

Meeting of the Cabinet - 21st March 2007

Joint Report of the Chief Executive and Director of Finance

Capital Programme Monitoring and Bids for External Funding

Purpose of Report

1. To report progress with the implementation of the Capital Programme.
2. To propose amendments to the Capital Programme.
3. To propose the approval of bids for external funding.

Background

4. 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	23184	26405	23342
Other Adult, Community & Housing	7717	3195	1669
Urban Environment	27202	39782	17839
Children's Services	19399	30007	2418
Finance, ICT & Procurement	1584	693	309
Law & Property	1759	763	659
Chief Executive's	1345	973	0
TOTAL	82190	101818	46236

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

Disabled Facilities Grants (DSGs) and Housing Assistance Grants

6. Taking into account the Disabled Facilities Grant funding allocation of £1.129m and the Regional Housing Board Decent Homes funding allocation of £1.016m, together with other Housing capital resources already agreed to be earmarked to support Private Sector Housing capital expenditure, it is proposed that the following budgets for 2007/08 be agreed:
- £2.272m for Disabled Facilities Grants (DFGs), funding around 170 grants depending on the nature and cost of the works involved.
 - £1.000m for Housing Assistance Grants in line with previous years' budgets, enabling further progress to be made in dealing with unfitness in the private sector, funding around 90 grants depending on the nature and cost of the works involved.

Kickstart

7. The Kickstart programme aims to bring about a positive change in the condition of private sector housing, enabling access to equity loan facilities at no or minimum cost especially for those households with available equity but with low incomes. As such, it supplements the budget for housing assistance grants. The current delivery arrangements for housing assistance schemes involve both DMBC and partner Home Improvement Agency - Black Country Housing Group (BCHG).

A formal bid has been made to the West Midlands Sub Regional Kick Start Partnership and we expect an allocation of £0.570m to fund Dudley's Kick Start programme of assistance in 2007/08. It is proposed that the Council contributes £0.501m from its own capital resources to give a total budget for the Kick Start programme of £1.071m.

Improving the Care Home Environment for Older People

8. A capital grant of £380,000 is available from the Department of Health in 2007/08 to enhance the physical environment in care homes registered to provide nursing or personal care where the majority of places are for older people. The grant is intended to safeguard and promote the welfare of older people for whom the Council has made arrangements to provide or secure the provision of residential accommodation as part of its social care functions. Effective use of the grant will help older people living in care homes to do so with dignity and enable care homes to be more responsive to the needs of older residents.

The funding will be allocated following receipt of bids, including any from the Council's own homes, to projects which make the biggest difference to quality of life of residents, and could be used for expenditure such as:

- Replacing worn out carpets or floor coverings;
- Upgrading dining rooms;
- Redecorating or upgrading bedrooms;
- Upgrading bathrooms;
- Improving gardens or outside space;
- Providing information technology that benefits residents.

The minimum contribution per home is £5,000 and at least 70 homes in the Borough would be eligible to bid for a share of the grant.

It is proposed that the grant allocation be noted and the associated spend included in the Capital Programme.

Neighbourhood Learning in Deprived Communities

9. The purpose of this Learning and Skills Council (LSC) funding is to support local voluntary and community sector organisations to develop their capacity to deliver learning opportunities for residents of disadvantaged neighbourhoods. The Council has received a Capital grant allocation from the fund of £22,000 for the period up to July 2007.

This will be used by voluntary and community sector organisations in assisting and supporting the direct delivery of learning, for example:

- equipment to support training or teaching, e.g. purchase of loops, adaptability kits, and digital cameras;
- refurbishing and enhancing existing premises, e.g. improving health and safety arrangements, minor works and adaptations to meet Disability Discrimination Act (DDA) requirements.

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

Big Lottery Community Libraries Programme - Kingswinford Library Extension / Remodelling

10. The Big Lottery Community Libraries programme has requested applications from Library Services to fund libraries that are more than traditional library services, and work with their communities to:

- Invigorate libraries as centres of wider community learning and development and learning based activities;
- Create, improve and develop library spaces that meet the needs of the whole community;
- Be innovative and promote good practice in the ways libraries are designed and run.

The programme is looking to fund libraries working with disadvantaged groups, existing users and non-users, voluntary and community groups and other community service providers, reflecting local and national strategies - in particular "Framework for the Future", the Government's vision and national improvement plan for English public libraries.

Dudley's proposal is to remodel or extend Kingswinford Library and to support outreach activities with neighbouring Pensnett to support a more coordinated and flexible lending service, working in partnership with local community/voluntary sector agencies and Brierley Hill Regeneration Partnership.

A Project Brief is currently being completed which will enable an appropriate Options Appraisal to be undertaken on four options for the extension of the library.

Bids can range from £250,000 to £2m, although a bid of under £1.5m is anticipated, as this would not require any Council matchfunding. The bid deadline is 30th March, with decisions made in September for projects to begin within 6 months thereafter.

It is proposed that the Director of Adult Community and Housing Services be authorised to submit an application for funding and that subject to the application being successful, the project be approved and included in the Capital Programme.

Employer Skills Programme - Gender Inequalities

11. A bid has been submitted to the Learning and Skills Council (LSC) for funding of up to £155,000 under the above initiative for a project in partnership with the Black Country Partnership for Care (BCPC) and the four Black Country Councils to deliver NVQ Level 2 training to males currently employed in Health and Social Care. Of the total funding, up to £10,000 would relate to Capital expenditure on ICT hardware and software.

It is proposed that subject to the bid being successful, this Capital expenditure be approved and included in the Capital Programme.

Urban Environment

Kirkstone Way, Withymoor - Traffic Calming and Pedestrian Measures

12. When negotiating the sale of land off Squires Court, Withymoor, for the provision of a Doctor's Surgery and Nursery, it was a condition of the sale that the purchase price reflected the cost of Traffic Calming measures along Kirkstone Way and Pedestrian measures in the vicinity of the bus link between Kirkstone Way and Turners Lane.

It is therefore proposed that an element of the total sale proceeds amounting to £40,000 be earmarked to fund the relevant expenditure, and that the Capital Programme be amended accordingly.

Transport Management Software System

13. The need for a new Transport Management software system has arisen as a result of the obsolescence of the current software system (Norsys) which will need to be replaced in 2007/08. Although certain financial components of Norsys have been replaced by the Council's new Agresso system, Transport is a highly regulated function which requires a specialist software package to support its operational and business needs.

The estimated total capital cost of such a system is £40,000, which can be funded from the Transport trading account, principally from savings from terminating the Norsys system.

It is proposed that the acquisition of a new system be approved and included in the Capital Programme.

Brierley Hill Regeneration

14. A funding bid to Advantage West Midlands (AWM) is being proposed which will act as a catalyst for the transformational economic, physical & community regeneration vision of the Brierley Hill Strategic Centre. The vision is detailed in the Brierley Hill Physical Regeneration Implementation Strategy & the Brierley Hill Development & Investment Framework (Master Plan). AWM support will ensure that significant private/public sector investment is secured, and that the whole of the Master Plan & the sustainable economic regeneration of Brierley Hill is achieved. Within the overall bid, there are 7 projects which require funding from AWM over the next 3 / 4 years:

1. **Development & Implementation of Multi-Decked Car Park** - Feasibility study into car park provision within Brierley Hill High Street.
2. **Acquisition of Commercial Properties** - Acquisition of commercial properties in Brierley Hill High Street that are in poor structural condition and located in a key strategic position.
3. **Brierley Hill High Street Enhancements** - To upgrade the High Street environment.
4. **Community Service Centre** - Acquisition and conversion of the necessary properties.
5. **New Educational Facilities** - Land acquisition, and the building of new educational facilities to support the needs of local people and employers in the heart of the Brierley Hill Strategic Centre.
6. **Brierley Hill Sustainable Access Network / Parallel Route** - Purchase of land currently held by the Council by AWM which will allow the capital value to be released for funding the project as set out in the decision sheet dated 19th December.
7. **Brierley Hill Regeneration Partnership (BHRP)** – To fund BHRP when current European Regional Development Fund ends in December 2008, to continue the Implementation Strategy & Master Plan vision for the area.

The total (capital & revenue) cost of the above projects would be around £38m, funded by the proposed application to AWM for £25m and other public sector match funding of £13m. There is no matchfunding required from Council resources other than the value of land contributed to the Sustainable Access Network project.

It is envisaged that some of the projects may subsequently be delivered through a joint venture arrangement, and AWM will have the opportunity to recover its initial investment in the project from the disposal receipts generated.

It is now proposed that:

- the Director of the Urban Environment be authorised to submit an outline application to AWM for funding;
 - the Director of the Urban Environment be authorised to submit relevant full applications to AWM,
- and that subject to such applications being successful:
- the Director of the Urban Environment be authorised to accept any grant funding arising;
 - the Director of Law and Property be authorised to enter into negotiations to acquire one or more premises on terms to be negotiated and agreed by him up to the limit of the funding approved;
 - the Director of Law and Property be authorised to sign the necessary legal agreements with AWM;
 - the Director of the Urban Environment be authorised to enter into a Joint Venture Agreement between the Council, AWM and the preferred developers;
 - the capital expenditure element of individual schemes be included in the Capital Programme.

Finance

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

Law

16. 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.

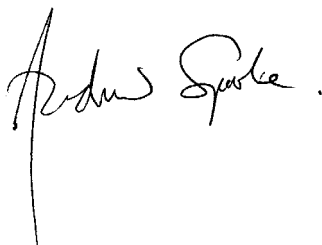
Equality Impact

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

19. That current progress with the 2006/07 Capital Programme, as set out in paragraph 4 and Appendix A be noted.
20. That the Director of Adult Community and Housing Services be authorised to submit an application for Big Lottery funding for the extension / remodelling of Kingswinford Library, as set out in paragraph 10.
21. That in respect of Brierley Hill Regeneration:
 - the Director of the Urban Environment be authorised to submit an outline application to AWM for funding;
 - the Director of the Urban Environment be authorised to submit relevant full applications to AWM,as set out in paragraph 14.
22. That the Council be recommended:
 - That the Disabled Facilities Grant and Housing Assistance Grant programmes for 2007/08 be approved, as set out in paragraph 6.
 - That a budget of £1.071m be approved for the Kickstart programme for 2007/08, as set out in paragraph 7.
 - That the "Improving the Care Home Environment for Older People" grant allocation be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 8.

- That the Neighbourhood Learning in Deprived Communities funding be noted and the related expenditure be included in the Capital Programme, as set out in paragraph 9.
- That subject to the funding application being successful, the project for the extension / remodelling of Kingswinford Library be approved and included in the capital Programme, as set out in paragraph 10.
- That subject to the bid being successful the Capital expenditure element of the Gender Inequalities project be approved and included in the Capital Programme, as set out in paragraph 11.
- That an element of the sale proceeds from land off Kirkstone Way be earmarked to fund Traffic Calming and Pedestrian Measures and that the Capital Programme be amended accordingly, as set out in paragraph 12.
- That the acquisition of a new Transport Management Software System be approved and included in the Capital Programme, as set out in paragraph 13.
- That in respect of Brierley Hill Regeneration, subject to funding applications being successful:
 - the Director of the Urban Environment be authorised to accept any grant funding arising;
 - the Director of Law and Property be authorised to enter into negotiations to acquire one or more premises on terms to be negotiated and agreed by him up to the limit of the funding approved;
 - the Director of Law and Property be authorised to sign the necessary legal agreements with AWM;
 - the Director of the Urban Environment be authorised to enter into a Joint Venture Agreement between the Council, AWM and the preferred developers;
 - the capital expenditure element of individual schemes be included in the Capital Programme,
 as set out in paragraph 14.



.....
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.

2006/07 Capital Programme Progress to Date

Service	Budget £'000	Spend to 28th February £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	23184	18365	23184		
Other Adult, Community & Housing	7717	6122	7731	+14	See Note 1
Urban Environment	27202	16420	27439	+237	See Note 2
Children's Services	19399	15907	19441	+42	See Note 3
Finance, ICT & Procurement	1584	1493	1584		
Law & Property	1759	1621	1759		
Chief Executive's	1345	810	1345		
TOTAL	82190	60738	82483	+293	

Note 1: Reflects increased demand for Stairlifts, which can be met from existing resources.

Note 2: As previously reported.

Note 2: Mainly relates to extra costs for the relocation of Amblecote Community Library. Does not reflect anticipated significant overspend on the Priory and Wren's Nest Children's Centre project, details of which are currently being investigated.