

Meeting of the Council – 18th July, 2011

Capital Programme Monitoring and certain Revenue Issues

Report of the Cabinet

Purpose of Report

- 1 To consider the recommendations of the Cabinet on proposed amendments to the Capital Programme.
- 2 To consider the proposals of the Cabinet regarding certain revenue issues.

Background

- 3 At its meeting on 29th June, 2011, 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 (follow the links to Meetings and Decisions).

At the same meeting, the Cabinet considered a report on the Revenue and capital outturn for 2010/11, in which the provisional financial results for the year ended 31st March, 2011 were set out. A copy of the report submitted is available as set out in paragraph 2 above. The report drew attention to certain pressures in the areas of Children's Services and the Urban Environment in relation to which amendments to general fund revenue budgets for 2011/12 have been necessary and these, and the recommendations of the Cabinet thereon, are referred to in paragraphs 11 and 16 below.

Adult, Community and Housing

4. **Lye Local Improvement Financial Trust (LIFT) Project**
A decision (reference DACHS/008/2011) was made by the Leader of the Council in consultation with the Cabinet Member for Adult Social Care, the Director of Adult, Community and Housing Services and the Treasurer on 9th May 2011 to agree that the Council will withdraw from the procurement via LIFT of a Health and Social Care Centre in Lye. The reason for this was the withdrawal of "PFI Credit" funding by the Department of Health (as part of the Government's Comprehensive Spending Review), which was previously anticipated to cover a substantial element of the scheme's costs. Without this funding the project was unaffordable within the Council's budget and Medium Term Financial Strategy. The Health and Social Care Centre in Lye will however continue to be developed as a NHS only facility.

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

Urban Environment

5. Park and Open Space Improvements

There are a number of active "Friends of Parks" and other similar groups in the Borough working with the Council on an ongoing basis to improve parks and open spaces, including making bids for external funding to facilitate these improvements.

It is proposed that expenditure funded from successful bids be included in the Capital Programme.

Children's Services

6. Short Breaks

The Council has been allocated £398,000 of grant for 2011/12 to fund capital expenditure on initiatives to provide short breaks for disabled children. It is proposed that the allocation be noted, and the associated expenditure included in the Capital Programme.

Chief Executive's

7. Area Committee Allocations

It is proposed that, as in previous years, each Area Committee be allocated a capital budget on the basis of £10,000 per Ward (£240,000 in total). These allocations can be funded from available capital resources.

Urgent Amendments to the Capital Programme

Wordsley Park Depot

8. A scheme for the re-provision of essential welfare/mess facilities for the grounds maintenance teams at the above site was approved by Cabinet in February 2010 at a cost of £120,000. However, a subsequent and more detailed study to assess the works involved with removing the existing building, preparing the site for the new building, and improving the utilities/services has identified an additional cost of £64,000. Funding for the extra costs can be met from annual revenue budgets.

In order to meet necessary timescales, a decision (ref. DUE/007/2011) was made by the Leader of the Council in consultation with the Treasurer on 14th March 2011 to amend the Capital Programme to reflect the revised cost of the scheme.

Lister Road Depot

9. A number of urgent, essential improvements were identified as necessary at the Lister Road Depot, including hot water boiler replacement, a substantial refurbishment of the Street Care roof, replacement of a number of upper floor windows in the main building, and replacement of the vehicle workshop paint spray booth. The estimated cost of the works is £115,000. This can be funded from existing budgetary provision.

In order to progress the works, a decision (ref. DUE/013/2011) was made by the Leader of the Council in consultation with the Treasurer on 5th April 2011 to approve this capital expenditure.

Disabled Facilities Grants

10. Disabled Facilities Grants (DFGs) are mandatory grants awarded to disabled people to fund adaptations to enable them to remain living in their own homes. Such adaptations include level access showers, stairlifts, external ramps or ground floor bedroom / bathroom conversions. The Council receives an annual grant from the Department for Communities and Local Government (CLG) in order to support the costs of these adaptations. This sum is augmented by resources from public sector housing capital receipts.

A decision (ref. DCR/18/2011) was made by the Leader of the Council in consultation with the Treasurer on 15th April 2011 that following notification of grant funding of £2,012,000 for DFGs for 2011/12, this be added to the Council's Capital Programme.

Revenue Issues – Children's Services and Urban Environment

11. Children's Services

When setting the 2011/12 budget, it was noted that the reduction in Early Intervention Grant (EIG) compared with the Children's Services grants it replaces, together with the discontinuation of other Children's grants amounted to a loss of funding of around £3.6m. A further review of expenditure was to be undertaken to mitigate this loss. In the meantime £3.6m was set aside within General Fund Balances as a contingency whilst this process was under way.

Following a thorough review of spending, this shortfall can be mitigated by redesigning services, reducing back office functions, reducing activity, and restructuring parts of the Directorate. However, in order to address prevention and early intervention needs, it is proposed to continue investment of £2m in the current year in targeted activities in the following areas of social work: support for early identification of children at risk in order to prevent family breakdown, family support to reduce admissions to care and unify families; and school support to ensure leadership improvements.

Further reductions of £0.8m in the Youth Justice and Music grants, which were announced after budget setting, have been addressed by redesign of services and a reduction of activity.

Urban Environment

Following deterioration of the condition of the Borough's highway infrastructure as a result of three consecutive severe winters, £1m extra funding was approved by Council in March for road repairs, in addition to the £725,000 grant allocated to the Council by the Department of Transport aimed at tackling the impact of the harsh Winter on the Borough's roads. It is proposed to allocate an additional £275,000 to further accelerate the highway maintenance programme, with the combined total funding of £2m providing for the resurfacing of 180 side roads across the Borough in addition to essential works to repair potholes and highway defects.

These pressures can be funded from available general balances. It is proposed that Council be recommended to adjust 2011/12 general fund revenue budgets accordingly.

Finance

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

Law

13. 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

14. These proposals comply with the Council's policy on Equality and Diversity.
15. 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

16. That the Council be recommended:
 - That the withdrawal from the procurement via LIFT of a Health and Social Care Centre in Lye be noted, as set out in paragraph 4.
 - That expenditure on parks and open spaces funded from successful bids by "Friends of Parks" and other similar groups be included in the Capital Programme, as set out in paragraph 5.
 - That expenditure to be funded from the Short Break grant be included in the Capital Programme, as set out in paragraph 6.
 - That the Area Committee capital budget allocations be approved, as set out in paragraph 7.
 - That the Urgent Amendments to the Capital Programme, as set out in paragraphs 8 – 10 be noted.

- That the 2011/12 general fund revenue budgets be amended as set out in paragraph 11.

A handwritten signature in black ink, appearing to read 'H. Smith', is written over a light grey rectangular background.

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Leader of the Council