

Meeting Of the Cabinet – 14th September 2011

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.

Service	2011/12	2012/13	2013/14
	£'000	£'000	£'000
Public Sector Housing	41,712	0	0
Other Adult, Community & Housing	9,170	2,393	140
Urban Environment	24,253	13,568	10,484
Children's Services	32,463	1,010	4,067
Corporate Resources	2,516	674	636
Chief Executive's	665	254	0
TOTAL	110,779	17,899	15,327

4. Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced. The Public Sector Housing programme after 2011/12 will be significantly affected by the proposed new arrangements for financial management of the Housing Revenue Account.
5. Details of progress with the 2011/12 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Oak Lane

6. The old utility blocks at Oak Lane were demolished and rebuilt in 2010/11 and formed the first phase of a 3 phase programme. Phase 2 is due to start shortly when the old sewage treatment plant will be replaced with a new mains drainage system as the treatment plant fails to maintain permissible discharge standards. Phase 3 will start in early 2012 and will provide 3 additional plots on the site.

Estimated total costs have increased due to a number of external factors including the extreme weather conditions on site last winter which delayed the programme and caused damage to the onsite utilities infrastructure. Extra costs were also incurred for the clearance of contaminated land prior to works commencing. In addition to this further works are required to decommission the existing sewage treatment plant following installation of the new pumped mains drainage system.

As a result, it is proposed to increase the project budget by £103,000 which can be funded from existing directorate resources, and that the Capital Programme be amended accordingly.

Disabled Facilities Grant (DFG) Programme 2012/13

7. Taking into account the anticipated level of Government DFG support and the availability of other housing capital resources, £2.6m will be available for DFGs in 2012/13, funding around 260 grants depending on the nature and cost of the works involved. It is proposed that a budget for this amount be approved and included in the Capital Programme.

Urban Environment

Local Sustainable Transport Fund (LSTF)

8. The Government has created a Local Sustainable Transport Fund (LSTF) for transport related schemes that will support economic growth, by re-establishing local economies and tackling climate change. The fund consists of £560 million to be spent over a four year period (2011-2015). Bids to the fund can range from small packages of under £5 million to larger packages of up to £50 million.

The Council submitted the Brierley Hill Active Travel Partnership (BHATP) project as a small project bid in April 2011 and has been successful in securing £362,000 towards the overall £512,000 cost. The remaining funding has been identified from Section 106 transport planning obligation funds and 2012/13 Local Transport Plan (LTP) 3 Integrated Transport Block funding.

The BHATP project seeks to promote and improve active travel accessibility to and within the new centre of Brierley Hill and its surrounding hinterland to support the economic growth aspirations of the Brierley Hill Area Action Plan. The project will deliver a wide range of “smarter choice” initiatives delivered through the formation of community, school and business based partnerships. The development of new and improved active travel corridors for walking and cycling linking the surrounding communities with the centre’s retail and employment sectors will provide the enhanced sustainable connectivity vital to allow Brierley Hill to realise its economic potential.

It is proposed that the LSTF allocation be noted and the capital element of the project be included in the Capital Programme.

Urgent Amendments to the Capital Programme

Paragon PFI - Summerhill School and Colley Lane Primary School

9. A decision (ref. DCS/18/2011) was made by the Leader of the Council in consultation with the Treasurer on 27th June 2011 to approve works at Summerhill School and Colley Lane Primary School as part of the Paragon PFI Project, and their inclusion 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 Corporate Resources on (01384) 815236 or email richard.sanders@dudley.gov.uk.

Installation of a new cooking kitchen at Foxyards Primary School

10. The former Quarry Bank Primary school Building is shortly to be demolished; the existing kitchen equipment is in good order and has been removed prior to commencement of demolition for re-use elsewhere. Foxyards Primary School has been identified as one of the few schools in the borough without cooking or heating facilities for school lunches. The school has been requesting a kitchen for many years but funding has been unavailable. There is suitable space and sufficient services available in the existing building to facilitate the new equipment quickly without the need for major building alteration works.

The estimated cost of £45,000 can be met from:

£20,000 Targeted Capital Fund (TCF) Kitchens and Dining Room Grant

£5,000 Capital Maintenance Grant

£20,000 Revenue Funding, Client and Catering

In order to comply with funding deadlines and to minimise disruption to the school, a decision (ref. DCS/22/2011) was made by the Leader of the Council and the Cabinet Member for Integrated Children's Services in consultation with the Treasurer and the Acting Director of Children's Services on 27th July 2011 to include the project in the Capital Programme.

Post Completion Review of Capital Projects

11. The Post Completion Reviews required by Contract standing orders have now been undertaken for the following schemes, with a copy of the proformas summarising the reviews attached at Appendix B.

Urban Environment

A459 Cinder Bank, Netherton - Resurfacing

B4043 Manor Lane, Halesowen - Resurfacing

A458 Stourbridge Road, Halesowen - Resurfacing

Children's Services

Sledmere Primary School – Replacement of Windows

Brierley Hill Primary School – Boiler Replacement

Woodside Community School – Re-roofing

Kates Hill Primary School – Roofing
Glynne Primary School – Roofing and Window Replacement
Wallbrook Primary School – Hot and Cold Water Services
Gig Mill Primary School – Swimming Pool Refurbishment

It is proposed that these be noted.

Finance

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

Law

13. 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

14. These proposals comply with the Council's policy on Equality and Diversity.
15. 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

16. That current progress with the 2011/12 Capital Programme, as set out in Appendix A be noted.
17. That the results of the Post Completion Reviews of capital projects, as set out in Appendix B be noted.
18. That the Council be recommended:
 - That the budget for improvements to the Oak Lane site be increased by £103,000 and the Capital Programme amended accordingly, as set out in paragraph 6.
 - That the Disabled Facilities Grant budget for 2012/13 of £2.6m be approved and included in the Capital Programme, as set out in paragraph 7.

- That the Local Sustainable Transport Fund allocation be noted and the capital element of the project be included in the Capital Programme, as set out in paragraph 8.
- That the Urgent Amendments to the Capital Programme, as set out in paragraphs 9-10 be noted.



John Polychronakis
Chief Executive



Iain Newman
Treasurer

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List of Background Papers

Relevant resource allocation notifications.

2011/12 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st July £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	41,712	6,642	41,712	-	
Other Adult, Community & Housing	9,170	2,361	9,170	-	
Urban Environment	24,253	5,947	24,258	+5	See note 1
Children's Services	32,463	5,180	32,463	-	
Corporate Resources	2,516	233	2,316	-200	See note 2
Chief Executive's	665	40	665	-	
TOTAL	110,779	20,403	110,584	-195	

Note 1: Minor cost increase of Blowers Green Waste facility – to be funded from revenue resources.

Note 2: Lower than expected cost of demolishing former ICT building in Tower Street – will reduce capital receipts needed to fund overall capital programme.

Post Completion Review of Capital Projects

Title of Scheme: A459 Cinder Bank, Netherton Resurfacing
Date of Cabinet approval (As part of Highways Structural Maintenance Programme): May 2009 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet):.....£189,967 Planned Completion date: 4 March 2011
Outturn Cost.....£243,623 Actual completion date: 23 February 2011
Variation from Original Budget: Increase of £53,656 Delay: None, completed 9 days early
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): The additional costs resulted from several items including: <ul style="list-style-type: none"> • An increase in the depth of planing due to the poor condition of the material below the existing surfacing • Change to Sunday working at the junction with New Road to minimise traffic disruption • Increased area to include junction with Simms Lane and some parking areas • The original area of surfacing was found to be undermeasured • Much of the ironwork was in poor condition and had to be replaced
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway of Cinder Bank, Netherton to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes, although it will be some time before the extended life of the pavement structure is known.

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

Date: 24/05/2011

Title of Scheme: B4043 Manor Lane, Halesowen Resurfacing
Date of Cabinet approval (As part of Highways Structural Maintenance Programme): May 2009 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet):£216,000 Planned Completion date: 28 October 2010
Outturn Cost£247,628 Actual completion date: 5 December 2010
Variation from Original Budget: Increase of £31,628 Delay: 5½ weeks
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): The additional costs resulted from the decision to increase the depth of planing from 40mm to 100mm over an area of 3,500 sq.m between the two S-bends to avoid leaving a layer of unsound material. The start of the scheme was delayed to allow for the construction of a Local Safety Scheme on Manor Lane before resurfacing. The section of carriageway in the vicinity of Lapal Primary School was still resurfaced during the October half term holiday as planned.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway of Manor Lane, Halesowen to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes, although it will be some time before the extended life of the pavement structure is known.

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

Date: 24/05/2011

Title of Scheme: A458 Stourbridge Road, Halesowen Resurfacing
Date of Cabinet approval (As part of Highways Structural Maintenance Programme): May 2009 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet):£182,000 Planned Completion date: 3 September 2010
Outturn Cost£195,169 Actual completion date: 23 August 2010
Variation from Original Budget: Increase of £13,169 Delay: None, completed 11 days early
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): The additional costs were for the installation of concrete drainage channels in the footway where it was below the level of the carriageway; and for the provision of additional traffic management operatives at the junction with Alexandra Road, where different methods of controlling the traffic were being tried out in the early days of the scheme to minimise the disruption to traffic.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway and footways (including kerb replacement) of Stourbridge Road Halesowen to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes, although it will be some time before the extended life of the pavement structure is known.

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

Date: 24/05/2011

Title of Scheme: Sledmere Primary School – Replacement of windows.

Date of Executive / Cabinet approval: 13/02/2008

(i.e. inclusion in Capital Programme) This project was funded from devolved capital grant and modernisation. Both funding streams were approved by cabinet on the above date

Original Budget: £250,915.00

Planned Completion date: *29/11/2010*

Outturn Cost (still provisional): £241,078.26

Actual completion date: *21/12/2010*

Variation from Original Budget: -£9,836.74

Delay: 16 working days

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

The project was delayed by 17 working days due to inclement weather conditions which meant that certain procedures had to be delayed until temperatures were more suitable.

The contingency for this project was set at £15,000 due to a large number of expected issues with the poor condition of the concrete window surrounds, it was not necessary to use the full contingency amount. This saving will be put towards funding other AMP projects.

Original Objectives of Scheme (please indicate when and to whom these were reported):

The project was prioritised through the Council's AMP Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.

Following a meeting of the AMP Consultation Group held on 17th September 2008 the unanimous decision by the group was to recommend that the Directorate proceeded with the Window Replacement Scheme at Sledmere Primary School. The Director of Children's Services agreed to the programme at Capital Board that took place on 7th November 2008.

The new windows have reduced the overall condition backlog of the school, improved the thermal performance and overall security of the buildings. The new windows have also helped provide a stimulating learning environment for pupils, staff and the wider community.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Pauline Sharratt..... (Assistant Director)

Date: **12.08.11**

Scheme: Brierley Hill Primary School – Boiler Replacement Scheme

Date of Executive / Cabinet approval: 13/02/2008

(i.e. inclusion in Capital Programme) This project was funded from devolved capital grant and modernisation. Both funding streams were approved by cabinet on the above date.

Original Budget: £178,000.

Planned Completion date: 31/10/2010

Outturn Cost (still provisional): £155,005.

Actual completion date: 01/11/2010

Variation from Original Budget: - £22,995.

Delay: 1 day

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

The original budget included repairs to the main school boilers as well as the identified works to the nursery boiler, these additional works to the main school boiler were completed considerably below the estimated value.

A contingency amount of £10,000 was included within the Nursery boiler project costs to provide funding for possible unforeseen problems during the process of the works. This amount was not required as the project proceeded smoothly without incident. These saving will be put towards funding available for further projects in the AMP Programme.

Original Objectives of Scheme (please indicate when and to whom these were reported):

The project was prioritised through the Council's AMP Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.

Following a meeting of the AMP Consultation Group held on 17th September 2008 the unanimous decision by the group was to recommend that the Directorate proceeded with the Boiler Replacement Scheme at Brierley Hill Primary School. The Director of Children's Services agreed to the programme at Capital Board that took place on 7th November 2008.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Pauline Sharratt..... (Assistant Director)

Date: 12.08.11.....

Scheme: Woodside Community School – Re-roofing Scheme

Date of Executive / Cabinet approval: 13/02/2008

(i.e. inclusion in Capital Programme) This project was funded from devolved capital grant and modernisation. Both funding streams were approved by cabinet on the above date.

Original Budget: £281,000.00

Planned Completion date: 03/12/2010

Outturn Cost (still provisional): £306,678.24

Actual completion date: 11/02/2011

Variation from Original Budget: £25,678.24

Delay: 2 months

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

The project was delayed by 2 months due to the extremely poor condition of the structural roof slab. The condition of the slab could not be ascertained until the existing covering had been removed as there were no external indications of the condition of the existing concrete structure.

The remedial work to repair the structure caused the project to be delayed and subsequently increased costs were incurred due to the nature of the work involved, also exceptionally inclement weather conditions during December 2010 meant that certain procedures had to be delayed until temperatures were more suitable.

Original Objectives of Scheme (please indicate when and to whom these were reported):

The project was prioritised through the Council's AMP Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.

Following a meeting of the AMP Consultation Group held on 16th September 2009 the unanimous decision by the group was to recommend that we proceed with the Re-roofing of Corridors Scheme at Woodside Community School following a ranking exercise for all schools building priorities. This was subject to one year's devolved capital contribution towards the project from the school and Director of Children's Services agreeing to the programme at Capital Board scheduled to take place on 17th September 2009.

The completed project has provided a permanent solution to the flat roof failure and a school environment that is equipped for 21st century teaching and learning.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Jane Porter..... (Acting Director)

Date: 23.08.11.....

Title of Scheme: Kate's Hill Primary School – Roofing Works.

Date of Executive / Cabinet approval: 13/02/2008

(i.e. inclusion in Capital Programme) This project was funded from devolved capital grant and modernisation. Both funding streams were approved by cabinet on the above date.

Original Budget: £375,000.00

Planned Completion date: 21/01/2011

Outturn Cost (still provisional): £302,099.06

Actual completion date: 04/02/2011

Variation from Original Budget: -£72,900.94

Delay: 10 working days

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

The project was delayed by 10 working days due to inclement weather conditions which meant that work had to be delayed until temperatures were more suitable.

The budget was reduced following the successful Tender of £314,973.55. The variation on the the final outturn cost was due to the full contingency amount not needing to be used. This saving will be put towards funding other AMP projects. The project costs were reported at regular intervals through PIT (Project Implementation Team).

Original Objectives of Scheme (please indicate when and to whom these were reported):

The project was prioritised through the Council's AMP Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.

Following a meeting of the AMP Consultation Group held on 16th September 2009 the unanimous decision by the group was to recommend that we proceed with the Re-roofing Scheme at Kate's Hill Primary School following a ranking exercise for all schools building priorities. This was subject to one year's devolved capital contribution towards the project from the school and Director of Children's Services agreeing to the programme at Capital Board scheduled to take place on 17th September 2009.

The chosen solution was an insulated three ply mineral felt system (20 yr guarantee). The high level windows were also replaced with commercial grade aluminium double glazed units and operated on a Teleflex system that have enabled the windows to be operated with ease. The existing skylights were also replaced with high security triple skin polycarbonate units.

The completed project has provided a permanent solution to the flat roof failure and a school environment that is equipped for 21st century teaching and learning.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Jane Porter..... (Acting Director)

Date: 23.08.11.....

Title of Scheme: Glynne Primary School – Roofing and Window Replacement Works.

Date of Executive / Cabinet approval: 13/02/2008

(i.e. inclusion in Capital Programme) This project was funded from devolved capital grant and modernisation. Both funding streams were approved by cabinet on the above date.

Original Budget: £641,000.00

Planned Completion date: 29/10/2010

Outturn Cost (still provisional): £648,667.89

Actual completion date: 12/11/2010

Variation from Original Budget: £7,667.89

Delay: 10 working days

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

Due to the complicated nature of this project, the 10 day delay was due to additional works identified when on site, these were unseen at the time of tender as investigation could not take place until the works has commenced. Due to these additions subsequent costs were incurred due to the nature of the work involved.

The project costs were reported at regular intervals through PIT (Project Implementation Team).

Original Objectives of Scheme (please indicate when and to whom these were reported):

The project was prioritised through the Council's AMP Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan.

Following a meeting of the AMP Consultation Group held on 16th September 2009 the unanimous decision by the group was to recommend that we proceed with KS1 Re-roofing Scheme at Glynne Primary School following a ranking exercise for all schools building priorities. This is subject to two year's devolved capital contribution towards the project from the school and Director of Children's Services agreeing to the programme at Capital Board scheduled to take place on 17th September 2009.

The chosen solution was an insulated three ply mineral felt system (20 yr guarantee). The windows were also replaced with commercial grade aluminium double glazed units and operated on a Teleflex system that have enabled the windows to be operated with ease. The existing skylights were also replaced with high security triple skin polycarbonate units.

The completed project has provided a permanent solution to the flat roof failure and a school environment that is equipped for 21st century teaching and learning.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Jane Porter..... (Acting Director)

Date: 23.08.11.....

Title of Scheme: Wallbrook Primary School – Hot & cold water services

Date of Executive / Cabinet approval: 13/02/2008

(i.e. inclusion in Capital Programme)

Original Budget: £83,000.00

Planned Completion date: 02/02/2011

Outturn Cost (still provisional): £40,725.00

Actual completion date: 02/02/2011

Variation from Original Budget: - £42,275.00

Delay: Not Applicable.

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

The original budget of £83,000.00 was based on the assumption that all pipe work would have to be replaced, re-laid inside the floor ducts (as like existing) and the costly removal of all asbestos within these ducts.

However, following a detailed technical inspection carried out by Corporate Property, an alternative cost effective solution was proposed to relocate the new pipe work at high level thus eliminating the need of removal of the existing pipe work and asbestos.

Following my acceptance of the alternative solution, the anticipated decreased cost was reported at regular intervals through PIT (Project Implementation Team).

Original Objectives of Scheme (please indicate when and to whom these were reported):

South Staffordshire Water issued the school with a 14 day Notice to carry out urgent remedial works to their water supply due to a suspected water leak located within the school boundary.

A repair was promptly carried out, however it was reported that both the hot and cold distribution pipe work was severely corroded and would need urgent replacement to avoid potential school closures and future costly repairs.

This was reported to the AMP Consultation Group and the unanimous decision by the group was to proceed with the total replacement of the hot & cold water distribution pipe work throughout the school.

Have these Objectives been met? (If "No" please provide explanation):

Yes.

Signed by: Jane Porter..... (Acting Director)

Date:26.08.11

Title of Scheme: Gig Mill Primary School swimming pool refurbishment

Date of Executive / Cabinet approval: 19/11/2010

(Date of Decision Sheet)

Original Budget (as first reported to Executive / Cabinet): £187,970.00

Planned Completion date: 15/04/2011

Outturn Cost (still provisional): £195,695.00

Actual completion date: 21/04/2011

Variation from Original Budget: £7,725.00

Delay: 4 working days.

Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):

Following the commencement of the works it became apparent at an early stage that the existing floor slab could not be overlaid with a new floor finish as originally proposed due to the absence of a damp proof membrane. A new damp proof membrane needed to be laid to resist moisture rising through the new structure and an instruction was subsequently raised for this work. An Extension of Time Certificate was issued for 4 days to allow for the insertion of the damp proof membrane

Original Objectives of Scheme (please indicate when and to whom these were reported):

The original objective was to provide a refurbished swimming facility for school and wider community use and could be used throughout the year. The School's Governing body and Senior Management Team highlighted the redevelopment of the swimming pool as a priority in the School's Building Development Plan.

Have these Objectives been met? (If "No" please provide explanation):

Yes, the redeveloped swimming pool has proven to be an excellent resource to the school and provided following benefits;

- Encouragement of good health practises amongst all pool users.
- Increased participation in physical activity amongst all pupils.
- Promotion of safe swimming amongst all pool users.
- Encouragement of participation by a wider spectrum of social groups.
- Generation of retail income for school to re-invest.

Signed by: Pauline Sharratt..... (Assistant Director)

Date: 12/08/11