

DUDLEY METROPOLITAN BOROUGH COUNCIL

KEY DECISION

Agenda Item No.

MEETING OF THE EXECUTIVE – 5th July 2004

JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE

CAPITAL PROGRAMME MONITORING

1.0 Purpose

- 1.1. To report progress with the implementation of the Capital Programme, and propose certain amendments.

2.0 Background

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

Service	2004/05	2005/06	2006/07
	£'000	£'000	£'000
Housing	25236	22877	22641
Urban Environment	32902	26282	26684
Social Services	487	0	0
Education & Lifelong Learning	22353	11051	0
Finance, ICT & Procurement	2745	1234	512
Law & Property	3277	0	0
Chief Executive's	2353	498	14
TOTAL	89353	61942	49851

Note that some services have not yet had a capital programme agreed for 2005/06 and 2006/07, largely due to uncertainty with regard to likely resource levels. Hence the "zeros" and other relatively small figures appearing in the above table for those years.

In accordance with the requirements of the Financial Management Regime (FMR), details of progress with the 2004/05 Programme are given in Appendix A. It is proposed that the current position be noted.

Proposals to update the Programme are set out below.

2.2 Urban Environment

2.2.1 Leisure Centres ICT System Upgrade

It has become necessary to procure and implement a new computerised leisure management system to replace the existing system which is obsolete and is no longer supported by the supplier. The new system will integrate a number of stand-alone ICT systems, which will improve the efficiency of the service. There will also be improved functionality and flexibility, delivering:

- Database management & marketing;
- Management reporting;
- Trend analysis;
- Cross-centre bookings;
- Internet bookings.

The total cost to upgrade all sites is estimated to be £150,000, with £90,000 being the cost of software and installation via an external supplier and £60,000 being the cost of hardware which will be procured by the Council's ICT service. These costs will be met from reserves held by the Directorate of the Urban Environment.

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

2.2.2 Skatepark - Highfields Park, Halesowen

Following the completion of a feasibility study, Highfields Park is recommended as the site for a Skatepark to serve Halesowen. The study indicates that a Skatepark in line with the scheme which has been developed with young people in the area could be built for a total cost of £60,000, which could be funded as follows:

	£'000
Halesowen Area Committee Capital Budget	15
Community Safety Capital Budget	15
Community Leisure Facilities Capital Budget	15
Section 106 Contributions	6
Directorate Reserves	9
Total	60

A planning application for this project has been submitted.

It is proposed that subject to planning approval (an application having been submitted) the project be approved and included in the Capital Programme.

2.2.3 Multi-Use Games Area - Hurst Green Park, Halesowen

A total of £23,000 of funding has been secured through the Anti-Social Behaviour Group (a sub-group of the Crime & Disorder Reduction Partnership) to install a Multi-Use Games Area (MUGA) on a site within Hurst Green Park, Halesowen.

It is proposed that subject to planning approval, and confirmation that the scheme can be implemented within the funding available, the project be approved and included in the Capital Programme.

2.2.4 Seven Sisters Mine Stabilisation – Further Funding Approval

The work to infill Seven Sisters Mine - including creation of a bat hibernaculum - is being undertaken under the terms of a licence from

the Department of Environment, Food and Rural Affairs (DEFRA), which precludes work being undertaken during the winter months when bats are hibernating.

It was not possible, due to the complex engineering works required, to complete the hibernaculum in the licence period and works were suspended in September 2003 - and recommenced in May 2004.

Additional costs have been incurred associated with: security during the suspension; the need to infill a crown hole; contractual suspension costs associated with site maintenance, decommissioning and mobilisation; additional costs for Northern Gallery access and hibernaculum, together with professional fees, in the sum of £661,300.

English Partnerships have now confirmed their earlier verbal agreement to fund these extra costs, and it is proposed that the Capital Programme be amended accordingly.

2.2.5 Car Park Improvement Programme 2004/05

The following items of expenditure are recommended for inclusion in the 2004/05 Capital Programme.

- i. Bell Street Multi Storey, Stourbridge. Following completion of the Structural Appraisal, the brief is being prepared for the necessary strengthening and upgrading works to give a further life of 30 years with a more user friendly appearance. It is estimated that the design and preparation of documents to be carried out this year will cost around £75,000, allowing works to begin in 2005/06.

The cost of the main repairs for this stage will be £1.75m involving the installation of a cathodic repair system. Improvement to upgrade the whole of the car park will require a further sum of £0.25m. It is envisaged that the cost of these repairs will be spread over the next 3 financial years 2005-08. The total cost of these works will ultimately be met from parking charges, but further consideration will need to be given to the most suitable initial method of financing.

- ii. Ryemarket Multi Storey, Stourbridge. The repair contract for floors 1, 1A, 5 and 5A started in 2003 is due to be completed this year, the likely completion cost being £75,000.

Once these works are complete, upgrading works to the rest of the floors 2, 2A, 3, 3A, 4 and 4A will cost in the region of £300,000. It is intended to carry out this work over the next 2 financial years.

Also required is the completion of the removal of the cladding panels at a cost of £50,000, which should be completed during the current financial year.

- iii. Maybrook House, Halesowen. Improvement works to secure the car park by providing infill panels, roller shutter doors at the vehicle entrance and pedestrian gates are recommended due to the amount of vandal damage to the car park. These improvements could be carried out this financial year at a total cost of £30,000. This will also allow improvements to the finishes of the car park to be carried out in future years.
- iv. Stafford Street Car Park, Dudley. The resurfacing of part of this car park is necessary at an estimated cost of £35,000.

The total cost of the above projects in 2004/05 is £265,000 which can be met from the reserve established for this purpose. It is therefore proposed that the above schemes be approved and included in the Capital Programme.

2.2.6 Review of Highways Capital Programme

Following review of the 2003/04 outturn and the resources required to fund the current year's programme, a number of minor variations in project costs have been identified which now need to be reflected in budgets, as follows.

	Variation £000
Kingswinford Road Improvement	-63
Lye Gyratory	+63
Local Safety Schemes	-97
Speed Management	+3
Pedestrian Measures	-47
Child Safety / Safe Routes to School	+17
Feasibility & Review	+10
Traffic Regulation Orders	+29
Signs, Markings & Guardrails	-20
Traffic Signals / Urban Traffic Control	+9
Package Monitoring	+17
Total	-79

The overall impact of the above is a net saving of £79,000 which can be retained as a contingency to be allocated to specific projects in due course.

It is proposed that the Capital Programme be amended accordingly.

2.3 Education and Lifelong Learning

2.3.1 Modernisation Funding Allocations – 2004/05 & 2005/06

Following Government reappraisal of the School Asset Management Plan (AMP), the Council's Modernisation allocations for 2004/05 and 2005/06 (provisional) have been increased by £3.349m and £2.0m respectively. This will be allocated to specific projects on the basis of AMP priorities.

It is proposed that the increased allocations be noted, and the Capital Programme be amended accordingly.

2.3.2 Adult & Community Learning Disability Discrimination Act (DDA) and Minor Works Allocations 2004/05

The Council's has been notified by the Learning and Skills Council (LSC) of its Adult & Community DDA and Minor Works Capital

Allocations for 2004/05, amounting to £153,701 and £45,247 respectively.

It is proposed that these resources be noted, and the schemes to be funded be included in the Capital Programme.

2.3.3 Youth Service Special Educational Needs and Disability Act (SENDA) Allocation 2004/05

The Council has also been notified of its Youth service SENDA Allocation for 2004/05 amounting to £27,643.

It is proposed that these resources be noted, and the schemes to be funded be included in the Capital Programme.

2.4 Finance, ICT and Procurement

2.4.1 Magistrates Courts

The Council has been notified by the Lord Chancellor's Department (LCD) of the following funding allocations.

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Dudley Accommodation Improvements - Extra costs
 Halesowen Waiting Areas - Extra costs associated
 with Remodelling & Replacement of Fire Alarms

	32,100	£
Additional Tactile Signage at Halesowen		5,600
Dudley Lighting and Ceiling Works		68,800
Total		108,200

It is proposed that these resources be noted, and the Capital Programme be amended accordingly.

2.5 Law & Property

2.5.1 Dudley Market - Roof Infilling

A technical solution has now been found which would enable the construction of an infill roof over the centre aisle of Dudley Market consisting of a lightweight steel frame and transparent polycarbonate covering supported by the existing market structure. Such a roof would prevent damage to stock, improve occupancy levels and thereby increase revenue from market tolls.

The estimated cost of this project is £65,000 which could be met from the Capital Development Fund.

It is therefore proposed that subject to a full technical evaluation and appraisal, the project be approved and included in the Capital Programme.

2.5.2 Dudley Council House – ICT Recabling

It has become necessary to replace the existing ICT “Ethernet” cabling to around 75% of the Council House building with a modern “CAT5” system, the cost of £30,000 being met from the budgets of the Directorates occupying the building.

Unfortunately, the building's electrical services are unsuited to, and incapable of, supporting the proposed ICT network and its equipment, precipitating an electrical rewire of a significant part of the building's power/lighting circuits - at an additional cost estimated at £180,000.

Of this total, £90,000 could be funded from the Repair and Maintenance budget, with the remaining £90,000 from resources set aside to meet Urgent Capital Priorities.

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

2.6 Housing

2.6.1 Public Sector Capital Programme 2004-2007

The proposed works set out below are additional to the current approved budget for 2004/5 and can be funded as follows: £414,000 from additional capital receipts realised in 2003/04; £270,000 from npower's Energy Efficiency Commitment programme, and a revenue contribution of £1,385,000 funded from earmarked reserves in the Housing Revenue Account - a total of £2.069m.

Adaptations

An increase in the budget of £100,000 is proposed to deal with approximately an additional 15 adaptations, such as level-access showers or provision of external ramps. This will further reduce waiting times for this type of work

Central Heating

It is proposed to increase the Central Heating budget by £381,000 to finance an additional 100 new central heating installations and 100 boiler replacements, which contributes towards achieving the Government's Decent Homes target by 2010.

Insulation

It is proposed to increase the budget for Insulation works by £148,000 using the final instalment of resources made available through match-funding from npower. As well as funding additional loft insulation this

will allow a further 500 homes to receive cavity wall insulation where previous residents refused. Whilst also improving energy efficiency this programme contributes to delivering the Decent Homes Standard.

Minor Works

It is proposed to increase the minor works budget by £350,000 to undertake necessary improvements and remedial works to sheltered accommodation at Joe Jones Court and Nene Close. The works consist of alterations to install lifts in both complexes, and the refurbishment of the existing kitchen and laundry areas at Joe Jones Court.

Housing for the 21st Century

The Executive on 6th June 2002 approved the proposed modernisation of the housing service. This included increased tenant and member involvement through Area Housing Panels, the introduction of patchworking, modern methods of accessing the service and the rationalisation of accommodation with the closure of eighteen estate offices and the improvement of the remaining facilities. Necessary improvements include dealing with all Disability Discrimination Act issues, safety and security works associated with cash collection, better access arrangements for customers, provision of private interview rooms and all general maintenance items necessary to bring accommodation to a reasonably modern standard.

Completion of the proposed works will ensure all of the above standards are met for the remaining housing offices with the exception of Cottage Street, Brierley Hill. An allowance of £100,000 has been made for Coseley local office to provide new accommodation to replace Bayer St, which is estimated would cost approximately £210,000 to renovate. The North Dudley Area Housing Panel has been consulted and recommends this course of action. The total cost of all of these schemes is estimated to be £790,000.

Improvement to Stores Facility

The Leys Depot, Brierley Hill is the main materials store for the Directorate of Housing's direct workforce and Park Road depot services the Stourbridge and Halesowen areas. Choice is becoming an increasingly important part of the service to tenants and this

necessitates improvements to the depots to accommodate a wider range of items to be stocked, e.g. kitchen units and worktops. The opportunity can be taken at the same time to improve associated office accommodation. The total cost of the proposed works is £300,000.

Appendix B details the revised 2004-7 Public Sector Housing Capital Programme incorporating the above amendments. It is proposed that:

- the above additions to the 2004-7 housing capital programme be approved;
- the agreement with the existing external building surveyors be extended to deliver the remainder of the Housing for the 21st Century project.

2.7 Chief Executive's

2.7.1 Building Safer Communities

The previous Communities Against Drugs and Safer Community Initiatives now come under the umbrella of the Dudley Crime and Disorder Reduction / Drug Alcohol Action Team Partnership. A new grant aimed at 'Building Safer Communities' has been allocated by the Home Office for 2004/05 amounting to £398,000, of which £108,000 has been earmarked to be spent on capital projects. From this sum, £37,000 worth of specific projects have already been identified to include: a Locks & Bolts Fitting Initiative (£30,000), ICT Equipment (£2,000) and Business Crime Initiative (£5,000). Specific projects are still to be identified to utilise the remaining £71,000.

It is proposed that the grant allocation be noted, and the associated expenditure be included in the capital Programme.

2.8 Social Services

2.8.1 Improving Management Information

The Council has received a grant of £155,000 for Improving Management Information, which can be used to purchase hardware, including PCs, and servers to support the modernisation of the Directorate's ICT infrastructure.

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

2.8.2 Parkes Hall Refurbishment

The Parkes Hall site is occupied by both the Occupational Therapists and the Human Resource section of the Directorate. The existing coal fired boiler is not appropriate to maintain the heating in a building now used mainly as office accommodation, and it is recommended that it be replaced with a gas fired boiler. The electrical wiring in the building is also unsuitable for office use, with the increasing load placed on the system by computer equipment not capable of being adequately supported, and replacement is therefore necessary.

The total cost of the combined project is estimated to be £128,000 which can be met from revenue resources. It is proposed that the project be approved and included in the Capital Programme.

2.9 **Urgent Amendment to the Capital Programme**

2.9.1 Local Public Service Agreement (LPSA)

The purpose of the LPSA is to encourage and enable the Council to achieve more demanding performance targets than it would be expected to achieve in the absence of the LPSA, across twelve target areas. The LPSA brings with it 'pump priming' grant to assist improvement schemes to begin. The Council will receive almost £88,000 for each target area – a total of £1.055m. In addition, there is potential 'reward grant' of up to over £589,000 attached to each target and payable upon achievement – a total of £7.074m. Depending on achievement, it is possible for no reward grant to be paid, but the pump priming grant would be retained by the Council.

Although much of the expenditure to be funded by 'pump-priming' grant would not normally be Capital expenditure, the nature of the funding (as a Capital grant) means that a special Government direction will be required to enable all such expenditure to be capitalised and thereby included in the Capital Programme.

In order for deadlines to be met, an urgent decision (ref. HOPSS/32/2004) was made by the Leader of the Council in consultation with the Chief Executive, Director of Finance & Director of Education & Lifelong Learning on 30th March 2004:

- for the Leader and the Chief Executive to sign the Local Public Service Agreement (LPSA) made between Dudley MBC and the Government for the period April 2003 to March 2006,
- for the expenditure to be funded by pump-priming grant to be included in the Capital Programme.

In addition to the grant-funded expenditure, the LPSA also involves the Council spending £1m on Structural Highway Repairs to be funded by (unsupported) borrowing under the Prudential Guidelines framework, the borrowing costs to be met from Directorate of the Urban Environment's base revenue budgets.

It is proposed that the Urgent Decision be noted, and that the expenditure of £1m on Structural Highway Repairs also be included in the Capital Programme.

3.0 Proposals

3.1. That the Executive:

3.1.1. Notes current progress with the 2004/05 Capital Programme, as set out in paragraph 2.1 and Appendix A.

3.1.2. Approves the project to upgrade the Leisure Centre ICT System, and its inclusion in the Capital Programme, as set out in paragraph 2.2.1.

3.1.3. Approves (subject to planning consent) the Highfields Park Skatepark project and its inclusion in the Capital Programme, as set out in paragraph 2.2.2.

- 3.1.4. Approves (subject to planning consent, and confirmation that the scheme can be implemented within the funding available), the Hurst Green Park Multi-Use Games Area project and its inclusion in the Capital Programme, as set out in paragraph 2.2.3.
- 3.1.5. Agrees that the Capital Programme be amended to include the extra costs associated with the Seven Sisters project, as set out in paragraph 2.2.4.
- 3.1.6. Approves the Car Park Improvement Capital Programme for 2004/05, as set out in paragraph 2.2.5.
- 3.1.7. Approves the amendments to the Highways Capital Programme, as set out in paragraph 2.2.6.
- 3.1.8. Notes the increased Modernisation Funding Allocations, and agrees that the Capital Programme be amended accordingly, as set out in paragraph 2.3.1.
- 3.1.9. Notes the Adult & Community DDA and Minor Works Capital Allocations and agrees that the schemes to be funded be included in the Capital Programme, as set out in paragraph 2.3.2.
- 3.1.10. Notes the Youth Service SENDA Allocation and agrees that the schemes to be funded be included in the Capital Programme, as set out in paragraph 2.3.3.
- 3.1.11. Notes the Magistrates Courts funding allocations, and agrees that the Capital Programme be amended accordingly, as set out in paragraph 2.4.1.
- 3.1.12. Approves (subject to a full technical evaluation and appraisal) the Dudley Market Roof Infilling project, and its inclusion in the Capital Programme, as set out in paragraph 2.5.1.
- 3.1.13. Approves the Council House ICT Recabling project and its inclusion in the Capital Programme, as set out in paragraph 2.5.2.

- 3.1.14. Approves the additions to the Public Sector Housing Capital Programme 2004-7, and that the agreement with the existing external building surveyors be extended to deliver the remainder of the Housing for the 21st Century project, as set out in paragraph 2.6.1.
- 3.1.15. Notes the Building Safer Communities grant allocation, and agrees that the associated expenditure be included in the Capital Programme, as set out in paragraph 2.7.1
- 3.1.16. Notes the grant allocation for Improving Management Information, and agrees that the associated expenditure be included in the Capital Programme, as set out in paragraph 2.8.1.
- 3.1.17. Approves the Parkes Hall refurbishment project and its inclusion in the Capital Programme, as set out in paragraph 2.8.2.
- 3.1.18. Notes the urgent amendment to the Capital Programme relating to the LPSA, and agrees that the expenditure of £1m on Structural Highway Repairs also be included in the Capital Programme, as set out in paragraph 2.9.1.

4.0 Finance

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

5.0 Law

5.1 The Council's budgeting process is governed by the Local Government Finance Acts 1988 and 1992, the Local Government and Housing Act 1989, and the Local Government Finance Act 2003.

6.0 Equal Opportunities

6.1 These proposals comply with the Council's policy on Equal Opportunities.

7.0 Recommendation

7.1. That the proposals set out in Section 3 be approved.

8.0 Background Documents

8.1 Various internal e-mails relating to individual schemes and proposals. Relevant resource allocation notifications.

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CHIEF EXECUTIVE

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DIRECTOR OF FINANCE

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2004/05 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st May £'000	Forecast £'000	Variance £'000	Reasons for Variance
Housing	25236	2093	25236		
Urban Environment	32902	6918	33563	+661	See note
Social Services	487	0	487		
Education & Lifelong Learning	22353	1340	22353		
Finance, ICT & Procurement	2745	20	2745		
Law & Property	3277	226	3277		
Chief Executive's	2353	34	2353		
TOTAL	89353	10631	90014	+661	

Note: Relates to Seven Sisters Mine Stabilisation project as discussed in paragraph 2.2.4.

Proposed Public Sector Housing Capital Programme

	2004/05	2005/06	2006/07	Total
	£000	£000	£000	£000
Adaptations	1,133	956	982	3,071
Central Heating	4,431	3,402	3,495	11,328
Community Safety	777	588	600	1,965
Electric Rewires	1,795	1,382	1,805	4,982
External Envelope Schemes	600	0	3,122	3,722
External Wall Insulation - Brierley Hill	581	0	0	581
Insulation	329	47	48	424
Minor Works	1,123	354	362	1,939
Modernisations	489	414	425	1,328
Non Traditional Homes	750	693	0	1,443
Programmed Repairs	9,078	9,651	4,556	23,285
Retention and Overprogramming	-3,007	-1,413	620	-3,800
Tenants Association	82	59	61	202
Void Property Improvements (Decency)	3,617	3,602	3,370	10,589
Window Replacement	817	592	607	2,016
Housing for the 21st Century Improvements to Stores Facility	790	0	0	790
	300	0	0	200
Total	23,685	20,327	20,053	64,065