

Executive Members for City Strategy and Advisory Panel

16 March 2009

Report of the Director of City Strategy

City Strategy Capital Programme – Monitor 3 Report

Summary

1. The purpose of this report is to:
 - Inform Members of the likely outturn position of the 2008/09 Capital Programme, based on the spend profile and information to the end of January 2009;
 - To seek approval for any resulting changes to the programme;
 - Inform the Executive Members of any slippage, and seek approval for the associated funding to be slipped between the relevant financial years to reflect this.

2. The 2008/09 – 2010/11 capital programme was approved by Council on 21 February 2008. Since then a number of amendments have taken place, as reported to Executive Members in the 2007/08 Capital Outturn report, Consolidated report (July), Monitor 1 report (September) and Monitor 2 report (December). These changes have resulted in a current approved capital programme for 2008/09 of £8.658m, financed by £6.903m of external funding, leaving a cost to the Council of £1.775m. Table 1 illustrates the movements from the original budget to the currently approved position.

Table 1 Current Approved Capital Programme

| | Gross Budget £m | External Funding* £m | Capital Receipts £m |
|---|----------------------------|---------------------------------|--------------------------------|
| Original Budget Approved by Council at 21 Feb 2008 | 7.943 | 6.441 | 1.502 |
| Re-profiling to 09/10 & 10/11 from 07/08 outturn report | n/a | n/a | n/a |
| Additions/ reductions from 07/08 outturn report approved at Monitor 1 | +0.496 | +0.243 | +0.253 |

| | | | |
|---|--------------|--------------|--------------|
| Additions/ reductions from 07/08 outturn report approved at Monitor 2 | +0.219 | +0.219 | |
| Current Approved Capital Programme | 8.658 | 6.903 | 1.755 |

*External funding refers to government grants, non government grants, other contributions, developers contributions and supported capital expenditure.

- The capital receipts column above implies receipts generated from the sale of Council assets will be used to fund the difference between the gross budget less all other specified funding sources. Due to the current economic climate not being favourable to achieving maximum receipt value from asset disposals, consideration will be given to the use of prudential borrowing to fund the capital programme as a temporary measure. When the economic climate returns to a more favourable state assets will be sold with the receipts being applied to finance the programme, thus replacing the temporary borrowing.

Consultation

- The capital programme was developed under the Capital Resource Allocation model (CRAM) framework and agreed by council in 21 February 2008. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

- Against the current approved budget of £8.658m in 2008/09, there is a predicted outturn of £8.479m, a net decrease of £0.179m. The Monitor 2 report detailed the additional funding available from the Cycling City Grant and the Housing & Planning Delivery Grant, which increased the available capital budget up to 2010/11. The additional schemes in the Access York Phase 1 (Park & Ride) project (approx. £25m) have not been included in the 2009/10 and 2010/11 programme pending confirmation of the level of funding from the Department of Transport.
- The net decrease is composed of the following:
 - Proposed reduction in the current year's Section 106 budget by £5k, which would be removed from the Capital Programme.
 - Proposed reduction in the current year's structural maintenance budget by £149k of Council funding, which would be slipped into 2009/10.
 - Proposed removal of the £25k allocation for Oulston Reservoir from the Capital Programme.
- The current approved budget and proposed adjustments is indicated in Table 2 below. Additional information indicating progress on individual schemes and proposed allocation changes is provided in the Annexes to the report.

Table 2 Capital Programme Forecast Outturn 2008/09 – 2010/11

| Gross City Strategy Capital Programme (excluding Corporate Accommodation Project (CAP)) | 2008/09 £m | 2009/10 £m | 2010/11 £m | Total £m | Paragraph Ref |
|--|-----------------------|-----------------------|-----------------------|---------------------|--------------------------|
| Current Approved Capital Programme | 8.658 | 7.701 | 7.203 | 23.562 | |
| Adjustments: | | | | | |
| Developer Contribution Schemes | -0.005 | | | -0.005 | Annex 1 |
| Structural Maintenance (Bridges) | -0.080 | +0.080 | | 0.000 | Annex 1 |
| Oulston Reservoir | -0.025 | | | -0.025 | Annex 1 |
| Re-profiling: | | | | | |
| City Walls | -0.069 | +0.069 | | 0.000 | Annex 1 |
| Revised Capital Programme (excluding CAP) | 8.479 | 7.850 | 7.203 | 23.532 | |

8. Responsibility for the delivery of the Corporate Accommodation Project has been transferred to the City Strategy directorate, therefore the capital programme implications will be reported in the City Strategy Monitor reports. No changes are proposed at this stage in the year. Decisions on the delivery of the project will be made by the Executive.

Table 2a Corporate Accommodation Project Capital Programme Forecast Outturn 2008/09 – 2012/13

| Gross Corporate Accommodation Project Programme | 2008/09 £m | 2009/10 £m | 2010/11 £m | 2011/12 £m | 2012/13 £m | Total (2008/9 – 2012/13) £m |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| Current Approved Capital Programme | 2.985 | 5.926 | 10.187 | 12.274 | 8.526 | 39.898 |
| Re-profiling: | | | | | | |
| Corporate Accommodation Project | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Revised CAP Capital Programme | 2.985 | 5.926 | 10.187 | 12.274 | 8.526 | 39.898 |

9. To the end of January there was £3.792m of capital spend in the core City Strategy programme (excluding the Corporate Accommodation Project) representing 44% of the approved budget, compared to 71% for the same period in 2007/08. The lower spend is principally because there is no single large scheme in the 2008/09 programme comparable to the Moor

Lane Roundabout scheme in 2007/08. Most of the schemes in the 2008/09 programme have been developed, designed and approved within the year prior to implementation, and many of the schemes are being constructed in the January to March period.

10. The main highlights of this report are:

- a. Good progress on the delivery of footway maintenance schemes with the majority of the schemes in the 7km footway programme complete.
- b. Good progress on the delivery of carriageway maintenance schemes with two-thirds of the programme complete, and the remainder of the programme on target for delivery by the end of the financial year.
- c. Completion of the work to replace the parapets on Clifton Bridge.
- d. Larger schemes in the Integrated Transport programme, such as the A59/ Beckfield Lane junction improvements, Clifton Bridge Approaches, Moor Lane Railway Bridge Approaches and Lendal Bridge Route footway improvements are currently progressing on site.
- e. Delivery of most other schemes in the Integrated Transport programme is expected by the end of the financial year.

Scheme Specific Analysis

11. Details of the progress on schemes and proposed changes to scheme allocations for the City Strategy Capital Programme can be found in Annex 1.

Summary

12. A summary of the proposed main changes to the programme is included as Annex 2 to the report.

13. It is proposed to reduce the level of integrated transport overprogramming to £90k to take account of the progress on the schemes within the programme, and to ensure that the total spend is kept within budget.

14. It is proposed to reduce the level of Structural Maintenance overprogramming to £34k to take account of the progress on the schemes within the programme and the revised cost estimates as detailed in Annexes 2 and 3.

15. Following the decision of the Staffing Matters & Urgency Committee in December, the Structural Maintenance elements of the City Strategy Capital Programme have been transferred to the Neighbourhood Services portfolio. The budgets will continue to be reported as part of the City Strategy Capital Programme until the end of the financial year.

16. If the proposed changes are accepted, the total value of the City Strategy Capital Programme for 2008/09 would be **£8,603k** including overprogramming. The overprogramming would reduce from £762k to **£124k** (compared to £434k at this stage in 2007/08). The budget would decrease to **£8,479k**, and would be funded as follows:

| | Current Budget | Proposed Increase | Proposed Budget |
|-----------------------------------|-------------------|----------------------|--------------------|
| | £000s | £000s | £000s |
| LTP Settlement | 5,116 | | 5,116 |
| De-Trunked Road Capital Grant | 781 | | 781 |
| Road Safety Grant | 44 | | 44 |
| Developer Contributions | 515 | -5 | 510 |
| CYC Resources | 1,755 | -174 | 1,581 |
| Cycling City Funding | 312 | | 312 |
| Housing & Planning Delivery Grant | 135 | | 135 |
| Total | 8,658 | -179 | 8,479 |

Corporate Priorities

17. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that meet corporate priorities.
18. The City Strategy Capital Programme supports the sustainable city element of the Corporate Strategy.
- **Increase the use of public and other environmentally friendly modes of transport**

Implications

Financial Implications

19. The financial implications are considered in the main body of the report.

Human Resources Implications

20. There are no HR implications as a result of this report

Equalities Implications

21. There are no equalities implications as a result of this report

Legal Implications

22. There are no legal implications as a result of this report

Crime and Disorder

23. There are no crime and disorder implications as a result of this report

Information Technology

24. There are no information technology implications as a result of this report

Property

25. There are no property implications as a result of this report

Risk Management

26. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Management Group (CAMG) meets regularly to plan monitor and review major capital receipts to ensure that all capital risks to the Council are minimised.

27. The City Strategy Capital Programme has been prepared to assist in the delivery of the objectives of the Local Transport Plan. The Department for Transport will assess the progress of the LTP against the targets set in the plan. If the schemes included within the programme do not have the anticipated effect on the targets it is possible that the council will receive a lower score, and consequentially there is a risk that future funding will be reduced.

Recommendations

28. That the Advisory Panel advise the Executive Member to:

- i) Approve the adjustments to the allocations identified in Annex 2.
- ii) Approve the slippage of £149k of CYC funding to 2009/10.
- iii) Approval the removal of £25k of CYC funding from the City Strategy Capital Programme
- iv) Approve the decrease to the 2008/09 City Strategy capital budget, subject to the approval of the Executive.

Reason: To enable the effective management and monitoring of the Council's capital programme

Author:

Tony Clarke
Capital Programme Manager
City Strategy
Tel No.01904 551641

Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved Date 16 February 2009

Co-Author

Patrick Looker
Finance Manager
City Strategy
Tel No. 01904 551633

Damon Copperthwaite

Assistant Director City Development and Transport

Report Approved tick Date

Specialist Implications Officer(s) N/A

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers:

Proposed 2008/09 City Strategy Capital Programme – 17 March 2008

2007/08 City Strategy Capital Programme: Outturn Report – 2 June 2008

City Strategy Capital Programme 2008/09 – Consolidated Report – 14 July 2008

City Strategy Capital Programme 2008/09 – Monitor 1 Report – 8 September 2008

City Strategy Capital Programme 2008/09 – Monitor 2 Report – 8 December 2008

Annexes

Annex 1: 2008/09 Monitor 3 Scheme Progress Report

Annex 2: Summary of Proposed Changes

Annex 3: Current and Proposed Budgets for 2008/09 Capital Programme