

Meeting Of the Cabinet – 29th October 2014

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.

	2014/15	2015/16	2016/17
	£'000	£'000	£'000
Public Sector Housing	42,730	40,334	41,162
Other Adult, Community & Housing	6,379	4,184	550
Urban Environment	29,534	15,996	5,873
Children's Services	18,226	11,526	161
Corporate Resources	2,481	1,658	1,366
Total spend	99,350	73,698	49,112
Revenue	14,093	13,544	13,687
Major Repairs Reserve (Housing)	22,279	22,558	22,847
Capital receipts	18,569	13,662	9,507
Grants and contributions (inc. Lottery)	25,118	11,152	183
Capital Financing Requirement*	19,291	12,782	2,888
Total funding	99,350	73,698	49,112

*This will be funded internally from the Council's cashflow resources as far as possible, rather than from external debt.

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 2014/15 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. An update on progress with the Council's most significant capital schemes is shown in Appendix B.

Adult, Community and Housing

Disabled Facilities Grants

5. It is proposed that in order to address pressures on waiting lists for Disabled Facilities Grants, £600,000 of funding be reallocated from the Housing Assistance Grants budget in 2014/15. This will fund around 40 grants depending on the nature & cost of the works involved.

North Priory Community Centre

6. As part of the development of Friar's Gate (North Priory) in partnership with Bromford Housing Association and Keepmoat, £300,000 was earmarked from the land value to provide a community facility. This will be built by Keepmoat, as part of the overall development works. The intention is that the community centre will be run entirely by the community not the Council. As yet, there is not a developed business plan to ensure the running costs of the Centre are covered. It is proposed that this allocation be noted and the expenditure included in the Capital Programme but that the build is not started until the business plan has been approved.

Urban Environment

Clean Vehicle Technology Fund

7. The Department for Transport has awarded the Council £158,000 as a part of this initiative. The grant is for a specific partnership scheme with Prospect Coaches (West) Ltd in Lye, to provide exhaust emission control equipment to 10 of their older vehicles. The vehicles are those used in contract work around the Borough which involves them being frequently driven through areas of poor air quality, so the scheme is designed to provide maximum benefit in terms of improving air quality.

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

Children's Services

Dudley Grid for Learning (DGfL)

8. DGfL is an educationally focused ICT service delivered in partnership with the private sector for the last 12 years, originally through a PFI arrangement. In October 2010, Cabinet approved the third phase of the project "DGfL3" to include an estimated cost of £4m in 2013/14 (the majority of which will now be expended in 2014/15), which was anticipated to be funded from schools' contributions and residual PFI grant.

Following review of available resources, it is now proposed that £562,000 of the cost of DGfL3 be funded from unallocated unringfenced 14-19/SEN capital grant.

Urgent Amendment to the Capital Programme

Lea Vale Road Culvert

9. Following the floods resulting from the extreme weather periods during December 2013 and January 2014 the Council secured £150,000 of Government funding to cover the full cost of mitigation works to reduce the level of flood risk to 45 residential properties in and around Lea Vale Road, Stourbridge. The scheme consists of the replacement of the existing damaged/collapsed small culvert with an oversized culvert, and the addition of a flood water detention pool. On completion of the works the ownership of the culvert will be transferred to the residents who will be responsible for inspections and long term maintenance.

In order to comply with the funding criteria and complete the works prior to the onset of winter, a decision (ref. DUE/39/2014) was made by the Deputy Leader of the Council in consultation with the Treasurer on 8th September 2014 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.

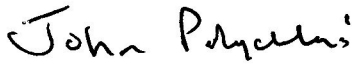
Equality Impact

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 the Council be recommended:
 - That current progress with the 2014/15 Capital Programme, as set out in Appendix A be noted, and that budgets be amended to reflect the reported variances.

- That £600,000 of funding be reallocated from the Housing Assistance Grants budget in order to address pressures on waiting lists for Disabled Facilities Grants, in 2014/15, as set out in paragraph 5.
- That the allocation of funding for the North Priory Community Centre be noted, and the project included in the Capital Programme, as set out in paragraph 6.
- That the Clean Vehicle Technology funding allocation be noted and the expenditure included in the Capital Programme, as set out in paragraph 7.
- That the revised funding for the third phase of the Dudley Grid for Learning project be approved, as set out in paragraph 8.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 9, be noted.



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List of Background Papers

Relevant resource allocation notifications.

2014/15 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st Aug £'000	Forecast £'000	Variance £'000	Comments
Public Sector Housing	42,730	15,358	42,730		
Other Adult, Community & Housing	6,379	2,542	6,379		
Urban Environment	29,534	4,954	29,537		
Children's Services	18,226	3,108	18,226	+3	See note
Corporate Resources	2,481	796	2,481		
TOTAL	99,350	26,758	99,353	+3	

Note:

- Minor cost increase in respect of the Corbyn Road (base for joint Children's Safeguarding Unit and frontline social work teams) project. Can be funded from unallocated unringfenced 14-19/SEN capital grant.

Progress with Major Capital Schemes

Adult, Community and Housing

New Council Housing

A contract has been awarded and work is expected to commence on site at Norfolk Road, Wollaston and The Walk, Sedgley in November. Other planned schemes include the conversion of the former Wren's Nest Estate Office (planning permission has now been granted for this scheme); conversion of the former Archives building at Roseville, Coseley; conversion of the former care home at Arcal Lodge, Sedgley; and a number of smaller housing infill and garage sites across the borough. Site investigations, ecological and topographical reports are being prepared and the schemes are currently in design stage.

Dementia Gateways

Works are now completed for the second dementia gateway at Brett Young in Halesowen. Final costs are still to be established but schemes are expected to be delivered within budget.

Urban Environment

Street Lighting

Street lighting improvement works are in progress and the Street Lighting Central Management System (CMS) is now fully commissioned and operational. 17,600 of the Council's 32,000 street lights can now be controlled via the CMS system remotely to help save energy; 11,000 of these can be dimmed. Spend is forecast to be within budget.

Better Bus Area

The proposals which involve the construction of a new signal controlled pedestrian crossing on the A4036 Pedmore Road, and the creation of additional road space and signal controls to facilitate bus priority measures at the junction of the Boulevard with Mill St, Brierley Hill were granted planning permission in March 2014. Main works commenced on site in July 2014 with substantial completion programmed for the end of October. Spend is forecast to be within budget.

Mary Stevens Park

The design team are finalising the detailed designs for the Park and have developed timescales for the 3 major contracts, most to start in March 2015. The Heritage Ranger has developed an events programme for the next 6 months, promoted in the Parks and Countryside events leaflet. Volunteering for project work is underway with a recruitment drive. Spend is forecast to be within budget.

Castle Hill

New Access Road: Phase 1a was completed during October 2012. Phase 1b (link road and roundabout) was completed April 2013.

Phase 2 onwards: This comprises the secondary route, recreational route, car parking and Visitor Hub. Planning permission was granted on 12th March 2013. The design team are currently working on detailed designs on a phased basis. Works commenced onsite for the initial phase of the secondary route on 23rd September 2013 and was completed February 2014. Works commenced on the lower level car parks on 4th December 2013, and completed March 2014. Works to upper level car park commenced April 2014, and was completed July 2014. Tenders for the Recreational route linking the existing attractions have been invited with work due to start at the end of October and be complete in February 2015. The contract for the Visitor Arrival Hub has been awarded with construction starting in November and completion due in April 2015.

Spend is forecast to be within budget.

Castle Hill Additional Funding

BCLM Schools Reception Building. Planning application has now been submitted, works are anticipated to commence January 2015, with an anticipated completion of July 2015. Spend is forecast to be within budget.

Dudley Marketplace and Town Centre

The first phase of the overall Dudley Market Place Public Realm scheme, which is Castle Street/New Street, is substantially complete and opened to full access on 10th August. There are some outstanding works in this location, seasonal tree planting being programmed for November and the construction work to the Earl of Dudley statue which has not yet been programmed in. The second phase has now started and the construction of the market stalls is well under way, and although there has been a delay in the construction of the market stalls due to levels issues, the project is due to complete on programme. Spend is forecast to be within budget.

Children's Services

DGfL3

Dudley Grid for Learning (DGfL) 3 includes a programme of ICT equipment upgrade and renewal across financial years 2013/14 & 2014/15. Consultation with schools to ascertain their priorities for the 'refresh' programme is complete. Refresh of ICT infrastructure and classroom equipment has now commenced phased roll out across the school estate. The programme and associated expenditure is therefore on schedule to bring improvement to schools ICT as planned.

Post 16 Facility for Pens Meadow School

The programme for design and procurement of the project is on track and the projected capital spend is in line with Education Funding Agency requirements.

Schools Basic Need projects

The first phase of projects funded from Basic Need capital grant are progressing well. Projects at the Brook and Woodside Primary Schools were completed during the summer with both schools now being able to admit up to 60 children in each year group. Projects at Kates Hill and Gig Mill are on site and are due to be completed by Easter 2015. The project at Sledmere Primary is on site and is on target to be completed during August 2015.

Corporate Resources

Transforming our Workplace (ToW)

The project is now practically complete. Nearly 2,000 staff have been relocated to core offices. All refurbishment works, with the exception of a new cycle shower/store area in the basement of the Old Police Buildings is complete. Of the 12 surplus office sites earmarked for disposal, 7 have been sold and 3 are due to go to auction at the end of October. Work is currently in progress on the remaining 2 sites prior to a submission to planning. The overall programme of work is currently running to budget. A formal review of the whole project is currently being planned and will take place in early 2015.