

Meeting of the Cabinet - 10th September 2008

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	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Public Sector Housing	26,643	25,614	25,858
Other Adult, Community & Housing	8,894	6,927	3,184
Urban Environment	30,402	21,115	14,471
Children's Services	28,507	22,301	25,832
Finance, ICT & Procurement	906	30	0
Law & Property	712	390	663
Chief Executive's	1,195	110	110
TOTAL	97,259	76,487	70,118

4. In accordance with the requirements of the Financial Management Regime (FMR), details of progress with the 2008/09 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

ICT Strategy

5. A sum of £100,000 has been set aside within the Directorate's reserves to fund a number of ICT Strategy projects in the current financial year, including:
- Continuation of backscanning client files to ensure compliance with the Government directive to have all client records held electronically;
 - Upgrades to the mobile assessment tools used by staff;
 - Updating necessary software licences.

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

Urban Environment

Drainage Works - Norton Road / County Lane, Stourbridge

6. To alleviate flooding of properties at the above location, Staffordshire County Council are to undertake a scheme to replace inadequate highway drainage in their area. The drain also receives runoff from adjacent land and discharges through an inadequate drainage system in Dudley into a pond in a resident's garden in County Lane. In order to cope with current rainfall levels there is a need to replace this system. A joint scheme is therefore proposed, with the total estimated cost of £100,000 being shared 50/50 between the two Councils. Of Dudley's £50,000 contribution, £25,000 can be found from existing Highways capital resources, and the balance from corporate capital resources set aside for urgent priorities.

As the scheme entails Staffordshire County Council undertaking work on highway under the control of Dudley there is a need to enter into a section 8 agreement under the provisions of the 1980 Highways Act. It is proposed that a section 8 agreement be entered into with Staffordshire County Council and that the works be approved and included in the Capital Programme.

Lister Road Garage - Refurbishment of Toilets

7. The ground floor toilets at Lister Road Garage are in a poor condition and need to be refurbished to meet current standards. This will include the installation of a facility to serve the female members of staff working in the adjoining Transport section. The estimated cost of the works is £20,000 which can be funded from Transport Services revenue resources.

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

Dudley Townscape Heritage Initiative

8. The Townscape Heritage Initiative (THI) is a Heritage Lottery Fund (HLF) grant programme to assist in the repair and regeneration of the historic environment. It aims to use built heritage as a stimulant for economic regeneration, to contribute to the sustainability of local economies, and to support communities by bringing vacant floor space in historic buildings back into use and by making a historic area more attractive as a location for business or as a tourist destination.

The Dudley THI is an integral part of the delivery of the Area Development Framework for Dudley Town Centre, and will act as the starting point for delivery of major regeneration activity in the town.

The Council has been successful in its application for £1.788m of Heritage Lottery Fund (HLF) and £1.888m Advantage West Midlands (AWM) capital funding, which together with the Council's previously agreed contribution of £110,000 comprises the necessary public sector matchfunding required for the project to proceed. Private sector contributions are estimated at £2m. Subject to the completion of funding agreements with the HLF and AWM, and the appointment of a project manager, work can start in the current financial year.

It is proposed that the successful grant applications be noted, and the related expenditure included in the Capital Programme.

Wrens Nest Nature Reserve Improvements

9. A package of works at Wrens Nest Nature Reserve has been developed, to include repairs and new surfacing to paths, stock proof fencing to enable land to be grazed as part of an appropriate land management programme, new stiles and gates to improve access through the field for local residents, and site investigations into blockage to the outfall at Donkey Pool - to be followed by appropriate remedial works to the outfall and repairs to areas of heavy erosion caused as a result of overtopping of the pool.

These works will complement and support the improvements to the Reserve as proposed in the recent application to the Heritage Lottery Fund (HLF). The estimated cost of £25,000 can be met from available Section 106 resources. It is proposed that the works be approved and included in the Capital Programme.

Children's Services

Play Pathfinder

10. Following a successful application by the authority to become a Department for Children, Schools and Families (DCSF) Play Pathfinder in March 2008, a total grant allocation of £2.611m, including £2.120m capital, has been awarded to the Council to create 28 new or refurbished children's play areas in public parks and a new adventure playground at the Sycamore Green Centre. The authority submitted a project plan to the DCSF for approval in July, describing the prioritisation, management and implementation process for the programme over the next three years. This has now been approved in full by the DCSF and the selection of the 28 children's play areas will now be undertaken by the Dudley Children's Trust over the coming weeks.

This will build on the recent Big Lottery Fund award for the Dudley Play Strategy, which has been widely praised by the Government, the Big Lottery Fund and Play England as a national exemplar.

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

Rosewood Relocation

11. As a result of a flooding incident caused by burst water pipes at the Highfields site, works costing £40,000 are required to classrooms, corridors and the hall in order for the Rosewood School to be fully relocated. It is anticipated that these costs will be met from Risk Management resources, and it is proposed that the Capital Programme be amended accordingly.

Urgent Amendment to the Capital Programme

Himley Hall North Wing

12. At the meeting of Cabinet on 1st November 2006, approval was given for the Himley Hall North Wing refurbishment to be included in the Council's Capital programme.

This refurbishment will see the development of the former swimming pool area into a large, high specification conference/wedding function room and the conversion of the former cinema to provide a lounge bar area to be used in association with the new conference/wedding facility. In addition there will be other improvements to toilets, public access area, heating and electrical services and other ancillary facilities.

It was originally estimated that the cost of the above developments would be £700,000 but after an extensive exercise to develop the full specification and following the receipt of tenders, the cost of the above works is now estimated to be £818,000.

To comply with necessary timescales, an urgent decision (ref. DUE/55/2008) was therefore made by the Leader of the Council in consultation with the Director of Finance on 27th June 2008 to amend the Capital Programme to reflect the increased costs, which can be covered from the resultant increase in income that will be generated from new usage/hires.

Health and Fitness facilities at Crystal, Dudley and Halesowen Leisure Centres

13. At its meeting on 12th September 2007 Cabinet approved the inclusion of improvements to Health and Fitness facilities at Crystal, Dudley and Halesowen Leisure Centres, at a total forecast cost of £1.410m. Work has progressed with the implementation of the schemes at Dudley and Halesowen and with the finalisation of costs at Crystal, total project cost is now £1.467m. The increase in costs, principally at Crystal Leisure Centre, is due to some modest additions to the specification which have added a Children's Soft Play facility and an air conditioned Dance/Aerobics Studio to the facility mix as well as some additional health and fitness equipment within the Suite. These additions will provide additional income generating facilities, which will fund the extra costs.

To comply with necessary contract timescales, an urgent decision (ref. DUE/57/2008) was therefore made by the Leader of the Council in consultation with the Director of Finance on 21st July 2008 to amend the Capital Programme to reflect the increased costs.

Church Hill Retaining Wall and High Street, Brierley Hill

14. The engineering matters associated with the walls that enclose the War Memorial at Church Street /Church Hill are extremely complex as the walls are founded on naturally occurring sandy clays that in turn sit on a dipping rock head. The main Church Street wall supports massive earth and surcharge pressures from the man-made terraced embankment comprising clinker, ash, slag and brick-based fill material. The walls and embankment are now in such a condition of distress that they require significant structural work to stabilise. Against the background of the necessary work and to retain the existing character in line with conservation demands, the estimated cost of stabilisation/replacement amounts to around £3.0m. Proposed work to the public realm in High Street is estimated to cost a further £2.5m.

Subject to the outcome of a socio economic assessment, commissioned by Advantage West Midlands (AWM), the above works may be included in the scope of a bid to AWM as part of the overall Brierley Hill Regeneration Package. A decision on funding by AWM, anticipated in December, will determine whether work can proceed.

To prepare the application to AWM, it is necessary to spend around £150,000 on site investigation and detail design for the Church Hill retaining wall and public realm improvements. If the socio economic assessment does not support the inclusion of the Church Hill retaining wall in the application for funds from AWM, the Council will need to consider the risk assessment and determine a funding strategy for undertaking the works and a further report will be submitted in this regard. If the study does not support the inclusion of the public realm works in the application for funds to AWM, this work will not proceed and the minimum work to accommodate the Traffic Regulation Orders (TRO) will be carried out under the remit of the BHSAN scheme.

Another element of the overall package is for AWM to acquire a development opportunity site at the junction of Level Street and High Street, currently owned by the Council. If this acquisition proceeds, it will be possible to fund the £150,000 costs set out above from the resulting capital receipt.

As a detailed bid has to be submitted in October, an urgent decision (ref. DUE/62/2008) was made by the Cabinet Member for Transportation on 4th August 2008 that costs associated with the preparation of bids to Advantage West Midlands (AWM) for Church Hill/Church Street retaining wall and Brierley Hill High Street enhancements be included in the Capital Programme, and that subject to AWM's agreement to acquire the land at the Level Street/High Street junction, these costs be recovered from the sale proceeds.

Relocation of ICT Services from Tower Street.

15. For a number of years, the ICT Services Tower Street office building has had structural problems and temporary remedial works have been put in place to ensure that the safety of the building has not been compromised.

Recent inspections by structural engineers have flagged up growing concerns about continuing to secure the building in this manner, such that, whilst they consider there to be no immediate risk, they would not be prepared to see the building go through another winter and to assure its structural integrity and will require the building to be vacated by no later than the middle of October 2008. Repair to the structural defects is not considered viable or advisable by the Structural Engineers.

Relocation of staff, equipment and continuation of ICT services, during a period of what is less than three months, will be challenging and will present a number of uncertainties. There is no guarantee that complete relocation of services will be possible by mid October.

Officers will be working together to effect a suitable relocation plan, but clearly time will be of the essence and many decisions need to be taken urgently, and given that urgency, works, procurements and associated processes will need to be delegated to officers.

The current plan of action is to relocate sections of the current operation into existing Council accommodation, where available and suitable. One of the areas that will be used for re-location is the two conference rooms at the rear of Dudley Council Plus.

Urgency necessitates a short-term solution which will no longer provide the two data centres that the Council has previously relied on to deliver a resilient ICT Service, so the risk of disruption of the council's operations for the duration of the temporary solution remains significant. There will also be unavoidable disruption while the temporary solution is put in place. This will mainly be confined to weekends in September, but may overrun into weekdays if difficulties occur.

In due course, separate decisions will be required on how to deal with the vacated building and a future permanent accommodation solution for ICT Services.

It is not possible at this stage to determine how much the relocation work will cost, but there will inevitably be a mix of capital and revenue expenditures. Urgency requires spending to be made to effect the relocation and, it is hoped, that any capital spending can be met ultimately from the capital receipt generated from disposal. Revenue costs will have to be a first call upon revenue budgets and reserves.

In view of the above circumstances, an urgent decision (ref. DOF/18/2008) was therefore made by the Leader of the Council in consultation with the Director of Finance and Director of Law and Property on 29th July 2008 to authorise the Director of Law and Property and Director of Finance to undertake works, procurements and associated legal and financial arrangements to enable the relocation of staff, services and equipment from Tower Street offices and to secure the accommodation pending a decision on its future, and to include such expenditure incurred within the Capital Programme and revenue budgets, as appropriate.

Post Completion Review of Capital Projects

16. 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 reviews attached at Appendix B.

Urban Environment

Resurfacing of Gayfield Avenue, Brierley Hill
Resurfacing of Stallings Lane, Kingswinford

It is proposed that these be noted.

Finance

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

Law

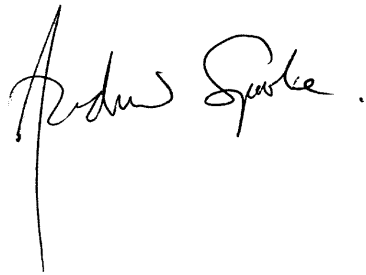
18. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Equality Impact

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

21. That current progress with the 2008/09 Capital Programme, as set out in Appendix A be noted.
22. That the results of the Post Completion Reviews of capital projects, as set out in Appendix B be noted.
23. That the Council be recommended:
 - That the Adult, Community and Housing ICT Strategy projects be approved and included in the Capital Programme, as set out in paragraph 5.
 - That a section 8 agreement be entered into with Staffordshire County Council, and that the drainage works at Norton Road / County Lane, Stourbridge be approved and included in the Capital Programme, as set out in paragraph 6.
 - That the scheme to refurbish the toilets at Lister Road Garage be approved and included in the Capital Programme, as set out in paragraph 7.
 - That the successful grant applications for the Townscape Heritage Initiative (THI) project be noted, and the related expenditure included in the Capital Programme, as set out in paragraph 8.
 - That the improvements at Wrens Nest Nature Reserve be approved, and included in the Capital Programme, as set out in paragraph 9.
 - That the Play Pathfinder grant allocation be noted, and that subject to final DCSF approval, the associated expenditure be included in the Capital Programme, as set out in paragraph 10.
 - That the Capital Programme be amended to include the costs resulting from the flooding incident at the Highfields site, as set out in paragraph 11.
 - That the Urgent Amendments to the Capital Programme, as set out in paragraphs 12-15 be noted.



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Andrew Sparke
Chief Executive

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for Mike Williams
Director of Finance

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List of Background Papers
Relevant resource allocation notifications.

2008/09 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31st July £'000	Forecast £'000	Variance £'000	
Public Sector Housing	26,643	6,018	26,643		
Other Adult, Community & Housing	8,894	1,483	8,896	+2	
Urban Environment	30,402	7,623	30,410	+8	See Note 1
Children's Services	28,507	4,553	28,557	+50	See Note 2
Finance, ICT & Procurement	906	173	906		
Law & Property	712	340	712		
Chief Executive's	1,195	134	1,195		
TOTAL	97,259	20,324	97,319	+60	

Note 1: Extra CCTV / electrical costs at Pool Road Car Park.

Note 2: Flood remediation costs of £40,000 at Highfields site (see paragraph 11) and other minor variances.

Post Completion Review of Capital Schemes

Title of Scheme: Resurfacing of Gayfield Avenue, Brierley Hill
Date of Executive / Cabinet approval (As part of Highways Structural Maintenance Programme): February 2007 (i.e. inclusion in Capital Programme)
Original Budget.....£208,000 Planned Completion date: 02 March 2008
Outturn Cost (please indicate if still provisional):.....£226,319 Actual completion date: 21 March 2008
Variation from Original Budget: Increase of £18,319 Delay: 19 days
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): The increase in cost was due to a number of issues including the need to work in restricted hours in the area close to the school, an increase in the thickness of the binder course to improve the shape of the road, additional traffic management on side roads, replacement of most gully and manhole covers, excavation of channel blocks and works to kerbs and footways. The delay was partly a result of these additional works and also because of a collapsed inspection chamber which had to be reconstructed by Severn Trent.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface Gayfield Avenue 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: 12/06/08

Title of Scheme: Resurfacing of Stallings Lane, Kingswinford
Date of Executive / Cabinet approval (As part of Highways Structural Maintenance Programme): 9 February 2005 (i.e. inclusion in Capital Programme)
Original Budget.....£173,604 Planned Completion date: 14 November 2007
Outturn Cost (please indicate if still provisional):.....£130,879 Actual completion date: 04 November 2007
Variation from Original Budget: Reduction of £42,725 Delay: None (10 days early)
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): The reduction in cost was due to the decision to omit the use of a fabric reinforcement from the pavement layers and to the variance in the area resurfaced.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface Stallings Lane to depths of 100mm to 300mm 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: 06/06/08