

Meeting Of the Cabinet - 12th September 2007

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 amendments to the Capital Programme.

Background

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

Service	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Public Sector Housing	26959	23166	22466
Other Adult, Community & Housing	7013	1673	2912
Urban Environment	38695	20636	6948
Children's Services	26309	4958	65
Finance, ICT & Procurement	720	309	0
Law & Property	908	659	659
Chief Executive's	1417	0	0
TOTAL	102021	51401	33050

Note that the overall capital programme for 2008/09 and 2009/10 is likely to increase as extra funding becomes available.

4. In accordance with the requirements of the Financial Management Regime (FMR), details of progress with the 2007/08 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Public Sector Housing Capital Programme 2007/11

5. Additional resources have been identified amounting to £858,000, mainly resulting from house and land sales in excess of previous expectations. It is proposed that these extra resources be allocated as follows and the Capital Programme be amended accordingly:
- Addition of £400,000 to the Minor Works budget to fund necessary works arising from the Fire Risk Assessments of sheltered accommodation and flatted developments.
 - Addition of £458,000 to the Community Safety budget for improvements to garages and garage sites across the Borough - to fund extra works not originally envisaged (access difficulties often making it difficult to ascertain the full extent of works necessary); replacement of around 120 more garages than initially planned; and replacement to a significantly higher specification at other sites as a result of planning requirements.

Disabled Facilities Grants

6. Disabled Facilities Grants (DFGs) provide funding for capital works to enable disabled people to continue to live in their own homes. Dudley's waiting times for DFGs have improved greatly over the last three years - reducing from around four years to just under two years as a result of the injection of extra capital resources over and above the Government allocation. To maintain that improvement a further injection of capital resources is now required.

It is proposed that an extra £2m is made available from "prudential borrowing" to be spent over the next two years. The debt charges on this borrowing of approximately £200,000 per year can be funded from anticipated increased Housing General Fund resources, which are assumed to be ongoing for the next few years. If these extra resources are not ongoing, the debt charges will have to be found from elsewhere in revenue budgets.

In service improvement terms, this will mean that grants to an extra 170 vulnerable people will be dealt with more quickly.

Extra Care Housing

7. As previously reported to Cabinet, it is planned to develop five Extra Care Housing schemes in the Borough by 2015 involving long term strategic partnering arrangements. The plan is that by this date each of the townships in the Borough will have a multi-tenure scheme, meeting the support needs of a range of elderly residents in each area. A number of prospective sites have previously been identified & reported to Cabinet.

It is proposed that the Cabinet now formally declares the sites at Russell's Hall and Whitehouse Street, Coseley surplus to requirements and authorises the Director of Law and Property to negotiate the disposal of the sites on terms and conditions to be agreed with the strategic partner. The disposal of these sites will generate a major capital receipt for the Council.

Stair Lifts

8. A sum of £100,000 has been identified from within the Access and Systems Capacity grant allocation to fund the installation of stair lifts for those assessed as needing them. The investment is in line with Government directions and targets will assist more people to remain living in their own homes.

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

Minor Works

9. Additional external resources of £76,000 have been identified to supplement the current Capital Minor Works budget - which funds expenditure across the Directorate's Social Care building stock to meet legislative requirements and keep buildings fit for purpose. This includes around £200,000 to extend and carry out minor alterations to Roseville Day Centre to provide enhanced care and facilities for persons with dementia.

It is proposed that these extra resources be noted and the Capital Programme be amended accordingly.

Urban Environment

Liveability

10. It is proposed that the following minor enhancements to the Liveability programme be approved, and that the Capital Programme be amended accordingly:

- King George IV Park, Kingswinford - installation of seats in the park to be funded from a donation of £1,300 made by the Friends of the Park group;
- Leasowes - additional path works requested by the park wardens costing £2,000 to be funded from Culture & Community revenue budgets.

Improvements at Crystal, Dudley & Halesowen Leisure Centres

11. Building on from the current good performance of the partnership with Alliance Leisure Services (ALS) at Halesowen Leisure Centre, further improvements in the health and fitness offer are proposed at Crystal, Dudley and Halesowen Leisure Centres. In partnership with ALS, the developments will include agreed structural works and the purchase of new health and fitness equipment which will considerably improve the service to existing and potential customers.

The forecast capital costs of the developments are:

	£'000
Crystal	744
Dudley	393
Halesowen	273
Total	1,410

The initial financing of these costs will depend on the results of evaluating alternative sources (including “prudential borrowing”) and can be funded by the increased income generated at the sites.

In addition, while these improvements are being undertaken at Dudley Leisure Centre the opportunity can be taken to improve the reception area at this site. The cost of these works is estimated to be £68,000 and can be funded from earmarked Section 106 resources.

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

Brierley Hill Regeneration

12. In March 2007, Cabinet approved an “umbrella” bid to Advantage West Midlands (AWM) for a package of schemes which will act as a catalyst for the transformational economic, physical & community regeneration vision of the Brierley Hill Strategic Centre. A further scheme is now envisaged which aims to revitalise the office market in Brierley Hill area to meet the demands of the Black Country Study targets - in the form of two high quality office blocks totalling 10,400m² and 142 apartments, for which planning consent has been secured. The development is located on the canal waterfront above the Merry Hill Centre and opposite the Copthorne Hotel. AWM support is required to provide a realistic yield for the developer.

It is now proposed that in respect of the above scheme:

- the Director of the Urban Environment be authorised to submit outline and full applications to AWM for funding;

and that subject to such applications being successful:

- the Director of the Urban Environment be authorised to accept any grant funding arising;
- the Director of Law and Property be authorised to sign the necessary legal agreements with AWM;
- any relevant capital expenditure be included in the Capital Programme.

Sale of Land to Stourbridge College

13. Following a recommendation of the Brierley Hill Area Committee, the Cabinet Members for Personnel, Law and Property and Adult and Community Services have approved the sale of Council-owned land at Cottage Street, Brierley Hill (which will remain available but will be surplus to requirements after the Midlands Metro and the Parallel Route have been built) to Stourbridge College for the expansion and development of the College's facilities to include 16+ educational facilities and a youth theatre. The Brierley Hill Area Committee has also resolved to recommend to Cabinet that the resulting capital receipt be earmarked for the regeneration of Brierley Hill.

It is proposed that the recommendation be considered.

Children's Services

Mobile ICT to Support Children's Social Workers

14. The Council has been awarded a grant of £72,000 by the Government to invest in improved mobile ICT infrastructure for children's social workers – including broadband access and equipment such as laptops and PDAs. The aim is to help improve business processes, and so bring benefits such as improved workload management and better use of time for children's social workers.

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

Big Lottery Children's Play

15. Following approval of the Council's Play Strategy and portfolio of projects to be funded from the above initiative, it is proposed that the following resources be added to the Capital budget to enhance certain specific schemes:

- Chapel Street Multi Use Games Area (MUGA) - £10,000 of Section 106 funding;
- Tenacre Lane Skate Park - £6,000 of Section 106 funding;
- Netherbrook Primary School Community MUGA and Play Area - £52,000 of Fair Share Lottery funding resulting from a successful bid by the school to the St. Andrew's Fair Share Panel.

Rosewood School Replacement

16. The Rosewood School has been awarded specialist status for Behaviour, which brings with it a capital grant of £100,000. Together with the necessary £20,000 matchfunding from sponsorship raised by the school, it is proposed to use this sum for a Vocational Centre as part of the relocation of the school to the former Highfields Primary site.

Also, it is proposed to use a further £50,000 of Standards Grant funding for kitchen improvements as part of the relocation.

School Travel Plan Grant 2007/08

17. The Council has been awarded £103,000 of School Travel Plan Grant, which provides funding to schools to implement measures aimed at encouraging children to walk, cycle or take the bus to school safely, thus reducing car use. This funding will benefit 16 schools in the Borough that have recently had their Travel Plans approved.

It is proposed that the funding be noted, and the associated expenditure be included in the Capital Programme.

Diploma Gateway

18. Diplomas are new qualifications for 14-19 year olds that have been created to provide an alternative to more traditional education and qualifications - giving young people a fully rounded qualification, which combines theoretical and practical learning, including functional English, Maths and ICT, to equip them with the skills, knowledge and understanding they need for further or higher education and long-term employability.

The Government has allocated £47m nationally as one-off capital grant funding to pump prime exemplar projects for investment in buildings, equipment or ICT that will enhance delivery of the overall 14-19 reforms, particularly the Diplomas.

Dudley's' share of this funding amounts to £576,000 for projects at the consortium of schools in the Halesowen area that is piloting the Diplomas. It is proposed that the allocation be noted, and the associated expenditure be included in the Capital Programme.

Finance, ICT & Procurement

Server Replacement

19. Current technology in the Council's Data Centres requires individual computer servers for each system, and in some case more than one server per system. Replacement with a cluster of powerful servers controlled by appropriate software would allow us to create a "virtual" server environment capable of running many applications independently. This would improve reliability and flexibility of ICT systems, whilst reducing power consumption and heat generated, and thus further reducing energy required for cooling. The estimated cost of £90,000 can be funded from savings in ICT Services revenue budget over a 5 year period, in areas such as electricity and hardware maintenance.

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

Chief Executive's

Local Area Agreement - Pump Priming Grant

20. A report elsewhere on this agenda considers the allocation of Local Area Agreement (LAA) Pump Priming Grant (PPG) to specific projects.

It is proposed that any element of this expenditure which is of a capital nature be included in the Capital Programme.

Safer Stronger Communities Fund 2007/08

21. As part of the pooled LAA funding stream, the Safe & Sound Community Safety Partnership has been allocated £110,000 for capital projects from the Safer and Stronger Communities Fund. All of this funding will be spent on meeting LAA targets and will be administered by the Community Safety Team. Of the total:
- £30,000 will be used to part support the upgrading of the Borough's CCTV system from analogue to digital media;
 - £20,000 will support the work of the Joint Activity Group which is at present specifically focussing on stretch targets for reducing violent crime, criminal damage, theft of motor vehicles, domestic violence and arson;
 - £15,000 will provide extra equipment for the Home Security Initiative;
 - £15,000 will be used for Anti Social Behaviour Unit projects;
 - £30,000 for other projects to reduce domestic violence, anti social behaviour and re-offending rates.

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

Urgent Amendment to the Capital Programme

Queensway Halesowen Re-alignment

22. In order to enable the required timescales to be complied with, an urgent decision (ref. DUE/68/2007) was made by the Leader of the Council in consultation with the Director of Finance on 20th August 2007 to approve an increase in the capital budget for the Queensway Re-alignment.

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.

Post Completion Review of Capital Projects

23. The Post Completion Review required by Contract standing orders has now been undertaken for the following schemes, with a copy of the proforma summarising the review attached at Appendix B.

Adult, Community and Housing

Duplex Conversions 2005/06 & 2006/07

Adaptations - Alterations & major Works 2006/07 Contract H

Adaptations - Alterations & major Works 2006/07 Contract G

Adaptations - Level Access Showers 2006/07

Gas Partnering Year 1 - Installations & Boiler Replacements

Finance

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

Law

25. 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.

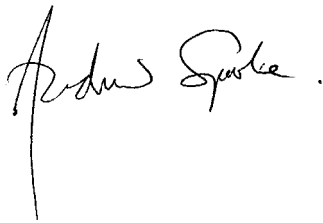
Equality Impact

26. These proposals comply with the Council's policy on Equality and Diversity.
27. 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

28. That current progress with the 2007/08 Capital Programme, as set out in Appendix A be noted.
29. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
30. That in respect of Brierley Hill Regeneration:
 - the Director of the Urban Environment be authorised to submit outline and full application to AWM for funding, as set out in paragraph 12.
31. That the recommendation of the Brierley Hill Area Committee that the capital receipt resulting from the disposal of land to Stourbridge College be earmarked for the regeneration of Brierley Hill be considered, as set out in paragraph 13.
32. That in respect of the Extra Care Housing programme, the sites at Russell's Hall and Whitehouse Street, Coseley be declared surplus to requirements and the Director of Law and Property be authorised to negotiate the disposal of the sites on terms and conditions to be agreed with the strategic partner, as set out in paragraph 7.
33. That the Council be recommended:
 - That the Public Sector Housing Capital Programme be amended, as set out in paragraph 5.
 - That an extra £2m be made available for expenditure on Disabled Facilities Grants over the next two years, as set out in paragraph 6.
 - That the expenditure on Stair Lifts be approved and included in the Capital Programme, as set out in paragraph 8.
 - That the extra resources for Social Care Minor Works, be noted and the Capital Programme be amended accordingly, as set out in paragraph 9.
 - That the enhancements to the Liveability programme be approved, and the Capital Programme be amended accordingly, as set out in paragraph 10.
 - That the improvements at Crystal, Dudley and Halesowen Leisure Centres be approved and included in the Capital Programme, as set out in paragraph 11.
 - That in respect of Brierley Hill Regeneration, subject to funding applications being successful:
 - the Director of the Urban Environment be authorised to accept any grant funding arising;
 - the Director of Law and Property be authorised to sign the necessary legal agreements with AWM;
 - any relevant capital expenditure be included in the Capital Programme, as set out in paragraph 12.

- That the grant allocation for Mobile ICT to support Children’s Social Workers be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 14.
- That the budget for the Big Lottery Children’s Play projects be increased to include the extra Section 106 and Fair Share resources, as set out in paragraph 15.
- That the specialist status funding totaling £120,000 be used for a Vocational Centre at the Rosewood School, and that £50,000 of Standards Grant funding be used for kitchen improvements, as set out in paragraph 16.
- That the School Travel Plan Grant allocation be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 17.
- That the allocation of Diploma Gateway funding be noted, and associated expenditure be included in the Capital Programme, as set out in paragraph 18.
- That the expenditure on computer server replacement be approved and included in the Capital Programme, as set out in paragraph 19.
- That the capital element of the LAA Pump Priming Grant expenditure be included in the Capital Programme, as set out in paragraph 20.
- That the Safer Stronger Communities Fund grant allocation be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 21.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 22 be noted.




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List of Background Papers
 Relevant resource allocation notifications.

2007/08 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st July £'000	Forecast £'000	Variance £'000	
Public Sector Housing	26959	8537	26959		
Other Adult, Community & Housing	7013	2060	7013		
Urban Environment	38695	6242	38714	+19	See note 1
Children's Services	26309	3037	26309		
Finance, ICT & Procurement	720	170	720		
Law & Property	908	602	908		
Chief Executive's	1417	218	1437	+20	See note 2
TOTAL	102021	20866	102060	+39	

Note 1: Includes extra costs of the Hurst Green Park Multi Use Games Area resulting from accessibility and ground condition issues, and of the Clockfields Amblecote Play Area as a result of issues arising from public consultation. These can be funded from section 106 resources.

Also, extra unavoidable costs of £103,000 have arisen as a result of delays on the A491 Brierley Hill Road Improvements scheme which will be met from savings elsewhere in the Transport programme.

Note 2: Extra unavoidable costs of the refurbishment of the new Castle & Crystal Credit Union offices in New Street, Dudley. The Government Office for the West Midlands (GOWM) has been approached for funding.

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

Title of Scheme: H368 Duplex Conversions 2005/2006 & 2006/2007
Date of Executive/Cabinet approval: <u>09/02/2005</u> (i.e. inclusion in Capital Programme)
Original Budget (first reported to Executive/Cabinet): £ <u>709,000</u> Planned Completion date: <u>15/09/2006</u>
Outturn Cost (please indicate if still provisional): £ <u>1,032,382</u> Actual completion date: <u>15/09/2006</u>
Variation from Original Budget: £ <u>323,382</u> Delay: <u>n/a</u>
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 cost variation were due to an increase from 18 to 21 pairs of conversions and the increased dilapidated condition of the housing stock attributable to the properties being empty for a number of years prior to modernisation. The conversions also incorporated compliance with the Government's Decent Homes Standard. A budget increase of £272,000 was approved at Cabinet in Sept 2005, and the capital programme approved in February 06 incorporated £1,035,000 for total works.
Original Objectives of Scheme (please indicate when and to whom these were reported): Conversion of 18 pairs of duplex flats into modern three bedroom homes.
Have these Objectives been met? (If "No" please provide explanation): Yes, with 21 pairs of conversions.

Signed by: Linda Sanders
(Director of Adult, Community and Housing Services)
Date: 2nd August 2007

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

Title of Scheme: Adaptations – Alterations and Major Works 2006/7 – Contract H
Date of Executive/Cabinet approval: <u>08/02/2007</u> (i.e. inclusion in Capital Programme)
Original Budget (first reported to Executive/Cabinet):..... £250000 Planned Completion date: <u>31/3/2007</u>
Outturn Cost (please indicate if still provisional): £250,000 Actual completion date: <u>31/3/2007</u>
Variation from Original Budget:£nil Delay: nil
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive/Cabinet): Adaptations for persons with disabilities is an ongoing. During the year this term contract carried out internal alterations and extensions to 13 homes ensuring waiting times were kept to a minimum.
Original Objectives of Scheme (please indicate when and to whom these were reported): To undertake adaptations in homes for persons with disabilities
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by: Linda Sanders
(Director of Adult, Community and Housing Services)
Date: 2nd August 2007

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

Title of Scheme: Adaptations – Alterations and Major Works 2006/7 – Contract G
Date of Executive/Cabinet approval: <u>08/02/2007</u> (i.e. inclusion in Capital Programme)
Original Budget (first reported to Executive/Cabinet):..... £150,000 Planned Completion date: <u>31/3/2007</u>
Outturn Cost (please indicate if still provisional): £160,000 Actual completion date: <u>31/3/2007</u>
Variation from Original Budget: £10,000 Delay: nil
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive/Cabinet): Adaptations for persons with disabilities is an ongoing programme. During the year this term contract carried out internal alterations to 13 homes ensuring waiting times for adaptations were kept to a minimal. This was an increase of 3 homes more than planned.
Original Objectives of Scheme (please indicate when and to whom these were reported): To undertake adaptations in homes for persons with disabilities
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by: Linda Sanders
(Director of Adult, Community and Housing Services)
Date: 2nd August 2007

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

Title of Scheme: Adaptations – Level Access Showers 2006/7
Date of Executive/Cabinet approval: <u>08/02/2007</u> (i.e. inclusion in Capital Programme)
Original Budget (first reported to Executive/Cabinet):..... £550,000 Planned Completion date: <u>31/3/2007</u>
Outturn Cost (please indicate if still provisional): £705,000 Actual completion date: <u>31/3/2007</u>
Variation from Original Budget: £155,000 Delay: nil
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive/Cabinet): Adaptations for persons with disabilities is an ongoing programme and during the year the programme was accelerated to ensure waiting times were kept to a minimum. The number of level access shower conversions increased from 140 to 171.
Original Objectives of Scheme (please indicate when and to whom these were reported): To undertake adaptations in homes for persons with disabilities
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by: Linda Sanders
(Director of Adult, Community and Housing Services)
Date: 2nd August 2007

**Post Completion Review of Capital schemes
- Details required for reporting to the Cabinet**

Title of Scheme: Gas Partnering Year 1 – Installations and Boiler Replacements
Date of Executive/Cabinet approval: 8/02/2006 (i.e. inclusion in Capital Programme)
Original Budget (first reported to Executive/Cabinet):£ 2,683,000 Planned Completion date: 31 st March 2007
Outturn Cost (please indicate if still provisional): Provisional £ 3,520,000 Actual completion date: 31 st March 2007
Variation from Original Budget: £ 837,000 Delay: N/A
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive/Cabinet): Under a strategic partnering arrangement the Council's Gas Partner was able to accelerate the Decent Homes heating programme on request, increasing the number of installations carried out during the first year. In total, 79 more unheated homes received central heating over and above the planned 673 (752 in total) and an additional 71 properties (330 in total) received a replacement, modern, efficient central heating boiler. Also, the budget funded £70,000 of replacement gas fires that could not be repaired.
Original Objectives of Scheme (please indicate when and to whom these were reported): To install gas central heating to unheated properties and to undertake a programme of gas boiler replacements where the existing boiler failed the Decent Homes Standard.
Have these Objectives been met? (If "No" please provide explanation): Yes, with additional homes benefiting as outlined above.

Signed by: Linda Sanders
(Director of Adult, Community and Housing Services)
Date: 2nd August 2007