

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

CABINET: 5th November 2014 Report of the Director of Finance, Property & Information Services

**CAPITAL PROGRAMME UPDATE 2014/14 – 2016/17 FOR QUARTER
ENDING 30 SEPTEMBER 2014**

1. Purpose of Report

The purpose of this report is to bring to the attention of Members, the Authority's capital programme position as at 30th September 2014 for the three year period 2014/15 to 2016/17.

2. Recommendations

2.1 It is recommended that:

- (i) The variation in scheme costs requiring approval as shown in Appendix 1 amounting to an increase of £1.300M be approved;**
- (ii) The position on the 2014/15 – 2016/17 capital programme be noted; and**
- (iii) Executive Directors be required to report separately into Cabinet on major capital projects anticipated to exceed budgeted resources.**

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 June 2014.
- 3.2 The total cost of the programme is then compared to the latest overall resource envelope to arrive at a forecast outturn for 2014/15 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 £204.313M. There are currently no reported funding problems across the programme. Over the life of the programme, there are also up to £3.677M of resources that have not yet been allocated to schemes as explained within the body of the report.

Table 1A: Summary of Planned Payments

	2014/15 £M	2015/16 £M	2016/17 £M	Total £M
Planned Payments: June 2014	73.446	103.775	25.792	203.013
New Schemes:				
Requiring Approval	-	-	-	-
Approved	1.968	-	-	1.968
Variation in Scheme Costs:				
Requiring Approval	-	-	-	-
Approved	-0.633	-0.035	-	-0.668
Requiring Approval	-	-	-	-
Scheme Rephasing	0.902	-1.951	1.049	-
Scheme Slippage	-1.460	1.460	-	-
Planned Payments: September 2014	74.223	103.249	26.841	204.313

Development, Environment & Culture Capital Programme

Directorate Overview

- 4.2 Planned payments within the Development, Environment and Culture Directorate total £53.853M, with £29.691M expected to be spent in 2014/15. Actual expenditure to date for 2014/15 is £4.750M.

Within Environmental Services, major schemes include Capitalised Planned Maintenance, Flooding and Drainage, Mandela Gardens, Street Lighting, The Local Sustainable Transport Fund, Local Transport Plan, Waste PFI and the Vehicle Replacement Programme.

Schemes included in Culture, Regulation & Housing are Closed Landfill Sites, Elsecar Building 2, Parks Refurbishment, Gypsy Sites, HMR, Goldthorpe Empty Homes, Locke Park Tower, Newcomen Engine and Culture Car Park Capacity.

Within Development, schemes include Baden Street, The Civic, Digital Barnsley, Disabled Facilities Grants, Goldthorpe Masterplan, Strategic Business Parks and Urban Centre Infrastructure.

Within the programme, there is a balance of resources yet to be allocated of £1.912M. This, in the main, relates to Section 106 monies (£1.823M) and allotment monies (£0.089M) that have not yet been allocated to specific schemes.

Approval of New Schemes

Lang Avenue Property Level Flood Protection Scheme

- 4.3 It is requested that funding of £0.170M is accepted from the Environment Agency to carry out a Property Level Flooding Protection (PLP) Scheme in Lang Avenue. The scheme involves an individual survey of each property to identify appropriate property level flood protection measures that will protect each property from water ingress. These measures include door guards, airbrick covers and non-return valves for domestic waste water systems.

The estimated maximum cost of this scheme is £0.361M, based on 85 properties at £4,250 each. It is envisaged that the actual cost per property will be less than this due to the tendering process and inherent economies of scale.

The scheme will be funded by £0.170M grant from the Environment Agency, £0.100M contribution from the Housing (HRA) Capital Programme and the balance of £0.091M as an in kind contribution of staff time from Highways, Engineering and Transportation (which is built into the unit cost above).

Disabled Facilities Grants

- 4.4 In the current financial year the Council has been allocated grant totalling £1,111M by DCLG for Disabled Facilities Grants. As the grant is 'unringfenced', the funding was originally included as a 2014/15 capital new start proposal. Approval is now requested for the £1.111M funding to be formally allocated to the DFG programme so that the scheme can continue. DFG grant is used for the provision of a variety of adaptations (e.g. ramps, stairlifts, bathrooms, extensions etc.) to enable disabled persons to remain in their existing homes, living with a good degree of independence.

- 4.5 **Cooper Gallery**

It is requested that a grant of £0.658M made to Barnsley Museums by the Heritage Lottery Fund for the Creating Connections project to extend and enhance the Cooper Gallery, be accepted.

The project will extend the gallery, re-orientate the existing spaces and re-introduce the original entrance to the building. It will introduce new and effective ways of engaging a range of audiences with the heritage and provide an exciting new space to display the collections in new and interactive ways.

The total capital cost of the works of £0.659M will be funded by a ring fenced specific grant of £0.564M from the H.L.F., a capital contribution of £0.075M from the trustees of the Cooper Gallery and £0.020M from the Jobs and Business Growth Plan. Revenue costs of £0.095M will be funded

by £0.074M from the H.L.F., £0.010M from the D.F.E. (Schools and Museums grant) and £0.011M from the Culture, Housing and Regulatory Services base budget.

Variation in Planned Payments

- 4.6 Overall planned payments have decreased by £6.447M from the position reported in June 2014, explained as follows:

New Schemes (£0.941M)

This includes the following significant new schemes.

- 4.7 Conversion of Chapel to Community Building (£0.128M)

A contribution from Section 106 monies will be matched with external funding secured through WREN and Heritage Lottery Fund for the conversion of the Wombwell Chapel into a community use building.

- 4.8 DfT Pothole Fund Scheme (£0.503M)

The Department for Transport has awarded the Authority additional grant of £0.503M to fund further maintenance on our road network. The work will be carried out as an extension to the 2014/15 Local Roads & Footways Programme and may involve resurfacing of large or limited areas, carrying out permanent repairs to individual potholes, or carrying out a permanent repair to a group of potholes.

- 4.9 Gypsy and Travellers Stopping Point (£0.245M)

A priority scheme has been identified to create a gypsy and traveller emergency stopping point. This will make enforcement of relocating illegal traveller encampments more effective as a facility will exist to temporarily host them.

Variation in Scheme Costs (-£1.023M)

- 4.10 Estimated costs on existing schemes have decreased by £1.023M since the June 2014 reporting update. The main variations are summarised below:

- 4.11 Drainage Planned Maintenance (-£0.095M)

Works have been deferred from this budget in order to fund the Gypsy and Traveller emergency stopping point.

- 4.12 Traffic Signs (-£0.150M)

Works have been deferred from this budget in order to fund the Gypsy and Traveller emergency stopping point. The deferred works relate to

proposals for brown tourism signs on the A6195. The costings for this work are being reviewed and the signs are likely to be built into the ongoing sign replacement programme.

4.13 Vehicle Replacements (-£0.645M)

The scheme has been reduced following the first batch of vehicles having been procured this year. This due to the fact that the cost of leasing is less than the purchase cost and as such it has been determined that leasing is the best option for this value / type of vehicles.

4.14 Experience Barnsley (-£0.128M)

The scheme is now complete. The only remaining expenditure is a retention payment to North Midland Construction in relation to the infrastructure works which were incorporated into the ERDF approval. The reduction in planned payments relates to movements between revenue and capital elements of the HLF project.

Major Projects and Initiatives

4.15 Digital Barnsley (£1.200M)

This scheme represents Barnsley MBC's contribution towards the South Yorkshire Broadband project arranged by the Sheffield City Region which will provide superfast broadband across South Yorkshire. The contract to deliver the scheme was awarded on 9th September and the contract is expected to commence on 2nd January 2015. It is anticipated that the first premises will have access to superfast broadband during the autumn of 2015. It is expected that the network build will be completed by December 2017. A bid is currently being developed for funding from the Sheffield City Region Investment Fund which, if successful, will fully fund this scheme.

4.16 Disabled Facilities (£0.865M)

These grants provide adaptations to private dwellings to enable disabled residents to stay in their homes and retain their independence. This funding comes from monies set aside from the Council's own capital resources over and above the grant monies awarded each year by the DCLG as highlighted in paragraph 4.4 above. About half of this funding is currently committed.

4.17 Goldthorpe – Empty Homes (£1.778M)

Delivery of the programme is ongoing but outputs are behind the agreed profile. This is mainly due to intervention grants not being progressed due to high refurbishment costs and the amount of landlord contribution required. A Cabinet report is being progressed to request the rephrasing of the scheme in to 2015/16 and to seek approval to spend resources on wider issues to deal with the problems of empty properties. A further report

is being prepared to review the criteria for the grants in an attempt to increase the grant take up rate.

4.18 Goldthorpe Masterplan (£5.115M)

The main element of the scheme is the construction of a new school for central Goldthorpe, followed by the replacement of the existing school with a new retail / commercial development. Tenders for the construction of the new school have been received and are currently being evaluated. It is currently projected that subject to all the necessary approvals, the contract for the school build will be awarded by the end of October with a start date of June 2015.

Work is still ongoing on the site of the new school to redirect existing utility services to allow for the construction of the new school to commence.

4.19 Smithies Lane Gypsy & Traveller Site (£0.970M)

Work on the demolition and redevelopment of the Smithies Gypsy & Travellers site to provide 30 permanent pitches was certified as practically complete in May 2013. Because of the complexity caused by a contractor going into administration, and the subsequent appointment of an alternative contractor to complete the works, there is still work to be done to finalise and agree the final account. From a management perspective the site is fully occupied, settled and recognised nationally as an example of good design and practice.

4.20 Heat Your Homes for Less (£0.075M)

The Heat Your Home for Less Scheme will be superseded by the Leeds City Region Green Deal / ECO Scheme which is due to be launched, subject to final approvals, in November 2014. Vulnerable, low-income households that are the focus of the Heat Your Home for Less Scheme will continue to be targeted as a discrete strand of work under the Leeds City Region Green Deal / ECO scheme.

4.21 Highways Planned Maintenance (£3.488M)

In addition to LTP Maintenance, funding has been set aside for highways planned maintenance to address planned permanent repairs to carriageways, footways, drainage, street lighting, traffic signs and structures.

4.22 Little Don Cycleway (£0.795M)

This is a joint project with Derbyshire County Council / Peak District National Park to create 4 new cycle routes linking Sheffield, Stocksbridge and Barnsley to the Peak District, supported by grant from the Department for Transport. The Barnsley scheme, known as the Little Don route, will

link Sheffield to Winscar reservoir near Penistone. The scheme is progressing as anticipated.

4.23 Local Authority Investment Plan (£0.552M)

This is another scheme that is nearing completion, 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.

4.24 Local Sustainable Transport Fund (£1.051M)

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 ANPR cameras, CCTV and 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. Progress is in line with the programme of works.

4.25 LTP Integrated Transport Plan (£2.194M)

This funding from DfT is allocated to the SY Combined Authority to deliver the priorities within the SY Local Transport Plan, as agreed by the 4 SY Authorities and SYPTE.

The schemes to be delivered in 2014/15 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 2014/15 report (Cab.18.6.2014/8.1). Progress on some projects is slightly behind schedule due to unforeseen events such as land and statutory undertakings' issues.

4.26 LTP Maintenance (£4.902M)

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 directly to the Council to address its roads and footways maintenance programme as set out in Appendix 2 of the Local Transport Capital Programme 2014/15 report (Cab.18.6.2014/8.1). The schemes are progressing.

4.27 Parks Refurbishment (£0.790M)

This programme relates to a number of schemes aimed at improving parks and open space sites across the Borough, including the improvements at Dodworth Road Recreation Ground (£0.090M) and improvements in the Dearne NE Ward (£0.084M).

4.28 Strategic Business Parks (£2.786M)

The scheme aims to deliver 2 key strategic business parks through feasibility, viability and master planning to develop fully serviced employment sites. The sites are the M1 J36 Dearne Valley Corridor (Hoyland & Goldthorpe) and the M1 J37 Claycliffe link. The timescales for the submission of SCRIF funding bids for these works are aligned with the Local Plan. The 1B submission for the scheme at Hoyland is scheduled for the end of 2014 with a decision expected in February 2015. Submissions for the Goldthorpe and J37 schemes are expected to be made during 2015. Re-profiling of budgets has been completed for all schemes and have been submitted to Sheffield City Region.

DfT Pinchpoint funding has been secured for the J37 scheme for works to improve traffic flows. Works will take place during 2015 and a further bid is currently being considered for J36.

4.29 Street Lighting LED (£4.297M)

Work commenced in September 2014, with around 300 lanterns fitted to date. It is expected that 5,000 will be installed by end of March 2015.

4.30 Waste P.F.I. Construction & Purchase of Land (£5.760M)

This scheme represents a 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 payment is not planned until July 2015.

4.31 Urban Centre Infrastructure (£3.837M)

Works commenced on site in June 2014, but initial delays around the delivery of materials meant a slow start on site. This issue has now been resolved and additional labour resources have been brought in to recover the time lost. The contractor is still confident that they can meet the practical completion date of April 2015. This delay required a re-sequencing of works and consequently a revised programme and spend profile has been provided by the contractor. Works continue on Regent Street, Royal Street, Eldon Street and Eastgate.

4.32 Vehicle Replacement Programme (£3.406M)

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

Ongoing Financial Issues

4.33 As previously reported, the Civic capital scheme is approaching conclusion. The effect of the litigation claim against the architects needs to be considered. The funding required to complete the process will need to be deliberated against the remaining budget available.

4.34 The outcome of the Transport Review is likely to have an effect on all related transport activity. A review of all vehicle fleet requirements will be undertaken to ensure that Future Council savings are met.

4.35 A number of funding streams come to an end in 2014/15, which will have an impact on the amount of work available for the Highways Maintenance team. The amount of expected funding available is being considered alongside the current cost of the maintenance team, which may result in the need to reduce revenue operating costs.

4.36 A number of schemes, including the Urban Centre Infrastructure are partly funded by external bodies e.g. E.R.D.F. They need to be managed and monitored closely to ensure that the Council is not at risk of not complying with grant conditions resulting in claw-back, which will increase the pressure to fund any shortfall arising.

Housing Capital Programme

Overview

- 4.37 Planned payments within the Housing Capital Programme total £96.181M, with £26.435M expected in 2014/15. Actual expenditure to date is £8.394M.

Major schemes include Barnsley Homes Standard Schemes (£52.556M), New Build (£12.276M), Planned Replacement Programme (£8.254M), Major Adaptations (£6.861M) and District Heating (£2.574M).

Within the Programme there is a balance of resources yet to be allocated of £1.403M in 2016/17. This relates to revenue resources that have not yet been allocated to specific schemes.

Variation in Planned Payments

- 4.38 Total planned payments have increased by £0.068M from the position reported as at 30 June 2014. The major variations are summarised below:

New Schemes (£0.055M)

- 4.39 Insurance (£0.055M)

A new £0.055M insurance funded scheme has been added to the programme to rectify fire damage at 30 Osmond Drive, Worsbrough Bridge.

- 4.40 **Variation in Scheme Costs (£0.013M)**

Since the last report there have been minor variations totalling £0.013M across the programme.

Rephasing

- 4.41 Barnsley Homes Standard (BHS) / Decent Homes Schemes (£1.677M)

£1.677M has been brought forward into 2014/15 from 2015/16 on Barnsley Homes Standard / Decent Homes schemes.

This is primarily due to the Athersley North Scheme being brought forward. Works on the 2014/15 programme are progressing well and the contractor is anticipating completion of the current phase of works at Athersley North before Christmas 2014.

To ensure continuity of workload and to avoid any potential shortfall, approval has been granted to commence works early. This will be funded from the unallocated 2014/15 BHS budget and savings released from completed BHS / Decent Homes schemes.

A new £0.054M insulation scheme at Darhaven has also been approved and adjustments have been made to a number of old year schemes pending final accounts.

Estimates for delivery of the 2014/15 Athersley North and Lundwood schemes are £0.167M and £0.163M respectively, both higher than previously reported.

4.42 New Build (-£1.628M)

Of the new build programme, £1.604M has been slipped from 2014/15 into 2015/16 on the Roy Kilner Road scheme following contractual issues. The scheme is now scheduled to complete August 2015.

Approval has also been granted to acquire 18 dwellings at Loxley Gardens, Birdwell at a cost of £1.097M from the existing new build budget; with 10% of the expenditure (£0.100M) expected in 2014/15, the remainder in 2015/16.

Estimates in 2014/15 to develop remaining sites have also been reviewed resulting in £0.133M being slipped into 2015/16.

4.43 Single Property Acquisitions (£0.356M)

£0.356M on the single property acquisition budget has been rephased into 2014/15 from 2015/16 reflecting likely expenditure on acquisitions in this financial year.

4.44 Major Adaptations (£0.300M) and Replacement Items (£0.200M)

On the major adaptations and replacement items budgets, £0.300M and £0.200M respectively has been brought forward into 2014/15 from 2015/16 in order to align budgets with anticipated demand levels.

£1.049M district heating monies have also been brought forward from 2015/16 to support schemes that are planned to be on site in 2016/17. Feasibility studies will take place in 2015/16 subject to scheme approvals.

Major Projects and initiatives

4.45 Barnsley Homes Standard / Decent Homes Schemes (£52.556M)

The 2014/15 programme includes nine approved schemes. One scheme is complete, five are currently on site (one nearing completion), and the other three schemes are programmed to start from October 2014 through to January 2015, with all due to complete by 31st March 2015 at the latest.

One additional scheme has also been brought forward from 2015/16 and is due to start in January 2015 and run through to September 2015.

The 2015/16 and 2016/17 address lists have been published on the Berneslai Homes website and all residents have been written to informing them of the planned works.

Over the three year period from 2014 onwards, around 2,700 dwellings will receive works designed to keep them maintained at the Government's Decency Standard. Works are ongoing planning Barnsley Homes Standard programmes of work beyond 2017, all of which are designed to maintain properties at the Decency standard.

The works will be undertaken by Berneslai Homes stock maintenance partners, Kier Building Maintenance and Berneslai Homes Construction Services.

On Barnsley Homes capital schemes we are, if possible, installing air source heat pumps instead of traditional boilers. This 'greener' technology attracts renewable heat incentive (RHI) income to the HRA estimated at over £1M over a seven year period.

To qualify for RHI, each property needs a green deal assessment carrying out costing approximately £125 per property. The cost of these assessments can be contained within the BHS budgets.

4.46 New Build (£12.276M)

Work is ongoing on two sites developing 9 units at Saville Road, Gilroyd (due for completion Feb 2014) and 37 units at Roy Kilner Road, Wombwell (due for completion August 2015).

Tender submissions have also been received for two smaller schemes consisting of 10 units in total in Hoyland and Worsbrough and expect to be on site early 2015.

A further three schemes consisting of 15 units in total are currently in the pipeline in the feasibility / consultation / planning application stages.

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

Directorate Overview

- 4.47 Planned payments within the Children, Young People and Families Directorate total £8.791M, with £8.675M expected in 2014/15. Actual expenditure to date is £4.462M.

Within the programme, there is a balance of resources yet to be allocated totalling £0.321M. This balance of funding relates, in the main, to specific grant funding allocated to Children, Young People and Families which is ring-fenced for schools and is comprised of the following:

- Devolved Formula Capital / School DFC Contributions (£0.255M)

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 towards the BSF programme.

- Capital Maintenance Grant (£0.021M)

The total allocation for these DfE grants in 2014/15 is £1.512M 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 (£0.021M) relates to underspends in 2013/14 and has yet to be allocated to specific schemes.

Variation in Planned Payments

4.48 Overall planned payments have increased by £0.447M from the position reported in June 2014, explained as follows;

New Schemes (£0.390M)

4.49 Bank End Flood (£0.200M)

During a period of prolonged torrential rainfall combined with standing surface water, foul drains overflowed resulting in flooding at Bank End Primary school. This scheme includes building repairs, redecoration and equipment replacement. Both the buildings and contents are insured and therefore all costs will be reimbursed.

Works are also progressing to remove asbestos within the school. The scheme was due to be completed around October half term however, further areas of work have been identified (the hall floor replacement) causing delays.

4.50 Millhouse Primary – New Classroom (£0.130M)

Following a review of school application submissions in the Penistone area, it became apparent that there was a shortage in school places in the Millhouse / Thurlstone area that had not been previously forecast. This coincided with the former youth club building at Millhouse becoming vacant.

Works have been fully completed on transforming the former youth club building into a new classroom for the start of the September 2014 academic year and included; accessible ramp and steps, links to the main schools ICT systems, heating and security systems, partitioning works to form a classroom, cloaks, toilet areas and shared kitchen and small group resource spaces.

4.51 Queens Road Academy – Internal Re modelling (£0.060M)

The Academy accepted the Authority's request for them to take a bulge class to meet the immediate demand for additional pupil places in the Barnsley Central area, following reassurance alterations would be made so pupils can move through school effectively.

The remodelling includes alterations to reception / KS1 classrooms, to create additional space in early years and provide safe access to outdoor play and the creation a classroom to safeguard pupils accessing the community room area in school. These works are expected to cost £0.060M in total with the Academy agreeing to contribute £0.006M towards the safeguarding element. The works were completed in readiness for the start of the academic year.

Variations in Scheme Costs (£0.057M)

4.52 Estimated costs on existing schemes have increased by £0.057M since the June 2014 reporting update. The main variations are summarised below:

4.53 Kings Oak Admissions (+£0.117M)

The original scheme of a two classroom extension to meet the predicted demand in the Wombwell area has been extended to incorporate a multi-use additional space which intends to meet the increased demand for intervention learning and for meetings / training events. This additional cost has been funded by the school (£0.080M). In addition to this, the predicted shortage of places has increased and Kings Oak has agreed to take a bulge year. The space was created over the summer break by converting the existing ICT room into a classroom and introducing further toilets and a wet area at a cost of £0.034M. All works were completed in September 2014.

4.54 Grimethorpe – Mobile Classroom (-£0.120M)

As part of the 2014/15 Service and Financial Planning process, plans were finalised for an additional classroom at Grimethorpe, due to pupil number forecasts indicating a potential problem in the area requiring additional places. However, this forecast demand did not materialise and therefore asset management worked with Milefield School to facilitate the reception age children, using existing spaces within the school.

Whilst this initially solved the problem, extension works are now required on Milefield in September 2015 to provide places for these children as they move through school. The funding for this will come from the 2015/16 Basic Need Allocation, freeing up the current funding for other priorities within the capital programme (pupil places at Millhouse Primary identified earlier in the report). This has resulted in a saving of £0.120M.

4.55 Kexbrough Kitchen (+£0.076M)

During the design phase of the Kexbrough kitchen scheme, the original location of the kitchen made it difficult to extend and maintain provision at the same time. A decision was therefore made to move the school meals kitchen to a new location off the school hall.

This resulted in additional access works being required and existing footpaths to be diverted. There were also problems with the existing electrical supply to the school resulting in a new supply being required. This has increased the costs of the scheme by £0.076M, which is a combination of additional works and increased market costs on the budget estimate. This will be funded from the balance of resources highlighted in paragraph 4.51 above.

Major Projects and Initiatives

4.56 Building Schools for the Future (£2.082M)

The overall estimated capital spend in respect of BSF for 2014/15 remains within the planned budget, however there has been variations around the timing of when this spend will be incurred. The majority of spend variation is ad-hoc and relates to contract variations (+£0.064M) and ICT refresh pots (+£0.048M). Spend depends on when schools place orders and when the LEP responds which the Authority has no control over.

The other most significant budget relates to design and build schools retentions, as previously reported, final accounts are still under negotiation with the contractor.

4.57 Priority Condition Works (£1.078M)

These schemes relate to eradicating priority condition defects identified in building condition surveys and other emergency issues. Also included is work to reduce the Council's carbon footprint. These condition works are summarised as follows:

- Boiler / Heating / Water Replacements (£0.220M);
- Electrical Rewiring Renewal (£0.282M);
- Roofing (£0.109M);
- Windows (£0.109M);

- External Improvements (£0.268M); and
- Internal Dilapidation - Toilets (£0.090M).

On the whole, the programme has gone to plan, but the heating distribution works at Churchfields has been severely delayed. This is as a result of contractor performance and the wrong equipment being delivered, therefore works have been placed on hold until the October holidays. The other schemes that have still to be completed are the kitchen ventilation schemes at Athersley North and Wellgate, with delays due to the contractor working at a slower than expected pace.

4.58 Kitchens (£0.476M)

Following the Government announcement in September 2013 that children in the first 3 years of primary school will receive a free school meal, an impact assessment has been carried out by BMBC Catering Services on their school meals kitchens to determine if the current kitchen and dining facilities will meet the needs of projected increased uptake of school meals. The following school kitchens require significant work:

- Kexbrough Primary – Extend and refurbish school meals kitchen (£0.286M);
- Barugh Green Primary – Remodel and refurbish school meals kitchen (£0.100M); and
- Cudworth Churchfield Primary – Remodel and refurbish school meals kitchen (£0.090M).

The kitchen work was all completed for the start of the academic year. However, Churchfields Primary had a break in at the beginning of September and the Kitchen was vandalised, rendering it unusable for a few days. The damage has since been rectified.

4.59 Additional School Places (£3.595M)

Within the Borough, there are several areas where pupil place shortfalls are more acute than others.

Existing major school admissions schemes include:

- Worsbrough Common (£2.429M);
- Lacewood (£0.085M);
- Kings Oak (£0.805M); and
- Millhouse (£0.130M).

Works have been completed at Lacewood, Kings Oak and Millhouse for the school intake at the beginning of the academic year in September. Phase 1 works at Worsbrough Common were complete by September with the remainder having a completion date in October 2014.

4.60 Adult & Family Learning Co-Location with Libraries at Wellington House (£0.250M)

The re-location of the Adult and Family Learning Service with the Libraries Services has meant subsequent refurbishment works to level 2 of Wellington House, incurring additional costs, which is being managed by Property & Procurement.

CYPF have committed capital resources of £0.250M towards the overall cost of this through the reprioritisation of existing schemes.

Ongoing Financial Issues

- 4.61 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

Directorate Overview

- 4.62 Planned payments within Adults and Communities amount to £2.617M, all profiled to be spent in the current financial year. Actual expenditure to date is £0.682M.
- 4.63 Available resources currently amount to £2.7M, resulting in a balance of resources of £0.041M (paragraph 5.7 refers).
- 4.64 There are currently no immediate or potential significant funding issues with any of the approved schemes within the capital programme.

Major Projects and Initiatives

Customer Services Project (£1.637M)

- 4.65 This scheme is for the capital requirements associated with the implementation of the Council's Customer Services programme; seen as integral to changing the relationship between the Council and the Community, which acknowledges the growth of online services and Central Government's digital by default agenda. A key component of this scheme is the replacement of the existing Customer Relationship Management (CRM) system. The programme focus and schedule of delivery is being re-shaped with priorities determined by SMT which acknowledge the Future Council timeline and the dependencies that key services have on the successful delivery of enabling technical solutions for Customer Services. As a result of this, the anticipated capital spend against this allocated budget will extend into 2015/16.

Ongoing Financial Issues

- 4.66 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.

Core Services Capital Programme

Directorate Overview

- 4.67 Planned payments within Core Services total £42.870M, with £4.870M expected in 2014/15. Actual expenditure to date for 2014/15 is £4.205M.

Variation in Planned Payments (£0.867M)

- 4.68 Overall planned payments have increased by £0.867M from the position reported as at June 2014. The main variations are summarised below:

- 4.71 Hoyland Town Hall Centre Regeneration Scheme (£0.500M)

This scheme approved by Cabinet, ref Cab.16.7.2014.8 refers, relates to the redevelopment of Hoyland Town Centre, in partnership with a private developer, through the closure and demolition of the Town Hall, relocation of the market and further developments to build a new supermarket.

- 4.69 Wellington House Refurbishment (£0.285M)

As part of the refurbishment of Wellington House and the relocation of the Central Library and Citizen's Advice Bureau from Shambles Street, an additional phase has been added to relocate the Adult and Family Learning Service, following the cessation of the lease held at The Eldon Centre, Cabinet Report ref Cab.4.6.214.8 refers.

- 4.70 Grimethorpe Industrial Estate Disposal (£0.082M)

This scheme relates to the repayment of ERDF funding, originally received for the redevelopment of Grimethorpe Industrial Estate. This repayment has been funded from the receipts of the sale of the site.

Major Projects and Initiatives

- 4.71 Industrial Estates Refurbishment (£0.802M)

This scheme is for the refurbishment and upgrade of existing industrial units within the Council's portfolio; mainly the Wharnccliffe, Platts Common and Grange Lane sites. The sale proceeds from the disposal of Carlton Industrial Estate are being utilised to fund this programme. Following the tender process, a contractor has now been appointed to undertake the identified scheme of works, and works have now begun on site to upgrade the units.

4.72 Wombwell Library Extension (£0.502M)

This scheme relates to the extension of Wombwell Library, which was approved as part of the relocation of services and the closure of other buildings within the Wombwell area. The extension provides additional capacity for community groups and volunteers at the library. Works on site commenced in March, and are currently ongoing, with an anticipated completion date of November 2014.

4.73 Town Centre Redevelopment (£35.000M)

This is the overarching scheme to deliver town centre redevelopment. Under the new arrangement, the Council will effectively become the direct developer / lead in securing the long term regeneration of the town centre but with a view to unlocking future private sector investment. Having acquired the Metropolitan Centre some 2 years ago, the main spend on this scheme will be to refurbish the centre as well as build a new library. Other budgeted spend will cover new acquisitions, town centre preparation work (e.g. drainage, demolition, earthworks) and a new multi-story car park. Works are now underway to relocate the market to the precinct in order to facilitate the refurbishment programme.

Ongoing Financial Issues

4.74 There are no major issues within Core Services 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 2014/15 – 2016/17 is shown in Table 2 below:

Table 2 : Capital Programme 3 Year Position

	2014/15	2015/16	2016/17	Total
	£M	£M	£M	£M
Planned Payments	74.223	103.249	26.841	204.313
Resources (including Carry Forward)	-76.497	-103.249	-28.244	-207.990
Overcommitment / Balance of Resource (-)	-2.274	0.000	-1.403	-3.677
<i>Comprised of:</i>				
Resources Not Yet Allocated	-2.274	0.000	-1.403	-3.677
Unfunded Scheme Expenditure	0.000	0.000	0.000	0.000
	-2.274	0.000	-1.403	-3.677

- 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 £3.677M as described within the body of the report.

Unallocated Resources

- 5.3 Within the Children, Young People and Families capital programme there are £0.321M of unallocated resources (Appendix 3 refers). This balance of funding relates, in the main, to the Devolved Formula Capital (DFC) grant (£0.242M). This represents the Department for Education (DfE) grant allocation to the Council 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 any shortfall in DFC contributions for the Building Schools for the Future (BSF) programme.
- 5.4 Within the Adults & Communities Directorate capital programme, there are £0.041M of unallocated resources. This balance of funding relates to specific funds allocated to Adult Services in previous financial years and mainly relates to Social Care Capital Grant.
- 5.5 Within the Development capital programme, there are £1.912M of unallocated ring-fenced resources, including £1.822M of Section 106 monies received from developers and £0.088M 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 £1.403M of resources awaiting allocation in 2016/17 (Appendix 3 refers). 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

	2014/15	2015/16	2016/17	Total
	£M	£M	£M	£M
<u>Directorate</u>				
Development, Environment & Culture	-1.912			-1.912
Housing	0.000	0.000	-1.403	-1.403
Children, Young People & Families	-0.321			-0.321
Adults & Communities	-0.041			-0.041
Corporate Services		Balanced Position		
Cumulative Overspend / Underspend (-)	-2.274	0.000	-1.403	-3.677

6. Financial Implications

- 6.1 The total cost of the Authority's capital programme is estimated at £204.313M. There are no major funding problems across the capital programme at this time.
- 6.2 In addition, there are currently unallocated resources totalling £3.677M over the life of the programme. Plans are currently under review to utilise these balances.

7. Risk Management Implications

- 7.1 The delivery and achievement of major projects, partnerships, operational and economic strategy programmes are recognised as key risks in the Council's Strategic Concerns Registers, together with the achievement of a balanced budget. Current controls and further actions are shown in the Strategic Concerns Registers 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.

8. List of Appendices

- 8.1 This report includes the following appendices:
- Appendix 1 – An analysis of the capital programme by Directorate;
 - Appendix 2 – A summary of the capital resources by resource type; and
 - Appendix 3 – A summary of the unallocated capital resources by Directorate.

9. Background Papers

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

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Date: 31/10/2014

ANNEX A

CAPITAL PROGRAMME MONITORING
2014/15 – 2016/17

(a) **Financial Implications**

The Director of 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.