

Meeting of the Council - 17th October 2005

Capital Programme Monitoring

Report of the Cabinet

Purpose of Report

1. To consider the proposals of the Cabinet regarding certain amendments to the Capital Programme and matters associated therewith.

Background

2. On consideration of the issues below, the Cabinet at its meeting held on 21st September 2005, resolved to recommend the Council to approve the recommendations in paragraph 22 below. Other proposals contained in the report submitted to the meeting were determined by the Cabinet under the powers delegated to them. Copies of the reports submitted to the Cabinet meeting, one of which was considered in private session, are available to members from Richard Sanders in the Directorate of Law and Property (telephone 01384 815236 or e-mail richard.sanders@dudley.gov.uk).

Housing

Public Sector Housing Capital Programme

3. The following amendments to the Public Sector Housing Capital Programme are proposed. These can be funded from specific reserves brought forward from 2004/05.
 - **Adaptations**
The need for adaptations to Council owned homes is increasing and it is proposed to add £200,000 to the 2005/06 budget. This will ensure that around 40 more tenants will benefit from major adaptations.
 - **Modernity and Decent Homes**
Additional expenditure of £272,000 is proposed to complete the Duplex flat conversion programme. The programme will deliver the conversion of 21 unpopular pairs of one bedroom Duplex bedsits into 21 three bedroom houses and will be completed during 2006/07.
 - **Improvements to Stores Facility**
The current Capital Programme includes provision to improve facilities for the storage of building materials. Works are now complete for the sites at Leys Depot, Brierley Hill and Park Road, Halesowen. The scope of works was increased to undertake essential electrical rewiring at Park Road and by undertaking the required work whilst other works were being carried out, overall costs could be kept

to a minimum without the need for future disruption. It is proposed to increase the budget by £43,000 to cover these works. The storage facility at the Leys Road depot also requires an upgrade of its electrical installations and it is also proposed to undertake these essential works at a cost of £125,000.

Kickstart

4. This project aims to bring about a positive change in the condition of private sector housing, enabling access to equity loan facilities at no or minimum cost especially for those households who are “property rich” but with low incomes. Following an allocation of £265,000 to fund this initiative in 2004/05, the Council has been awarded a further £245,000 for the current year. A similar allocation is also expected next year.

Of this sum, £200,000 will be used to pump prime various ‘soft’ loan products via the Council’s not-for-profit partner ART(Mercian), with the remaining £45,000 covering marketing, operational costs, and fees.

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

Urban Environment

Seven Sisters Mine Stabilisation

5. The Seven Sisters Mine Stabilisation budget was originally estimated at £4.500m when approved in 2002. This budget was revised in February 2005 to £4.256m, against a background of a grant approval from English Partnerships (EP) of £4.001m and ongoing discussions with EP regarding the funding of the additional costs.

The works are now complete and the Post Completion Review referred to the Cabinet and noted under delegated powers indicated an anticipated outturn of £4.380m taking into account final reinstatement and other costs which were previously uncertain.

Despite assurances in the original grant award letter that the work would be fully grant funded, EP are now indicating that not only is this no longer the case but also that a cap on scheme support has been imposed by the Office of the Deputy Prime Minister (ODPM) as the ultimate funder as a result of financial pressures from other projects nationally. Thus, following scrutiny of costs incurred, EP have indicated that whilst they can justify £4.199m as eligible for support, the ODPM cap will limit grant to £4.148m - an under recovery of £0.232m compared with the anticipated outturn cost of £4.380m.

Whilst certain fee costs amounting to £63,000 could be assigned to future phases of work associated with opening Severn Sisters Gallery Mine, there is also no guarantee of recovering these costs against future approvals.

A dialogue is continuing with EP to secure full grant award. In the meantime it is proposed that the Capital Programme be amended to reflect latest cost estimates, and that the Chief Executive be authorised to accept the most favourable offer from EP in respect of grant funding.

Green Park Sports Centre

6. Extra costs amounting to £8,000 are forecast for this scheme due to the provision of a synthetic cricket wicket as requested by Sport England, additional landscaping works which will be undertaken during phase 2 of the project, and modest amendments to

the building that were required during the construction period. These costs can be met from the Directorate's available capital resources.

It is therefore proposed that the Capital Programme be amended accordingly.

Brierley Hill Local Improvement Financial Trust (LIFT) Land Reclamation

7. Cabinet was advised at its meeting on 15th June 2005 of urgent decision DUE/22/2005 to apply to Advantage West Midlands (AWM) for £3m of funding to remediate the site for the new health and social care building in Brierley Hill Town Centre.

Further analysis now indicates the need for more extensive work, raising the potential cost to £4.5m. The application submitted to AWM has been revised to reflect this. It is proposed that this revision be noted, and that the Capital Programme be amended accordingly.

Waste Performance and Efficiency Grant

8. The Council has been allocated a Waste Performance and Efficiency Grant for the continuing development of recycling initiatives. The total allocation for 2005/06 is £234,000 of which £131,000 is designated for capital expenditure.

Currently there is no spare capacity in the recycling collection fleet, and the service also needs a number of new waste recycling containers to continue service improvement, and also to replace worn out items. It is therefore proposed that this grant be used for the acquisition of an additional recycling collection vehicle (estimated cost £96,000) with the remaining £35,000 for the provision of additional recycling receptacles, and that this expenditure be included in the Capital Programme.

Lye Gyrotory Scheme

9. A report on the funding of additional work necessary to the Lye Gyrotory Scheme, following its completion, was considered in private session at the meeting of the Cabinet held on 21st September, 2005. A copy of the report is available to members on request to Richard Sanders in the Directorate of Law & Property on 01384 815236 or e-mail richard.sanders@dudley.gov.uk. The recommendations of the Cabinet on the matter are set out in paragraph 22 below.

Leasowes Culvert Replacement

10. A report considering proposals regarding the funding of the reconstruction of the pool outlet at Leasowes Park, in consequence of the need to secure the structural stability of the embankment was submitted to the meeting of the Cabinet held on 21st September 2005 and considered in private session. A copy of the report is available to members on request to Richard Sanders at the contact points referred to in paragraph 9 above. The recommendations of the Cabinet are set out in paragraph 22 below.

Social Services

Stairlifts

11. A sum of £100,000 is available from the Access and Systems Capacity grant to fund the installation of stairlifts for those assessed as needing them. This investment is in line with Government directives and targets on assisting people to live in their own homes.

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

3 Year Capital Programme

12. Following consideration of the Directorate's capital spending priorities, it is proposed that for the next 3 years, Government resource allocations in the form of Supported Capital Expenditure will be split between a small annual minor works programme and works required to modernise property and other assets as part of the modernisation of Day Opportunity Services.

Education & Lifelong Learning

School Travel Plans Grant

13. The School Travel Plans grant is an allocation of devolved formula funding awarded to schools which have an authorised School Travel Plan in place. Projects which this grant can support include: improvements to school bike sheds; road and pedestrian access on school grounds; improved storage and drying facilities for pupils' clothes and belongings. Each school only receives the grant once, with Dudley's award of £85,000 for 2005/06 covering 9 primary schools, 2 secondary schools, and 2 special schools.

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

Extended Schools Capital Allocations

14. The Department for Education and Skills (DfES) has issued notification that there will be revenue and capital funding available for 2006/07 and 2007/08 to support the development of Sure Start children's centres and the related extended schools programme. The amounts awarded to Dudley are £487,000 for 2006/07 and £498,000 for 2007/08. The capital grant allocations are specifically to support small capital projects in schools such as improved play areas. Funding will be released to individual projects in accordance with a strategic plan for developing extended services across the community, following wide consultation.

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

Chief Executive's

Local Public Service Agreement (LPSA) Reward Grant

15. It is anticipated that the Council will receive LPSA Reward Grant in 2006/07 and the following year as a result of substantially achieving its LPSA service improvement targets. Around £2.2m of this funding has been taken into account as part of the overall funding package for Dudley Council Plus.

The Reward Grant will comprise revenue and capital elements, and any expenditure funded by the capital element will need to be included in the Capital Programme. It is therefore proposed that the Capital Programme be amended as necessary to include any relevant Dudley Council Plus expenditure.

Urgent Amendments to the Capital Programme

Resettlement of Ridge Hill Hospital

16. In order to meet the necessary deadlines, an urgent decision (ref. DOSS/12/05) was made by the Leader of the Council in consultation with the Chief Executive and Director of Finance on 29th June 2005:

- To agree allocation of capital to Churches Housing Association of Dudley and District and to Harden Housing Association to enable both organisations to begin construction or refurbishment of three properties to be occupied by people with a learning disability resettled from Ridge Hill Hospital.
- To agree that the expenditure be included in the Capital Programme.
- To agree delegated authority for the Director of Law and Property, the Director of Social Services and the Director of Finance to enter into a Section 28A Agreement for the transfer of funds for each scheme and to enter into contracts with the respective Registered Housing Associations together with legal charges and any other necessary documents to enable the matters to be completed.
- To agree delegated authority for the Director of Social Services and Director of Finance to agree the specific sums of money which will transfer for each scheme.

The total cost of the schemes was estimated at £1m to be fully funded by contributions from Dudley South Primary Care Trust (PCT).

The detailed decision which was considered in private, is available to Members on "Membernet" or on request to Richard Sanders, Democratic Services, Directorate of Law and Property on (01384) 815236 or email richard.sanders@dudley.gov.uk.

In addition to the above, the Capital Programme already included the sum of £275,000 to fund the acquisition of a property to accommodate a group of three men in their early-mid fifties, who have shared accommodation in the hospital for ten years and expressed the wish to live together in their own home in the community. This was to be funded from the Council's Learning Disability Development Fund (LDDF) allocation.

The actual cost (including fees) of the property eventually purchased in Cot Lane, Kingswinford, amounted to around £293,000, the balance of funding being met by the PCT.

A decision was made by the Leader of the Council in consultation with the Director of Finance on 14th September 2005 to agree a retrospective amendment to the Capital Programme to reflect the revised cost of the acquisition.

Schools Specialist Status

17. Leasowes Community College has been awarded Specialist School Status in Business & Enterprise with an associated grant for £100,000. Together with required sponsorship funding of £50,000 this provides total resources of £150,000 for a project to transform mathematics, ICT and business studies by creating new learning centres and refurbishing existing facilities.

Pedmore Technology College (formerly the Grange School) has been awarded Specialist School Status in Technology with an associated grant for £100,000. Together with required sponsorship funding of £50,000 this provides total resources of £150,000 for a project comprising refurbishment of existing Design Technology

rooms, creation of a new ICT suite available for community use and the purchase of ICT equipment.

Ellowes Hall School has been awarded Specialist School Status in Sports, and the Council has been awarded an associated Supported Capital Expenditure (SCE) allocation for £100,000. Together with required sponsorship funding of £50,000 this provides total resources of £150,000 for a project comprising refurbishment of an existing room to provide a fitness suite that will also be available for community use.

The Wordsley School has been awarded Specialist School Status in Business and Enterprise and Music with an associated grant of £100,000 from the DfES. Together with required sponsorship funding of £50,000, plus devolved capital of £149,000 and school reserves of £40,000 this provides total resources of £339,000 for a project comprising the construction of a new business suite, refurbishment of music rooms to form a new music lobby and music technology rooms. Adult education will also be provided on site as part of this project.

In order to maximise the funding available from DfES and to meet spend deadlines, an urgent decision (ref. DELL/19/2005) was made by the Leader of the Council in consultation with the Director of Finance on 28th June 2005 that the Capital Programme be amended to enable these projects to commence during the summer holidays.

Himley Park Central Drive and Perimeter Fence

18. In order to meet the necessary timescales, an urgent decision (ref. CE/03/2005) was made by the Leader of the Council in consultation with the Chief Executive on 18th July 2005:

- That funds from the Himley Hall and Park Development Fund be used to finance the resurfacing of the Himley Park Central Drive and to repair the Perimeter Fence, and that the scheme be included in the Council's Capital Programme.

The detailed decision which was considered in private, is available to Members on "Membernet" or on request to Richard Sanders, Democratic Services, Directorate of Law and Property on (01384) 815236 or email richard.sanders@dudley.gov.uk .

Finance

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

Law

20. 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

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

Recommendations

22. That the Council be recommended:

- (a) That the amendments to the Public Sector Housing Capital Programme, as set out in paragraph 3, be approved.
- (b) That the expenditure on the Kickstart project and its inclusion in the Capital Programme, as set out in paragraph 4, be approved.
- (c) That the Capital Programme be amended to reflect latest cost estimates in respect of the Seven Sisters Mine Stabilisation, and that the Chief Executive be authorised to accept the most favourable offer from EP in respect of grant funding, as set out in paragraph 5.
- (d) That the Capital Programme be amended in respect of the Green Park Sports Centre project, as set out in paragraph 6.
- (e) That the revised funding application to AWM in respect of the Brierley Hill LIFT Land Reclamation scheme be noted and the Capital Programme be amended accordingly, as set out in paragraph 7.
- (f) That the Waste Performance and Efficiency Grant be allocated, and the associated expenditure be included in the Capital Programme, as set out in paragraph 8.
- (g) That the capital budget for the Lye Gyrotory Scheme be increased as necessary to allow for extra anticipated costs in the range indicated in the report submitted to the meeting of the Cabinet and that this be funded from proceeds from capital receipts resulting from the sale of land originally acquired for the Lye Bypass or Dudley Southern Bypass, as referred to in paragraph 9.
- (h) That the replacement of the outlet to Breaches Pool in Leasowes Park be included in the capital programme at the estimated cost referred to in the report submitted to the meeting of the Cabinet and that the work be undertaken by the contractor referred to in that report, as referred to in paragraph 10.
- (i) That the expenditure on Stairlifts and its inclusion in the Capital Programme, as set out in paragraph 11, be approved.
- (j) That for the next 3 years, Social Services resource allocations in the form of Supported Capital Expenditure be split between a small annual minor works programme and works required to modernise property and other assets as part of the modernisation of Day Opportunity Services, as set out in paragraph 12.
- (k) That the School Travel Plans grant allocation be noted and the associated expenditure be included in the Capital Programme, as set out in paragraph 13.
- (l) That the Extended Schools capital grant allocations be noted and the associated expenditure be included in the Capital Programme, as set out in paragraph 14.

- (m) That the Capital Programme be amended as necessary to include any relevant Dudley Council Plus expenditure to be funded from LPSA Reward Grant, as set out in paragraph 15.
- (n) That the Urgent Amendments to the Capital Programme, as set out in paragraphs 16 -18, be noted.

David Caunt

.....
LEADER OF THE COUNCIL