

Meeting of the Cabinet – 8th December 2010

Joint Report of the Chief Executive and Treasurer

Capital Programme Monitoring

Purpose of Report

1. To report progress with the implementation of the Capital Programme.

Background

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

Service	2010/11	2011/12	2012/13
	£'000	£'000	£'000
Public Sector Housing	32,642	36,026	24,918
Other Adult, Community & Housing	6,346	4,841	2,869
Urban Environment	26,276	10,568	8,191
Children's Services	40,829	8,885	92
Finance, ICT & Procurement	2,398	392	0
Law, Property and Human Resources	2,172	924	674
Chief Executive's	685	303	0
TOTAL	111,348	61,939	36,744

Note that the capital programme for future years is in particular subject to government decisions on grant and supported borrowing allocations.

3. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2010/11 Programme are given in Appendix A. It is proposed that the current position be noted.

Urgent Amendments to the Capital Programme

Emergency Stabilisation Works at Castle Mill Basin, Dudley Canal

4. During early June 2009 a report was received from Dudley Canal Trust (Trips) concerning observed rock face instability at Castle Mill Basin on Castle Hill. The rock face and surrounding land is in the ownership of the Council. Following further inspections and advice from specialists, it was concluded that deterioration of the rock face was continuing and that action needed to be taken to prevent a major collapse.

The preferred remedial option of full stabilisation provides a long term solution with minimal maintenance costs, thereby providing better value for money over the long-term. The cost would be approximately £300,000. This can be met by utilising £70,000 from the Dudley Canal Tunnel Maintenance Fund, together with the Council's anticipated future annual contributions to the Fund.

In order to ensure that the works could be progressed as soon as possible, a decision (ref. DUE/53/2010) was made by the Leader of the Council in consultation with the Treasurer on 21st October 2010 that the works be approved and included in the Capital Programme (along with further decisions to facilitate the project).

Development of New Recycling Facility at Blowers Green, Dudley

5. A decision (ref. DUE/54/2010) was made by the Leader of the Council in consultation with the Treasurer on 2nd November 2010 to utilise existing capital underspend to support the development of the Blowers Green Recycling facility.

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

Additional Health & Fitness Equipment at Crystal Leisure Centre

6. Opportunities to increase capacity in the fitness suite have been identified by relocating certain low use items and replacing with the type of equipment that is in high demand at peak times to grow both membership and income accordingly. There is also a commercial opportunity to acquire the required equipment at a substantial discount due to favourable market conditions that is financially advantageous to the Council.

The cost of the additional equipment is £100,000, which can be funded over 2 years by income generated from increased membership numbers, plus £10,000 for electrical works in relation to its installation which can be funded through the existing Repairs & Maintenance budget.

In order to take advantage of the discounts available, a decision (ref. DUE/60/2010) was made by the Leader of the Council in consultation with the Treasurer on 15th November 2010 to approve the purchase of the equipment include within the Capital Programme.

DEFRA Air Quality Grant

7. A grant of £5,000 has been received from DEFRA towards the provision of a small air quality monitoring station in High Street, Wordsley which has been identified as an air quality problem area in the Air Quality Action Plan. Further installation costs of around £1,000, together with running costs can be met from within the existing air quality monitoring revenue budget.

In order that monitoring can begin as soon as possible, a decision (ref. DUE/59/2010) was made by the Leader of the Council in consultation with the Treasurer on 11th November 2010 to approve the provision of the station.

Post Completion Review of Capital Projects

8. 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.

Children's Services

Dudley Wood Primary School – Rewiring Programme
Woodsetton School – Building Extension

It is proposed that these be noted.

Finance

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

Law

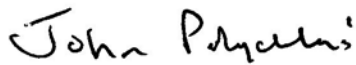
10. The Council's budgeting process is governed by the Local Government Act 1972, the Local Government Planning and Land Act 1980, the Local Government Finance Act 1988, the Local Government and Housing Act 1989, and the Local Government Act 2003.

Equality Impact

11. These proposals comply with the Council's policy on Equality and Diversity.
12. 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

13. That current progress with the 2010/11 Capital Programme, as set out in Appendix A be noted.
14. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
15. That the Council be recommended:
 - That the urgent amendments to the Capital Programme, as set out in paragraphs 4-7, be noted.



John Polychronakis
Chief Executive



Iain Newman
Treasurer

Contact Officer: John Everson
Telephone: 01384 814806
Email: john.everson@dudley.gov.uk

List of Background Papers

Relevant resource allocation notifications.

2010/11 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31st Oct £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	32,642	15,484	32,642		
Other Adult, Community & Housing	6,346	3,336	6,346		
Urban Environment	26,276	7,747	26,281	+5	Minor net overspends
Children's Services	40,829	12,735	40,829		
Finance, ICT & Procurement	2,398	762	2,398		
Law, Property and Human Resources	2,172	1,008	2,172		
Chief Executive's	685	117	685		
TOTAL	111,348	41,189	111,353	+5	

Title of Scheme: Dudley Wood Primary School – Rewiring programme
<p>Date of Executive / Cabinet approval: 13/02/2008 (i.e. inclusion in Capital Programme) This project was funded from devolved capital grant and modernisation. Both funding streams were approved by cabinet on the above date.</p>
<p>Original Budget (as first reported to Executive / Cabinet): £150,000.00 Planned Completion date: 28/08/2009</p>
<p>Outturn Cost (still provisional): £68,281.13 Actual completion date: 28/08/2009</p>
<p>Variation from Original Budget: - £81,718.87 Delay: Not Applicable.</p>
<p>Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): Competitive tenders were invited in accordance with Council Standing Orders and the lowest valid tender received was significantly under the pre tender estimate. Budgets for project of this nature, namely electrical rewiring, are very difficult to estimate at such an early stage due to the exact detail of the extent of works that the project will require not being known until a thorough investigative survey has been carried out. In this instance the survey revealed the extent of the works was less than originally anticipated. This, in addition to very competitive tendering conditions has led to the saving identified here being achieved.</p>
<p>Original Objectives of Scheme (please indicate when and to whom these were reported): The project was prioritised through the Council's AMP (Asset Management Plan) Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan. Following a meeting of the AMP Consultation Group held on 17th September 2008 the unanimous decision by the group was to recommend that the Directorate proceeded with the Re-wire Programme at Dudley Wood Primary School. The Director of Children's Services agreed to the programme at Capital Board that took place on 7th November 2008. The new lighting is more energy efficient improving the energy performance rating of the school. Also, energy bills have been reduced. The new lighting systems have helped provide a stimulating learning environment for pupils and staff.</p>
<p>Have these Objectives been met? (If "No" please provide explanation): Yes.</p>

Signed by: Jane Porter (Acting Director)

Date: 25th November 2010 ...

Title of Scheme: Woodsetton School – Building extension.

Date of Executive / Cabinet approval: June 2008

(i.e. inclusion in Capital Programme)

The project was included onto the Capital Programme in June 2008. Blanket approval was given in September 2004 by the Executive for projects that are wholly funded through school reserves.

Original Budget (as first reported to Executive / Cabinet): £141,000.00

Planned Completion date: 23/01/2009

Outturn Cost (still provisional): £141,051.00

Actual completion date: 23/01/2009

Variation from Original Budget: £51.00

Delay: Not Applicable.

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

Not Applicable.

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

The construction new build extension is to accommodate a specialist Music Room, PPA Office, Administration Office and Storage facilities. The School's Governing body and Senior Management Team have highlighted this project as a priority under the School Building Development Plan (BDP). The BDP helps schools target available funding efficiently and effectively as possible in raising educational standards.

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

Yes.

Signed by: Jane Porter (Acting Director)

Date: 21 September 2010