

## **Meeting of the Council – 4<sup>th</sup> December, 2023**

### **Report of the Cabinet**

#### **Capital Programme Monitoring**

##### **Purpose**

1. To propose amendments to the Capital Programme.

##### **Recommendations**

2. The Council is recommended:
  - That the additional budget for the next allocation of UK Shared Prosperity Funding spend and grant income of £469,000 be approved and included in the Capital Programme, as set out in paragraph 4.
  - To confirm that the property occupied by Homescene be acquired under the authority delegated in 2021 as set out in paragraph 5.
  - To delegate authority to the Chief Executive, following consultation with the Leader, to consider the outcome of the viability assessment and determine whether to proceed to the economic assessment and to delegate authority to the Director of Finance and Legal to amend the budget if this is the case, as set out in paragraph 6.

##### **Background**

3. The table below summarises the *current* 3 year Capital Programme updated where appropriate to reflect latest scheme spending profiles.

|   | 2023/24        | 2024/25        | 2025/26       |
|---|----------------|----------------|---------------|
|   | £'000          | £'000          | £'000         |
| Public Sector Housing                     | 65,158         | 50,816         | 44,114        |
| Private Sector Housing                    | 16,354         | 3,388          | 71            |
| Environment                               | 9,973          | 12,768         | 3,000         |
| Transport                                 | 14,020         | 9,570          | 8,530         |
| Regeneration and Corporate Landlord       | 21,304         | 22,249         | 11,359        |
| Culture, Leisure and Bereavement          | 2,937          | 2,904          | 1,500         |
| Schools and SEND                          | 14,227         | 20,924         | 27,600        |
| Social Care, Health and Well Being        | 702            | 2,300          | 0             |
| Digital, Commercial and Customer Services | 2,135          | 1,100          | 1,161         |
| <b>Total spend</b>                        | <b>146,810</b> | <b>126,019</b> | <b>97,335</b> |
| Revenue                                   | 3,963          | 3,922          | 3,702         |
| Major Repairs Reserve (Housing)           | 25,517         | 26,000         | 26,456        |
| Capital receipts                          | 24,193         | 17,344         | 21,610        |
| Grants and contributions                  | 41,215         | 23,788         | 17,448        |
| Capital Financing Requirement             | 51,922         | 54,965         | 28,119        |
| <b>Total funding</b>                      | <b>146,810</b> | <b>126,019</b> | <b>97,335</b> |

Note that the capital programme is subject to the availability of Government funding. Changes to the Public Sector Housing capital programme are being taken to Cabinet in a separate report.

#### UK Shared Prosperity Funding Year 2 Allocation

- Following approvals at the Cabinet on 16<sup>th</sup> March, 2023, the proposed funding allocation for year 2 UK Shared Prosperity Funding (UKSPF) has been received from the West Midlands Combined Authority which includes a capital funding allocation of £459,746 for 2023/24 as part of the West Midlands regional business support programme. The intention is to provide capital grants to local businesses by way of a Small to Medium Enterprise (SME) Grants and Net Zero Grants programme. It is proposed that £460,000 is included in the 2023/24 Capital Programme and will be fully funded by grant.

#### Flood Street

- At the Council meeting on 11<sup>th</sup> October, 2021, authority was delegated to officers to acquire other parties' land interests in the Portersfield developable area which, at that time, included the property currently occupied by Homescene. Since that approval, the developable area has changed and that property is no longer within it. However, it is still deemed that acquisition of this property is of strategic importance for regeneration purposes. Exact figures cannot be provided at this point as contract negotiations are still ongoing but there is sufficient headroom within the original allocation to fund this purchase. The Council is

therefore asked to confirm that this property can be acquired under the authority delegated in 2021.

6. Officers have been working with the West Midlands Growth Company to appoint external advisors to assess the potential for an ice rink and hotel development at Flood Street, Dudley. This exercise is split into two phases: a viability assessment and an economic impact assessment. The second phase will only go ahead if the first phase is successful (i.e. if it demonstrates that the development is viable in its own right and without Council subsidy). The West Midlands Growth Company has agreed to initially meet the £50,000 cost of the viability assessment on the basis that, if it is successful, the Council will contribute £15,000 to the viability assessment and pay the £5,000 cost of the economic impact assessment. It is proposed that authority be delegated to the Chief Executive, following consultation with the Leader, to consider the outcome of the viability assessment and determine whether to proceed to the economic assessment and delegate authority to the Director of Finance and Legal to amend the budget if this is the case.

### **Finance**

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

### **Law**

8. 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.

### **Risk Management**

9. Risks, and their management, are considered prior to proposals being brought forward to include projects in the Capital Programme. This includes risks relating to the capital expenditure itself, funding of that expenditure (e.g. grant availability and conditions), and ongoing revenue costs and/or income.

### **Equality Impact**

10. These proposals comply with the Council's policy on Equality and Diversity. With regard to Children and Young People:

- The Capital Programme for Schools 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.

### **Human Resources/Organisational Development**

11. The proposals in this report do not have any direct Human Resources / Organisational Development implications.

### **Commercial / Procurement**

12. All procurement activity will be carried out in accordance with the Council's Contract Standing Orders, and the relevant officers will take the procurements through the Procurement Management Group to monitor compliance at the relevant Gateways.

### **Environment / Climate Change**

13. Individual capital projects should be separately assessed for their environmental impact before they commence and major schemes with climate change impacts will include details of this in their progress reports going forward.

### **Council Priorities and Projects**

14. Proposed capital projects are in line with the Council's capital investment priorities as set out in the approved Capital Strategy.



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**Leader of the Council**