

Meeting of the Cabinet – 12th September 2018

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

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.

Recommendations

3. That the Council be recommended:
 - That current progress with the most significant capital schemes, as set out in Appendix A be noted.
 - That the contribution to the Stourbridge Canal Towpath project be approved and included in the Capital Programme, and that any transportation expenditure which can be funded from such resources in future be included in the Capital Programme as appropriate, as set out in paragraph 6.
 - That the improvements to Vale Street, Gornal be approved and included in the Capital Programme, as set out in paragraph 7.
 - That the project to replace the hammer throw cage and circle at the Dell Stadium be approved and included in the Capital Programme, as set out in paragraph 8.
 - That the School Basic Need allocation for 2020/21 be noted, and the associated expenditure included in the Capital Programme, as set out in paragraph 9.
 - That the School Devolved Capital allocation for 2018/19 be noted, and the associated expenditure included in the Capital Programme, as set out in paragraph 10.

Background

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

	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Public Sector Housing	38,354	36,528	37,732
Private Sector Housing	13,654	2,450	450
Environment	7,801	9,156	5,000
Transport	12,281	6,516	4,816
Regeneration & Cultural	7,936	19,681	7,386
Schools	24,816	5,589	244
Social Care, Health and Well Being	1,064	0	0
Chief Executive's	1,285	0	0
Total spend	107,191	79,920	55,628
Revenue	8,288	2,931	4,037
Major Repairs Reserve (Housing)	23,113	23,451	23,920
Capital receipts	19,550	25,336	11,222
Grants and contributions	33,640	6,389	3,612
Capital Financing Requirement	22,600	21,813	12,837
Total funding	107,191	79,920	55,628

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

5. An update on progress with the Council's most significant capital schemes is shown in Appendix A. It is proposed that the current position be noted.

Transport

6. Towpath Improvements to Stourbridge Canal, Wordsley
As part of a residential development adjacent to the canal the Council has received £23,000 in the form of Section 106 agreement funding to be used as a contribution to upgrading and improving access to the length of towpath between Henderson Bridge (near Windsor Grove) and Glasshouse Bridge (at High Street, Wordsley). The £23,000 would be transferred to the Canal and River Trust who will carry out the works given the towpath and access ramps are situated on land in their ownership and form part of their asset.

It is proposed that the contribution to the project be approved and included in the Capital Programme, and that any transportation expenditure which can be funded from such resources in future be included in the Capital Programme as appropriate.

7. Vale Street, Gornal

It is proposed to undertake improvements to Vale Street, Gornal in the vicinity of no. 65 to provide a 2m wide pedestrian footway on its east side that would provide continuity with the existing footways. This will involve the purchase the land from the owner of no. 65 and construction of a new footway and retaining wall in Gornal blocks. The estimated cost is £75,000. Funding has been identified from commuted sums from developers for the future maintenance of adopted highways assets. It is proposed that the scheme be approved and included in the Capital Programme.

Regeneration and Cultural

8. Hammer Cage, Dell Stadium

The hammer throw cage and circle at the Dell Stadium has been condemned as unfit for use and a replacement is required. Initial estimates are that this will cost between £25,000 and £33,000. This can be funded by a 10% contribution from the athletics club, with the balance from prudential borrowing over 5 years, repayments being made from additional income generated from use of the new 3G pitch.

It is proposed that the project be approved and included in the Capital Programme with a budget of £33,000.

Schools

9. School Basic Need Allocation 2020/21

The Council has been notified of its Basic Need allocation for 2020/21 of £5,480,000. This funding is to support the provision of new pupils places in the Borough and will be allocated to specific projects in due course.

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

Schools Devolved Capital 2018/19

10. The Council has been notified of its Devolved Capital allocation for 2018/19 of £544,000, allocated to schools based on a DfE formula. Schools will be expected to determine capital projects in accordance with priorities set out in their schools' asset management plans and in conjunction with Corporate Landlord Services.

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

Finance

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

Law

12. 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

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

15. 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 commenced on site March 2017, completing in phases by 2019/20, for 130 new homes in a mixed tenure development at Middlepark Road, Russells Hall of which 42 will be new Council homes. The first 10 Council owned homes were completed March 2018. Work is progressing well for the remaining 32 Council homes, all due for completion 2018/19.

Work commenced in October 2017 for 16 apartments at Beech Road, Kingswinford, initially with the demotion of the existing structure. Completion due November 2018.

Work commenced in October 2017 for 12 one bedroom apartments at Wolverhampton St, Dudley, as part of the Wolverhampton St regeneration corridor. Completion due February 2019.

Work commenced in March 2018 for 12 bungalows at Crowle Drive, Stourbridge. Completion due March 2019.

Work commenced in March 2018 for 10 new houses at Wychbury Rd, Stourbridge. Completion due March 2019.

Feasibility studies and planning applications are in progress for a number of schemes, including:

- 14 houses at Stewarts Rd, Halesowen
- 14-16 bungalows, off The Broadway, Norton, Stourbridge
- 8 units (type to be determined based on feasibility) at Portway Close, Kingswinford
- 6 new Council houses at Uplands, Dudley, (a revised scheme to address parking concerns following refusal of planning permission in April 2018).

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

Private Sector Housing

Homes for Sale

This will deliver 59 homes for sale at market prices and 20 affordable homes (25% of the homes being developed) for rent by the HRA.

Planning approval has been received for all four schemes.

Work has now commenced at:

- Wenlock Gate (Wrens Nest Road) – a development of 8 new homes with 4 for private sale. Completion due in December 2018
- Red House Mews (King William St / Brettell Lane Amblecote) – a development of 20 new homes with 16 for private sale. Completion due Autumn 2019

Works will commence on site for the remaining schemes during September 2019:

- Mill Grange (Mere Road, Norton) – a development of 18 homes with 14 for private sale. Completion due Winter 2019
- Castle Court (Beechwood Rd, Dudley) development of 33 homes with 25 for private sale. Completion due Spring 2020

Environment

Homer Hill Park

The Homer Hill Park changing rooms and Multi Use Games Area (MUGA) are currently close to completion. The MUGA is complete and has been well used this summer; we are waiting on the electrical work for the lighting to be complete. The building is close to completion and should be ready by the start of the football season in the next couple of weeks.

Stourbridge Cremator

The upgrade of the cremators at Stourbridge Crematorium is scheduled to start in February 2019 with building alterations necessary for the work to go ahead commencing this autumn. The contract will be awarded shortly. Spend is forecast to be within budget.

Sedgley Beacon

The funding application was submitted to the Heritage Lottery Fund (HLF) in August 2018. If successful we will then embark on the Development Phase, which will be funded via HLF with some match funding from the Wildlife Trust. The Development Phase will determine and finalise delivery costs, and required match funding will be sought.

Lister Road Depot Redevelopment

Following feedback received from the initial planning application, the designs of the development have been reviewed and amended to address these concerns. Further consultation with residents has been undertaken and the revised planning application has been resubmitted for determination. Construction works are expected to commence in December 2018.

Transport

A4101 High Street, Pensnett Highway Improvement

Work commenced on site in May 2017 and the main highway elements of the scheme have been completed, with the new road layout operational from July. Spend is forecast to be within budget.

Street Lighting (Invest to Save)

Phases 1 and 2 of the replacement programme have been completed, totalling around 2,000 street lighting lantern conversions to LED technology on main roads. This is over 30% of the total works. The programme will continue to progress during 2018/19 and 2019/20. Over 700 lanterns have been purchased ready for installation in Phase 3. New columns and lanterns will be programmed for installation during this year and next.

Regeneration and Cultural

Dudley Townscape Heritage Initiative

The Townscape Heritage (TH) programme is funded through the Heritage Lottery Fund (HLF) which offers grant assistance to carry out repair, reinstatement and refurbishment works to historic buildings, as well as a programme of complementary education and community engagement activities.

The Phase 2 TH programme, which is operating with a grant budget of £1,178,000 from the HLF and £300,000 matchfunding from the Council, commenced in February 2017. It will run for 4 years and focuses on buildings in the town centre's historic core. The work at 203/204 Wolverhampton Street was completed in July and the property has been sold to a local recruitment company which is now in occupation and has taken on more staff. Grant offers for neighbouring properties at 208 and 209 Wolverhampton Street have been confirmed although commencement of work has been delayed through lack of joiners to carry out the shopfront work. Work is expected to be carried out this year. Reserve projects will be brought forward should projects fail to progress.

Other projects identified as priorities within the bid, including 207 Wolverhampton Street, Fountain Arcade, 204a Wolverhampton Street and 14 New Street, are being progressed with the private owners with a view to work being undertaken in years two and three.

The activities are also being progressed and developed in conjunction with teams in Adult and Community Learning, Museums and Communications and Public Affairs, with events such as the Heritage Open Day held and the volunteer training programme launched. The volunteer programme is developing and volunteer assistance is being sought for forthcoming events and projects, such as September's Heritage Open Day. The TH programme is being progressed in line with the Action Plan.

One Public Estate

The Council's Estate Strategy 2017–2022 was approved by Cabinet in December 2017 and is now a live document. Issues meriting specific reference include the refurbishment of the former Health Centre in Bayer Street, Coseley following its acquisition. This will enable Children's Services to develop their Early Help strategy for the north of the borough through a Family Centre supporting children and young people aged 0-18, (up to 25 years for those who have a learning difficulty/disability). The refurbishment is now complete and will become operational at the end of September.

Minor alteration work to 4 Ednam Road is now complete. Corporate Landlord Services staff have moved from Ward House Himley and Saltwells EDC, Netherton freeing up space at those sites as part of their planned decant. Legal Services have also relocated to the ground floor freeing up space in the Council House.

Work has been completed at 7 St James's Road / 8 Parsons Street. West Midlands Police currently based at Dudley Police Station will take occupation imminently now that the lease has been completed.

In relation to assets considered surplus to operational requirements, work continues to dispose of them by the most beneficial method including on the open market and via Community Asset Transfer. Some £3.8m of (general fund) capital receipts have been realised since 1st April 2017 with approximately £2.2m (general fund) sold subject to contract or under offer. Where necessary, to increase value or to make a sale more viable, some site remediation is being considered prior to future disposal.

Corbyn Road Extension

Detailed design work is now in progress and following procurement it is currently planned to start building work in February 2019 with completion anticipated in September 2019.

Very Light Rail (VLR)

Two Very Light Rail test tracks are to be installed between Castle Hill Bridge and Cinder Bank with a test passenger platform located at the Cinder Bank end of the tracks. Full track length will be approximately 2km. The eastern track will be bedded on stone ballast and western track bedded on concrete track form system, the western track to form a later phase of work. The existing use of the track-way is a disused freight track-way which is subject to lease terms on the land which will be shared with the landowner (Network Rail) and the test track operator WMG. A planning application was submitted on 10th November 2017 and determined with reserved matters on 25th January 2018.

A planning application for the proposed new building for the 'Very Light Rail National Innovation Centre'(VLRNIC), including a pedestrian foot bridge link to Tipton Road and links to future metro line, car parking, rail vehicle test track sidings and linking lines into the VLRNIC engineering hall was submitted on 12th December 2017 and determined with conditions to be discharged on 2nd March 2018.

Building regulations conditional notification was received on 22nd February 2018 and Conditional Approval received on 25th May 2018.

The main contractor procurement process commenced at the end of August 2017 and is progressing. The final stage, contract award and mobilisation, is expected to take place between February and June 2019.

Phase 1 advance enabling site works and surveys commenced in December 2017 and are now complete albeit additional minor surveys may be undertaken if scheme design development dictates.

The Phase 1 main works (including Metro Retaining Wall, see below) are due to commence after stage 3 contract award and are forecast to complete in October 2020.

Current spend is forecast to be within budget.

Metro Retaining Wall

The West Midlands Combined Authority approved funding of £4,335,000 on 27th November 2017. Of this a total of £294,000 has currently been instructed for the design (£207,000) and management (£87,000) of the Metro Retaining Wall projected. It is estimated that this will be expended between November 2017 and August 2019.

The design works stage commenced in October 2017 and is now complete and being reviewed by the West Midlands Combined Authority, with approval expected in October 2018.

The Metro Retaining Wall construction is due to commence in December 2018 and is forecast to complete in August 2019. Current estimates are indicating the wall costs breaching the available budget and an exercise is currently underway providing further refinement to the design to enable the budget to be maintained.

Leisure Centres

Officers have tested the leisure market to identify the most cost effective procurement options to deliver one new leisure centre in Dudley and refurbish Crystal and Halesowen leisure centres. Two project groups reporting to the Strategic Project Board are to be set up (Technical & Operational) involving in-house professionals, managers and the external specialist who will now move the project to the next stage of the process which includes detailed design works and budget costs.

Schools

Schools Basic Need Projects

The identification of the next phase of projects to be funded from Basic Need capital grant is progressing well.

Numbers for both primary and secondary school places continue to be closely monitored and processes are in place to recommend the next wave of capital projects to address projected growth mainly at Secondary School level across the school estate. Two possible projects for Wordsley School and Crestwood Secondary school are in the early investigation stages at present.

Priority Schools Building Programme

The Council has received formal confirmation from the Education Skills Funding Agency (ESFA) of a grant allocation of £2,220,000 for the rebuild of the Key Stage 1 block at Huntingtree Primary School. The tender values returned for the project are higher than anticipated and the project is currently back with the EFSA for assessment and approval.

Healthy Pupil Capital Fund

As reported to Cabinet in June the Council has been allocated £226,000 from the Healthy Pupils Capital Fund (HPCF) to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. Funding is provided from the Soft Drinks Industry Levy, also known as the "Sugar Tax".

Community, foundation and voluntary controlled schools will have the opportunity to apply to the Council for funding towards a project that meets the fund criteria. Application forms will be sent out at the start of the Autumn Term and closing date for responses will be 26th October 2018. Bids will be assessed by Corporate Landlord Services, in conjunction with Public Health, and schools will be informed of the outcome.

Transformation

Social Care ICT

Engagement with the supplier is underway. Timescales are subject to detailed project planning.