

Meeting Of the Cabinet - 31st October 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 | 28308 | 22775 | 22466 |
| Other Adult, Community & Housing | 7114 | 1673 | 2912 |
| Urban Environment | 40254 | 20636 | 6948 |
| Children's Services | 16855 | 15621 | 65 |
| Finance, ICT & Procurement | 810 | 309 | 0 |
| Law & Property | 908 | 659 | 659 |
| Chief Executive's | 1527 | 0 | 0 |
| TOTAL | 95776 | 61673 | 33050 |

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.

Wrens Nest s106

5. It is proposed to support the provision of four rented bungalows on Wrens Nest Rd. to meet the needs of the local community with a contribution of £217,000 to Bromford Housing Group, and that this be included in the Capital Programme. The Council would receive 100% nomination rights to these properties.

The contribution can be funded from Section 106 resources (monies provided by housing developers in lieu of providing affordable housing on site).

Urban Environment

Wordsley High Street

6. Whilst undertaking the replacement of the existing culvert under the A491 and its extension under the improved road, it was considered appropriate to carry out the further extension of the culvert under the adjoining Council land being sold to a housing developer. The costs amounting to £25,000 have been recovered by disposing of the land for a greater consideration than would otherwise have been the case.

It is proposed that the budget for the project be increased, and £25,000 of the capital receipt be earmarked accordingly.

Saltwells Local Nature Reserve

7. A sum of £30,000 Section 106 funding is available for upgrading Saltwells Local Nature Reserve for the benefit of the local community - which can be used for enhancing public access, signage and interpretation, and managing various wildlife habitats and geological features across much of the nature reserve.

It is proposed that this project be approved and included in the Capital Programme.

Stourbridge Civic Amenity Site

8. Mess-room & toilet facilities at the above site need to be replaced due to age and the dilapidated condition and expanded to reflect the additional staff needed to operate the site and enable targets for recycling and segregation to be achieved. Upgraded electrical services are also required to meet the increased operational demands on the site.

It is estimated that the necessary works will cost £65,000 which can be financed over ten years by contributions from Waste Care revenue budgets.

It is proposed that this expenditure be approved and included in the Capital Programme.

Flood Damage

9. The Council has received £11,500 of capital grant funding towards necessary reinstatement works following the recent floods. This will be allocated to specific projects in due course.

It is proposed that the funding be noted, and the related expenditure be included in the Capital Programme.

Cradley Forge Embankment

10. The Mouseweat Brook, that at Cradley Forge forms the boundary between Dudley and Sandwell, passes through a large raised embankment. Responsibility lies with Dudley and Sandwell Councils and possibly Severn Trent Water as the embankment supports strategic sewers.

The Environment Agency (EA) - the enforcement authority under the provisions of the Reservoirs Act 1975 - has recently given notice that it considers that the embankment comes within the remit of the Reservoir Act as it has the potential to retain in excess of 25,000 cubic metres of water. If so classified, significant works may be necessary to bring the embankment up to the required standards.

In the short term, it is necessary to:

- Appoint a Reservoir Panel Engineer to assess the options to address classification as a reservoir;
- Agree assignment of costs;
- Undertake feasibility work as required following the advice received.

A further report will be brought back to Cabinet in due course when the outcomes are known.

It is proposed that the feasibility work be approved and included in the Capital Programme at an estimated cost of £20,000. This can initially be funded from the resources set aside for urgent priorities. The other responsible parties will be recharged as appropriate in due course.

Council House, Mary Stevens Park - Security Improvements

11. A feasibility study into the proposed fencing and gates to protect the Council House has identified that an additional £8,000 will be required, in addition to the £56,000 already included in the Capital Programme. This can be funded from available Section 106 resources. It is proposed that the budget for the scheme be amended accordingly.

Children's Services

Children's Centres - Phase 2

12. Integration of Children's Centres and Extended Schools facilities offers an improved range of extended provision that will meet local needs and achieve better value for money. The enhancement of the Phase 2 Children's Centre projects at Olive Hill and Highgate Primary Schools to incorporate Extended Schools facilities in this way would enhance the services available to children aged 0 - 11 and their families. The extra cost of £328,000 can be met from 2008/09 Extended Schools funding, for which provisional allocations have been received from the Department for Children, Schools and Families (DCSF).

It is proposed that this expenditure be approved and included in the Capital Programme.

Chief Executive's

Refurbishment of Aquarius Premises at Cottage St., Brierley Hill

13. The Council has received a grant of £46,000 from the NHS National Treatment Agency for the provision of substance misuse services, which the Substance Misuse Implementation Group has recommended should be allocated to Aquarius towards the refurbishment of their new premises at Cottage St.

It is proposed that the grant allocation be approved and included in the Capital Programme.

Urgent Amendment to the Capital Programme

Security at Pool Road Multi Storey Car Park, Halesowen

14. In order to minimise future vandalism, an urgent decision (ref. DUE/75/2007) was made by the Leader of the Council in consultation with the Director of Finance on 19th September 2007 to approve urgent security works to the Car Park and their inclusion in the Capital Programme.

The detailed decision which was considered in private, is available to Members on request to Richard Sanders, Democratic Services, Directorate of Law and Property on (01384) 815236 or email richard.sanders@dudley.gov.uk.

Post Completion Review of Capital Projects

15. 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

Foster Street Subway, Stourbridge - Refurbishment
Street Lighting Replacement Phase 1

Finance

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

Law

17. 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.

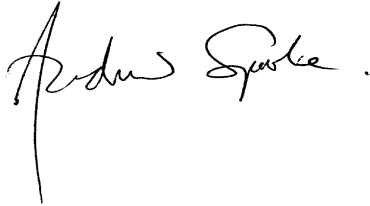
Equality Impact

18. These proposals comply with the Council's policy on Equality and Diversity.
19. 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

20. That current progress with the 2007/08 Capital Programme, as set out in Appendix A be noted.
21. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
22. That the Council be recommended:
 - That the contribution of £217,000 to Bromford Housing Group towards the provision of rented bungalows at Wrens Nest Rd. be approved and included in the Capital Programme, as set out in paragraph 5.
 - That the budget for the Wordsley High Street improvements, be increased, and £25,000 of the related capital receipt be earmarked, as set out in paragraph 6.
 - That the project to upgrade Saltwells Local Nature Reserve be approved and included in the Capital Programme, as set out in paragraph 7.
 - That the project to expand the mess-room and toilets and upgrade electrical services at the Stourbridge Civic Amenity Site be approved and included in the Capital Programme, as set out in paragraph 8.
 - That the Flood Damage grant funding be noted and the related expenditure be included in the Capital Programme, as set out in paragraph 9.
 - That the feasibility works at Cradley Forge Embankment be approved and included in the Capital Programme, as set out in paragraph 10.
 - That the budget for the Council House (Mary Stevens Park) Security Improvements be increased by £8,000 as set out in paragraph 11.
 - That the extra expenditure on the Children's Centres at Olive Hill and Highgate Primary Schools be approved and included in the Capital Programme, as set out in paragraph 12.

- That the allocation of a £46,000 grant to Aquarius towards the refurbishment of their premises at Cottage St. be approved and included in the Capital Programme, as set out in paragraph 13.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 14 be noted.



.....
Andrew Sparke
Chief Executive



.....
Mike Williams
Director of Finance

Contact Officer: John Everson
Telephone: 01384 814806
Email: john.everson@dudley.gov.uk

List of Background Papers

Relevant resource allocation notifications.

2007/08 Capital Programme Progress to Date

| Service | Budget £'000 | Spend to 30 th September £'000 | Forecast £'000 | Variance £'000 | |
|-------------------------------------|-----------------|--|-------------------|-------------------|------------------------------|
| Public Sector Housing | 28308 | 12721 | 28308 | | |
| Other Adult, Community & Housing | 7114 | 3240 | 7114 | | |
| Urban Environment | 40254 | 12852 | 40272 | +18 | See note 1 |
| Children's Services | 16855 | 6623 | 16888 | +33 | See note 2 |
| Finance, ICT & Procurement | 810 | 225 | 810 | | |
| Law & Property | 908 | 788 | 908 | | |
| Chief Executive's | 1527 | 248 | 1547 | +20 | As previously reported |
| TOTAL | 95776 | 36697 | 95847 | +71 | |

Note 1: In addition to variances previously reported, includes extra costs of £100,000 for final compensation claims on the Lye Gyratory scheme which will be met from savings elsewhere in the Transport programme.

Also, extra costs of £400,000 have arisen on the Redhill Close, Stourbridge, retaining wall replacement scheme as a result of far more extensive works being required than originally anticipated - in particular the full reconstruction of the road. This can be met from savings and project rescheduling elsewhere in the Bridges & Structures capital programmes.

Note 2: Mainly relates to extra costs on the Jessons Nursery project which is anticipated to be funded from Lottery resources.

Post Completion Review of Capital Schemes

| | | | | | | | | | | | | |
|--|----------------------------|--------|-------------------------|--------|-------------------------------|--------|----------------|--------|--------------------------------|--------------|--|----------------|
| Title of Scheme: FOSTER STREET SUBWAY STOURBRIDGE - REFURBISHMENT | | | | | | | | | | | | |
| Date of Executive / Cabinet approval: (i.e. inclusion in Capital Programme) 27/10/04 | | | | | | | | | | | | |
| <p>Original Budget (as first reported to Executive/Cabinet): £130,000 (included £90,000 funded by Centro) Planned Completion date: 31/03/06</p> <p>The planned completion date of 31st March 2006 was discussed with Centro at the beginning of negotiations regarding the funding of the scheme, as a desired date for completion.</p> <p>Each separate section of works had its own agreed target date. However the overall completion date was governed by the opening of the Hagley Road/Stourbridge Ring Road pedestrian crossing, as work could not start on part of the refurbishment until this crossing was in use.</p> | | | | | | | | | | | | |
| <p>Outturn Cost (please indicate if still provisional): £154,887 Actual completion date: 11/10/06</p> | | | | | | | | | | | | |
| <p>Variation from Original Budget: £24,887 Delay: 6.5 months (see above)</p> <p>Early in the negotiations with Centro the budget was revised as reported to Cabinet on 02/11/2005 to £145,000.</p> <p>Variation from the revised budget was then £9,887 or 7.6%., for minor extra works to the fabric of the subway.</p> <p>Whilst the works were in progress, problems associated with the fabric of the structure were highlighted and further improvements were taken on board that were not included in the revised budget, the cost of these being found from other existing budgets.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Kiosk and Toilet Infilling</td> <td style="text-align: right;">21,437</td> </tr> <tr> <td>Structural Improvements</td> <td style="text-align: right;">13,715</td> </tr> <tr> <td>Lighting (substandard wiring)</td> <td style="text-align: right;">12,761</td> </tr> <tr> <td>CCTV provision</td> <td style="text-align: right;">19,027</td> </tr> <tr> <td>Fees associated with the above</td> <td style="text-align: right;"><u>5,821</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>£72,761</u></td> </tr> </table> | Kiosk and Toilet Infilling | 21,437 | Structural Improvements | 13,715 | Lighting (substandard wiring) | 12,761 | CCTV provision | 19,027 | Fees associated with the above | <u>5,821</u> | | <u>£72,761</u> |
| Kiosk and Toilet Infilling | 21,437 | | | | | | | | | | | |
| Structural Improvements | 13,715 | | | | | | | | | | | |
| Lighting (substandard wiring) | 12,761 | | | | | | | | | | | |
| CCTV provision | 19,027 | | | | | | | | | | | |
| Fees associated with the above | <u>5,821</u> | | | | | | | | | | | |
| | <u>£72,761</u> | | | | | | | | | | | |
| <p>Original Objectives of Scheme (please indicate when and to whom these were reported):</p> <p>The original aim of the project was to provide a more comfortable and upgraded pedestrian link from the Town Centre to the Bus Station, with increased security features. The secondary aim was to meet the EU live loading requirement on the highway.</p> | | | | | | | | | | | | |
| <p>Have these Objectives been met? (If "No" please provide explanation):</p> <p>Yes</p> | | | | | | | | | | | | |

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

Date: 12/10/07

Post Completion Review of Capital Schemes

| |
|--|
| Title of Scheme: Street Lighting Replacement Phase 1 |
| Date of Executive / Cabinet approval: 09 / 02 / 2005 (i.e. inclusion in Capital Programme) |
| Original Budget (as first reported to Executive / Cabinet):..... £ 1,400,000 Planned Completion date: September 2006 |
| Outturn Cost (please indicate if still provisional):.....£1,358,000 Actual completion date: March 2007 |
| Variation from Original Budget: - £ 42,000 Delay: 6 months |
| Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): 1. Delay in completion: requirement to retender following original tenders considerably exceeding budgeted cost 2. Cost variation: required changes in extent of works following reassessment during the progress of the works |
| Original Objectives of Scheme (please indicate when and to whom these were reported): To replace the street lighting installations in lighting area 4 (Brockmoor and Pensnett) and area 22 (Sedgley) |
| Have these Objectives been met? (If "No" please provide explanation): Yes – objectives met in full. |

Signed by: John Millar (Director)

Date: 10/10/07