



Executive

11 February 2016

Report of the Director of Customer and Business Support Services
(Portfolio of the Leader and Deputy Leader of the Council)

CAPITAL STRATEGY 2016/17 to 2020/21

Summary

1. This report set out the Capital Strategy for 2016/17 to 2020/21, and in particular sets out new capital schemes.

Recommendations

2. The Executive is requested to recommend that Council:
 - Agree to the revised capital programme of **£180.206m** that reflects a net overall increase of **£28.451m** (as set out in paragraph 54 table 10 and in Annex B). Key elements of this include
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £4.921m as set out in table 3 and summarised in table 10;
 - New schemes totalling £2.415m including an increase in prudential borrowing of £643k as set out in tables 4 & 5 and summarised in table 10;
 - Extension of externally funded Rolling Programme schemes totalling £9.878m as set out in table 6 and summarised in table 10;
 - An increase in HRA funded schemes totalling £12.009m funded from a combination HRA balances/Right to Buy receipts of £12.009m as set out in table 7 and summarised in table 10
 - Approve the full restated programme as summarised in Annex A totalling **£180.206m** cover financial years 2016/17 to 2020/21 as set out in table 11 and Annex A

- Members are also asked to approve the appropriation of the Housing Revenue Account shops into the General Fund as set out at paragraph 50

Reason: To set a balanced capital programme as required by the Local Government Act 2003

Background

3. The current 2015/16 –2019/20 capital programme was approved by Council on 26 February 2015. Since then a number of amendments have taken place as reported to the Executive up to and including the 2015/16 Capital Monitor 3 report also on this agenda. The changes made as a result of the above reports have resulted in a current approved capital programme for 2015/16 – 2019/20 of £203.293m, financed by £110.168m of external funding and Council controlled resources of £93.125m. Table 1 illustrates the current approved capital programme profile from 2015/16 – 2019/20 as of capital monitor 3 2015/16.

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	51.538	73.935	33.552	22.717	21.551	203.293
Funded by:						
External Funding	27.227	29.694	24.344	15.373	13.530	110.168
Council Controlled Resources	24.311	44.241	9.208	7.344	8.021	93.125
Total Funding	51.538	73.935	33.552	22.717	21.551	203.293

Table 1 – Capital Programme Funding and Receipts Position

Funding Position of approved 2015/16 – 2019/20 programme

4. The current economic environment continues to place pressure on the funding of the programme over the 5 year cycle based on current projections. The capital programme continues to place reliance on the achievement of a small number of high value asset disposals which have been affected by the economic downturn, although overall the level of receipts does support the expenditure.

Options

5. This report sets out the new capital investment requests for the 5 year period covering 2016/17 to 2020/21. Members can consider the requests to make additions and amendments to the existing capital programme and choose to approve or reject the proposals contained within the report. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the Council to set a capital budget for the forthcoming year (2016/17) per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

6. The Capital Resource Allocation (CRAM) process invited bids from the departments asking to submit requests for the Councils main capital priorities. Of the 32 requests going forward 18 are asking for direct Council funding, this is comprised of 14 requests for extensions to existing rolling programme schemes and 6 requests for new schemes.
7. In total, requests of **£29.223m** have been made that would increase the existing 16/17 – 20/21 Capital Programme by **£28.451m**. The requests totalling **£29.223m** are comprised as follows:
 - General Fund schemes requiring financing by Council borrowing **£5.564m** (of which **£770k** is self financing)
 - General Fund Schemes funded by the use of previously unallocated balances of **£772k**
 - General Fund schemes self financed of **£1.000m**
 - General Fund Schemes financed entirely by external funds **£9.878m** (**£9.878m** Government grant)

- Housing Revenue Account schemes financed by HRA funds **£12.009m (£12.009m HRA funds)**

8. As detailed in paragraph 53, previously unallocated balances of £772k as referenced in the Capital Monitor 3 report on this Agenda have been taken as a saving to assist in funding new schemes in 16/17. Therefore of the total new schemes of £29.223m, the net increase to the capital programme is reduced to £28.451m, due to the use of the balances reducing the additional borrowing consequences of the new proposals.

Key scheme proposals

9. The table below summarises the key proposals that result in a new increase of **£29.223m** by type. Further details of the individual schemes can be found later in the report at the following references:

Type	Total Value	Further Details
	£000	
Rolling Programme – Prudentially Borrowed	4.921	Table 3
New Schemes – Prudentially Borrowed	0.643	Table 4
New Schemes – Self Financing	1.000	Table 5
Existing Schemes – Externally Funded	9.878	Table 6
Housing Revenue Account (HRA) Schemes – Funded by HRA balances	12.009	Table 7
Total Increase in Capital Programme	28.451	
New Schemes – Funded by use of previously unallocated balances	0.772	Table 4
Total of New Proposals	29.223	

Table 2 – Summary of New Proposals and Increase in Capital Programme

10. Overall this report proposes new capital schemes totalling **£29.223m** which result in a net increase to the Capital Programme of **£28.451m**. Details of all schemes can be seen in the accompanying annex that sets out the purpose of each scheme and is summarised on table 10.

Detailed Consideration of Proposed Investment, and Financial Implications

Rolling Programme Schemes – Prudential Borrowing

11. The 2015/16 – 2019/20 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2020/21 and also requests have been received to increase the level of currently approved rolling programme schemes by adding additional years across a number of financial years, these schemes are set out in the table below:

Scheme Type / Description	Total Value	Financial Year
	£000	
Capital Contingency	250	16/17
Concrete Street Lighting Column Replacement Programme	330	16/17
Bridge Maintenance	200	20/21
LED Lighting Replacement	416	16/17
City Walls Rolling Repairs	350	16/17 & 20/21
Highways Drainage Works	200	20/21
Highways Resurfacing & Reconstruction	750	20/21

Disabled Facilities Grant	475	20/21
Disability Support Budget	210	20/21
Major Equipment for Disabled Customers	105	20/21
Telecare Equipment	250	20/21
Asset Maintenance & Critical Repairs	200	20/21
IT Development Plan	1,085	20/21
Project Support Fund	100	20/21
Total Rolling Programme Schemes	4,921	

Table 3 – Summary of Rolling Programme Bids Requesting Prudential Borrowing Funding

12. All of the £4.921m of rolling programme schemes will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 16/17 – 21/22 report on this agenda.
13. An overview of each scheme being proposed is set out in the following paragraphs:
14. **Capital Contingency (£250k 16/17)** – The continuation of a prudent single year capital contingency to address any unexpected capital pressures in year.
15. **Concrete Street Lighting Column Replacement Programme (£330k 16/17)** - Funding to upgrade the City of York street lighting concrete column stock to tubular steel street lighting columns. There are currently approximately 6,000 concrete columns which will require replacing over

the following years. This funding will allow for the replacement of approximately 330 columns.

16. **Bridge Maintenance (£200k 20/21)** – To allow the continuation of the programme of maintenance to maintain the structures in a serviceable and safe condition.
17. **Carbon Reduction in Street Lighting (£416k 16/17)** – To continue the investment in the LED street lighting replacement programme.
18. **City Walls Rolling Repair Programme (£260k 16/17 & £90k 20/21)** - Ensuring that continuing essential repairs and restoration are undertaken on York City Walls.
19. **Highways Drainage Works (£200k 20/21)** – to continue funding the restoration of the Council's drainage infrastructure supporting the findings of the Surface Water Management Plan. This funding reflects the amount of work that can realistically be done using the available resources within the council where there is extensive local knowledge.
20. **Highways R&R (£750k 20/21)** – The continuation of the programme for the resurfacing and reconstruction of the City's roads and footways established to maintain the asset in the best condition possible with the anticipated level of capital available.
21. **Disabled Facilities Grant (£475k 20/21)** - To allow payment of mandatory disabled facilities grants (DFGs) in line with statutory requirements (The Housing Grants, Regeneration and Construction Act 1996). The funding enables older and disabled persons to remain safely in their home and maximises their independence.
22. **Disability Support Budget (£210k 20/21)** – To continue to provide discretionary assistance for disabled customers who need financial help. The assistance (loans and grants) given helps disabled people and parents with disabled children to adapt their homes to continue living there and maintain their independence.
23. **Major Equipment for Disabled Customers (£105k 20/21)** - Allows the continuation of the funding for specialist equipment to stock the loans store. The equipment will be purchased by the new Be Independent but CYC will retain ownership of the assets.

24. **Telecare Equipment (£250k 20/21)** – Allowing the continuation of the installation of sensors in vulnerable customers homes to deal with specific assessed risks. The equipment will be purchased by the new Be Independent but CYC will retain ownership of the assets.
25. **Asset Maintenance & Critical Repairs (£200k 20/21)** – Extension of the £200k rolling programme scheme of works. The fund is not sufficient to deal with the entire repairs backlog but is intended to be directed to specific buildings that warrant investment on a business case consideration basis and that the Council will look to retain in the long term.
26. **IT Development Plan (£1.085m 20/21)** – The continuation of the rolling programme IT development plan for an additional year. The funding will support a strong and coordinated approach to the change programme and the fundamental review and redesign of processes and systems to ensure that its services meet the needs of its customers.
27. The programme will continue to personalise the customer experience, support the transformation programme, customer strategy and enable the delivery of the council services into homes and businesses for the convenience of customers.
28. **Project Support Fund (£100k 20/21)** – The continuation of the capacity to allow professional advice to be provided to support the successful delivery of bringing new assets into operation.

New Schemes – Prudential Borrowing

29. As part of this year's capital budget process a number of bids have been received that require discretionary prudential borrowing. These are set out in **table 4** below. A previously unallocated balance of £772k will be taken as a saving to assist in funding the costs of these new schemes as detailed in paragraph 51, therefore the extent of the associated borrowing consequences of these schemes is reduced to £643k.

Scheme Type / Description	Total Value	Financial Year
	£000	
City Fibre Network	150	16/17 – 18/19
Piccadilly Regeneration	180	16/17
Investment in Community Based Premises to deliver Children’s Services New Early Help Operating Model	265	16/17
Theatre Royal	770	16/17
Low Carbon and Solar Panels Investment	50	16/17
Total New Schemes	1,415	
Use of previously unallocated balances	(772)	16/17
New Bids Requiring Prudential Borrowing	643	

Table 4 – Summary of New Bids Requesting Prudential Borrowing Funding

30. An overview of each new scheme being proposed is set out in the following paragraphs:
31. **City Fibre Network (£150k total, 50k each year 16/17 – 18/19) -**
As part of the City wide roll out of the Dark Fibre Network the contractor undertaking the work is ensuring that the footpath assets are restored to their current condition. In a number of cases the council is requesting that the assets are improved as they are close to the end of their life however not yet in the council’s upgrade programme. In these cases the council is required to fund the material cost of the upgraded assets and the City

Fibre contractor will undertake the work. The anticipated cost of the materials over the next three years is £50k per annum.

32. **Piccadilly Regeneration (£180k in 16/17)** – As part of future plans to regenerate the Piccadilly area as part of the Southern Gateway project, the car park at Castle mills will require demolition. The Car park is in poor condition and needs significant repairs. Car parking use is very low at 25% of capacity. The regeneration on the area will subsequently bring either a capital receipt or a revenue income directly from the development of the site, or it may be developed as a multi stores car park to replace the Castle Mills car park and enable development on that site.
33. **Investment in Community Based Premises to deliver Children's Services New Early Help Operating Model (£265k in 16/17)** – Capital funding to remodel the delivery of Early Help Children's Services under a new operating model which is currently being developed. This scheme will provide a resource to invest in proposed locality based hubs to accommodate multi-agency teams from the local authority and partners. It will also allow for some remodelling of space at Children's Centres, for example at Haxby Road, to respond to changing needs. Within this amount a balance of £100k has been allocated to further invest in Building Based Provision for Children & Young people's services to be allocated as required.
34. **Theatre Royal (£770k in 16/17 –self financing)** – This proposal aims to:
 - Vastly improve the quality of experience and comfort levels in the main auditorium
 - Create an attractive and inviting public face for the building
 - Increase the size, quality and turnover of the front of house operation with an extended foyer area
 - Provide new artistic opportunities for communities to animate the Theatre space
 - Significantly improve energy efficiency and reduce operating costs
 - Increase the size, quality and turnover of the Box Office, catering and commercial operations

• The project was originally projected to require 27 weeks to complete however will now require a minimum of 47 weeks to due to:

- The discovery of asbestos in the back wall of the stalls.
 - The extensive nature of important archaeology uncovered (foundations of the St Leonard’s Hospital thought to have been destroyed in the Victorian period)
 - Significant complications arising from working with the medieval fabric uncovered during the works
35. This capital contribution will enable them to complete the capital project whilst also dealing with some of the revenue implications arising from the additional costs caused by the time delay. This one-off capital contribution will replace the annual revenue grant (£124k) to the Theatre which has been put forward as a proposed saving from 16/17. This scheme will be self financing as the budget is being retained from the current revenue funding given to the theatre of £50k to finance the capital investment.
36. **Low Carbon and Solar Panels Investment (£50k in 16/17)** – This funding will allow the commission of a report into the options the use of Solar Panels could present to the Council.

New Schemes – Self Financing

37. In addition to the schemes set out above, one scheme has been proposed as part of this budget process that is self financing and would require no prudential borrowing as it will be funded from the specific reserve set aside for this purpose.

Scheme Type / Description	Total Value	Financial Year
	£000	
Harewood Whin Transfer Station	1,000	16/17
Total New Schemes	1,000	

Table 5 – Summary of New schemes that are self financing

38. **Harewood Whin Transfer Station (£1.000m in 16/17 – self financing) –**
 The provision of a waste transfer station at Harewood Whin. The transfer station will allow the temporary deposition of waste before being transported in larger vehicles to the Allerton Waste Recovery facility thus requiring fewer vehicle movements. The final cost and funding will be dependent on discussions with Yorwaste regarding the businesses need for a Transfer Station on the Harewood Whin site. The costs relating to the building and operation of the transfer station have been modelled into the Long Term Waste Procurement. The scheme will be funded from the specific reserve set aside for this purpose therefore no prudential borrowing would be required to fund this proposal.

Additional Schemes - Externally Funded + HRA Funded

39. In addition to those schemes set out in tables 2 and 3, schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding Value	Financial Year
	£000	
<u>Existing General Fund Schemes</u> <u>New External Funding</u>		
Highways Resurfacing & Reconstruction	1,827	20/21
Local Transport Plan - Integrated Transport	1,570	20/21
Disabled Facilities Grant	1,400	20/21
NDS Devolved Capital	431	20/21
DfE Maintenance	2,400	20/21

Basic Need	2,250	20/21
<u>Total Existing General Fund Schemes New External Funding</u>	9,878	

Table 6 – Summary of New External Funding

40. An overview of the new schemes being proposed is set out in the following paragraphs:
41. **Highways Resurfacing & Reconstruction (£1.827m)** – indicative funding settlement in 20/21
42. **Local Transport Plan – Integrated Transport (£1.570m)** –indicative funding in 20/21
43. **Disabled Facilities Grant (£1.400m)** - indicative funding settlement.
44. **New Deals for Schools Devolved Capital (£431k)** – projected funding settlement for 20/21.
45. **DfE Maintenance (£2.400m)** - projected funding settlement covering for 20/21
46. **Basic Need (£2.250m)** - projected funding settlement for 20/21.
47. The **Housing Revenue Account (HRA)** Business plan 2015 to 2045 report, as included elsewhere on this agenda, contains an overview of the HRA Business plan for the next 30 years and provides detail of the key priorities for the next five years, including the use of the investment fund to support the delivery of more affordable new homes. Table 7 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	Total Scheme Value	HRA/ Reserve Funding Value	Financial Year
	£000	£000	
<u>New Investment for the HRA</u>			
Major Repairs Allowance Schemes	7,371	7,371	16/17 – 20/21
Modernisation of Local Authority Homes	1,307	1,307	16/17 - 20/21
Extension to Glen Lodge	4,151	4,151	16/17
Assistance to Older and Disabled People	523	523	17/18 - 20/21
Water Mains Upgrades	(1,643)	(1,643)	16/17- 20/21
IT Infrastructure	300	300	20/21
<u>New Investment for the HRA Total</u>	12,009	12,009	

Table 7 – Summary of HRA investment

48. The key investment areas are shown in table 5 and shows new investment of over £12.009m that will see key schemes delivered including:

- **Major Repairs Allowance (£7.371m in total 16/17 – 20/21) –** This continued investment in improvement schemes will ensure the housing stock continues to meet modern facilities and standards including legislative requirements that provide homes that exceed customer expectations. A breakdown of some of the key schemes types planned in 16/17 is provided below:

	2016/17 budget £'000	Description of works
Tenants Choice	2,934	Replacement kitchen, bathroom and rewire to 220 properties per year
Heating/Boilers	1,365	Replacement boiler and central heating system to 650 properties per year
Roof Replacements	300	Replacement roofs to 100 properties per year

Table 8 – Breakdown of MRA scheme types

- **Modernisation of Local Authority Homes (£1.307m in total 16/17 – 20/21)** – This will see investment in improvement schemes such as damp remediation works, asbestos removal and communal area improvements and health and safety works at sheltered schemes that will ensure the housing stock continues to meet modern facilities and standards including legislative requirements that provide homes that exceed customer expectations.
- **Extension to Glen Lodge (£4.151m in 16/17)** – This will ensure 27 additional homes can be added to the Glen Lodge Extra Care facility, providing safe and secure accommodation for older people including those with complex needs and dementia. Further details are provided in Executive report "Older Persons' Accommodation Programme: The Business Case" agreed by Executive on 30th July 2015.
- **Assistance to Older and Disabled People (£523k 17/18 – 20/21)** – This will see continued investment in improvement schemes including adaptations to properties following needs assessments
- **Water Mains Upgrade (Reduction of - £1.643m in total 16/17-20/21)** - Initial feasibility work for this project has revealed that work is likely to need to be phased over a longer period than originally planned and therefore the expenditure over the next five years has reduced as total anticipated timescales have increased.

- **IT Infrastructure (£300k in 20/21)** – this investment will ensure improvements can continue to be delivered to Housing ICT Infrastructure, including improvements in the following areas:
 - Better, more responsive customer service
 - Improved flexibility with access to services via self service (customers and staff)
 - Efficiencies by customers raising their own repairs/enquiries
 - Improved accuracy for reporting purposes, particularly financial
 - Efficiencies gained by automating inputting into different systems
 - Removal of unsupported access databases and replacement with modules that are suitable for the task needed
 - Transparent recharge process that further supports debt recovery but using minimal staff input into different systems and spreadsheets
 - Automated billing of materials to individual jobs and consolidated invoices, less duplication and more accuracy and interrogation.
 - Roll out of mobile working across the department

All IT investment plans will subject to the approval of the Director of CBSS.

49. None of the schemes detailed in table 7 have an impact on prudential borrowing.
50. There is also a separate proposal to transfer shops within the Housing Revenue Account to the General Fund - Property assets should be held under the correct statutory power and therefore property should only be held within the HRA that has, or is likely to have, a social housing use. The shops within the HRA are no longer considered to be held for a predominantly housing related purpose and therefore it is appropriate to transfer these assets to the General Fund. The rental income for the shops will therefore become an income stream for the General Fund as included in the revenue budget savings proposals elsewhere on this agenda. Members are asked to approve this transfer as part of this report.

51. The previously unallocated balance of £772k in 16/17 as referenced in the Capital Monitor 3 report on this Agenda has been used to assist in funding new Capital Schemes, thereby reducing the additional borrowing consequences of the new proposals detailed in this report.

Funding Position – CYC Prudential Borrowing

52. The budget proposals in terms of CYC prudential borrowing adds to existing rolling programme schemes totalling £4.921m (of which £4.921m impacts Council Tax) and adds new schemes totalling £1.415m (of which the £645k impact on Council Tax is mitigated by the use of previously unallocated balances). This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £5.564 over the 5 year programme, with schemes to the value of £4.794 impacting on Council Tax. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

	16/17 £m	17/18 £m	18/19 £m	19/20 £m	20/21 £m	Total £m
Rolling Programme	1.256	0	0	0	3.665	4.921
New Schemes	1.315	0.050	0.050	0	0	1.415
Gross Total Increase	2.571	0.050	0.050	0	3.665	6.336
Funded by use of unallocated balances	(0.772)	0	0	0	0	(0.772)
Net Increase in PB	1.799	0.050	0.050	0	3.665	5.564

Table 9 – Net Funding Position of Prudential Borrowing Schemes

53. The revenue costs of the new schemes funded by prudential borrowing totals c £445k over the 5 year budget period set out, including c. £144k in 2016/17. These costs will be reflected through the Treasury Management budget.

Summary of Analysis

54. This table summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing total new Capital schemes of **£29.223m** resulting in an overall increase in the capital programme of **£28.451m**.

	16/17 £m	17/18 £m	18/19 £m	19/20 £m	20/21 £m	Total £m
1) Rolling Programme Schemes Funded by CYC Pru Brrow (table 3)	1.256	0	0	0	3.665	4.921
2) Existing Schemes Funded Externally by External Grant (table 6)	0	0	0	0	9.878	9.878
3) New CYC Schemes Funded by CYC Pru Brw (table 4)	0.543	0.050	0.050	0	0	0.643
5) New CYC Schemes Self Funding (table 5)	1.000	0	0	0	0	1.000
6) HRA Schemes (table 7) Funded by HRA	3.654	(0.296)	1.075	(0.411)	7.987	12.009
Total Net Increase to Capital Programme	6.453	(0.246)	1.125	(0.411)	21.530	28.451
New CYC Schemes – Funded by use of previously unallocated balances (table 4)	0.772	0	0	0	0	0.772

Total New Schemes	7.225	(0.246)	1.125	(0.411)	21.530	29.223
--------------------------	--------------	----------------	--------------	----------------	---------------	---------------

***Table 10 – Summary of Expenditure and Funding Movements
16/17 – 20/21***

55. The overall funding position will continue to be reviewed on an annual basis and the capital receipts will continue to be tightly monitored to update the latest position to ensure the programme remains affordable. The proposal to use prudential borrowing to fund the new schemes is made on the assumption that over the medium term the current level of required receipts are achieved. Clearly if the projected level of receipts is not achieved action will be required to overcome the resulting funding shortfall. This action could take the form of either increasing revenue contributions or increasing the level of prudential borrowing whilst ensuring affordability to meet any capital receipts shortfall, or reducing the capital programme schemes funded by capital receipts. The ability to contribute revenue funds to support prudential borrowing over and above the level currently being proposed as part of this report would have a significant impact on revenue budgets and would potentially place pressure on other Council service areas.
56. Although not anticipated, any short term shortfall in funding will be met from prudential borrowing. The revenue implications of any in year shortfall due to timing differences will be borne by the treasury management budget.
57. The outcome of the proposals outlined above if accepted are illustrated in the next table which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex A.

Gross Capital Programme	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Children's Serv. Education&Skills	8.077	12.710	6.368	4.267	5.081	36.503
Adult Services & Public Hth	1.156	0.967	0.915	0.565	0.565	4.168
Communities. Culture. Public Realm	1.946	0	0	0	0	1.946
Highways and Waste	7.339	3.168	2.977	2.977	2.977	19.438
Housing and Community Safety	24.181	9.535	9.547	9.401	9.862	62.526
Transport	14.825	4.381	1.710	1.660	1.660	24.236
Community Stadium	15.714	0	0	0	0	15.714
Asset Management	4.367	0.300	0.300	0.300	0.300	5.567
IT development plan	2.533	2.245	2.025	1.970	1.085	9.858
Capital Contingency	0.250	0	0	0	0	0.250
Total Capital Programme	80.388	33.306	23.842	21.140	21.530	180.206

Table 11 – Proposed Capital Programme 2016 – 2021

Future Considerations

58. **City Walls** – Monitoring of the City Walls has identified 10 locations where urgent repair and restoration works are required to be carried out outside of the routine maintenance planned due to significant structural failing. If the work is not carried out then areas of the walls may have to be closed. A programme of additional repairs will therefore be required over 5 years which will have significant capital implications. This programme will be subject to a more detailed report in 2016 and presented to members

59. **LED Street Lighting** – A business plan has been developed to replace the remaining street lighting lantern stock with approximately 8098 LED equivalents. The scheme will reduce carbon emissions substantially and contribute to the corporate targets in this area. It is intended that this will take place over 7 years, and whilst there will be an annual budget saving on completion due to reduced repairs and maintenance, there will be significant capital implications to support this scheme for members to consider in the future. A detailed report will be brought to Members during 2016 to approve.
60. **Street Lighting** – Following structural surveys and testing concrete columns with expired useful lives have been identified. Consequently a programme of replacement will be required to remove 6,000 concrete assets and replace with a tubular steel coated column with 40 years life expectancy. The programme is expected to be carried out over the next five financial years to 2021 and would bring significant capital implications. A detailed report will be presented to Members during 2016 for approval.

Council Plan

61. The CRAM process ensures that all bids received for capital funding address the aspirations of the Council Plan with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report have demonstrated through the CRAM process that they directly contribute toward the achievement of the Corporate Strategy.

Implications

Financial Implications

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

Human Resources Implications

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

Equalities Implications

64. A communities impact assessment (CIA) has been completed on the overall impact of the budget proposals and this is available as an annex to the Financial Strategy report elsewhere on this agenda. This assessment has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and capital investment alongside the risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where a screening of the potential implications has identified it appropriate, a full CIA will be completed for individual proposals. In addition, all capital schemes have considered any potential equalities implications prior to being included in this report.

Legal Implications

65. The Council is legally required to set a balanced 3 year capital programme but to assist with Medium Term Financial Planning sets a 5 year programme.

Crime and Disorder

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

Information Technology

67. The information technology implications are contained in the main body of this report.

Property

68. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

Risk Management

69. The risks associated with both the existing and proposed capital programme has been discussed extensively throughout this report.
70. This report highlights the challenge presented by the proposed capital programme, which includes a significant level of Council driven schemes. Despite the proposed schemes being funded from revenue contributions the existing approved capital programme still places significant reliance on a small number of high value capital receipts. In addition the recent increase in the size of the programme has meant the Council has to

ensure that the key skills are in place to allow the programme to be successfully delivered.

71. To mitigate the risks the capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB – the Chief Executive, Director of CBSS, Service Directors and Assistant Directors) meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised. The development of the revised CRAM process and capital strategy has put in place gate keeping controls to ensure that only projects that can be delivered are put forward for approval by the Council.

Authors:	Chief Officer Responsible for the report:		
Emma Audrain Technical Accountant Corporate Finance 01904 551170 emma.audrain@york.gov.uk	Ian Floyd Director of Customer & Business Support Services		
Debbie Mitchell Corporate Finance Manager 01904 554161	Report Approved	√	Date 02 February 2016
Wards Affected: All			
For further information please contact the author of the report			

Specialist Implications:
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Annexes

Annex A – Capital Programme 2016/17 - 2020/21

Annex B – Growth Summary 2016/17 - 2020/21