

Meeting of the Council – 16th July, 2012

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. At the meeting held on 20th June, 2012, the Cabinet considered a report on Capital Programme Monitoring and made a series of recommendations to the Council which are contained in this report. Other recommendations contained in the report were determined under delegated powers. A copy of the report is available from the Democratic Services Section (telephone 01384 815235) or by e-mail to steve.griffiths@dudley.gov.uk; or on the Council's website (follow the links to Meetings and Decisions).
4. The table below summarises the current 3 year Capital Programme updated where appropriate to reflect latest scheme spending profiles.

Service	2012/13	2013/14	2014/15
	£'000	£'000	£'000
Public Sector Housing	32,216	30,662	30,863
Other Adult, Community & Housing	10,351	1,077	0
Urban Environment	23,724	14,988	12,968
Children's Services	22,611	4,092	67
Corporate Resources	3,280	1,568	636
Chief Executive's	687	0	0
TOTAL	92,869	52,387	44,534

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

5. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2012/13 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Disabled Facilities Grants

6. Additional resources of £0.078m have been identified from usable housing capital receipts. It is proposed that these be earmarked for Disabled Facilities Grants, and that the Capital Programme be amended accordingly.

Oak Lane Improvements

7. The final phases of the programme are due to commence shortly to replace the existing sewage treatment plant with a mains drainage system and to provide three additional plots on site. Estimated total costs have increased due to a number of factors including clearance of contaminated land prior to works commencing and additional design work required to meet permissible discharge rates to the main sewer.

As a result it is proposed to increase the project budget by £105,000 which can be funded from existing Directorate resources, and that the Capital Programme be amended accordingly.

Urban Environment

MOT Testing Facility

8. The Transport section based at Lister Road Depot currently carry out several hundred taxi inspections per year on behalf of the Licensing section within the Directorate of Corporate Resources. For some time now the taxi trade has lobbied for a MOT Testing Service to be offered in conjunction with the routine taxi inspection, effectively creating a Taxi "One Stop Shop" in an attempt to minimise the amount of time taxis are off the road. Separate premises at the Enterprise Trading Estate, Brierley Hill, which has better access have now been identified to undertake this service, making the project feasible as Lister Road is unsuitable.

A financial modelling exercise has been carried out to ensure the viability of the project. This includes the capital set up costs for the necessary approved testing equipment, plus premises adaptation costs. Upgrading the premises and providing specialist testing equipment is estimated to cost £165,000 and can be funded from Directorate revenue resources.

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

Chief Executive's

Area Committee Allocations

9. From 2012/13, the annual Area Committee Capital Allocations (totalling £240,000) are to be met from revenue resources and no longer restricted to funding capital projects alone. This gives additional flexibility in respect of the schemes that could be funded, and also enables groups to bid for funding that have previously been excluded because their activities are primarily of a revenue nature. It is proposed that Area Committee Capital Allocations unspent from previous years and rolled forward into 2012/13 (totalling £413,000) are also no longer restricted to funding capital projects. This can be financed by reallocating revenue resources currently earmarked to fund other capital expenditure.

Urgent Amendments to the Capital Programme

Refurbishment of Toilets at Regent House

10. The decision to include the refurbishment of Regent House in the Capital Programme was reflected in decision sheet DCR/03/2012. Following an initial survey of the building, the refurbishment of toilets was not included as they were not deemed a high enough priority when compared to other areas of work. However, further inspection on site has led to a recommendation that these also be upgraded at a cost of £40,000 which can be met from Directorate of Corporate Resources revenue budgets. In order to include the necessary work within the existing contract a decision (ref. DCR/17/2012) was made by the Leader of the Council in consultation with the Treasurer on 21st May, 2012 that the refurbishment of all toilets at Regent House be included in the Capital Programme.

Salt Barn and Waste Transfer buildings and related works at Lister Road Depot

11. On the 8th February 2012 the Cabinet approved, subject to obtaining Planning permission, the provision of a Salt Barn and Waste Transfer buildings and related works at Lister Road Depot and for the scheme to be included in the Council's Capital Programme at an estimated cost of £1,000,000.

At the time of preparing the budget it was necessary to include certain assumptions, in particular, for the specialist nature of the building and ground stabilisation requirements. During the recent competitive tender bidding process, Contractors and their specialist Sub Contractors identified additional requirements for ground stabilisation works associated with the two large building structures, especially the Salt Barn which will be transmitting heavy loads (Salt Stocks) into the ground. In addition, the very nature of the building sizes, 25m x 35m and 25 x 40 required together with access, operational and clear span requirements has resulted in additional costs.

As a result of the above, and following the receipt of tenders, the estimated project cost is now £1,100,000. The increase in cost can be met from the forecast annual operational savings.

In order to enable the project to proceed as planned, a decision (ref. DUE/20/2012) was made by the Leader of the Council in consultation with the Treasurer on 11th June, 2012 to increase the project budget and amend the Capital Programme to reflect the latest estimated costs.

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 the Council be recommended:
- That current progress with the 2012/13 Capital Programme, as set out in Appendix A, be noted.
 - That the additional resources of £0.078m identified from usable housing capital receipts be earmarked for Disabled Facilities Grants, and that the Capital Programme be amended accordingly, as set out in paragraph 6.
 - That the Oak Lane Improvements budget be increased by £105,000, and the Capital Programme amended accordingly, as set out in paragraph 7
 - That the MOT Testing Facility project be approved and included in the Capital Programme, as set out in paragraph 8.
 - That Area Committee Capital Allocations unspent from previous years and rolled forward into 2012/13 be no longer restricted to funding capital projects, as set out in paragraph 9.
 - That the urgent amendments to the Capital Programme, as set out in paragraphs 10 and 11 be noted.



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Leader of the Council

2012/13 Capital Programme Progress to Date

Service	Budget £'000	Spend to 30th April £'000	Forecast £'000	Variance £'000
Public Sector Housing	32,216	85	32,216	-
Other Adult, Community & Housing	10,351	266	10,351	-
Urban Environment	23,724	404	23,724	-
Children's Services	22,611	165	22,611	-
Corporate Resources	3,280	284	3,280	-
Chief Executive's	687	15	687	-
TOTAL	92,869	1,219	92,869	-