

**Meeting of the Cabinet – 26<sup>th</sup> October 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.

<b>Service</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	41,712	0	0
Other Adult, Community & Housing	5,996	7,130	1,280
Urban Environment	23,635	15,024	10,524
Children's Services	32,463	1,010	4,067
Corporate Resources	2,516	674	636
Chief Executive's	660	254	0
<b>TOTAL</b>	<b>106,982</b>	<b>24,092</b>	<b>16,507</b>

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 for 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.

## **Urban Environment**

### Grange Road Subway, Halesowen

6. The subway under the Queensway, Halesowen is an important pedestrian access into the town centre but is situated alongside the River Stour which in 2007 & 2008 burst its banks causing severe flooding, particularly to Grange Crescent.

The recent flood studies report produced by the Environment Agency (EA) identified one area requiring additional flood protection at the town-side entrance/ exit ramp where it links with Great Cornbow.

There has also been a longstanding concern over the blind spot in this ramp as the existing footpath meets the box section subway and plans have been prepared to alter the footpath arrangement to improve visibility and encourage use of the subway by partially removing pedestrian concerns.

It has been agreed with the EA that it would be in our best interests to combine these schemes and work in partnership thus enabling works on the flood protection scheme to be carried out to fit in with other works and enable savings by the Council to be made due to reduced preliminary items and combined working.

A further advantage for the Council is that the EA is prepared to contribute towards the cost of the Council's work based on the cost of work that they would have to carry out on the Council owned retaining wall.

This will mean that the net cost to the Council will be in the region of £50,000 including fees, provided that all of the works can be completed by the EA deadline of the end of March 2012. This can be funded from the Bridges revenue budget

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

## **Urgent Amendments to the Capital Programme**

### Installation of the replica of the Titanic Anchor

7. Last year the Council acquired the replica of the Titanic Anchor as part of a project involving Twenty Twenty Productions which culminated in an event in Netherton on Sunday 15<sup>th</sup> August 2010. Since the event the anchor has been on display at the Black Country Living Museum pending its return and permanent installation in Netherton. The requisite permissions were obtained for its installation in Netherton and an event was planned for Saturday 17<sup>th</sup> September 2011 to mark its return.

The total cost associated with the installation of the anchor including landscape, planning and transportation is £22,000. The capital cost relating to the actual installation and securing of the anchor is £15,000 which can be funded by a £5,000 capital allocation from the Central Dudley Area Committee and from savings elsewhere in the Directorate of the Urban Environment's Capital Programme. The revenue cost of £7,000 can be met from funding from Dudley Community Partnership, local fundraising and Directorate revenue budgets.

In order to facilitate the installation, a decision (ref. DUE/36/2011) was made by the Leader of the Council in consultation with the Treasurer on 14<sup>th</sup> September 2011 to include the project in the Capital Programme.

## **Post Completion Review of Capital Projects**

8. 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.

### **Children's Services**

Greenfields Primary School – Foundation Stage Unit

Netherbrook Primary School – Foundation Stage Unit

It is proposed that these be noted.

## **Finance**

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

## **Law**

10. 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**

11. These proposals comply with the Council's policy on Equality and Diversity.
12. 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**

13. That current progress with the 2011/12 Capital Programme, as set out in Appendix A be noted.
14. That the results of the Post Completion Reviews of capital projects, as set out in Appendix B be noted.
15. That the Council be recommended:
  - That the works to Grange Road Subway, Halesowen be approved and included in the Capital Programme, as set out in paragraph 6.

- That the Urgent Amendment to the Capital Programme, as set out in paragraph 7 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 <sup>st</sup> Aug £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	41,712	9,879	41,712	-	
Other Adult, Community & Housing	5,996	2,757	5,996	-	
Urban Environment	23,635	7,600	23,650	+15	See note 1
Children's Services	32,463	7,479	32,463	-	
Corporate Resources	2,516	368	2,266	-250	See note 2
Chief Executive's	660	51	660	-	
<b>TOTAL</b>	<b>106,982</b>	<b>28,134</b>	<b>106,747</b>	<b>-235</b>	

Note 1: Mainly resulting from 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

<b>Title of Scheme: Greenfield's Primary School – Foundation Stage Unit</b>
<b>Date of Executive / Cabinet approval:</b> 13 <sup>th</sup> February 2008 (i.e. inclusion in Capital Programme)
<b>Original Budget:</b> £558,000.00 <b>Planned Completion date:</b> 30/07/2010
<b>Outturn Cost (still provisional):</b> £572,000.00 <b>Actual completion date:</b> 13/09/2010
<b>Variation from Original Budget:</b> £14,000.00 <b>Delay:</b> 6 weeks
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):</b>  A request for an Extension of Time has been rejected. Liquidated and ascertained damages are to be deducted once the Final Account has been agreed by all parties concerned. Project costs were reported at regular intervals through PIT (Project Implementation Team) throughout the duration of the project.
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b>  The original objective was to provide a 'fit for purpose' Foundation Stage Unit to offer a significantly improved learning environment to cater for the learning, development and welfare of children from 0 to 5 years old in the delivery of the Early Years Foundation Stage Curriculum.
<b>Have these Objectives been met? (If "No" please provide explanation):</b>  Yes.

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

Date: 02.09.11

<b>Title of Scheme: Netherbrook Primary School – Foundation Stage Unit</b>
<b>Date of Executive / Cabinet approval:</b> 13/02/08 (i.e. inclusion in Capital Programme)
<b>Original Budget:</b> £210,000.00 Planned Completion date: 15/10/10
<b>Outturn Cost (still provisional):</b> £224,000.00 Actual completion date: 05/11/2010
<b>Variation from Original Budget:</b> £14,000.00 Delay: 15 working days
<b>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet):</b>  A request for an Extension of Time has been rejected. Liquidated and ascertained damages are to be deducted once the Final Account has been agreed by all parties concerned. Increased costs were as a result of unforeseen works and Client extras identified at construction phase. Additional funding for the identified extra work was also identified at this time. Increased costs were reported at regular intervals through PIT (Project Implementation Team) throughout the duration of the project.
<b>Original Objectives of Scheme (please indicate when and to whom these were reported):</b>  The original objective was to provide a 'fit for purpose' Foundation Stage Unit to offer a significantly improved learning environment to cater for the learning, development and welfare of children from 0 to 5 years old in the delivery of the Early Years Foundation Stage Curriculum.
<b>Have these Objectives been met? (If "No" please provide explanation):</b>  Yes.

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

Date: 02.09.11