

Meeting of the Council – 13th July, 2009

Report of the Cabinet

Capital Programme Monitoring

Purpose of Report

1. To consider the recommendations of the Cabinet on proposed amendments to the Capital Programme.

Background

2. At its meeting on 17th June, 2009, the Cabinet considered a report on Capital Programme Monitoring and made a series of recommendations to the Council which are contained in this report. Other recommendations contained in the report to the Cabinet meeting were determined under delegated powers. A copy of the Cabinet report is available from the Democratic Services Section (Telephone:01384 815236); or by e-mail to richard.sanders@dudley.gov.uk ; or on the Council's website www.dudley.gov.uk (follow the links to Council Decisions / Committee Information).

Adult, Community and Housing

Disabled Facilities and Housing Assistance Grants

3. The Council has been notified of its Disabled Facilities Grant funding allocation for 2009/10 amounting to £2.012m - the same as for 2008/09. Taking into account other resources, the total available for Disabled Facilities Grant expenditure in 2009/10 will be £3.171m. It is proposed that the grant allocation be noted, and the Capital Programme be amended accordingly.

The Council has also been notified of its capital grant allocation from the Regional Housing Pot of £810,000 for 2009/10, to be targeted towards Housing Renewal and Regeneration in the borough. It is proposed that this allocation be utilised to fund the Housing Assistance Grants programme, which taking into account other resources would therefore have a total budget for 2009/10 of £1.415m.

Kickstart Funding

4. The Kickstart programme provides assistance to improve housing conditions in the private sector through equity loans. The current delivery arrangements for housing assistance schemes involve both Dudley MBC and partner Home Improvement Agency, Black Country Housing Group (BCHG). A funding allocation has been received for 2009/10 of £0.228m for Innovation Funding to be used in support of the Kickstart programme.

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

Library Modernisation

5. Work commenced in 2008/09 on introducing Radio Frequency Identification equipment (RFID) in the Libraries and Library Links that had undergone modernisation during the year. Additional investment at an estimated cost of £100,000 which can be funded from Directorate Reserves, would continue that implementation across the main libraries within the Borough, together with some minor improvements in libraries not included in the original modernisation scheme. The investment in RFID will enable the Library service to issue, receive and monitor books more effectively than it does presently and is a key feature that will assist in the delivery of efficiency gains planned from the service in 2011/12.

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

Urban Environment

Stourbridge Town Centre Northern Gateway

6. This project involves the first phase of environmental and public realm improvements to a key pedestrian access point in Lower High Street, Stourbridge, and builds on a successful and supportive public consultation exercise. The work will provide improvements to lighting and existing cycleways, and new public art. The cost of £58,000 can be funded from available Section 106 receipts.

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

Highway Improvements - Halesowen

7. It is proposed to distribute Section 106 funding from the Lidl development at 78 Hagley Road, Halesowen as follows:
 - £16,000 for the A456 Grange roundabout improvement - to supplement the contribution of £750,000 from the Highways Agency and £250,000 from the Council's Integrated Transport Block allocation;
 - £15,000 to complete the remaining physical elements resulting from the "Halesowen Town Centre Access Study", to facilitate the introduction of a 20mph order and associated works and the provision of a permanent build out supporting the one way section of High Street, adjacent to Church Lane, Halesowen;

and that the Capital Programme be amended accordingly.

Foster Street East, Stourbridge

8. No. 18 Foster Street East, Stourbridge is a semi-detached property owned by Tesco. with the adjoining property at No. 20 being owned by the Council. Both properties are affected by an approved Highway Improvement Line and are currently in a derelict condition.

Tesco has offered to sell their property to the Council through negotiation although, as owners of a property affected by an approved Improvement Line, they could serve Notice on the Highway Authority to acquire their blighted property and also recover their associated costs.

Acquisition of the property would enable the Council to demolish both Nos. 18 and 20 which, together with other adjoining Council owned land at the former No.22 Foster Street East (already demolished) would potentially release a redevelopment

opportunity if the Highway Improvement Line were to be revoked. The value of this larger developable site should cover the acquisition and demolition costs.

It is proposed that the acquisition of No. 18 and the demolition of Nos. 18 and 20 be approved, and included in the Capital Programme; that in the event that the Highway Improvement Line be revoked, the overall site be disposed of; and that the Director of Law and Property, in consultation with the Director of the Urban Environment, be authorised to proceed accordingly.

Healthy Towns

9. The Council and Dudley Primary Care Trust (PCT) have been successful in obtaining funding from the Department of Health "Healthier Communities Challenge Fund", with £4.5m being awarded to the Dudley Borough programme. Following confirmation of the award a significant amount of work has been done to finalise the details of the project and, in particular, the costings of each element.

Dudley's programme, entitled 'Let's Go Outside' aims to encourage families to make the most of outdoor areas by transforming parks, play areas, and nature reserves into 'family health hubs'. Safe, active travel connections will also be created to join people's homes to the health hubs.

The project has both capital and revenue elements, the estimated cost of the capital elements being £3,545,000. It is proposed that the project be approved and the capital elements included in the Capital Programme.

Urban Environment, Law and Property and Finance

10. Delivering the Masterplan for Dudley Town Centre
A joint report of the Director of the Urban Environment and the Interim Directors of Law and Property and Finance, on the mechanism for the delivery of the Dudley Town Centre Area Development Framework was approved at the meeting of the Cabinet held on 17th June, 2009, under delegated powers. A copy of the report is available at the contact points referred to in paragraph 2 above. Arising from the report, the Cabinet propose that any capital receipts generated by disposal of Council-owned property and all other income generated through the Dudley Town Centre portfolio of properties are reinvested to support regeneration of Dudley Town Centre and that, subject to funding being available, any land or property acquisitions or works to be carried out (including improvements to public realm and highways infrastructure, by the Council be included in the capital programme.

Children's Services

11. High Arcal Specialist School
High Arcal School has successfully applied to be redesignated as a Specialist School in Science. As a result, the school has been allocated £25,000 of capital grant funding, which when matched by sponsorship will provide £50,000 for the renewal of facilities and equipment. It is proposed that the grant allocation be noted, and that the related expenditure be included in the Capital Programme.

12. Children's Homes
Commitments to refurbish existing properties in 2009/10 will require funding of £40,000 in addition to existing capital budgets. This is available from revenue resources. It is proposed that this expenditure be agreed, and the Capital Programme be amended accordingly.

Play Pathfinder

13. A contribution of £10,000 has been secured from Dudley PCT to enhance the Play Pathfinder programme. It is proposed that the funding be noted and the Capital Programme be amended accordingly.

Law and Property, and Chief Executive's

14. Asset Management Plan and Area Committee Allocations

It is estimated that sufficient resources from the disposal of surplus assets will be available in 2009/10 to fund the Asset Management Plan AMP team (£136,000), and Area Committee Capital spend on the basis of £10,000 per Ward (£240,000). In the current economic climate, no further resources are anticipated at this stage, but should further resources become available during the year, proposals for their allocation will be brought to Cabinet in a future report.

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

Urgent Amendment to the Capital Programme

Falcon House - Fitting Out of Office Space

15. As part of the Accommodation Plan for the Directorate of Adult, Community and Housing Services, issues relating to Netherton District Office and Ellenvale House (part of Arcal Lodge site) were identified as high priority - the Netherton Office, because of its suitability being based in a mobile building, and Ellenvale House because it is joined to Arcal Lodge which is now closed, as this could delay any future sale of this property. A medium term solution was found at Falcon House, involving a 4 year lease for the West Wing on the 7th floor of the building, to be used for office accommodation for up to 63 staff.

The project involves the fitting out of 4900 sq ft of space including the fittings of a kitchen and partitions, removals of some equipment from existing office accommodation and new furniture to maximise the use of the available space together with electrical work, IT networking and the relocation costs of moving 63 PC's.

This interim move will take forward the Directorate and Council Plan initiatives to link the Dudley and Netherton locality offices prior to moving permanently into the proposed Primary Care Trust development in the centre of Dudley.

The capital cost of the project is expected to be around £152,000, with on-going annual costs of around £51,000 - all of which can be found from existing Directorate revenue budgets.

To ensure that works could commence on the site quickly, an urgent decision (ref. DACHS/013/2009) was made by the Leader of the Council in consultation with the Director of Finance on 17th March 2009 that the project be approved and included in the Capital Programme

Security Works at Stourbridge and Gornal Wood Crematoria

16. Against a background of incidents of theft, vandalism and antisocial behaviour within the cemeteries over the years, and concerns over the effect of possible vandalism within the chapel and damage to the incinerators, a package of security works at each

site was developed, at an estimated cost of £34,000.

These costs associated can be met from contributions of £15,000 from Risk Management resources, £10,000 from existing Bereavement Services revenue budgets and £9,000 from the council's capital resources earmarked for urgent priorities should it not be possible to identify further Directorate resources.

In order to secure the sites as soon as possible, an urgent decision (ref. DUE/24/2009) was made by the Leader of the Council, in consultation with the Interim Director of Finance on 8th April 2009 that security works at Stourbridge and Gornal Wood Crematoria at an estimated cost of £34,000 be approved and included in the Capital Programme.

Burnt Tree Junction Improvement

- 17 The Department for Transport (DfT) Minister has agreed to award full approval to the Burnt Tree scheme, with grant funding up to a maximum of £11.786m. The total outturn cost of the scheme inclusive of inflation and contingencies is estimated at £12.280m. The balance of £494,000, representing 25% of the cost increase since programme entry stage, is to be shared equally by Sandwell and Dudley Councils. Dudley's share of £247,000 is to be found from the Local Transport Plan Integrated Transport Block allocation over two years from 2009/10. Any further increases in the cost of the scheme will be jointly found from Local Transport Plan Integrated Block Allocations, capital receipts from surplus highway land, and Section 106 contributions.

In addition, Dudley and Sandwell Councils have invested £784,000 in preparing the scheme, part of which may be claimed back from the Government. The Councils have accordingly indicated to the Government the intention to make a claim and this will be dealt with separately. Dudley Council's costs were secured from local resources.

In order to enable timescales associated with the scheme to be complied with, an urgent decision (ref. DUE/27/2009) was made by the Leader of the Council in consultation with the Interim Assistant Director of Finance on 22nd May 2009:

- That the funding offer received from the DfT Minister for the Burnt Tree improvement scheme in the sum of £11.786m be accepted.
- That the scheme be included in the Capital Programme.

- 18 On consideration of the information in this report, the Cabinet, at its meeting held on 17th June, 2009, resolved to recommend the Council to approve the proposals set out in paragraph 23 below.

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.
22. 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

23. That the Council be recommended:
 - That the Disabled Facilities Grant and Regional Housing Pot allocations be noted, and the Capital Programme for Disabled Facilities Grants and Housing Assistance Grants be amended accordingly, as set out in paragraph 3.
 - That the Kickstart allocation be noted, and the associated expenditure be approved and included in the Capital Programme, as set out in paragraph 4.
 - That the addition of £100,000 to the Library Modernisation programme be approved, as set out in paragraph 5
 - That the Stourbridge Town Centre Northern Gateway project be approved and included in the Capital Programme, as set out in paragraph 6.
 - That Section 106 funding from the Lidl development at 78 Hagley Road, Halesowen be allocated, and the Capital Programme be amended accordingly, as set out in paragraph 7.
 - That the acquisition of No. 18 Foster Street East, and the demolition of Nos. 18 and 20 be approved, and included in the Capital Programme; that in the event that the Highway Improvement Line be revoked, the overall site be disposed of; and that the Director of Law and Property, in consultation with the Director of the Urban Environment, be authorised to proceed accordingly, as set out in paragraph 8.
 - That the Healthy Towns project be approved, and the capital elements included in the capital Programme, as set out in paragraph 9.
 - That the High Arcal Specialist School grant allocation be noted, and the related expenditure be included in the Capital Programme, as set out in paragraph 11.
 - That a further £40,000 expenditure on the refurbishment of Children's Homes be agreed and included in the Capital Programme, as set out in paragraph 12.
 - That the PCT contribution to the Play Pathfinder project be noted, and the Capital Programme be amended accordingly, as set out in paragraph 13.

- That the Asset Management Plan and Area Committee allocations be approved and included in the Capital Programme, as set out in paragraph 14.
- That the urgent amendments to the Capital Programme, as set out in paragraphs 15-17, be noted.
- That any capital receipts generated by disposal of Council owned land and property and all other income generated through the Dudley Town Centre portfolio of properties be reinvested to support delivery of the regeneration of Dudley Town Centre and that, subject to funding being available, that any land acquisitions or works to be carried out (including improvements to public realm and highways infrastructure, by the Council be included in the Capital Programme, as referred to in paragraph 10 above.

A handwritten signature in black ink, appearing to read 'J. E. Millward'. The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

Leader of the Council.

