

Meeting of the Cabinet – 28th October 2009

Joint Report of the Chief Executive and Interim 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, and the authorisation of bids for external funding.

Background

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

Service	2009/10	2010/11	2011/12
	£'000	£'000	£'000
Public Sector Housing	33,803	26,324	23,234
Other Adult, Community & Housing	7,896	8,933	2,915
Urban Environment	29,660	20,382	8,870
Children's Services	37,936	30,420	5,552
Finance, ICT & Procurement	1,703	433	94
Law, Property & Human Resources	1,430	1,423	924
Chief Executive's	988	170	191
TOTAL	113,416	88,085	41,780

4. In accordance with the requirements of the Council's Financial Regulations, details of progress with the 2009/10 Programme are given in Appendix A. It is proposed that the current position be noted.

Adult, Community and Housing

Social Housing Grant for new Council Homes

5. As part of the 2009 Budget, the Homes and Communities Agency (HCA) announced £100m of funding for local authorities to deliver up to 900 new council homes – broadly 50% from Social Housing Grant (SHG) and 50% from Prudential Borrowing. While Dudley did not submit a first round bid as the Council would not have met the criteria applicable at the time, a second round bid is now considered desirable since smaller schemes are now being welcomed.

It is proposed to explore opportunities for new homes utilising sites earmarked for disposal for housing but which in the current climate are proving unpopular with Registered Social Landlords and have no sale pending. Many of these are former garage sites that have vandalism and anti-social behaviour issues. Bids must demonstrate compliance with the HCA's Design and Quality Standards which incorporate the Code for Sustainable Homes Level 3 and Diversity Standards, similar in principle to Lifetime Homes. It is intended that a bid around council homes for persons with learning disabilities integrating into the community through supported living will be explored, but some general needs housing will not be ruled out at this stage. Bids are required to be submitted by 30th October 2009. While priority will be given to schemes that commence in 2009/10, all schemes will need to be completed by 31st March 2012. This implies initial building on a smaller scale, but with the precise number and location of units and sites still to be determined as part of the feasibility and bidding process.

The initial feasibility and bid works will be funded from within existing budgets but if successful, future project costs would be met as part of the overall project finance. This is currently envisaged to be land provided by the Council at nil value, with prudential borrowing matchfunding the SHG. On average it is envisaged that SHG will meet 50% of total project costs. Net rental income from the new units will cover borrowing and maintenance and management costs.

It is proposed that the Director of Adult, Community and Housing Services be authorised to submit a bid for SHG as outlined above, and that subject to the bid being successful the project to build new Council Homes be included in the Capital Programme.

Urban Environment

Lister Road Garage - Refurbishment of Toilets

6. The Capital Programme currently includes a project to refurbish the Lister Road Garage Toilets. Subsequent detailed specification of the works has identified the need for significant upgrading of the extraction and ventilation equipment in line with current regulations. The additional costs associated with these works will be £20,000 which can be funded from Transport Services revenue resources. It is proposed that these extra works be approved and the Capital Programme amended accordingly.

Former Landfill Site at Mucklow Hill - Drainage

7. An investigation has identified a collapsed and blocked culvert beneath the former Council landfill site at Mucklow Hill, Halesowen. This will require excavation and repair works to ensure the integrity of the site's drainage network and avoid pollution. The estimated cost of the works is £100,000 which can be funded from Directorate revenue budgets over the next 5 years. It is proposed that the works be approved and included in the Capital Programme.

Castle Hill & Zoo development, Dudley - proposed Compulsory Purchase Order(s) for land at Castle Hill; Gala Bingo & Trading Post

8. Following the termination of the development agreement between the Council, Castle Hill Dudley Ltd and St Modwen Properties PLC earlier this year the Castle Hill & Zoo project is now at a stage where the Council will be revisiting the vision and implementation plan for the site and its outcomes. Whereas the Council is the freehold owner of the majority of the site, in the absence of any Compulsory Purchase Order resolution there are likely to be planning applications submitted on parts of the site outside of the Council's ownership. These risk frustrating the overall aims for the Castle Hill site and there may also be some "cherry picking" of key parcels of land by speculators that will preclude the site from achieving its full potential as an important gateway and economic catalyst to the town.

Advantage West Midlands have made an outline funding offer of £5.3m to the Council in support of the regeneration of the Castle Hill site, and a full application is currently in preparation to secure this funding, which includes an element of land acquisition in order to deliver a comprehensive redevelopment of the site. Furthermore, the Gala Bingo site (Castle Hill), which would fall into this category, is now being offered for sale. Whereas it is intended to seek the acquisition of this land by negotiation, it may not be possible to acquire the land through negotiation, and it must therefore be assumed that the Council may have to ultimately use Compulsory Purchase Order (CPO) powers. This process can take a significant amount of time to achieve and it is considered important to formulate and seek a Compulsory Purchase Resolution and Order at this early stage to ensure that the project is not delayed unnecessarily

The Council wishes to proceed on the basis of negotiation with individual owners but in the absence of any CPO, individual owners could prevent the full regeneration of the area. CPO powers are needed as a last resort if the negotiations fail to secure the whole of the site required to ensure delivery of the Castle Hill project

The passing of a Resolution to use CPO powers does not in itself commit the Council to acquire the premises or proceed to make the actual order. It is, however, a statutory event which permits the service on the Council of Blight Notices by owners of qualifying premises. If a Blight Notice is upheld then the Council will be forced to acquire the premises and any lack of funds is not a valid reason to refuse to accept a Blight Notice. If funding from Advantage West Midlands were not forthcoming then the costs would need to be met through capital receipts generated from land disposals within the Dudley Town Centre Area Development Framework regeneration project.

A draft CPO will only be submitted when a suitable source of funding has been found, either through undertakings from developers, grant funding (in this case, from Advantage West Midlands) or from receipts from disposal of land in the Council's ownership

In order to maximise the opportunity to acquire this land, an urgent decision (ref. DUE/56/2009) was made by Councillor Les Jones, Cabinet Member for Regeneration

and Deputy Leader in consultation with John Millar, Director of the Urban Environment on the 12th October 2009, recommending Cabinet to authorise the Council to make a Compulsory Purchase Order(s) for the acquisition of land at Castle Hill, Dudley, for the purposes of regenerating the Castle Hill site.

It is therefore proposed that:-

- (a) Cabinet authorise the Council to make a Compulsory Purchase Order(s) pursuant to Section 226 (1) of the Town and Country Planning Act 1990 (as amended) for the acquisition of land at Castle Hill, Dudley, for the purposes of regenerating the Castle Hill site, as set out in urgent decision sheet ref. DUE/56/2009;
- (b) Cabinet recommend to Council that, subject to funding being available, the acquisition of land at Castle Hill by the Council be included in the Capital Programme.

Children's Services

Schools Travel Plan Grant 2009/10

9. The Council has been awarded £76,000 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 12 schools in the borough (with further funding going directly to two Voluntary Aided Schools).

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

Integrated Children's Systems

10. The Council has been awarded £65,000 of Integrated Children's Systems Grant to improve local case management systems for children's social care. The grant is intended to support local authorities in the improvement of IT-enabled case management systems for children in need, including looked after children and children with disabilities.

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

Play Pathfinder

11. The Council has now received a final grant allocation from the Department for Children, Schools and Families (DCSF) awarding an additional £17,000 (compared with its original indicative allocation) under the Play Pathfinder initiative, for the provision of high-quality and safe places to play for both children and parents.

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

Coseley Youth Centre

12. It is proposed that a Multi Use Games Area (MUGA) should be constructed as part of the new Coseley Youth Centre for the benefit of the Local Community, at a cost of £65,000, and the Capital Programme amended accordingly. This can be funded from

Section 106 monies received from the developer of the Extra Care Housing scheme on the existing Youth Centre site.

Law, Property and Human Resources

Dudley Market

13. It is proposed that the £13,000 remaining funding from the capital project to install an infill roof at Dudley Market be used to carry out necessary improvement works on obsolete electrical supplies feeding the Market, and to purchase enhanced ICT equipment for collection of Market tolls.

Chief Executive's

Offender - Based Interventions

14. The Council has been successful in obtaining £33,000 of grant funding from the Home Office's Offender – Based Interventions initiative. This funding will support the Council's Drug Intervention and Prolific and Priority Offender programmes, in particular:
- IT and infrastructure for Cranstoun Drug Services who are the providers of the Drug Intervention Programme in Dudley;
 - Making Probation Office accommodation fit for purpose to deliver education, training and employment courses in a group setting;
 - White goods for the Offender Accommodation Project, a successful project providing 6 units supported by the Directorate of Adult, Community and Housing Services.

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

Contingency and Disaster Management Accommodation

15. The Capital Programme currently includes £20,000 to refurbish an additional Training Room / Strategic Coordination Centre for the Contingency and Disaster Management team. A further £9,000 will be required to fully equip the room and provide suitable security arrangements. It is proposed that this expenditure be approved and the Capital Programme amended accordingly.

Post Completion Review of Capital Projects

16. 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
Roseville Day Centre Refurbishment
Wordsley Library Modernisation

It is proposed that these be noted.

Finance

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

Law

18. 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

19. These proposals comply with the Council's policy on Equality and Diversity.
20. 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

21. That current progress with the 2009/10 Capital Programme, as set out in Appendix A be noted.
22. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
23. That the Director of Adult, Community and Housing Services be authorised to bid for Social Housing Grant, as set out in paragraph 5.
24. That Cabinet authorises the Council to make a Compulsory Purchase Order(s) pursuant to Section 226 (1) of the Town and Country Planning Act 1990 (as amended) for the acquisition of land at Castle Hill, Dudley, for the purposes of regenerating the Castle Hill site, as set out in urgent decision sheet ref. DUE/56/2009 and paragraph 8.
25. That the Council be recommended:
 - That subject to the bid for Social Housing Grant being successful, the project to build new Council Homes be included in the Capital Programme, as set out in paragraph 5.
 - That the extra works relating to the refurbishment of the Lister Road Garage Toilets at a cost of £20,000 be approved, and the Capital Programme amended accordingly, as set out in paragraph 6.
 - That the drainage works at the former Council landfill site at Mucklow Hill at a cost of £100,000 be approved, and included in the Capital Programme, as set out in paragraph 7.

- That, subject to funding being available, the acquisition of land at Castle Hill by the Council be included in the Capital Programme as set out in paragraph 8.
- That the Schools Travel Plan Grant funding of £76,000 be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 9.
- That the Integrated Children's Systems Grant funding of £65,000 be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 10.
- That the additional Play Pathfinder funding allocation of £17,000 be noted, and the associated expenditure be included in the Capital Programme, as set out in paragraph 11.
- That a Multi Use Games Area should be constructed as part of the new Coseley Youth Centre, at a cost of £65,000, and the Capital Programme amended accordingly, as set out in paragraph 12.
- That the £13,000 of remaining funding from the capital project to install an infill roof at Dudley Market be used to carry out necessary improvement works on obsolete electrical supplies feeding the Market, and to purchase enhanced ICT equipment for collection of Market tolls, as set out in paragraph 13.
- That the Offender – Based Interventions funding allocation of £33,000 be noted, and that the related expenditure be included in the Capital Programme, as set out in paragraph 14.
- That the expenditure of a further £9,000 on Contingency and Disaster Management Accommodation be approved, and the Capital Programme amended accordingly, as set out in paragraph 15.

John Polychronakis

Bill Baker

.....
John Polychronakis
Chief Executive

.....
Bill Baker
Interim Director of Finance

Contact Officer: John Everson
 Telephone: 01384 814806
 Email: john.everson@dudley.gov.uk

List of Background Papers
 Relevant resource allocation notifications.

2009/10 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31st August £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	33,803	9,339	33,803	-	
Other Adult, Community & Housing	7,896	2,673	7,891	-5	Minor savings
Urban Environment	29,660	7,741	29,660	-	
Children's Services	37,936	9,047	37,936	-	
Finance, ICT & Procurement	1,703	248	1,703	-	
Law, Property & Human Resources	1,430	330	1,430	-	
Chief Executive's	988	104	988	-	
TOTAL	113,416	29,482	113,411	-	

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

Title of Scheme: Roseville Day Centre (AMPH382)
Date of Cabinet approval: 12/09/07 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet): £241,000 Planned Completion date: 12/12/08
Outturn Cost (please indicate if still provisional): £247,000 Actual Completion date: 30/01/09 (Provisional)
Variation from Original Budget:£6,000 Delay: 7 weeks
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): Additional ground works were required which included gas resistant dpm & dpc and capping off an existing well. In addition the existing main hall luminaries were replaced to improve lighting in this area. The delay was predominantly due to bad weather delaying completion of ground works.
Original Objectives of Scheme (please indicate when and to whom these were reported): Additional room facilities to allow increased activities, opportunity to expand community medical facilities and continued support to external tutors accessing the service to provide Lifelong Learning opportunities.
Have these Objectives been met? (If "No" please provide explanation): Yes

Signed by:..... Linda Sanders (Director) **Date:**..... 22/09/09

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

Title of Scheme: Wordsley Library (AMPH391)
Date of Cabinet approval: 12/09/07 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Cabinet): £268,000 Planned Completion date: 09/01/09
Outturn Cost (please indicate if still provisional): £264,000 Actual Completion date: 30/01/09 (Provisional)
Variation from Original Budget: (£4,000) Delay: 3 weeks
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Cabinet): Saving on provisional sums. Delay caused by contract variations such as internal plastering and curtain walling/glazing.
Original Objectives of Scheme (please indicate when and to whom these were reported): To provide a modern Library Service – Blueprint approved by Cabinet in September 2006.
Have these Objectives been met? (If “No” please provide explanation): Yes.

Signed by:..... Linda Sanders (Director) **Date:**..... 22/09/09