

Meeting Of the Cabinet - 11th June 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	9,056	5,276	3,184
Urban Environment	30,477	21,432	14,471
Children's Services	28,402	22,290	25,832
Finance, ICT & Procurement	1,162	0	0
Law & Property	422	390	663
Chief Executive's	580	0	0
TOTAL	96,742	75,002	70,008

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

Disabled Facilities Grant - 2008/09 Allocation

5. The Council has been notified of its Disabled Facilities Grant funding allocation for 2008/09 amounting to £2.012m, which compares with our forecast allocation (based on previous years' funding) of £1.130m. It is proposed that the extra £0.882m funding allocation be noted and the Capital Programme amended accordingly.

This additional allocation will fund around 95 grants depending on the nature and cost of the works involved, allowing waiting times to be significantly reduced.

Stair Lifts 2008/09

6. A sum of £100,000 has been identified from within the Access and Systems Capacity grant allocation to fund the installation of stair lifts, vertical lifts and step lifts for those assessed as needing them. The investment is in line with Government directions and targets will assist more people to remain living in their own homes.

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

Kick Start Programme 2008/09

7. The Kick Start programme provides assistance to improve housing conditions in the private sector through equity loans. The Council's current delivery arrangements for the programme are with our partner Home Improvement Agency, Black Country Housing Group (BCHG).

Following a bid to the West Midlands Sub-Regional Kick Start Partnership, we were anticipating an allocation of £0.890m to fund Dudley's Kick Start programme in 2008/09, which was approved for inclusion in the Capital Programme by Cabinet in March.

Our final allocation has now been confirmed as £972,000, and it is proposed that the Capital Programme be amended accordingly.

Regional Housing Pot

8. The Council has been notified of its Capital Grant allocation from the Regional Housing Pot of £810,000 for 2008/09, to be targeted towards housing renewal and renovation projects. These resources will be directed to individual projects and activities in due course on the basis of local priorities.

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

Urban Environment

A491 Stourbridge Rock Caverns

9. As approved by Cabinet in February, the Transport Capital Programme currently includes a scheme to undertake work to stabilise the Rock Caverns that are situated beneath the A491 Stourbridge Ring Road at a cost of £70,000. This was to be funded from within the total of £2.155m allocated by the Department for Transport (DfT) over the next 3 years for this and a number of other schemes associated with work to the Primary Route Network (PRN).

An inspection was carried out recently to confirm the schedule of proposed works. This showed that the majority of the cavern floors were now, for the first time, flooded by a considerable depth of water. The presence of this ground water is a significant cause for concern as the damp atmosphere will lead to increased deterioration of the natural sandstone. In view of this it is now considered necessary to completely fill the void formed by the caverns at an estimated cost of £250,000. Funding for the additional cost will be requested from the DfT. If this is not successful, the costs will be met either from savings to be achieved within the other grant funded schemes or elsewhere in the Transport Capital Programme.

It is proposed that this course of action be approved and the Capital Programme amended accordingly.

Dudley Southern By-Pass Structural Works

10. Dudley Southern By-Pass (DSBP) was opened in October 1999. In order to contain costs, construction used a new thin surfacing system developed by the Transport Road Laboratory and supported by the Highways Agency. The performance of this has been disappointing, and now requires remedial treatment at a cost of £1.0m. Against this background a more traditional treatment is proposed to be adopted within the constraints of the existing construction.

The costs of these resurfacing works can be funded by utilising the remaining £0.250m from the original scheme approval with the balance of £0.750m from top-slicing of future Local Transport Plan (LTP) allocations.

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

Future Skills Accommodation

11. Future Skills Dudley (FSD) is an established quality provider of direct training, job search and employability support for unemployed residents. It plays a key role in the economic regeneration of the Borough by giving local people the skills to secure jobs.

FSD currently operates from 5 premises located at Meadow Road, Turner House and the Fencing Centre in Castle and Priory, Griffin Street in Netherton and the Building Essential Skills for the Construction Trades (BEST) Centre in Brierley Hill. All the premises now require capital infrastructure improvements including new training facilities, structural repairs, increased security and improved drainage in order to:

- meet the delivery, contractual, audit and quality requirements of external funding agencies and Ofsted;
- continue to secure contracts from a range of organisations including the Learning and Skills Council and Jobcentre Plus;
- provide continued quality training facilities for local residents.

The estimated £140,000 cost of the necessary works can be funded from Directorate reserves. It is proposed that the package of works be approved and included in the Capital Programme.

European Regional Development Fund (ERDF) Priority 3: Sustainable Urban Development (SUD)

12. Under the Sustainable Urban Development Priority of the new ERDF programme, the Council has been working with Sandwell Council, as the package owners, on an Expression of Interest to Advantage West Midlands (AWM). In January 2008, notification was received from AWM that the Expression of Interest for £12m of ERDF grant support, for Dudley and Sandwell, had been successful. A South Black Country package plan, covering the Dudley & Sandwell City Strategy wards, has now been developed in conjunction with Sandwell and the consultants ECOTEC. As package plan owners, Sandwell will submit the final plan by 23rd May 2008 which will incorporate Dudley's suggested outline of potential activities.

The activities outlined in the package plan cover the following:

- To support communities in need to increase their economic viability and to help these communities access the take up of new jobs;
- To create new employment opportunities in areas co terminus or close to communities in need through the restructuring / reuse and introduction of new uses in older employment areas.
- Portfolios of assistance:
 - Employment Creation;
 - Community Innovation;
 - Wider Employment and Community Actions.

Once the plan has been approved by AWM the Council will be required to submit outline and full applications.

As the ERDF intervention rate is 50% there will be a need for the Council to identify match funding resources. It is anticipated that existing funding streams could be used for this. In addition, the Council will be seeking resources from AWM's "Connecting to Opportunity" Fund which is understood to be available for Solihull & Dudley Councils' match funding requirements.

It is proposed that:

- The Director of the Urban Environment be authorised to submit an outline and full applications on behalf of the Council to Advantage West Midlands for funding for projects in the ERDF Priority 3 Sustainable Urban Development South Black Country Package Plan, and for "Connecting to Opportunity" matchfunding;
- The Director of the Urban Environment be authorised to accept any grant funding arising from the AWM and European funding applications;
- The Director of Law and Property be authorised to sign the necessary funding agreements with AWM;
- Subject to funding (and the availability of matchfunding) being confirmed, the scheme be included in the Capital Programme.

Lister Road Depot Improvements

13. Following a serious accident at Lister Road Depot in October 2006, an Improvement Programme was implemented to address issues associated with vehicle/pedestrian conflict in and around the Highway Maintenance Compound. Ongoing risk assessments have identified a number of related capital projects that now need to be addressed in the wider area of the Depot. These include:
- Extension of pedestrian walkways;
 - New parking layout for main commercial parking area;
 - Depot access control to limit those entering site;
 - Extended staff parking area.

The estimated costs of these works is £250,000 which can be funded from Directorate revenue budgets. It is proposed that the works be approved and included in the Capital Programme.

Fens Pool Gating Order

14. Fens Pool Avenue has suffered significant anti – social behaviour in the past 18 months, almost entirely due to dangerous driving along it's length. A Traffic Regulation Order prohibiting driving, except for access, has now been approved.

The cost of gating of the path, estimated to be about £30,000 can be met from existing resources within the Business Parks Capital budget together with a £13,500 contribution from West Midlands Police. It is proposed that the gating scheme be approved and included in the Capital Programme.

Law & Property

Disabled Access 2008/09

15. For several years, a sum of £100,000 has been set aside for minor capital works to enable Disability Discrimination Act compliance and other access improvements to Council Buildings. It is proposed that a similar sum be included in the Capital Programme for 2008/09. This can be funded from Directorate revenue budgets.

“Other Services” Capital Programme 2008/09

16. The only resources available for capital investment in Other Services - other than specific grants - will be those generated from disposal of surplus assets.
17. It is estimated that around £0.5m of such resources will be available in 2007/08. It is proposed that as in previous years, £136,000 be allocated to fund the Asset Management Plan (AMP) team, and £240,000 be allocated for Area Committee Capital spend on the basis of £10,000 per Ward. This would leave around £100,000 for other priorities.
18. A comprehensive survey of water services to Council premises has identified a number of improvements that are needed to conform to relevant health and safety legislation and industry good practice to control contamination and health risks. It is proposed that the aforementioned £100,000 together with a further £100,000 from Risk Management resources be allocated to fund these improvements.

19. Should further resources become available during the year, proposals for their allocation will be brought to Cabinet in a future report.

Urgent Amendment to the Capital Programme

Leasowes Restoration

20. The Council has previously been successful in securing a £1,306,000 Heritage Lottery Fund grant towards the restoration of the park, in support of which the Council has provided match funding of £436,000 by way of grounds maintenance and wardens service budgets.

The delivery of this project has been challenging. The project team has been required to find complex restoration and civil engineering solutions which can effectively recreate an 18th century landscape but which is also appropriate for 21st century expectations of accessibility, robustness, health and safety, maintenance and environmental legislation. In addition the nature of the site with its steep wooded valleys and environmental designations has added significant complexity due to its geology, ecology, hydrology and archaeology. As a consequence of the above, the implementation of the project has been delayed and the costs have risen.

Tenders for the final part of the restoration have now been received and assessed, and a preferred tenderer identified who is able to deliver the restoration work within the seasonal constraints imposed on the site by the Environment Agency. In order to deliver the remaining elements of the Phase 1 restoration an additional £265,000 is required, which includes a contingency element in the event of unforeseen costs being incurred during the construction period.

To comply with necessary timescales, an urgent decision (ref. DUE/34/2008) was therefore made by the Leader of the Council in consultation with the Director of Finance on 31st March 2008 to include a further £265,000 the Capital Programme to support the restoration of The Leasowes, Halesowen. This can be funded from available Section 106 resources secured for improvements to Open Spaces.

Post Completion Review of Capital Projects

21. 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 review attached at Appendix B.

Urban Environment

A491 Culvert & Highway Improvements – High Street, Wordsley

Adult, Community & Housing

Netherton Community Café

It is proposed that these be noted.

Finance

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

Law

23. 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.

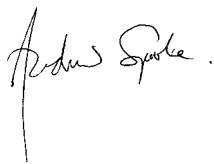
Equality Impact

24. These proposals comply with the Council's policy on Equality and Diversity.
25. 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

26. That current progress with the 2008/09 Capital Programme, as set out in Appendix A be noted.
27. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
28. That in respect of the ERDF Priority 3 Sustainable Urban Development South Black Country Package Plan:
- The Director of the Urban Environment be authorised to submit an outline and full applications on behalf of the Council to Advantage West Midlands for funding for projects in the ERDF Priority 3 Sustainable Urban Development South Black Country Package Plan, and for "Connecting to Opportunity" matchfunding;
 - The Director of the Urban Environment be authorised to accept any grant funding arising from the AWM and European funding applications;
 - The Director of Law and Property be authorised to sign the necessary funding agreements with AWM;
- as set out in paragraph 12.
29. That the Council be recommended:
- That the allocation of £0.882m extra Disabled Facilities Grant funding be noted, and the Capital Programme amended accordingly, as set out in paragraph 5.
 - That the expenditure on Stair Lifts be approved and included in the Capital Programme, as set out in paragraph 6.

- That the Capital Programme be amended to include the additional £82,000 of Kick Start funding, as set out in paragraph 7.
- That the Council's allocation of £810,000 from the Regional Housing Pot be noted, and the associated expenditure included in the Capital Programme, as set out in paragraph 8.
- That the scheme to infill the Stourbridge Rock Caverns be approved, and the Capital Programme amended accordingly, as set out in paragraph 9.
- That the Dudley Southern By-Pass resurfacing works be approved and included in the Capital Programme, as set out in paragraph 10.
- That the package of works to Future Skills Dudley Accommodation be approved and included in the Capital Programme, as set out in paragraph 11.
- That subject to funding (and the availability of matchfunding) being confirmed, the ERDF Priority 3 Sustainable Urban Development South Black Country Package Plan scheme be included in the Capital Programme, as set out in paragraph 12.
- That the improvements at Lister Road Depot be approved and included in the Capital Programme, as set out in paragraph 13.
- That the Fens Pool Gating scheme be approved and included in the Capital Programme, as set out in paragraph 14.
- That £100,000 for Disabled Access works be included in the 2008/09 Capital Programme, as set out in paragraph 15.
- That the "Other Services" Capital Programme for 2008/09 be approved, as set out in paragraphs 17 -18.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 20 be noted.



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Chief Executive



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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 30th April £'000	Forecast £'000	Variance £'000	
Public Sector Housing	26,643	1,243	26,643		
Other Adult, Community & Housing	9,056	350	9,057	+1	
Urban Environment	30,477	1,783	30,477		
Children's Services	28,402	854	28,402	+347	See Note 1
Finance, ICT & Procurement	1,162	35	1,162		
Law & Property	422	97	422		
Chief Executive's	580	34	580		
TOTAL	96,742	4,396	97,090	+348	

Note 1: Overspends of £242,000 on Rosewood School Relocation, and £105,000 on Rufford School Mobile Replacement - the reasons, and potential sources of funding for which, are currently being investigated.

Post Completion Review of Capital Schemes

A491 Culvert & Highway Improvements – High Street, Wordsley

Date of Cabinet approval:	Culvert Scheme	08/02/2006
(i.e. inclusion in Capital Programme)	Highway Works	08/02/2006
	(Schemes combined into one contract)	

Original Budget (as reported to Cabinet 08/02/2006 (combined)): £1,495,000
Planned Completion date: 25 / 04 / 2007

Out-turn Cost (Provisional): £1,349,000
Actual completion date: 13 / 06 / 2007

Variation from Original Budget:£ -146,000
Delay: 7 weeks

Reason for Cost Variation and / or Delay in Completion

On the basis of tendered figures and other estimated scheme costs, the overall budget for 2007/8 was reduced. Due to subsequent unforeseen events and issues as listed below, the predicted budget was subsequently exceeded albeit the final out-turn cost is still within the original budget.

Delays due to:

- 1) Bankruptcy of culvert supplier mid-way through contract.
- 2) Complexity of structural work unforeseen at time of tender
- 3) Unforeseen complexity of, and necessary additional work to Statutory Undertakers' apparatus

Original Objectives of Scheme (reported to Engineering & Transportation Committee 09/06/99): To upgrade culvert to carry the new EU vehicle loading requirement of 40 tonnes indicated in Priority Ranking Report to Committee – 26/06/99. Highway widening to increase capacity and improve pedestrian crossing facilities.

Have these Objectives been met? (If "No" please provide explanation):

Yes

Signed by: John Millar (Director)

Date: 18/04/2008

Netherton Community Café

Date of Executive / Cabinet approval: 1st Nov 2006
(i.e. inclusion in Capital Programme)

Original Budget (as first reported to Executive / Cabinet):
£225,000
Planned Completion date: June 2007

Outturn Cost (please indicate if still provisional) Provisional £224,000
Actual completion date: July 2007

Variation from Original Budget: Provisional (£ 1,000)
Delay: 1 month

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

- 1) Additional complications discovered during the cellar excavations
- 2) Damp proofing and remedial work issues
- 3) Revised layout because of problems with existing floor levels
- 4) Additional steelwork to support existing structure

Original Objectives of Scheme (please indicate when and to whom these were reported): The Café is the final part of the Netherton regeneration building project commenced in 2005.

Have these Objectives been met? (If "No" please provide explanation):
Yes

Signed by: Linda Sanders (Director)..... Date: 13th May 2008