

Meeting of the Cabinet – 9th December 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 authorise 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	7,840	8,969	2,915
Urban Environment	26,083	21,042	8,449
Children's Services	37,441	32,201	4,887
Finance, ICT & Procurement	1,706	430	94
Law, Property & Human Resources	1,430	1,423	924
Chief Executive's	1,030	170	191
TOTAL	109,333	90,559	40,694

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.

Urban Environment

5. Metro – Birmingham City Centre Extension and Acquisition of New Trams
Centro are submitting plans to the Department for Transport for:

- An extension of the current Midland Metro line from Snow Hill to Birmingham City Centre terminating at New Street Station;
- The acquisition of new trams;
- The extension of the current depot facility at Wednesbury to accommodate the new trams.

The capital cost of the project, after anticipated Department for Transport grant is taken into account, will be met from local capital funding sources – including possible top-slicing of each District's Integrated Transport capital allocations, and prudential borrowing. The net revenue costs of any prudential borrowing may need to be met from future increases in the Transport Levy.

The Directors of Finance across the West Midlands are being asked to provide a letter in support of the scheme to state that each Council is committed to the development of Midland Metro Line One in accordance with the region's priorities; that they recognise that the government's contribution to the project is limited and that accordingly the risk for all capital costs above this figure lies with the Centro; and that each Council is committed to delivering the transformational visions set out in the Major Scheme Business Case and will endeavour to work with the Integrated Transport Authority to bridge any affordability gap, providing a value for money solution is achievable. The Council has not, as yet, made any formal commitment to support the project.

We are recommending that Cabinet delegate authority to the Interim Director of Finance in consultation with the Leader and Shadow Leader to agree to support this project only if it is appropriate to do so.

Urgent Amendment to the Capital Programme

6. Demolition of Cradley High School

Cradley High School was closed on 21st August 2008 and its disposal and demolition was authorised by the Cabinet Member for Integrated Children's Services (DCS/28/2008 and DCS/23/2009).

The building needs to be demolished as soon as possible due to vandalism and to protect public safety. A decision (ref. DOF/22/2009) is therefore anticipated to be made by the Leader of the Council in consultation with the Interim Director of Finance on 2nd December 2009 that the demolition be included in the Capital Programme.

The estimated demolition costs of approximately £300,000 to £600,000 can be met from the Dedicated Schools Grant reserve.

Post Completion Review of Capital Projects

7. 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.

Urban Environment

Russells Hall Road Dudley, Resurfacing

It is proposed that these be noted.

Finance

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

Law

9. 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

10. These proposals comply with the Council's policy on Equality and Diversity.
11. 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

12. That current progress with the 2009/10 Capital Programme, as set out in Appendix A be noted.
13. That the results of the Post Completion Review of capital projects, as set out in Appendix B be noted.
14. That Cabinet delegates authority to the Interim Director of Finance in consultation with the Leader and Shadow Leader to agree to support Centro's submission to the Department for Transport in respect of enhancements to Midland Metro, as set out in paragraph 5, only if it is appropriate to do so.

15. That the Council be recommended:

- That the urgent amendment to the Capital Programme, as set out in paragraph 6, be noted.



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John Polychronakis
Chief Executive

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Bill Baker
Interim Director of Finance

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List of Background Papers

Decision Sheets referred to in report.

2009/10 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st October £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	33,803	13,737	33,803		
Other Adult, Community & Housing	7,840	3,957	7,835	-5	Minor savings
Urban Environment	26,083	11,501	26,083		
Children's Services	37,441	14,627	37,441		
Finance, ICT & Procurement	1,706	324	1,706		
Law, Property & Human Resources	1,430	555	1,430		
Chief Executive's	1,030	331	1,030		
TOTAL	109,333	45,032	109,328	-5	

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

Title of Scheme: Russells Hall Road, Dudley
Date of Executive / Cabinet approval (As part of Highways Structural Maintenance Programme): 14 May 2009 (i.e. inclusion in Capital Programme)
Original Budget (as first reported to Executive / Cabinet):.....£134,748 Planned Completion date: 13 July 2009
Outturn Cost.....£176,020 Actual completion date: 9 July 2009
Variation from Original Budget: Increase of £41,272 Delay: None
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): The additional costs resulted primarily from the additional thickness of binder course material (92mm instead of 60mm). During planing it was found that the formation was made up of loose material (fine stone and ash) which had to be removed down to a sound surface. The scheme was completed 4 days early.
Original Objectives of Scheme (please indicate when and to whom these were reported): Resurface the carriageway of Russells Hall Road to a depth of 100mm to overcome the deterioration of the pavement layers.
Have these Objectives been met? (If "No" please provide explanation): Yes, although it will be some time before the extended life of the pavement structure is known.

Signed by: *John Millar* (Director).....

Date: 27/10/2009