

Meeting Of the Cabinet - 17th March 2010

Joint Report of the Chief Executive and Interim 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	2009/10	2010/11	2011/12
	£'000	£'000	£'000
Public Sector Housing	33,921	30,069	33,676
Other Adult, Community & Housing	6,985	8,546	2,915
Urban Environment	23,212	24,012	10,278
Children's Services	35,875	31,322	7,800
Finance, ICT & Procurement	488	1,314	103
Law, Property and Human Resources	945	1,908	924
Chief Executive's	786	359	191
TOTAL	102,212	97,530	55,887

Note that the overall capital programme is likely to increase as extra funding becomes available, particularly for 2011/12 when Government grant and supported borrowing allocations are announced.

4. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2009/10 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Social Care Minor Works

5. It is proposed that £250,000 of resources previously allocated for Mental Health capital projects be added to the Social Care Minor Works capital budget for projects that benefit social care and community services.

Community Energy Saving Programme

6. The Community Energy Savings Programme aims to reduce the occurrence of fuel poverty for low-income households by offering free or discounted central heating, energy efficiency measures and benefit checks. It also aims to contribute to the reduction of CO2 emissions. It is largely funded through a new and additional obligation on energy suppliers and electricity generators.

The value of the proposed scheme is £2.3m, of which £1.9m would be met by grant from British Gas. The remaining £0.4m could be funded from Private Sector Housing capital budgets, should there be a shortfall in other sources of potential matchfunding such as existing grant schemes and householder contributions.

It is proposed that the Director of Adult, Community and Housing Services be authorised to submit a bid to British Gas and that subject to the bid for funding being successful, expenditure relating to the scheme be included in the Capital Programme.

Children's Services

Specialist Schools

7. Specialist schools which have been successfully redesignated since September 2007 have the opportunity to access £25,000 of capital funding from the Department for Children, Schools and Families (DCSF) if they can match this with £25,000 of eligible sponsorship. This has 2 objectives:
 - to provide an opportunity to renew facilities and equipment;
 - to improve and sustain relationships with business/employer partners.

It is proposed that these grant allocations be noted, and that the related expenditure be included in the Capital Programme.

S106 funding for School Expansion projects

8. The Council receives "Section 106" funding from developers of new residential properties, towards the provision of school places required as a result of their developments. This might be used for stand-alone new projects, or more usually to enhance existing projects being funded mainly from other sources. It is proposed that any expenditure which can be funded from such resources be included in the Capital Programme as appropriate.

Chief Executive's

Local Area Agreement (LAA) Reward Grant

9. At its January meeting, Cabinet confirmed that any grant received (net of the sum allocated to the Council in recognition of its direct investment in achieving economic development targets and as assumed in previous years in the Medium Term Financial Strategy) be allocated 50% to Dudley Community Partnership and 50% to its constituent theme partnerships in line with the themes and targets to which it relates and for the furtherance of partnership objectives.

The partnerships may choose to direct elements of their reward funding through the Council, including expenditure on capital projects. It is proposed that any such expenditure be included in the Capital Programme.

Post Completion Review of Capital Projects

10. 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.

Urban Environment
Himley Hall North Wing

It is proposed that this be noted.

Finance

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

Law

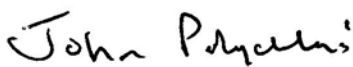
12. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Equality Impact

13. These proposals comply with the Council's policy on Equality and Diversity.
14. 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

15. That current progress with the 2009/10 Capital Programme, as set out in Appendix A be noted.
16. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
17. That the Director of Adult, Community and Housing Services be authorised to submit a bid to British Gas for up to £1.9m of funding under the Community Energy Saving Programme, as set out in paragraph 5a.
18. That the Council be recommended:
 - That £250,000 be added to the Social Care Minor Works capital budget for projects that benefit social care and community services, as set out in paragraph 5.
 - That subject to the bid for funding being successful, expenditure relating to the Community Energy Saving Programme be included in the Capital Programme, as set out in paragraph 6.
 - That grant allocations to successfully redesignated Specialist Schools be noted, and that the related expenditure be included in the Capital Programme, as set out in paragraph 7.
 - That expenditure on School Expansion projects funded from Section 106 funding be included in the Capital Programme, as set out in paragraph 8.
 - That expenditure on capital projects funded by Local area Agreement Reward Grant be included in the Capital Programme, as set out in paragraph 9.



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Chief Executive



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Interim Director of Finance

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List of Background Papers

Relevant resource allocation notifications.

CIPFA Prudential Code for Capital Finance in Local Authorities.

2009/10 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31st January £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	33,921	21,582	33,921		
Other Adult, Community & Housing	6,985	5,483	6,980	-5	Minor savings
Urban Environment	23,212	14,314	23,230	+18	See note
Children's Services	35,875	20,664	35,875		
Finance, ICT & Procurement	488	378	488		
Law, Property and Human Resources	945	670	948	+3	Minor cost increases
Chief Executive's	786	460	786		
TOTAL	102,212	63,551	102,228	+16	

Note: extra necessary costs of Gornal Crematorium Memorial Wall of £14,000 (to be funded from revenue budgets) plus other minor net variances.

Post Completion Review of Capital Schemes

Title of Scheme: Himley Hall North Wing refurbishment
Date of Cabinet approval: 01 / 11/ 06__ (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet): £ _700,000 Planned Completion date: Dec / 08__
Outturn Cost (please indicate if still provisional):£ _839,000 Actual completion date: Nov / _08__
Variation from Original Budget: £ _139,000 Delay: __0__ months
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): Cost variation of £118,000 approved by decision sheet 27/06/08 - ref DUE/55/2008. £10,000 budget transferred from central Structural Maintenance capital budget in October 2008. £11,000 cost variation reported to June 2009 Cabinet. Outturn cost variation due to increased specification of disco lighting, additional security works required for premises licence and overall security of the building when North wing operational plus some additional electrical and mechanical works. Additional works were also required for catering area and mains water supply
Original Objectives of Scheme (please indicate when and to whom these were reported): The original objectives of the scheme were to refurbish the ground floor of the North Wing of Himley hall in order to accommodate increased business opportunities, particularly in the wedding market. These were reported to Cabinet on 1 st November 2006
Have these Objectives been met? (If "No" please provide explanation): Yes, bookings for 2010 have increased by 162%

Signed by: John Millar (Director)

Date: 5th February 2010