

## **Meeting of the Council – 29<sup>th</sup> November, 2010**

### **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 27<sup>th</sup> October, 2010, 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](mailto:richard.sanders@dudley.gov.uk); or on the Council's website [www.dudley.gov.uk](http://www.dudley.gov.uk) (follow the links to Meetings and Decisions).

##### **Urban Environment**

###### Lister Road Depot

3. In addition to the recent improvements, concrete repairs and resurfacing are now required around the incinerator apron; repairs are required to the Street Care office roof due to structural problems; and the Waste Care mess room also requires urgent structural improvements. The estimated cost of these works is £78,000, which can be funded from savings on the Incinerator Improvement project.

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

###### Leisure Centre Plant Refurbishment

4. Investment of £839,000 is required to ensure standards of operation of the plant at the Dudley, Halesowen and Crystal Leisure Centres is maintained. This will include improvements to heat and power, air handling, and filter equipment. Of the total cost, £830,000 can be met from the recent VAT refund relating to leisure activities, and £9,000 from Directorate revenue budgets.

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

###### Red House Glass Cone

5. The Council currently leases part of the site at Wordsley and operates it as a heritage attraction. The Council's offer to purchase the freehold has been accepted and details are now being progressed. A survey of the buildings has indicated that various works

will be required to the former Stuart shop and associated buildings in order to meet legislative standards. The cost of these works is estimated at £90,000 which can also be met from the recent VAT refund relating to leisure activities.

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

#### Future Skills Dudley

6. Future Skills Dudley (FSD) within the Directorate's Economic Regeneration Division has successfully delivered a wide range of skills training, pre-employment and employment related contracts over the last 20 years to support local unemployed residents into employment.

FSD is entirely externally funded and receives its income from submitting bids and winning contracts, particularly from organisations focussed on skills and employment related activities such as the Department for Work and Pensions (DWP) and the Skills Funding Agency (SFA), and from other external sources such as the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

FSD currently has approval through the following Decision Sheets.

- CE/10/2007, for the Director of the Urban Environment to:
  - submit appropriate bids to key funding agencies for their 2006-2010 tendering rounds;
  - enter into contracts with the key funding agencies together with subsequent contract variations as programmes develop.
- CE/09/2007, for permission to execute funding agreements with key partners and contractors who will assist Dudley Council to deliver approved training and client support contracts.

The Government, through the DWP, is now developing a national Framework for the Provision of Employment Related Support Services through which it proposes to let all future contracts. On behalf of the Council, FSD has submitted an Invitation to Tender (ItT) to DWP to be included as a potential delivery partner within this Framework. If successful at ItT stage, future ItTs for specific programmes will follow. Contracts let under the Framework will vary, but in terms of DWP contracts are likely to be of a value between £10 - £50 million per year. FSD is also being approached by other national and international organisations to be a potential delivery partner in their DWP ItT submissions. It is anticipated that the vast majority of any funding through this source will be primarily revenue.

FSD also proposes to continue submitting bids to the Skills Funding Agency, ESF, ERDF and any other potential funding sources that support their work.

In order for FSD to continue delivering direct employment and skills related services on behalf of the Council to around 3,000 Dudley residents per year and work with a range of partner organisations across the sub-region and region, for the period from 2011-2015, the Cabinet, at its meeting held on 27<sup>th</sup> October, 2010, acting in accordance with its delegated powers:

- Authorised the Director of the Urban Environment to:
  - submit bids to all key funding agencies to deliver employment and skills related support;
  - enter into the necessary contracts with the key funding agencies and approve any subsequent contract variations;

- enter into contracts / Service Level Agreements with key partners to assist Dudley Council with the delivery of approved bids;
  - submit proposals to external organisations for Dudley Council to deliver employment and skills related support as a subcontractor to them and to deliver any resultant contracts.
- The Cabinet also resolved to recommend the Council that, subject to any funding being confirmed, projects be included in the Capital Programme where appropriate.

## **Children's Services**

### Dudley Grid for Learning (DGfL)

7. DGfL is an educationally focused ICT service delivered in partnership with the private sector for the last 12 years, originally through a Private Finance Initiative (PFI) arrangement. The current contract ends on 31<sup>st</sup> January, 2011, and the Children's Services Project Board are therefore currently selecting a preferred bidder for the next contract, DGfL3. This will include an estimated £4m of capital expenditure in each of the financial years 2013/14 and 2019/20, which can be funded from schools' contributions and residual PFI grant.

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

## **Chief Executive's**

### National Treatment Agency Funding

8. Capital funding has been made available by the Department of Health to the National Treatment Agency for distribution, following a bidding process, to Substance Misuse services across the country. Dudley was successful in its application for £29,000, to be passed to our service provider CRI, for the following initiatives.
  - £9,000 for ICT equipment to support the production of Changing Times, a publication produced jointly between Dudley Walsall Mental Health Partnership Trust, CRI and Aquarius. The publication is for, and includes input and articles from, service users.
  - £20,000 for a minibus to provide outreach and harm reduction in void and derelict buildings identified as areas of drug use and discarded paraphernalia.

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

## **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 the Council be recommended:
  - That the expenditure on Lister Road Depot amounting to £78,000 be approved and included in the Capital Programme, as set out in paragraph 3.
  - That the refurbishment of Leisure Centre Plant be approved and included in the Capital Programme, as set out in paragraph 4.
  - That the works to the former Stuart shop and associated buildings at the Red House Glass Cone be approved and included in the Capital Programme, as set out in paragraph 5.
  - That in connection with Future Skills Dudley (subject to any funding being confirmed), projects be included in the Capital Programme where appropriate, as set out in paragraph 6.
  - That the capital expenditure within the DGfL contract be approved and included in the Capital Programme, as set out in paragraph 7.
  - That the National Treatment Agency funding be noted and the related expenditure included in the Capital Programme, as set out in paragraph 8.



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**Leader of the Council**