

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

CABINET: 30th January 2013 **Report of the Acting Executive Director of Finance**

CAPITAL PROGRAMME UPDATE 2012/13 – 2014/15 FOR QUARTER ENDING 31 DECEMBER 2012

1. Purpose of Report

- 1.1 The purpose of this report is to bring to the attention of Members, the Authority's capital programme position as at 31st December 2012 for the three year period 2012/13 to 2014/15.

2. Recommendations

2.1 **It is recommended that:**

- (i) the variation in scheme costs requiring approval as shown in Appendix 1A amounting to a decrease of £0.365M be approved;**
- (ii) the position on the 2012/13 – 2014/15 capital programme be noted;**
- (iii) Executive Directors be required to report separately into Cabinet on major capital projects anticipated to exceed budgeted resources;**
- (iv) the virement of £1.325M from the 2012/13 Barnsley Homes Standard scheme to the District Heating scheme be approved.**

3. Introduction / Background

- 3.1 The report initially focuses on the total estimated cost of the Authority's capital programme, identifying all variations in scheme costs from the previously approved position as at September 2012.
- 3.2 The total cost of the programme is then compared to the latest overall resource envelope to arrive at a forecast outturn for 2012/13 and an estimate of the capital programme position for the following two years.
- 3.3 Attention is drawn to significant issues that have arisen during the period including a general update on major programmes and initiatives (Appendix 1A).

4. Authority Overview

- 4.1 The latest estimated total cost of the Authority's capital programme is £251.6M. There are currently no reported funding problems across the programme. Over the life of the programme, there are also up to £5.3M of resources that have not yet been allocated to schemes as explained within the body of the report.

Table 1A: Summary of Planned Payments

	2012/13 £ M	2013/14 £ M	2014/15 £ M	Total £ M
Planned Payments August 2012	132.151	52.766	68.534	253.451
New Schemes:				
Approved	0.904	-	-	0.904
Requiring Approval	0.005	0.051	-	0.056
Variation in Scheme Costs:				
Approved	-2.657	0.260	-	-2.397
Requiring Approval	-1.436	1.015	-	-0.421
Scheme Re-phasing	-1.601	1.447	0.154	-
Scheme Slippage	-10.625	6.396	4.229	-
Total	116.741	61.935	72.917	251.593

Development, Environment & Culture**Directorate Overview**

- 4.2 Planned payments within the Development, Environment and Culture Directorate total £55.388M, with planned payments expected to be £31.223M in 2012/13. Actual expenditure to date for 2012/13 is £16.592M.
- 4.3 Within Environmental Services, major schemes include the Local Transport Plan, Flooding and Drainage, A61 Quality Bus Corridor, Cudworth and West Green Bypass, Waste PFI, Fleet Replacement Programme, Town Hall Gardens, BSF Highways Works at Advanced Learning Centres (ALCs) and Waste Bins.
- 4.4 Schemes included in Strategy, Growth and Regeneration are Urban Centre Infrastructure, Barnsley Markets, Housing Market Renewal, Green Corridor, Local Authority Investment Plan, Gypsy Sites and the Goldthorpe Empty Homes Scheme.
- 4.5 Within Economy, Culture and Housing schemes include the Local Authority Investment Plan (jointly with Strategy, Growth and Regeneration), Disabled Facilities Grant, Experience Barnsley, Penistone Market, Mercury Abatement at Crematoria, Allotments, Parks Refurbishment, Locke Park Tower, Newcommen Engine, Penistone Managed Workspace, Worsbrough Changing Rooms and Barnsley / Kirklees Trans Pennine Trail.
- 4.6 Within the programme there is a balance of resources yet to be allocated of £1.686M. This, in the main, relates to Section 106 monies (£1.636M)

and allotment monies (£0.050M) that have not yet been allocated to specific schemes.

Variation in Planned Payments

- 4.7 Overall planned payments have increased by £1.511M from the position reported in September 2012, explained as follows;

New Schemes (£0.612M)

- 4.8 This includes the following significant new schemes.

Former Fleets Public House (£0.099M)

This scheme is a capital contribution to Barnsley College towards the provision of community changing facilities at the former Fleets Public House.

TPT Surfacing Works at Penistone (£0.193M)

This scheme will see the surfacing of 2.1 kilometers of the Trans Pennine trail from the skate park in Penistone to Shore Hall Lane, Millhouse Green. The East Peak Innovation Partnership (EPIP) will provide £0.075M of funding towards this with the balance of £0.118M coming from the Rights of Way Improvement Plan.

Various Section 106 schemes (£0.221M)

Eleven new Section 106 funded schemes have been approved under delegated powers mainly relating to open space, parks and recreation ground improvements.

Variation in Scheme Costs (£0.899M)

- 4.9 Scheme costs have increased by £0.899M since the September 2012 reporting update. The main variations are summarised below:

Dearne Valley (HMR) (£1.050M)

This reflects the new expenditure profile taking into account some additional grant funding from the Homes and Communities Agency to support the cluster of Empty Homes at Goldthorpe.

School Routes LSTF (£0.079M)

Resources within the Local Sustainable Transport Fund (LSTF) Key Components programme have been brought forward in order to maximise funding. The scheme relates to walking and cycling routes within the Dearne Valley.

Dearne Valley Enterprise Corridor Cycle Routes (£0.182M)

This is LSTF main bid grant that is being brought forward from future years in order to maximise funding within South Yorkshire, as referred to in Cabinet report Cab.7.11.2012/9 "Deferral of planned highway works". The scheme relates to walking and cycling routes within the Dearne Valley area.

TPT Barnsley / Kirklees (-£0.060M)

Tender prices for works have come in less than anticipated. This scheme is 100% grant funded and therefore there are no savings accruing.

Experience Barnsley (-£0.103M)

The scheme has now been amended to reflect the anticipated costs of completion, taking into account all available funding.

Rephasing (-£0.953M)

4.10 Non PRN Maintenance (-£0.953M)

This is work included within the Local Roads Programme 2012/13 that is being deferred to 2013/14 to enable the Authority to bring forward the LSTF Main Bid grant work from future years in order to maximise funding within South Yorkshire, as referred to in Cabinet report Cab.7.11.2012/9 "Deferral of planned highway works".

4.11 Patching and Repairing (-£0.050M), Emergency Patching (£0.087M) & Manchester Road Thurlstone (-£0.070M)

Re-prioritisation of principal roads and bridges works funded by LTP Maintenance allocation.

Slippage (-£6.762M)

4.12 Urban Centre Infrastructure (-£1.976M)

The total quantum of ERDF funding has been re-prioritised by the DCLG which has resulted in the funding being deferred to 2013/14.

4.13 Newcomen Engine (-£0.175M)

Fees and development works will be carried out in 2012/13 in advance of the major restoration works which will now commence in 2013/14.

4.14 Experience Barnsley (-£0.371M)

Planned payments have been moved to 2013/14 as it is now anticipated that the external works (not the Town Hall Gardens element) will not be completed until after 1st April 2013.

4.15 Locke Park Tower (-£0.057M)

It is estimated that the safety works will not commence until 2013/14.

4.16 Dearne Valley Skate Park (-£0.159M)

It is estimated that works on the skate park will not commence until 2013/14.

4.17 Markets Development (-£0.202M)

Development costs (professional fees) will now be incurred in 2013/14.

4.18 Barnsley Markets Project (-£1.847M)

The cost of Compulsory Purchase Orders will now be incurred later than planned and are now expected to be completed during 2013/14.

4.19 Disabled Facilities (-£0.630M)

Currently the total Disabled Facilities capital plans are £2.533M. It is estimated that the original government grant allocation of £1.076M will be spent during the current financial year as originally planned. However, due to staffing issues within the Disabled Facilities team it is estimated that £0.630M will be not achieved in 2012/13 resulting in plans slipping into 2013/14.

4.20 Empty Homes (-£0.137M)

Delays in advising and implementing a workable private sector empty homes financial assistance programme has resulted in slippage of the scheme.

4.21 Civic and Mandela Gardens (-£0.512M)

The legal proceedings are continuing which has resulted in the final payments to the contractor being delayed.

4.22 LAIP Coalfields (-£0.060M)

Slippage relates to the demolition of properties at Welland Crescent, Thurnscoe. It is now envisaged that compensation payments to the owners will not now be agreed and paid until 2013/14.

4.23 Dearne Valley (HMR) (-£0.584M)

Delays in finalising Compulsory Purchase Orders for acquisitions in Goldthorpe, together with unforeseen delays on site in relation to public realm works have created the need for this adjustment.

Major Projects and Initiatives

Urban Centre Infrastructure (£3.000M)

- 4.24 An ERDF bid was put forward at the end of June 2012, with match funding from the Council's resources. This has been approved in principle and awaits validation by the DCLG.

Barnsley Markets Project (£18.635M)

- 4.25 The acquisition of the Metropolitan Centre took place on 8th August 2012. Contracts have been exchanged in respect of the CEAG building and are expected to be completed in February 2013. The funding in the current programme covers Compulsory Purchase Order costs (£6.683M), development costs (£0.314M), Metropolitan Centre acquisition (£10.450M), public realm works (£0.650M) and market stall relocation costs (£0.536M).

Barnsley Civic & Mandela Gardens (£0.598M)

- 4.26 Work is ongoing to reach commercial settlement of the contractor and various works package contractors' accounts. Currently it is assumed that savings negotiated on the outstanding accounts and an insurance settlement will fund £0.598M of the remaining planned expenditure. To the extent that the savings are not achieved or the insurance claim is not successful, there may be a funding shortfall that will need to be addressed. Walker Morris, the Authority's external legal advisors, are continuing to establish the quantum of the potential claim.

Housing Market Renewal (HMR) (£2.691M) & Green Corridor (£0.165M)

- 4.27 The available funding has come to an end, but has been managed across financial years to enable projects to be finalised or seen through to completion. This includes funding for acquisitions, demolitions and public realm works in Goldthorpe, as previously agreed. The Green Corridor schemes are also coming to an end and will be completed within the funds available.

Disabled Facilities Grants (£1.909M)

- 4.28 These grants provide adaptations to private dwellings to enable disabled residents to stay in their homes and retain their independence. A further

allocation of £0.245M has been provided by the Government as a non ring fenced grant.

Gypsy Site (£1.125M)

- 4.29 This is the second year of a two year scheme, which will result in the extension and refurbishment of the Smithies Lane Gypsy and Traveller site. New contractors are now on site and the scheme is expected to be concluded during this financial year.

Local Transport Plan (£6.014M)

- 4.30 This includes the integrated transport element of the plan contributing to the delivery of the South Yorkshire Local Transport Plan. The detailed plan was reported to Cabinet on 15th August 2012 (Cab 15.8.12/7.2).

A61 Quality Bus Corridor (£0.820M)

- 4.31 Negotiations about the land have now been finalised and work recommenced on site in November 2012, which includes access works to the Wickes store and carriageway widening to Old Mill Lane. The scheme is expected to be substantially completed by Spring 2013.

Experience Barnsley (£2.860M)

- 4.32 Fit out contractors started on site in November 2012 following off site works. Completion is expected in April 2013. The audio visual contractor commenced in November 2012 and is expected to be completed by March 2013. The planned opening of the museum is May 2013.

Waste P.F.I. Construction & Purchase of Land (£6.385M)

- 4.33 This scheme represents a contribution to Rotherham M.B.C. for land to be used for the Waste P.F.I. facility at Bolton Road (£0.625M), together with a potential capital contribution at service commencement for the cost of the P.F.I. facility (£5.760M). This has been made on value for money grounds, as this will reduce the annual unitary charge for use of the facility. The PFI achieved financial close on 30th March 2012.

Fleet Replacement Programme (£3.644M)

- 4.34 Vehicle procurement will be made within the in context of the Future Council. As with previous replacement programmes, vehicles will be procured under funding arrangements of between 3 and 8 years. A funding review exercise is undertaken at the point of purchase to determine the best financing option for each vehicle i.e. leasing or purchasing.

Goldthorpe – Empty Homes (£2.005M)

- 4.35 This represents the first tranche of ‘top deal’ funding with Goldthorpe. In addition almost £1M has been obtained from the HCA to deal with empty homes issues. Match funding of almost £1.000M was used from existing housing capital resources.

Parks Refurbishment (£0.617M)

- 4.36 A number of schemes aimed at improving parks and open space sites across the Borough including Dearne Valley Skate Park (£0.159M) and the former Fleets Public House (£0.099M).

Ongoing Financial Issues

- 4.37 As previously reported, the Civic capital scheme is coming to a conclusion and the Council are approaching settlement with ISG around the development costs. The scheme is fully funded assuming that savings and an insurance claim are both forthcoming. To the extent that these are not realised, there will be a funding shortfall on the capital programme that will need to be addressed of approximately £0.500M in 2012/13 and £0.100M in 2013/14.
- 4.38 Exceptional Maintenance (Expanding Steel Slag) - there are several sites across the Borough and this issue is also prevalent throughout South Yorkshire. There has been support by Government for principle road repairs but no support for local roads, this for Barnsley being the greatest issue. Currently, “safety only” repairs are being undertaken. This is an additional burden on the highways maintenance revenue account in the order of £0.050M to £0.150M p.a., depending on what works arise. In places, materials are still active and sites continue to be monitored and repaired as safety requirements dictate. The capital cost of removing these defects is still in the order of £3.5M if the waste can be recycled. If not, several more millions of funding for tipping charges would be required.
- 4.39 Street lighting replacements have been highlighted in areas where the steel columns have deteriorated to such a state there is a need for bulk replacement. The pressure on capital funding, secured from the LTP, means that there is less capacity to deal with these demands. There is a requirement in the LTP to expend this resource on “new works”, thus the capacity to address safety related replacements will outstrip available capital allocations. An update report will be put before Members for consideration. The volume of replacement is a prediction based on the results from testing and this has highlighted a lower level of replacements than communicated in last year’s report. The update will reflect this.
- 4.40 It should be noted that when undertaking any replacements it has allowed Engineering Services to update the technologies (Lamps and electronic gear) at each column, which has assisted in the reduction of energy costs.

- 4.41 The Fleet Manager is looking at the vehicle replacement programme for the next two years, taking into account service requirements, age of vehicle and so on. The ongoing effects of reductions in the fleet as a result of Future Council are being closely monitored, which may affect the current and future capital requirements.
- 4.42 An external engineer has carried out an investigation of Worsbrough Reservoir which suggests that maintenance work of around £0.070M will be required. No funding currently exists, which may mean that either resources will have to be diverted from other schemes or additional funding will have to be identified which may impact on the Medium Term Financial Strategy.
- 4.43 Historically, the Disabled Facilities Grant received from CLG has been match funded (60:40) by other resources to extend the provision and better meet the level of demand. This match funding has typically been from Housing Capital Receipts (£0.400M per annum) and Housing Capital Grant from the Regional Housing Board. The Housing Capital Grant has now ceased and in the current economic climate the demand against Housing Capital Receipts far outstrips the resources available. As a result, this programme will, in future, have to be scaled down to match the resources available, leading to a potential increase in the waiting list for adaptations.

Housing Capital Programme

Directorate Overview

- 4.44 Planned payments within the Housing Capital Programme total £127.743M, with payments expected to be £21.978M in 2012/13.

Actual expenditure to date is £8.735M.

Within the programme, there is a balance of resources yet to be allocated of £2.238M in 2014/15, which relates to revenue resources that have not yet been allocated to specific schemes.

Major schemes within the programme include Barnsley Homes Standard schemes (£82.982M), Planned Replacement Programme (£12.516M), Major Adaptations (£9.749M) and District Heating (£5.402M).

Variation in Planned Payments

- 4.45 Planned payments have decreased by £1.033M from the position reported as at September 2012.
- 4.46 The main variations are summarised below;

New Schemes (£0.230M)

Single Property Acquisitions (£0.230M)

- 4.47 Approval to acquire 8 properties for rental purposes at a total cost of £0.230M.

Variation in Scheme Costs (-£1.263M)

District Heating (£1.325M) & Barnsley Homes Standard (-£1.325M)

- 4.48 A virement of £1.325M from the 2012/13 Barnsley Homes Standard to the District Heating budget is requested at this update. This is to enable works to be carried out at Pendon House, the Avenues, Hawthorne House, Churchfields and Saville Court.

Shop / Community Centre Conversions (£0.453M), Major Adaptations (-£0.200M), Void Replacement Budget (-£0.100M) & Stock Reduction (-£0.154M)

- 4.49 Approval has been granted to convert a number of houses and shops into lettable accommodation. The conversion of these properties can be contained within existing resources and will result in additional rental income.

Conversion of 5 Sheltered Properties from Coal to Heat Pumps (-£0.608M)

- 4.50 Following receipt of tenders, the scheme and estimate for ground source heat pumps at five district heating schemes has been revised from £2.5M to £1.9M. The savings on this budget will be used to support the future New Build Scheme subject to Council approval.

Decent Homes (-£0.436M)

- 4.51 Following a scheme review the budget has been updated to reflect revised costings. The savings will be utilised to support the 2014/15 to 2016/17 New Starts.

New Lodge Regeneration (-£0.197M)

- 4.52 The New Lodge schemes have been reviewed confirming that £0.197M is no longer required.

The Energy Innovation Scheme for Deprived Communities (-£0.110M)

- 4.53 The scheme has reduced by £0.110M due to tenants choosing to retain solid fuel appliances, refusal of works due to the disruption caused and no access on approximately 40 properties.

New Lodge Village Green (£0.105M)

- 4.54 The remaining Section 106 monies approved to enable landscaping works to go ahead at the New Lodge Village Green have been added to the programme.

Rephasing (-£0.678)

Decent Homes / Barnsley Homes Standard Schemes (-£0.227M)

- 4.55 Plans have been rephased to reflect information from the contractors based on likely outturn in 2012/13 plus some projects incorporate pilot works on new initiatives that have taken time to accurately estimate with regard to time and costs.

Worsbrough Regeneration (-£0.213M)

- 4.56 Baden Street is awaiting a Council decision on a new recommendation to refurbish rather than demolish the empty properties. Pending a decision, £0.114M has been rephased to 2013/14 and £0.099M has been rephased on Harriet Close / Bank End. Purchase by agreement on Harriet Close has been unsuccessful and the CPO process has commenced. The Bank End project is in consultation. Start on site is now expected February / March 2013.

Shop / Community Centre Conversions (-£0.170M) Sunrise Manor, Gray Street, Brough Green Community Centre, Hazelshaw Community Centre and Clarehurst Shop.

- 4.57 £0.170M has been rephased into 2013/14 due to an extended period of internal consultation regarding the future of the buildings and technical issues. The construction has now concluded and been approved by Berneslai Homes SMT to proceed to delivery (December 2012). The former Hazelshaw Community Centre is not viable and scheduled for demolition.

Asset Management Database (-£0.150M)

- 4.58 Start on the Asset Management Database scheme has been delayed due to prioritising Welfare Reform IT. The new asset management database will provide a comprehensive easy to use, interrogated database for stock condition and investment planning.

Major Projects and initiatives

Barnsley Homes Standard (BHS) / Decent Homes (£82.982M)

- 4.59 The 2012/13 programme includes ten approved schemes, all ten are now on site and progressing well. The 2013/14 and 2014/15 address list has been published on the Berneslai Homes website and the 2015/16 and 2016/17 address lists are currently being drawn up. Surveys for next year's schemes are underway and following a request from the contractor, the 2013/14 Athersley North scheme is to start early, commencing January 2013. Over the five year period, around 4,700 dwellings will receive works designed to keep them maintained at the Governments Decent Homes Standard. The works will be undertaken by Berneslai Homes stock maintenance partners, Kier Building Maintenance and Berneslai Homes Construction Services.

District Heating (£5.402M)

- 4.60 This year, four District Heating Biomass installations have been planned, with work starting on site at King Street, Heather Court and Rose Tree Farm. Marston Crescent will commence this month. Further schemes will be developed to replace older and worn out fossil fuel boiler plant over the period 2013 to 2017.

Ground Source Heat Pump Installations (£1.891M)

- 4.61 Tenders have been received for the works and surveys have concluded that all sites are suitable. The works are planned to start later this month.

Ongoing Financial Issues

- 4.62 Capital expenditure continues to be monitored in line with the approved 30 year capital business plan. The five year Housing Investment Programme has been updated to include 2017/18. This report has been submitted to Council for approval.

Children, Young People and Families Capital Programme

Directorate Overview

- 4.63 Planned payments within the Children, Young People and Families Directorate total £58.078M, of which £55.998M relates to 2012/13. Actual expenditure to date is £18.212M.
- 4.64 Within the programme, there is a balance of resources yet to be allocated totaling £1.218M. This balance of funding relates, in the main, to specific grant funding allocated to Children, Young People and Families which are ring-fenced for schools and is comprised of the following:

- Capital Maintenance / Basic Need Grant (£0.075M) - the total allocation for these DfE grants in 2012/13 is £4.720M and is not time limited. The expectation is that the funding will be used for investment in schools and early years settings e.g. children's centres and will be allocated based on need / priorities. The balance of grant funding (£0.075M) has yet to be allocated to specific schemes;
- Devolved Formula Capital (£0.333M) - this DfE grant allocation is required to be delegated directly to schools to fund building improvements, repairs, ICT and refurbishment. Current grant conditions allow this grant to be carried forward over 3 years. The grant will be allocated in accordance with school priorities and assist towards the shortfall in DFC contributions in respect of the BSF programme;
- Capital Receipt – Ward Green Site (£0.500M) - the capital receipt for the sale of the former Ward Green school site has been realised. Whilst this is currently unallocated, it is committed towards meeting funding requirements previously funded from DFC in advance of the Ward Green capital receipt;
- Integrated Children's Services & Contact Point Grant (£0.090M) - ICT related grants from DfE, which have been earmarked to fund the replacement and/or upgrade of the Children Social Care ERIC system; and
- S106 Monies (£0.220M) - this funding has been earmarked to provide a 2 classroom extension at Kings Oak Primary PFI School in readiness for the September 2013 pupil intake.

Variation in Planned Payments

- 4.65 Planned payments have decreased by £1.255M from the position reported as at September 2012, mainly relating to:

Variation in Scheme Costs

Jump Roof (£0.120M)

- 4.66 The final phase of roofing works was due to be completed in the summer 2012. However adaptations to the school building for a wheelchair user were identified, to be completed in line with the Disability Discrimination Act. This involved widening a link corridor for access to the school hall and dining room and the installation of a lift. Although this was funded by the school access allocation (approved by Cabinet March 2012), it also resulted in further work being required to the school roof and therefore increased costs of £0.120M.

Burton Road – Additional Places (-£0.200M)

- 4.67 In order to address increasing demand for pupil places in the town centre, the head teacher at Burton Road was approached to take an additional 35 pupils from 2013/14. Early discussions were positive and a £0.200M scheme was approved as part of the Service & Financial Planning process. Following Cabinet approval, the schools governing body formally rejected the proposals. The scheme was cancelled and funding redistributed towards other priorities and pressures within the CYPF Directorate.

Scheme Slippage

- 4.68 Overall £1.274M plans have slipped into 2013/14, as detailed below:

Shawlands Admissions (-£0.285M)

The admissions scheme at Shawlands was predicated on the demolition of the caretaker's house on site which could only be demolished in the October half term break. This along with a review required of the area to deal with the shortfall of pupil places delayed work on the scheme. Council has approved a further 2 classroom extension on site which has been incorporated into the original plans (Cab.19.12.2012/11). The new Foundation unit will be completed by September 2013, this will then allow pupils to move and facilitate the new 2 class extension to be built either straight after, or ready for September 2014.

Shafton Primary Defects (-£0.213M)

The scheme has been delayed due to the time taken to obtain a price for the works. In addition, Shafton was in the process of converting to academy status, and the delay to the scheme highlighted opportunities for additional funding from the DFE Academy pot.

Variations / Slippage

- 4.69 A number of schemes have varied in cost and works have slipped into the next financial year. Explanations of these schemes are detailed below:

Cherrydale PFI Primary – Additional Places (£0.208M variation / -£0.134M slippage)

This is the first significant extension to a PFI primary school and the level of fees are high, to take onboard the contractual and legal liabilities required by the PFI Project Funders (these costs should reduce with any future extension works at other PFI schools). In addition, the lifecycle costs to maintain the extension within the contract for the remaining 20 years are an exceptional cost not associated with works at a non-PFI school. As a result, the costs of the scheme are now expected to come in

at up to £0.200M more than originally budgeted and the complexities of the scheme have resulted in scheme delays.

Hoylandswaine Additional Places (£0.068M variation / -£0.376M slippage)

The estimated funding requirements for Hoylandswaine have increased by £0.068M. Firstly, significant ground works to create a hall and school meals kitchen that integrates into the school without additional steps and/or lifts was required. Secondly, the existing school boiler was condemned during its annual service therefore this aspect was incorporated into the main scheme.

As a result of this, a number of feasibility options had to be considered, which has resulted in a delay to the scheme. The scheme is currently out to tender and works are due to start February half term.

Major Projects and Initiatives

4.70 BSF - All Phases (£48.536M)

The BSF capital programme for construction has now been successfully completed on time and in budget, and the final Phase 3 schools Horizon, Netherwood and Holy Trinity became fully operational the first week of September 2012. Demolition of the old schools is underway and costs have already been factored into 2012/13 budgets.

Negotiations are still ongoing with regards the final account figures for the 2 Phase 1 design and build schools, Carlton and Dearne. Budgets will be updated once information is available.

The contract variation in relation to the non provision of the wind turbines is due to reach financial close over the next few months, budgets have been updated accordingly to account for the capital savings, and the compensation payment £0.893M should be received before the end of this financial year.

Contract variations are still ongoing on an ad-hoc basis, budgets have been estimated to £1.1M, the majority of which relate to the removal of asbestos costs which are over and above the original contract. The remainder of costs will be passed through to schools.

The most significant change since the last reporting period relates to the assumed level of capital receipts to be received within 2012/13. Previously assuming £5.7M, the timing and value of these receipts have been reviewed by NPS and adjusted according to current market conditions. 2012/13 assumptions have been reduced by 84% down to £0.900M, the balance being reduced and rolled into future years. This area of income has a high level of risk attached due to the uncertainties in the current economic climate.

Ongoing Financial Issues

- 4.71 There are no major issues in the Children, Young People and Families Directorate at the time of this report that will have an ongoing effect in future years.

Adults and Communities

Directorate Overview

- 4.72 Planned payments within Adults and Communities amount to £1.654M with £1.057M profiled to be spent in the current financial year and the remaining £0.597M profiled to be spent in 2013/14. Actual expenditure to date is £0.301M.
- 4.73 Available resources currently amount to £1.824M, resulting in a balance of resources yet to be allocated of £0.170M.

This balance of funding relates to:

- A balance of Common Assessment Framework (CAF) grant funding of £0.070M, of which £0.020M is to be added into the existing CAF project to enable the full schedule of works to be completed. The remaining £0.050M is being considered as funding to support the Customer Service proposals within the 2013/14 Capital New Starts proposals; and
- Specific funds allocated to Adult Services of £0.100M which have been earmarked for investment in the development and extension of the current electronic solution for the management and monitoring of service delivery within the Learning Disability Service. A proposal is currently being considered in relation to this.

Variation in Planned Payments

- 4.74 Planned payments have increased marginally from the position reported as at September 2012, mainly relating to;

New Schemes

Goldthorpe Library – Relocation of Connects (£0.072M)

- 4.75 This scheme is for works required at Goldthorpe Library for Connects provision in Goldthorpe to be co-located with the library service. The works also include the installation of a community kiosk within the building enabling the public to access electronic Council services within the locality.

Major Projects and Initiatives

Integrated Learning Disabilities Day Services (£0.128M)

- 4.76 This project relates to the ongoing implementation of the approved strategy to move from large building based day services to locality buildings which are inclusive and able to meet the dependency levels of all service users.

The balance of funding £0.128M is being used to refurbish the Laithes Lane Unit following the recent reconfiguration of Day Service provision, in order to deliver KLOE AC/DPS/5. Originally, this funding was for the unit to be located elsewhere in Barnsley, however following the reconfiguration, it is to remain in its current location and the funding is being used to make the unit fit for purpose, creating personal care spaces and making sure the building is sound. The service is currently awaiting finalised costings prior to work commencing.

Common Assessment Framework Demonstrator Site Pilot Programme (CAF) (£0.104M)

- 4.77 The CAF Demonstrator Site Pilot Programme is to test and evaluate innovative approaches to effective information sharing between health and social care, and partner organisations. Expenditure is being incurred in respect of development, management and implementation of the project, site implementation and the development of a portal (enabling support coordination to be organised around the service user). The system is expected to be deployed in the early part of the new financial year.

Adults and Communities Information Systems (£0.181M)

- 4.78 This scheme is for the delivery of a number of key projects delivering system changes / developments to support the implementation of Personalisation and Self Directed Support across Adult Social Care.

Community Intermediate Care Bed Provision (£0.145M)

- 4.79 This scheme relates to the capital investment requirements within a number of Care Homes as part of the re-provision of intermediate care bed provision following the closure of Highfield Grange. Following the initial re-provision exercise it is anticipated this scheme will only now cost £0.045M, with the remaining £0.100M being considered as funding to support the Customer Service proposals within the 2013/14 Capital New Starts proposals.

Community Kiosks (£0.359M)

- 4.80 This scheme relates to the provision of community kiosks into key neighbourhood locations to enable local citizens to access electronic

Council services in their own locality. This will assist in giving people access to information and guidance and allow them to self serve in relation to transacting with the Council. This funding is likely to be spent as the Customer Service requirements for the future are determined. A sum of money has been allocated to the Goldthorpe Library scheme in order to implement a kiosk within that facility.

Replacement Programme for People's Network (£0.143M)

- 4.81 This scheme is for the replacement of the public access PC's, software and servers in Libraries that form the People's Network. This will enable residents to have continued free access to ICT and the internet, to supplement their learning and progression to digital inclusion and access. This is now estimated to cost £0.123M, with the remaining £0.020M being considered as funding to support the Customer Service proposals within the 2013/14 Capital New Starts proposals.

Development of CIS (£0.148M)

- 4.92 This is funding held for the future development of the Connects service, largely associated with the changing shape of the service moving to self service, video conferencing, shared accommodation etc. A significant element of the funding was committed to specific schemes in the programme in 2011/12 and further sums have been moved to specific schemes in the current financial year, with this amount representing a balance available for future development needs. This may well be needed to fund any capital requirements coming out of the Library Strategy.

Libraries Management Information System (£0.206M)

- 4.93 This scheme was for the replacement of the Library management information system. The new system is now live and operational, with the above sum representing a balance of outstanding payments in relation to the implementation and sums for finalising the integration with other systems.

Ongoing Financial Issues

- 4.94 There are no major issues in the Adults Services Directorate at the time of this report that will have an ongoing effect in future years.

Corporate Services Directorate

Directorate Overview

- 4.95 Planned payments within the Corporate Services Directorate total £8.732M. Actual expenditure to date for 2012/13 is £1.850M.

Variation in Planned Payments

- 4.96 Planned payments have decreased by £1.158M from the position reported as at September 2012.

The main variations are summarised below;

Variation in Scheme Costs (-£1.158M)

Academy Interface (-£0.111M)

- 4.97 Following the welfare reform changes due to occur from 1st April 2013 funds have been transferred to revenue to be fully utilised. No capital plans remain following this change in legislation.

Gateway Acquisition (-£0.067M)

- 4.98 Scheme costs have reduced due to waived retention monies relating to the Gateway acquisition scheme.

Early Repayment of Transferred Services Debt (-£0.975M)

- 4.99 Plans have been removed from the programme following a decision not to settle the outstanding Transferred Services Debt for Wakefield due to an excessively high settlement premium.

Slippage (-£3.223M)

Purchase of 1-17 Shambles Street (-£0.610M)

- 4.100 Scheme slippage is due to delays in the relocation of CAB services and the court services into new premises within town centre. The delay is also due to the wider town centre development project in the Shambles Street area. It is anticipated that the relocation will be completed early in 2013/14.

Barnsley Town Hall (-£0.053M)

- 4.101 The original scheme costs were incurred later than planned and therefore the final fees and retention costs have been slipped into June 2013, slightly later than original planned.

Industrial Estates (-£0.791M)

- 4.102 Works have been undertaken to identify the list of works to be completed within the industrial estates portfolio however, this has taken longer than anticipated due to workload pressures with NPS resulting in slippage of the planned scheduled works into 2013/14.

Purchase of Land at Tumbling Lane (-£0.246M)

- 4.103 The purchase has been delayed due to outstanding work requirement from NPS, following decisions made regarding higher priority schemes.

Front Office Integration Strategy (-£0.508M)

- 4.104 Customer services requirements have been reviewed to link into the wider Council Transformation Agenda. This review has resulted in the Front Office Integration scheme slipping £0.508M into 2013/14.

Major Projects and Initiatives

Priory Campus Loan (£2.400M)

- 4.105 Priory Campus is continuing to progress securing European Funding to support the £4.8M Phase II development of the Priory Campus site. The grant is currently at the 'consideration for approval' stage.

Acquisition of Leasehold No.s 1-17 Shambles Street (£0.712M)

- 4.106 This scheme relates to the acquisition of the leasehold interests in No.s 1 to 17 and the demolition of the vacated premises. These are required to facilitate the proposed development of the Shambles Street area. With the exception of the Citizen's Advice Bureau and Court Services which are still to be relocated, all properties have been acquired by agreement. Work is ongoing to relocate the Citizen's Advice Bureau and Court Service.

Barnsley Town Hall Refurbishment (£1.297M)

- 4.107 This scheme reflects the refurbishment of the Town Hall areas not included in the "Experience Barnsley" development within the Town Hall. The majority of works have been completed with a phased reoccupation currently underway. The planned refurbishment of the north lift is yet to be undertaken.

Industrial Estates Refurbishment (£0.861M)

- 4.108 This scheme is for the refurbishment and upgrade of existing industrial units within the Council's portfolio. The sale proceeds from the disposal of Carlton Industrial Estate are being utilised to fund this programme.

Experience Barnsley – External Works (£1.587M)

- 4.109 The funding was recently approved as part of the agreed Economic Strategy. Work to the public open space site will include a new water feature and has commenced on site.

Front Office Integration Strategy (£0.717M)

4.110 This scheme involves the deployment of a number of IT system components to form a total systems infrastructure. This base requirement will support the detailed integration of IT systems used by front line services. The resources available will be utilised to contribute towards the Council's transformation agenda.

Ongoing Financial Issues

4.111 There are no major issues in the Corporate Services Directorate at the time of this report that will have an ongoing effect in future years.

5. Capital Programme: A Comparison of Expenditure and Resources

Overall Position

5.1 The latest overall position for the Authority's capital expenditure and resources for 2012/13 – 2014/15 is shown in Table 2 below:

	2012/13	2013/14	2014/15	Total
	£M	£M	£M	£M
Planned Payments	116.741	61.935	72.917	251.593
Resources (incl Carry Forward)	-119.815	-61.935	-75.155	-256.905
Overcommitment / Balance of Resource (-)	-3.074	0.000	-2.238	-5.312
<i>Comprised of:</i>				
Resources not yet allocated	-3.074	0.000	-2.238	-5.312
Unfunded scheme expenditure	0.000	0.000	0.000	0.000
	-3.074	0.000	-2.238	-5.312

5.2 Table 2 shows that, in overall terms, there is currently estimated to be a net balance of resources on the programme of up to £5.3M as described within the body of the report.

Unallocated Resources

5.3 Within the Children, Young People and Families Directorate there are £1.218M of unallocated resources. The analysis of this is contained within the body of the report (para 4.64 refers). Options are currently being considered to utilise this funding.

5.4 Within the Adults & Communities Directorate there are £0.170M of unallocated resources. This balance of funding relates to specific funds allocated to Adult Services in previous financial years and mainly relates

to the Department of Health Common Assessment Framework (CAF) funding.

- 5.5 Within the Development capital programme there are £1.686M of unallocated ring-fenced resources, including £1.636M of Section 106 monies received from developers and £0.050M relating to earmarked capital receipts for allotments. Plans are currently been drawn up to utilise this resource in accordance with the specific conditions attached to each funding source.
- 5.6 Within the Housing capital programme there are £2.238M of resources awaiting allocation in 2014/15. Reports allocating these resources to individual housing areas within the Barnsley Homes Standard programme will be submitted to Cabinet in due course.
- 5.7 The overall capital programme position is further analysed between Directorates in Table 3 with resources analysed at Appendix 2:

Table 3: Cumulative Forecast Position by Directorate				
	2012/13	2013/14	2014/15	Total
	£M	£M	£M	£M
Directorate				
Children Young People & Families	-1.218			-1.218
Adults & Communities	-0.170			-0.170
Development	-1.686			-1.686
Corporate Services	Balanced Position			
Housing			-2.238	-2.238
Cumulative Overspend/Underspend (-)	-3.074	0.000	-2.238	-5.312

6. Financial Implications

- 6.1 The total cost of the Authority's capital programme is estimated at £251.593M. There are no major funding problems across the capital programme at this time.
- 6.2 In addition, there are currently unallocated resources totalling £5.3M over the life of the programme. Plans are currently under review to utilise these balances although it should be noted that the ring-fence has been removed on some of these resources, meaning that some of these could now be used for whatever purpose the Council deems appropriate.

7. Risk Management Implications

- 7.1 The delivery and achievement of major projects, partnerships and programmes is recognised as a key risk in the Council's Strategic Risk Register (SRR), together with the achievement of a balanced budget. Current controls and further actions are shown in the SRR in order to achieve this, particularly the need to monitor and review the implications for the Council's Medium Term Financial Strategy. The submission of the Capital Programme update report to Cabinet is part of these control procedures.
- 7.2 In addition, all of the Council's major projects have individual risk registers which are reviewed and updated by lead officers on a regular basis. Any significant issues arising are reported upon, as necessary.
- 7.3 The current balance of resources of £5.3M will be monitored and reported upon in future Capital Programme update reports.

8. List of Appendices

- 8.1 This report includes the following appendices:
- Appendix 1 – Analysis of the capital programme by Directorate;
 - Appendix 2 – A summary of the capital programme's resources by resource type.

9. Background Papers

- 9.1 Capital programme working documents and associated working papers are available for inspection in the Finance & Property Directorate.

Officer Contact: Neil Copley Tel. 773237
Date: 20/03/2013

ANNEX A

CAPITAL PROGRAMME MONITORING
2012/13 – 2014/15

(a) **Financial Implications**

The Executive Director of Finance has been fully consulted on the content of this report.

(b) **Employee Implications**

There are no employee implications.

(c) **Legal Implications**

There are no legal implications.

(d) **Policy Implications**

See body of report.

(e) **Local Members**

See body of report.

(f) **Health and Safety Considerations**

There are no health and safety considerations.

(g) **Property Implications**

See body of report.

(h) **Implications for Other Services**

See body of report.

(i) **Implications for Service Users**

See body of report.

(j) **Communication Implications**

There are no implications in this area.

(k) **Risk Implications**

See body of report.