

Report of the Director of City Strategy

City Strategy Capital Programme 2006/07 – First Monitoring Report

Summary

1. The purpose of this report is to set out progress to date on schemes in the City Strategy Capital Programme for 2006/07. It reports on budget spend to the end of July 2006, which is four months into the capital programme year. It also gives an update on any scheme works that have occurred since the end of July to give a more accurate picture of progress and any adjustments that need to be made. The report asks the Executive Member for City Strategy to approve the amendments to the 2006/07 budget as set out below.

Background

2. The City Strategy Capital Programme budget for 2006/07 was agreed by the Executive Member in April 2006. The programme was finalised on 17 July 2006 when the Executive Member was presented with the consolidated Capital Programme for 2006/07, which included all work that had carried over from 2005/06.
3. The current approved budget for the City Strategy Capital Programme for 2006/07 is **£10,696k**. This figure represents the budget available to spend and is therefore net of the overprogramming built into the Local Transport Plan (LTP) element of the programme. The overprogramming seeks to address the problem of schemes being delayed due to unforeseen circumstances arising.
4. The current approved City Strategy Capital Programme for 2006/07 has a value of **£13,598k**, which includes **£2,903k** of overprogramming.

City Strategy Capital Programme

5. The City Strategy capital programme is funded from the Local Transport Plan settlement, City of York Council Capital resources, other government funding sources and the private sector (including through section 106 agreements). The list of schemes set out below considers those with an element of LTP funding first, followed by those funded entirely from other sources. The funding figures shown are those for 2006/07 only and do not necessarily represent the full cost of the scheme.

6. The proposed funding alterations are shown in Annex 1, and the proposed full programme is shown in Annex 2.
7. The spend plus commitments for schemes within the City Strategy Capital Programme to the end of July was **£2,136k**. The end of July figure represents 20% spend on the total budget allocation (i.e. the programme minus over programming). This is significantly higher than the spend at this time in previous years (£603k in 2005/06), which is due to a high level of spend against some of the larger schemes in the programme (mainly James St Link Road). It should be noted that the costs incurred by CYC staff working on LTP schemes have not been included in these figures.
8. Each spending block is considered to give a more detailed picture of actual progress to date and to identify any slippage, savings and additional costs in the programme. Schemes are reported only where there are changes required to the programme or budget; other schemes are progressing as programmed and reported in the 2006/07 Budget Report. The full list of schemes is included in Annex 2.
9. Each main block within the LTP element of the programme has a budget figure allocated, which indicates the level of funding available, and a programme figure which shows the value of all of the schemes being progressed. Where appropriate a list of reserve schemes has been included in Annex 2, which will be progressed to detailed design stage but checked against availability of funding across the programme before delivery. The rate of overprogramming varies between blocks depending upon the level of deliverability risk. As in previous years the level of overprogramming will be amended through the year as the certainty of delivery becomes evident.

Schemes Within the Local Transport Plan

OUTER RING ROAD AND JAMES ST LINK ROAD

Budget: £2,609k (LTP £1,266k, s106 £1,343k)

Programme (including Overprogramming):£3,264k

Spend to 31 July 2006: £901k

10. James St Link Road (JS01/04) – £2,014k. The scheme is progressing well on site and is due to be completed in November. There have been approximately £250k of variations and claims from the contractor which may increase the overall cost of the scheme. Any cost increases will be apportioned between the developer and the council in accordance with the development agreement. Construction of a masonry noise barrier, moving of a bus stop on Layerthorpe and widening the road at Hazel Court are the main variations to have been instructed during the contract. The validity of the claims for a delayed start owing to service diversions and delays during the contract due to flooding events is still to be confirmed. For budgeting purposes it is proposed to increase the allocation for the scheme by £150k pending confirmation of the costs to be apportioned to the council. It is proposed to fund the increased costs by raising the LTP contribution pending receipt of the s106 contributions from the other developments in the Foss Basin Master Plan area.

AIR QUALITY, CONGESTION AND TRAFFIC MANAGEMENT

Budget: £321k (LTP 235k, s106 £86k)

Programme (including Overprogramming):£421k

Spend to 31 July 2006: £142.3k

11. No changes proposed to the Air Quality, Congestion and Traffic Management block at this stage in the year.

PARK & RIDE

Budget: £211k (LTP £50k, s106 £161k)

Programme (including Overprogramming):£261k

Spend to 31 July 2006: £-15.8k

12. No changes proposed to the Park & Ride block at this stage in the year. The negative spend is related to the allowance made for schemes completed at the end of 2005/06 but not invoiced until 2006/07. The payment for the works at the Designer Outlet has not yet been processed but the construction works are complete.

PUBLIC TRANSPORT IMPROVEMENTS

Budget: £635k

Programme (including Overprogramming):£1,105k

Spend to 31 July 2006: £769k

13. Improvements to ftr route (PT02/06) -- £400k. It is proposed to increase the ftr budget in 2006/07 to £590k to cover the completion of the upgrade of the route including alterations to the infrastructure to address issues which have become evident during the operation of the service and were not included in the projected costs at the consolidated report stage in July. The projected total scheme cost over the three years of development and introduction is £1.42m.
14. Station Frontage (RL02/02) – £100k. The main works at the station frontage are complete, however there are a number of minor amendments to undertake following a safety audit of the scheme in operation. In addition there is an outstanding claim of approximately £90k from the contractor for costs which he considers to be outside the scope of the contract. It is proposed to increase the allocation by £50k to cover the implementation of the safety audit improvements and resolution of the claim.

WALKING

Budget: £353k (LTP £230k, s106 £123k)

Programme (including Overprogramming):£563.5k

Spend to 31 July 2006: £30.6k

15. No changes proposed to the Walking block at this stage in the year.

CYCLING

Budget: £342k (LTP £285k, grant £57k)

Programme (including Overprogramming):£495k

Spend to 31 July 2006: £11.7k

16. Cycling Minor Schemes (CY02/06) – £30k. There is £14k of grant funding for cycling schemes available through Sustrans, which has been carried forward from 2005/06. It is proposed to allocate this grant funding to the Cycling Minor Schemes budget and reduce the LTP allocation for these schemes to £16k.
17. Access Ramp to Station (CY01/02) – £200k. The council has been successful in its bid to obtain part funding for this scheme. A maximum of £125k is available from the Department for Transport's 'Access for All' programme. Detailed negotiations with Network Rail and GNER are currently ongoing, which will finalise the total cost and programme for delivery of the scheme. It is proposed to increase the allocation by the grant value pending the completion of the negotiations with the other key stakeholders.
18. Hob Moor Link (CY08/03) – £30k. One of the conditions of the planning consent for the provision of this section of cycle path is the introduction of barriers on all of the gates to Hob Moor to prevent unauthorised access by motorcycles. It is proposed to increase the allocation by £25k to fund the construction of the gates and to allow the cycle link to be completed.
19. Heslington Lane Cycle Route (CY09/03a) – £35k. Following productive negotiations with the tenant it is proposed to submit a planning application in September and proceed to construction by the end of the year. It is therefore proposed to transfer the scheme out of the reserve scheme list into the main cycling block.

DEVELOPMENT LINKED SCHEMES

Budget: £20k

Programme (including Overprogramming): £20k

Spend to 31 July 2006: £0k

20. No changes proposed to the Development-Linked Schemes block at this stage in the year.

SAFETY SCHEMES

Budget: £435k

Programme (including Overprogramming): £597.5k

Local Safety Schemes

Programme (including Overprogramming): £368.5k

Spend to 31 July 2006: £79.8k

21. No changes proposed to the Local Safety Schemes block at this stage in the year.

Safety and Speed Management

Programme (including Overprogramming): £120k

Spend to 31 July 2006: £1.5k

22. No changes proposed to the Safety and Speed Management block at this stage in the year.

Danger Reduction

Programme (including Overprogramming): £109k

Spend to 31 July 2006: £8.9k

23. No changes proposed to the Danger Reduction block at this stage in the year.

ACCESSIBILITY AND VILLAGE TRAFFIC SCHEMES

Budget: £895k

Programme (including Overprogramming): £1,258k

Spend to 31 July 2006: £40k

24. No changes proposed to the Accessibility and Village Traffic Schemes block at this stage in the year.

SCHOOL SCHEMES

Budget: £287k

Programme (including Overprogramming): £755.8k

Spend to 31 July 2006: £1.1k

25. No changes proposed to the Schools block at this stage in the year.

COSTS FROM LTP SCHEMES IMPLEMENTED IN 2001-06

Budget: £100k

Spend to 31 July 2006: 49k

26. This budget covers minor works and retention monies associated with LTP schemes completed in previous years. There are no changes proposed to the allocation at this stage in the year.

TRAVEL AWARENESS

Budget: £40k

Spend to 31 July 2006: £10.2k

27. No changes proposed to the Travel Awareness block at this stage in the year.

LTP STRUCTURAL MAINTENANCE

Budget: £906k

Spend to 31 July 2006: £3.2k

28. The progress on the highway maintenance schemes has been delayed due to the changes to the highway maintenance procurement arrangements. The council is currently awaiting the return of tenders for the contract for the highway maintenance works, which should be received by the end of August. The works are expected to start in October once the tenders have been assessed and the contractor approved. The implications of undertaking the full programme over a shorter period, such as overlapping diversionary routes, will be assessed once the contractor is confirmed but may lead to the slippage of isolated schemes at the end of the year.
29. LTP Principal Roads – £573k. No changes proposed to the LTP Principal Roads block at this stage in the year.

30. LTP Local Roads – £199k. No changes proposed to the LTP Local Roads block at this stage in the year.
31. LTP Minor Urban Surfacing – £134k. No changes proposed to the LTP Minor Urban Surfacing block at this stage in the year.

LTP Street Lighting

Budget: £80k

Spend to 31 July 2006: £7k

32. No changes proposed to the Street Lighting block at this stage in the year.

LTP Bridges Structural Maintenance

Budget: £400k

Spend to 31 July 2006: £1k

33. No changes proposed to the LTP Bridges block at this stage in the year. Alternative lower cost options for the provision of parapet protection to Castle Mills and Monk Bridges are being investigated.

De-Trunked Roads

Budget: £514k

Spend to 31 July 2006: £0k

34. No changes proposed to the De-Trunked Roads block at this stage in the year.

Non-LTP Funded Schemes

35. These schemes are funded from a variety of sources including the City of York Council through its own capital programme resources, from other Government grants, and from private sector monies including that secured through development agreements such as Section 106 Agreements.

HIGHWAY RESURFACING

Budget: £1,983k

Programme: £2,253k

Spend to 31 July 2006: £92k

36. As with the LTP Structural Maintenance block, the start of the carriageway resurfacing schemes has been delayed due to the changes to the highway maintenance procurement arrangements. The carriageway resurfacing works are expected to start in October following the finalisation of the contract with the new supplier.
37. The future procurement of the structural maintenance works will be through an enhanced contract including other highway maintenance elements or through a Private Finance Initiative route. It is proposed to fund the preparatory works for the development of the long term contract arrangements from this block allocation. Adjustments will need to be made to the scheme allocations to accommodate the anticipated revised rates from the interim contract, the

practicalities of delivering the programme in a shorter period and the preparatory costs for the longer term solution. Details of these adjustments will be provided in the 2nd Monitoring Report.

38. CYC Carriageways – £1,138k (including overprogramming). No changes proposed to the CYC Carriageway block at this stage in the year.
39. CYC Footways – £1,115k. No changes proposed to the CYC Footway block at this stage in the year. Progress on these schemes is unaffected by the procurement of a new surfacing contractor. Most schemes will be undertaken on a design and build basis by Neighbourhood Services.

SPECIAL BRIDGE MAINTENANCE

Budget: £141k

Spend to 31 July 2006: £0.3k

40. No changes proposed to the Special Bridge Maintenance block at this stage in the year.

CITY WALLS

Budget: £148k

Spend to 31 July 2006: £3.4k

41. No changes proposed to the City Walls block at this stage in the year.

NEW DEPOT

Budget: £8,981k

Spend to 31 July 2006: £5,405k

42. The construction of the new depot is progressing well with an anticipated completion date in October. Following completion of the new facility the transfer of the existing depot is programmed to take approximately six weeks. The old site will then be available for the developer to clear and commence construction of the retail park. The developer is responsible for delivering the depot in accordance with the development agreement.
43. The cost of the depot has increased since first agreed owing to changes in the operational requirements of Neighbourhood Services, confirmation of the scope of items which could not be agreed prior to the sale of Foss Islands Depot and enhancements to building standards since the concept was first developed in 2000. The apportionment of the cost of these amendments between the Developer and Council is still to be determined, but it is projected that the scheme cost allocated to the council may increase by approximately £150k leading to a corresponding reduction in the capital receipt available to fund the capital programme. Any cost overrun on the scheme will be taken from the net capital receipt due to the authority upon vacation of the Foss Islands site. It is therefore proposed to increase the allocation by £150k to cover these variations pending resolution of the apportionment with the developer. In addition there is an outstanding claim from the contractor of

approximately £200k for delays at the start of the contract which is yet to be resolved.

SECTION 106 FUNDING

44. A proportion of the capital programme is funded by section 106 contributions from developers undertaking schemes within the city. The agreements which are reached as part of the planning process detail the level of contribution and the nature of the obligation. Most current section 106 arrangements identify specific highway schemes which must be undertaken by the council as its obligation under the agreement with the developer. Some schemes, particularly those included in the Monks Cross and Foss Basin Transport Master Plans, also require a contribution from the council through the LTP.
45. Payments are made to the council in accordance with the trigger points identified within the agreements – start of development, upon first occupation, stage payments etc. Approximately £2.75m relating to 34 developments has been received for highway related schemes and is held in a separate interest earning section 106 account awaiting expenditure – the majority of this funding relates to the James Street Link Road. There is a further £2.7m for highway schemes included in section 106 agreements for 55 developments where the trigger point for payment has not yet been reached. Nearly £1m of these anticipated receipts relate to the development at Monks Cross South. Further contributions are projected from other development sites where planning applications have not yet been submitted. Further information about the funding available from developer contributions will be provided in future monitoring reports.

Consultation

46. Consultation was undertaken on the LTP strategy, and detailed consultation will be undertaken on each scheme where appropriate during the design period and before construction.

Options

47. Members have been presented with a number of minor amendments to the programme of works for approval which are required to ensure the schemes are deliverable within funding constraints whilst enabling the objectives of the approved Local Transport Plan to be met.

Analysis

48. Most individual schemes and funding blocks within the capital programme are on schedule to achieve their programme of works and spend by the end of the financial year. The spend achieved to date is at a higher level than this time last year, due to the work on larger schemes within the programme such as James St Link Road. The main resurfacing works will start later in the year owing to the new procurement arrangements however, it is still anticipated that

full spend will be achieved within the year. The proposed minor budget variances are summarised in Annex 1.

49. If the proposed changes are accepted the total value of the City Strategy Capital Programme, excluding the new depot, would increase from **£13,598k** to **£14,138k**. The overprogramming would increase from **£2,903k** to **£3,304k** (compared to £2,599k at this time in 2005/06) which is considered to be reasonable at this stage in the year bearing in mind the uncertainty relating to the delivery programmes of some of the larger schemes.

Corporate Priorities

50. The programme was prepared in accordance with the objectives of the Local Transport Plan, which was approved by the Council in March 2006.
51. The schemes in the City Strategy Capital Programme also support the following Corporate Aims and Objectives included in the Council Plan.
52. Corporate Aim 1: Take Pride in the City, by improving quality and sustainability, creating a clean and safe environment.

Objective 1.3 Make getting around York easier, more reliable and less damaging to the environment. – e.g. Introduction of FTR, provision of improved cycle routes.

Objective 1.4 Protect residents and our environment from pollution and other public health and safety hazards, and act as a role model in the sustainable use of resources. – e.g. Continuation of improvements to public transport provision.

53. The City Strategy Capital Programme also supports the following Key Priority for 2006/07 in the Environment area:

Increase the use of public and other environmentally friendly modes of transport

- A. Introduction of the first phase of ftr fleet.
i. ftr operational in May 2006.
- B. Implementation of actions to increase usage levels of key bus services
i. Bus stops and shelter infrastructure to be improved.
ii. Preliminary design of bus priority measures being undertaken.
- C. Construction of 500 metres of off street cycle route
i. 1100m of off road cycle route under construction in James St. Link road, Oaklands Safe Route to School, and Clifton Green School Safe Route to School schemes.
ii. Additional 250m planned to be built as part of Hob Moor Link, Murton/A166 Junction, Station Ramp and Strensall Rd Roundabout schemes.
- D. Commencement of work on Moor Lane and Hopgrove outer ring road improvements

- i. Preferred option for Moor Lane Roundabout approved in July – planning application to be submitted shortly; capacity improvements to Hopgrove roundabout being progressed with the Highways Agency.
- 54. Corporate Aim 4: Create a safe City through transparent partnership working with other agencies and the local community.

Objective 4.7 Make York’s roads safer for all types of user – e.g. Local Safety Schemes (improvements to Murton Rd/A166 junction)
- 55. Corporate Aim 5: Work with others to improve the health, well-being and independence of York residents.

Objective 5.7 Increase participation in sport and active leisure and promote active lifestyles – Provision of Safe Routes to School and School Cycle Parking to complement cycle training.

Implications

- 56. The Financial Implications of the report are identified below. There are no other implications of this report.
 - **Financial** – See below
 - **Human Resources (HR)** – There are no human resources implications
 - **Equalities** – There are no equalities implications
 - **Legal** – There are no legal implications
 - **Crime and Disorder** – There are no crime and disorder implications
 - **Information Technology (IT)** – There are no IT implications
 - **Property** – There are no property implications
 - **Other** – There are no other implications

Financial Implications

- 57. The LTP allocation for 2006/07 was confirmed by the Government Office for Yorkshire and the Humber in December 2005. The City Strategy capital budget was agreed by the Budget Council as part of the overall CYC capital programme in February 2006. The programme was amended to include carryover from the 2005/06 capital programme in the City Strategy Consolidated Capital Programme agreed at the July EMAP, and was funded (as follows:

	£000s
LTP element	6,378
Government Grant	57
Developer Contribution	1,713
CYC Resources	2,048
CYC Prudential Borrowing	500
Total	<u>10,696</u>

58. The changes set out above would take the budget of the City Strategy Capital Programme (excluding the New Depot) to **£10,835k** and would be funded as follows:

	Changes £000s	Total £000s
LTP element		6,378
Government Grant	+139	196
Developer Contribution		1,713
CYC Resources		2,048
CYC Prudential Borrowing		500
Total		<u>10,835</u>

59. It is proposed to increase the depot budget by £150k funded from the net capital receipt due to the authority upon vacation of the Foss Islands site to cover the increased costs from the anticipated claims and variations. The final cost of these adjustments will be subject to apportionment between the developer and the Council in accordance with the development agreement. The total City Strategy Budget including the New Depot for 2006/07 would be **£19,966k** if the proposed changes identified above are accepted.

Risk Management

60. The 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

61. The Executive Member for City Strategy is recommended to:
- 1) Agree to the adjustments set out in Annexes 1 and 2 subject to the approval of the Executive to the proposed funding changes.

Reason: To manage the Capital Programme effectively

Contact Details

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Specialist Implications Officer(s) N/A

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Proposed 2006/07 Planning and Transport Capital Programme – 18 April 2006
Planning and Transport Capital Programme 2005/06 – Outturn Monitoring Report –
7 June 2006
City Strategy Capital Programme 2006/07 – Consolidated to Include Carry-overs
from 2005/06 – 17 July 2006

Annexes

Annex 1: Summary of Key Changes Required
Annex 2: Current and Proposed Budgets for 2006/07 City Strategy Capital
Programme