

**Meeting of the Cabinet - 14<sup>th</sup> December 2005**

**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, and propose certain associated actions.

**Background**

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

<b>Service</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing	27584	24788	26315
Urban Environment	23501	30367	21725
Social Services	2125	0	0
Education & Lifelong Learning	25035	23227	14860
Finance, ICT & Procurement	2509	897	347
Law & Property	3254	633	633
Chief Executive's	2536	549	370
<b>TOTAL</b>	<b>86544</b>	<b>80461</b>	<b>64250</b>

Note that certain services have not yet had a capital programme agreed for 2006/07 and 2007/08, largely due to uncertainty with regard to likely resource levels. Hence the "zeros" and other relatively small figures appearing in the above table for those years.

In accordance with the requirements of the Financial Management Regime (FMR), details of progress with the 2005/06 Programme are given in Appendix A. It is proposed that the current position be noted.

Associated proposals are set out below.

## Urban Environment

### Townscape Heritage Initiative for Dudley Town Centre

3. The Townscape Heritage Initiative (THI) is a Heritage Lottery Fund (HLF) initiated grant-giving programme for the repair and regeneration of the historic environment within conservation areas in towns and cities. The main aim of THI is to make possible the continued viable use of the buildings that make up the special architectural character of historic urban areas. It aims to contribute to the sustainability of local economies and to support the communities that live and work in each project area, for example, by bringing vacant floor space in historic buildings back into use, whether for public, commercial or residential functions, or by making a historic area more attractive as a location for business or as a tourist destination.

THI will fund the following:

- Structural and external repair of historic buildings;
- Repair and conversion for new uses of empty historic buildings;
- Authentic restoration of architectural features to historic buildings and their settings;
- Appropriate new buildings for gap sites;
- Repair and authentic restoration of features lost from public spaces;
- Professional fees, planning fees, non-recoverable VAT and costs;
- Activities that involve people who have not been involved with heritage before, or are designed to widen knowledge, understanding and awareness of the heritage;
- Training in conservation skills as part of the THI;
- Extra costs of running a THI, including employing project officers or consultants, marketing, etc.;
- Any other research, evaluation and strategic planning work needed to safeguard the long-term approach to conservation.

Bidding for THI funding is a 2 Stage process, and in response to the Council's Stage 1 bid, the HLF has agreed in-principle to offer a grant of £1.955m towards the proposed Dudley Town Centre Conservation Area THI "Common Fund" which would be set up to deliver the THI. The HLF expects its contribution to represent no more than 50% of the total Common Fund and therefore £1.955m of matchfunding will be required from the Council or other partner organisations before the THI can commence in the financial year 2007/08.

The Common Fund would be managed by the Council and will allocate funds towards conservation work on individual projects. The Economic Regeneration Division of the Directorate is currently investigating funding and delivery models to deliver the draft Dudley Town Centre Area Development Framework via a Dudley Town Centre Regeneration Partnership and it is anticipated that the Dudley THI will be delivered in conjunction with this partnership and pursue common aims.

In addition to the HLF approving the Council's Stage 1 bid, it has also offered the Council a Development Grant towards the cost of production of the Stage 2 bid (for example getting valuation advice to set grant rates; advising on cost estimates for refurbishment works; developing training plans that will be part of the scheme). This grant is for a maximum of £25,000 to represent no more than 75% of eligible development costs. The Council would be required to provide the remaining 25% which can be met from existing Directorate budgets.

The HLF expects to receive Stage 2 proposals within 12 months of a contract being signed between the HLF and the Council. A decision by the HLF as to whether the Stage 2 bid has been successful would be expected within 4 months of submission.

It is proposed that the Director of the Urban Environment be authorised to enter into a contract with the HLF to accept the Development Grant and to submit a Stage 2 bid. Should any Council contribution to the Common Fund be required, a further report will be brought to Cabinet prior to submission of the Stage 2 bid to set out how such a contribution could be funded.

#### Wrens Nest National Nature Reserve, Seven Sisters, Stepshaft Mine and Wrens Nest Canal Tunnel

4. Living Landmarks is the Big Lottery Fund (BLF)'s £140m scheme to support a limited number of major transformational projects across the UK which aim to:
- Champion innovation and excellence in the design of the physical environment;
  - Encourage best practice in the design, construction and management of projects;
  - Encourage partnership working and community engagement and participation.

Under the "People's Millions" element of the Living Landmarks initiative, the BLF will award a single grant of between £25 million and £50 million to a project of national or regional significance. The successful project will be decided by a televised public vote in Summer 2007. The Lottery will provide up to 75% of the funding of the capital costs and at least 25% must come from partnership funding. The application process is in 2 stages, the closing date for Stage 1 applications being 6<sup>th</sup> January 2006.

Dudley's element of a Black Country wide bid (comprising a range of flagship developments within the framework of the Black Country as an Urban Park, to be co-ordinated by the Black Country Consortium) would be a project to realise the Council's vision for the Wrens Nest National Nature Reserve, the Seven Sisters, the Stepshaft Mine and the Wrens Nest Canal Tunnel together with increased interpretation, education and outreach work.

The estimated cost is £15m to be funded primarily through the BLF People's Millions initiative as set out above, with other agencies including the Heritage Lottery Fund and English Nature being possible sources of the required matchfunding.

Should the Stage 1 bid be successful, a further report will be brought to the Cabinet outlining the details of the Stage 2 bidding process, including details of anticipated sources of partnership funding.

It is proposed that the Director of the Urban Environment be authorised to submit the Dudley projects outlined above as part of the Black Country Living Landmarks Stage 1 bid via the Black Country Consortium.

#### **Post Completion Review of Capital Projects**

5. 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.

#### **Housing**

**Finance**

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

**Law**

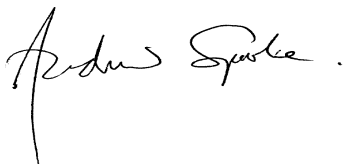
7. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

**Equality Impact**

8. These proposals comply with the Council's policy on Equal Opportunities.

**Recommendations**

9. That current progress with the 2005/06 Capital Programme, as set out in paragraph 2 and Appendix A be noted.
10. That the Director of the Urban Environment be authorised to enter into a contract with the HLF to accept the Development Grant and to submit a Stage 2 bid in respect of the Townscape Heritage Initiative for Dudley Town Centre, as set out in paragraph 3.
11. That the Director of the Urban Environment be authorised to submit the project to realise the Council's vision for the Wrens Nest National Nature Reserve, the Seven Sisters, the Stepshaft Mine and the Wrens Nest Canal Tunnel together with increased interpretation, education and outreach work, as part of the Black Country Living Landmarks Stage 1 bid, as set out in paragraph 4.
12. That the result of the Post Completion Review of a capital project, as set out in paragraph 5 and Appendix B, be noted.



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**Andrew Sparke**  
**Chief Executive**



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**Mike Williams**  
**Director of Finance**

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## **List of Background Papers**

Relevant resource allocation notifications.

## 2005/06 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 <sup>st</sup> October £'000	Forecast £'000	Variance £'000	Reasons for Variance
Housing	27584	10963	27584		
Urban Environment	23501	6786	23638	+137	See note
Social Services	2125	492	2125		
Education & Lifelong Learning	25035	12738	25035		
Finance, ICT & Procurement	2509	1341	2509		
Law & Property	3254	699	3254		
Chief Executive's	2536	1171	2536		
<b>TOTAL</b>	<b>86544</b>	<b>34190</b>	<b>86681</b>	<b>+137</b>	

- Note: Includes:
- Unavoidable extra costs associated with difficult ground conditions on the Kinloch Drive Footpath & Dibdale Open Space schemes;
  - Compensation claims relating to the Hill St. Derelict Land scheme;
  - Contractor claims relating to Stone St. Square;
  - extra costs associated with flooring and windows for the Halesowen Leisure Centre Health & Fitness project;
  - Costs greater than expected for the Maybrook House & Ryemarket Car Park refurbishments.
- These extra costs can be funded from s.106 contributions and available revenue resources.



## Post Completion Review of Capital Schemes - Details required for reporting to the Cabinet

Title of Scheme: H301/4 – External Facades & Improvements at New England Flats, Halesowen

Date of Executive/Cabinet approval: 19/02/2003  
(i.e. inclusion in Capital Programme)

Original Budget (first reported to Executive/Cabinet): ..... £ 377,713  
Planned Completion date: 17/12/2004

Outturn Cost (please indicate if still provisional): Provisional £ 405,900  
Actual completion date: 14/01/2005

Variation from Original Budget: ..... £ 28,187  
Delay: 4 weeks

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

The reasons for the delay in completion and cost variation were due to discovery of necessary concrete repairs to the structure that were not identifiable until the erection of scaffolding.

Original Objectives of Scheme (please indicate when and to whom these were reported):

The external refurbishment of New England flats, comprises an overlay roofing system, replacement of windows and doors, redecoration of external communal entrance doors/frames and installation of a new digital (IRS) aerial system to replace the existing communal analogue aerial.

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

Yes

Signed by: Stewart for (Director) Date: 23<sup>rd</sup> November 2005