

BARNSELY 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

Report of the Director of
Finance, Assets and
Information Services

CAPITAL PROGRAMME PERFORMANCE – QUARTER ENDING 30 JUNE 2015

1. Purpose of the Report

- 1.1. To consider the financial performance of the Council's Capital Programme during the quarter ended June 2015 and assess the implications against the Council's Medium Term Financial Strategy (MTFS) and reserves strategies. The key headlines are:-
- The position of the Council's Capital Programme for the 2015/16 financial year is currently projected to be an overall lower than approved planned spend of £1.478M;
 - The position of the Council's Capital Programme over the five year period to 2019/20 is currently projected to be a lower than approved planned spend of £0.588M; and
 - The formulation of a Capital Programme 'Oversight' Board charged with effective management of the capital programme.

2. Recommendations

It is recommended that Cabinet:

- Note both the 2015/16 and overall five year Capital Programme positions;
- Approve the minor variations to scheme costs within the programme, highlighted within Appendix A, that are fully funded, totalling £0.310M (paragraph 3.4. and Appendix A refers); and
- Note the role of the new Capital Programme 'Oversight' Board to manage the capital programme more effectively.

3. Overall Authority Capital Programme Position

- 3.1. The Council's capital programme is planned over the five year period for 2015/16 through 2019/20 inclusive.
- 3.2. The table below shows the total capital programme plans within each respective Directorate, together with a projected outturn position relating to that five year period. Appendix A shows detailed plans / outturn per scheme under each respective Directorate.

<u>Directorate</u>	Total Capital Programme £M	Total Projected Outturn £M	Overall Variance Within Programme £M
People	12.221	12.225	0.004
Place	52.272	52.295	0.023
Communities	3.629	3.174	(0.455)
Finance, Assets & IS	50.136	50.136	-
HRA	137.650	137.490	(0.160)
Total	255.908	255.320	(0.588)

- 3.3. There is currently a £0.588M reduction in planned expenditure across the Council's capital programme, predominately due to historic schemes within the Communities Directorate that have been superseded by new projects.
- 3.4. Over and above the £0.588M outlined in paragraph 3.3. is a net increase of £0.310M relating to minor variations in costs across a number of major schemes within the HRA. There are no funding implications on the overall capital programme as a result, as these variations have been supported within the resource envelope / contingency plans already included as part of the approved HRA capital programme. The specific schemes and variation amounts are highlighted in Appendix A to this report.
- 3.5. The chart below is a graphical representation of the table above.

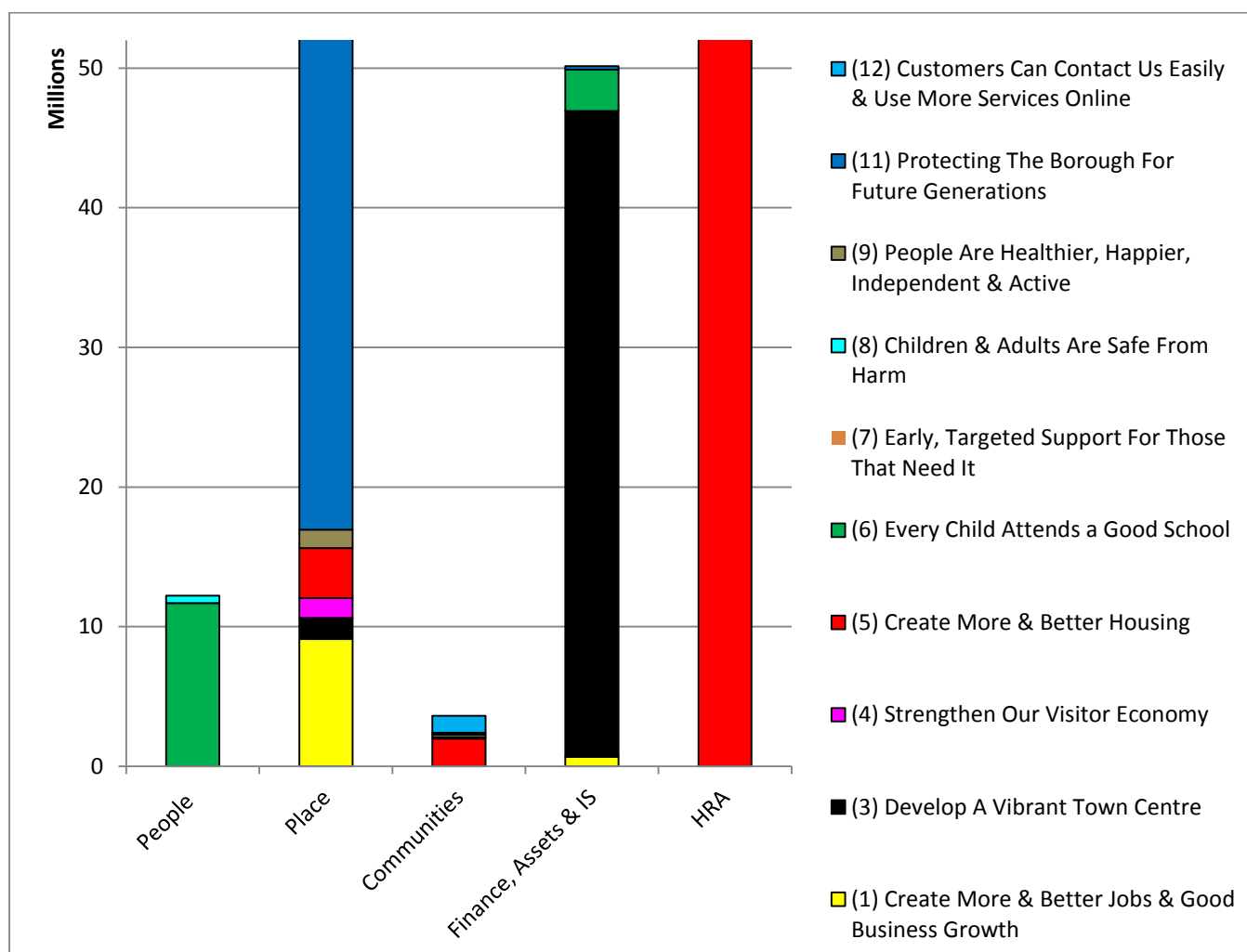


4. The Council's Corporate Priorities

- 4.1. The table below provides an analysis of the capital plans within the Council's five year capital programme, identifying the capital resources that are aligned to achieving the Council's Corporate Priorities. Any performance issues arising from the capital schemes assigned to each priority is discussed within the Corporate Performance Report.

<u>Corporate Priority</u>	Total Capital Programme (2015/16 – 2019/20) £M
(1) Create More & Better Jobs & Good Business Growth	9.806
(2) Increase Skills To Get More People Working	-
(3) Develop A Vibrant Town Centre	47.749
(4) Strengthen Our Visitor Economy	1.437
(5) Create More & Better Housing	143.214
(6) Every Child Attends a Good School	14.635
(7) Early, Targeted Support For Those That Need It	0.003
(8) Children & Adults Are Safe From Harm	0.631
(9) People Are Healthier, Happier, Independent & Active	1.512
(10) People Volunteering & Contributing Towards Stronger Communities	-
(11) Protecting The Borough For Future Generations	35.701
(12) Customers Can Contact Us Easily & Use More Services Online	1.220
(13) Corporate Health – One Council	-
Total	255.908

- 4.2. Appendix B to this report shows the breakdown of each scheme aligned to which Corporate Priority each one contributes towards achieving.
- 4.3. The graph below provides an analysis of the capital plans within each of the Directorate's five year capital programme, identifying which of the Council's Corporate Priorities they are contributing towards.



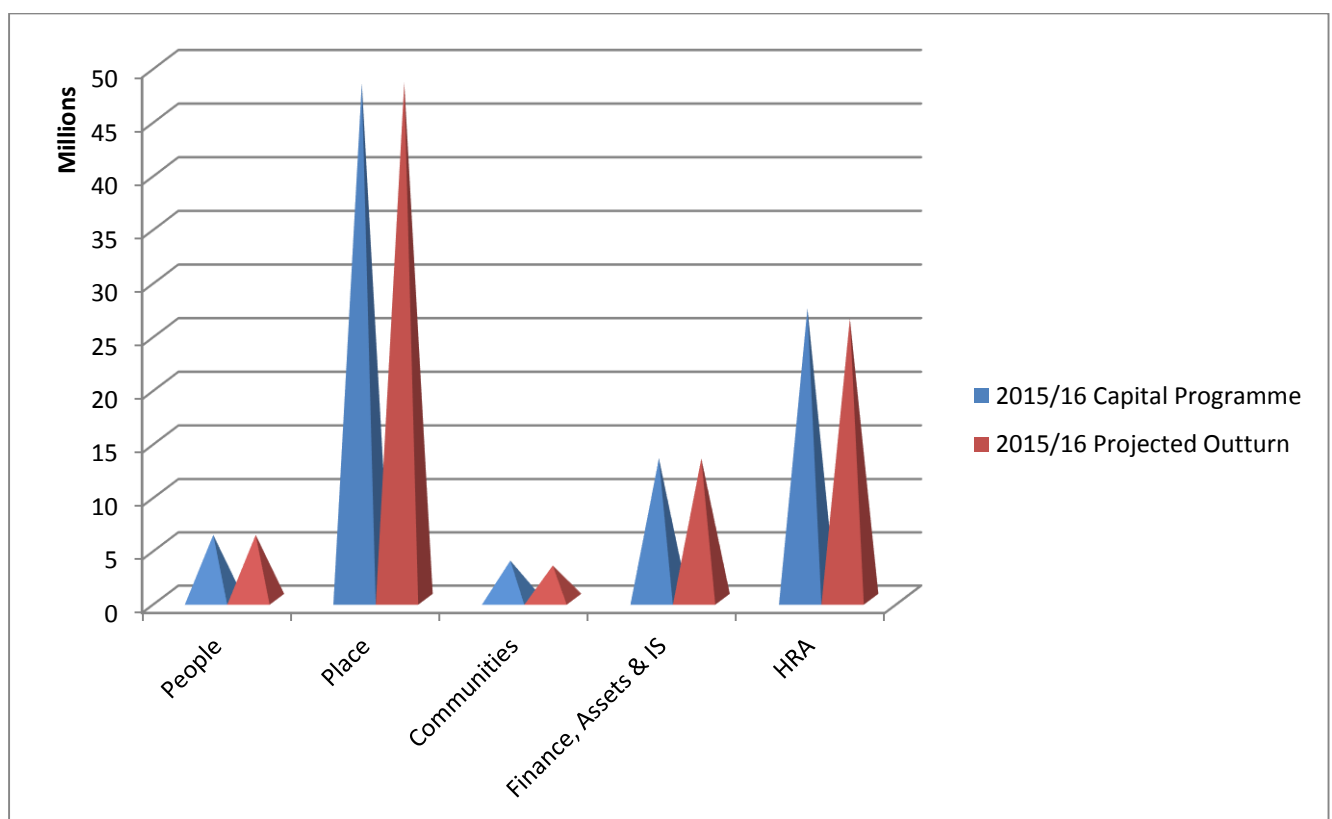
5. 2015/16 Overall Authority Position for the Quarter Ending June 2015

- 5.1. The table below shows the 2015/16 capital programme plans; actual expenditure incurred to 30th June and forecast outturn position, together with a variance between plans and outturn per Directorate.

<u>Directorate</u>	2015/16 Capital Programme £M	Actuals to June 2015 £M	Projected Outturn 2015/16 £M	2015/16 Variance £M
People	6.041	0.293	6.045	0.004
Place	48.196	2.267	48.219	0.023
Communities	3.629	0.245	3.174	(0.455)
Finance, Assets & IS	13.213	0.965	13.213	-
HRA	27.216	2.874	26.166	(1.050)
Total	98.295	6.644	96.817	(1.478)

- 5.2. Overall, the 2015/16 position is currently projected as a reduction in expenditure compared to approved plans totalling £1.478M, predominately within the HRA and Communities directorates respectively.

- 5.3. Of the reduction in expenditure against approved plans, -£0.890M relates to scheme re-phasing (where schemes are due to complete in a different financial year to the year in which it originally planned due to actions of project leads). There are no implications in terms of the overall capital programme.
- 5.4. The remaining -£0.588M relates to an overall reduction in planned expenditure across the Council's capital programme on a number of schemes due to variation in scheme costs (see overall position in Section 3 above).
- 5.5. At this reporting period, there is no scheme slippage (where schemes are due to complete in later years due to circumstances out of the project lead's control).
- 5.6. Appendix A shows the variance on each individual scheme. Significant variations per Directorate / Business Unit are shown in the respective sections within the main body of the report.
- 5.7. The chart below is a graphical representation of the table above.



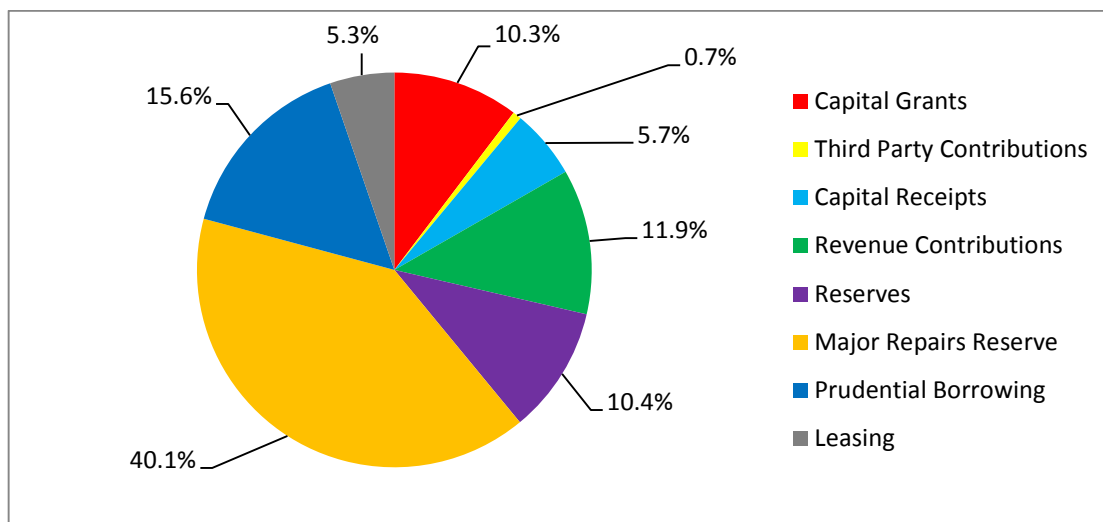
6. The Authority's Capital Programme Funding Position

6.1. The Council's capital programme is funded from a range of sources. The table below shows the resources allocated to capital plans for the Council's five year capital programme.

<u>Funding Source</u>	2015/16 Funding £M	2016/17 Funding £M	2017/18 Funding £M	Later Years £M	Totals £M
Capital Grants	20.172	3.138	3.116	-	26.426
Third Party Contributions (Inc. S106)	1.811	0.007	-	-	1.818
Capital Receipts	9.998	2.465	0.676	1.391	14.530
Revenue Contributions	6.707	23.740	-	-	30.447
Reserves *	2.654	0.050	20.446	3.504	26.654
Major Repairs Reserve	19.254	21.346	20.201	41.943	102.744
Prudential Borrowing	24.206	15.590	-	-	39.796
Leasing	13.493	-	-	-	13.493
Total	98.295	66.336	44.439	46.838	255.908

* Please note, as per the reserves strategy, £1.9M of this funding has yet to materialise. Please refer to Section 9 for further detail.

6.2. The pie chart below is a graphical representation of the table above.

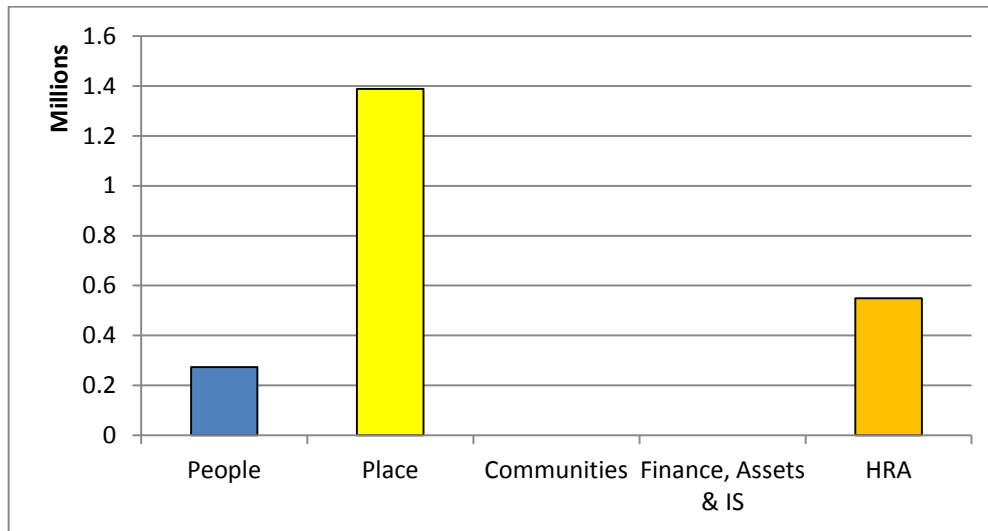


7. Unallocated Resources

7.1. There is a balance of resources, over and above the funding identified within Section 6 above, totalling £2.211M. This balance predominantly consists of £1.310M Section 106 monies, £0.549M HRA Revenue Contributions and £0.149M of Devolved Capital Grant.

7.2. These resources have not yet been allocated to specific schemes within the programme and represent monies yet to be allocated. Such funding is restricted to certain types of scheme by virtue of the restrictions / conditions applied to the funding.

7.3. The split of unallocated resources per respective Directorate is shown below.



8. **Capital Programme ‘Oversight’ Board**

- 8.1. A new Capital Programme ‘Oversight’ Board will be set up shortly to have oversight for the performance management of the Council’s capital programme including Sheffield City Region schemes where the Council is the lead Authority (including reporting to Cabinet);
- 8.2. Led by the Executive Director for Place, the purpose of the Board will be to review, challenge and improve:
 - The processes for identifying and approving scheme priorities (to include identifying return on investment, how scheme priorities are identified and ranked, stakeholder consultation, reporting routes and timeframes with the current budget process); and
 - The performance management arrangements relating to the capital programme (to include capturing, tracking and reporting on: key project milestones, key outcomes & linkages to corporate performance monitoring / KPI’s, financial performance including return on investment).

9. **Reserves Strategy**

- 9.1. The position reported to Cabinet in December 2014 showed that banked capital reserves were over-subscribed by £3.4M. This has improved by £1.5M as a result of additional asset disposal income realised since the original reserves strategy. This still leaves a shortfall in capital resources against agreed investment of £1.9M.

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5. Housing Revenue Account - Report

APPENDICES

- A. Capital Programme – Planned Payments vs. Projected Outturn – Per Directorate / Business Unit
- B. Capital Programme – Planned Payments vs. Projected Outturn – Per Corporate Priority

SECTION 1 – EXECUTIVE DIRECTOR’S STATEMENT FOR PEOPLE

1. Major Schemes

1.1. The major schemes that are incorporated within the People Directorate’s Capital Programme include:

1.2. **Wombwell Park Street Primary - Increase Admission Numbers (£1.100M)**

Increasing the admission number to 45 creates an additional 105 places in the Wombwell Area. The proposal is to build a new 3 classroom extension to the rear of the school with associated toilets and classrooms, ready for the start of the Autumn Term 2016. The extension will be fully life cycled and built using the same materials as the existing PFI school.

1.3. **Penistone St Johns Primary - Alterations for Bulge Classes (£0.720M)**

In order to meet the demand for places in the Town Centre of Penistone, the school was approached to take a bulge class. The school is split over two buildings an infant block, accessed from Chapel Field Lane, and a junior block, accessed from the High Street. The blocks are joined externally through the shared school playing field. The bulge class is an initial phase of works to meet pupil demands for September 2015. This work comprises an additional new build classroom and refurbishment of the adjoining classroom and toilet areas.

1.4. **Churchfields Primary - Increase Admission Numbers (£0.700M)**

In September 2012 the school increased their admission number from 40 to 50, through an extension and remodelling works. From September 2016, the school will increase their admission number again to 60. It is proposed to build a new 2 storey extension, with 2 classrooms (and associated cloaks and toilets) located on the first floor and resource rooms, storage on the ground floor. An external Multi Use Games Area (MUGA) will be provided under the classrooms to provide all weather covered play.

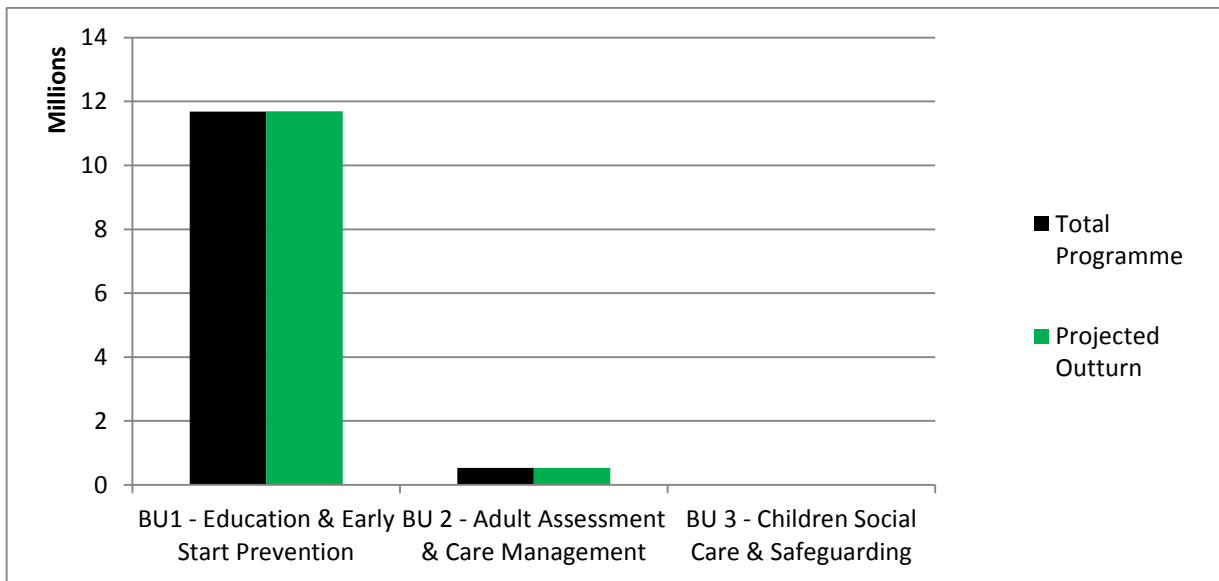
2. Overall People Capital Programme Position

2.1. Planned payments for the overall People Directorate total £12.221M with the projected outturn across the programme currently showing £12.225M.

2.2. The table below shows the overall position on the People Directorate Capital Programme for the 5 year period (2015/16 through 2019/20) per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	Total Capital Programme £M	Total Projected Outturn £M	Overall Variance Within Programme £M
BU1 – Education & Early Start Prevention	11.687	11.691	0.004
BU2 – Adult Assessment & Care Management	0.526	0.526	-
BU3 – Children Social Care & Safeguarding	0.008	0.008	-
Totals	12.221	12.225	0.004

2.3. The chart below is a graphical representation of the table above.

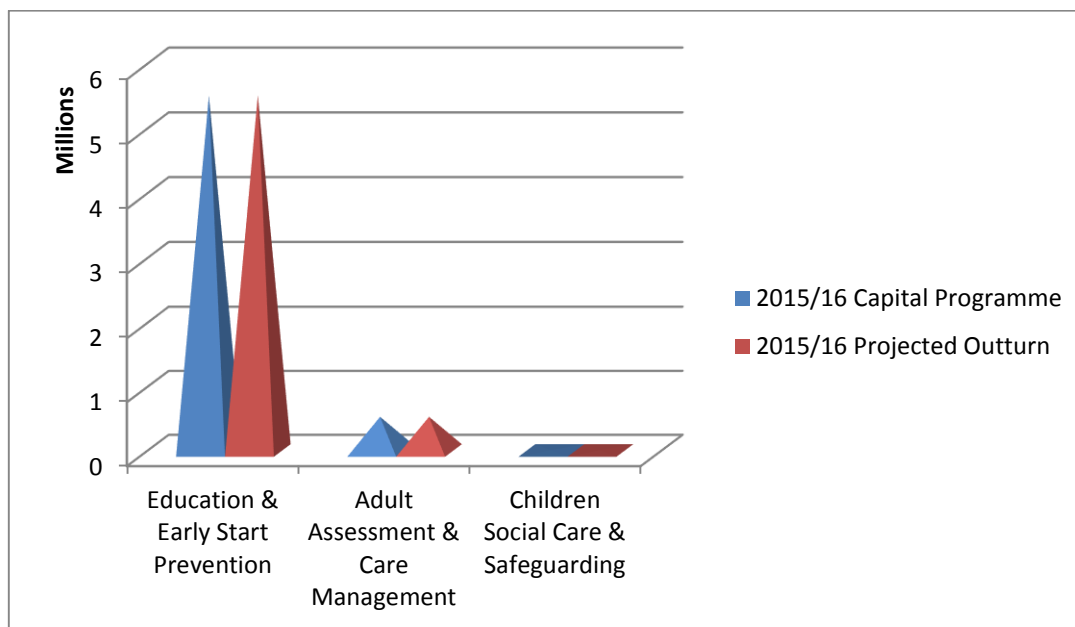


3. 2015/16 People Capital Programme Position

- 3.1. Planned payments for the overall People Directorate for 2015/16 total £6.041M with the projected outturn across the programme currently showing £6.045M.
- 3.2. The table below shows the position on the People Directorate Capital Programme for the 2015/16 financial year per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	2015/16 Capital Programme £M	Actuals to June 2015 £M	Projected Outturn 2015/16 £M	2015/16 Variance £M
Education & Early Start Prevention	5.506	0.293	5.510	0.004
Adult Assessment & Care Management	0.527	-	0.527	-
Children Social Care & Safeguarding	0.008	-	0.008	-
Totals	6.041	0.293	6.045	0.004

3.3. The chart below shows a graphical representation of the table above.



Overview:

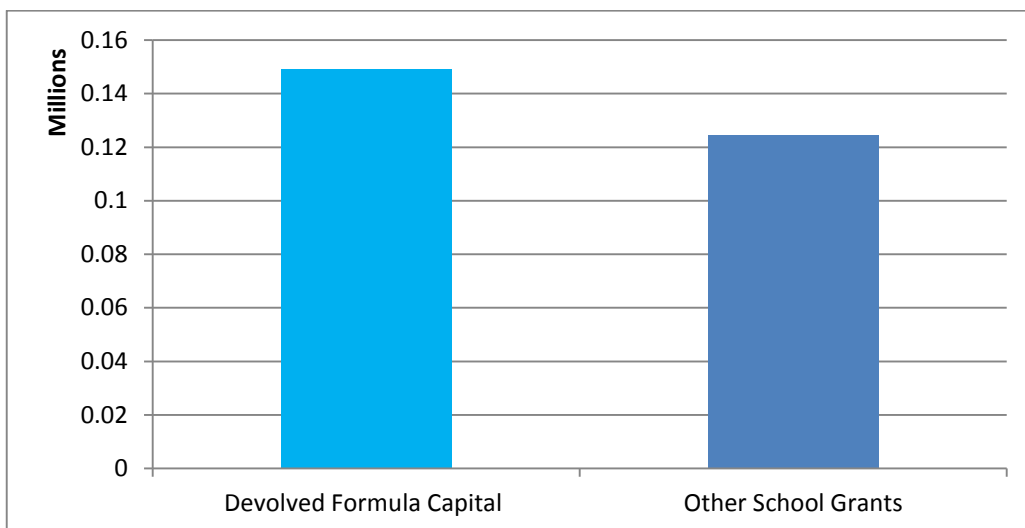
Both the overall position and 2015/16 position for the People Directorate is broadly in line with existing plans, currently showing an over commitment of resources of £0.004M.

The key variances are as follows:

- *Hunningley Primary School – Over commitment of £0.040M due to tender price being higher than expected.*
- *Summer Lane Primary School – Over commitment of £0.045M due to tender price being higher than expected.*
- *Richard Newman Primary School – Over commitment of £0.030M due to tender price being higher than expected.*
- *Penistone St Johns Primary School – Under commitment of £0.120M due to tender price being less than expected, combined with resolved VAT issue that now allows VAT to be claimable on VA Schools' spend.*

4. Unallocated Resources

- 4.1. The People Directorate has capital resources totalling £0.274M that has yet to be allocated to any specific scheme. The funding held is restricted to the expenditure it can be applied to by virtue of conditions attached to that funding.
- 4.2. The table below shows the resources available for future schemes, split between each type of funding. These balances are residual amounts from prior years' grant allocations.



Funding Implications:

The minor over commitment of funding over the period will be managed accordingly within available resources.

Also, included in the 2016/17 and 2017/18 programme are plans based on indicative grant allocations for those given years. Should these funding allocations change, then plans will be revised to reflect the reduced amount.

5. Future Outlook

Future Outlook:

All schemes continue to be monitored throughout the year to identify any significant variances that arise so that corrective action can be implemented.

6. Action Points

Action Points:

There are no action points at this stage.

SECTION 2 – EXECUTIVE DIRECTOR’S STATEMENT FOR PLACE

1. Major Schemes

1.1. The major schemes that are incorporated within the Place Directorate’s Capital Programme include:

1.2. **Waste PFI Scheme (£19.253M)**

This scheme is joint arrangement between Barnsley MBC, Doncaster MBC and Rotherham MBC involving construction of a new waste facility at Manvers, Rotherham.

1.3. **Goldthorpe Master Plan (£4.906M)**

In line with the Goldthorpe Masterplan, a new primary school is being developed in the village centre. The site was created by the clearance of older terraced housing; the building will provide an opportunity to create a new gateway feature for the entrance to this part of Goldthorpe. The scheme covers the cost of relocating the school, and developing the existing school site for retail purposes.

1.4. **Local Sustainable Transport Fund and Local Transport Plan (£4.895M)**

The Planned and LTP Maintenance elements relate to carriageway, footway, bridge, and traffic sign / signal maintenance, addressing local priorities. The LTP Integrated Transport Plan element deals with priorities set in the South Yorkshire Integrated Transport Plan such as road safety and accident reduction schemes, together with improvements to strategic transport routes. The LSTF element refers to the schemes within the successful bid to the Department for Transport (DfT) for funding under the title “A sustainable journey to work”, which aims to deliver better connectivity (public transport, walking and cycling) to key employment and educational sites.

1.5. **LED Street Lighting (£3.356M)**

This is the second of a three year programme designed to reduce the ongoing energy costs from street lighting, by replacing existing lanterns with LEDs.

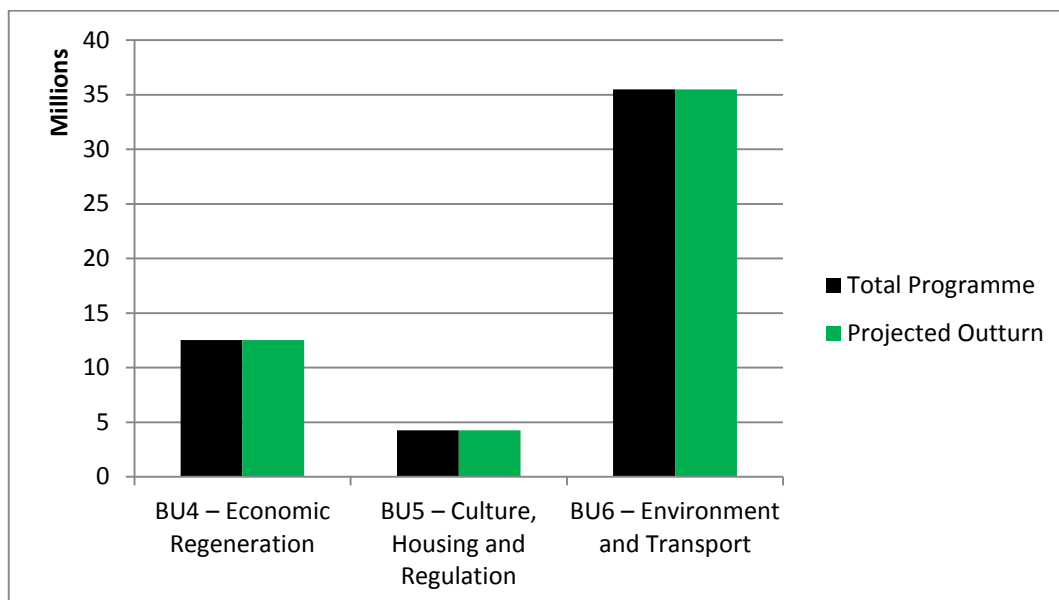
2. Overall Place Capital Programme Position

2.1. Planned payments for the overall Place Directorate total £52.272M with the projected outturn across the programme currently showing £52.295M.

2.2. The table below shows the overall position on the Place Directorate Capital Programme for the 5 year period (2015/16 through 2019/20) per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	Total Capital Programme £M	Total Projected Outturn £M	Overall Variance Within Programme £M
Economic Regeneration	12.532	12.532	-
Culture, Housing and Regulation	4.265	4.265	-
Environment and Transport	35.475	35.498	0.023
Totals	52.272	52.295	0.023

2.3. The chart below is a graphical representation of the table above.

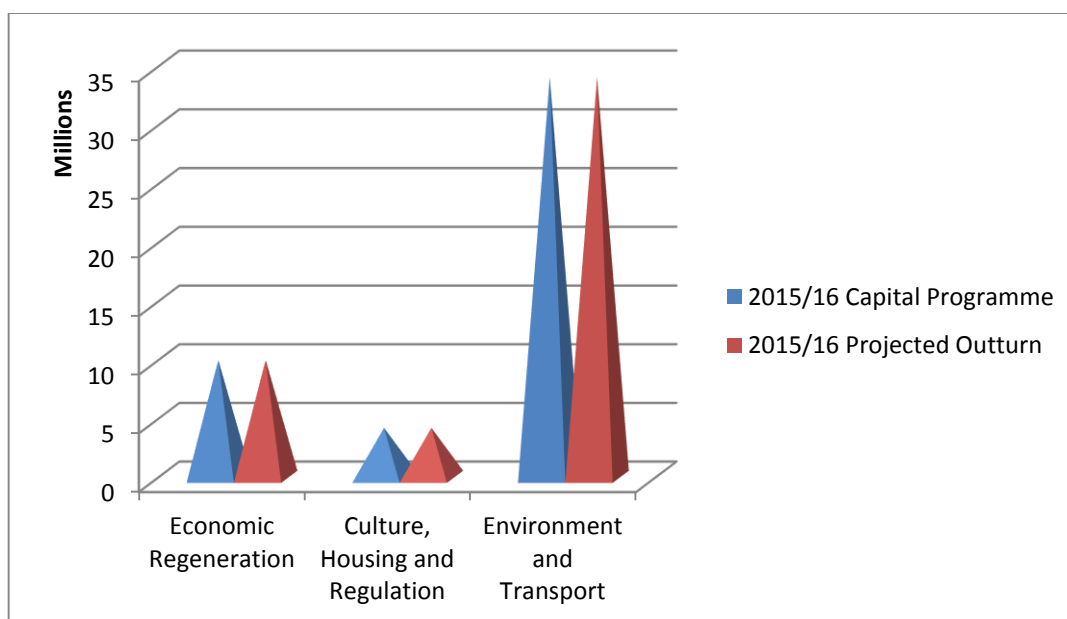


3. 2015/16 Place Capital Programme Position

- 3.1. Planned payments for the overall Place Directorate for 2015/16 total £48.196M with the projected outturn across the programme currently showing £48.219M.
- 3.2. The table below shows the position on the Place Directorate Capital Programme for the 2015/16 financial year per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	2015/16 Capital Programme	Actuals to June 2015	Projected Outturn 2015/16	2015/16 Variance
	£M	£M	£M	£M
Economic Regeneration	9.971	1.992	9.971	-
Culture, Housing and Regulation	4.182	0.196	4.182	-
Environment and Transport	34.043	0.079	34.066	0.023
Totals	48.196	2.267	48.219	0.023

- 3.3. The chart below shows a graphical representation of the table above.



Overview:

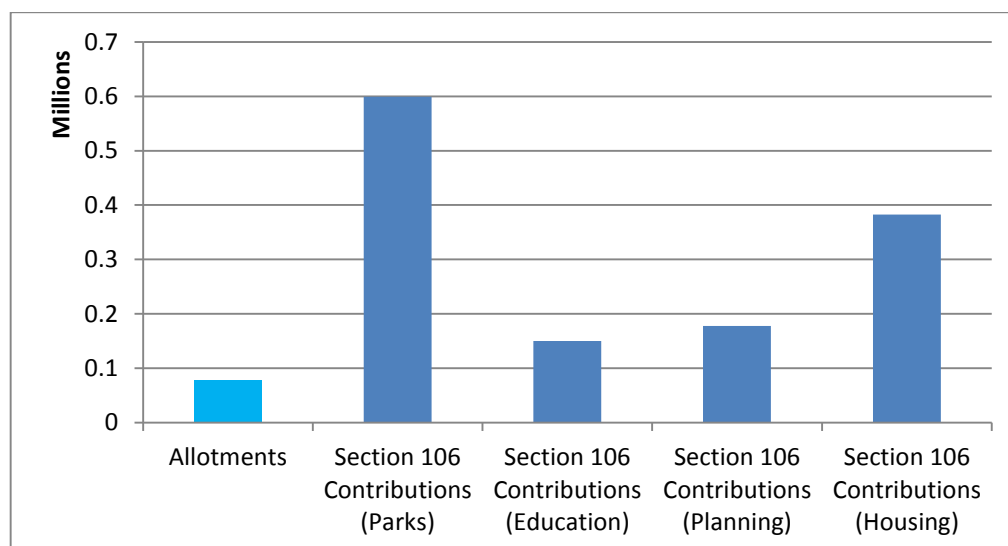
Both the overall position and 2015/16 position for the Place Directorate is broadly in line with existing plans, currently showing an over commitment of resources of £0.023M.

The key variance is as follows:

- *Waste PFI Capital Contribution Scheme – An over commitment of £0.023M relating to the Waste PFI Capital Scheme is shown, relating to the actual capital contribution being more than original plans anticipated.*

4. Unallocated Resources

- 4.1. The Place Directorate has capital resources totalling £1.388M that has yet to be allocated to any specific scheme. The funding held is restricted to the expenditure it can be applied to by virtue of conditions attached to that funding.
- 4.2. The table below shows the resources available for future schemes, split between each type of funding. The majority of these balances relate to contributions made to the Authority under Section 106 of the Town and Country Planning Act 1990, yet to be allocated to a scheme.



Funding Implications:

The minor over commitment of funding over the period will be managed accordingly within available resources.

Unallocated resources will be assigned to individual schemes as they become operational, subject to further Cabinet Reports.

5. **Future Outlook**

Future Outlook:

All schemes continue to be monitored throughout the year to identify any significant variances that arise so that corrective action can be implemented.

The Council has set aside £13.6M of capital resources to fund the wider Economic Plan. This programme of works includes key schemes such as the Goldthorpe Master Plan (£4.9M), Strategic Business Parks/Growth Cluster (£2.7M) and Digital Barnsley £1.3M.

Works have commenced on the Goldthorpe Master Plan Scheme which will see the creation of a new primary school as highlighted above. Works are also ongoing in relating to the Strategic Business Parks Scheme. In particular the Council has recently been successful in securing funding from Sheffield City Region Investment Fund to enable the commencement of works at Junction 36.

The Council is also looking secure funding from SCRIF to fund the Digital Barnsley element of the Economic plan – future reports will update on progress to this regard.

6. **Action Points**

Action Points:

There are no action points at this stage.

SECTION 3 – EXECUTIVE DIRECTOR’S STATEMENT FOR COMMUNITIES

1. Major Schemes

1.1. The major schemes that are incorporated within the Communities Directorate’s Capital Programme include:

1.2. **Disabled Facilities Improvements (£1.979M)**

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

1.3. **Customer Services Project (£0.570M)**

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.

1.4. **Community Kiosks (£0.359M)**

This scheme relates to the provision of community kiosks into key neighbourhood locations to enable local citizens to access electronic Council services in their own locality. This will assist in giving people access to information and guidance and allow them to self-serve in relation to transacting with the Council.

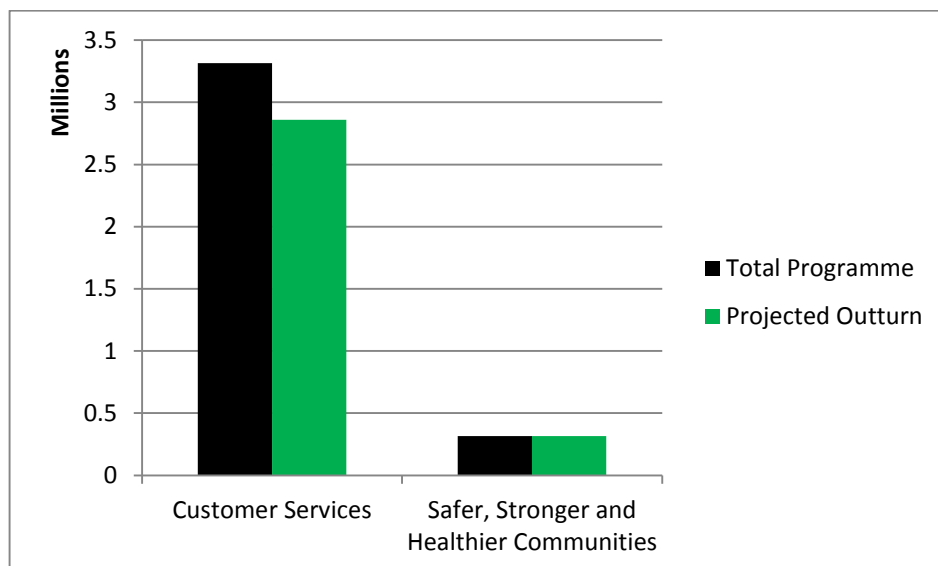
2. Overall Communities Capital Programme Position

2.1. Planned payments for the overall Communities Directorate total £3.629M with the projected outturn across the programme currently showing £3.174M.

2.2. The table below shows the overall position on the Communities Directorate Capital Programme for the 5 year period (2015/16 through 2019/20) per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	Total Capital Programme £M	Total Projected Outturn £M	Overall Variance Within Programme £M
Customer Services	3.314	2.859	(0.455)
Safer, Stronger and Healthier Communities	0.315	0.315	-
Totals	3.629	3.174	(0.455)

2.3. The chart below is a graphical representation of the table above.



3. 2015/16 Communities Capital Programme Position

- 3.1. Within the Communities Directorate Capital Programme, expenditure plans exist in 2015/16 only, therefore the overall plans shown above in section 2 are identical to 2015/16 plans. As at 30th June 2015, actual expenditure incurred totalled £0.245M.

Overview:

The overall position for the Communities Directorate is currently showing a lower than planned expenditure of £0.455M.

The key variances are as follows:

- Community Kiosks Scheme – Currently a £0.359M under commitment is being reported. This scheme has since been superseded by the Customer Services Project and therefore no expenditure is expected.*
- Adults & Communities Libraries Information System Scheme - Currently a £0.096M under commitment is being reported. Like the scheme above, this scheme has since been superseded by the Customer Services Project and therefore no expenditure is expected.*
- The service is looking to utilise these resources to contribute towards the fitting out of the new Library for the required ICT provision, for which no provision currently exists within the current Town Centre funding position. If approved these resources would expect to be spent in 2016/17.*

4. Unallocated Resources

- 4.1. There are no unallocated resources within the Communities Directorate.

Funding Implications:

The funding in relation to the two schemes above is available for reprioritising to existing / new schemes. However, as set out above, there is currently no resource provision for ICT infrastructure and equipment within the proposed new town centre library and the service would be looking to utilise these resources for that scheme. This will be the subject of a subsequent Cabinet Report to be presented in due course.

5. Future Outlook

Future Outlook:

All schemes continue to be monitored throughout the year to identify any significant variances that arise so that corrective action can be implemented.

Consideration must be given to further Cabinet Reports in respect of the available resources as a result of schemes ceasing as discussed above.

6. Action Points

Action Points:

There are no action points at this stage.

SECTION 4 – DIRECTOR’S STATEMENT FOR FINANCE, ASSETS & IS

1. Major Schemes

1.1. The major schemes that are incorporated within the Finance, Assets & IS Directorate’s Capital Programme include:

1.2. Town Centre Redevelopment (£46.255M)

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 3 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.

1.3. Building Schools for the Future (BSF) (£2.951M)

These series of schemes relate to the Authority’s secondary school programme, as part of the BSF project. The plans relate to, in the main, ICT technology for these schools and contractor payments relating to the two design and build schools.

1.4. Hoyland Town Centre Regeneration (£0.500M)

This scheme 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.

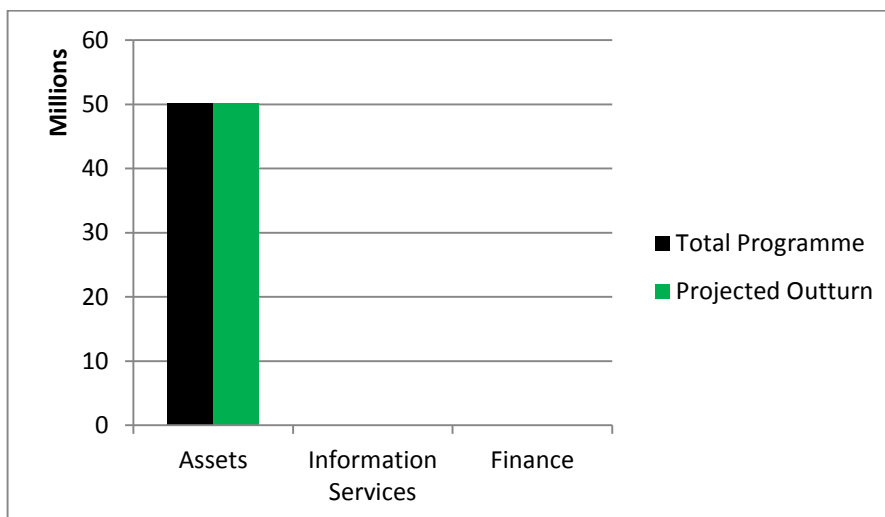
2. Overall Finance, Assets & IS Capital Programme Position

2.1. Planned payments for the overall Finance, Assets & IS Directorate total £50.137M with the projected outturn across the programme currently showing £50.137M.

2.2. The table below shows the overall position on the Finance, Assets & IS Directorate Capital Programme for the 5 year period (2015/16 through 2019/20) per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	Total Capital Programme £M	Total Projected Outturn £M	Overall Variance Within Programme £M
Assets	50.137	50.137	-
Information Services	-	-	-
Finance	-	-	-
Totals	50.137	50.137	-

2.3. The chart below is a graphical representation of the table above.

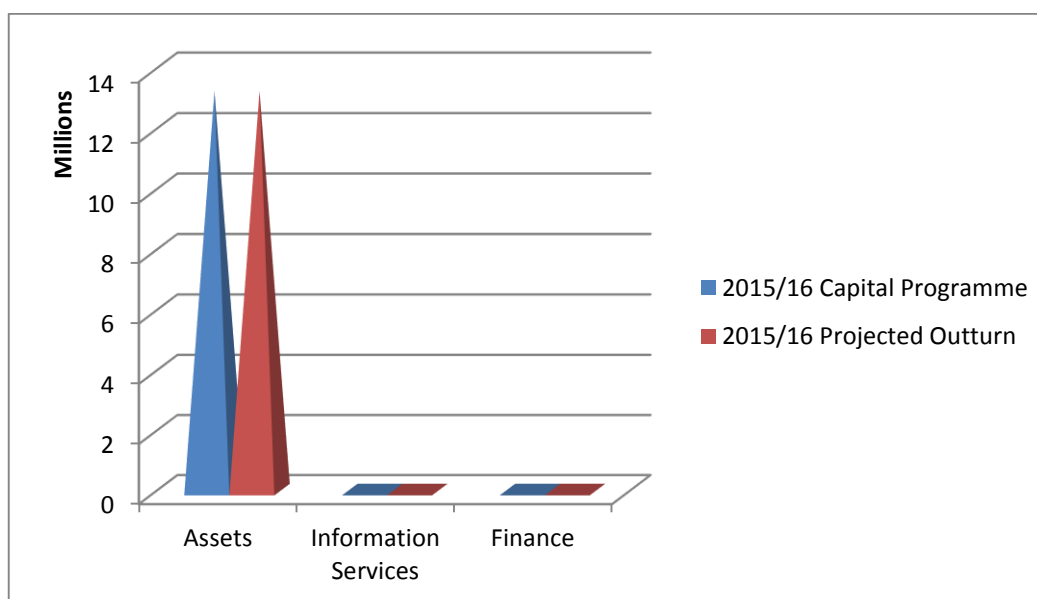


3. 2015/16 Finance, Assets & IS Capital Programme Position

- 3.1. Planned payments for the overall Finance, Assets & IS Directorate for 2015/16 total £13.213M with the projected outturn across the programme currently showing £13.213M.
- 3.2. The table below shows the position on the Finance, Assets & IS Directorate Capital Programme for the 2015/16 financial year per Business Unit. Appendix A to this report details the plans and outturn per individual scheme.

<u>Business Unit</u>	2015/16 Capital Programme £M	Actuals to June 2015 £M	Projected Outturn 2015/16 £M	2015/16 Variance £M
Assets	13.213	0.965	13.213	-
Information Services	-	-	-	-
Finance	-	-	-	-
Totals	13.213	0.965	13.213	-

- 3.3. The chart below shows a graphical representation of the table above.



Overview:

Both the overall position and 2015/16 for the Finance, Assets & IS Directorate is currently showing a balanced capital programme.

4. **Unallocated Resources**

4.1. There are no unallocated resources within the Finance, Assets & IS Directorate.

Funding Implications:

There are no funding implications within the directorate. However, existing resources will be monitored accordingly through active financial management of schemes within the programme.

5. **Future Outlook**

Future Outlook:

All schemes continue to be monitored throughout the year to identify any significant variances that arise so that corrective action can be implemented.

6. **Action Points**

Action Points:

There are no action points at this stage.

SECTION 5 – STATEMENT FOR THE HOUSING REVENUE ACCOUNT (HRA)

1. Major Schemes

1.1. The major schemes that are incorporated within the HRA Capital Programme include:

1.2. Barnsley Homes Schemes (£77.347M)

The 2015/16 programme includes nine approved schemes (one of which was brought forward for a January 2015 start). Five schemes are currently on site and all nine schemes are due to complete by 31st March 2016. The 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.

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 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 Standard 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, currently estimated at over £1M over a seven year period although this is expected to increase as more Air Source Heat Pumps are installed.

1.3. Replacement Items (£13.703M)

Items which are reported by tenants and subsequently on inspection deemed beyond repair are placed into a planned rolling programme of work throughout the year. The programmes are complementary to the Maintaining the Homes Standard Programme and properties where decent homes works are planned are excluded except in very urgent or emergency cases.

1.4. Major Adaptations (£10.606M)

Major Adaptations continue to be a major scheme within the programme. This budget helps to meet the needs of people with specific identified needs within the borough to allow them to continue to live as independently as possible in the home of their choice.

1.5. New Builds (£10.157M)

The current programme includes an approved proposal to build 110 new homes across the Borough. Below is an update on progress on the sites:-

The Saville Road, Gilroyd development of 9 houses was formally handed over in March 2015 and the new tenants moved in immediately.

The Roy Kilner Road development in Wombwell of 37 units has suffered a significant delay due to the contractor going into administration. We are now in the process of re-procuring the works. The first property handovers are now likely to fall into the Spring of 2016 with the remainder phased in of the following months.

The Meadow View Hoyland project of 4 houses started on site in March 2015 with completion projected for July 2015.

The schemes in Worsbrough (6 units), Elsecar (6 units) and Bellbrooke, Darfield (4 units) are currently in the final design stages with start on site expected to be committed in late 2015.

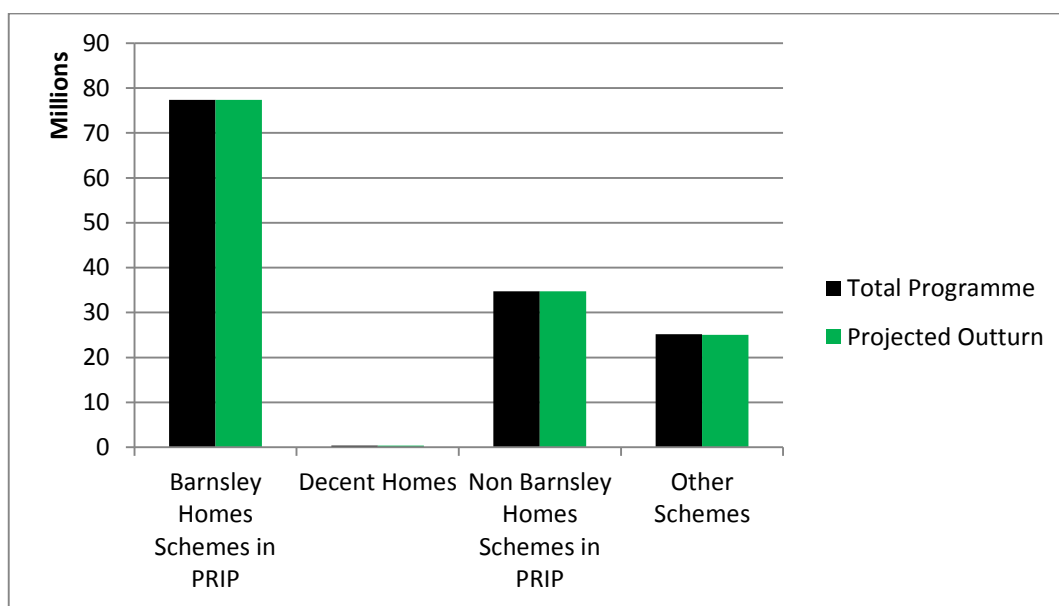
We currently have several other projects in the early feasibility stage moving towards delivery in 2016.

2. **Overall HRA Capital Programme Position**

- 2.1. Planned payments for the overall HRA Capital Programme total £137.650M with the projected outturn across the programme currently showing £137.490M.
- 2.2. The table below shows the overall position on the HRA Capital Programme for the 5 year period (2015/16 through 2019/20) per area of spend. Appendix A to this report details the plans and outturn per individual scheme.

<u>Area</u>	Total Capital Programme £M	Total Projected Outturn £M	Overall Variance Within Programme £M
Barnsley Homes Schemes in PRIP	77.347	77.344	(0.003)
Decent Homes	0.376	0.379	0.003
Non Barnsley Homes Schemes in PRIP	34.714	34.714	-
Other Schemes	25.213	25.053	(0.160)
Totals	137.650	137.490	(0.160)

- 2.3. The chart below is a graphical representation of the table above.



Overall Position:

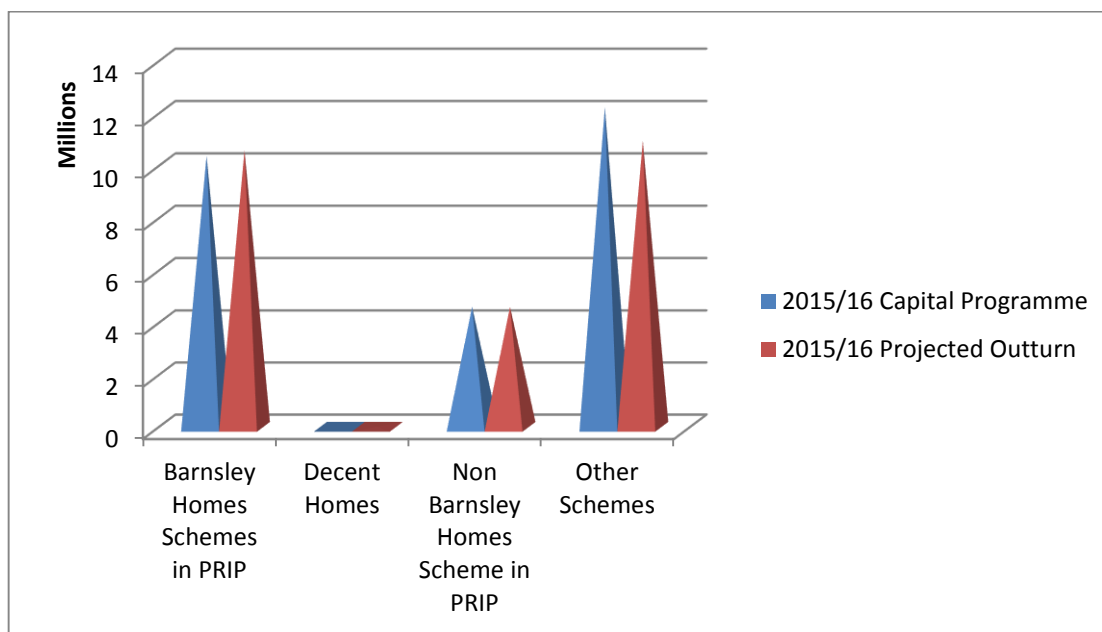
The projected outturn on the overall HRA capital programme is currently showing a lower than budgeted spend position of £0.160M. This is mainly due to savings identified in a Boiler Replacement scheme (-£0.146M).

3. **2015/16 HRA Capital Programme Position**

- 3.1. Planned payments for the overall HRA Directorate for 2015/16 total £27.216M with the projected outturn across the programme currently showing £26.166M.
- 3.2. The table below shows the position on the HRA Directorate Capital Programme for the 2015/16 financial year per area of spend. Appendix A to this report details the plans and outturn per individual scheme.

Area	2015/16 Capital Programme £M	Actuals to June 2015 £M	Projected Outturn 2015/16 £M	2015/16 Variance £M
Barnsley Homes Schemes in PRIP	10.380	1.193	10.597	0.217
Decent Homes	-	0.114	0.018	0.018
Non Barnsley Homes Scheme in PRIP	4.606	0.481	4.606	-
Other Schemes	12.230	1.086	10.945	(1.285)
Totals	27.216	2.873	26.166	(1.050)

3.3. The chart below shows a graphical representation of the table above.



2015/16 Position

The projected outturn on the 2015/16 HRA capital programme is currently showing a lower than budgeted spend position of £1.050M.

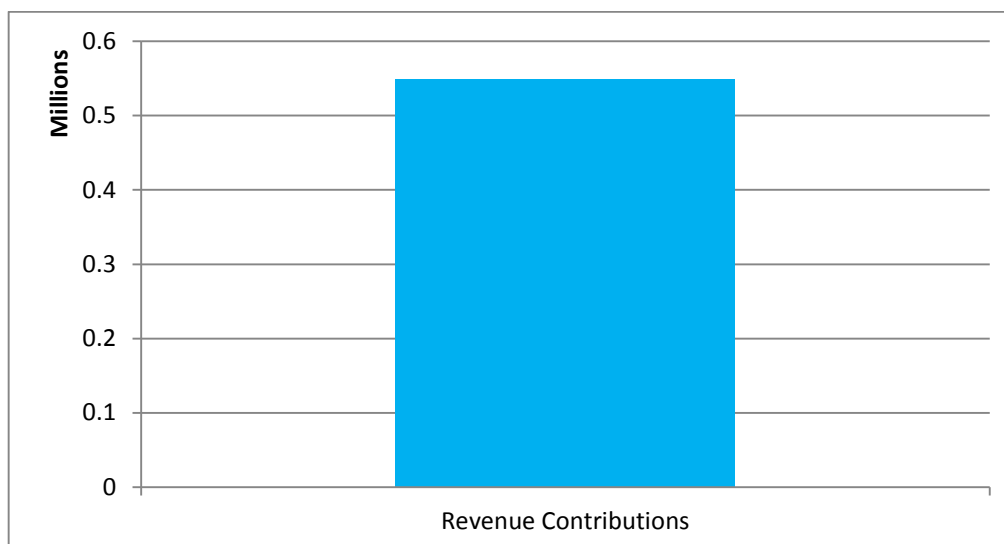
The £1.050M is made up of new scheme slippage totaling £0.720M of which £0.568M relates to the Roy Kilner New Build scheme due to significant delays. The contractor on this scheme recently went into administration which has resulted in the anticipated completion of the scheme moving from September 2015/16 into early 2016/17.

The remaining £0.330M related to reduction in scheme costs within 2015/16, mainly relating to significant reductions (£0.146M) on a boiler replacement scheme.

4. Unallocated Resources

- 4.1. The HRA currently has capital resources totalling £0.549M that has yet to be allocated to any specific scheme. The funding held is restricted to the expenditure that it can be applied to by virtue of conditions attached to that funding.
- 4.2. The table below shows the resources available for future schemes, split between each type of funding. The total of these balances relate to revenue contributions made by the HRA to fund

capital expenditure, yet to be allocated to a scheme. The HRA contributions are specifically held for HRA related spend and therefore cannot be freely used to utilise non HRA schemes.



Funding Implications:

The main sources of funding in the HRA capital programme are flexible and can be phased into future years to match scheme expenditure.

Unallocated resources will be assigned to individual schemes as they become operational, subject to further Cabinet Reports.

5. Future Outlook

Future Outlook:

The 2015/16 BHS schemes are all scheduled to complete by the end of March 2015. Currently there have been no issues identified that will prevent this being achieved. The non BHS budgets covered within the PRIP contract (e.g. Replacement items, Major Adaptations) are demand led budgets so can vary year on year. These budgets are monitored closely and spend profiled accordingly.

The implications of the budget announcement in July will result in all future years' expenditure on Council Housing both revenue and capital being reviewed.

6. Action Points

Action Points:

There are no action points at this stage.