

Meeting of the Cabinet – 31st October 2019

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 overall 2019/20 programme and most significant capital schemes as set out in Appendices A and B be noted.
 - That the acquisition of land at Saltwells Nature Reserve be agreed, as set out in paragraph 7.
 - That the demolition of Woodside Library and Fire Station be included in the Capital Programme and the ordinary demolition costs up to £250,000 be funded by the Council, as set out in paragraph 8.

Background

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

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Public Sector Housing	39,712	43,566	38,427
Private Sector Housing	11,870	1,305	350
Environment	7,440	11,052	6,100
Transport	10,835	4,816	2,373
Regeneration	7,574	7,861	4,074
Cultural	2,034	18,344	12,060
Schools	16,685	17,171	0
Social Care, Health and Well Being	1,037	500	0
Chief Executive's	1,196	818	311
Total spend	98,383	105,433	63,695
Revenue	5,808	5,063	5,962
Major Repairs Reserve (Housing)	23,939	23,900	24,378
Capital receipts	23,788	20,188	10,842
Grants and contributions	21,891	12,631	153
Capital Financing Requirement	22,957	43,651	22,360
Total funding	98,383	105,433	63,695

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. Details of overall progress with the 2019/20 programme are given in Appendix A. An update on progress with the Council's most significant capital schemes is shown in Appendix B. It is proposed that the current position be noted.
6. The report on the Housing Revenue Account elsewhere on this agenda contains details of the proposed updated Public Sector Housing capital programme.

Environment

7. Land at Saltwells Nature Reserve
The site of the former Children's home and Wardens Base within Saltwells Nature Reserve was sold in 2010 to the Council's development company, PSP Dudley LLP on the open market following many years of anti-social behaviour blighting the site and Council operations. The buildings were subsequently demolished and site marketed. However, a later planning application by a prospective buyer for the site for the development of residential dwellings was rejected on highways grounds as well as very strong local opposition to the development. Consequently, to be absolutely sure that the site couldn't be subjected to further applications for development in the future, it was thought prudent for the Council to take back control of the land by re-acquiring it from the LLP which would then safeguard the site by enabling woodland to reclaim it. Consultation for the acquisition has been carried out and was supported.

The cost of £162,000 can be met from existing Place resources. It is proposed that the acquisition be agreed.

Regeneration

8. Woodside Library and Fire Station Demolition

The Black Country Living Museum has an ambitious masterplan known as 'Forging Ahead' for the museum site which includes the following:

- A new 1940's – 1960's historic development;
- New visitors entrance and car park;
- To repurpose the Rolfe Street Entrance Building as a new learning centre.

The historic development includes some re-located buildings, amongst them Woodside Library.

The development is anticipated to significantly benefit the local economy in terms of jobs, apprenticeships and volunteering opportunities. To support the development it is proposed that the Council will be responsible for the ordinary demolition costs of the Woodside Library and Fire Station building, estimated to be £250,000, and donate the Library to the BCLM, with the Museum being responsible for the uplifted deconstruction costs. It is currently anticipated that project spend will be in 2020/21 and that the Library when demolished will be immediately handed over to the Museum for reconstruction.

Legal advice is being taken on potential future uses of the site in line with the Earl of Dudley's covenant on the land.

It is proposed to include the demolition of Woodside Library and Fire Station in the Capital Programme and fund the ordinary demolition costs of up to £250,000. This can be financed from prudential borrowing, the resulting debt charges being met from Treasury budgets.

Finance

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

Law

10. 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

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

12. 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.

Organisational Development / Transformation

13. The proposals in this report do not have any direct organisational development / human resources or transformational implications.

Commercial / Procurement

14. The parcel of land within the Saltwells Nature Reserve has been marketed for development for a number of years by both the Council and PSP Dudley Limited Liability Company, its current owners. The completion of deals explored over that time has not materialised for a number of reasons. The acquisition of this land by the Council will allay concerns of the local community and safeguard the land for the future.

15. There is no impact of the Woodside Library demolition proposal on the potential to commercially trade or any positive / negative impact on our customer base.

Health, Wellbeing and Safety

16. The acquisition of the parcel of land within the Saltwells Nature Reserve will ensure the land remains open for public access. The surrounding woodland within the reserve is used for recreational and educational purposes by a wide range of users and is nationally recognised.

17. The development of the cleared Woodside Library site as affordable housing or as an extension to the existing public park will have a positive impact on the health, wellbeing and safety of the Borough's citizens. This is consistent with building stronger, safer and more resilient communities in line with the Dudley Vision and to protect our residents' physical and emotional health for the future.



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2019/20 Capital Programme Progress to Date

Service	Budget £'000	Forecast £'000	Variance £'000	Comments
Public Sector Housing	39,712	39,712	0	
Private Sector Housing	11,870	11,870	0	
Environment	7,440	7,440	0	
Transport	10,835	10,835	0	
Regeneration	7,574	7,598	24	See note 1
Cultural	2,034	2,034	0	
Schools	16,685	16,61	-24	See note 2
Social Care, Health and Well Being	1,037	1,037	0	
Chief Executive's	1,196	1,196	0	
Total	98,383	98,383	0	

Note 1: Tender costs in excess of budget for Corbyn Road extension project.

Note 2: To provide funding for the above from remaining 14-19 Diplomas, SEN & Disabilities capital grant

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. All 42 Council homes are now completed and the private sale scheme will complete imminently.

Uplands Road – 6 affordable homes commenced, due for completion October/November 2019.

Stewarts Road – 14 affordable homes commenced on site end July – due for completion August 2020.

Portway Close – 8 affordable homes due to commence September – due for completion summer 2020.

Planning permission granted on Kinfare Rise (3 homes) and Worcester Road (10 homes). Commencement planned when Brownfield Land Grant is secured from the LEP.

Further schemes to be progressed to planning stage are under consideration:

The Broadway, Norton (10 bungalows);

Redfly Lane and Consort Crescent (9 homes);

Hinbrook Road (12 apartments and 1 bungalow).

Other feasibility sites currently being investigated for both affordable homes and potential private sales.

A new development framework is being progressed for tender commencing October 2019.

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 Housing Revenue account (HRA).

Work has now completed at Wenlock Gate (Wrens Nest Road) – a development of 8 new homes with 4 for private sale (all 4 sold)

Work has now completed for 20 homes at King William Street (Red House Mews) – 16 homes for sale completed (all sold) and 4 affordable homes all completed.

Mere Road (Mill Grange). 18 new homes. 12 out of 14 private sale plots sold or reserved, and 4 affordable homes progressing. Some homes are already handed over and occupied, with overall completion due winter 2019.

Beechwood Road (Castle Court). A development of 33 new homes – 25 for private sale, and all sold and / or reserved, with 8 affordable homes. Completion overall due spring 2020.

Environment

Lister Road Depot Redevelopment

The project is being delivered in three distinct phases as follows.

Phase 1 – Demolition and new car parking area. Completed. Original budget was circa £400,000, final costs are expected to be in the region of £427,000, due to unforeseen ground conditions. The slight overspend is expected to be funded from savings in Phase 3.

Phase 2 – Demolition, new vehicle storage buildings, welfare facilities, revised car parking and road layout. RIBA Stage 5 designs in progress. Site investigation works commenced August 2019, which resulted in previously unknown mine shafts being detected which required treatment at a projected cost of circa £50,000. Main construction period is expected to commence in April 2020, revised budget costs are being calculated to reflect amendments to the vehicle storage buildings and welfare options due to structural defects being identified in the original proposed locations.

Phase 3 – Demolition and build of new accommodation block. Design works to RIBA stage 4 due to commence Autumn 2019, with works completion estimated to be late 2021/early 2022. Additional electricity infrastructure works are being investigated to facilitate electric commercial vehicle charging on the site, budget costs to be advised, to future proof the infrastructure.

Stevens Park, Quarry Bank

As previously reported the Round 2 Heritage Lottery award was announced and the funding agreements signed at the end of January 2018. Work is proceeding in order to tender the contracts this Autumn. Building work is due to be completed by the end of 2020 when the Emily Jordan Foundation is due to lease Tintern House from the Council. They will be delivering horticultural training, cycle repairs and metal recycling for people with learning difficulties plus a community café.

There will also be new toilet facilities and improvements (subject to further funding bids currently being prepared) to include a new Cycling hub, as part of the 'Wheels for All' initiative, a nationally recognised programme delivering a quality cycling activity providing fun and stimulating cycling for all children and adults with disabilities and differing needs.

A 'Park User-Group Forum' has been set up to include 'Friends' groups, residents and the wider community in the development of the project.

Saltwells Nature Reserve Wardens' Base

Green Care and Corporate Landlord Services have had a number of meetings and conversations to agree the general design and location of the base, which already has planning approval, and to ensure the design is still fit for purpose. In addition to this it has been agreed that some of this project will be delivered by Green Care, such as any soft landscaping and the installation of any bike stands etc. as Green Care can deliver this in house which should help to keep the cost of this project down.

Corporate Landlord Services are currently negotiating with Western Power and South Staffs Water, in relation to the installation of utilities and are allocating resources to process the detailed design and project manage the scheme. Tender document preparation is currently underway and it is hoped that these, along with the final design, will be completed over the autumn period so the tender process can start early in the new year.

Transport

Street Lighting (Invest to Save)

Almost 4,800 street lighting lantern conversions to LED technology on main roads have been completed. This is almost 75% of the total works. The programme will continue to progress throughout 2019/20. In addition, orders for the final 985 lanterns have now been placed and these will be delivered over the next 2 months ready to be installed in the New Year with new columns and lanterns being programmed for installation during the remainder of the financial year. In addition, external contractors have installed around 270 of over 370 12 metre columns forming part of this project.

Tackling Roadside Nitrogen Dioxide

Funding has been received from the Department for Environment, Food and Rural Affairs (DEFRA) to implement measures that will aim to improve air quality at key locations on the A461 and A491 corridors. The measures include the upgrading of a number of traffic signal installations with more efficient equipment that will assist in improving traffic flow on the Key Route Network. These capital improvements will be complemented by an upgrade in the bus fleet that serve these areas thereby reducing vehicle emissions and this element will be implemented by Transport for the West Midlands and bus operators. Work to upgrade the traffic signal equipment commenced on site on the A461 in July 2019 and is progressing well, with completion anticipated early November. Works will then move to upgrade the traffic signals at the junctions of Brierley Hill Road and Lawnswood Road at A491 High Street, Wordsley. Spend is forecast to be within budget.

Regeneration

Dudley Townscape Heritage Initiative

The Townscape Heritage (TH) programme is funded through the National Lottery Heritage Fund 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 £1.178m from the HLF and £300,000 matchfunding from the Council, commenced in February 2017. Following agreement by the Heritage Fund for an extension to the grant expiry date, the programme is now due to run until December 2021.

The programme focuses on buildings in the town centre's historic core. The work at 203/204 Wolverhampton Street has been completed. Grant offers for neighbouring properties at 208 and 209 Wolverhampton Street have been confirmed, but will need to be re-tendered following the withdrawal of the contractor and the grant offers re-assessed. Appropriate and interested contractors have been approached and are due to submit tenders w/c 14th October. Other projects identified as priorities within the bid include 204a Wolverhampton Street (preferred tenderer being confirmed and grant application to be submitted imminently), 216 Wolverhampton Street (preferred tenderer confirmed and grant application being considered) and 14 New Street (tenders due in end October). These projects are being progressed with the private owners with a view to work starting on site this year or in the New Year.

Other projects in discussion with owners include Fountain Arcade (amendments to planning approval agreed and tender documents being drafted) and Plaza Mall (tenders for work being sought) and these projects are progressing well.

Activities are also being progressed and developed in conjunction with teams in Adult and Community Learning, Museums and Communications and Public Affairs. A successful Heritage Open Day was held in September where a number of historic buildings were opened to the public, attracting up to 150 people to some of the properties. The volunteer training programme continues to be developed. The Geological Trail has now been launched and is available in leaflet and webpage form and we continue to do reprints of the Heritage Architectural Trail. We are also liaising with Dudley College to facilitate training in conservation skills.

The TH programme is being progressed in line with the Action Plan.

Corbyn Road Extension

Work started on at Corbyn Road in August and is progressing well on site. It is scheduled to complete at the end of January 2020.

Low Carbon Place Strategy

The council has been awarded approximately £2.5m European Regional Development Funding (ERDF) to deliver a project that will reduce carbon emissions. This a joint project between Housing and Corporate Landlord Services that will reduce carbon emissions from 940 council owned homes as well as corporate buildings such as the Council House. £2.5m of match funding to be met from existing HRA budgets.

During August and September 2019, 54 council homes have had new heating systems and smart thermostats installed. An additional 116 installations are being targeted before the end of the calendar year.

The smart thermostats will link to a monitoring platform that will be used by the council's 'winter warmth' team to target behavioural advice. Potential faults with the heating system will also be highlighted, allowing for proactive scheduling of repairs.

Procurement documentation for the energy efficient retrofit of council buildings has been drafted and energy contractors have now been show potential sites. The intention is to appoint a contractor early in 2020 with works starting summer 2020.

Very Light Rail (VLR)

Track Works:

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 track route is on a disused Network Rail (NWR) freight track-way which is subject to a collaboration agreement with NWR who will also operate the test track. A planning application was submitted on 10th November 2017 and determined with reserved matters on 25th January 2018.

Tenders have been received for the track and evaluation undertaken. The preferred Contractor's tender figure is within the available budget and will leave an element of contingency once the tender is accepted. We are due to place an order at the end of November 2019.

National Innovation Centre (NIC):

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.

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 current estimate for the scheme indicates an affordable scheme but with limited contingency. The project team are reviewing options for improving this position before final contract award.

An OJEU pre-qualification process has commenced and there is now a shortlist of 5 Contractors to whom tender documents are due to be issued on the 24 October 2019 with a tender return due by the end of November 2019.

The Phase 1 Main Work is due to commence after contract award and is forecast to complete in Spring of 2021.

The Council was notified that its ERDF submission for £5.55m of funding for the project had been successful on the 3 September 2019 and we are currently in receipt of the draft agreement which is planned to be agreed and signed by the end of October 2019. These funds cannot be drawn down against until all match funding is in place.

The funding of the VLR project is currently under review by the LEP and further detail will be reported to a future meeting of Cabinet. The possibility of funding through the Growing Places and Enterprise Zone funding streams is being investigated. Discussions are currently underway with Walsall as the Accountable Body on the detailed arrangements.

Metro Retaining Wall

The West Midlands Combined Authority (WMCA) approved funding of £4,335,000 on 27th November 2017. It is estimated that this will be expended between November 2017 and May 2020.

Approval of the revised design by the WMCA is now expected imminently (as of early October 2019)

A Contract has been let for the retaining wall which is within the available budget with a healthy contingency remaining. Works commenced as planned in September 2019 and are contracted to complete by the 28 May 2020.

Metro Complementary Measures

The £9.1 million budget is to fund the works associated with the delivery of the Wednesbury to Brierley Hill Metro extension.

The legal agreement with Transport for West Midlands (TfWM) states that DMBC will fund the complementary measures along the route including pedestrian's crossings. DMBC have also agreed with TfWM to fund the uplift of materials where the Metro is built through Dudley Town centre in order to provide high quality public realm. Large public realm interventions have been identified along the route at key stops, notably Station Drive, Flood Street and Brierley Hill, to be funded by this programme of works.

Other interventions along the route, which DMBC need to fund, include creating a new wayfinding system to improve legibility, increase walking and cycling to tram stops and to provide a consistent recognizable branded signage across the borough to residents and visitors giving the information that is needed.

Midland Metro Alliance (MMA) are constructing the Metro extension for TfWM. TfWM are in the process of approving MMA's latest designs. When approved the Council DMBC can start the next stage of the design process working with TfWM to confirm the costs for the complementary measures, the uplift of materials and the public realm interventions. This is expected to take 12 months. Costs are being sought for the wayfinding system and some expenditure is expected this financial year.

CCTV Control Room

Work to replace the public space CCTV cameras and relocate the control room from Sedgley to 8 Parsons Street in Dudley by early 2020 is on programme. Work to install network fibre is complete. The proposed control room space has now been vacated by temporarily relocating colleagues from the Youth Offending Service (YOS) to 3 St. James's Rd. 8 Parson's is still being used for YOS interviews. The plan to make use of the Switch building in Castle Street for YOS interviews has fallen through following a change of mind by Capstoun (the building owner) necessitating an alternative location having to be found at very short notice. This will be at Salford House next door to DC+ in Castle Street and work is in progress to accommodate the move which will free up the space still being used at Parson Street and allow commencement of building work. Work is currently on schedule for completion of the project at the end of February 2020. WM Police have now provided their priority locations should the Council wish to extend the existing CCTV camera network, and these are being costed.

Dudley Interchange

The Council has allocated £3m towards a total project cost of £18m. The remaining funding will be secured through a £10m contribution from the WMCA Transforming Cities Fund which has been approved and a potential £5m contribution from the Black Country LEP. The bid for the LEP funding is imminent and will be made by Transport for West Midlands (TfWM). Project co-ordination meetings are being held on a monthly basis with TfWM.

Former Dudley Museum and Enhancement to Dudley Town Hall Catering Provision

Following approval to proceed, design work to refurbish the former museum and provide new dining and bar facilities for Dudley Town Hall is in progress. Discussions with Historic England are in progress with a view to securing planning consent in December 2019. Detailed design will then commence prior to procurement of contractors with a view to starting works in March / April 2020. Works are then scheduled to complete around September / October 2020. Corporate Landlord Services took over the existing bar at the Town Hall in July and are successfully working with Hall management supporting a range of exciting engagements.

Cultural

Stourbridge Crematorium

Due to delays in the design phase of the project, the upgrade of the cremators and enhancement works to the chapel will not commence until Spring 2020. A start date for the project will be set over the coming months with the overall expenditure still to be finalised.

Leisure Centres

The project (new Dudley Leisure Centre and the refurbishment of both Halesowen and Crystal Leisure Centres) has now moved to RIBA Stage 4. Cost certainty will be known in the coming weeks. The current budget is £31.3m.

Schools

Schools Basic Need Projects

The identification of the next phase of projects to be funded from Basic Need capital grant has been agreed, with Brierley Hill Township secondary school places as a priority. The plan is to expand both Wordsley and Crestwood Secondary Schools to meet projected growth by 2020 with an additional 300 pupil places for each school. Statutory consultations for the proposals has been carried out with satisfactory outcomes for both therefore we are moving forward with gaining Planning Permission and completing full design. To ensure that there is appropriate accommodation for additional pupils September 2019 there is the need to provide temporary mobile accommodation at Crestwood School. These mobiles are now in place and in use by the school.

Planning permission has been approved for both schemes, The Wordsley School has come back from tender and tender evaluation will be carried out in the next 2 weeks, and the drawings and specifications on the Crestwood School scheme are being worked on ready to go out to tender.

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 any projected growth across both sectors.

Priority Schools Building Programme

As reported previously, the Council has received formal confirmation from the Education Skills Funding Agency (ESFA) of a revised grant allocation of £2,515,000 for the rebuild of the Key Stage 1 block at Huntingtree Primary School. The project has commenced on-site and is progressing well. Phase 1 of the project, being the new build for KS1 Block, is now near completion, with Phase 2, the demolition of current KS1 block to follow.

Special Educational Needs and Disability (SEND) Projects

We are in the process of re-profiling our special school and mainstream provision to bring it more closely in line with the current SEND pupil cohort and the special provision capital funding is a key component in this process.

In having just undergone an Ofsted/Care Quality Commissioning (CQC) inspection into SEND in the local area our plans were shared with the inspection team. We want to take into account feedback on planned use of the funding before confirming projects.

Healthy Pupil Capital Fund

As reported previously, 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".

Officers assessed options on how best to disseminate the funding with the integration of a deprivation factor across the maintained school estate to address areas with most need. Community, foundation and voluntary controlled schools were informed of the grant allocation and asked to apply to the Council for funding towards a project that they believe met the fund criteria.

Bids have now been assessed and following some small amendments all schools have been successful in their bids. The schools have now been informed that they need to move forward with their projects and on receipt of their paid invoices, the Client & Commissioning Team will arrange for their allocation to be transferred to them. Schools will be contacted in the Autumn Term for an update on progress. Schools have been chased, at the start of term, for their progress and there has now been a constant stream of invoices coming through, though a number of schools are having projects carried out in the next half term break.

Social Care, Health and Wellbeing

Social Care ICT

The Successor Programme is reaching the end of its design and build stage and is about to enter implementation. This will focus on business readiness and user acceptance testing before a period of cross-over activity and go-live into 2020. Plans are being confirmed for both Adults' and Children's services.