spend for 2014/15 is **£11.419m**, with a further **£12.430m** 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 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 £5.402m in 2014/15, with a further £5.358m 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** (£0.305m in 2014/15). This resource will cater for 10 pupils who will benefit from a purpose built facility. Negotiations are ongoing with Interserve, regarding a final valuation in respect of this contract. Legal advice has been sought on the issue. Prudently an amount of £0.100m has been earmarked against programme underspends within the 2014/15 programme in respect of this final settlement payment. Depending on the timescales for a resolution of this issue, this amount may need to be reprofiled into 2015/16. An update on these negotiations will be provided in the next report.
- Works have been completed on the expansion of **Wath CE Primary School** (£1.084m in 2014/15). This project has seen the renovation of existing classroom and toilet areas.
- Works have been completed at **Dalton Listerdale Junior & Infant School** (£1.266m in 2014/15). This project has seen a permanent expansion of the school, creating a further four classrooms.
- Works have been completed at **Badsley Moor Infants School** (£0.193m 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.

- Works have commenced on site of the **New Central Primary School** to be located on Eldon Road Allotment site (£1.391m in 2014/15 and £4.998m in 2015/16). At the meeting of 16th September 2014, Cabinet Member for Children and Education Services approved a tender from Wildgoose Construction for this work. This has led to an increase in the 2015/16 budget for this project of £1.050m. This project will be the subject of a further report, identifying other budgetary pressures arising from the relocation of the allotments and fit out costs, which are currently being contained within the project contingency funding. Works are programmed to complete by September 2015.
- Work has been completed on an additional one classroom block at **Brampton Ellis Junior School** (£0.186m in 2014/15).
- Work has been completed on an extension to form an additional classroom facility at **Thurcroft Infants School** (£0.108m 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 have been are being spent on capital works to kitchens, including extensions and new kitchen equipment.
- Works have been undertaken at **Rawmarsh St. Mary's** to allow the facility to be used as a Pupil Referral Unit (PRU); (£0.069m in 2014/15). These works are being funded by borrowing, the costs of which are being covered by the Directorate.
- No further payments are due in respect of the **Herringthorpe Infant and Junior School Expansion** which was completed in 2013/14. Work by the Council's quantity surveyor has confirmed that £0.098m can be released from the 2014/15 budget.

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.
- Works have now commenced on the 18 block classroom extension at **Wickersley School and Sports College** (£1.356m in 2014/15 and £1.547m in 2015/16). This work had been delayed owing to the need to obtain approval from the PFI funders. The work, which is required in order to address an increase in pupil numbers, is now due to be completed for October 2015. As a result of the delays, £0.244m has been reprofiled into 2015/16.

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 £2.036m, 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 £3.663m 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 £1.174m is estimated to be spent with a further estimated £1.368m to be allocated in subsequent years. Future year's allocations are subject to confirmation from the DfE.
- 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 (£0.023m in 2014/15 and £0.244m in 2015/16), which will allow 2 year olds to take up free early education entitlement. The spend has been re-profiled to reflect changes in the childcare market, which has led to a review of the method of allocating the capital grant.

Future Funding Announcements

Whilst this report was being prepared, the Department for Education announced that 5 Rotherham schools will receive funding under the next stage of the Priority School Building Programme; Harthill Primary, Saint Pius X, Newman School, Brinsworth Comprehensive and St. Bernard's. This programme runs until 2021, and schools accepted on the Programme will next enter a scoping phase to determine the extent of works to be carried out. At this point the individual allocations are not known. In addition, £1.979m of Basic Need funding was announced for 2017/18.

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

The revised 2014/15 forecast programme is **£27.484m**, with total planned expenditure over the remaining period of the programme of **£27.791m**. 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.

Planning, Regeneration & Cultural Services

Customer & Culture Services (£0.027m in 2014/15, £0.577m in 2015/16)

There have been some major changes to this element of the programme from the last report.

- **Catcliffe Glass Cone**, the emergency work on the tower is now complete (£0.027m). The project came in under budget as only work on essential maintenance was completed, the cone is now safe and secure. Further work on the ground would be required if access was to be given to the general public, this is not seen as an option at the moment.
- 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. As a result, the £0.155m has been removed from the Capital Programme.
- Library and Customer Services have been working with **Brinsworth** Parish Council and colleagues in Asset Management for some time to develop options to sustain and improve the **library** service within the area. Following consultation within the local community, the Parish Council is leading on and has submitted bids for external funding to support the development. In addition there is an existing Section 106 allocation of £124,800 allocated to the delivery of library services within Brinsworth. The Council's approved commitment to support the scheme of £0.499m has been reprofiled into 2015/16.
- Work has been carried out in a number of locations, including Dinnington and Swinton, following the co-location of libraries and customer service centres. Active prioritised projects cover sites across the Borough and are dependent upon public stakeholder consultation. **Library facilities** - £0.078m has been reprofiled into 2015/16.

Regeneration (£1.164m in 2014/15, £0.109m in 2015/16)

- **Rotherham Townscape Heritage Initiative (THI)** (£0.927m 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 March 2015. Work on these projects has involved significant structural repair to the building fabric, along with the reinstatement of architectural details. The forecast has been reduced by £0.090m to reflect the fact that all grant claims had to be in by the 31st December 2014 to satisfy the funding body's terms and conditions.
- The **High Street Public Realm** (£0.227m in 2014/15, £0.109m in 2015/16) improvements to the street itself have also taken place in 2014/15, with the final section to start once scaffolding to the last building is removed. This delay and the inclusion of the Steel Heart sculpture to the High Street mean the project will now run into 2015/16.

Business Retail & Investment (£4.520m in 2014/15 nothing currently programmed beyond)

- The full purchase of two new business investment units at **R-Evolution** on the Advanced Manufacturing Park, from Harworth Estates, was completed on the 26th November 2014 (£4.331m in 2014/15). The Council has sold Unit 3 to X-Cel Superturn (GB) Limited for £2.75m. An offer has been received for Unit 4 from the University of Sheffield, and it is hoped that this sale can be finalised before the end of March 2015.
- Two new projects have been added to the programme since the last report, the **Reroofing of Moorgate Crofts** (£0.051m in 2014/15) and the **Expansion of the Town Centre Street Market** (£0.048m in 2014/15). The Moorgate Crofts Reroofing is being funded by a revenue contribution from the service. The Expansion of the Street Market was approved by the Cabinet Member for Business Growth and Regeneration at the meeting of the 12th January 2015.

Streetpride Services

Leisure & Community Services (£0.699m in 2014/15 £0.374m in 2015/16)

- **Caged Vehicle Replacement** (£0.312m 2014/15) 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.

- **Firsby Reservoir Phase 2** (£0.043m 2014/15, £0.082m 2015/16) Works to discontinue Firsby Reservoir have started addressing the siltation problems at the head of the reservoir, and will then move on to address access problems. Works under the direction of the reservoir engineer are still being discussed, and are now planned for the spring, so the project will now run over two financial years.
- **Rother Valley Country Park Facilities** (£0.241m 2014/15) This project to deliver a new classroom and cycle centre in the park is almost complete.
- **Thrybergh Country Park Phased Improvements** (£0.036m 2014/15, £0.100m 2015/16) This project will provide a new indoor soft play area and ice cream parlour, an extension of the outdoor play facility, and remodelling of the car park, café front and lakeside.

Network Management (£7.447m 2014/15, £8.225m 2015/16, £5.402m 2016/17)

- **Street Lighting** (£2.413m 2014/15, £2.704m 2015/16) Includes the LED Lanterns (£1.208m 2014/15) and column replacement programme (£0.450m 2014/15). Two schemes to improve the lighting infrastructure and reduce energy costs. Spend of £0.371m has been reprofiled into 2015/16. In respect of 2015/16 the following works are planned; replacement of 1,300 concrete columns, 1,500 main route lanterns and 7,000 residential lanterns.
- Protracted negotiations over the **Drainage Works on Don Street** are on-going. There are a number of works being considered including flood defence and section 278 road improvements, whereby other funding or partnership contributions are being negotiated. Service estimate that the earliest start for the works will now be April 2015 (£0.627m 2015/16).
- Flood alleviation schemes are almost complete in **Wath upon Dearne** (£0.345m in 2014/15), which is replacing defective trash screens at the head of the culverted watercourses, with more appropriately designed and maintained screens.
- **Aston, Aughton and Swallownest Phase 1** scheme (£0.204m in 2014/15) which is providing individual flood protection to thirty properties and involves the replacement of defective screens at the head of the culverted water course. Works on phase 1 have been completed.
- **Aston, Aughton and Swallownest Phase 2** scheme. The Environment Agency has given permission to carry out a phase 2 of the scheme. The works commenced in January 2015, to be completed by the end of March 2015 (£0.145m 2014/15).
- In addition to the £1.894m allocated in both 2015/16 and 2016/17, for **Highway Maintenance**, funded through grant, recommended for

approval is the addition of £5m to the capital programme for **Highway Maintenance and Improvements to Non-Principal Roads** to be funded by prudential borrowing. This consists of £3m in 2015/16 and £2m in 2016/17. It is expected that the funding will permanently repair 50km of the unclassified road network. Works will be targeted to maximise the improvement to durability and condition of the network.

Transportation & Highways (£12.545m 2014/15, £6.592m 2015/16, £0.527m 2016/17)

Central Government funding allocations provided to the Council prior to Christmas 2014 have now been incorporated into the Budget. The LTP allocation is currently at £1.146m and STEP2 Access to Employment, Local Sustainable Transport Fund (LSTF) £0.500m in 2015/16. The STEP 2 programme aims to deliver exemplar sustainable transport. The funding will be used to deliver improved walking and cycling access into Rotherham Town Centre and highway improvements on the A630 Centenary Way around Rotherham Town Centre.

There has been no indication from the South Yorkshire Passenger Transport Executive as to what funding they may provide, and 2016/17 figures for all funding have yet to be released.

- **Connectivity** (£1.549m 2014/15, £0.965m in 2015/16) Significant funds have been allocated towards improving the canal towpath between Sheffield and Rotherham, improvements to High Street to make the route accessible to cyclists, which is also linked to the THI scheme, and the provision of a controlled pedestrian crossing on Fenton Road for pedestrians and cyclists, with improvements to adjacent footways and bus stops. The focus of spend in 2015/16 will be on measures to assist pedestrians and cyclists in using the highway network, typical interventions being the introduction of dropped kerbs and controlled crossings.
- **Network Management** (£0.768m 2014/15, £0.400m in 2015/16) The key project is the improvement of the approach to Rotherway roundabout, to create a third lane on the approach from Canklow, as well as on the circulatory carriageway of the roundabout. There are also funds for demand management schemes, such as residents' only parking on the Duke of Norfolk estate, adjacent to the hospital. The focus of spend in 2015/16 will be on measures to address congestion through amendments to junction control and minor road widening schemes.
- **Local Safety Schemes** (£0.782m 2014/15, £0.370m in 2015/16) Funds have been allocated to delivering improvements at Nether Haugh, to address accident issues, together with works at Upper Haugh. There are also works linked to the maintenance of the highway at Ferham Road, Masbrough.

- **Bus Projects** (£2.252m 2014/15) Works are focussed around improving journey times and reliability on the A633 between Rotherham town centre and Rawmarsh. Improvements have been carried out in the Parkgate district centre, with further works being undertaken at Taylors Lane roundabout, Retail World and Rotherham Road near the former 'Ruscon' site.
- **Smarter Choices** (£0.274m 2014/15, £0.100m in 2015/16) These projects involve the South Yorkshire trial of a hydrogen powered vehicle and the provision of cycle shelters in schools and places of work.
- **The A57 Improvement Scheme** (£1.300m in 2014/15, £0.300m in 2015/16) 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 anticipated that some of the compensations for land acquisitions will not be agreed and paid until 2015/16 and landscape/planting mitigation works are to be delayed until the summer.
- **Pinch Point Pool Green roundabout** (£3.832m 2014/15, £1.126m in 2015/16) involves the replacement of the Main Street Roundabout with a signalised junction. The most significant elements of 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. Works are well underway. £0.201m has been reprofiled into 2015/16.
- **Pinch Point Old Flatts Bridge** (£1.615m 2014/15, £2.304m in 2015/16). Replacement of "Old Flatts Bridge" on the A630 Sheffield Parkway. Works commenced on the 29th September with a 56 week programme scheduled. £0.560m has been reprofiled into 2015/16.

Waste Management - £0.181m in 2014/15 and £0.181m in 2015/16

It is proposed as part of the 2015/16 revenue budget that the purchase of wheelie bins will be capitalised. This capitalisation will occur in 2014/15 as well.

PFI Residual Waste Facility Capital Contribution - £5.764m in 2015/16

The Waste PFI plant at Bolton Road, Rotherham, which has been procured by Barnsley, Doncaster and Rotherham Councils, has been completed. This facility is part of a PFI contract with 3SE, a partnership between Shanks and Scottish and Southern Energy, which runs for 25 years. As part of the commissioning of the plant, it is due to start taking waste from the 3 authorities at the end of February. The plant is due to become fully operational in July 2015.

The authorities will receive PFI grant to part fund the contract. All 3 authorities are also making a capital contribution, funded through prudential borrowing, which will reduce the annual revenue cost of the service, as the authorities have access to cheaper loan funding. The revenue cost of the prudential borrowing is contained within the overall budget for the PFI contract. The process includes removing recyclates from the waste stream, and produces a fuel which is transported to SSE's Ferrybridge plant for burning.

Audit & Asset Management

Corporate Property Unit (£0.901m 2014/15, £0.04m in 2015/16)

- The **Ancillary Services Building** project (£0.195m in 2014/15) has been 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 (£0.247m 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. The overall cost of the works has increased by £0.034m. This is as a result of unexpected additional electrical works to up-grade the emergency lighting system, the removal of asbestos and additional works to replace fire doors. These additional works will be funded by prudential borrowing, with the revenue implications funded by the Service from revenue savings from closing Station Road. Works to the value of £0.040m have been reprofiled into 2015/16.
- The **Demolition of the Former Council Offices** (£0.115m in 2014/15) on Doncaster Gate is 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 involved the adaptation of the Aston Joint Service Centre to accommodate additional staffing; the works will generate revenue savings of £40,000 per year. This work is now complete.
- In addition, two outstanding retention amounts have been added to the programme, in respect of works to Kirk House (£0.008m in 2014/15) and the Civic Theatre (£0.016m in 2014/15).

7.2.3 Neighbourhoods and Adults Services Capital Programme 2014/15 to 2017/18

The forecast spend for 2014/15 is £37.238m, with a further £111.005m planned in the remainder of the programme. The programme has now been extended to 2017/18 following the refreshing of the HRA Business Plan. A copy of the full revised programme is attached to this report at Appendix 3.

Adult Services

The Service is estimating to spend £1.068m in 2014/15 and a further £1.290m in the remainder of the programme, the main projects being:

- The **Assistive Technology** scheme continues (£0.350m in 2014/15, £0.510m in 2015/16). 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 programme has been reprofiled by moving £110k from 2014/15 to 2015/16. This is due to the budget being demand led, and equipment purchases vary greatly in cost due to the varying types of equipment issued to clients. The programme for 2015/16 and 2016/17 is assumed on the basis that the revenue savings proposal put forward as part of the Council's revenue budget setting process for 2015/16 is approved. This proposes that the funding of equipment purchases will be from capital grant reserves rather than the revenue budget, which is in line with the treatment in 2014/15.
- The **REWS (Rotherham Equipment and Wheelchair Service) Equipment** programme continues (£0.190m in 2014/15, £0.190m in 2015/16). 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.

The programme for 2015/16 and 2016/17 is assumed on the basis that the revenue savings proposal put forward as part of the Council's revenue budget setting process for 2015/16 is approved. This proposes that the funding of equipment purchases will be from capital grant reserves rather than the revenue budget, which is in line with the treatment in 2014/15.

- **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 estimating to spend £36.170m with a further £109.715m to be invested during the remaining period of the programme.

A copy of the programme is attached to this report at Appendix 3 and the most notable items are detailed below.

Improving Council Housing & Housing Services - The 2014/15 programme estimate is £29.680m and £30.646m in 2015/16. Notable current and planned investments in this area are:

Refurbishment Works (£12.986m in 2014/15, £12.900m in 2015/16). This budget funds an ongoing programme of works for internal and external refurbishments to properties. Internal works include elements such as new kitchens and bathrooms. External elements include re-roofing, external render, fascia's, soffits & bargeboard replacements and outhouse improvements. To the end of December 2014 1,904 properties have received works through this programme. In 2015/16 external wall insulation works are planned in Dalton, Kiveton Park, Brampton Bierlow and Dinnington.

Environmental Works (£1.719m in 2014/15, £1.067m in 2015/16) – This budget funds a variety of projects throughout the Borough, some of which are currently subject to consultation with tenants and Members. Works funded through this scheme include bin store improvements, shrub bed enhancements, off street parking and footpath re-surfacing. Current works on site include completing cladding to the external porch area of a trial property at Birks Holt, Maltby and fencing and footpath improvements at Brameld Road, Rawmarsh. Major works are planned in 2015/16 at Markfield Drive, Flanderwell and Gray Avenue, Swallownest.

Decent Homes Void Programme (£2.700m in 2014/15, £2.600m in 2015/16). This budget funds an ongoing programme of works to major voids where the cost per void exceeds £4,000. This often occurs when a previous tenant has refused decency works, so properties require new kitchens and bathrooms prior to re-letting. Works at a total of 170 major voids were completed to the end of December 2014.

The **Replacement of Central Heating** programme (£3.761m in 2014/15, £3.261m in 2015/16). 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. Replacement works were completed at 846 properties to the end of December 2014.

Replacement Communal Entrance Doors (£0.891m in 2014/15, £0.500m in 2015/16). This scheme will conclude in 2015/16, by which time all communal entrances to flats will have high security entrance doors fitted with key management systems.

The **District Heating Conversion** programme (£1.800m in 2014/15, £1.200m in 2015/16) is to fund replacement district heating at the Swinton Fitzwilliam estate, where works commenced on site in September 2014, and replacement distribution systems at sites throughout the Borough. This forms part of a 5 year programme to

upgrade the District Heating systems. Works proposed in 2015/16 include replacing the current system at Beeversleigh House.

The **New Integrated Housing Management IT System** (£0.274m in 2014/15 and £0.169m in 2015/16). This budget is to fund the purchase and implementation of the new integrated Housing Management System. Cabinet member for Safe and Attractive Neighbourhoods approved additional costs of £0.241m to be funded from the HRA, at the meeting of 16 June 2014.

Non-traditional Investment (£1.400m in 2014/15, £1.500m in 2015/16). 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. Works at 136 properties were completed by the end of December 2014. Works planned in 2015/16 include 49 properties in East Dene and 41 properties in Rawmarsh.

Strategic Acquisitions (£1.537m in 2014/15, £17.156m in future years). 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. The Council purchased 6 properties in June 2014 at Willow Tree Way, Wickersley at a cost of £0.434m. Cabinet approval has previously been granted for the purchase of 25 properties at Barbers Avenue, Rawmarsh, at a cost of £2.537m, for which HCA grant of £0.437m has been received and 15 units at Whinney Hill, Dalton at a cost of £1.732m. In addition, Cabinet on the 4th February 2015 approved 15 acquisitions at Wadsworth Road, Bramley and Worksop Road, Aston at a cost of £1.400m.

Sheltered Housing Communal Areas (£0.300m in 2014/15 and £1m in 2015/16). This budget will fund essential upgrades to lighting and fire equipment within the centres, and the conversion of communal rooms to one bed flats, where it has been agreed to close the communal rooms following consultation with residents.

Fair Access To All: Disabled Adaptations (£4.094m in 2014/15, £4.200m in 2015/16) – This will fund the ongoing provision of disabled adaptations to Council and private dwellings. At the end of December 2014 there had been 382 public sector completions and 265 private sector completions. Eligibility criteria are being reviewed, as there is likely to be pressure on this service in the future.

Investment into **Neighbourhood Regeneration & Renewal** (£1.156m in 2014/15, £0.935m in 2015/16) is continuing with the most notable projects being:

Canklow Phase 1 & 2 (£0.351m in 2014/15, £0.370m in 2015/16). 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 4 properties where negotiations are ongoing. There may be a requirement to reprofile

expenditure into 2015/16 if negotiations on the acquisition of the 4 properties do not conclude in the current financial year.

Bellows Road, Rawmarsh, Service Centre Clearance (£0.400m in 2014/15, £0.192m in 2015/16). This is an ongoing Housing Market Renewal scheme and includes the construction of new shop units and provision of new housing within the area. At the present time a planning application and lease agreement are still pending for re-location of the T-mobile telephone mast. Asbestos surveys are complete but asbestos removal is outstanding on the multi storey car park and requires completion prior to demolition.

Garage Site Investment (£0.250m in 2014/15, £0.100m in 2015/16) - 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.

Fuel Poverty - Vulnerable People (£0.030m in 2014/15, £0.273m in 2015/16) - This is grant that was received in March 2013 for the installation of cavity wall and loft insulation to private homes, where there is evidence of fuel poverty. The budget holder has had difficulty in identifying homes to take up the offer. Currently we are in phase 3 of the programme, where there are around 20 properties to receive investment. The Council is awaiting a response from the Grant provider, DECC, requesting that we are able to retain the grant and offer solid wall insulation as an alternative, in an attempt to spend the money appropriately. In anticipation of retaining the grant, the remainder of the expenditure has been reprofiled into 2015/16.

Furnished Homes – Capitalisation of Furniture and White Goods – (£1.2m in 2014/15; £2.88m in future years) – As part of the revenue budget setting process for 2015/16, a revenue saving has been identified to capitalise spend on new furniture and white goods. Members are referred to the revenue budget setting report for further detail on this proposal.

7.2.4 Resources Capital Programme 2014/15 to 2017/18

The Council continues to invest in its **ICT infrastructure** as part of its ICT Strategy, with £2.194m 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 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 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.

The SCR Infrastructure Advisory Board, at its meeting on 21 January 2015, recommended that the scheme progress from outline business case to Stage 1B of the approval process. In the capital programme, the expenditure has been profiled to reflect the fact that contributions from Central Government (DCMS) will be made first. The final payment is reflected in the 2017/18 programme. It is estimated that £0.054m will be incurred in 2014/15 on consultants fees in respect of the procurement, this represents Rotherham's 25% share.

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	2017/18 Estimate
	£m	£m	£m	£m	£m	£m	£m
Grants & Contributions	31.935	-0.334	16.912	+2.169	6.963	+0.590	1.000
Unsupported Borrowing	10.256	-0.887	19.816	+6.279	5.493	+2.960	1.426
Supported Borrowing	0.006	0	0	0	0	0	0
Usable Capital Receipts	6.236	+0.049	1.649	0	1.100	0	1.100
Major Repairs Allowance (HRA)	21.559	-0.009	22.443	+1.882	21.386	+1.942	20.946
Revenue Contributions	8.902	+0.160	9.204	+3.065	11.468	+5.381	12.981
Total	78.894	-1.021	70.024	+13.395	46.410	+10.873	37.453

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 £k	2014/15 Revised Estimate £k	2014/15 Variance to Previous Report	2015/16 Previous Report £k	2015/16 Revised Estimate £k	2015/16 Variance to Previous Report	2016/17 Previous Report £k	2016/17 Revised Estimate £k	2016/17 Variance to Previous Report
ANSTON & WOODSETTS	372	447	74	0	8	8	0	0	0
BOSTON CASTLE	6,864	6,162	-702	1,942	2,284	342	0	0	0
BRINSWORTH & CATCLIFFE	7,099	6,113	-985	1,744	2,803	1,059	0	0	0
DINNINGTON	170	261	90	0	0	0	0	0	0
HELLABY	2,144	1,908	-236	1,303	1,547	244	0	0	0
HOLDERNESS	1,103	1,165	62	169	219	50	0	0	0
HOOBER	1,324	1,344	21	0	0	0	0	0	0
KEPPEL	459	560	101	0	15	15	0	0	0
MALTBY	1,011	1,090	80	0	0	0	0	0	0
RAWMARSH	2,172	2,302	129	1,460	1,460	0	160	160	0
ROTHER VALE	387	390	3	53	69	16	0	0	0
ROTHERHAM EAST	1,840	1,751	-90	4,889	5,035	146	0	0	0
ROTHERHAM WEST	76	142	66	0	0	0	0	0	0
SILVERWOOD	273	277	4	182	186	4	0	0	0
SITWELL	195	213	18	0	0	0	0	0	0
SWINTON	135	-215	-350	0	0	0	0	0	0
VALLEY	1,374	1,367	-7	0	7	7	0	0	0
WALES	1,097	1,162	65	250	300	50	0	0	0
WATH	628	745	117	35	63	28	0	0	0
WICKERSLEY	271	438	167	50	50	0	0	0	0
WINGFIELD	17	73	56	45	45	0	0	0	0
ALL WARDS	50,904	51,200	295	44,507	55,933	11,426	35,377	46,250	10,873
TOTAL	79,915	78,894	-1,022	56,629	70,024	13,395	35,537	46,410	10,873

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.

Contact Name: Stuart Booth, Interim Strategic Director of Resources and Transformation, ext. 22034, stuart.booth@rotherham.gov.uk