

## Meeting of the Council – 13<sup>th</sup> October, 2014

### Report of the Cabinet

#### 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>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Sector Housing	42,730	40,334	41,162
Other Adult, Community and Housing	6,379	4,184	550
Urban Environment	31,626	13,579	5,873
Children's Services	28,493	751	161
Corporate Resources	2,451	1,658	1,366
<b>Total spend</b>	<b>111,679</b>	<b>60,506</b>	<b>49,112</b>
Revenue	14,192	13,400	13,687
Major Repairs Reserve (Housing)	22,279	22,558	22,847
Capital receipts	18,540	13,662	9,507
Grants and contributions (inc. Lottery)	27,361	8,011	183
Capital Financing Requirement*	29,307	2,875	2,888
<b>Total funding</b>	<b>111,679</b>	<b>60,506</b>	<b>49,112</b>

\*This will be funded internally from the Council's cashflow resources as far as possible, rather than from external debt.

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 2014/15 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. An update on progress with the Council's most significant capital schemes is shown in Appendix B.

## **Urban Environment**

### Clayton Park Outdoor Gym

5. The Capital Programme currently includes £39,000 for the construction of an Outdoor Gym in Clayton Park, Coseley from Public Health funding and available Section 106 receipts generated from within the Coseley ward. However, in order to build a facility comparable to those which have proven a success in other parks in the Borough an additional £17,000 is required. This can be met from savings elsewhere in the Programme and available revenue resources.

It is proposed that the increase in budget be approved and the Capital Programme amended accordingly.

### A459 Pedestrian Crossing Improvements

6. As part of the West Midlands Local Sustainable Transport Fund 'Smart Network Smarter Choices' project, the Council has been allocated £210,000 to improve existing pedestrian crossing facilities on the A459 corridor in the Sedgley area.

The facilities at the following locations will be upgraded to improve both pedestrian safety and reduce delays for vehicular traffic.

- High Street near Townsend Avenue
- High Street near Bull Ring
- Dudley Street near Bull Ring
- High Holborn at Tipton Street traffic signals
- Dudley Road near Arcal Street

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

## **Corporate Resources**

### Replacement of Franking machines.

7. The Curatorial Services team frank (process) outgoing mail for some 72 teams located throughout the borough. On average some 30,000 items of mail are franked each month. The two franking machines that are used have come to the end of their 5 year lease / hire contracts and new machines need to be procured. The decision as to whether to procure two new machines has been considered as part of the Corporate Post review and it has been determined that there is and will still be a need for two franking machines in the years to come. Quotes for replacements have been received and it is expected that the total cost will be no more than £30,000. This cost can be met from the Corporate Resources revenue budget.

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

## **Urgent Amendment to the Capital Programme**

### Pothole Funding

8. The Council has been awarded a further £567,000 by the Department for Transport to be spent in 2014/15. It is planned to address 7,000 sq metres of potholes, patching and repair of highways defects via revenue expenditure of £367,000, and to undertake capital expenditure of £200,000 on the enhancement of 25 roads to stop the formation of potholes which will be added to the micro-asphalting programme. In order to implement the works prior to the onset of cold and damp weather, a decision (ref. DUE/36/2014) was made by the Leader of the Council in consultation with the Treasurer on 21<sup>st</sup> August 2014 that this capital expenditure be added to the Capital Programme.
9. The Cabinet, at its meeting held on 17<sup>th</sup> September, 2014, resolved to recommend the Council to approve the proposals set out below.

### Finance

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

### Law

11. 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

12. These proposals comply with the Council's policy on Equality and Diversity.
13. 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**

14. The Council is recommended:

- That current progress with the 2014/15 Capital Programme, as set out in Appendix A, be noted and that budgets be amended to reflect the reported variances.
- That the increase in budget for the Clayton Park Outdoor Gym be approved and the Capital Programme amended accordingly, as set out in paragraph 5.
- That the expenditure on the A459 pedestrian crossing improvements be approved and included in the Capital Programme, as set out in paragraph 6.
- That the expenditure on the replacement of franking machines be approved and included in the Capital Programme, as set out in paragraph 7.
- That the urgent amendment to the Capital Programme, as set out in paragraph 8, be noted.



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**Leader of the Council**

## 2014/15 Capital Programme Progress to Date

<b>Service</b>	<b>Budget £'000</b>	<b>Spend to 31<sup>st</sup> July £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>	<b>Comments</b>
Public Sector Housing	42,730	10,601	42,730		
Other Adult, Community & Housing	6,379	2,064	6,379		
Urban Environment	31,626	3,692	31,444	-182	See note
Children's Services	28,493	2,422	28,493		
Corporate Resources	2,451	653	2,451		
<b>TOTAL</b>	<b>111,679</b>	<b>19,432</b>	<b>111,497</b>	<b>-182</b>	

**Note:**

- Cost reduction of £152,000 on Sedgley Hall Brook project following detailed analysis and scoping of the scheme (will reduce borrowing requirement);
- Saving of £13,000 on Redhouse Cone project as a result of electrical works costing less than originally estimated (funding to be returned to revenue);
- Lower than expected costs of £12,000 on Wollescote Park Pathways project (proposed to be used to fund extra costs of Clayton Park Outdoor Gym, as set out in paragraph 5 above);
- Minor savings of £5,000 on s106 funded Environmental Management projects.

## Progress with Major Capital Schemes

### Adult, Community and Housing

#### New Council Housing

The Council has been successful in securing match funding from the Homes and Communities Agency (HCA) from the Care and Specialised Support Housing Fund. Design work has commenced and a contract award made for the 14 two bedroom apartments for people with learning disabilities and who are on the autistic spectrum at the former depots at Norfolk Road, Wollaston and The Walk, Sedgley, and 3 two bedroom three person houses also at The Walk, procurement of a contractor is ongoing and tender evaluation is currently being undertaken.

Work is also continuing on feasibility studies for other potential new build housing and conversions of non-domestic properties across the borough and Pre-Application has commenced with the Local Planning Authority on a number of potential sites. Topographical and environmental habitat surveys and site investigations have been commissioned and a delivery plan is being developed. The bid submitted to the HCA for the conversion of Arcal Lodge in Sedgley into 14 units has been successful and design work is progressing.

Schemes are expected to be delivered within budget.

#### Dementia Gateways

Works are underway on the second dementia gateway at Brett Young in Halesowen with completion now anticipated for September 2014. Final costs are still to be established but schemes are expected to be delivered within budget.

### Urban Environment

#### Street Lighting

Street lighting improvement works are in progress and the Street Lighting Central Management System (CMS) is now fully commissioned and operational. 16,500 of the Council's 32,000 street lights can now be controlled via the CMS system remotely to help save energy; 10,500 of these can be dimmed. Spend is forecast to be within budget.

#### Better Bus Area

The proposals which involve the construction of a new signal controlled pedestrian crossing on the A4036 Pedmore Road, and the creation of additional road space and signal controls to facilitate bus priority measures at the junction of the Boulevard with Mill St, Brierley Hill were granted planning permission in March 2014. Main works commenced on site in July 2014 with substantial completion programmed for the end of October. Spend is forecast to be within budget.

#### Mary Stevens Park

Recruitment of 3 year Heritage Ranger post complete and new staff due to start in mid July, volunteering for project work is being established. The design team was recruited in June and detailed design work will start mid July with capital work due to start beginning of 2015. Spend is forecast to be within budget.

### Castle Hill

New Access Road: Phase 1a was completed during October 2012. Phase 1b (link road and roundabout) was completed April 2013.

Phase 2 onwards: This comprises the secondary route, recreational route, car parking and Visitor Hub. Planning permission was granted on 12<sup>th</sup> March 2013. The design team are currently working on detailed designs on a phased basis. Works commenced onsite for the initial phase of the secondary route on 23<sup>rd</sup> September 2013 and was completed February 2014. Works commenced on the lower level car parks on 4<sup>th</sup> December 2013, and completed March 2014. Works to upper level car park commenced April 2014, and was completed July 2014. Further phased works to commence October 2014, with final completion currently projected for April 2015.

### Castle Hill Additional Funding

BCLM Schools Reception Building. Planning application has now been submitted, works are anticipated to commence January 2015, with an anticipated completion of July 2015

Spend is forecast to be within budget.

### Dudley Marketplace and Town Centre

The first phase of the overall Dudley Market Place Public Realm scheme, which is Castle Street/New Street, is substantially complete and opened to full access on 10<sup>th</sup> August. There are some outstanding works in this location, seasonal tree planting being programmed for November and the construction work to the Earl of Dudley statue which has not yet been programmed in. The second phase has now started and the construction of the market stalls is well under way. Spend is forecast to be within budget.

## **Children's Services**

### DGfL3

Dudley Grid for Learning (DGfL) 3 includes a programme of ICT equipment upgrade and renewal across financial years 2013/14 & 2014/15. Consultation with schools to ascertain their priorities for the 'refresh' programme is complete. Refresh of ICT infrastructure and classroom equipment has now commenced phased roll out across the school estate. The programme and associated expenditure is therefore on schedule to bring improvement to schools ICT as planned.

## **Corporate Resources**

### Transforming our Workplace (ToW)

The project is now nearing completion. Work to offices at 3/5 St James's Road has now been completed and approximately 80% of the staff due to relocate there have done so. Alterations to offices at Mary Stevens Park Stourbridge have also been completed and the final group of Children's Services staff will have moved in by September. Various minor works to the Council House complex are in progress. The release of 12 surplus office sites has commenced with 6 office sites having now been sold. The overall programme of work is currently running to budget and is scheduled to complete in September 2014.