

Meeting of the Cabinet – 14th March 2012

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	40,128	32,206	30,662
Other Adult, Community & Housing	6,072	8,775	1,480
Urban Environment	19,292	23,266	14,843
Children's Services	21,169	19,483	4,092
Corporate Resources	1,635	1,724	636
Chief Executive's	414	477	0
TOTAL	88,710	85,931	51,713

Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced.

4. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2011/12 Programme are given in Appendix A. It is proposed that the current position be noted, and that budgets be amended to reflect the reported variances.

Urban Environment

Lister Road Depot Improvements

5. Additional costs of £15,000 relating to compliance with health and safety regulations for the Lister Road depot improvements, particularly for the Mess Room facility, can be met from savings from the Incinerator Pollution Control project which is now complete. It is proposed that the Capital Programme be amended accordingly.

Corporate Resources

Town Centre Office Accommodation – Transforming our Workplace

6. In July 2011, Cabinet approved the overall Dudley Town Centre Office Accommodation Strategy. The rationalisation of Council Offices within Dudley Town Centre will require the refurbishment of 5 core sites within the Council's central campus complex, namely 7 St James's Road/8 Parsons Street, 4 Ednam Road, 3/5 St James's Road, the Council House and Regent House. The refurbishment of these buildings will allow the Council to dispose of 12 surplus sites, enable the movement of staff around the campus whilst construction works are undertaken, assist with the resultant transformation of services to adopt agile working methods and make more efficient use of less space. The refurbishment of Regent House was approved by Decision Sheet (ref. DCR/03/2012) in order to facilitate the initial phase of the project.

The capital cost of the project is estimated to be £3.054m which can be funded from existing Repairs and Maintenance budgets, and the proceeds from the disposal of the surplus sites in accordance with the PSP Dudley LLP agreement.

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

Children's Services

Office refurbishment at Ward House

7. Following the reorganisation of Corporate Property, the newly formed Construction and Design team became part of the Directorate of Children's Services and will be relocating to Ward House. To enable this relocation structural and refurbishment works will need to be carried out on Ward House.

The estimated cost of £43,000 can be funded from revenue budgets within the directorate. It is proposed that the project be approved and included in the Capital Programme.

Post Completion Review of Capital Projects

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

Children's Services

The Ridge Primary School – Re-roofing
Ashwood Park Primary School – Re-roofing
Huntingtree Primary School – Boiler Replacement

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

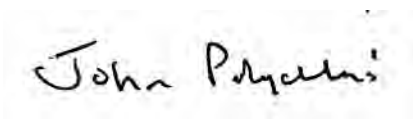
10. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

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 the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
14. That the Council be recommended:
 - That current progress with the 2011/12 Capital Programme, as set out in Appendix A be noted, and that budgets be amended to reflect the reported variances.
 - That, the Capital Programme be amended to include the additional costs of £15,000 for the Lister Road depot improvements, as set out in paragraph 5.
 - That the Transforming our Workplace project be approved and included in the Capital Programme, as set out in paragraph 6.
 - That the refurbishment of Ward House be approved and included in the Capital Programme, as set out in paragraph 7.



John Polychronakis
Chief Executive



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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 31st January £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	40,128	27,118	40,128		
Other Adult, Community & Housing	6,072	4,048	6,072		
Urban Environment	19,292	13,878	19,306	+14	See note 1
Children's Services	21,169	15,988	21,169		
Corporate Resources	1,635	1,255	1,635		
Chief Executive's	414	152	414		
TOTAL	88,710	62,439	88,724	+14	

1. Includes:

- Unavoidable extra costs of £29,000 on the Castle Mill Stabilisation project – which can be funded from revenue resources.
- Savings of £15,000 on the Incinerator Pollution Control project (see paragraph 5).

Post Completion Review of Capital Schemes

Title of Scheme: The Ridge Primary School – Re-roofing project.
Date of Executive / Cabinet approval: <i>09/02/2011</i> (i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant approved by cabinet on the above date.
Original Budget (as first reported to Executive / Cabinet): <i>£225,000.00</i> Revised Budget at Tender Stage: <i>£221,649.00</i> Planned Completion date: <i>18/11/2011</i>
Outturn Cost (still provisional): <i>£202,035.90</i> Actual completion date: <i>07/11/2011</i>
Variation from Budget at Tender Stage: <i>- £19,613.10</i> Delay: Not Applicable.
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): Competitive tenders were invited in accordance with Council Standing Orders and the lowest valid tender received was significantly under the pre tender estimate. This was due to the market conditions prevalent at the time of tendering. Cost variations 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 (Asset Management Plan) 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 16 th February 2011 the unanimous decision by the group was to recommend that the Directorate proceed with the Re-roofing Scheme at The Ridge Primary School. The Director of Children's Services agreed to the programme at Capital Board that also took place on 16 th February 2011. The chosen solution was an insulated three ply mineral felt system (20 yr guarantee). The high level windows to the hall 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: 25th January 2012

Title of Scheme: Ashwood Park Primary School – Re-roofing project.
Date of Executive / Cabinet approval: 09/02/2011 (i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant approved by cabinet on the above date.
Original Budget : £233,000.00 Planned Completion date: 21/11/2011
Outturn Cost (still provisional): £231,878.25 Actual completion date: 11/11/2011
Variation from Budget: - £1,121.75 Delay: Not Applicable.
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): Competitive tenders were invited in accordance with Council Standing Orders. This project ran to plan and to budget. There were no significant variations. Cost variations 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 (Asset Management Plan) 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 16 th February 2011 the unanimous decision by the group was to recommend that the Directorate proceed with the Re-roofing Scheme at Ashwood Park Primary School. The Director of Children's Services agreed to the programme at Capital Board that also took place on 16 th February 2011. The chosen solution was an insulated three ply mineral felt system (20 yr guarantee). The high level windows to the hall 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 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: 27th February 2012

Scheme: Huntingtree Primary School – Boiler Replacement Scheme

Date of Executive / Cabinet approval: 09/02/2011

(i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant approved by cabinet on the above date.

Original Budget: £163,000.

Planned Completion date: 28/10/2011

Outturn Cost (still provisional): £162,088.

Actual completion date: 28/10/2011

Variation from Budget: - £912.

Delay: N/A

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

Competitive tenders were invited in accordance with Council Standing Orders. This project ran to plan and to budget. There were no significant variations. Cost variations 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 February 2011 the unanimous decision by the group was to recommend that the Directorate proceeded with the Boiler Replacement Scheme at Huntingtree Primary School. The Director of Children's Services agreed to the programme at Capital Board that also took place on 16th February 2011.

The new boiler plant has reduced the overall condition backlog of the school, improved the quality of heating to the building and allowed individual areas of the school to be heated separately. The new boiler plant has 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: Jane Porter (Acting Director)

Date: 27th February 2012