

Meeting of the Cabinet – 16th March 2011

Joint Report of the Chief Executive and Treasurer

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	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Public Sector Housing	34,935	38,384	0
Other Adult, Community & Housing	5,639	6,428	3,393
Urban Environment	23,862	18,925	13,527
Children's Services	26,645	30,012	653
Corporate Resources	4,436	1,630	674
Chief Executive's	460	274	254
TOTAL	95,977	95,653	18,501

4. Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced. The Public Sector Housing programme after 2011/12 will be significantly affected for the proposed new arrangements for financial management of the Housing Revenue Account.
5. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2010/11 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

New Homes Bonus

6. Commencing in April 2011, the New Homes Bonus will match fund the additional council tax raised for new homes and properties brought back into use, with an additional amount for affordable homes, for the following six years. This is with the intention of easing the strains on councils' finances which might otherwise result from housing growth. Dudley's provisional allocation of New Homes Bonus funding for 2011/12 is £546,000.

It is proposed that this is allocated to support private sector housing grants and loans for renovation and major repair work which will contribute to bringing empty and substandard residential properties back into use, and that the Capital Programme be amended accordingly.

Affordable Housing at Middlepark Road, Dudley

7. West Mercia Housing Group is undertaking an affordable housing development at Middlepark Road, Russells Hall, consisting of bungalows, houses and sheltered accommodation. This will help to meet a range of local housing needs.

It is proposed to support the development with a contribution of £94,000, and that this be included in the Capital Programme. This can be funded from existing "Section 106" monies provided by housing developers in lieu of affordable housing on site.

New Archive

8. The location of the new Archive and Local History Centre building has been moved from the Black Country Living Museum to the adjacent former Royal Brierley site on Tipton Road. The result is a reduction in cost due to improved ground conditions, with a revised estimated cost of £6m rather than the current approved £7m.

It is proposed that the above be noted and the Capital Programme amended accordingly.

Urban Environment

Sedgley Hall Farm Park, Brook Course Erosion

9. The western brook course within Sedgley Hall Farm Park has been subjected to high levels of water flows, from increased levels of development, during storm conditions over the last 20-30 years. As a result of this, there is evidence of bank erosion. An options appraisal was carried out in March 2009 which recommended stabilisation by a "gabions and terramesh" retaining structure. The works would need to be preceded by a number of mandatory environmental surveys, to ensure that the environmental impact of the works was minimised. The environmental surveys would be carried out in the early spring and the works during the summer dependent upon weather and ground conditions.

The estimated total cost of the works is £350,000 which can be funded by prudential borrowing repaid from Culture and Leisure revenue budgets. It is proposed that the project be approved and included in the Capital Programme.

Finance

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

Law

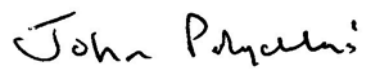
11. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Equality Impact

12. These proposals comply with the Council's policy on Equality and Diversity.
13. 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

14. That current progress with the 2010/11 Capital Programme, as set out in Appendix A be noted.
15. That the Council be recommended:
 - That the New Homes Bonus funding for 2011/12 be allocated to support private sector housing grants, and that the Capital Programme be amended accordingly, as set out in paragraph 6.
 - That the contribution of £94,000 to West Mercia Housing Group in respect of the affordable housing development at Middlepark Road, Russells Hall be approved and included in the Capital Programme, as set out in paragraph 7.
 - That the reduction in cost of the new Archive and Local History Centre be noted and the Capital Programme amended accordingly, as set out in paragraph 8.
 - That the Sedgley Hall Farm Park brook course stabilisation project be approved and included in the Capital Programme as set out in paragraph 9.



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.

2010/11 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31st January £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	34,935	20,287	34,935		
Other Adult, Community & Housing	5,639	4,121	5,639		
Urban Environment	23,862	13,833	23,862		
Children's Services	26,645	18,802	26,645		
Corporate Resources	4,436	3,638	4,436		
Chief Executive's	460	229	459	-1	Minor saving
TOTAL	95,977	60,910	95,976	-1	