

**Meeting Of the Cabinet - 15<sup>th</sup> March 2006**

**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.
2. To propose certain amendments.

**Background**

3. 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>
Public Sector Housing	23644	24445	24098
Other Adult, Community & Housing	5703	4832	2133
Urban Environment	18313	33067	26078
Children's Services	24400	28464	16981
Finance, ICT & Procurement	2615	1322	347
Law & Property	1607	1601	659
Chief Executive's	1914	1171	370
<b>TOTAL</b>	<b>78196</b>	<b>94902</b>	<b>70666</b>

4. Note that the overall capital programme for 2007/08 is likely to increase as extra funding becomes available.
5. 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.

## **Adult, Community and Housing**

### Disabled Facilities Grant Allocation

6. The Council's Disabled Facilities Grant support allocation for 2006/07 has been set at £1.045m which is almost £0.3m higher than for 2005/06. As the 2006/07 Capital Programme was set on the basis of support continuing at previous levels, this extra funding will allow around another 25 grants to be made (depending on the nature and cost of the works involved), enabling waiting times to be further reduced.

It is proposed that the increased allocation be noted, and that the Capital Programme be amended accordingly.

## **Urban Environment**

### Sedgley Superloo

7. Due to continual vandalism and non DDA compliance, a number of options have been considered for the replacement of Sedgley public conveniences. Negotiations have been undertaken with a number of suppliers for the provision of an Automated Public Convenience (APC) to be sited between Townsend Avenue and High Street. The cost of the installation is £70,000 which can be funded from existing resources.

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

### Waste Performance and Efficiency Grant

8. The Council has been allocated a Waste Performance and Efficiency Grant (WPEG) by DEFRA of £606,800 for 2006/07 for the continuing development of recycling initiatives. Of this total, 50% (i.e. £303,400) is designated for capital expenditure.

Currently, there is no spare capacity in the existing fleet on the kerbside recycling service to cover for breakdowns, repairs and maintenance and a vehicle has to 'hired in' to continue the service in such events. The service also requires a number of new recycling boxes to continue its expansion and improvement, and to cover the replacement of damaged, lost or stolen items. In addition, the existing network of skip type recycling containers at supermarkets and Council car parks require replacement in order to improve service and ensure compliance with Health and Safety requirements.

It is therefore proposed that the WPEG be used for:

- acquisition of an additional kerbside recycling collection vehicle (estimated cost £105,000);
- purchase of a further 10,000 recycling boxes (estimated cost £17,500);
- provision of new skip type containers (estimated cost £30,000);
- the remainder (£150,900) to fund the purchase of vehicles for use in the expanded green waste collection service;

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

### Green Waste Collection

9. The second phase of the Council's wheeled bin collection service for 'green' organic garden waste will involve the acquisition of a further 25,000 wheeled containers during 2006/07 at a cost of £420,000. This will be financed by leasing or borrowing (subject to financial evaluation), the ongoing costs of which can be funded from the Green Waste revenue budget.

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

### Stepshaft Mine - Progress Update

10. An Outline Project Proposal has been discussed with English Partnerships (EP) in respect of securing the stability of Stepshaft Mine. However, a recent letter received from EP indicates that they are more rigorously interpreting the aims of the National Land Stabilisation Programme (NLSP) and only seek to support schemes in future that demonstrate removal of blight from residential properties. There are no residential properties situated over Stepshaft Mine.

Stabilisation of Stepshaft Mine is now being promoted as part of the People's Lottery Bid.

In the meantime, there are concerns about the safety of the public who have open access to the area immediately above the mine and a recent report prepared by Geotechnical consultants Arup suggests that the area above the mine should be restricted for public access.

In order to meet the Council's statutory public safety responsibilities it is recommended that the surface area above and immediately adjacent to the gallery mine be fenced off at an estimated cost of £85,000, which will need to be funded from anticipated land disposals in 2006/07. Ongoing annual maintenance costs of £5,500 will need to be met from existing revenue budgets.

Permitted Development approval has been granted for the works, and English Nature and English Heritage have confirmed their support for this course of action.

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

## Children's Services

### Children's Centres Programme

11. The DfES Sure Start Unit has set Dudley a target of implementing 11 Children's Centres by 2008 as part of the Phase 2 Children's Centres programme. These Centres must serve areas of approximately 800 children under 5 and must be targeted on the 30% most disadvantaged areas as a priority.

Following invitations to a wide range of providers in September 2005, and subsequent assessment and feasibility studies, it is being proposed that the following sites are taken forward.

<b>Setting</b>	<b>£'000</b>
Bromley Pensnett Primary School	670
Dudley Wood Neighbourhood Learning Centre	224
Colley Lane & Caslon Primary Schools	642
Olive Hill Primary School	607
Hob Green Primary School	728
Tenterfields Primary School	655
Roberts Primary School	326
Highgate Primary School	648
Queen Victoria Primary School	546
	<b>5,046</b>
To cover two remaining areas where sites have yet to be identified (Amblecote & Coseley)	1,000
<b>Total</b>	<b>6,046</b>

Compared with the total cost estimate of £6.046m a maximum of £3.994m is available through the Sure Start General Grant allocation previously reported to Cabinet (excluding Extended Schools capital), leaving a potential shortfall of £2.052m. This will need to be made up by a combination of examining specifications with a view to reducing costs, and seeking extra funding from the DfES and elsewhere. The Council is currently in contact with the Sure Start Unit in relation to the shortfall and expects a response shortly.

It is however important to make a decision about the programme as work needs to commence as early as possible in 2006/07 as the funding cannot be rolled forward.

It is therefore proposed:

- that the potential shortfall be noted;
- that the Cabinet Member for Education and Lifelong Learning be authorised to make representations to the DfES concerning the inadequacy of the funding available;
- that subject to continued scrutiny with a view to reducing costs, other funding being sought, and to no commitment being entered into for which funding is not secure, the Phase 2 Children's Centre programme as set out above be approved, and the individual projects be included in the Capital Programme.

## Law & Property

### Cavendish Quarter

12. As a result of Dudley's participation in the Government sponsored National Brownfield Strategy Pilot Study, which is being administered by English Partnerships (EP), the Council has been promised funding for 2006/07 for the acquisition and demolition of Cavendish House and some of the adjoining premises. EP would then work with the Council to promote the cleared site to developers for regeneration in accordance with the proposals for the Cavendish Quarter Opportunity Area outlined in the Dudley Town Centre Area Development Framework.

Negotiations are taking place with the owners of Cavendish House and the other properties to try and acquire the premises by agreement. In addition, the Cabinet agreed at its meeting on 8<sup>th</sup> February to use compulsory purchase powers, if necessary, to assemble the site once funding is confirmed. Expressions of interest have already been received from developers even before the development is openly marketed.

It is now proposed that the expenditure on acquisition and demolition be included in the Capital Programme.

### **Urgent Amendment to the Capital Programme**

#### Resettlement of Ridge Hill Hospital - High Support Scheme

13. In order to meet the necessary deadlines, an urgent decision (ref. DOSS/004/2006) was made by the Leader of the Council and the Chief Executive in consultation with the Director of Adult, Community and Housing Services on 24<sup>th</sup> January 2006:
- To confirm agreement to proceed with a Section 28A agreement with Dudley South PCT and a contract with Bromford Housing Association for the allocation of capital to enable Bromford to begin construction of six units on the Ridge Hill site, to be occupied by people with a learning disability resettled from Ridge Hill Hospital. These units are known as the High Support Scheme.
  - To agree that this scheme should be included in the Council's Capital Programme.

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

### **Finance**

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

### **Law**

15. 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.

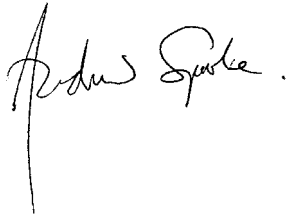
### **Equality Impact**

16. These proposals comply with the Council's policy on Equal Opportunities.
17. With regard to Children and Young People:
- The Directorate of Children's Services' Capital Programme will be spent wholly on maintaining and improving services for children and young people.
  - The proposed new Children's Centres will meet the needs of Children in the most deprived areas of the Borough. Children have not been consulted directly but local community groups and partners have been involved extensively in the development of the proposed programme. Children will be involved in discussions around the detailed design work.

### **Recommendations**

18. That current progress with the 2005/06 Capital Programme, as set out in paragraph 2 and appendix A be noted.
19. That the Council be recommended:
- That the increased Disabled Facilities Grant Allocation be noted, and that the Capital Programme be amended accordingly, as set out in paragraph 6.
  - That the Sedgley Superloo project be approved and included in the Capital Programme, as set out in paragraph 7.
  - That the expenditure of the Waste Performance and Efficiency Grant for 2006/07 be approved and included in the Capital Programme, as set out in paragraph 8.
  - That the expenditure on developing the Green Waste Collection service be approved and included in the Capital Programme, as set out in paragraph 9.
  - That the expenditure on fencing off Stepshaft Mine be approved and included in the Capital Programme, as set out in paragraph 10.
  - That the potential shortfall in funding for the Phase 2 Children's Centre Programme be noted; that the Cabinet Member for Education and Lifelong Learning be authorised to make representations to the DfES concerning the inadequacy of the funding available; and that subject to continued scrutiny with a view to reducing costs, other funding being sought, and to no commitment being entered into for which funding is not secure, the Phase 2 Children's Centre programme be approved, and the individual projects be included in the Capital Programme, as set out in paragraph 11.

- That the expenditure on acquisition and demolition of properties in the Cavendish Quarter be included in the Capital Programme, as set out in paragraph 12.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 13 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 31st January £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	23644	16124	23644		
Other Adult, Community & Housing	5703	3815	5680	-23	See note 1
Urban Environment	18313	10763	18431	+118	See note 2
Children's Services	24400	16969	24400		
Finance, ICT & Procurement	2615	1901	2615		
Law & Property	1607	1038	1603	-4	Minor savings
Chief Executive's	1914	1295	1914		
<b>TOTAL</b>	<b>78196</b>	<b>51905</b>	<b>78287</b>	<b>+91</b>	

Note 1: Relates to savings on the refurbishment of Parkes' Hall Centre.

Note 2: 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 of Town Centre Regeneration schemes, including works at Talbot Passage, Stourbridge not covered by AWM grant;
- 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;
- Cost of Waste Storage Container acquisition higher than expected.

Partially offset by:

- Outturn contract savings on the Seven Sisters Limestone scheme.
- Costs less than expected on the Highfields Park Skatepark project

These extra costs can be funded from s.106 contributions and available revenue resources.