

Meeting Of the Cabinet – 30th October 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 provided by Directorates.

Service	2013/14	2014/15	2015/16
	£'000	£'000	£'000
Public Sector Housing	39,878	33,015	31,470
Other Adult, Community & Housing	9,001	2,647	550
Urban Environment	31,462	20,421	10,302
Children's Services	15,302	15,011	80
Corporate Resources	2,260	1,236	1,428
TOTAL	97,903	72,330	43,830

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 and that budgets be amended to reflect the reported variances.

Urgent Amendment to the Capital Programme

Internal remedial works to offices at Mary Stevens Park, Stourbridge

5. The Transforming Our Workplace project was approved by Cabinet on the 14th July and includes the disposal of 12 surplus offices sites in Dudley town centre and the refurbishment of core offices to be retained.

When the Directorate of the Urban Environment collocated to 4 Ednam Road, three offices were vacated, including that at Mary Stevens Park (MSP). Retention of the office was necessary so that the Directorate of Children's Services could occupy the site. This would provide Children's Services with the opportunity to establish a strategic hub in the south of the borough to support the most vulnerable children and families in this area. As a result Children's services would be able to vacate a further 2 leased properties plus freehold sites at Halesowen District Office and Church Street Education Centre in Pensnett providing additional savings and capital receipts to the Council.

In order to accommodate the most vulnerable children and families, essential improvement works are required to the ground floor of the building. These include upgrading the existing reception and providing adjoining family rooms and associated amenities to accommodate vulnerable clients. As MSP will become a core Council office managed centrally, only essential works are being carried out to the same quality standard and cost controls applied to the wider project. This will include a modest amount of work to create new kitchen/break out areas for staff which can also be used for agile working by staff when working in the Stourbridge area.

The total cost of the work proposed is £121,000, which can be funded from a £50,000 allocation from the existing Transforming Our Workplace project and a £25,000 contribution from the Directorate of Children's Services capital programme (unallocated unringfenced 14-19/SEN capital grant), with the balance of £46,000 being met from anticipated future disposal proceeds resulting from the ongoing rationalisation of the Council's assets.

In order to accommodate additional staff moves within the existing programme and avoid knock on slippage, the proposed work at MSP has to commence as soon as possible, ideally starting in November 2013. To facilitate this, a decision (ref. DCR/35/2013) was made by the Leader of the Council in consultation with the Treasurer on 30th September 2013 to authorise internal remedial works to the council offices at Mary Stevens Park, Stourbridge as part of the Transforming Our Workplace project and include the works in the Capital Programme.

Post Completion Review of Capital Projects

6. 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.

Urban Environment

Salt Barn and Green Waste Facility

Children's Service

Modernisation of Hawbush Primary School

It is proposed that these be noted.

Finance

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

Law

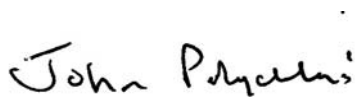
8. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Equality Impact

9. These proposals comply with the Council's policy on Equality and Diversity.
10. 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

11. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
12. That the Council be recommended:
 - That current progress with the 2013/14 Capital Programme as set out in Appendix A be noted and that budgets be amended to reflect the reported variances.
 - That the Urgent Amendment to the Capital Programme, as set out in paragraph 5, be noted.



John Polychronakis
Chief Executive



Iain Newman
Treasurer

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

List of Background Papers

Relevant resource allocation notifications.

2013/14 Capital Programme Progress to Date

Service	Budget £'000	Spend to 30 th September £'000	Forecast £'000	Variance £'000	Comments
Public Sector Housing	39,878	12480	39,878	-	
Other Adult, Community & Housing	9,001	3814	8,989	-12	See Note 1
Urban Environment	31,462	10398	31,462	-	
Children's Services	15,302	2777	15,302	-	
Corporate Resources	2,260	842	2,260	-	
TOTAL	97,903	30,311	97,891	-	

Note 1: Minor underspend on completion of refurbishment of the Unicorn Centre (formerly Amblecote SEC).

Title of Scheme: Modernisation of Hawbush Primary School
Date of Cabinet approval: 13th February 2008 <i>(i.e. inclusion in Capital Programme)</i> This project was funded from the Primary Capital Programme Grant which was approved by Cabinet on the above date.
Original Budget : £5,040,000.00 Planned Completion date: 31st October 2011
Outturn Cost: £5,400,000.00 Actual completion date: 31st October 2011
Variation from Budget: £360,000.00 Delay: Not applicable.
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): <p>The increased costs are associated with provisional sums for items of work that has now been fully priced. Additional costs were also incurred for essential unforeseen works resulting in a contingency overspend. Additional areas of the existing community room were also added to the project as a variation. Additional funding was allocated and cost variations were reported and agreed at regular intervals through PIT (Project Implementation Team).</p> <p>The project was finished within the Contract Completion Date.</p>
Original Objectives of Scheme (please indicate when and to whom these were reported): <p>The project was prioritised through the Council's Strategy for Change as part of the Government's Primary Capital Programme initiative, which aimed to replace or update at least half of all primary schools. Hawbush Primary School was prioritised due to the poor condition of the existing building and the ability to rebuild within the existing site whilst pupils were still in the old school, all of which could be achieved within the timescale condition's for the first phase of the grant.</p> <p>The completed project has provided the pupils of Hawbush Primary with a school environment that is equipped for 21st century teaching and learning. The new development has also provided the pupils, staff, governors, parents and wider community with a physical environment that will inspire and challenge them. The new school is welcoming and reflects the message to the community that the learning environment is open to all.</p>
Have these Objectives been met? (If "No" please provide explanation): Yes.

Signed by: Jane Porter (Director)

Date: 9th September 2013

Title of Scheme: Salt Barn & Green Waste Transfer Facility – Lister Road
Date of Cabinet approval: 08/ 02/2012 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet) £ 1,000,000 Planned Completion date: 10/2012
Outturn Cost (please indicate if still provisional): £ 1,156,000 Actual completion date: 11/2012
Variation from Original Budget: £ 156,000 Delay: 1 month
<p>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet):</p> <p>During ground investigation a specialist stabilisation contractor identified the need for additional works due to the existing site conditions related to the historic use of the site and as a consequence a Decision Sheet dated 11th June 2012 authorised a £100,000 amendment to the capital budget.</p> <p>During construction additional safety works were agreed as was a change in a building material supplier following background checks .These factors increased costs by a further £56,000.</p> <p>Additional negotiations and works associated with the above accounted for the delay in completion.</p> <p>The overspend was covered within the overall revenue budget.</p>
<p>Original Objectives of Scheme (please indicate when and to whom these were reported):</p> <p>The objectives of the project and overall scheme were reported to Cabinet on 8th February 2012. The salt barn facility was built in recognition of Government recommendations for local authorities across the country to invest in new winter resilience initiatives following the most severe winter weather in recent years. The salt barn has provided for increased storage capacity, improved drainage and overall management of the boroughs salt stock, reducing previous corrosion and leaching of the salt.</p> <p>The Green waste building was introduced to reduce waste handling costs. The Council previously delivered its green waste to an external waste transfer station facility with the new building at Lister Road being central to its operation, providing for better storage and overall management of green waste prior to disposal for composting means.</p> <p>Both facilities have resolved previous environmental, operational and compliance concerns and have been fully supported by the Environment Agency. In addition, the project has improved overall site management at Lister Road depot following redesign and development of the highways compound where both buildings are situated.</p>
<p>Have these Objectives been met? (If "No" please provide explanation):</p> <p>Yes</p>

Signed by: John Millar (Director)

Date: 16th October 2013