

**DATE: 17 JANUARY 2013****Draft Revenue Budget and Capital Programme 2013/14 for Regeneration Portfolio****Ward(s)** All**Portfolio:**

Councillor A Andrew – Regeneration

**Summary of report**

This report contains the draft capital programme for the Regeneration portfolio.

**Recommendation**

The panel are recommended to consider the draft capital programme proposals in this report and make recommendations to Cabinet as appropriate.

**Background papers**

Various financial working papers.

**Reason for scrutiny**

To enable consultation and scrutiny of the draft capital programme 2013/14.

**Resource and legal considerations**Revenue

Cabinet on 24 October 2012 presented their draft revenue budget 2013/14 for consultation which was presented to this panel on 13 November 2012. The recommendations from the panel were presented to Cabinet on 12 December 2012. There are currently no further changes to what was previously reported, however the budget is an evolving process with recognition that proposals may change during consultation (which ends in January) and prior to formal recommendation to full Council on 21 February 2013. The draft local government finance settlement for 2013/14 was announced on 19 December 2012, which is currently being analysed, with details to be reported in the budget plan to Cabinet on 23 January 2013.

Capital

Capital programme resources are limited. The financing for capital expenditure on new investments is heavily reliant on grants and other funding received from the Government. The Government is clearly, in the medium term, planning to significantly reduce government financed capital spending.

Capital allocations and grants from Government and other sources have not yet been provided, therefore best estimates have been used, based on published information to date. Any further reduction in funding will require amendments to the draft programme.

Despite the difficulties, significant investment is planned and funded over the three year 2013/14 to 2015/16 and the draft capital programme is balanced. The council is able to fund all existing commitments and has, through prioritisation of bids and resources and sound treasury management, been able to support new investment into key services, and areas of capital investment need.

The capital programme is presented in three parts:

- Mainstream programme - funded by the council's own resources, through capital borrowing and receipts.
- Externally funded programme - funded from capital grants and third party contributions.
- Leasing Programme – funded from revenue

**Table 1** sets out the draft capital programme 2013/14 to 2017/18 for the Regeneration portfolio with further detail of the schemes shown in **Appendix 1**.

<b>Table 1: Draft Capital Programme 2013/14 to 2017/18</b>					
<b>Regeneration Portfolio</b>					
<b>Project</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><i>Mainstream (council) funded schemes</i></b>					
Health through warmth and related retro fit schemes	470,000	600,000	500,000	400,000	0
Demolition of redundant buildings	200,000	200,000	200,000	200,000	0
Regenerating Walsall	200,000	200,000	200,000	200,000	200,000
Civic centre essential maintenance	566,306	0	0	0	0
Improving the customer experience when visiting the Council House	700,000	0	0	0	0
Shop maintenance	120,000	120,000	120,000	120,000	0
Aids and adaptations	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General reactive / planned property maintenance	500,000	500,000	500,000	500,000	0
Asbestos removal	155,000	155,000	155,000	155,000	0
Control of legionella	275,000	275,000	275,000	275,000	0
Work resulting from statutory testing	300,000	300,000	300,000	300,000	0
Fire risk assessment	200,000	200,000	200,000	200,000	0
<b><i>Mainstream (council) funded schemes – reserve list (subject to available funding)</i></b>					
Darlaston Town Hall	500,000	100,000	0	0	0
Health through warmth and related retro fit schemes	330,000	0	0	0	0
Aids and adaptations	500,000	0	0	0	0
<b><i>Non mainstream (externally funded schemes)</i></b>					
Disabled facilities grant	1,351,000	1,351,000	1,351,000	1,351,000	1,351,000
Gypsy and travellers	941,050	0	0	0	0
Darlaston strategic development area access	10,880,000	5,531,000	2,021,000	309,000	0
Local transport plan	1,115,000	1,744,000	1,744,000	1,744,000	1,744,000
Local sustainable transport fund	260,000	0	0	0	0

### **Citizen impact**

The budget is aligned with service activity in service plans, and the principles of the working smarter programme. The report sets out the plans for future service delivery for the services within the remit of this panel.

### **Environmental impact**

The impact on the environment is considered alongside all budget / capital programme proposals.

### **Performance management**

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, and there are comprehensive performance arrangements in place to monitor and manage this.

### **Equality Implications**

Service managers have regard to equalities in setting budgets / capital programme and delivering services. Equality impact assessments will be undertaken as required prior to final recommendations being made to Council on the budget.

### **Consultation**

Recommendations from the panel will be reported to Cabinet at its meeting on 24 January 2013 for their consideration.

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## Details of Capital Bids

### Health through warmth and related retro fit schemes

To provide energy and fuel saving advice and energy efficient heating and insulation works to private homes targeted at help for vulnerable households. The funds have previously helped secure significant investment (circa £25m+) from private energy companies and this is expected to be repeated in the future as part of the national Green Deal programme and the Energy Company Obligations. The capital investment will help at least 335 households with works and help reduce excess seasonal deaths, reduce fuel poverty, minimise illnesses made worse by cold and damp homes and enables people to stay living safer and longer in their own homes. A further £330k is included on the reserve list for 2013/14 which may need to be brought into the programme in year if required and additional funding is available.

### Demolition of redundant buildings

Demolition works to redundant council buildings to enhance marketing opportunities for sites and mitigate financial health and safety risks. This removes buildings from a locality which can be a security issue for local residents. It also mitigates revenue costs for the council and its customers.

### Regenerating Walsall

This project relates to the use of capital funding to create a stimulus for regeneration activity and de-risk projects for the private sector with particular emphasis on creating employment opportunities and stimulating housing renewal. This may involve for example, undertaking site investigations, obtaining outline planning consent, and undertaking reclamation and / or demolition work. Similarly, the programme will also support the capital receipts programme by preparing council owned sites for sale. The funding may also be used to enhance the physical environment, in town and district centres and along key employment corridors. Together these activities will help to create the conditions for economic growth and prosperity.

### Civic centre essential maintenance

Areas of the Civic Centre need essential maintenance – windows (original glazing units have reached / are starting to reach the end of their useful life, water ingress from the roof garden is causing damage need to replace planters with paving.

### Improving the customer experience when visiting the Council House

This project will include the remodelling of parts of the ground floor of the Town Hall, to improve the initial customer experience by remodelling customer reception and refurbishment of public toilets, to enhance security for customers and staff, and to enable more public use of the town hall complex. This will build on a first phase of urgent repairs to this grade 2 listed building which are currently being progressed. A business case will also be developed for the refurbishment of refreshment facilities which in turn will increase income.

### Shop maintenance

Ongoing reactive maintenance requirement and council obligation to tenants in the councils commercial shops estate. Works include repairs, leaking roofs, electrical repairs etc as defined under the lease agreement. This enables the councils tenant customers to maintain their business operations.

### Aids and adaptations

To maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property. In addition to this, Disabled Facilities Grant (DFG) is received. This directly assists over 1,100 households with vulnerable disabled residents (meets the statutory DFG need, reduces excess seasonal deaths, minimises slips trips and falls, enables people to stay living safer and longer in their homes). A further £500k is included on the reserve list for 2013/14 but may need to be brought into the programme in year if statutory adaptations exceed available budget for 2013/14.

### General reactive / planned maintenance

To address health and safety items in connection with the council's building portfolio as they occur to enable properties to remain operational. This ensures that council services to customers can be maintained where services are delivered from buildings.

### Asbestos removal

The council is required by legislation to manage asbestos in its properties and this requires the removal in some areas. Asbestos has to be identified and removed before construction works can commence. This covers a programme of 5 yearly surveys and the removal of asbestos which is found to be in poor condition. Also covers asbestos removal where identified in maintenance works on council owned premises, including demolitions. This ensures customers are not put at risk by asbestos.

### Control of legionella

The council has a statutory duty to manage and control legionella within its buildings. This covers a programme of 3 yearly risk assessments (RA), any remedial works identified with the RA, yearly chlorination and 6 monthly sampling of all council owned properties. All properties are inspected every 3 years for hot and cold water systems and air conditioning - all non schools buildings. This ensures that customers are not put at risk by legionella.

### Works resulting from statutory testing of building services

Legislative requirement to undertake electrical testing and carry out resulting works. There is a programme of 5 yearly fixed wire testing, annual emergency lighting testing, annual fire alarm testing, annual gas appliance/boiler servicing, annual lighting conductor testing, annual portable appliance testing as required by the council's safety management standards and inspections and any remedial works resulting from undertaking the testing within all council owned premises, ensuring that customers are not put at risk by electrical infrastructure or equipment.

### Fire risk assessment

Works following surveys to ensure the council's non-education buildings comply with fire legislation, identified within the Level 2 fire risk assessment carried out by SHAW/fire service in all council owned premises, ensuring that customers using council buildings can do so in a fire safe environment.

### Darlaston town hall

Following a feasibility study to maximise the letting potential for the building, investment is required to provide modernised kitchen facilities, refurbished balcony and modernisation of office and meeting room areas. Combined with a robust business plan and letting system this could generate significant income for the council.

### Disabled facilities grant

Funding received from Department for Communities and Local Government to maintain independence for disabled clients in their own homes by providing relevant equipment and adaptations to property. This is linked to the aids and adaptations mainstream funding.

### Gypsy and travellers

Funding received from Homes and Communities Agency to provide 11 new traveller pitches following a successful bidding process.

### Darlaston strategic development area access

This is made up of funding from Department of Transport, 3<sup>rd</sup> party contributions, Centro and Local Transport grant. The funding will be used to deliver the transport improvements to outdated highways infrastructure in Bentley Road South, Bentley Mill Way, Wallows Lane / Bescot Road junction and Darlaston Road / Bescot Road junction.

### Local transport plan (exc Darlaston SDA)

Funding received from Department for Transport via Centro to deliver the transport improvements for Walsall within the West Midlands Local Transport Plan 3.

### Local sustainable transport fund

Funding received from Department for Transport for the delivery of sustainable transport solutions that support economic growth while reducing carbon. This is the final year of a 2 year programme.