

Meeting of the Cabinet – 7th December 2011

Joint Report of the Chief Executive and Treasurer

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.

Background

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

Service	2011/12	2012/13	2013/14
	£'000	£'000	£'000
Public Sector Housing	41,712	0	0
Other Adult, Community & Housing	6,135	7,130	1,280
Urban Environment	20,771	18,236	10,524
Children's Services	28,961	4,514	4,067
Corporate Resources	2,377	674	636
Chief Executive's	637	254	0
TOTAL	100,593	30,808	16,507

4. Note that the capital programme for future years is in particular subject to government grant allocations, some of which have not yet been announced. The Public Sector Housing programme after 2011/12 will be significantly affected for the proposed new arrangements for financial management of the Housing Revenue Account.
5. Details of progress with the 2011/12 Programme are given in Appendix A. It is proposed that the current position be noted.

Urgent Amendments to the Capital Programme

Priory Road Car Park

6. The Council recently entered into negotiations with Dudley College to sell an area of approximately one third the area of the pay and display car park, located adjacent to Kudos House. The car park is currently serviced from the public highway within the area to be sold. The relocation of existing lighting, security cameras and control box, pay and display equipment and associated electrical services from the area of car park to be sold, and re-servicing the existing lighting, security cameras and pay and display equipment on the retained public pay and display car park is estimated to cost £60,000, which can be funded from the capital receipt from the sale of the land.

To enable timescales associated with the development to be met, a decision (ref. DUE/44/2011) was made by the Leader of the Council in consultation with the Treasurer on 24th November 2011 to include the project in the Capital Programme.

Post Completion Review of Capital Projects

7. The Post Completion Reviews required by Contract standing orders have now been undertaken for the following schemes, with a copy of the proformas summarising the reviews attached at Appendix B.

Children's Services

The Ellowes Hall School – Replacement of Windows

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.

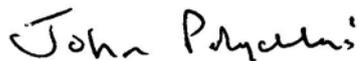
Equality Impact

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 2011/12 Capital Programme, as set out in Appendix A be noted.
13. That the results of the Post Completion Reviews of capital projects, as set out in Appendix B be noted.
14. That the Council be recommended:
 - That the Urgent Amendment to the Capital Programme, as set out in paragraph 6 be noted.



John Polychronakis
Chief Executive



Iain Newman
Treasurer

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List of Background Papers

Relevant resource allocation notifications.

2011/12 Capital Programme Progress to Date

Service	Budget £'000	Spend to 31 st Oct £'000	Forecast £'000	Variance £'000	Reasons for Variance
Public Sector Housing	41,712	16,645	41,712	-	
Other Adult, Community & Housing	6,135	3,413	6,135	-	
Urban Environment	20,771	10,886	20,772	+1	See note 1
Children's Services	28,961	11,676	28,961	-	
Corporate Resources	2,377	469	2,127	-250	See note 2
Chief Executive's	637	77	637	-	
TOTAL	100,593	43,166	100,344	-249	

Note 1: Includes:

- £38,000 forecast overspend on Blowers Green Waste Recycling Facility, mainly as a result of groundwork problems and enhanced security requirements – to be funded from revenue resources;
- £34,000 reduction in cost of demolition of Coseley Baths – will reduce capital receipts needed to fund capital programme;
- £3,000 other minor net savings.

Note 2: Lower than expected cost of demolishing former ICT building in Tower Street – will reduce capital receipts needed to fund capital programme.

Post Completion Review of Capital Projects

Title of Scheme: The Ellowes Hall School - Replacement of windows.
Date of Executive / Cabinet approval: <i>09/02/2011</i> (i.e. inclusion in Capital Programme) This project was funded from the Capital Maintenance Grant approved by cabinet on the above date.
Original Budget (as first reported to Executive / Cabinet): <i>£200,000.00</i> Revised Budget at Tender Stage: <i>£112,000.00</i> Planned Completion date: <i>21/10/2011</i>
Outturn Cost (still provisional): <i>£87,500.00</i> Actual completion date: <i>02/09/2011</i>
Variation from Budget at Tender Stage: <i>£24,500.00</i> Delay: Not Applicable.
Reason for Cost Variation and / or Delay in Completion (please indicate if any variation has previously been reported to Executive / Cabinet): Competitive tenders were invited in accordance with Council Standing Orders and the lowest valid tender received was significantly under the pre tender estimate. This was due to the market conditions prevalent at the time of tendering. Cost variations were reported at regular intervals through PIT (Project Implementation Team).
Original Objectives of Scheme (please indicate when and to whom these were reported): The project was prioritised through the Council's AMP (Asset Management Plan) Scoring Matrix mechanism that targets capital resources where they will have the greatest impact on raising educational Standards and improving the overall quality of school buildings. Also, the School's Governing body and Senior Management Team highlighted the project as a priority in the School's Building Development Plan. Following a meeting of the AMP Consultation Group held on 16 th February 2011 the unanimous decision by the group was to recommend that the Directorate proceeded with the Window Replacement Scheme at The Ellowes Hall School. The Director of Children's Services agreed to the programme at Capital Board that also took place on 16 th February 2011. The new windows have reduced the overall condition backlog of the school, improved the thermal performance and overall security of the buildings. The new windows have also helped provide a stimulating learning environment for pupils, staff and the wider community.
Have these Objectives been met? (If "No" please provide explanation): Yes.

Signed by: Jane Porter..... (Acting Director)

Date: 9th November 2011