

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: 29th January 2014 Report of the Assistant Chief Executive - Finance, Property & Information Services

CAPITAL PROGRAMME UPDATE 2013/14 – 2015/16 FOR QUARTER ENDING 31ST DECEMBER 2013

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 2013, for the three year period 2013/14 to 2015/16.

2. Recommendations

2.1 **It is recommended that:**

- (i) **the variation in scheme costs requiring approval as shown in Table 1, amounting to an increase of £1.3M be approved;**
- (ii) **the position on the 2013/14 – 2015/16 capital programme be noted;**
- (iii) **Executive Directors be required to report separately into Cabinet on major capital projects anticipated to exceed budgeted resources; and**
- (iv) **the budget virement of £0.150M as identified at paragraph 4.30 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 2013.
- 3.2 The total cost of the programme is then compared to the latest overall resource envelope to arrive at a forecast outturn for 2013/14 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 1).

4. Authority Overview

- 4.1 The latest estimated total cost of the Authority's capital programme is £171.5M. There are currently no reported funding problems across the programme. Over the life of the programme, there are also up to £1.7M of

resources that have not yet been allocated to schemes as explained within the body of the report.

Table 1: Summary of Planned Payments

	2013/14 £ M	2014/15 £ M	2015/16 £ M	Total £ M
Planned Payments - September 2013	69.368	62.841	35.730	167.939
New Schemes:				
Approved	1.024	1.240	-	2.264
Requiring Approval	0.041	-	-	0.041
Variation in Scheme Costs:				
Approved	(0.022)	0.025	-	0.003
Requiring Approval	(1.475)	2.764	-	1.289
Scheme Re-phasing	(1.270)	1.789	(0.519)	-
Scheme Slippage	(6.760)	7.017	(0.257)	-
Planned Payments - December 2013	60.906	75.676	34.954	171.536

Development, Environment & Culture

4.2 **Directorate Overview**

Planned payments within the Development, Environment and Culture Directorate total £47.255M, with expected payments to be £24.080M in 2013/14. Actual expenditure to date for 2013/14 is £10.998M.

Within Environmental Services, major schemes include Capitalised Planned Maintenance, Flooding and Drainage, The Local Sustainable Transport Fund, LTP Integrated Transport, LTP Maintenance, Waste PFI, the Rights of Way Improvement Plan and the Vehicle Replacement Programme.

Schemes included in Culture & Regulation are Experience Barnsley, Allotments, Parks Refurbishment, Locke Park Tower, Newcomen Engine, Worsbrough Changing Rooms, Closed Landfill Sites and Culture Car Park Capacity.

Within Development schemes include Urban Centre Infrastructure, Barnsley Markets, Housing Market Renewal, Green Corridor, Local Authority Investment Plan, Gypsy Sites, the Goldthorpe Empty Homes Scheme, Disabled Facilities Grant and Baden Street Regeneration.

Within the programme there is a balance of resources yet to be allocated of £1.290M. This, in the main, relates to Section 106 monies (£1.205M)

and allotment monies (£0.085M) that have not yet been allocated to specific schemes.

4.3 **Variation in Planned Payments**

Overall planned payments have increased by £1.355M from the position reported in September 2013, explained in paragraphs 4.4 and 4.5 below:

4.4 **New Schemes (+£0.150M)**

Hand Held Devices (£0.150M)

This scheme is for the procurement and operation of hand-held devices within Environmental Services. They are required in order to meet operational efficiencies as detailed in KLOE ENV16 (Cab.11.9.2013/9.2) & KLOE ENV17 (Cab.11.9.2013/9.3).

4.5 **Variation in Scheme Costs (+£1.205M)**

Scheme costs have increased by £1.205M since the September 2013 reporting update. The main variations are summarised below:

A61 QBC Phase 3 Burton Road (+£0.400M)

The scope of works was increased to accommodate additional utility companies' cost increases.

Urban Infrastructure Centre (+£0.188M)

Additional scheme costs to include Market Hill and Church Street sites to be funded through ERDF Grant.

A61 Westway to Bar Lane (+£0.200M)

Phase 1 of the 2013/14 Wakefield Road highway maintenance programme has been completed. The increase in costs are as a result of an increase in the scope of works and worse than anticipated carriageway conditions.

A61 QBC Smithies Junction (-£0.100M)

The scope of works was reduced to accommodate cost increases elsewhere in the programme.

Experience Barnsley (-£0.230M)

The reduction in scheme costs results from estimated savings on infrastructure and signage works carried out as part of the project.

Vehicle Replacement Programme (+£0.985M)

The latest vehicle replacement programme has been approved for 2013/14, taking into account additional vehicle requirements from Adults. However, due to lead times for vehicle deliveries and service reorganisations, some of these plans have slipped into 2014/15.

A629 Wortley to Thurgoland (-£0.100M)

The scope of works was reduced to accommodate cost increases elsewhere in the programme.

A633 Rotherham Road Cundy Cross (+£0.100M)

The scope of works has now increased, as a result of additional detailed site investigations.

4.6 **Rephasing**

Barnsley Markets Vacant Possession (£0.519M)

Planned works on the markets redevelopment have been brought forward into 2014/15.

4.7 **Slippage**

Several schemes have slipped from 2013/14 into following years:

Vehicle Replacements (-£0.961M)

When vehicles are financed using leasing arrangements, which is at times the cheaper option, the total capital programme available is no longer required.

Urban Centre Infrastructure (-£0.262M)

The bid for the extension to the current scheme created delays in letting the contract.

Market Stalls Relocation (-£0.537M)

As a result of delays on the Town Centre Redevelopment Project, this scheme has slipped into 2014/15. Relocation of market stalls cannot commence until the overall development has started.

Goldthorpe HMR Scheme (-£2.104M)

Part of the delay relates to the Empty Homes schemes, where the scale of the works required is prohibitive in terms of cost, resulting in slippage in the work profile that was previously assumed. The balance relates to the wider programme in the Dearne Valley.

Civic Hall and Mandela Gardens (-£0.228M)

The litigation claim against the architects (ATA) is currently ongoing. The litigation process is taking longer than previously anticipated, resulting in further scheme slippage.

Newcomen Engine (-£0.158M)

The main works contractor is due to be appointed in February 2014 and works are now expected to be carried out early in 2014/15.

Empty Homes (-£0.156M)

Take up for the latest Empty Homes Initiative has been slower than the preceding year as it is perceived as a less attractive proposition. It is anticipated that the reduction in the discount granted for Council Tax on empty homes, the amendments that have been made to the existing lease agreement and the promotional event held in November 2013 to highlight the Council's Empty Homes Initiative will increase take up moving forward.

Major Projects and Initiatives

4.8 Baden Street (£0.499M)

The project has been submitted for consideration by the Planning Review Board (November 2013) and will go out to tender in January 2014. Subject to tender analysis and approval, work can commence on site in April 2014 in accordance with the original programme.

The primary concern at this time is whether the works, which are significantly more extensive than first envisaged due to the poor structural condition of the properties, can be contained within the budget defined including actual grant received. Any variance will be clarified when tenders are returned in February 2014 and reported accordingly.

Once complete, the project will provide 5 houses for social rent managed by Berneslai Homes, 3 for low cost home ownership (shared ownership), 1 for outright sale and 2 retained by the resident owner occupier / private landlord.

4.9 Barnsley Markets Project (£7.996M)

The funding in the current programme covers Compulsory Purchase Order costs (£6.502M), development costs (£0.307M), public realm works (£0.650M) and market stall relocation costs (£0.537M). This programme is currently under review.

4.10 Capitalised Planned Maintenance (£3.300M)

Previously, revenue expenditure on carriageway, footway, street lighting, bridges / structures, drainage and traffic sign improvements / maintenance / replacement has been capitalised at year end. This programme of works is now being charged directly to capital.

4.11 Closed Landfill Sites Safety Repairs (£0.300M)

New funds have been made available to enable suitable monitoring and maintenance of these sites to avoid any risk of harm to the public. Schemes identified so far include investigation of gas and leachate issues at Cudworth North Landfill, installation of monitoring equipment and the renewal of the extraction system at Stairfoot landfill and works to assess the risks to allotment users situated on the old landfill site at Pogmoor.

4.12 Cross Dearne Route (£0.419M)

This combines funding from Sustrans and the Local Sustainable Transport Fund to deliver improvements to the Trans-Pennine Trail at the Cortonwood Retail Park to make the route safer for cyclists.

4.13 Disabled Facilities (£2.075M)

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

4.14 Experience Barnsley (£1.493M)

The museum has had 75,000 visitors since its opening and has received an extremely positive response from the public. Planned payments include contract retentions, fees and minor residual works to be agreed with the Heritage Lottery Fund (HLF).

4.15 Flooding and Drainage (£0.602M)

The funding has been brought forward from 2012/13 for Environment Agency funded schemes, at various locations. A sum of £0.114M is in place to finance the solution required at Darfield, which is now complete, £0.274M for Bolton-on-Deerne, which is now over 75% complete and £0.085M for culvert replacement at Crane Moor, which is also complete.

4.16 Goldthorpe – Empty Homes (£2.256M)

Almost £1.0M has been obtained from the DCLG to deal with empty homes issues in the Goldthorpe area and in line with the funding bid, was matched with £1.0M of Council funds, contained within the existing Housing Capital Programme. Delivery of the programme is ongoing and the number of empty homes in Goldthorpe is reducing, but outputs are behind the agreed profile. Work is ongoing to resolve a number of complex delivery issues including looking at new measures to bring the empty properties back into use.

4.17 Housing Market Renewal (HMR) (£0.771M) & Green Corridor (£0.075M)

The available funding has now ceased, but has been managed across financial years to enable outstanding 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.

4.18 Local Authority Investment Plan (£0.715M)

This is another scheme that is coming to an end where funding has been managed over a number of financial years. Schemes including acquisitions at Worsbrough Common and Elsecar are being finalised. The balance of funds available will be spent on empty homes, which will result in additional New Homes Bonus. Some funds will also be used as match funding for Disabled Facilities Grants and ERDF bids, if approved.

4.19 Local Sustainable Transport Fund (£0.901M)

The DfT awarded South Yorkshire £24.598M for the LSTF main bid. The name of the project is “A Sustainable Journey To Work” and the 3 aims of the project are to:

- facilitate and encourage sustainable commuting;
- enable employers to reach wider labour markets; and
- help achieve higher business productivity.

Progress to date has seen the delivery of:-

- Extension of the Intelligent Transport System network of Automatic Number Plate Recognition (ANPR) cameras, CCTV and Variable Message Signs (VMS);
- The car park for the Elsecar Station Park and Ride scheme; and
- Schemes to mitigate delays caused by parked vehicles and other obstacles in hotspot locations.

Work on the ground was completed on 1km of new walking and cycling routes in the Dearne to complement and add to the network already completed by the LSTF key component project, as described above.

This year sees further work on cycling routes within the Dearne Valley and other strategic employment areas. The 2 principal routes being the new link to ASOS and the diversion of the TPT at Cortonwood.

4.20 LTP Integrated Transport Plan (£1.465M)

This funding from DfT is allocated to the South Yorkshire Integrated Transport Authority to deliver the priorities within the South Yorkshire Local Transport Plan, as agreed by the 4 South Yorkshire authorities and SYPTE.

The schemes to be delivered in 2013/14 cover:-

- Public Transport / Congestion schemes, SY Intelligent Transport System, Safer Routes to School, Town Centre Public Realm, Road Safety Schemes, Social Inclusion (Dropped / Tactile Crossings), Aids to Pedestrian Movement, New Footways, Traffic Management and Cycling.

Further details are set out in the Local Transport Capital Programme 2013/14 Report (Cab.11.9.2013/9.5).

4.21 LTP Maintenance (£3.822M)

Local Transport funding from DfT comes in 2 blocks, the Integrated Transport Block as described above and the Maintenance Block. The Maintenance Block is allocated direct to the Council to address its roads and footways maintenance programme, as set out in the Local Transport Capital Programme 2013/14 Report (Cab.11.9.2013/9.5).

4.22 Parks Refurbishment (£0.538M)

A number of schemes aimed at improving parks and open space sites across the Borough including the Dearne Valley skate park (£0.159M).

4.23 Waste P.F.I. Construction & Purchase of Land (£6.018M)

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 (£0.258M), 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.

4.24 Urban Centre Infrastructure (£3.000M)

The project has been approved by DCLG and the contract has now commenced. Work on the procurement processes was delayed due to resources being diverted to complete the Experience Barnsley public realm scheme. Pre-Qualification is now complete and 6 companies will be invited to tender. The project will start on site in March 2014 and take approximately 13 months to complete. A Cabinet report was approved in November 2013 to provide additional match funding to enable the expansion of the project to include Market Hill & Church Street, following a request from DCLG to identify project expansion.

4.25 Vehicle Replacement Programme (£5.545M)

Vehicle procurement will be made within the 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.

4.26 Ongoing Financial Issues

As previously reported, the Civic capital scheme has completed and is presently fully funded. However, an insurance claim remains outstanding relating to this scheme. If the insurance claim doesn't materialise in the Council's favour, then there will be a funding shortfall to be addressed accordingly.

Housing Capital Programme

4.27 Directorate Overview

Planned payments within the Housing capital programme (2013-16) total £92.385M, with payments in 2013/14 expected to be £20.497M.

Major schemes include Barnsley Homes Standard Schemes (£54.940M), New Build (£8.723M), Planned Replacement Programme (£6.984M), Major Adaptations (£6.057M) and District Heating (£2.815M).

Actual expenditure to date is £10.934M.

There is a balance of resources yet to be allocated of £0.261M in 2015/16. This relates to revenue resources that have not yet been allocated to specific schemes.

4.28 **Variation in Planned Payments**

Total planned payments have increased by £0.240M from the position reported as at 30 September 2013, explained in paragraphs 4.29 and 4.30 below:

4.29 **New Schemes (+£0.250M)**

Single Property Acquisitions (£0.209M)

Approval to acquire 4 further properties for rental purposes at a total cost of £0.209M. These have been purchased as part of the £4.0M approved scheme to acquire properties from Berneslai Homes' surpluses.

4.30 **Variation in Scheme Costs (-£0.010M)**

Estimated costs on existing schemes have decreased by £0.010M since the September 2013 reporting update. The main variations are summarised below:

Replacement Items (£0.150M) and Void Replacements (-£0.150M)

Cabinet approval is sought for a virement of £0.150M from the Void Replacements budget, which is forecast to under-spend, to the Replacement Items budget. To maximise rental income, there has been a change to the lettings procedure in order to reduce the void turnaround time. Replacement work is now completed through Programmed Replacements after commencement of the tenancy, instead of whilst the property is void.

4.31 **Rephasing**

A number of schemes have been re-phased from 2013/14 to future years:

Barnsley Homes Standard (-£0.580M)

Following negotiations by NPS with contractors, adjustments have been made to a number of old year schemes pending final accounts. The latest information from NPS indicates that outturn costs will be lower than anticipated. Significant savings are also anticipated on the 2013/14 Thurnscoe and Athersley North schemes. Such savings have been moved to next year to support the 2014/15 programme.

Green Initiatives (-£0.500M)

The Green Initiatives Scheme has been rephased into 2014/15 to coincide with the launch of the domestic Renewable Heat Incentive (RHI). The RHI will help to fund investment in renewable technology e.g. Air Source Heat Pumps.

Conversion of Sheltered Schemes Heating Systems (-£0.400M)

Delays on the scheme (detailed in paragraph 4.35) have resulted in £0.400M being rephased into 2014/15. In addition, the potential contractual liability has increased by £0.135M. This will be funded by money from the District Heating budget.

Major Projects and Initiatives

4.32 Barnsley Homes Standard (£54.940M)

The 2013/14 programme includes seven approved schemes. Six are on site and the final scheme is due to commence early January 2014. The 2014/15, 2015/16 and 2016/17 address lists have been published on the Berneslai Homes web site. Over a five year period, around 4,700 dwellings will receive works designed to keep them maintained at the Government's Decency Standard. The works will be undertaken by Berneslai Homes' stock maintenance partners, Kier Building Maintenance and Berneslai Homes Construction Services.

4.33 New Build (£8.723M)

- Saville Road, Gilroyd (9 family houses and associated environmental works). Approved by Planning Board September 2013 and tenders received December 2013. Expect to appoint contractor in January 2014 with a view to starting on site in March 2014.
- Roy Kilner Road, Wombwell (37 family houses, apartments and bungalows). Tender documents sent out in December 2013 with return date of January 2014. Expect to appoint contractor in March 2014 with a start on site in April 2014.
- Highstone Road and Kenworthy Road, Worsbrough Common (5 family houses). Planning Application submitted in December 2013. To be considered by Planning Review Board in February 2014.
- Meadow View, Hoyland (4 family houses). Planning Application submitted in December 2013. To be considered by Planning Review Board in February 2014.
- Green Street, Worsbrough Bridge. The scheme was at the Design and Feasibility Stage as at December 2013.

4.34 District Heating (£2.815M)

The planned works to four Biomass installations have progressed on site and are nearing completion. Further schemes will be developed to replace older and worn out fossil fuel boiler plant over the period 2014-17.

4.35 Conversion of Sheltered Schemes Heating Systems (£1.896M)

Approval was granted in 2011/12 and 2012/13 to convert five sheltered housing sites from coal district heating to ground sourced heat pumps. Works at Woodhall Flats, Darfield, Church Street Close Flats, Thurnscoe and Parkside, Hoyland Common are progressing well. However, an electrical supply issue at four of the five sites, Woodhall Flats excluded, has led to some unforeseen delays to final completion.

The further separate scheme for Pendon House ground source heat pumps, approved in 2013/14, completed on site 1st November 2013.

4.36 Ongoing Financial Issues

Capital expenditure continues to be monitored in line with the approved 30 year capital business plan.

Children, Young People and Families Capital Programme

4.37 Directorate Overview

Planned payments within the Children, Young People and Families Directorate total £13.330M, of which £9.464M relates to 2013/14. Actual expenditure to the end of December 2013 is £5.494M.

Within the programme, there is a balance of resources yet to be allocated totaling £0.081M. This balance of funding is comprised of the following:

Devolved Formula Capital / School DFC Contributions (£0.081M)

DfE grant allocation to the LA and 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 within the BSF programme.

4.38 Variation in Planned Payments

Overall planned payments have increased by £0.358M from the position reported in September 2013, explained in paragraphs 4.39 and 4.40 below:

4.39 New Schemes (+£0.206M)

Dodworth St Johns (+£0.110M)

During a period of prolonged torrential rainfall, combined surface water and foul drains were inundated and subsequently overflowed which resulted in flooding at the school. This scheme includes building repairs,

re-decoration and equipment replacement. Both the buildings and contents are insured and therefore all costs will be reimbursed.

Cudworth Birkwood Primary (+£0.096M)

Devolved Formula Capital is a specific capital grant which is devolved to schools to be applied to capital works or equipment. Alternatively, the school can make the decision to contribute their allocation to a larger scheme, managed by the Authority. Cudworth Birkwood Primary School have utilised their DFC, along with a substantial revenue contribution to capital, to fund a classroom refurbishment and playground improvements.

4.40 **Variation in Scheme Costs (+£0.152M)**

Estimated costs on existing schemes have increased by £0.152M since the September 2013 reporting update. The main variations are summarised below:

Richard Newman Nursery (+£0.061M)

The original scheme related to rewiring the Nursery Block. During the early design stage, it was discovered that the electrical distribution boards, fire alarm and part of the heating system also required replacing. At the same time, the school was approached to facilitate a provision for 2 year olds. This resulted in a number of spaces being remodelled to facilitate the needs of this facility. Additional specific early years grant funding was received for certain areas within the provision.

Harnessing Technology (-£0.161M)

The Harnessing Technology Grant (HTG) is a ringfenced grant with conditions and was applicable for a period of 3 years. The timescale of the grant was 1st April 2008 - 31st July 2012 (financial years 2008/09 - 2011/12). To avoid the clawback conditions of the grant, an agreement was made to switch fund the HTG with DFC. This arrangement would be available for a period of one year. As definitive plans have not materialised within the timescale and to meet the conditions of the DFC grant in terms of timeliness, the funding has been redirected to other pressures within the programme.

4.41 **Slippage**

A number of schemes have slipped from 2013/14 to future years:

Worsbrough Common Pupil Places (-£0.169M)

It was originally envisaged that the contractor would set up on site in mid-December 2013, ready to commence on 6th January. However, the contractor's submitted programme of works indicates that this will now

start on 6th January. This has resulted in approximately one month's of anticipated expenditure being slipped into next financial year.

DFC - Various Schools (-£0.533M)

DFC funding is devolved to schools on a 3 year rolling programme. All spending decisions are determined by the individual school with the Authority being subsequently notified. It has been identified that within the Borough, 31 schools have slipped their available funding into next financial year.

Major Projects and Initiatives

The following represents key projects / schemes within the approved CYPF capital programme:

4.42 Priority Condition Works (£2.090M)

Eradicating priority condition defects identified in building condition surveys and other emergency issues. These schemes also include work to reduce the Council's carbon footprint. These condition works are summarised as follows:

- Boiler / Heating / Water Replacements (£0.360M);
- Electrical Rewiring Renewal (£0.362);
- Roofing / Windows (£0.700M);
- Building Improvements (0.607M); and
- Internal Dilapidation – Kitchens (£0.061M).

4.43 Health & Safety / Emergency Works (£0.590M)

This comprises of a programme of health and safety works that relate to Asbestos Containing Materials (ACMs) to comply with Health & Safety Executive (HSE) requirements, as well as safeguarding against internal failures. Also, there are programmes of work to reduce the health & safety risks that may result in full or partial closures & major disruptions to schools, children's centres, early years settings & caretakers houses.

The programme of works for 2013/14 includes £0.300M of kitchen ventilation systems to bring school meal kitchens up to standard and the removal of asbestos in the underfloor voids at Doncaster Road Primary.

Additionally, safeguarding issues have been identified within the main entrance to ensure building security for the pupils of the school. Significant remodelling work (£0.084M) had to be completed to meet health and safety requirements to ensure a visual line of sight between the main reception and building access point.

4.44 Additional School Places (£5.709M)

Within the Borough, there are several areas where pupil place shortfalls are more acute than others. These include the Central Area, spreading out from the Town Centre to Wombwell and the Dearne.

The Worsbrough admission scheme will start on site January 2014, with an estimated completion date of January 2015 and will provide an additional 210 pupil places. The continuation of the 3 phase scheme at Shawlands which will initially provide a two class foundation unit, is due for completion in February 2014.

4.45 Building Schools for The Future (BSF) – All Phases (£2.773M)

The BSF Programme has delivered nine iconic Advanced Learning Centres (ALCs) across the Borough and two special schools which were delivered on time and are now fully operational.

The planned payments of £2.8M relate to milestone payments relating to Dearne ALC and Carlton Community College (£0.875M), payments regarding final demolition and asbestos removal at the old high school sites (£0.859M), other variations to the BSF contract including ICT (£0.939M) and project management costs (£0.100M).

Since the last reporting period there has been a slight reduction of £0.338M to forecasted capital receipts for 2013/14, this is a result of the actual sale value being less than forecasted due to current market conditions. There continues to be risk and uncertainty in this area around whether the £20.0M expected future receipts from land sales will materialise at the forecasted values and time frames. The current forecast is £6.0M 2013/14, £8.7M 2014/15 and £5.2M 2016/17.

4.46 Ongoing Financial Issues

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 Capital Programme

4.47 Directorate Overview

Planned payments within Adults and Communities total £3.267M, with £2.982M profiled to be spent in the current financial year and £0.285M profiled to be spent in 2014/15. Actual expenditure to date is £0.970M.

Available resources currently amount to £3.307M, resulting in a balance of resources yet to be allocated of £0.041M.

4.48 **Variation in Planned Payments**

Overall planned payments have increased by £0.344M from the position reported in September 2013, explained in paragraphs 4.49 and 4.50 below:

4.49 **New Schemes (+£0.299M)**

Learning Disability Electronic Solution for Managing Service Delivery (£0.059M)

A scheme for the development and extension of the current electronic solution for the management and monitoring of service delivery within the Learning Disability service has been approved and added into the capital programme.

Customer Services Programme (£0.240M)

The delivery of the Customer Services programme is seen as an integral part of changing the relationship between the Council and the Community which acknowledges the growth of online services and central government's digital by default agenda against a backdrop of significant financial pressures.

The programme has been established to determine overarching design principles, identify business requirements and the technology to enable the delivery of a refreshed customer offer which is consistent with the objectives of the Council's Corporate Plan and efficiency agenda.

The £0.240M relates to payments scheduled in 2014/15.

4.50 **Variation in Planned Payments (+£0.045M)**

Estimated costs on existing schemes have increased by £0.045M since the September 2013 reporting update. The main variations are summarised below:

Customer Services Project (£0.045M)

The costs of the customer service project has increased to reflect an element of Berneslai Homes being brought into the scope, which they are funding.

Major Projects and Initiatives

4.51 **Customer Services Project (£1.884M)**

The review of customer facing processes across all Directorates identified in the scope for phases 1 and 2, who have a high volume customer contact where greatest benefit can be realised from redesign enabled by

technologies, will result in a benefits case being presented to SMT in March 2014. The report will identify a high-level implementation plan that will enable improved processes to be implemented. Progress around the procurement of the technology solutions has been delayed meaning that around £0.9M will roll forward into 2014/15.

4.52 **Ongoing Financial Issues**

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

Corporate Services Directorate Capital Programme

4.53 **Directorate Overview**

Planned payments within the Corporate Services Directorate total £15.3M, with £3.8M expected in 2013/14. Actual expenditure to date for 2013/14 is £2.3M.

4.54 **Variation in Planned Payments**

Overall planned payments have increased by £1.3M from the position reported as at September 2013, explained in paragraphs 4.55 and 4.56 below:

4.55 **New Schemes (+£1.400M)**

M1 Junction Signalisation (£1.400M)

The signalisation of the M1 Junction 37 is an integral part of the required infrastructure to bring forward new development in this area of the Borough. The scheme is funded by DfT Pinch Point Grant and reallocation of Economic Strategy funding.

4.56 **Variation in Scheme Costs (-£0.100M)**

Estimated scheme costs have decreased by £0.100M since the September 2013 reporting update. The main variations are summarised below:

Market Street, Hoyland (-£0.100M)

Due to release of the covenant associated with this site being deducted at source through the completion process, there is no longer a requirement for this scheme on the programme.

4.57 **Slippage**

A number of schemes have slipped into 2014/15:

Acquisition of Leasehold No.s 1-17 Shambles Street (-£0.375M)

As a result in the changes to this scheme and the Barnsley College development of this site, and the redevelopment of Wellington House, plans for this scheme have slipped into 2014/15 (£0.375M).

Industrial Estates Refurbishment (-£0.800M)

Plans for the refurbishment of the industrial estate portfolio have been delayed, and the works will now be carried out during the summer months of 2014.

Purchase of Leasehold Tumbling Lane, Cudworth (-£0.246M)

There have been delays in the processing of the application to secure the leasehold on the land currently identified with no owner; the money is due to be paid to the court to hold in trust.

Major Projects and Initiatives

Economic Plan

4.58 A Cabinet report will be submitted to members in March 2014 following a full review of the Economic Strategy and revised economic plan proposal.

4.59 Experience Barnsley – External Works (£2.388M)

The external work to the public open space site are now complete and the new water feature is now operational. The third phase involves transforming the streets adjacent to the Town Hall: Church Street, Shambles Street and St Mary's Place. In addition, it is planned to resurface the carriageway and footways along Wellington Street and undertake environmental improvements to the grassed area adjacent to Mandela Gardens.

4.60 Goldthorpe Master Plan (£5.799M)

The school project is progressing satisfactorily. Delivery timescales are tight and there are a number of delivery issues the project team are actively managing.

The final properties on the site for the new school have been demolished leaving a cleared site. A compulsory purchase order is nearing completion to secure ownership of very small pieces of unregistered land. The build contract for the school has been advertised and the short listing process

has been completed with NPS. An outline planning application for the site has been submitted.

4.61 **Ongoing Financial Issues**

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**

5.1 **Overall Position**

The latest overall position for the Authority's capital expenditure and resources for 2013/14 – 2015/16 is shown in Table 2 below:

	2013/14	2014/15	2015/16	Total
	£M	£M	£M	£M
Planned Payments	60.906	75.676	34.954	171.536
Resources (incl Carry Forward)	-62.318	-75.676	-35.215	-173.209
Overcommitment / Balance of Resource (-)	-1.412	0.000	-0.261	-1.673
<i>Comprised of:</i>				
Resources not yet allocated	-1.412	0.000	-0.261	-1.673
Unfunded scheme expenditure	0.000	0.000	0.000	0.000
	-1.412	0.000	-0.261	-1.673

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 £1.7M as described within the body of the report.

Unallocated Resources

5.3 Within the Development capital programme, there are £1.290M of unallocated ring-fenced resources, including £1.205M of Section 106 monies received from developers and £0.085M relating to earmarked capital receipts for allotments (paragraph 4.2 refers). Plans are currently being drawn up to utilise this resource in accordance with the specific conditions attached to each funding source.

5.4 Within the Housing capital programme, there are £0.261M of resources awaiting allocation in 2015/16 (paragraph 4.27 refers). Reports allocating these resources to individual housing areas within the Barnsley Homes Standard programme will be submitted to Cabinet in due course.

5.5 Within the Children, Young People and Families Directorate capital programme, there are £0.081M of unallocated resources. The analysis of this is contained within the body of the report (paragraph 4.37 refers). Options are currently being considered to utilise this funding.

- 5.6 Within the Adults & Communities Directorate capital programme, there is £0.041M of unallocated resource. This balance of funding relates to specific funds allocated to Adult Services in previous financial years and mainly relates to Social Care Capital Grant (paragraph 4.47 refers).
- 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				
	2013/14	2014/15	2015/16	Total
	£M	£M	£M	£M
<u>Directorate</u>				
Children Young People & Families	-0.081			-0.081
Adults & Communities	-0.041			-0.041
Development	-1.290			-1.290
Corporate Services	Balanced Position			
Housing			-0.261	-0.261
Cumulative Overspend/Underspend (-)	-1.412	0.000	-0.261	-1.673

6. Financial Implications

- 6.1 The total cost of the Authority's capital programme is estimated at £171.5M. There are no major funding problems across the capital programme at this time.
- 6.2 In addition, there are currently unallocated resources totalling £1.7M over the life of the programme. Plans are currently under review to utilise these balances.

7. Risk Management Implications

- 7.1 The production and subsequent approval of this report is a significant control / mitigation action in terms of the strategic risks detailed below that are relevant to ensuring major projects, programmes and partnerships being adequately resourced. Similarly, the delivery of a robust and sustainable MTFs relies on the appropriate management and reporting of the Authority's Capital Programme, of which this report forms part of:
- The achievement and delivery of major projects and programmes (Risk 3027: Failure to manage organisational change);
 - Partnership working (Risk 3032: Failure of partnership working);
 - and

- Delivering the Medium Term Financial Strategy (MTFS) (Risk 3034: Failure to deliver the MTFS).

7.2 The majority of significant projects, programme and partnerships that the Authority is involved in benefit from specific risk register and risk management arrangements, which are updated and revised on a regular basis. Any significant, or out of tolerance risks are escalated to the appropriate Departmental Management Team for consideration and action.

7.3 The current balance of £1.7M will be monitored and reported on 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 – Summary of the Capital Programme Resources position by Resource Type.

9. Background Papers

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

Officer Contact: Neil Copley Tel. 773237

Date: 20/03/2014

ANNEX A

CAPITAL PROGRAMME MONITORING
2013/14 – 2015/16

(a) **Financial Implications**

The Assistant Chief Executive Finance, Property & Information Services 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.