

## **Meeting Of the Cabinet – 20<sup>th</sup> June 2013**

### **Joint Report of the Chief Executive and Treasurer**

#### **Capital Programme Monitoring**

##### **Purpose of Report**

1. To report progress with 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.

<b>Service</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	38,512	31,629	31,470
Other Adult, Community & Housing	6,683	1,488	550
Urban Environment	32,848	13,341	5,873
Children's Services	25,280	3,353	67
Corporate Resources	2,337	920	698
<b>TOTAL</b>	<b>105,660</b>	<b>50,731</b>	<b>38,658</b>

Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced.

4. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2013/14 Programme are given in Appendix A. It is proposed that the current position be noted.

#### **Adult, Community and Housing**

##### **Disabled Facilities Grants (DFGs)**

4. Taking into account recent Government support allocations and the availability of usable housing capital receipts, £3.413m will be available for DFGs in 2013/14, funding around 370 grants depending on the nature and cost of the works involved. It is proposed that a budget for this amount be approved and included in the Capital Programme.

#### Cradley Extra Care Housing

5. It was agreed by Cabinet in September 2007 that capital receipts from previous earmarked housing land disposals should be used to assist with future Extra Care developments. It is proposed that up to £370,000 (subject to final negotiations on land value) of these resources be allocated to support the Cradley Extra Care Housing development and that this expenditure be included in the Capital Programme.

#### **Urban Environment**

#### Extra Integrated Transport resources

6. The Integrated Transport Authority (ITA) has redistributed a total of £1m of capital funding to the seven West Midlands Local Authorities, of which Dudley's proportion is £116,000.

It is proposed that this additional funding be used to increase the Integrated Transport programme to be allocated in due course, and that the Capital Programme be amended accordingly.

#### Gornal Wood Cemetery Lodge - use of Capital Receipt

7. A capital receipt of around £200,000 is anticipated from the disposal of the above property which is surplus to service requirements and is therefore likely to be sold on the open market. It is proposed that this be used to fund the following capital schemes below (total value £188,000).

- **Wollescote Park Pathways and Car Park:** £90,000 contribution towards the £60,000 cost of resurfacing the pathways and £50,000 cost of resurfacing the car park - to be supplemented by £20,000 of Section 106 funding subject to formal approval.
- **Saltwells Nature Reserve Visitors' Car Park:** £28,000 to resurface the problematic shale car park with tarmac, and associated kerbing, following concerns raised by users and the friends group.
- **Netherton Public Toilet:** £7,000 to fund capital cost of re-commissioning the toilet block to enable re-opening following a review of usage.
- **Moden Hill, Upper Gornal:** £30,000 to fund significant structural repairs to walls and banks without which the road may need to be closed - to be avoided given its important linkages.
- **Swimming Pool Covers at Halesowen Leisure Centre (invest to save):** £18,000. It is estimated that Halesowen Leisure Centre loses approximately 30% of its heating overnight through heat loss from the swimming pools. The covers will prevent this loss of heat delivering an estimated £16,000 saving per year at current gas prices
- **Lower Gornal Village CCTV Installation:** £15,000 to help combat anti-social behaviour in the village by linking CCTV cameras to the main control centre in Sedgley.

#### Changing Rooms at Homer Hill Park, Cradley

8. It is proposed to construct new permanent changing rooms on the park at an estimated cost of £250,000, to replace the temporary buildings currently attracting hire charges, and to include this project in the Capital Programme. This can be met from the anticipated sale proceeds from the adjoining Cradley High site.

## **Children's Services**

### Former school site at Corbyn Road, Dudley

9. The former school site located at Corbyn Road, Dudley is now vacant. In February 2009, Cabinet agreed that £945,000 of the capital receipts forecast to be achievable from the disposal proceeds from the site be earmarked to fund the new Old Park building project, which is now complete.

It is now proposed that the vacant building at Corbyn Road is used to provide a base for a joint Children's Safeguarding Unit and frontline social work teams, who receive and respond to all referrals for the north of the borough where a social care service is required. The site offers a central, accessible location for service users and a building which is conducive to working with families to assess their needs and to provide ongoing support and intervention to ensure children are safeguarded and to provide a case management service to children who are looked after by the local authority. The building provides the opportunity for co-location of partners working together on safeguarding which will facilitate improved collaboration and effectiveness in responding to child protection matters and developing joint initiatives to promote positive social and educational outcomes for children and their families. The proposal will allow for the facility to be used to support outcomes for children and young people in the Borough now and in the future.

This change of use to office accommodation will mean that the disposal proceeds from Corbyn Road will not now be available and it is therefore proposed to substitute an amount of £945,000 from the proceeds from the disposal of the Cradley High site to contribute to the new Old Park building project. In due course, the development of the Corbyn Road facility will release current accommodation at Church Street for disposal.

The costs of refurbishment at Corbyn Road are estimated to be £1,300,000, which can be met from unallocated unringfenced 14-19/SEN capital grant.

It is therefore proposed that the Corbyn Road site be retained for use as a base for a joint Children's Safeguarding Unit and frontline social work teams; that £945,000 of the forecast sale proceeds from the disposal of the Cradley High site be reallocated to contribute to the new Old Park school capital project; and that the cost of refurbishment of the Corbyn Road site of £1,300,000 (to be funded from 14-19/SEN capital grant) be approved and included in the Capital Programme.

### Loft Conversion at Foster Carer's Property

10. It is proposed that a foster carer's property have a loft conversion in order that they can continue with a placement of three siblings. The initial placement was for two weeks only and started on 14<sup>th</sup> May 2012, but the children have requested that they stay at the property and remain in a placement together. The property is not large enough to house all occupants such that the loft conversion is needed to create two additional bedrooms and a shower room to keep the placement intact. The social worker responsible is in agreement with the proposal.

The foster carer is aware of the long term commitment and a legal document is being drawn up to protect the council's investment if the placement should break down. The cost of £31,000 can be funded from unallocated unringfenced 14-19/SEN capital grant.

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

## **Post Completion Review of Capital Projects**

11. The Post Completion Reviews required by Contract standing orders have now been undertaken for the following schemes, with copies of the proformas summarising the reviews attached at Appendix B.

### **Children's Services**

Lapal Primary School - Boiler Replacement  
Pedmore Technology College and Community School – Replacement Windows  
Old Park Special School - Rebuild  
Thorns Community College - Emergency Accommodation  
Cradley High School - Demolition  
Blowers Green Primary School - Re-roofing  
Withymoor Primary School – New Entrance

It is proposed that these be noted.

## **Finance**

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

## **Law**

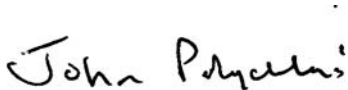
13. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

## **Equality Impact**

14. These proposals comply with the Council's policy on Equality and Diversity.
15. 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**

16. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
17. That the Council be recommended:
  - That current progress with the 2013/14 Capital Programme, as set out in Appendix A be noted.
  - That the budget for Disabled Facilities Grants be approved and included in the Capital Programme, as set out in paragraph 4.
  - That the capital schemes to be funded from the disposal of the Gornal Wood Cemetery Lodge be approved and included in the Capital Programme, as set out in paragraph 5.
  - That the additional ITA capital funding be used to increase the Integrated Transport programme, and that the Capital Programme be amended accordingly, as set out in paragraph 6.
  - That up to £370,000 (subject to final negotiations on land value) be allocated to support the Cradley Extra Care Housing development and that this expenditure be included in the Capital Programme, as set out in paragraph 7.
  - That the construction of permanent changing rooms at Homer Hill Park, Cradley, be approved and included in the Capital Programme, as set out in paragraph 8.
  - That the Corbyn Road site be retained for use as a base for a joint Children's Safeguarding Unit and frontline social work teams; that £945,000 of the forecast sale proceeds from the disposal of the Cradley High site be reallocated to contribute to the new Old Park school capital project; and that the cost of refurbishment of the Corbyn Road site of £1,300,000 (to be funded from 14-19/SEN capital grant) be approved and included in the Capital Programme, as set out in paragraph 9.
  - That the loft conversion at a foster carer's property be approved and included in the Capital Programme, as set out in paragraph 10.



**John Polychronakis**  
**Chief Executive**



**Iain Newman**  
**Treasurer**

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## **List of Background Papers**

Relevant resource allocation notifications.

## 2013/14 Capital Programme Progress to Date

Service	Budget £'000	Spend to 30 <sup>th</sup> April £'000	Forecast £'000	Variance £'000	Comments
Public Sector Housing	38,512	15	38,512	-	
Other Adult, Community & Housing	6,683	186	6,683	-	
Urban Environment	32,848	257	32,848	-	
Children's Services	25,280	129	25,280	-	
Corporate Resources	2,337	122	2,337	-	
<b>TOTAL</b>	<b>105,660</b>	<b>709</b>	<b>105,660</b>	<b>-</b>	

<b>Scheme: Lapal Primary School – Emergency Boiler Replacement Scheme</b>
<b>Date of Executive / Cabinet approval:</b> 09/02/2011 (i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant which was approved by Cabinet on the above date.
<b>Original Budget:</b> £310,000. <b>Planned Completion date:</b> 31/10/2012
<b>Outturn Cost (still provisional):</b> £286,000. <b>Actual completion date:</b> 31/10/2012
<b>Variation from Budget:</b> - £24,000. <b>Delay:</b> N/A
<b>Reason for Cost Variation and / or Delay in Completion</b> (please indicate if any variation has previously been reported to Executive / Cabinet):  This project ran to plan and to budget. There were no significant variations therefore contingencies did not need to be used. The unspent balance will be released back to the Capital Maintenance Grant budget.  Cost variations were reported at regular intervals through PIT (Project Implementation Team).
<b>Original Objectives of Scheme</b> (please indicate when and to whom these were reported):  Following a visit to Lapal Primary School but Construction and Design Team's Mechanical Engineer, and a subsequent report, it was discovered that the boiler plant at the school was in poor condition and the conclusion to the report recommended replacement of the boiler plant to ensure heating would be available to the school throughout the winter months. This project was then identified as an emergency project to be funded through the Capital Maintenance Grant for maintenance of educational buildings.  The new boiler plant and pipework has reduced the overall condition backlog of the school, improved the quality of heating to the building and allowed individual areas of the school to be heated separately. The new boiler plant has also helped provide a stimulating learning environment for pupils, staff and the wider community.
<b>Have these Objectives been met?</b> (If "No" please provide explanation):  Yes.

Signed by: Jane Porter ..... (Director)

Date: 8<sup>th</sup> April 2013 .....

**Title of Scheme: Pedmore Technology College and Community School - Replacement of windows.**

**Date of Executive / Cabinet approval:** 08/02/2012

(i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant and approved by cabinet on the above date.

**Original Budget:** £303,000.

**Planned Completion date:** 21/09/2012

**Outturn Cost** (still provisional): £290,000.

**Actual completion date:** 21/09/2012

**Variation from Budget:** - £13,000.

**Delay:** Not Applicable.

**Reason for Cost Variation and / or Delay in Completion** (please indicate if any variation has previously been reported to Executive / Cabinet):

Competitive tenders were invited in accordance with Council Standing Orders.

This project ran to plan and to budget. There were no significant variations therefore contingencies did not need to be used. The unspent balance will be released back to the Capital Maintenance Grant budget.

Cost variations were reported at regular intervals through PIT (Project Implementation Team).

**Original Objectives of Scheme** (please indicate when and to whom these were reported):

The project was prioritised through the Council's AMP (Asset Management Plan) Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.

Following a meeting of the AMP Consultation Group held on 18<sup>th</sup> January 2012 the unanimous decision by the group was to recommend that the Directorate proceeded with the Window Replacement Scheme at Pedmore Technology College and Community School. The Director of Children's Services agreed to the programme at Capital Board that also took place on 8<sup>th</sup> February 2012.

This section of new windows have reduced the overall condition backlog of the school, improved room temperatures and issues with solar gain, and also helped provide a stimulating learning environment for pupils, staff and the wider community.

**Have these Objectives been met?** (If "No" please provide explanation):

Yes.

Signed by: Jane Porter ..... (Director)

Date: 14<sup>th</sup> February 2013



<b>Title of Scheme: Rebuild of Old Park Special School</b>
<b>Date of Executive / Cabinet approval: 2<sup>nd</sup> November 2005.</b> (i.e. inclusion in Capital Programme)
<b>Original Budget (at tender stage):..... £ 10.364m</b>  Planned Completion date:                      December 2011
<b>Outturn Cost (please indicate if still provisional):.....£ 9.319m (p)</b> <b>Actual completion date:</b> October 2011 for main project. The Rufford Pitch completion date was due on 9 <sup>th</sup> November 2012. Due to the extreme wet weather prior to Christmas and the snow after the project had to stop due to the ground being too saturated to work on. The project later resumed once the ground had dried out enough to work on.
<b>Variation from Original Budget:</b> Due to a very keen tender the project was delivered under budget. <b>Delay:</b> No Delay
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):</b> The main project was completed ahead of the completion date and within budget.
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b> The project, part funded through Targeted Capital Funding from the DCSF, aimed to create a new fit for purpose facility for Old Park Special School. The new school has been provided with a community size hydro pool, hoists and tracking to all classrooms and care rooms.
<b>Have these Objectives been met? (If "No" please provide explanation):</b> Yes

Signed by: Jane Porter ..... (Director)

Date: 6th June 2013.....

**Title of Scheme: Thorns Community College – Emergency accommodation project and demolition of the Phase 1 annexe block.**

**Date of Cabinet approval:** This project was funded from the Modernisation Grant which was approved on 13<sup>th</sup> Feb 2008. The emergency scheme was reported in September 2010 reference DCS/32/2010.

**Original Budget :** £650,000.

**Planned Completion date:** September 2010 for the temporary mobiles. February 2011 for the asbestos removal. April 2011 for the Annexe demolition. December 2011 for the provision of a new playground.

**Outturn Cost (still provisional):** £647,000.

**Actual completion date:** All completed on time

**Variation from Budget:** £3,000 under spent.

**Delay:** Not Applicable.

**Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet):**

This project ran to plan and to budget. There were no significant variations therefore the contingencies were not fully spent.

Cost variations were reported at regular intervals through PIT (Project Implementation Team).

**Original Objectives of Scheme (please indicate when and to whom these were reported):**

To provide temporary mobile teaching accommodation for the English and Humanities on-site to compensate for the general teaching areas lost by closing the Annexe building. The relocation of the teaching areas into these units will be necessary to ensure that the school has sufficient teaching accommodation until additional capital funding has been identified.

The Annexe provided approximately 30% of the total teaching area of the schools' accommodation. The Annexe building will be taken out of use immediately and demolished as soon as possible. The area will then be made good to compensate for the playground and netball/basket ball loss (where the temporary mobiles are sited).  
The chosen solution was to replace the block with mobile accommodation.

**Have these Objectives been met? (If "No" please provide explanation):**

Yes.

Signed by: Jane Porter ..... (Director)

Date: 6th June 2013

<b>Title of Scheme: Cradley High School – Demolition</b>
<b>Date of Cabinet approval:</b> 09/12/2009 (i.e. inclusion in Capital Programme) This project was funded from the Revenue budget and approved by Cabinet on the above date.
<b>Original Budget :</b> £450,000. <i>Following a lower than anticipated tender return the budget was reduced to £300,000.</i>  Planned Completion date: 3 <sup>rd</sup> September 2010
<b>Outturn Cost (still provisional):</b> £282,000.  Actual completion date: 27 <sup>th</sup> August 2010
<b>Variation from Budget:</b> Project completed £18,000 under budget. Delay: Not Applicable.
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet):</b>  This project ran to plan and to budget. There were no significant variations therefore the contingencies were not fully spent. The project was completed ahead of the agreed completion date and under budget.  Cost variations were reported at regular intervals through PIT (Project Implementation Team).
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b>  Due to insufficient places in Dudley secondary schools the decision was made to close the Cradley High School.  A further decision was made to demolish the former Cradley High School due to the rising costs of maintaining the buildings.
<b>Have these Objectives been met? (If "No" please provide explanation):</b> Yes

Signed by: Jane Porter ..... (Director)

Date: 17<sup>th</sup> May 2013

<b>Title of Scheme: Blowers Green Primary School – Re-roofing project.</b>
<b>Date of Executive / Cabinet approval:</b> 09/02/2011 (i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant approved by cabinet on the above date.
<b>Budget at Tender Stage:</b> £278,000 Planned Completion date: 18/01/2013
<b>Outturn Cost:</b> £256,000 Actual completion date: 08/02/2013
<b>Variation from Budget at Tender Stage:</b> - £22,000 Delay: 15 working days
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):</b> Final Account has been agreed and the unspent contingency of £22,000 will be released back to the Capital Maintenance Grant budget. Cost variations were reported at regular intervals through PIT (Project Implementation Team).  An Extension of Time was requested and awarded due to adverse weather conditions.
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b>  The project was prioritised through the Council's AMP (Asset Management Plan) Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.  Following a meeting of the AMP Consultation Group held on 18 <sup>th</sup> January 2012 the unanimous decision by the group was to recommend that the Directorate proceed with the Re-roofing Scheme at Blowers Green Primary School. The Director of Children's Services agreed to the programme at Capital Board that also took place on 8 <sup>th</sup> February 2012.  The completed project has offered a permanent solution to the roof failure and has provided a school environment that is equipped for 21st century teaching and learning.
<b>Have these Objectives been met? (If "No" please provide explanation):</b> Yes.

Signed by: Jane Porter ..... (Director)

Date: 6<sup>th</sup> June 2013.....

<b>Title of Scheme: Withymoor Primary School – New Entrance.</b>
<b>Date of Executive / Cabinet approval:</b> <i>May 2011</i> (i.e. inclusion in Capital Programme) This project was funded through identified school budgets; Devolved Capital, Delegated Budget and Pre School Trading Account Reserves.
<b>Budget at Tender Stage:</b> <i>£217,000</i>  Planned Completion date: <i>21/09/2012</i>
<b>Outturn Cost (still provisional):</b> <i>£221,000</i> Actual completion date: <i>21/09/2012</i>
<b>Variation from Budget at Tender Stage:</b> <i>£4,000</i> Delay: <i>Not applicable.</i>
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):</b>  The project was completed on time and within the tender budget. The extra cost of £4,000.00 was for additional resurfacing works the school requested that was not included within the original Contract.  Cost variations were reported at regular intervals through PIT (Project Implementation Team).
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b>  The existing main entrance appeared tired and not particularly welcoming. Therefore the Governors of Withymoor Primary School had expressed a desire for a more prominent main entrance that improves legibility and creates a focal point from the entrance drive. This project was subsequently highlighted as the school's top one building priority in the School's Building Development Plan.  The new entrance has provided a strong impression to visitors and prospective pupils alike and is regarded as key to the future success of the schools ability to provide the highest level of educational standards amidst increasing levels of competition for pupil places.
<b>Have these Objectives been met? (If "No" please provide explanation):</b> Yes.

Signed by: Jane Porter ..... (Director)

Date: 6<sup>th</sup> June 2013