

Meeting of the Cabinet – 13th September 2017

Joint Report of the Chief Executive and Chief Officer Finance and Legal Services

Capital Programme Monitoring

Purpose

1. To report progress with the implementation of the Capital Programme.
2. To propose amendments to the Capital Programme.

Recommendations

3. That Council be recommended:
 - That subject to the funding bid being successful, the Low Carbon Place Strategy expenditure be included in the Capital Programme, as set out in paragraph 6.
 - That the Urgent Amendment to the Capital Programme, as set out in paragraph 7, be noted.

Background

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

	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Public Sector Housing	47,106	35,011	36,361
Private Sector Housing	6,781	6,850	2,550
Environment	11,116	6,756	3,000
Transport	17,666	3,573	3,073
Regeneration & Cultural	7,299	636	636
Schools	24,820	9,795	244
Social Care, Health & Well Being	1,559	0	0
Chief Executive's	5,239	340	340

Total spend	121,586	62,961	46,204
Revenue	15,539	5,826	3,767
Major Repairs Reserve (Housing)	23,030	23,107	23,451
Capital receipts	22,784	12,765	17,831
Grants and contributions	28,660	11,959	1,155
Capital Financing Requirement	31,573	9,304	0
Total funding	121,586	62,961	46,204

Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced.

- An update on progress with the Council's most significant capital schemes is shown in Appendix A.

Regeneration

Low Carbon Place Strategy

- The Council has bid for £2.5m of European Regional Development Funding for the installation of a number of energy efficiency improvements, including 'A' rated gas boilers in some council homes, LED lighting in communal areas of council housing and various measures to improve the efficiency of targeted corporate buildings. Match funding of £2.5m can be met from existing HRA budgets.

It is proposed that subject to the bid being successful, the expenditure be included in the Capital Programme.

Urgent Amendment to the Capital Programme

- New Early Years accommodation at Netherbrook Primary School**
The Education Skills Funding Agency (ESFA) has awarded the authority a grant of £407,000 towards the total cost of £552,000 of a purpose built Early Years facility at this school. The balance of £145,000 can be met from existing capital resources and school reserves. In order to meet the grant conditions, a decision (ref. PPL/15/2017) was made by the Leader of the Council in consultation with the Chief Officer, Finance and Legal Services on 28th June 2017 that the project be included in the Capital Programme.

Finance

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

Law

- 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. The proposals in this report comply with the Council's policy on Equality and Diversity.
11. With regard to Children and Young People:
- The Capital Programme for Schools 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.

Human Resources / Transformation

12. The proposals in this report do not have any direct Human Resources / Transformation implications.



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List of Background Papers

Relevant resource allocation notifications.

Progress with Major Capital Schemes

Public Sector Housing

New Council Housing

Works for 4 new 2 bedroom homes on the former garage site at Mars Close, Hurst Hill completed May 2017.

Work commenced in November 2015 for the development of 157 homes at the former Dudley Guest site, with the Council taking 39 of the homes. The Council's 39 dwellings will be completed in phases. 12 homes were completed March 2017 with 12 more due Q1 2017/18 and the remainder by March 2018 with overall scheme completion in 2019. Works are progressing well.

Works have commenced on site for:

- 10 new homes at Lea Bank Road Saltwells with completion by Summer 2017
- 20 new homes at Ketley Hill Road with completion Autumn 2017.

Works commenced on site March 2017, completing in phases by 2019/20 for 130 new homes in a mixed tenure development of at Middlepark Road, Russells Hall of which 42 will be new Council homes.

Planning Applications have been submitted for 16 new apartments at Beech Rd Kingswinford and 4 bungalows at Moat Drive, Halesowen

Housing also purchased a derelict building on the corner of School St and Wolverhampton St Dudley with a view to demolition and development of apartments, subject to Planning Approval.

Feasibility work is ongoing for other infill sites across the borough and discussions are ongoing with Planning and Highways.

Private Sector Housing

Starter Homes

Planning approval received for 79 new homes for development by the Council by 2019, of which 62 are new starter homes. The first scheme will commence on site later in 2017/18.

Environment

Mary Stevens Park

The Park restoration project is now complete. The water play was launched just before the summer break and the interpretation panels unveiled in July. Paths, fencing and other signage were also completed in July. The project has received a considerable amount of excellent publicity and the evaluation video which is available through the facebook page has now received over 30,000 views. See:

<https://www.youtube.com/watch?v=bKDmVwEXrxM&t=30s> The final grant claim was submitted to the Heritage Lottery Fund at the end of July. The project spend is on budget.

Lister Road Redevelopment

The outline designs for the redevelopment of Lister Road Depot have been completed and a full planning application has been submitted for consultation and approval. An outcome of the application is expected before the end of the calendar year. Works are planned to commence on site by Spring 2018.

Household Waste Recycling Centre

Consideration of a range of possible sites across the borough is in progress. A preferred site is expected to be determined by the end of the calendar year. Further consultation will then be undertaken, with any necessary planning applications being submitted by April 2018.

Dell 3G Pitch

Pre-Contract start meeting held on 12 May 2017. Mining/drainage works delayed as Coal Board permission required before works can commence. Scheme delayed and should now be completed by Autumn 2017.

Homer Hill Park

Plans for the new changing facility are almost complete. A programme has been produced which outlines that we will go out to tender in mid September, with contractors on site in November. Project is due for completion in spring 2018.

Transport

A4101 High Street, Pensnett Highway Improvement

Work commenced on site in early May and is expected to take approximately 12 months to complete. Spend is forecast to be within budget.

A459 Dudley Road / Coombs Road, Halesowen – Junction Improvement

Work commenced on site in January 2017 and phase 1 which involved civil engineering works to the main junction is complete. Phase 2 which involves alterations to statutory undertakers apparatus prior to completion of the remaining civil engineering works commenced in June with completion expected August/September 2017. Spend is forecast to be within budget.

Street Lighting (Invest to Save)

Procurement of lanterns for the major roads lighting replacement programme has been delayed owing to the design standards for about a quarter of all major roads not having been met by any prospective supplier. This is presently being investigated but we are confident that a solution can be achieved. We are working towards a start on site now scheduled for October 2017, the programme taking approximately two years to complete.

The structural testing schedule for lighting columns for the 2017/18 programme has been issued to the contractors and they expect to start work in September 2017; any failures of lighting columns will be notified as they are detected and dealt with accordingly, costs of any replacements being charged to the Capital Programme.

Regeneration and Cultural

Dudley Townscape Heritage Initiative 2

Following the appointment of the project manager the Townscape Heritage (TH) scheme formally commenced in early February. The first year's Action Plan has been agreed with the Heritage Lottery Fund and the TH project is being progressed and monitored in line with the plan. Discussions are now being held with owners of target buildings to develop the individual building projects, and the complementary activities which form an integral part of the programme are also being progressed.

Travelodge, Dudley

Works completed and hotel is open for bookings.

One Public Estate

The Estate Strategy continues to develop. Issues meriting specific reference include work in progress to acquire the former Health Centre in Bayer Street, Coseley. Being physically attached to the much smaller existing Family Centre the former Health Centre will enable Children's Services to develop their Early Help strategy via a larger Family Centre for the north of the borough. This will support children and young people aged 0-18, (up to 25 years for those who have a learning difficulty/disability).

Minor alteration work completed (25th August) at 3/5 St James's Road which will enable more staff from the People Directorate to co-locate and relinquish the lease at Westox House later in the year.

Work in conjunction with external partners such as the Police and Citizens Advice to share space across the borough continues with start on 12th September at 8 Parsons Street in Dudley to accommodate officers currently based in the Dudley police station.

In relation to assets considered surplus to operational requirements work continues to dispose of them by the most beneficial method. Work to dispose of assets on the open market and via Community Asset Transfer continues and where necessary to increase value or make viable, some site remediation is being considered prior to future disposal.

Schools

Schools Basic Need projects

The second phase of projects funded from Basic Need capital grant is progressing well. Numbers for both primary and secondary school places are being closely monitored and processes are in place to ascertain projected growth and the need for additional capital projects for 2018 onwards. This, in turn, will inform the next wave of Basic Need projects across the school estate.

Priority Schools Building Programme Phase 2

The capital budget for the rebuild of Key Stage 1 at Huntingtree Primary School project is yet to be confirmed following the successful submission of a capital bid. The Local Authority is awaiting feedback from the Education Skills Funding Agency (ESFA) on actual budget allocation and timescale following a number of meetings with representatives and further work to develop the brief for the project.

Two Year Old Early Learning – “Time For Twos”

Projects are progressing well, with the majority having now being completed to conclude the Time for Twos grant expenditure. Major projects have progressed well with Woodside and Wordsley Preschools now complete and Netherton Park Preschool completion is imminent. Currently forecast to spend to budget.

Hillcrest 3G Pitch

The Football Foundation has confirmed funding of £757,000 towards the latest estimated project cost of £917,000. The balance of £160,000 will be met by the school. Work programme is yet to be confirmed as planning approvals are awaited. A revised planning application for the project is due to be submitted imminently.

Health & Well Being

North Priory Community Centre

The building works have been completed. Access and landscaping works will be finished in the next few weeks and the Centre is expected to open soon.

Transformation

Social Care ICT

A Programme Board has been established to oversee delivery of the programme, which includes representation from the services involved and also Internal Audit, Financial Services and Communications. A programme plan has been agreed.

The initial stage of the programme has been to agree the required system scope, procurement process and tender documentation. This has been completed and the collated tender documentation was released on the 10th August, with a return date for bidders of 22nd September. It is planned for the contract to be awarded during November. An evaluation panel comprising of key service stakeholders and members of the finance team has been established.