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**Meeting of the Cabinet – 25<sup>th</sup> October 2023**

**Joint Report of the Chief Executive and Director of Finance and Legal**

**Capital Programme Monitoring**

**Purpose**

1. To propose amendments to the Capital Programme.

**Recommendations**

2. That the Council be recommended:
  - That the additional budget for the next allocation of UK Shared Prosperity Funding spend and grant income of £469,000 be approved and included in the Capital Programme, as set out in paragraph 4.
  - To confirm that the property occupied by Homescene be acquired under the authority delegated in 2021 as set out in paragraph 5.
  - To delegate authority to the Chief Executive in consultation with the Leader to consider the outcome of the viability assessment and determine whether to proceed to the economic assessment and to delegate authority to the Director of Finance and Legal to amend the budget if this is the case, as set out in paragraph 6.

**Background**

3. The table below summarises the *current* 3 year Capital Programme updated where appropriate to reflect latest scheme spending profiles.

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	65,158	50,816	44,114
Private Sector Housing	16,354	3,388	71
Environment	9,973	12,768	3,000
Transport	14,020	9,570	8,530
Regeneration and Corporate Landlord	21,304	22,249	11,359
Culture, Leisure and Bereavement	2,937	2,904	1,500
Schools and SEND	14,227	20,924	27,600
Social Care, Health and Well Being	702	2,300	0
Digital, Commercial and Customer Services	2,135	1,100	1,161
<b>Total spend</b>	<b>146,810</b>	<b>126,019</b>	<b>97,335</b>
Revenue	3,963	3,922	3,702
Major Repairs Reserve (Housing)	25,517	26,000	26,456
Capital receipts	24,193	17,344	21,610
Grants and contributions	41,215	23,788	17,448
Capital Financing Requirement	51,922	54,965	28,119
<b>Total funding</b>	<b>146,810</b>	<b>126,019</b>	<b>97,335</b>

Note that the capital programme is subject to the availability of government funding. Note also that changes to the Public Sector Housing capital programme are being taken to Cabinet in a separate report.

#### UK Shared Prosperity Funding Year 2 Allocation

4. Following approvals at 16th March 2023 Cabinet, the proposed funding allocation for year 2 UK Shared Prosperity Funding (UKSPF) has now been received from the West Midlands Combined Authority which includes a capital funding allocation of £459,746 for 2023/24 as part of the West Midlands regional business support programme. The intention is to provide capital grants to local businesses by way of an SME Grants and Net Zero Grants programme which will be launched in forthcoming weeks. It is proposed that £460,000 is included in the 2023/24 Capital Programme and will be fully funded by grant.

#### Flood Street

5. The Council meeting of October 11<sup>th</sup> 2021 delegated authority to officers to acquire other parties' land interests in the Portersfield developable area which, at that time, included the property currently occupied by Homescene. Since that approval, the developable area has changed and that property is no longer within it. However, it is still deemed that acquisition of this property is of strategic importance for regeneration purposes. Exact figures cannot be provided at this point as contract

negotiations are still ongoing but there is sufficient headroom within the original allocation to fund this purchase. Cabinet and Council are therefore asked to confirm that this property can be acquired under the authority delegated in 2021.

6. Officers have been working with the West Midlands Growth Company to appoint external advisors to assess the potential for an ice rink and hotel development at Flood Street. This exercise is split into two phases: a viability assessment and an economic impact assessment. The second phase will only go ahead if the first phase is successful (i.e. if it demonstrates that the development is viable in its own right and without council subsidy). The West Midlands Growth Company have agreed to initially meet the £50,000 cost of the viability assessment on the basis that, if it is successful, the Council will contribute £15,000 to the viability assessment and pay the £5,000 cost of the economic impact assessment. It is proposed that Cabinet and Council delegate authority to the Chief Executive in consultation with the Leader to consider the outcome of the viability assessment and determine whether to proceed to the economic assessment and delegate authority to the Director of Finance and Legal to amend the budget if this is the case.

## **Finance**

7. This report is financial in nature and information about the individual proposals is contained within the body of the report.

## **Law**

8. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

## **Risk Management**

9. Risks, and their management, are considered prior to proposals being brought forward to include projects in the Capital Programme. This includes risks relating to the capital expenditure itself, funding of that expenditure (e.g. grant availability and conditions), and ongoing revenue costs and/or income.

## **Equality Impact**

10. These proposals comply with the Council's policy on Equality and Diversity. With regard to Children and Young People:
- The Capital Programme for Schools will be spent wholly on improving services for children and young people. Other elements of the Capital Programme will also have a significant impact on this group.
  - Consultation is undertaken with children and young people, if appropriate, when developing individual capital projects within the Programme.
  - There has been no direct involvement of children and young people in developing the proposals in this report.

## **Human Resources/Organisational Development**

11. The proposals in this report do not have any direct Human Resources / Organisational Development implications.

## **Commercial / Procurement**

12. All procurement activity will be carried out in accordance with the Council's Contract Standing Orders, and the relevant officers will take the procurements through the Procurement Management Group to monitor compliance at the relevant Gateways.

## **Environment / Climate Change**

13. Individual capital projects should be separately assessed for their environmental impact before they commence and major schemes with climate change impacts will include details of this in their progress reports going forward.

## **Council Priorities and Projects**

14. Proposed capital projects are in line with the Council's capital investment priorities as set out in the approved Capital Strategy.



**Kevin O'Keefe**  
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**Services**



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**List of Background Papers**

Relevant resource allocation notifications.