

Executive

16 June 2022

Report of the Chief Finance Officer

Capital Programme Outturn 2021/22 and Revisions to the 2022/23 – 2026/27 Programme

Report Summary

1. The purpose of this report is to set out the capital programme outturn position including any under or over spends, overall funding of the programme and an update as to the impact on future years of the programme.
2. The report contains details of the capital investment made during 2021/22 and how this has supported delivery of the Council Plan. Key areas of investment are listed below with further details contained in the body of the report.
 - £4.9m on the expansion and improvement of school facilities across the city
 - £10.7m on construction of new council housing
 - £12.7m on the modernisation of and ongoing repairs to council homes
 - £1.2m for new apartments, along with community facilities and café at Marjorie Waite Court
 - £5.6m on highways
 - £2.9m on the purchase of new waste vehicles
 - £10m on the delivery of the Guildhall scheme
3. Some of the direct outcomes from this investment include:
 - Upgraded kitchen and dining room facilities at Huntington School
 - 34 additional apartments at Marjorie Waite Court, including 10 dementia ready apartments, a community hall and a community café.
 - 88 homes completed at Lowfield Green

- 289 tenants choice works completed with a further 143 homes modernised through the standing water and voids programme
- 470 households benefited from new gas central heating systems and 136 properties benefited from new windows
- Upgrades to traffic signals at 11 locations across the city
- Installation of electric vehicle charging points at nine sites across the city
- 72.5km of carriageway was renewed and 371 street lighting columns were replaced
- A range of high quality office, meeting room and business spaces are available at the Guildhall

4. The economy is currently experiencing levels of inflation that have not been seen for around 20 years. At the time of writing this report inflation stands at 9% and inflation in the construction sector is running at a higher level. Prices of raw materials such as steel and timber are particularly expensive due to supply issues, global demands and wider economic factors. This has also impacted on the prices quoted by contractors and willingness to fix prices in quotes and tenders. This has and will continue to put pressure on the Council Capital programme. Many of the estimates for costs assumed lower inflation pressures (c 2%) so there will be a need to review costs on the major schemes and rolling programmes. Any impact will be reported back to future Executive meetings.
5. This report in particular reports on the completion of the Guildhall project which is reporting a £4.0m pressure compared to the latest budget. The additional costs have arisen partly due to the impact of the economic factors above but were more so by a number of delays resulting from the complexities of refurbishing this unique historic building. These are detailed further in the sections later in the report.
6. The report shows an outturn of £78.220m compared to an approved budget of £127.584m, an overall variation of £49.364m.
7. The net variation of -£49.364m is made up as follows:
 - Requests to re-profile budgets of a net -£49.153m of schemes from 2021/22 to future years (currently approved budgets in the capital programme but requires moving to or from future years in line with a changing timetable of delivery for individual schemes)

- Adjustments to schemes decreasing expenditure by a net £211k, mainly due to additional grant funding being received.
8. The level of re-profiling reflects the scale of the capital programme, and in particular that it contains a number of major and complex projects. The overall capital programme continues to operate within budget, due to careful management of expenditure against the budget.
9. The main areas of re-profiling included within the £49.153m include:
- £4.807m – Home Upgrade Grant
 - £4.564m – Highways Tadcaster Road
 - £3.158m – LA Homes – Hospital Fields/ Ordnance Lane
 - £2.832m – LA Homes – Burnholme
 - £2.053m – Highway Schemes
 - £1.925m – Castle Gateway (Picadilly Regeneration)
 - £1.888m – Local Transport Plan
 - £1.753m – York Outer Ring Road dualling
 - £1.600m – York Central Infrastructure
 - £1.521m – Highways – Ward Committees
 - £1.496m – LA Homes Energy Efficiency Programme
 - £1.438m – Duncombe Barracks
 - £1.422m – Lowfield Housing
 - £1.222m - Major Repairs & Modernisation of Local Authority Homes

Recommendations

10. The Executive is requested to
- Note the 2021/22 capital outturn position of £78.220m and approve the requests for re-profiling totalling £49.153m from the 2021/22 programme to future years.
 - Note the adjustments to schemes reducing expenditure in 2021/22 by a net £211k
 - Recommend to Full Council the restated 2022/23 to 2026/27 programme of £525.049m as summarised in Table 3 and detailed in Annex A
 - Approve the use of £4m contingency to fund the additional costs of the Guildhall refurbishment
11. Reason: to enable the effective management and monitoring of the Council's capital programme

Summary of Key Issues

12. Table 1 outlines the variances reported against each portfolio area.

Department	Current Approved Budget £m	Outturn £m	Increase/ decrease £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	9.442	6.326	0.475	(3.591)	(3.116)	13 – 30
Adult Social Care	2.107	1.565	(0.114)	(0.428)	(0.542)	31 - 33
Housing & Community Safety	47.674	30.251	(1.025)	(16.398)	(17.423)	34 - 54
Transport, Highways & Environment	43.267	21.389	0.111	(21.989)	(21.878)	55 – 70
Property Services	16.008	13.979	2.258	(4.287)	(2.029)	71 – 78
Community Stadium & Other Major Projects	2.066	1.329	0.040	(0.777)	-	79
FM & Buildings	0.431	0.011	(0.137)	(0.283)	(0.737)	-
ICT	3.598	2.942	0.149	(0.805)	(0.656)	87 – 94
Customer & Corporate Services	2.209	-	(1.980)	(0.229)	(2.209)	-
Communities, Culture & Public Realm	0.617	0.297	0.012	(0.332)	(0.320)	80 - 83
Climate Change	0.165	0.131	-	(0.034)	(0.034)	84 - 86
Total	127.584	78.220	(0.211)	(49.153)	(49.364)	

Table 1 – Summary of capital outturn by department

Children's services

13. Capital Expenditure within the Children, Education & Communities service area totalled £6.326m in 2021/22.
14. The majority of this expenditure was incurred under three major scheme headings where there was significant work and progress in 2021/22. These schemes were: Schools Condition and Maintenance Works (£3.586m), the expansion of Fulford School (£0.869m), and Improving School Accessibility (£0.669m).

15. Expenditure on smaller schemes within the general Basic Need budget totalled only £45k in 2021/22. In addition to the remaining budget of £452k, further Basic Need has been transferred back to the scheme due to the opportunity to substitute some Section 106 funding instead of originally allocated Basic Need funding to other schemes in the programme, increasing the amount of reprofiling to £765k. This £765k is now available in future years to deal with place pressures across the City.
16. The major expansion at Fulford School is being funded by the local authority to deal with secondary place pressures, and organised by South York Academy Trust at their school.
17. Site set up and enabling works began at the end of the autumn term 2021 and construction work started on the 4th January 2022, with a current estimated completion date of February 2023. The last month has seen the completion of the new extension foundations and the installation of the steelwork is now well advanced. Main entrance works were completed over the Easter break seeing the remodelling of the central island and the installation of new parking and a pathway. Works to the access road are ongoing. The amount of expenditure incurred by the end of March 2022 means that an amount of £434k requires reprofiling into 2022/23.
18. The All Weather Pitch being installed at Southbank Academy Trust is now completed with almost all associated works carried out. The remaining budget of £56k requires reprofiling into 2022/23 to fund retentions and minor outstanding issues.
19. This major expansion was funded by the local authority and managed by Pathfinder Multi-Academy Trust and was completed in 2020/21. The scheme delivered a new three storey classroom block, together with the conversion of some existing classrooms into specialist teaching facilities for Science, ICT and Graphics. The 2021/22 budget represented the final payment under the scheme.
20. The first phase of the latest expansion work at Applefields School has been completed, comprising of some internal alterations and associated roof works. A small amount of reprofiling is required to 2022/23 (£45k).
21. A significant amount of work has been carried out in 2021/22 to the maintained school estate under the various School Condition and Maintenance headings in the programme, many schemes having been

postponed from 2020/21 due to the impact of the Covid pandemic. In addition a number of new schemes were commissioned and carried out.

22. One of the biggest schemes was the works to Huntington School to upgrade kitchen and dining-room facilities. This work was carried out over the summer and completed during the autumn half-term break.
23. Other major schemes which were carried out during 2021/22 include: Clifton Green Primary (a major programme of works, including toilet replacement, a further phase of rewiring, and pipework replacement); Dringhouses Primary (window and door replacement together with improvements to the main entrance); Ralph Butterfield Primary (roof works and minor drainage improvements); St Mary's Primary (kitchen refurbishment); St Pauls Primary (roof works and rewiring); St Paul's Nursery (door and window replacement), Stockton-on Forest Primary (heating pipework), and various smaller works at a number of other schools in the city.
24. Expenditure in 2020/21 totalled £3,586k, resulting in net reprofiling of £1,420k into 2022/23. This will fund outstanding payments and retentions with any remainder available to fund further works in 2022/23 and future years.
25. Expenditure of £145k was incurred within this scheme in 2021/22., mainly minor adaptation works at Danesgate to improve provision for SEND pupils. The remaining £194k requires slipping into 2022/23 and will be used to contribute to capital works in schools to support the aims of the Safety Valve agreement.
26. A significant amount of further accessibility improvement work has been carried out at All Saints School which currently has the most critical issues in the city related to accessibility. In addition a major boiler replacement was included in the overall works, funded by a contribution from the RC Diocese.
27. The Centre of Excellence project is fully complete with only minor payments outstanding. The remaining 2021/22 budget of £68k needs reprofiling into 2022/23.
28. The Healthy Child Capital Fund (£93k) and Family Drug and Alcohol Facility (£100k) require reprofiling into 2022/23 whilst the future use of these budgets is planned.

29. The Children in Care Residential Commissioning Budget requires almost fully reprofiling into 2022/23 as plans are developed.
30. The remaining £50k of the Adaptations to Foster Carer's Homes budget also requires re-profiling into 2022/23 to fund planned work

Adult Social Care

31. Capital expenditure within the Adult Social Care service area totalled £1.565m in 2021/22. The majority of this expenditure was incurred on two schemes: Marjorie Waite Court and Ashfield Sports Pitches.
32. The construction of a community hall, community café, hair salon and meeting spaces at Marjorie Waite Court in Clifton is now complete. The hall and salon are available for bookings and the café is open daily. The new apartments at Marjorie Waite Court are now fully occupied. Residents, their families and the local community are all enjoying gathering in the café, which is operated by Choose 2 Youth, a community organisation which offers on the job training for adults with learning disabilities. Final snagging is now being completed on site, with the 12 month retention period complete in summer 2022.
33. The 8 pitch football facility at Ashfield was completed in May 2021 and comprises 8 turf pitches alongside a pavilion containing changing rooms and a function room. Due to the Covid pandemic the facility did not come into use until September 2021. Bishopthorpe White Rose FC are now operating the facility. The emergency/service road at the site is partially completed and operating over the existing surface in the area of land owned by BP. Once details have been agreed with CYC Highways the last section of this road will be upgraded.

Housing & Community Safety

34. Capital expenditure on schemes within the Housing & Community Safety service area totalled £30.251m in 2021/22. The capital budget has been used to cover an array of schemes including maintenance and modernisation of the existing housing stock, adapting homes so tenants can remain in their homes for longer, building and extending new properties to expand the stock level and meet the needs and demand for appropriate, affordable accommodation across the city. This includes

£12.7m of housing repairs, £2.8m on aids and adaptations to people's homes and £13.0m on the provision of new homes and the shared ownership scheme.

35. Phase 1 of the new council house building programme is now complete with the opening of Marjorie Waite Court in October 2021 and the 65th property under the Shared Ownership being purchased in February 2022.
36. At Marjorie Waite Court 34 additional apartments have been created, including 10 dementia ready apartments, a community hall and community café. All apartments are now occupied. Work is being carried out to modernise the communal spaces in the original building to bring it to a standard to match the extension areas. Funds from 2022/23 are to be reprofiled to 2021/22 to match the expenditure incurred.
37. In 2021/22 the Shared Ownership programme purchased 7 new properties from the open market of which we have received equity sales in 7 properties. The sale of the final property will be completed in the new financial year, this has completed the initial second hand shared ownership programme, providing 65 homes for professional families within York. The next tranche of 15 shared ownership homes was agreed by Executive on 17th March 2022 with Homes England funding of £720k being agreed along with a match funding budget of £720k provided from the Phase 2 housing delivery budget.
38. The budget within the Phase 2 House Building Programme has also been used to make purchases of one off properties for social rent to increase the housing stock and maximise the 1-4-1 Right to Buy receipts which are time limited. One such property was purchased in 2021/22.
39. In 2021/22 we received £461k of Homes England grant as a contribution towards the purchase of 6 one bed apartments to provide additional accommodation and support for rough sleepers. These properties were all purchased in the last quarter of the financial year and will provide the tenants with a tenancy and support worker for three years to aid in the prevention of them returning to street living.
40. At Lowfield the council is directly delivering 140 new homes, of which around 90 are now complete and occupied. The remaining site contains plots of land for development by others. This includes six self-build plots which are progressing well, one home is occupied and the other five are expected to be completed in 2022. Adjacent to the self-build site is a community build plot which the council have agreed to sell to Yorspace.

Planning permission is secured for this site and the community group have discharged their pre-start on site planning conditions. The group are finalising their construction contract following sharp rises in construction costs in the last 12 months. Yorspace expect to complete the land purchase and commence construction before the end of the year.'

41. There are two further plots on Lowfield. On the larger plot adjacent to the new public open space, the site has been identified and approved as a site for extra care. The council has previously been unsuccessful in procuring an extra care provider to deliver this site. As such, officers are undertaking further soft market testing with extra care providers in order to deliver this ambition. On the smaller plot located close to the site entrance with Dijon Avenue, there may be an opportunity to provide specialist housing for those who would benefit from more intensive support due to their physical or mental health. Colleagues from the Housing Delivery Programme and Adult Social Care are working together to create a business case to progress this ambition
42. Duncombe and Burnholme housing delivery sites have completed RIBA design stage 3 and tenders are to be awarded imminently with a start on site expected to be in the summer at Duncombe and by autumn on the Burnholme site
43. Ordnance Lane housing delivery site is at the design stage with the schemes planning application being submitted in December 2021. This scheme is expected to go to planning committee in Summer 2022.
44. The major repairs & modernisation of local authority homes programme has total capital expenditure of £12.705m in 2021/22 against a budget of £10.866m. The service have undertaken works during the year on major damp issues, replacement kitchens, bathrooms and roofs and upgrading of external door entry systems to flats, asbestos removals and installation programmes. There have been additional contributions of £101k from leaseholder and other income. The overspend of £1.839m has been funded from the major repairs reserve and a reduction of £1.2m in the 2022/23 programme.
45. During 2021/22 increased costs of works have been seen, with average costs across the Tenants Choice, Standing Water & Void capital programmes being 37% higher than the costs in the original budget. This is due to increased prices, amount of works required and therefore time taken to complete works. Whilst contractors have worked well across

these programmes, the team has been faced with several challenges including a larger than average number of properties being declined by tenants. There were also 34 properties in the Bell Farm area which were found to have standing water and required a change in the programme type from the Tenants Choice programme to Standing Water scheme. This came at an additional cost of c£817k, which was not included in the original forecast.

46. Historically, c30% of tenants have annually declined Tenants Choice work, mainly on the grounds of their inability to cope with what is quite a disruptive process of having a re-wire, new kitchen and new bathroom fitting all in a short space of time, in 2021/22, this was around 44%, possibly due to pandemic related issues. When these tenants vacate the property, Building Services take the opportunity to do the Tenants Choice work while the property is empty.
47. Overall 289 tenants choice works in customer's homes were completed, this was 134 properties more than in 2020/21, with a further 143 modernised through the standing water and voids programme.
48. 470 households benefited from new gas central heating systems in 2021/22 including fourteen properties that were part of the Warm Homes green deal scheme and which changed from electric storage heaters to gas central heating. Two air source heat pumps have also been installed.
49. In addition, 136 properties benefited from new windows, 492 from new external doors and 19 properties had full replacement roofs, which has improved the energy efficiency of our tenant's homes.
50. The council adaptation programme saw 115 residents supported to live in their homes safely and independently by the installation of adaptations such as the replacement of baths with level access showers and/or the provision of stair lifts to access their bedroom and/or ramps to enable them to move around their home safely. In addition, over 300 minor adaptations were installed such as grab rails and hand rails, many of the referrals originating from the hospital and outreach services to enable elderly residents to be discharged from home quickly and return home. Such minor adaptations make a huge difference people's lives and helps to prevent and reduce the need for adult social care services and health care services.
51. Home Upgrade Grant (LAD1B and LAD2) were new capital schemes for 2021/22. The Council successfully obtained £2.8m from BEIS (Business,

Energy and Industrial Strategy) and Tees Valley Combined Authority (TVCA), to deliver a range of energy efficiency schemes aimed at improving poor private sector homes in York, Harrogate, Selby and Craven. In 2021/22 45 households received a range of measures including 'room in roof' insulation, loft and cavity insulation. Both programmes have been extended by the government to the end of June 2022 in response to a number of difficulties, especially around supply chain issues, being experienced not only by York, but other councils too.

52. The governments energy efficiency grant schemes are continuing, with a further £3.2m being received across 3 other grant schemes, to be spent in 2022/23 on works to include solar panels for council dwellings, and those not connected to gas in the private sector.
53. The disabled facilities grant programme supports homeowners and private tenants to remain in their own home safely and independently through the provision of a wide range of adaptations, typically replacement of baths with level access showers, stair lifts and ramps. Over 75% of the customers are over the age of 67 years old, however support is also provided to families with children with very complex needs to remain in their own home or, where it has been found that the home is not one which can be reasonably and practically be adapted, we have support the resident to move to another home which is more suitable for their needs.
54. In 2021/22 support was provided to 323 families, the highest it has ever been. Going forward in 22/23 the private sector housing assistance policy will be reviewed taking account of the findings of Building Research Establishment's report into housing conditions in the private sector and the health impact assessment. This work has just been commissioned and the report is due in the summer. In addition, last month the Government released its long awaited new DFG guidance. Both will support the council to develop a new policy

Transport, Highways & Environment

55. Capital expenditure on various schemes within Transport, Highways & Environment totalled £21.389m in 2021/22.

Transport

56. A number of transport schemes have been completed in 2021/22 including

- Bus stop improvements (including bus shelters) across the city.
 - Improvements to signage on the approaches to Park & Ride sites, the routes to the Community Stadium and signage for city centre car parks.
 - Upgrades to traffic signals at 11 locations across the city, including localised resurfacing where required.
 - Completion of the second phase of the CCTV Upgrades programme.
 - A trial one-way system on Navigation Road to reduce traffic levels.
 - Measures to improve road safety at Clifton Green primary school and at Hempland Lane/ Hempland Avenue.
 - Improvements to speed management measures at Elvington Lane and Sim Balk Lane.
 - Expansion of existing 20mph limit area in Osbaldwick.
 - Installation of Electric Vehicle charging equipment at nine sites across the city.
 - Completion of Marygate Car Park path and Bootham Crossing schemes to improve cycle facilities on the approaches to the Scarborough Bridge footpath
57. The development of the schemes in the Active Travel Programme was delayed in the earlier part of 2021/22 until new Project Managers were appointed, but the schemes are now being progressed through feasibility and design for implementation in 2022/23. This funding has carried forward to 2022/23
58. The first phase of the York Station Gateway scheme (utility diversion works) started on site in early 2022 with the main highway works planned to start in Autumn 2022. Work on the detailed design for the York Station Gateway continued through 2021/22 following planning approval being granted for the scheme in February 2021. The scheme is expected to be complete in summer 2024.
59. Following public consultation on the proposed Outer Ring Road Dualling scheme, a revised design for the scheme was approved by the Executive in 2021/22, and a planning application for the scheme is now being prepared and will be submitted in summer 2022. Work is also ongoing to acquire land, develop the business case and complete the detailed design for the scheme. The construction stage is expected to start in mid-2023.
60. Construction work on the Monks Cross and Poppleton Bar Hyper Hubs was completed in 2021/22, following some delays at Poppleton Bar due to the use of the site as a Covid-19 testing site. Work to connect both sites to the power network has now been completed, and the sites are expected

to open to the public in early summer. The design for the proposed Hyper Hub at Union Terrace car park was completed in 2021/22 and a planning application has been submitted for the scheme. If approved, construction will be January-June 2023.

61. Work on the Smarter Travel Evolution Programme has progressed well, with both the new strategic traffic model and the real-time traffic model being completed in 2021/22. Work will continue to implement the data platform and Green Light Optimized Speed Advisory (GLOSA) schemes in 2022/23.
62. The design of the permanent Hostile Vehicle Mitigation measures (static and sliding bollards) for the City Centre Access & Security scheme has now been completed and the proposed scheme was approved by the Executive for implementation in 2022/23.
63. The council has continued to provide grant funding to bus operators to fund work to improve emissions from their bus fleets, following the decision to create a city centre Clean Air Zone. The conversion work on the First York bus fleet was completed in 2021/22 and the final work on the Connexions fleet will be completed in 2022/23.
64. Development work on the proposed new rail station at Haxby has continued in 2021/22, and a preferred site at Towthorpe Road was approved by the Executive in December. Public consultation on the scheme was carried out in spring 2022, and work will continue with Network Rail to progress the design work and a revised business case for the scheme.
65. Feasibility and design work for the proposed improvements for cyclists and other sustainable transport modes along Tadcaster Road was carried out in 2021/22 and an outline scheme was agreed by the Executive Member. Some of the proposed improvements between Moor Lane Roundabout and Blossom Street will be implemented with the Tadcaster Road maintenance scheme in 2022/23, with further feasibility and design work to be undertaken on the remaining sections prior to confirming the delivery programme.

Highways

66. In total 72.5km of carriageway was renewed when including patching and resurfacing. The majority of schemes were completed, those that were not have been deferred and are planned for delivery in 2022/23.

67. The majority of footway schemes were completed. Those not delivered include 3 city centre schemes which will be delivered this financial year. They were delayed due to the amount of work already planned and programmed in the city centre
68. In street lighting 371 columns were replaced after structural integrity testing and because of structural failure or deterioration due to corrosion. There has also been a continuation of the work to upgrade old lantern technologies, approximately 150 in total, which have a high energy cost compared to LED. The conversion to LED is approximately a 60% energy saving on each asset per year.
69. Planned drainage schemes on the A1079 and in Osbaldwick were completed within the year. The scheme in Kent Street was delayed due to design issues and in seeking permissions from Yorkshire Water to connect to their sewerage system. Work commenced on the investigation and desilting of the Knavesmire culverts. This work was substantially complete last year with some additional work planned this year.
70. Work progressed on the bar wall capital schemes, particularly on Tower 2, Lendal Arch and on lighting and safety schemes. Work will continue in 2022/23

Property services

71. Capital expenditure on various schemes within Property services totalled £13.979m in 2021/22.
72. The Guildhall project achieved Practical Completion (on the building contract) on 25 April 2022 with the hand over under the agreed lease arrangements to University of York following on 29 April 2022. The office space is already fully let, and will formally open on 16 May, there is a strong forward events programme and bookings for the main hall include a Christmas Market. There are competing interests to secure the restaurant unit and we hope to improve on the rental level modelled in the approved business case.
73. All of the approved project benefits have been delivered, and the future of the complex has been secured through the significant investment in the structure and fabric and accessibility of the buildings complete with new building services, safeguarding them for future generations. The approved scheme has delivered :

- A range of high quality office, meeting room and business spaces now being managed by York Science Park to support and grow the city's economy – generating economic benefits for the city with job creation and a projected GVA uplift of over £100m pa. All these spaces are light and airy, benefiting from stunning city / river views and modern facilities and amenities. All business spaces are hard wired with data points and benefit from Gigabit connectivity through the City's Fibre networks and the spaces are also served by a WiFi network.
- Significant improvements to the historic medieval Guildhall space including; underfloor heating powered by the River Water Source Heat Pump, new services and improved access, a stunning glazed foyer space linking to a café and toilets allowing for events to realise the full potential of this stunning city space, now better suited to a greater range of uses through the significantly improved facilities and amenities, and an increase to its licensed capacity.
- Very significant works to address the structural failures to the north tower, which were necessary to prevent collapse and replacement of roofs, with all work to strict conservation standards. The scope and extent of these works has had to evolve in response to site discoveries and in the early stage of the project these critical works did cause delay and incur additional costs. As the works progressed further repairs at roof level were necessary to mitigate the requirement for any medium term future repair costs.
- Accessibility has been significantly improved with repaved external spaces, complete repaving to Common Hall Yard leads to new accessible entrances. Within the building a modern service core affords lift access to all levels
- The scheme which retained the full WYCA grant of £2.347m also benefited from a £300k YNER grant and has secured future rental income and additional maintenance rent contributions through the University Lease) with the future potential for increased income.
- Ongoing use for Civic and democratic events has been secured through the University Lease at no cost to the council
- A high quality riverside restaurant unit with external Riverside spaces has also been constructed to maximise the value of the development and we are working with our appointed agent to evaluate offers at this time

74. The latest budget for the Guildhall totals £21.9m. This includes the overall budget approved in February 2019 of £20.2m plus £1.5m additional budget approved in November 2020 and further contributions from University of York / York Science Park as part of their contribution to the renovation £0.2m. The latest projection for the overall cost of the scheme is £25.9m which is an overall overspend of £4.0m. This is reported as an overspend of £1.9m to 31st March 2022 as well as forecast residual costs of £2.1m in 2022/23.
75. The project has been incredibly challenging to deliver with all identified key risks manifesting as issues during the project. As a consequence the project programme duration increased from 77 weeks to 141 weeks with the award of extensions of time under the contract for the following reasons : existing sub structures requiring amended underpinning and piling design; high river levels; archaeology; asbestos and drainage; delays by statutory undertakers in providing new service connections. It is important to note that the contract has been delivered despite the significant operating challenges posed by the pandemic. The cost of these delays totalled £2.9m on the construction costs.
76. Additional cost and delay was initially reported in November 2020 and the further delays and additional works costs, specifically including additional and necessary repairs to the structure and fabric of the complex to safeguard its future, have been reported in subsequent quarterly monitors. There have been additional costs related to additional design work, additional essential repairs and extended works totalling £2.8m. With the building works now completed it will be important to agree the outturn financial position in accordance with the contract at the earliest opportunity. The project team have managed the contract proactively and delivered a range of savings totalling over £1m, without compromising the agreed project benefits, to offset the additional costs incurred because of delay and associated additional works. There have also been additional client costs as a result of the additional designs, works and project management / supervision over the extended period. These have increased by £1.0m (28%).
77. The commercial position will be confirmed, with a full breakdown of additional costs when these are agreed under the terms of the contract. At this time the further financial provision is necessary, to cover both the contract costs and the associated professional fees and project team costs associated with the increased duration.

78. It is proposed that the projected additional costs of £4.0m are funded from the capital contingency. The capital contingency totals £5.0m over 2021/22 and 2022/23 so a release of £4.0m will result in a remaining contingency of £1.0m. Should final costs be lower than those currently estimated it is proposed that any reduced costs are returned to the capital contingency

Community Stadium & other projects

79. As previously reported the York Stadium Leisure Complex is fully operational, with the Stadium hosting games and the leisure facilities welcoming guests. The last edition of the outdoor play park and outdoor gym space opened to the public over Easter 2022. A small capital budget for 22/23 remains to conclude project matters, with spend currently in line with forecasts. All capital income expected for the project have now been received

Communities and Culture

80. Expenditure in 2021/22 within the major Library Improvement scheme was planning and preparatory work mainly associated with the new Clifton Library facility, with a small amount on the new Haxby Library. An amount of £74k requires reprofiling into 2022/23.
81. No further work was carried out in 2021/22 within the Energise Roof scheme so the budget requires reprofiling into 2022/23 awaiting further investigation work on the roof which is expected to indicate further work will be required.
82. The work to the roof at Explore Central Library was mainly carried out in 2020/21, with the remaining £34k of work paid for early in 2021/22.
83. The scheme for the Westfield Multi-Use Games Area (£200k) was approved as part of the 2021/22 capital budget process to create a new MUGA with Westfield. No expenditure has been incurred in 2021/22 so the whole budget requires reprofiling into 2022/23. It is expected that this scheme will be progressed in 2022/23 with the new MUGA to be situated on the site of York Acorn Amateur Rugby League Sports and Social Club off Thanet Road. A report to the Decision Session of the Executive Member for Culture, Leisure and Communities on 19th April 2022 provides further details of the proposal

Climate Change Schemes

84. The final expenditure for 21/22 against the climate change schemes was £131k, after the majority of the budget was slipped into 22/23 at monitor 3. Further slippage of £34k is requested at outturn. The key focus of this scheme has been the creation of the York Community Woodland (YCW).
85. The YCW project team has been able to minimise call on the council's Northern Forest capital budget by securing Forestry England as the woodland delivery partner, who will access confirmed DEFRA funding to fully support and 100% fund the capital costs of woodland creation in line with the agreed Woodland Creation Plan (which forms part of the council's lease agreement with FE).
- Tree planting commenced on the woodland site in Q4 2021/22, with a series of community tree planting events involving over 100 local residents, school children and scouts groups etc. The lease agreement legally commits FE to plant a minimum of 50,000 trees on site by 31 March 2023 – in line with Council Plan ambitions. In the longer term the site will accommodate 210,000 new trees, one for every resident in York.
 - The woodland now forms part of the Queens Green Canopy initiative to celebrate the Queen's anniversary year 2022 and is marked by an iconic tree planting design.
 - Alongside the lease will be a Partnership Agreement that outlines how both organisations will work together, including longer term aspirations for enhancing the visitor offer as the woodland matures.
86. As agreed by Executive in March 2021, an allocation of £80k has been made available to reprovide allotments at Rufforth from the YCW budget. This work has been undertaken during 21/22.

Customer and Corporate Services - IT

87. The ICT development plan has a capital expenditure totalling £2,942 in 2021/22. The work of the ICT service supports and enables the council, partners and also the city on many different levels. Examples this year include:

Digital Council

88. The most significant financial investment in year was the awarding of the councils new Voice and Data Managed Services contract. A lot has

changed since our last contract, not least of which was a change in our dependence on Wi-Fi which has now become an essential part of everyday working life and required a significant uplift in availability, throughput and security. A rolling programme of upgrades has commenced with West Office having a full Wifi upgrade completed in March 22.

89. Investment in core underlying infrastructure has continued to ensure that ICT services remain available, secure and supportable. This includes investment in storage, Citrix and ensuring our operating systems and applications were updated appropriately
90. We continued to invest appropriately in security to ensure ICT services responded to the ever changing and complex threat landscape. This included investment in vulnerability management and data loss protection as well as upgrading our Mobile Device Management tool to Microsoft Intune to take advantage of our renewed 3 year investment in the Microsoft M365 licencing suite. We are currently trialling Microsoft's "Always On" secure connection capabilities with a view to rolling this out in 22/23 to replace the current secure but aging Direct Access connectivity that customers currently enjoy. We also renewed our Software Asset Management capability during the year.
91. A number of systems have been replaced, upgraded or continued to be further developed this year, these include :
 - The CRM with the role out of processes relating to waste, bulky, clinical and medical.
 - The introduction of the new housing application which replaces a number of legacy systems across Housing and Building services and provides a workflow based single system to manage work.
 - A new Parking system
 - iTrent HR system
 - A new Highway system that has been procured and will be rolled out during 2022
 - Elections Management Software
 - Insurance claim software replacement
 - Safeguarding training software procurement
 - Section 106 software procurement

Digital Staff

92. The majority of our work under this theme has been our involvement on the Working as One programme where ICT have provided significant support and resource commitment into the establishment and progression of this fast paced and evolving council priority. Our involvement has included:

- Standardising kit aligned to draft worker styles including the specification, sourcing, configuring, delivery and support of the equipment necessary to allow the delivery of secure hybrid working. This included equipment gap analysis based on the standard offer to ensure all staff have the right equipment at the right time to meet the demands of their role.
- The specification, sourcing and kitting out of meeting rooms with appropriate audio visual capabilities to allow for secure hybrid working.
- Engagement in floor plate design and the planning for, sourcing and installation of essential ICT kit to allow for the return to the office of staff post covid – e.g. docking stations for laptops.
- The specification and trial of an appropriate booking solution to support the return to the office.
- Work to allow for appropriate hybrid telephony services to staff
- Our ongoing commitment to the testing and roll out of the M365 applications, in particular this year this included further investment in Teams (including the roll out of channels) which includes laptop upgrades but we have prepared for and will roll out across the council updated versions of the Microsoft 365 suite of applications during 2022/23.

Digital City

93. Under this theme some of the key activities during the year include:

- The upgrade of our Geographical Information System (GIS) which allows analysis and presentation of geographical York data.
- Supporting Housing Management Team to ensure the Lowfields and other new development sites are future proof in terms of their digital connectivity and IoT/smart city building blocks
- Continuing to work with telecommunication providers to explore the opportunities and action the improvement and expansion of the Cities digital connectivity layers including fibre infill areas , the LoRaWan coverage (IoT/Smart city coverage) and small cell 5g as part of making space within the mobile spectrum.

- Working with other partners within the Superfast West Yorkshire & York programme to evaluate the options within the gain share process from previous phases of the BDUK rural programme with a view to further expand access to improved broadband within our rural areas and communities. Our rural fibre broadband projects in both Wheldrake and Elvington are progressing well with engineers due to start the installation of the fibre network w/c 18th April with an expected duration period of approx. 5 weeks.
- We are continuing our work in the 'fifth quarter' of the city centre area which includes Gillygate and Bootham and we currently have circa 70 residents/businesses who have registered their interest in accessing improved broadband. Once we reach the 100 mark, we can then move onto the next steps of the work that is required to secure the external funding for this project.

94. We have been approached by York Housing Association to seek our help and assistance regarding the poor broadband availability within some of their properties by exploring full fibre services to ensure students/tenants can stay connected while learning and during their 'downtime'. Their initial focus area is based around a group of 27 units located close to York University that presently have individual broadband connections that aren't fully fit for purpose with the students relying on their mobile phone hotspot

Funding the 2021/22 Capital Programme

95. The 2021/22 capital programme of £78.220m has been funded from £20.540m external funding and £57.716m of internal funding. The internal funding includes resources such as revenue contributions, Supported Capital Expenditure, capital receipts and reserves.
96. The overall funding position continues to be closely monitored to ensure the overall capital programme remains affordable and is sustainable over the 5 year approved duration.

Update on the 2022/23 – 2026/27 Capital Programme

97. The restated capital programme for 2022/23 to 2026/27 split by portfolio is shown in table 3. The individual scheme level profiles can be seen in Annex 1.

Gross Capital Programme	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m	£m
Children's services	24.715	6.220	0.920	0.920	0.920	33.695
Adult Social Care	1.166	0.750	0.682	0.705	0.728	4.031
Housing & Community Safety	63.430	46.959	37.006	32.154	13.044	192.593
Transport, Highways & Environment	75.938	61.864	49.811	14.479	13.474	215.566
Property Services	11.277	38.749	0.250	0.250	0.250	48.116
Community Stadium	0.777	-	-	-	-	0.777
FM & Buildings	0.948	-	-	-	-	0.948
ICT	2.722	2.820	2.820	3.170	2.820	14.352
Customer & Corporate Services	1.669	0.200	0.200	0.200	0.200	5.129
Communities & Culture	2.382	4.700	0.726	-	-	7.808
Climate Change	1.134	0.400	0.250	0.250	-	2.034
Revised Programme	186.158	162.662	92.665	52.128	31.436	525.049

Table 3 – Restated Capital Programme 2022/23 to 2026/27

98. Table 4 shows the projected call on Council resources going forward.

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	186.158	162.662	92.665	52.128	31.436	525.049
Funded by:						
External Funding	72.214	58.989	37.004	10.025	6.790	185.522
Council Controlled Resources	113.444	103.673	55.661	42.103	24.646	339.527
Total Funding	186.158	162.662	92.665	52.128	31.436	525.049

Table 4 – 2022/23 –2026/27 Capital Programme Financing

99. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts.

100. In financing the overall capital programme the Chief Finance Officer will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore an option for any new capital

receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

Consultation

101. Not applicable

Options

102. Not applicable

Council Plan

103. The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

104. This report has the following implications:

- **Financial** - are contained throughout the main body of the report
- **Human Resources (HR)** – There are no HR implications as a result of this report
- **One Planet Council/ Equalities** – The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements. All individual schemes will be subject to Equalities Impact Assessments
- **Legal Implications** - Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves will be in receipt of legal advice where necessary
- **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
- **Information Technology** – The information technology implications are contained within the main body of the report,
- **Property** - The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.
- **Other** – There are no other implications

Risk Management

105. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects.

Contact Details

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	Report Approved	√	Date
Wards Affected: All			
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Specialist Implications:
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Annexes

Annex A – Capital Programme by year 2021/22 – 2026/27