

Meeting Of the Cabinet - 14th June 2006

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 certain amendments.

Background

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

Service	2006/07	2007/08	2008/09
	£'000	£'000	£'000
Public Sector Housing	24445	24098	25242
Other Adult, Community & Housing	6712	2133	1669
Urban Environment	36636	27279	11472
Children's Services	31249	16481	2418
Finance, ICT & Procurement	1677	347	350
Law & Property	1688	659	659
Chief Executive's	1646	161	0
TOTAL	104053	71158	41810

4. Note that the overall capital programme for 2007/08 and 2008/09 is likely to increase as extra funding becomes available.
5. In accordance with the requirements of the Financial Management Regime (FMR), details of progress with the 2006/07 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Stairlifts

6. A sum of £60,000 is available from the Access and Systems Capacity grant to fund the installation of Stair Lifts for those assessed as needing them. This investment, in line with Government directions and targets, will assist people to remain living in their own homes.

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

Regional Housing Board Allocations 2006/07

7. The Council has received an allocation from the Regional Housing Board of £283,000 to fund housing market renewal and growth. This is Dudley's share of funds allocated for market restructuring in an area encompassing the Black Country and Telford.

Specific projects will be developed, liaising with our neighbour authorities as appropriate, in line with the purposes for which the funds were allocated.

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

Revised Public Sector Housing Capital Programme

8. Cabinet approved a three year capital programme for 2006-09 in February 2006. The following amendments to the programme are now proposed.

- To ensure private sector waiting times for Adaptations are comparable with the public sector, it is proposed to reallocate £300,000 of resources from the private sector Disabled Facilities Grants (DFG) budget to the 2006/7 public sector Adaptations programme. This one-off budget increase will deal with an additional 45 referrals. A further £327,000 of existing resources are proposed to be switched from revenue programmes over the three years to support the Adaptations budget and contribute towards further reducing waiting times by adapting void properties on re-let for appropriate new tenancies.

Further proposed additions to the housing three year capital programme can be financed from operational efficiencies made during 2005/6 and by re-profiling existing programmes between financial years. The additions complement the aims and objectives of the current approved housing capital programme in terms of addressing the Government's Decent Homes Standard, maintaining current repair service standards and in contributing towards the corporate and community objectives of safety matters, environment matters, caring matters and local people matter. The proposed revisions are summarised as follows:

- A £250,000 addition to the Community Safety Programme to deal with a replacement programme of up to 400 street lighting columns that are sited on Housing Revenue Account land. These columns are in poor condition, and will be replaced and upgraded to the same modern specification as the current replacement programme for general Highways street lighting, taking the opportunity to relocate to a more beneficial position wherever possible. The replacement programme will be delivered through a partnership already procured by the Directorate of the Urban Environment, resulting in efficiency and procurement savings.

- An additional £1.1m is proposed to complete the replacement of 4,500 warden call systems in the Council's housing stock over the next 12 - 18 months. Many systems are now obsolete and whilst limited replacement has already been undertaken most of the remaining installations are over 15 years old and are generating reliability and repairability problems. In addition they are not all compatible with modern Telecare and Telemedicine technology.
- Now that the back-log of routine repairs has been addressed a grouped programmed works approach is no longer required to deal with non-urgent repairs. The residual budget remaining for Programmed Repairs will deal with works identified in 2005/6 and currently being completed. £8m of existing approved resources are proposed to be transferred to the External Envelope Scheme to undertake a programmed approach of façade type works. It is also proposed to increase the External Envelope budget by £1.8m over three years to support the external painting programme. This will finance the replacement of timber doors, soffits and fascias etc. that are beyond repair and cannot economically be redecorated. Future non-urgent repairs will be carried out within 28 days from existing revenue programmes.
- Re-profiling of the Programmed Works budget will also allow a proposed increase in the Minor Works programme of £2m. This would deal with miscellaneous improvements that have been identified as potential decent homes failures, e.g. subsidence works. It would also deal with larger works that are outside the scope of decency or the revised repairs standard, but which may pose potential health & safety problems if not addressed.
- Rescheduling existing budgets also allows for the Voids budget to be increased by £1m to deal with decent homes work that can be carried out more efficiently when the property is empty, whilst also improving the lettability of the property.
- It is intended to construct a new store and glass fabrication facility at the Walk Depot, Sedgley, and for the building work to be undertaken by Building Services Apprentices. The project will be used by the Apprentices as part of a structured training programme to develop core construction skills, providing invaluable experience for local people - since this kind of opportunity for 'new build' construction does not arise often for Building Services. Consequently labour costs will be met from within the Apprentices training budget and there will only be a need for the Capital budget to finance materials and plant used. It is therefore proposed to increase the budget for Improvements to Stores Facility by £20,000.

Following adjustments to budgets to reflect actual expenditure in 2005/06 the revised capital programme including the impact of the above proposals is attached at Appendix B.

Urban Environment

Himley Hall Boilers

9. The original coal-fired boilers at Himley Hall are increasingly labour intensive to run, unreliable and insufficient for both the current usage of the Hall and any planned development of the North Wing. Also, soot/dirt emissions from the cellar based boilers are preventing the income generating development of the North Wing, and thereby the completion of the Ground floor refurbishment.

Conversion of the boilers to run on oil, and associated works, will cost £130,000. Of this, £50,000 can be met from Directorate reserves, and £80,000 from the corporate Repairs & Maintenance budget. Listed Building Consents have been obtained and work can be carried out during the summer period.

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

Air Quality Monitoring Grant

10. An application for Air Quality Monitoring grant of £27,000 for expenditure on air pollution dispersion modelling software has been made to DEFRA. This will assist the Council in its air quality management duties under Part IV of the Environment Act 1995.

It is proposed that should the application be successful, the expenditure be included in the Capital Programme.

Liveability - Extra Funding

11. As part of the Liveability project, parks masterplans are in preparation in close consultation with the Friends of the Parks groups. After public consultation and completion of the masterplans, funding will be required to deliver the prioritised action plans for improvements to the parks. Although substantial capital funding is available through the Liveability programme, the inclusion of available Section 106 funding will allow more work to be carried out at the following locations:

- Stevens Park, Wollescote £16,000;
- Marsh Park, Brierley Hill £49,000;
- Silver Jubilee Park, Coseley £18,000;
- Stevens Park, Quarry Bank £127,000;
- Bernard Oakley Memorial Gardens, Cradley £6,000.

The Council has also, via the Friends Group, secured £12,000 of National Playing Fields Association (NPFA) grant for expenditure on teen play facilities at King George V Park, Wordsley.

It is proposed that these works be included in the Capital Programme.

Withymoor Pitches

12. Following the laying out of football pitches at Withymoor Village, Brierley Hill (Under the terms of a legal agreement), the developer was due to transfer the land to the freehold ownership of the Council. However, the transfer has been delayed due to settlement of the land which has subsequently rendered 2 of the 3 pitches unplayable.

Following geotechnical investigations, officers are now satisfied that there is insufficient risk of further settlement to prevent the land transfer from taking place, and a sum of £85,000 has been agreed as a contribution by the developer towards the estimated cost of £90,000 of bringing the pitches back into a suitable condition for play. The balance of the funding required is available from other Section 106 receipts. Work is planned to commence in August 2006.

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

Children's Services

Sutton School Specialist Status

13. The Sutton School has been awarded specialist school status in Business & Enterprise, accompanied by a DfES capital grant of £100,000. A project has been developed involving the construction of a new block that will house a music classroom, practice rooms and pupil toilets, and refurbishment of an existing IT room to create a Community Conferencing and IT facility. The estimated project cost is £200,000 which can be funded as follows: DfES capital grant £100,000; sponsorship raised by the school £20,000; school revenue reserves £44,000; devolved capital £36,000. The project is due to commence over the summer.

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

Youth Capital Fund - Extra Allocations

14. The Council's allocation for each of the years 2006/07 and 2007/08 has been increased from £120,000 to £164,000. This funding will be used to provide more choice for young people in terms of places to go and things to do - including the upgrading of existing facilities and building new facilities where appropriate. It will be allocated to specific projects in due course following consideration of how the funding can best be used to meet these objectives - including appropriate consultation with young people.

It is proposed that the increase in funding be noted and the Capital Programme be amended accordingly

Wrens Nest Primary

15. A sum of £90,000 is available from Section 106 contributions from a developer who is constructing additional dwellings in the catchment area of Wrens Nest Primary. This funding can be added to the Targeted Capital Funding already available to provide a new purpose built primary school on the Wrens Nest site, and will enhance education provision at the school.

It is proposed that the budget for this project be increased accordingly.

"Other Services" Capital Programme 2006/07

16. The only resources available for capital investment in Other Services - other than specific grants - will be those generated from disposal of surplus assets.
17. It is estimated that around £1.4m of such resources will be available in 2006/07. Existing commitments against this total are as follows:

Asset Management Plan (AMP) team:	£136,000
Fencing off Stepshaft Mine:	£85,000
Seven Sisters - cap on AMW Funding:	£177,000

leaving around £1.0m for allocation.

18. Following consideration by Corporate Board, it is proposed that this sum be allocated as follows.

	£000
Area Committee Capital - on the basis of £10,000 per Ward	240
Replacement of Council Chamber ICT system	75
Disability Discrimination Act compliance works - to be allocated after appropriate prioritisation to buildings requiring long term public access	100
Economic Regeneration - Feasibility Funding, Town Centres (inc. Xmas Lights), etc.	100
Contingency retained for Urgent Priorities and Matchfunding, etc. which may emerge during the year	485
Total	1000

Urgent Amendment to the Capital Programme

Resettlement of Ridge Hill Hospital - 20 Vicarage Road

19. In order to meet the necessary deadlines, an urgent decision (ref. DOSS/006/2006) was made by the Leader of the Council and the Chief Executive in consultation with the Director of Adult, Community and Housing Services, and the Director of Finance, on 14th March 2006:
- To confirm agreement to proceed with a Section 28A agreement with Dudley South PCT and a contract with Accord Housing Association for the allocation of capital to enable Accord to buy, adapt and maintain a bungalow in Vicarage Road, Amblecote, to be occupied by people with learning disabilities resettled from Ridge Hill Hospital.
 - To agree that this scheme should be included in the Council's Capital Programme.

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

Resettlement of Ridge Hill Hospital - Profound and Multiple Learning Disabilities (PMLD) Project

20. In order to meet the necessary deadlines, an urgent decision (ref. DOSS/006/2006) was made by the Leader of the Council and the Director of Law & Property in consultation with the Director of Adult, Community and Housing Services, and the Director of Finance, on 25th April 2006:
- To confirm agreement to proceed with a Section 28A agreement with Dudley South PCT and a contract with a Registered Social Landlord for the allocation of capital to enable the construction of two units of accommodation on the Ridge Hill site, to be occupied by people with a learning disability resettled from Ridge Hill Hospital.
 - To agree that this scheme should be included in the Council's Capital Programme.

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

Christ Church Park, Lye & Western Avenue, Brierley Hill

21. The Christ Church Park scheme is to provide a new public open space in Lye Centre as identified in the Lye Action Plan. The creation of the park will happen in two separate phases, with Phase 1 already funded and underway. Towards the end of 2005/06 the Countryside Agency offered the Council the opportunity to access some underspend from their "Rights of Way Infrastructure Improvement Grant". A bid was submitted at short notice and was successful in securing £19,000 which had to be spent by 31.3.06 enabling commencement of Phase 2.

The Western Avenue scheme in the Liveability Programme also secured additional funding of £24,500 via Groundwork Black Country from the ODPM's Living Spaces Programme and £8,500 from BTCV's People's Places Programme, all of which had to be spent by 31.3.06. This enabled full delivery of Phase 1 of the scheme which involves fishing platforms, a fitness trail and access improvements.

In order to meet the necessary deadlines, an urgent decision (ref. DUE/15/2006) was therefore made by the Leader of the Council in consultation with the Director of Finance, on 8th March 2006:

- To amend the Capital Programme to include increased spend for the Christ Church Park and Western Avenue schemes, as a result of additional external grant secured from the Countryside Agency, Office of the Deputy Prime Minister (ODPM) and British Trust for Conservation Volunteers (BTCV).

Atlantic House (Accommodation for the Warehouse)

22. The Warehouse is the voluntary sector provider of services for drug mis-users in Dudley. The Warehouse's offices in Brierley Hill are too small to cope with the volume of work, and the identification of suitable new premises is critical, because otherwise the Warehouse will not be able to use additional Government funds to provide treatment services to more clients and the Council will not be able to meet the Government targets.

Suitable premises at Atlantic House in Lye have now been identified, which are proposed to be leased for 18 years with break clauses every three years so that the lease can be terminated before the expiry date if necessary.

The revenue costs of the lease will be met from Department of Health funding. In addition, capital refurbishment costs of £550,000 necessary to bring the premises into use can be funded from the Home Office's Drugs Intervention Programme.

In order to enable negotiations to be concluded as quickly as possible to secure the lease on the property, an urgent decision (ref. DACHS/008/2006) was therefore made by the Leader of the Council in consultation with the Chief Executive and Director of Finance, on 31st May 2006, to (amongst other things) agree that the refurbishment of Atlantic House at a cost of £550,000 should be included in the Capital Programme.

Post Completion Review of Capital Projects

23. The Post completion Review required by Contract standing orders has now been undertaken for the following scheme, with a copy of the proforma summarising the review attached at Appendix C.

Urban Environment Transforming Your Space

It is proposed that this be noted.

Finance

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

Law

25. 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.

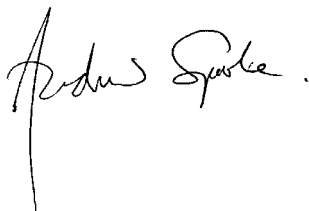
Equality Impact

26. These proposals comply with the Council's policy on Equal Opportunities.
27. 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

28. That current progress with the 2006/07 Capital Programme, as set out in paragraph 2 and appendix A be noted.
29. That the result of the Post Completion Review of a capital project, as set out in Appendix C be noted.
30. That the Council be recommended:
- That the expenditure of £60,000 on Stair Lifts be included in the Capital Programme, as set out in paragraph 6.

- That the Regional Housing Board allocation of £283,000 be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 7.
- That the amendments to the Public Sector Housing Capital Programme be approved, as set out in paragraph 8.
- That the project to convert the boilers at Himley Hall be approved and included in the Capital Programme, as set out in paragraph 9.
- That should the application for Air Quality Monitoring grant be successful, the expenditure on air pollution dispersion modelling software be included in the Capital Programme, as set out in paragraph 10.
- That the extra Liveability works to be funded from Section 106 contributions and NPFA grant be included in the Capital Programme, as set out in paragraph 11.
- That the expenditure on bringing the pitches at Withymoor Village back into a suitable condition for play be included in the Capital Programme, as set out in paragraph 12.
- That the Specialist School project at the Sutton School be approved and included in the Capital Programme, as set out in paragraph 13.
- That the increase in Youth Capital funding be noted, and the Capital Programme be amended accordingly, as set out in paragraph 14.
- That the budget for the new Wrens Nest Primary School be increased to include £90,000 of Section 106 funding, as set out in paragraph 15.
- That the allocation of “Other Services” capital resources be approved, as set out in paragraph 18.
- That the Urgent Amendment to the Capital Programme, as set out in paragraphs 19-22 be noted.



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List of Background Papers
 Relevant resource allocation notifications.

2006/07 Capital Programme Progress to Date

Service	Budget £'000	Spend to 30th April £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	24445	896	24445	-	-
Other Adult, Community & Housing	6712	276	6712	-	-
Urban Environment	36636	1454	36636	-	-
Children's Services	31249	524	31249	-	-
Finance, ICT & Procurement	1677	24	1677	-	-
Law & Property	1688	117	1688	-	-
Chief Executive's	1646	8	1646	-	-
TOTAL	104053	3299	104053	-	

Proposed Public Sector Housing Capital Programme 2006/07 - 2008/09

Programme	2006/07 £000	2007/08 £000	2008/09 £000	3 Year Total £000
Adaptations	1,859	1,069	1,102	4,030
Central heating	3,615	4,673	4,628	12,916
Community Safety	2,754	592	611	3,957
Electrical Installations	2,539	4,108	3,874	10,521
External Envelope Schemes	3,993	4,428	8,128	16,549
External Wall Insulation - Brierley Hill	440	0	0	440
Housing for 21st Century	124	0	0	124
Improvements to Stores Facility	345	0	0	345
Insulation	113	30	31	174
Minor Works	2,482	2,172	1,037	5,691
Modernity and Decent Homes	3,282	5,103	2,716	11,101
Non Traditional Construction	70	665	0	735
Programmed Works	1,982	0	0	1,982
Retention and Overprogramming	-3,596	1,000	-20	-2,616
Tenants Association	90	84	86	260
Void Property Improvements (Decency)	3,920	0	0	3,920
Window Replacement	58	0	0	58
Total	24,070	23,924	22,193	70,187

National Lottery New Opportunities Fund 'Fair Share' – Transforming Your Space

Date of Executive approval: 10th September 2003

Original Budget (as first reported to Executive / Cabinet): £372,000

Planned Completion date: September 2005 (end of last defects period)

Outturn Cost (please indicate if still provisional): £451,000

Actual completion date: August 2006 (end of last defects period)

Variation from Original Budget: £79,000

Delay: 11 months

Reason for Cost Variation and / or Delay in Completion

It was anticipated at the start of the scheme and recognised in the project appraisal that additional external funding either through grant sources or Section 106 receipts were likely to be secured during the life of this project and that in the event of this happening it would be possible, in consultation with stakeholder groups, to extend the scope of the improvements.

Additional funding has become available and reported to the Cabinet on a number of previous meetings as below:

- Primary Care Trust Steps to Health programme (Priory Park, Netherton Park, Buffery Park & Grange Park)
- Neighbourhood Renewal funding (Netherton Park & Buffery Park)
- Section 106 (Priory park, Grange Park, Netherton Park, Fens Pools, Buffery Park, Mary Stevens Park, Bumble Hole, Wordsley Park)

The availability of additional funding has allowed additions to be made to the scope of the works in accordance with the aspirations of the Friends of the Parks groups.

This project has been delivered via a number of works contracts. The majority of these were delivered within planned completion date; however, slippage has occurred in 2 areas. In the case of 2 parks, implementation of improvements was delayed pending the completion of parks masterplans prepared through the Liveability programme. In addition, the programme of parks signage proved to be more complex than initially expected which led to delays in implementation

Original Objectives of Scheme

The original objectives of scheme as set out in the project appraisal dated 19th May 2004 and reported to the Local Strategic Partnership prior to submission of a funding bid to the New Opportunities Fund were

- To enable and encourage residents and visitors to access parks and green spaces, and maximise the potential of these areas as community assets
- To provide activities and facilities that promote healthy living
- To provide or promote safe and enjoyable fun activities for a wide range of groups and individuals
- To promote long term community use of parks and green spaces.

The above was proposed to be achieved by the provision of various park improvements by the implementation of three contracts, and also by service level agreements with Future Skills Dudley. The work included the following;

- Extension to existing play area and conversion of existing tennis court into a multi use games area at Priory Park
- Creation of a new play and conversion of existing tennis court into a multi use games area at Grange Park
- Security and information works, including fencing, signage, bollards and barriers across all twelve parks and open spaces in the TYS programme.

Have these Objectives been met?

Yes, and enhanced by availability of additional external funding