

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: 11th February 2015 Report of the Director of Finance, Property & Information Services

**CAPITAL PROGRAMME UPDATE 2014/15 – 2017/18 FOR QUARTER
ENDING 31 DECEMBER 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 31st December 2014 for the four year period 2014/15 to 2017/18.

2. Recommendations

2.1 It is recommended that:

- (I) The variation in scheme costs requiring approval as shown in Appendix 1, amounting to a decrease of £0.089M be approved;**
- (II) The position on the 2014/15 – 2017/18 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 September 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 three 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 2014/15 – 2017/18 capital programme is £253.536M. There are currently no reported funding problems across the programme. Over the life of the programme, there are also up to £3.419M 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	2016/17 £M	Total £M
Planned Payments: September 2014	72.288	98.819	26.841	39.297	237.245
New Schemes:					
Requiring Approval	0.000	0.000	0.000	0.000	0.000
Approved	2.142	2.817	0.058	0.000	5.017
Variation In Scheme Costs:					
Requiring Approval	-0.194	0.105	0.000	0.000	-0.089
Approved	2.718	-33.839	13.990	28.494	11.363
Scheme Re-phasing	-4.922	4.922	0.000	0.000	0.000
Scheme Slippage	-0.716	0.716	0.000	0.000	0.000
Planned Payments: December 2014	71.316	73.540	40.889	67.791	253.536

Development, Environment & Culture Capital Programme

Directorate Overview

- 4.2 Planned payments within the Development, Environment and Culture Directorate total £52.731M, with £27.567M expected to be spent in 2014/15. Actual expenditure to date for 2014/15 is £9.232M.

Within Environmental Services, major schemes include Capitalised Planned Maintenance, Flooding and Drainage, 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, Eisecar Building 2, Parks Refurbishment, Gypsy Sites, Goldthorpe Empty Homes, Locke Park Tower and Culture Car Park Capacity.

Within Development, schemes include Baden Street, 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 £1.954M. This, in the main, relates to Section 106 monies (£1.866M) and allotment monies (£0.088M) that have not yet been allocated to specific schemes.

Variation in Planned Payments

- 4.3 Overall planned payments have increased by £5.242M from the position reported in September 2014, explained as follows:

New Schemes (£4.104M)

This includes the following significant new schemes.

- 4.4 **Strategic Business Parks (£0.913M)**

Additional funding allocated as part of the Jobs & Business Growth Plan to deliver 2 key strategic business parks through feasibility, viability and master planning to develop fully serviced employment sites. The sites are located at the M1 J36 Dearne Valley Corridor (Hoyland & Goldthorpe) and the M1 J37 Claycliffe link.

- 4.5 **Visitor Economy Attractions (£0.270M)**

Additional investment agreed as part of the Jobs & Business Growth Plan to improve the Borough's visitor economy attractions resulting in improved public relations and inward investment. Improvements will be made at Elsecar, Cannon Hall, Worsbrough Mill and the Cooper Gallery.

- 4.6 **Property Investment Fund (£0.500M)**

Additional Investment approved as part of the Jobs & Business Growth Plan which seeks to invest alongside private sector developers to enable the development of speculative commercial property in the Borough or which can be used to incentivise inward investors.

- 4.7 **Project Management Costs (£0.870M)**

Additional investment approved as part of the Jobs & Business Growth Plan for project management costs relating to the delivery of major projects such as the Goldthorpe Masterplan and Strategic Business Parks.

- 4.8 **Penistone Managed Workspace (£0.332M)**

£0.167M of Section 106 funding and £0.165M of private sector investment will be used as match funding to enable the delivery of Phase II of the Penistone Management Workspace Project. The scheme will result in the creation of 13 managed workspace units and the creation of 25 new jobs.

4.9 Cooper Gallery Phase 2 (£0.659M)

The project will extend the gallery, re-orientate the existing spaces and re-introduce the original entrance to the building. It will also 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.

Variation in Scheme Costs (£1.138M)

4.10 Estimated costs on existing schemes have increased by £1.138M since the September 2014 reporting update. The significant variations are summarised below:

4.11 Digital Barnsley (£0.128M)

Additional investment approved as part of the Jobs & Business Growth Plan towards the South Yorkshire Broadband project. This project is arranged by the Sheffield City Region which will provide superfast broadband across South Yorkshire.

4.12 A635 Lane Head, Cawthorne – Wall (£0.160M)

The initial scheme was to make safe / repair the retaining wall on the A635 Lane Head. In order to facilitate safe working, the road was closed for 6 weeks during the school holidays. The road closure enabled a detailed, visual inspection of the network in the vicinity, which identified that the carriageway required urgent reconstructing at some locations, resurfacing that retaining wall parapets required urgent repairs. With the road closed, the opportunity was taken to carry out these additional works.

4.13 Closed Landfill Sites (-£0.089M)

Following inspection reports on various landfill sites throughout the Borough, unallocated resources totalling £0.089M were identified from the original £0.300M awarded for this scheme. These resources have been utilised on other schemes within the DEC capital programme that were previously to be funded via RCCO's.

4.14 Disabled Facilities Grant (£1.111M)

Funding totalling £1.111M has been approved to continue the DFG programme. 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.

Scheme Re-phasing

The significant schemes that have been re-phased are summarised below:

4.15 Rights of Way Improvement Plan (£0.170M)

These resources are being used to support the delivery of the Little Don Cycleway project. Grant from DfT is available within the 2014/15 financial year only and is therefore being prioritised, with other resources being utilised in 2015/16.

4.16 Goldthorpe Master Plan (£0.199M)

Planned payments totaling £0.199M have been re-phased into the 2015/16 financial year to reflect the revised programme of works on the Goldthorpe Master Plan project.

4.17 Strategic Business Parks (£0.515M)

Planned payments totaling £0.515M have been re-phased into 2015/16 to reflect the revised programme of works on the Strategic Business Parks project.

4.18 Vehicle Replacement Programme (£2.000M)

The Authority is currently reviewing its transport requirements through an ongoing transport review. As a consequence, no further vehicles will be procured in 2014/15 and therefore £2.000M has been re-phased into the 2015/16 financial year.

4.19 Darfield Property Level Flood Protection (£0.114M)

This scheme has now completed and the remaining grant funding has been re-phased into the 2015/16 financial year to be utilised on other projects.

Scheme Slippage

The significant scheme slippage is summarised below:

4.20 Baden Street (£0.190M)

Slippage of £0.190M on this scheme into the 2015/16 financial year is due to difficulties in progressing the CPO of the 2 properties which are currently occupied.

Major Projects and Initiatives

4.21 Digital Bamsley (£1.328M)

This scheme represents Bamsley 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 2014 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 would release currently committed resources for other new investment.

4.22 Disabled Facilities (£1.943M)

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 4.14 above. Around half of this funding is currently committed.

4.23 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 re-phasing 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.

4.24 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 the contractor, Robertson, has been appointed. The tender cost for the build was £0.180M higher than anticipated, however, this can be contained within the wider Goldthorpe Masterplan budget.

Pre-planning work has commenced and a public consultation event on the design of the new school was held in December. Outline planning permission for the school has already been secured and it is anticipated that a further submission to planning will be made in February 2015 with an anticipated start on site of June 2015.

4.25 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.

4.26 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 Automatic Number Plate Recognition cameras, CCTV and Variable Message Signs;
- 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.

4.27 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.

4.28 LTP Maintenance (£4.913M)

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.

4.29 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.

4.30 Parks Refurbishment (£1.014M)

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), improvements in the Deame NE Ward (£0.084M) and provision of play equipment in Grimethorpe (£0.092M).

4.31 Strategic Business Parks (£3.781M)

The scheme aims to deliver 2 key strategic business parks at the M1 J36 Deame Valley Corridor (Hoyland & Goldthorpe) and the M1 J37 Claycliffe link.

Additional funding has been allocated during the quarter as part of the Jobs & Business Growth Plan, referred to in paragraph 4.4.

4.32 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.

4.33 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.

4.34 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. A number of measures have been introduced to increase the delivery of the scheme. For example, the contractor has altered the sequence of works to maximise installation of materials and the contractor has brought additional sub-contractor teams to work on the project and there are now four gangs laying paving. North Midland has also increased its own labour on site and introduced weekend working commenced from 12th September 2014. The contractor is still confident they can meet the practical completion date of April 2015.

4.35 Vehicle Replacement Programme (£3.406M)

The scheme relates to the Authority's procurement strategy in respect of its vehicle assets. A review exercise is undertaken at the point of purchase to determine the best financing option for each vehicle i.e. leasing or purchasing.

Plans have been re-phased from 2014/15, detailed in paragraph 4.18.

Ongoing Financial Issues

4.36 As previously reported, the works on the Civic capital scheme have been completed. A litigation claim remains outstanding against the architects. Upon conclusion, this issue needs to be considered and the funding of which, needs to be assessed against the budget available.

Further reports will update in due course.

4.37 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.

4.38 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.

4.39 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

- 4.40 Planned payments within the Housing Capital Programme total £136.192M, with £25.763M expected in 2014/15. Actual expenditure to date is £15.053M.

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 £1.143M in 2016/17. These resources have been outlined and planned to be fully utilised in the Council Housing Capital Investment Programme Report 2015-2020, which has been submitted to Cabinet.

Variation In Planned Payments

- 4.41 Total planned payments have increased by £0.714M from the position reported as at 30 September 2014. The major variations are summarised below:

New Schemes (£0.738M)

- 4.42 Single Property Acquisitions (£0.738M)

Approval has been granted to acquire a number of properties for rental purposes at a cost of £0.738M; with £0.638M of these costs expected in 2014/15 and £0.100M in 2015/16.

These properties have been acquired as part of the approved scheme totalling £2.000M. The purpose of this scheme is to purchase properties for rent purposes, funded from Berneslai Homes surpluses.

- 4.43 **Variation in Scheme Costs (-£0.024M)**

Since the last report, there have been minor variations totalling -£0.024M across the programme.

Re-phasing

- 4.44 Boiler Replacements (-£0.614M)

Following tender submissions for the scheme to replace 300 gas fire / back boiler unit heating systems with high efficiency condensing boilers, the successful contractor will be appointed shortly for a new year start. Estimated costs in 2014/15 are anticipated to be £0.276M, resulting in £0.614M being re-phased to 2015/16.

4.45 Worsbrough Regeneration (-£0.220M)

£0.129M has been re-phased in relation to environmental works at Bank End central area. The project has gone through several consultation stages alongside boundary walls and an off street parking initiative to adjacent streets and Barnsley Homes Standard works (now substantially complete). The project is now at the advanced design stage.

However, the main commitment of procurement and works will now fall into 2015/16 subject to SMT approval in February/March 2015.

Re-phasing of £0.081M from 2014/15 to 2015/16 on Harriets Close has also taken place this quarter. The CPO is complete along with the site's re-development. However, the CPO process allows for continuing negotiations on price. This sum is therefore earmarked until the process is finalised.

4.46 Barnsley Homes Standard / Decent Homes Schemes (-£0.279M)

Barnsley Homes Standard and Decent Homes schemes have been re-phased to reflect the latest anticipated spend in 2014/15.

Following negotiations by NPS with contractors, adjustments have also been made to the project totals on the 2014/15 BHS schemes. Worsbrough Dale, Athersley North and Wombwell have reduced by £0.289M, £0.247M and £0.210M respectively. Lundwood and Old Town have increased by £0.392M and £0.107M, although it should be noted that schemes usually reduce in cost during works as savings are identified.

The net saving has been moved to next financial year to support the 2015/16 programme.

4.47 New Build (£0.126M)

The scheme and estimated outturn costs (at tender stage) for the construction of four new houses at Meadow View, Hoyland have been approved at a cost £0.477M from existing resources within the new build budget. £0.050M has been brought forward into 2014/15 from 2015/16 to cover costs likely to be incurred in this financial year.

£0.076M has also been re-phased to 2014/15 from 2015/16 for works at Saville Road and fees on new schemes.

4.48 District Heating (-£0.102M)

There has also been minor re-phasing on a number of district heating schemes. The estimated final account on the Biomass scheme is £0.034M lower previously expected. The saving has been moved forward to support 2015/16 schemes.

Scheme Slippage

4.49 Community Buildings (-£0.111M)

There have been some delays at Heather Court and Shipcroft arising from the specialist nature of the works and delivery lead time of the glass / metal framework for the entrances. £0.111M has been re-profiled from 2014/15 to 2015/16.

Major Projects and Initiatives

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

The 2014/15 programme includes nine approved schemes. Four schemes are now complete, three are currently on site and the other two schemes are programmed to start in January/February 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 web site and all residents have been written to informing them of the planned works.

Plans have been re-phased from 2014/15, as detailed in paragraph 4.42.

4.51 New Build (£12.276M)

Both the Saville Road, Gilroyd (9 units) and Roy Kilner Road, Wombwell (37 units) schemes are on site. Completion of the Saville Road scheme is due in February 2015. Nineteen of the units of the Roy Kilner Road project will be completed and handed over for occupation before the end of March 2015 with the remainder completed by August 2015.

Tenders for the Meadow View Hoyland project (4 units) have been received and work should start on site early in the New Year.

Three smaller schemes in Worsbrough (11 units) are being tendered as a package, with tenders to be returned in March 2015. Three further schemes (25 units in total) are currently at feasibility / consultation / Planning Application stages with spend to be committed in 2015 / 2016.

Plans have been re-phased from 2014/15, as detailed in paragraph 4.43.

Ongoing Financial Issues

4.52 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

- 4.53 Planned payments within the Children, Young People and Families Directorate total £8.871M, with £8.754M expected in 2014/15. Actual expenditure to date is £5.836M.

Within the programme, there is a balance of resources yet to be allocated totaling £0.281M. 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 (£0.188M)**

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 (£0.087M)**

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 (£0.087M) relates to underspends in 2013/14 and has yet to be allocated to specific schemes.

Variation in Planned Payments

- 4.54 Overall planned payments have increased by £0.079M from the position reported in September 2014, explained as follows:

Variations in Scheme Costs (£0.079M)

- 4.55 Estimated costs on existing schemes have increased by £0.079M since the September 2014 reporting update.

Major Projects and Initiatives

- 4.56 **Building Schools for the Future (£2.100M)**

The estimated capital expenditure in 2014/15 for BSF schemes remains within the planned budget, however there has been variations around the timing of when this spend will be incurred. The major components of this scheme relates to contract variations (£0.299M), ICT expenditure (£0.956M) and retention payments (£0.801M) Spend depends on when

schools place orders and when the LEP responds which the Authority has no control over.

4.57 Priority Condition Works (£1.113M)

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 (£0.229M);
- Electrical Rewiring Renewal (£0.275M);
- Roofing (£0.110M);
- Windows (£0.118M);
- External Improvements (£0.292M); and
- Internal Dilapidation - Toilets (£0.089M).

On the whole, the programme has gone to plan, with the outstanding schemes being completed over the October half term period.

4.58 Kitchens (£0.539M)

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 (£0.289M);
- Barugh Green Primary – Remodel and refurbish school meals kitchen (£0.130M); and
- Cudworth Churchfield Primary – Remodel and refurbish school meals kitchen (£0.120M).

The kitchen works were 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 (£3.564M)

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

Existing major school admissions schemes include:

- Worsbrough Common (£2.337M);
- Lacewood (£0.102M);
- Kings Oak (£0.823M); and
- Millhouse (£0.138M).

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 completed in November 2014.

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

Ongoing Financial Issues

- 4.60 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

- 4.61 Planned payments within Adults and Communities amount to £2.793M, all profiled to be spent in the current financial year. Actual expenditure to date is £0.838M.
- 4.62 Available resources currently amount to £2.834M, resulting in a balance of resources of £0.041M (paragraph 5.7 refers).
- 4.63 There are currently no funding issues with any of the approved schemes within the capital programme.

New Schemes

- 4.64 Planned payments have increased from those previously reported by £0.175M as a result of a new scheme for the development of a substance misuse community recovery centre in the Dearne. Options are being assessed around the location of the centre.

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 £52.948M, with £6.439M expected in 2014/15. Actual expenditure to date for 2014/15 is £5.286M.

Variation in Planned Payments

- 4.68 Overall planned payments have increased by £10.079M from the position reported in September 2014, explained as follows:

Variations in Scheme Costs (£10.079M)

- 4.69 **Town Centre Redevelopment (£10.079M)**

During December, Cabinet approved a report (Better Bamsley: Town Centre Regeneration – Cab.3.12.2014/7.2), which detailed additional requirements to increase the scheme plans. The main reason for the increase in costs largely related to the refining and reviewing of original estimates in addition to necessary works relating to extending the Metropolitan Centre and the inclusion of a Public Square.

Major Projects and Initiatives

4.70 Industrial Estates Refurbishment (£0.802M)

This scheme is for the refurbishment and upgrade of existing industrial units within the Council's portfolio; mainly the Wharncliffe, 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 which are due to be completed by the end of March 2015.

4.71 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 have now finished and the new extension has now been opened and is in use.

4.72 Hoyland Town 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. There have been delays on the development due to ongoing negotiations over the proposed development.

4.73 Town Centre Redevelopment (£50.078M)

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. The outdoor market has now relocated to the town centre 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 – 2017/18 is shown in Table 2 below:

	2014/15	2015/16	2016/17	2017/18	Total
	£M	£M	£M	£M	£M
Planned Payments	71.316	73.540	40.889	67.791	253.536
Resources (including Carry Forward)	-73.592	-73.540	-42.032	-67.791	-256.955
Over Commitment / Balance of Resource (-)	-2.276	0.000	-1.143	0.000	-3.419
<i>Comprised of:</i>					
Resources Not Yet Allocated	-2.276	0.000	-1.143	0.000	-3.419
	-2.276	0.000	-1.143	0.000	-3.419

- 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 £3.419M as described within the body of the report.

Unallocated Resources

- 5.3 Within the Children, Young People and Families capital programme there are £0.281M of unallocated resources (Appendix 3 refers). This balance of funding relates, in the main, to the Devolved Formula Capital (DFC) grant (£0.175M). 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 £1.954M of unallocated ring-fenced resources, including £1.865M 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 £1.143M 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:

	2014/15 £M	2015/16 £M	2016/17 £M	2017/18 £M	Total £M
Directorate					
Development, Environment & Culture	-1.954				-1.954
Housing			-1.143		-1.143
Children, Young People & Families	-0.281				-0.281
Adults & Communities	-0.041				-0.041
Core Services		BALANCED POSITION			
Cumulative Overspend / Underspend (-)	-2.276	0.000	-1.143	0.000	-3.419

6. Financial Implications

- 6.1 The total cost of the Authority's capital programme for 2014/15 – 2017/18 is estimated at £253.536M. There are no major funding problems across the capital programme at this time.
- 6.2 In addition, there are currently unallocated resources totalling £3.419M 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.

Officer Contact: Nell Copley

Tel. 773237

Date: 28/01/2015

ANNEX A

CAPITAL PROGRAMME MONITORING
2014/15 – 2017/18

(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.

Appendix 3

Unallocated Funding as at 31st December 2014

	£M	FUNDING
<u>2014/15</u>		
<u>Development, Environment & Culture</u>		
Allotments	0.088	CR
Section 106 (P&T Economic Devt)	0.178	TPC - SEC106
Section 106 (Parks)	1.189	TPC - SEC106
Section 106 (Housing)	0.477	TPC - SEC106
Section 106 (Highways)	0.020	TPC - SEC106
LRP	0.002	GG-LRP (D-00013 Culverts at Woodhead)
	<u>1.954</u>	
<u>Children, Young People & Families</u>		
Basic Need	0.001	GG - OGG
Capital Maintenance	0.087	GG - OGG
Kitchen Grant	0.004	GG - OGG
Devolved Formula Capital	0.175	GG - SFDFC
DFC (School) Contributions	0.013	TPC - SC
	<u>0.281</u>	
<u>Adults</u>		
PCT Contribution	0.041	TPC - OC
	<u>0.041</u>	
<u>2014/15 Total</u>	<u>2.276</u>	
<u>2016/17</u>		
Housing	1.144	RCCO
	<u>1.144</u>	
<u>2016/17 Total</u>	<u>1.144</u>	
Total Unallocated Funding	<u>3.419</u>	

