

Meeting Of the Cabinet - 12th December 2007

Joint Report of the Chief Executive and Director of Finance

Capital Programme Monitoring

Purpose of Report

1. To report progress with the implementation of the Capital Programme.
2. To propose amendments to the Capital Programme.

Background

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

Service	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Public Sector Housing	27695	23388	22466
Other Adult, Community & Housing	6927	3077	3847
Urban Environment	33212	27391	7495
Children's Services	18109	14778	65
Finance, ICT & Procurement	810	309	0
Law & Property	1089	478	659
Chief Executive's	1553	0	0
TOTAL	89395	69421	34532

Note that the overall capital programme for 2008/09 and 2009/10 is likely to increase as extra funding becomes available.

4. In accordance with the requirements of the Financial Management Regime (FMR), details of progress with the 2007/08 Programme are given in Appendix A. It is proposed that the current position be noted.

Urban Environment

Stevens Park, Wollescote

5. The Friends of Stevens Park Wollescote have been awarded £3,000 from the Big Lottery Children's Fund towards physical improvements at the park. The work will be managed by the Council.

It is proposed that the award be noted and the associated expenditure included in the Capital Programme.

Disabled Crossing Programme

6. This provides dropped footpath crossings to ensure DDA compliance, enabling motorised scooters to cross roads safely. The increase in use of motorised scooters has led to a significant increase in demand and it is proposed that this year's budget be increased by £40,000 to enable the current 15 month backlog to be cleared. This can be funded from savings elsewhere in the Transport Capital Programme.

South Black Country Innovation Campus

7. The Dudley Borough Economic Strategy, in line with the Black Country Study, identifies the need to stimulate a more diverse and dynamic business base and to increase the numbers of highly-paid highly-skilled jobs in the Borough. This will be achieved by encouraging knowledge-based, research-and-development-led businesses to start up in, or relocate to, the Borough.

Working in partnership with Sandwell MBC, the South Black Country Innovation Campus seeks to provide the infrastructure needed to support these new companies as well as to assist our existing businesses to compete in a global, ultra competitive market. It would comprise a 4,000 sq metre Innovation Centre to stimulate innovation and enterprise and an additional 6,000 sq metres of grow-on space for growing and developing companies.

The Campus would be located on the remaining undeveloped land at Castle Gate. This is considered an ideal location given its excellent geographical position to serve the wider Black Country, its public transport links and the superb surrounding facilities.

The estimated construction cost of the Campus is £19.5m, the majority of which will be met by the private sector. However, an initial investment of around £5m of public funding may be sought from Advantage West Midlands, and a further application for capital and revenue funding may be sought from the new 2007-13 European Programme as and when it is appropriate. There will be no matchfunding requirement from the Council's mainstream capital or revenue resources.

It is proposed that:

- The Director of the Urban Environment be authorised to:
 - submit an outline and full application on behalf of Dudley MBC to Advantage West Midlands for contributory funding for the South Black Country Innovation Campus;
 - submit funding applications under the 2007-13 European Programme to support the revenue and capital requirements of the South Black Country Innovation Campus;
 - accept any grant funding arising from the AWM and European funding applications;

- approve a procurement exercise commensurate with the size and scope of the project and enter into a Joint Venture Agreement between the Council and the preferred developer;
- The Director of Law and Property be authorised to sign the necessary legal agreements with AWM;
- Subject to the necessary external funding being forthcoming, the project be included in the Capital Programme.

Cotwall End Valley Local Nature Reserve (LNR)

8. The Council has been awarded £20,000 from the WREN (Waste Recycling Environmental Ltd) Landfill Tax Credit Scheme towards various access and habitat improvement works at Cotwall End Valley LNR. This is the first Landfill Tax Credit Scheme allocation through WREN in Dudley Borough. The required matchfunding input of £2,000, together with ongoing maintenance costs, can be met from the Directorate's revenue budgets.

It is proposed that the grant allocation be noted and the associated expenditure be included in the Capital Programme.

Lye & Wollescote Cemetery Chapel - Application for funding for Repair and Conversion

9. Officers have been working to find a sustainable future use for the currently vacant Lye & Wollescote Cemetery Chapel. The Grade II listed building is in Council ownership, but with no plans for future use by the Council.

At the meeting of Stourbridge Area Committee on 13th February 2006 endorsement was given for the Director of the Urban Environment to work in partnership with the West Midlands Historic Buildings Trust (WMHBT) to accept the financial assistance of the Architectural Heritage Fund (AHF) in order that an Options Appraisal could be undertaken on the building.

Specialist ecclesiastical building conservation architects were commissioned to explore possible future options for the buildings, to consult stakeholders (including the Council as owners and potential users of the building) and the public on those options, recommend the most beneficial option and establish the likely viability of the project (if necessary, with the aid of grants and other funds and to indicate possible sources).

Full stakeholder and public consultation was undertaken and at the meeting of Stourbridge Area Committee on 5th September 2007 a report was presented with the results of the Options Appraisal and of the public consultation. From this it was clear that, in summary:

- *The Council does not have a use for the buildings and it is necessary to find an alternative, sustainable new use.*
- *That use has to be sympathetic to the fact that Lye & Wollescote Chapel is a Grade II listed building located within an operational, consecrated graveyard.*
- *Using the building for residential or a nursery purpose is strongly opposed by the public.*
- *Using the building as offices or a community facility has the support of the public.*

- *The involvement of a Building Preservation Trust (BPT) such as the WMHBT is welcomed as this provides the most likely way of securing the future of the chapel and the necessary external grants.*
- *If disposal of the Chapel was the preferred option for the Council, disposal to a charitable organisation such as a BPT would be supported by the public. (In fact the only way a BPT can obtain the necessary external grant aid is if they are the owners of the building.)*

In response to the report, endorsement was given by the Area Committee for the Director of the Urban Environment to approach the WMHBT and request that they apply to the Architectural Heritage Fund (AHF) for four separate grant packages - Project Organiser; Administration; Business Planning; and Development - with a view of submitting an application to the Heritage Lottery Fund (HLF) for full funding of the repair and restoration of the building and its conversion to a new acceptable use in due course.

The four grant packages requested from the AHF cover the areas of work necessary for a full funding application to HLF, including building the business case and preparing detailed drawings. These grants are only available to charities and all but one are only available to BPTs. The overall value of all four grants applied for is £56,500. The AHF has now approved the Project Organiser and Administration grants (totalling £24,000) and in December will make a decision on the Business Planning and Development grants.

It is proposed that:

- The WMHBT be supported in the submission of an application to the HLF for funding of the estimated cost of repair, restoration & conversion of £500,000;
- Subject to funding being approved, the Director of Law & Property be authorised to dispose of the Chapel to the WMHBT on terms to be agreed.

Finance, ICT & Procurement

Benefit Shop Relocation

10. The Benefit Shop, currently located in Churchill Precinct, has recently been served with a notice to quit by the landlord (LCP Properties) as part of a planned redevelopment and will be effective from April 2008. In order to continue to provide services it will be necessary to find an alternative suitable location. Various locations around the Town Centre have been considered including our own premises at the former Council Tax banking hall. This latter option is the most favoured. It is a central location and enables us (with suitable alterations and disabled access improvements) to bring the accommodation back into full use. The works and planning process are complicated by conservation and listed building approval issues and estimated costs are around £110,000, but given alternative accommodation rental payments this would still provide good value.

It is proposed that subject to funding being found from internal resources, the project be approved and included in the Capital Programme.

Chief Executive's

Pooled Treatment Budget

11. The 2007/08 National Treatment Agency Pooled Treatment Budget (PTB) allocation for Dudley includes a capital element of £61,000 for expenditure on drug projects. It is anticipated that this funding will initially be paid to the PCT, but it is unclear at this point whether the spend will be managed by the PCT or the Council.

It is proposed that the allocation be noted, and that if the funding is to be managed by the Council, the related expenditure be included in the Capital Programme.

Urgent Amendments to the Capital Programme

Floodlighting at the Dell Stadium

12. The Management Committee of Dudley Town Football Club have been seeking for some years to secure the future of the Club by having a suitable ground available to them to play home fixtures. Following recent discussions with the football club the Dell Stadium has been identified as a venue which meets the Club's requirements and enables them to progress through the competitive football structure for the foreseeable future. Furthermore, enhancements to the lighting systems at the stadium would be beneficial to all other users.

Minor works have been undertaken earlier in 2007 to meet the requirements of the West Midlands Regional Football League and these were completed in August.

The current illumination level provided by the existing, twenty-one year old, floodlighting system is below the level permitted for competitive League Football. Lighting engineers have been engaged to ascertain the most effective means of increasing the level of illumination and adding lights to the existing columns is not an option, as the increased weight would not be supported.

To achieve the pre-requisite level of illumination the replacement of eight columns is necessary with the new columns being slightly higher than those currently in place. This requires Full Planning Permission from the Development Control Committee and Planning Application Reference Number PO7/1561 registered on 10 August 2007 appertains. Determination of the Application took place on Wednesday 17 October 2007.

In order to enable timescales associated with league requirements to be complied with, an urgent decision (ref. DUE/84/2007) was made by the Leader of the Council in consultation with the Senior Assistant Director of Finance on 23rd October 2007 to include the provision of replacement lighting columns and floodlights at the Dell Stadium, Pensnett within the current year's capital programme. The cost will be £105,000 including contingencies. This will be funded from Section 106 resources.

Replacement Base for the Wren's Nest National Nature Reserve Warden Service

13. The Capital Programme currently includes a budget of £104,000 for the above project. Following receipt of tenders the estimated cost is now £109,000.

In order to enable timescales associated with the project to be complied with, an urgent decision (ref. DUE/85/2007) was made by the Leader of the Council in consultation with the Director of Finance on 29th October 2007 to increase the budget accordingly. The total cost will be funded as follows: £90,000 from insurance; £10,000

from existing Disability Discrimination Act (DDA) capital budgets; £9,000 from Directorate revenue resources.

Post Completion Review of Capital Projects

14. The Post Completion Review required by Contract standing orders has now been undertaken for the following schemes, with a copy of the proformas summarising the reviews attached at Appendix B.

Urban Environment

Tipton Road Rail Bridge Reconstruction

Adult, Community & Housing

Resettlement of Ridge Hill Hospital

Finance

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

Law

16. 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.

Equality Impact

17. These proposals comply with the Council's policy on Equality and Diversity.
18. With regard to Children and Young People:
- The Capital Programme for Children's Services 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.

Recommendations

19. That current progress with the 2007/08 Capital Programme, as set out in Appendix A be noted.
20. That in respect of the South Black Country Innovation Campus:
- The Director of the Urban Environment be authorised to:

- submit an outline and full application on behalf of Dudley MBC to Advantage West Midlands for contributory funding for the South Black Country Innovation Campus;
 - submit funding applications under the 2007-13 European Programme to support the revenue and capital requirements of the South Black Country Innovation Campus;
 - accept any grant funding arising from the AWM and European funding applications;
 - approve a procurement exercise commensurate with the size and scope of the project and enter into a Joint Venture Agreement between the Council and the preferred developer;
- The Director of Law and Property be authorised to sign the necessary legal agreements with AWM;

as set out in paragraph 7.

21. That in respect of Lye & Wollescote Cemetery Chapel:

- The WMHBT be supported in the submission of an application to the HLF for funding of the estimated cost of repair, restoration & conversion of £500,000;
- Subject to funding being approved, the Director of Law & Property be authorised to dispose of the Chapel to the WMHBT on terms to be agreed,

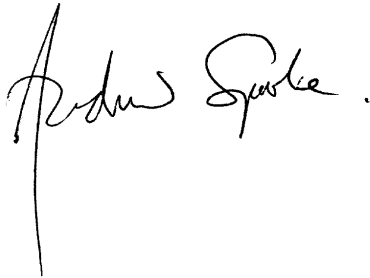
as set out in paragraph 9.

22. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.

23. That the Council be recommended:

- That the Big Lottery funding award in respect of Stevens Park, Wollescote be noted, and the associated expenditure included in the Capital Programme, as set out in paragraph 5.
- That the Disabled Crossing Programme budget be increased by £40,000, as set out in paragraph 6.
- That subject to the necessary external funding being forthcoming, the South Black Country Innovation Campus project be included in the Capital Programme, as set out in paragraph 7.
- That the WREN grant allocation for Cotwall End Valley LNR be noted, and the associated expenditure included in the Capital Programme, as set out in paragraph 8.
- That subject to funding being found from internal resources, the project to relocate the Benefits Shop to the former banking hall be approved and included in the Capital Programme, as set out in paragraph 10.

- That the allocation of Pooled Treatment Budget funding be noted, and that if the funding is to be managed by the Council, the related expenditure be included in the Capital Programme, as set out in paragraph 11.
- That the Urgent Amendments to the Capital Programme, as set out in paragraph 12 & 13 be noted.



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Andrew Sparke
Chief Executive



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List of Background Papers

Relevant resource allocation notifications.

2007/08 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st October £'000	Forecast £'000	Variance £'000	
Public Sector Housing	27695	16031	27695		
Other Adult, Community & Housing	6927	3472	6927		
Urban Environment	33212	15439	33210	-2	
Children's Services	18109	8471	18138	+29	As previously reported
Finance, ICT & Procurement	810	266	810		
Law & Property	1089	1016	1089		
Chief Executive's	1553	343	1573	+20	As previously reported
TOTAL	89395	45038	89442	+47	

Post Completion Review of Capital Schemes

Title of Scheme: Tipton Road Rail Bridge - Reconstruction
Date of Executive / Cabinet approval: <u>15 / 12 / 04</u> (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Executive / Cabinet):..... £ 1,200,000 Planned Completion date: <u>April / 2006</u>
Outturn Cost (please indicate if still provisional):(Provisional).£ 1,313,000 Actual completion date: <u>August / 2006</u>
Variation from Original Budget:£ 113,000 Delay: <u>4</u> months
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): No variation reported to Cabinet. Delays in completion due to technical difficulties with the works but mainly due to Statutory Undertakers Gas and BT not completing their work to programme and cost. Legal Adjudication awaited in respect of Statutory Undertakers Claim.
Original Objectives of Scheme (please indicate when and to whom these were reported): 1) Reconstruction of the bridge to meet current EU loading standards 2) Allowing for a surface level crossing of Tipton Road for the proposed Metro. Reported in Priority Ranking Report to Engineering and Transportation Committee 9 th June 1999 and reported to the Executive on 15 th December 2004.
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by: John Woodall..... (Assistant Director)

Date: 23.10.07.....

Post Completion Review of Capital Schemes

Title of Scheme: Resettlement of Ridge Hill Hospital
Date of Executive / Cabinet approval: 27 / 09 / 2005 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Executive / Cabinet):..... £ 3,420,000 Planned Completion date: 03 / 06
Outturn Cost (please indicate if still provisional):.....£ 3,132,000 Actual completion date: 03 / 07
Variation from Original Budget:.....- £ 288,000 Delay: 12 months
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): <p>Dudley MBC has been working with the PCT's in Dudley to resettle 34 residents with a learning disability from Ridge Hill Hospital. A number of individual schemes to provide supported living accommodation have been developed by housing associations grant aided by Dudley MBC using funds transferred from the PCT under Section 28A Agreements.</p> <p>The estimated costs of these schemes have been reported at various times as the proposals have been developed, with approved sums amounting to £3,420,000 in total by June 2006 (including a £1m allocation approved in 2005 for the three schemes at Kempton Way, Attwood Street and Eaves Lodge, and £1.2m for the development of two units of accommodation suitable for the needs of seven people with profound and multiple learning disabilities (PMLD scheme)). As the proposals have been brought forward and developed, the costs of the schemes have changed from the amounts originally allocated. For example, following a successful tendering exercise, the cost of the PMLD scheme has been limited to £864,293 compared to the £1.2m originally anticipated.</p> <p>The original Department of Health deadline for the resettlement to be completed was March 2006. Difficulties encountered by the PCT and Dudley MBC in developing the schemes, and in particular in identifying suitable sites, led to delays in bringing forward some of the schemes, but the resettlement project was successfully completed in March 2007.</p>
Original Objectives of Scheme (please indicate when and to whom these were reported): To resettle 34 residents with a learning disability from Ridge Hill Hospital.
Have these Objectives been met? (If "No" please provide explanation): Yes.

Signed by: Linda Sanders (Director)

Date: 16.11.2007