

Meeting Of the Cabinet - 13th June, 2007

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 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	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Public Sector Housing	26959	23166	22466
Other Adult, Community & Housing	6509	1669	1712
Urban Environment	38715	19844	6615
Children's Services	28361	2418	0
Finance, ICT & Procurement	720	309	0
Law & Property	872	143	659
Chief Executive's	1223	0	0
TOTAL	103359	47549	31452

Note that the overall capital programme for 2008/09 and 2009/10 is likely to increase as extra funding becomes available.

4. 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

5. The demand on the current budget for mandatory Disabled Facilities Grants (DFGs) continues to increase and shows no signs of slowing down. The Council is receiving approximately 30 new claims each month, and the average waiting time for completion of adaptations - including access improvements, ground floor sleeping arrangements, and improved bathing/showering and toileting facilities - is between 18 and 24 months. Prudential borrowing of £350,000 would fund approximately 30 more adaptations to be completed in 2007/08, and can be financed from ongoing efficiency gains of around £35,000 per year which have been identified in Private Sector Housing management.

It is proposed that this additional expenditure be approved and the Capital Programme be amended accordingly.

Grange House Re-provision

6. The re-provision of Grange House was approved by Cabinet in March 2007. The remaining residents will move to homes in the community during the next 12 months, where they will be tenants of the Council or a Housing Association. Most of the residents are aged over 50 and some have mobility problems that may require minor adaptations to their properties. The estimated cost of £100,000 can be financed as a first call on the anticipated capital receipt from the sale of Grange House.

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

Kick Start

7. The Kick Start programme provides assistance to improve housing conditions in the private sector through equity loans, delivered in partnership with the Black Country Housing Group (BCHG).

An additional grant allocation of £58,000 has been obtained as result of the Council's successful delivery of the 2006/07 programme. It is proposed that this additional grant be noted, and the Capital Programme be amended accordingly.

Urban Environment

8. Street Lighting

Following correspondence with the Department for Transport (DfT), it has now made available a further £270,000 of funding for highways capital maintenance on the basis of street lighting data that was not taken into account in the original settlement. It is proposed that this funding be utilised to fund the urgent replacement of street lighting columns identified by previous structural testing, together with an element of further structural testing prioritised by risk assessment as called for by the DfT. Combined with the £120,000 already available, this will enable the following replacement programme to be undertaken in 2007/08.

£

Mucklow Hill, Halesowen	141,000
Manor Lane, Halesowen	78,000
Priory Road/New Street, Dudley	37,500
Buffery Road, Dudley	48,500
Collis Street, Amblecote	43,000
Column structural testing	20,000
Fees (6%)	22,000
Total	390,000

It is proposed that this schedule of works be approved and included in the Capital Programme.

Wren's Nest Nature Reserve Warden's Base

9. An arson attack on the previous base at Donkey Pool Open Space in October 2006 rendered the Warden's Base buildings beyond economic repair and they were subsequently demolished. Dudley College have since accommodated the Warden Service at the Mons Hill campus, and have now offered an area of land for a new base. This would provide a safer setting, being within the secured area of the campus.

The estimated cost of £104,000 can be funded partly from insurance, with the remainder being sought from external sources. If this is not forthcoming, any shortfall can be found from revenue budgets.

It is proposed that the project be approved and included in the Capital Programme, and that the Director of Law & Property be authorised to enter into the necessary lease arrangements with Dudley College.

Liveability

10. It is proposed that the following minor enhancements be approved and added to the Liveability programme:
- King George VI Park Kingswinford - £1,500 from the Parks Development budget to deal with Health & Safety issues around the pool;
 - Western Avenue / Springfield Oasis - £1,800 from British Trust for Conservation Volunteers (BTCV) for dipping platforms and access improvements to the site.
11. Black Waste Bins
- The introduction of wheeled bins is proposed as an improved system for the weekly collection of household waste. This will be phased in across the whole Borough over a three year period. The first phase will involve the purchase and distribution of an initial 40,000 wheeled bins in the latter half of 2007/08 at a cost of £540,000. This can be funded by annual contributions from the waste collection revenue budget.

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

Civil Parking Enforcement

12. In preparation for Civil Parking Enforcement (CPE), detailed work has commenced on-street to ensure that correct lining and signage associated with Parking Traffic Regulation Orders are in place.

This work has generated many anomalies that were not apparent before work commenced, mainly because enforcement by the Police did not solely rely on the presence of on-street markings. This is not the case under Civil Parking Enforcement as the Patrollers have to rely on the markings.

As a result, the cost of dealing with the anomalies has increased by £95,000 compared with the assumptions in the original financial model. There is also a need to identify accommodation for the patrollers at an estimated cost of £50,000.

The extra costs are anticipated to be funded from the income receivable from Penalty Charge Notices. It is proposed that the above expenditure be approved and included in the Capital Programme.

Council House, Mary Stevens Park - Security Improvements

13. A security assessment, which was instigated as a result of repeated incidents of vandalism and theft, has recommended a number of security enhancements at the Council House, Mary Stevens Park.

The total costs of £56,000 can be met from revenue funding of £2,000, directorate reserves of £10,000, Risk Management resources of £25,000 and Repairs & Maintenance resources of £19,000.

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

Children's Services

Major Kitchen Equipment

14. The Directorate's annual revenue budget includes a sum of around £63,000 to fund the replacement of existing or purchase new heavy catering equipment within school kitchens, for example ovens, dishwashers, steamers, etc.

As this expenditure is of a capital nature, it is proposed that it be included in the Capital Programme.

"Other Services" Capital Programme 2007/08

15. The only resources available for capital investment in Other Services - other than specific grants - will be those generated from disposal of surplus assets.
16. It is estimated that around £0.4m of such resources will be available in 2007/08. It is proposed that as in previous years, £136,000 be allocated to fund the Asset Management Plan (AMP) team, £240,000 be allocated for Area Committee Capital spend on the basis of £10,000 per Ward, and that £20,000 be allocated for Town Centre Christmas Lights.
17. Should further resources become available during the year, proposals for their allocation will be brought to Cabinet in a future report.

Urgent Amendment to the Capital Programme

Property Acquisition at King Street, Dudley

18. Advantage West Midlands (AWM) indicated that they were prepared to provide funding to purchase the leasehold interest in 30-37 King Street to further the Council's site assembly within the Dudley area Development Framework (ADF) as a key site for future development. In order to enable the required timescales to be complied with, an urgent decision (ref. DUE/23/2007) was made by the Leader of the Council in consultation with the Director of Finance on 28th March 2007 to approve the inclusion of the acquisition 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.

BIG Lottery Stage 2 Application - Black Country as an Urban Park

19. At its meeting on 13th September 2006, Cabinet gave approval to proceed with the submission of the Stage 2 "A Million People: The Black Country as an Urban Park" BIG application and a complementary Stage 1 application to the Heritage Lottery Fund (HLF) for the stabilisation of the Seven Sisters mines, interpretation and educational elements of the site and visitor facilities.

The application to the HLF was submitted by Dudley MBC in December 2006. The total cost of the scheme is £16.348m of which £11.148m is sought from HLF. An HLF Technical Assessment visit was held on 8th May 2007 and the two appointed HLF Trustees will visit the site on the 20th June 2007.

The Stage 2 BIG Lottery application was anticipated to be submitted by Black Country Consortium Ltd. on 31st May 2007. The Black Country as an Urban Park application is a major transformational environmental and economic regeneration programme. It will raise the profile of the Black Country, be a catalyst for sustainable economic growth and attract people to live, work, visit and invest in the sub-region. It comprises the following 4 key elements:

- Strata: Illuminating Dudley's Underground Heritage (Dudley, Wren's Nest, Seven Sisters Mines and Todds End);
- The Green Bridge Project – Dartmouth Park in Sandwell and Walsall Arboretum;
- The Canals of Wolverhampton;
- Living Landscapes - a Black Country-wide community based environmental improvement programme co-ordinated through the Birmingham and Black Country Wildlife Trust (BBCWT). This project will include 5 sites from Dudley Borough.

Strata is the flagship project within the BIG bid. It will create a unique visitor attraction of regional, national and international importance. The project includes:

- Stabilisation of the Seven Sisters Mine (Upper Gallery);
- New Interpretation Centre at the Seven Sisters Mine;
- Stabilisation and refurbishment of the Wren's Nest canal tunnel from Todd's End Field (Dudley Canal Trust, Black Country Living Museum) through to Step Shaft Cavern;
- Stabilisation of the Step Shaft Cavern and enhancement works on the existing canal basin;
- Construction of a new inclined tunnel from Step Shaft Cavern up to the surface at Seven Sisters Mine;
- An inclined people mover system, travelling in the new tunnel from the Step Shaft Cavern to the surface at Seven Sisters;
- New visitor centre at Todd's End (Dudley Canal Trust).

The total cost of the whole Black Country project is currently estimated to be £121m. The total BIG grant requested is £49.94m. Of this, £500,000 is for the development of the Stage 2 bid with the remainder being split as follows: Strata - Dudley £18.18m; Canals of Wolverhampton £8.31m; Green Bridge - Walsall to West Bromwich £14.65m; Living Landscapes - BBCWT £4m; central costs £4.3m.

If the Dudley HLF bid is successful and the Black Country BIG application is unsuccessful, the Dudley HLF scheme could proceed as a stand alone project.

Timescales are as follows:

- 31st May 2007– closing date for submission of the Stage 2 BIG application;
- July 2007 – outcome of the Dudley Stage 1 HLF application;
- September 2007 – BIG make final decisions on projects moving forward to the public vote;
- December 2007 - ITV public vote.

The Stage 2 BIG application, to be submitted at the end of May 2007, was required to provide a funding plan detailing match funding that has been secured and other funding applied for. At the time of writing this report, the total estimated cost / funding of the total Black Country Bid, and DMBC's Strata element of this, is set out below.

Potential Funding Source	Black Country as an Urban Park	Strata (DMBC)
	£m	£m
BIG Lottery	£49.947	£18.180
Heritage Lottery Fund (HLF)	£20.463	£11.148
AWM	£16.265	£10.000
Partners	£23.916	(Up to) £10.000
BCC Ltd	£1.094	
Other	£9.327	
Total	£121.012	£49.328

Dudley Council's requested £10m contribution for the Strata project would represent around 20% of the total Dudley project cost. Without Dudley's financial commitment, it is highly unlikely that any of the bids submitted for external funding would succeed.

Dudley's financial contribution would be funded through prudential borrowing. Over a 10 year period the charge to revenue would be up to £1.3m per year including interest charges - for which there is currently no provision in the Council's revenue budget.

Additional sources of external funding will be explored and appropriate applications made to secure the maximum amount of external grant aid and reduce the level of Council funding required.

In order to enable the required timescales to be complied with, an urgent decision (ref. CE/07/200/) was made by the Leader of the Council in consultation with the Director of the Urban Environment, the Chief Executive, and Director of Finance on 23rd May 2007 to:

- Support the submission of the Stage 2 BIG Lottery bid by Black Country Consortium Ltd. for the "A Million People: The Black Country as an Urban Park" project;
- Approve a contribution of up to £10million from the Council for the development of 'Strata: Illuminating Dudley's Underground Heritage' as the flagship project within the Black Country's BIG Lottery Stage 2 application;
- Include all capital expenditure resulting from successful bids associated with the Dudley developments in the Capital Programme.

Post Completion Review of Capital Projects

20. The Post Completion Review required by Contract standing orders has now been undertaken for the following schemes, with a copy of the proforma summarising the review attached at Appendix B.

Adult, Community and Housing
Refurbishment of Lye Homeless Centre
Resurfacing of New Rowley Road, Dudley

Finance

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

Law

22. 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.

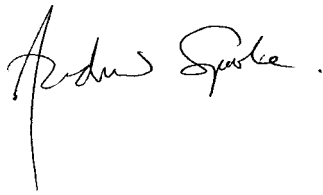
Equality Impact

23. These proposals comply with the Council's policy on Equality and Diversity.
24. 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

25. That current progress with the 2007/08 Capital Programme, as set out in paragraph 4 and Appendix A be noted.
26. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
27. That the Council be recommended:
 - That the additional expenditure on Disabled Facilities Grants be approved, and the Capital Programme be amended accordingly, as set out in paragraph 5.
 - That the expenditure on home adaptations consequent to the re-provision of Grange House be approved and included in the Capital Programme, as set out in paragraph 6.
 - That the additional Kick Start grant be noted, and the Capital Programme be amended accordingly, as set out in paragraph 7.
 - That the schedule of street lighting replacement works be approved and included in the Capital Programme, as set out in paragraph 8.
 - That the project to construct a replacement Warden's Base at the Wren's Nest Nature Reserve be approved and included in the Capital Programme, and that the Director of Law & Property be authorised to enter into the necessary lease arrangements with Dudley College, as set out in paragraph 9.
 - That the enhancements to the Liveability programme be approved, as set out in paragraph 10.
 - That the expenditure on Black Waste Bins be approved and included in the Capital Programme, as set out in paragraph 11.
 - That the extra expenditure relating to Civil Parking Enforcement be approved and included in the Capital Programme, as set out in paragraph 12.

- That the Security Improvements at the Council House, Mary Stevens Park, be approved and included in the Capital Programme, as set out in paragraph 13.
- That the annual expenditure on Major Kitchen Equipment be included in the Capital Programme, as set out in paragraph 14.
- That the "Other Services" Capital Programme for 2007/08 be approved, as set out in paragraph 16.
- That the Urgent Amendments to the Capital Programme, as set out in paragraphs 18-19 be noted.



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Andrew Sparke
Chief Executive



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Mike Williams
Director of Finance

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List of Background Papers

Relevant resource allocation notifications.

2007/08 Capital Programme Progress to Date

Service	Budget £'000	Spend to 30th April £'000	Forecast £'000	Variance £'000
Public Sector Housing	26959	1014	26959	
Other Adult, Community & Housing	6509	704	6509	
Urban Environment	38715	1121	38716	+1
Children's Services	28361	201	28361	
Finance, ICT & Procurement	720	28	720	
Law & Property	872	125	872	
Chief Executive's	1223	93	1223	
TOTAL	103359	3286	103360	+1

Post Completion Review of Capital Schemes

- Details required for reporting to Cabinet

Title of Scheme: Refurbishment of Lye Homeless Centre at 1A Springfield Road
Date of Executive/Cabinet approval: <u>09/02/2005</u> (i.e. inclusion in Capital Programme)
Original Budget (first reported to Executive/Cabinet): £ <u>160,000</u> Planned Completion date: <u>02/12/2005</u>
Outturn Cost (please indicate if still provisional): £ <u>160,000 (forecast)</u> Actual completion date: <u>02/12/2005</u>
Variation from Original Budget: £ n/a Delay: <u>n/a</u>
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive/Cabinet):
Original Objectives of Scheme (please indicate when and to whom these were reported): To convert the existing properties from 10 number flats with shared facilities into 6 number self contained flats.
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by: **Linda Sanders** (Director)Date: **21.03.07**

Post Completion Review of Capital Schemes

- Details required for reporting to the Cabinet

Title of Scheme: Resurfacing of New Rowley Road, Dudley
Date of Executive / Cabinet approval (As part of Highways Structural Maintenance Programme): 9 February 2005 (i.e. inclusion in Capital Programme)
Original Budget.....£140,000 Planned Completion date: 06 October 2006
Outturn Cost (please indicate if still provisional):.....£147,217 Actual completion date: 15 December 2006
Variation from Original Budget: Increase of £7,217 Delay: 9 weeks
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): A variation order was issued for the addition of GlasGrid fabric reinforcement to strengthen one section of the carriageway. Another section of surface course was changed to high PSV at the request of Traffic and Road Safety to improve the skid resistance. The resurfacing was completed one week early on 29 th September 2006 but the replacement of the last section of anti-skid surfacing and road marking was delayed.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface New Rowley Road to a depth of 100mm to overcome the deterioration in the pavement structure.
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by: *John Millar* (Director).....

Date: 19/04/07