

Meeting of the Cabinet - 9th September 2009

Joint Report of the Chief Executive and Interim Director of Finance

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, and the authorisation of bids for external funding.

Background

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

Service	2009/10	2010/11	2011/12
	£'000	£'000	£'000
Public Sector Housing	33,803	26,324	23,234
Other Adult, Community & Housing	11,194	6,799	2,915
Urban Environment	28,867	20,507	8,870
Children's Services	37,891	27,596	2,883
Finance, ICT & Procurement	1,901	329	0
Law, Property & Human Resources	695	718	924
Chief Executive's	988	170	191
TOTAL	115,339	82,443	39,017

4. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2009/10 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Social Care Minor Works

5. Legacy monies amounting to £36,000 have been received, which can be used for minor works to enhance buildings and the experience of service users. It is proposed that this expenditure be approved and included in the Capital Programme.

Urban Environment

Coseley Swimming Pool – Demolition

6. The Council has decided to close Coseley Swimming Pool because of a significant structural defect associated with the roof and because other building condition problems make it uneconomic to repair.

The site is controlled by the Directorate of Urban Environment and has been declared surplus to requirements (decision ref. DUE/47/009); it is to be sold following demolition of the building.

The cost of demolishing the building, which includes various environmental and hazards surveys, and reinstating the site in readiness for sale, is estimated to be £450,000. External funding will be sought towards these costs, with any unfunded balance being a first call on the capital receipt from the disposal of the site.

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

Dell Stadium – Security Fencing & Pitch Improvement

7. The Council is working in partnership with Dudley College to improve facilities at the stadium site. The College is a significant user of the facility and delivers elements of its Sports and Leisure courses at the stadium and are in a position to provide funding of £30,000 which will contribute towards improvements to the external pitches and provide security fencing.

The total estimated cost of this project is £41,500 and the balance will be funded from external grant aid and revenue resources available within DUE. It is proposed that this project be included in the Capital Programme

Children's Services

Hillcrest School and Community College Expansion

8. Hillcrest School and Community College has been successful in bidding to the for Targeted Capital Funding (TCF) of £5.551m to provide additional accommodation and enhancement of existing facilities so that the school can increase its places offered to pupils from 900 to 1050, subject to successful outcomes of the statutory consultation process.

This statutory consultation has now taken place and it is proposed that subject to the remainder of the process being completed, the project be approved and included in the Capital Programme.

Play Pathfinder

9. As a result of successful community engagement, a contribution of £3,500 has been received from the Tanhouse Residents Association towards the provision of an embankment slide at the Tanhouse Lane site as part of the Council's Play Pathfinder programme. It is proposed that this contribution be noted and the Capital Programme be amended accordingly. It is also proposed that the Capital Programme be amended to reflect any similar future contributions to Play Pathfinder projects as necessary.

Finance ICT & Procurement

Replacement of the Corporate Storage Area Network

10. The Corporate Storage Area Network (SAN) which holds most of the Council's electronic data is in need of replacement as it is reaching the end of its useful life. Maintenance costs are increasing and manufacturer support will cease in 2-3 years. With increasing volumes of data it is operating at near full capacity.

SAN technology has developed over recent years, not only supporting higher volumes of data but also provides for increased throughput, more efficient use of storage, improved resiliency and greatly reduce disaster recovery time. It is also envisaged that on-going maintenance will reduce and it will be more energy efficient.

The costs of a replacement SAN system will be around £200,000 which can be funded from the ICT strategy budget. It is proposed that the replacement SAN be included in the Capital Programme

Law, Property & Human Resources

Tower Street former Computer Centre building demolition

11. An assessment of the former Computer Centre at Tower Street Dudley has declared the building to be unsafe, beyond economic repair and must be demolished as soon as practicable. The site is co-owned by the Council, Trigram Properties Ltd (who own elements of the building previously used by the Fire Service) and West Midlands Police.

The building is located on a site that is identified within the Dudley Area Development Framework (ADF) as an Opportunity Site. It is anticipated that the cleared site will be redeveloped under a partnership arrangement for a mixed scheme of residential, commercial and educational purposes

The Council may need to meet all or share some of this cost with its neighbours, co-owners and/or joint-venture partner/s in advance of the joint-venture. It will be necessary to finance this element by making first call on the capital receipt from the ultimate sale of the site, and any other site in the interim.

The cost of demolishing the building, which will also necessitate some initial structural stabilisation works, the removal/treatment of significant quantities of asbestos-containing materials and the disconnection of a number of services/utilities, is estimated to be £1.44m.

Urgent Amendments to the Capital Programme

Orchard Street, Brierley Hill

12. At its meeting on 11th June 2008, Cabinet agreed to dispose of the land at 13 – 51 Orchard Street, Brierley Hill to Black Country Housing Group for the purposes of social housing on terms and conditions to be negotiated and agreed by the Director of Law and Property, to discount the land value, and to provide further financial support to Black Country Housing Group of a matching amount through the use of Section 106 resources. Those negotiations have been satisfactorily concluded, and in order to comply with relevant deadlines a decision (ref. DACHS/27/2009) was made by the Deputy Leader of the Council in consultation with the Interim Director of Finance on 20th August 2009 that this financial support now be included in the Capital Programme.

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

Redhouse Site Acquisition

13. A decision (ref. DUE/39/2009) was made by the Deputy Leader of the Council in consultation with the Interim Director of Finance on 5th August 2009 to include the acquisition of the freehold of the Redhouse Glass Cone site in the Capital Programme, should the Council's bid for the property be successful.

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

Young Persons' Substance Misuse Service

14. The Dudley Drug and Alcohol Action Team based within the Chief Executive's Directorate has recently been awarded funding of £150,000, following a national bidding process, by the National Treatment Agency on behalf of the Department of Health, to refurbish identified premises in Dudley to enable the delivery of the Young Persons' Substance Misuse Service.

In order to enable work to commence in order to meet the conditions of the application for funding and deliver a service for young people, a decision (ref. CE/6/2009) was made by the Deputy Leader of the Council in consultation with the Interim Director of Finance on 13th August 2009:

- that the refurbishment of premises for the provision of a Young Persons' Substance Misuse Service be included in the Capital Programme.

Congestion Target Reward Fund

15. The Department for Transport awarded the West Midlands £1.88m through the Congestion Target Reward Fund (CTRF) to be used to address congestion on identified routes on the West Midlands network.

A successful bid was made by Dudley for £290,000 of this funding to enable replacement of inefficient signal controllers on the A4123.

In order to enable the funding to be accessed, a decision (ref. DUE/31/2009) was made by the Leader of the Council in consultation with the Interim Director of Finance on 2nd July 2009:

- that the actions of the Director of the Urban Environment in making a bid to the West Midlands Congestion Target Reward Fund (CTRF) fund be approved;
- that the assignment of £290,000 from the CTRF be accepted;
- that the works, comprising the replacement of Traffic Signal Controllers on the A4123, be included in the Capital Programme.

Bus Showcase

16. Improvements to public transport infrastructure in the West Midlands are funded from the Bus Showcase Programme (BSP) - being financed from the Joint Initiatives budget that is top sliced from each Council's resource allocation.

As a result of slippage in the overall programme, an opportunity arose to make a bid for £600,000 to upgrade 100 Bus Boarder Stops (kerbs & tactile paving) and provide funding for 20 Safer Routes to bus stops on the No.558, and No.126 bus routes as part of the Voluntary Partnership Agreement (VPA) entered into between Dudley Council, Centro and West Midlands Travel to improve public transport provision in Dudley.

In order to enable the funding to be accessed, a decision (ref. DUE/38/2009) was made by the Leader of the Council in consultation with the Interim Director of Finance on 20th July 2009:

- that the making a speculative bid to the West Midlands Bus Showcase Programme be approved;
- that if funding is confirmed the assignment of £600,000 from the BSP be accepted;
- that the works, comprising the enhancement of 100 Bus Boarding Stops and safer Routes to Bus Stops be approved and included in the Capital Programme.

West Midlands Local Transport Plan

17. Delivery of transport initiatives is co-ordinated across the West Midlands under the provisions of the Local Transport Plan (LTP). Situations can arise in respect of underspends in West Midlands programmes that provide an opportunity to bid for funding, and, from time to time, the Department for Transport (DfT) introduces measures to support delivery of the LTP by way of additional specific grants. The need to seek authority from Cabinet to bid on each occasion and include the related spend in the Capital Programme could be prejudicial to the Council's interest in terms of securing funding.

In order to ensure that such opportunities are not foregone, a decision (ref. DUE/42/2009) was made by the Deputy Leader of the Council in consultation with the Interim Director of Finance on 14th August 2009:

- that the Director of the Urban Environment be authorised to make bids and accept funding for work associated with delivery of the West Midlands Local Transport Plan;
- that, as appropriate, schemes be included in the Council's Capital Programme.

Finance

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

Law

19. 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

20. These proposals comply with the Council's policy on Equality and Diversity.
21. 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

22. That current progress with the 2009/10 Capital Programme, as set out in Appendix A be noted.
23. That the Council be recommended:
 - That the use of legacy monies for Minor Works to Social Care buildings be approved and included in the Capital Programme, as set out in paragraph 5.
 - That the demolition of Coseley Swimming Pool be included in the Capital Programme, as set out in paragraph 6.
 - The improvements to the Dell Stadium be included in the Capital Programme, as set out in paragraph 7.
 - That the project to expand Hillcrest School and Community College be approved and included in the Capital Programme, as set out in paragraph 8.
 - That the contribution towards the provision of an embankment slide at Tanhouse Lane be noted and the Capital Programme be amended accordingly; and that the Capital Programme be amended to reflect any similar future contributions to Play Pathfinder projects as necessary, as set out in paragraph 9.

- That the replacement of the Corporate Storage Area Network be included in the Capital Programme, as set out in paragraph 10.
- That the demolition of the Tower Street Building be included in the Capital Programme as set out in paragraph 11,
- That the Interim Director of Law, Property & HR be authorised to negotiate and establish any necessary contract to facilitate the demolition of the Tower Street building ,
- That the Tower Street site be declared surplus to requirements and is ultimately disposed of on terms to be negotiated
- That a joint-venture arrangement, with a suitable partner/s, is established to facilitate the redevelopment of the Tower Street site to effect its ultimate disposal, and that the Interim Director of Law, Property & HR be authorised to negotiate and establish the most advantageous economic terms and legal structure, to effect this arrangement
- That the urgent amendments to the Capital Programme, as set out in paragraphs 12-17, be noted.

John Polychronakis

Bill Baker

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John Polychronakis
Chief Executive

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Bill Baker
Interim Director of Finance

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

List of Background Papers

Relevant resource allocation notifications.