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| Meeting: | Executive |
| Meeting date: | 25 January 2024 |
| Report of: | Chief Finance Officer – Debbie Mitchell |
| Portfolio of: | Cllr Katie Lomas – Executive Member for Finance, Performance, Major Projects, Human Rights, Equalities and Inclusion |

Decision Report: Capital Programme – Monitor 3 2023/24

Subject of Report

1. The purpose of this report is to set out the projected outturn position for 2023/24 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. A decrease of £16.013m is detailed in this monitor resulting in a revised capital programme for 2023/24 of £119.723m. There is an increase of £2.228m due to additional funding being awarded / approved and a re-profiling of budgets to future years totalling £18.241m. This is mainly due to a thorough review of the phasing of the capital programme across Children's and Housing Services to reflect latest programmes.
3. Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

| Department | Current Approved Budget £m | Projected Outturn £m | Adjustment £m | Reprofile £m | Total Variance £m | Paragraph Ref |
|------------------------------------|---------------------------------------|---------------------------------|--------------------------|-------------------------|------------------------------|----------------------|
| Children's services | 16.900 | 11.625 | 0.012 | (5.287) | (5.275) | 12 – 28 |
| Adult Social Care | 1.236 | 1.236 | - | - | - | - |
| Housing Services | 42.519 | 35.854 | 1.817 | (8.482) | (6.665) | 29 – 44 |
| Transport, Highways & Environment | 59.365 | 59.539 | 0.360 | (3.186) | (2.826) | 45 – 78 |
| Regen, Economy & Property Services | 4.995 | 3.656 | - | (1.339) | (1.339) | 79 - 90 |
| Community Stadium | 0.271 | 0.271 | - | - | - | - |
| Customer & Corporate Services | 2.063 | 2.063 | - | - | - | 91 – 92 |
| ICT | 3.722 | 4.033 | - | 0.311 | 0.311 | 93 - 94 |
| Communities & Culture | 4.338 | 4.146 | - | (0.192) | (0.192) | 95 – 99 |
| Climate Change | 0.327 | 0.300 | 0.039 | (0.066) | (0.027) | 100-101 |
| Total | 135.736 | 119.723 | 2.228 | (18.241) | (16.013) | |

Table 1 Capital Programme Forecast Outturn 2023/24

4. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2.

| Gross Capital Programme | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Children's services | 11.625 | 12.374 | 5.275 | 1.045 | - | 30.319 |
| Adult Social Care | 1.236 | 0.682 | 0.705 | 0.728 | 0.752 | 4.103 |
| Housing Services | 35.854 | 37.098 | 23.318 | 15.301 | 14.638 | 126.209 |
| Transport, Highways & Environment | 56.539 | 75.665 | 43.697 | 27.564 | 17.698 | 221.163 |
| Regen, Economy & Property Services | 3.656 | 45.148 | 0.275 | 0.275 | 0.275 | 49.629 |
| Community Stadium | 0.271 | - | - | - | - | 0.271 |
| ICT | 4.033 | 2.509 | 3.170 | 2.820 | 2.820 | 15.352 |
| Customer & Corporate Services | 2.063 | 0.427 | 0.200 | 0.200 | 0.200 | 3.090 |
| Communities & Culture | 4.146 | 2.218 | - | - | - | 6.364 |
| Climate Change | 0.300 | 1.450 | 0.250 | - | - | 2.000 |
| Revised Programme | 119.723 | 177.571 | 76.890 | 47.933 | 36.383 | 458.500 |

Table 2 Revised 5 Year Capital Programme

Funding the 2023/24 – 2027/28 Capital Programme

5. The revised 2023/24 capital programme of £458.5m is funded from £189.959m of external funding and £268.541m of internal funding. Table 3 shows the projected call on resources going forward.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
|--------------------------------|----------------|----------------|---------------|---------------|---------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Gross Capital Programme | 119.723 | 177.571 | 76.890 | 47.933 | 36.383 | 458.500 |
| Funded by: | | | | | | |
| External Funding | 56.431 | 66.995 | 41.170 | 18.868 | 6.495 | 189.959 |
| Council Controlled Resources | 63.292 | 110.576 | 35.720 | 29.065 | 29.888 | 268.541 |
| Total Funding | 119.723 | 177.571 | 76.890 | 47.933 | 36.383 | 458.500 |

Table 3 – 2023/24 to 2027/28 Capital Programme Financing

6. 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.
7. 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.

Financial Strategy Implications

8. As outlined in the Monitor 2 report, the Finance and Performance Monitor 3 report elsewhere on this agenda again outlines the council's serious financial position. The identification of slippage particularly in relation to Council funding will reduce council borrowing costs and support the annual revenue expenditure.

Recommendation and Reasons

9. Executive is asked to:

- Recommend to Full Council the adjustments resulting in a decrease in the 2023/24 budget of £16.013m as detailed in the report.
- Note the 2023/24 revised budget of £119.723m as set out in paragraph 4 and Table 3.
- Note the restated capital programme for 2023/24 – 2027/28 as set out in Annex A.

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

Background

10. The 2023/24 capital programme was approved by Council on 23 February 2023 and updated for amendments reported to Executive in the 2022/23 outturn report, which resulted in an approved capital budget of £284.648m.

Consultation Analysis

11. The capital programme was developed under the capital budget process and agreed by Council on 23 February 2023. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Options Analysis and Evidential Basis

Children and Education Services

12. The total approved budget within the Children's Services and Education Capital Programme for 2023/24 is £16.9m.

13. There is one adjustment to the overall programme at this monitor, plus an update on the maintenance schemes being carried out in maintained schools in 2023/24.
14. The programme requires updating to reflect the schemes in the report titled Capital Projects 2024/25 – Children, Young People and Education, approved by the Executive on 12th October 2023. The report approved four major schemes to be carried out in 2024/25 at a cost of £4.2m, all funded from Basic Need. These projects are now included as separate schemes in the programme for monitoring purposes.
15. Phase 1 of the scheme approved at the Executive on 16/03/2023 for major improvement works at Clifton Green Primary has been completed. Phase 2 is scheduled to be carried out in summer 2024 so the budget remaining for this (£650k) requires reprofiling into the 2024/25 financial year.
16. The expansion scheme at Manor School is now complete. An underspend is expected. At this stage an amount of £47k can be released back to unallocated Basic Need, leaving £30k for any final expenditure required.
17. The major expansion scheme at Fulford School is substantially complete, however some of the remaining expenditure is likely to be in 2024/25 so an amount of £200k is required to be re-profiled into 2024/25.
18. An amount of £2m is now required to be reprofiled into 2024/25 on the unallocated Basic Need scheme as no new schemes are expected to begin in 2023/24. When combined with the amendments detailed elsewhere in this report, this leaves a budget of £137k in 2023/24.
19. The maintenance schemes for 2023/24 have now been successfully completed and planning is underway for the 2024/25 programme of urgent maintenance. An underspend is predicted to the overall programme with the final position available at outturn. At this point it is proposed to re-profile a total of £1,142k into 2024/25 across all the maintenance schemes, including school accessibility.

20. An adjustment has been included to the 2024/25 maintenance budget to increase the expected amount of DfE Maintenance funding to a prudent estimate based on the last two years funding, and also to include some section 106 funding in the budget that is available to support relevant schemes in the proposed programme.
21. The remaining unallocated SEND budget is unlikely to be needed in 2023/24 so it is proposed to re-profile £200k into 2024/25, leaving £136k in 2023/24.
22. The scheme at St Paul's Nursery to create an Early Years Hub for children with SEND, approved at Executive on 22nd November 2022 at a budgeted cost of £1.2m has been in development over the summer. The budget was included in the 2023/24 capital programme but is now unlikely to begin until 2024/25. Almost all the existing budget in the programme needs re-profiling into next year.
23. The remaining approved budget for the scheme in the programme is £1.195m. However, due to significant increases in construction costs and following an updated Quantity Surveyor report, the estimated build budget has risen to £1.435m. To deliver the total scheme now requires a total budget of £1.835m, an increase of £635k on the original estimate. This will allow for the demolition of the existing annex, which is at the end of its useful life and the construction of a brand new annex which will create a purpose built environment for early years children with autism, communication and interaction and social, emotional and mental health needs.
24. The additional funding can be allocated from the unallocated Basic Need heading in the programme and will be transferred into the scheme in the 2024/25 financial year in the capital programme. It is requested that the allocation of additional funding as detailed is approved as part of this report.
25. The budget for the Family Drug and Alcohol facility which was added to the capital programme in 2015/16 has not been utilised and the scheme originally envisioned no longer being progressed. It is proposed to delete the scheme from the programme. Should the service require capital funding to develop its provision that will be considered as a new business case.

26. A new scheme is requested to be approved and added to the programme as part of this monitor. To support the launch of the SEND ordinarily available provision guidance and to promote inclusion in mainstream settings it is proposed that £300k from Basic Need is ringfenced for three academic years as a SEND Inclusion Capital Fund. This would enable reasonable adjustments to be made to mainstream schools to support children with specific special educational needs. Applications to the fund will be invited from mainstream schools and would be administered by the SEND Inclusion Resource Panel as part of the Learning Support Hub. This would support sustainable improvements as part of the SEND Sufficiency Strategy. The scheme will be fully funded from existing Basic Need funding currently unallocated in the programme.
27. A second new scheme is also requested to be added. This scheme will be fully funded by a DfE grant of £167k provided for capital investment in the Family Hubs project.
28. It is proposed to use this funding on the Children's centre site at Tang Hall Primary Academy. There are two schemes running at the same time on this site. The school will be rebuilt under the DfE School Rebuilding Programme. As a result, there is a need to reconfigure the children's centre building. This building is out of scope of the School Rebuilding Programme but is impacted. Options have been developed and these will be funded by the Family Hubs Capital Grant and a contribution from the MAT. Due to the parallel schemes running on the site we are exploring delivering this through a variation to the DfE school rebuilding contract rather than independently tendering for the work.

Housing Services

Major Repairs

29. The current roofing programme was close to completion at Christmas and it is proposed to move additional funds to this workstream to allow progress to continue as there has been a higher demand for works in this area than originally budgeted. The Windows programme is now picking up pace and will complete in full in terms of budget but we are finding that many properties require additional works such as lintels so the outturn of properties will not be as high as identified in the programme. Funds will be moved from budgets underspending elsewhere to support this

programme. The external door programme is also progressing well this year and the budget may be able to support the windows should an underspend be realised. Our Fire remedial works have recently commenced and plan to be completed by February for the year following the recent fire risk assessments. The Dringhouses area will see significant works with the Home Improvement Programme accelerating in the new calendar year. The new year will also bring the commencement of the stock condition surveys which commence in January and complete in September 2024 with all properties and garages to be visited to capture data on the condition of the components within our properties.

30. An underspend is predicted on void properties, one contractor has performed very well in turning around properties, but another has had issues in mobilisation. At the time of writing the report there are 26 properties in possession at this point and 33 completed to date. Works on home improvement properties and tenanted damp properties is in progress an underspend is expected in this area due to the programme being delivered over 6 months. Funds have been transferred to other areas and the balance will be carried forward to 2024/25. Early kitchen and bathroom renewals are expected to be spent in full.

Housing Delivery

31. Progress at Duncombe Barracks is ongoing with timber frame construction largely complete across all 3 terraces. Work continues to be delayed as a result of challenges faced by the contractor in achieving high quality standard demanded by the project and sourcing adequate labour. These delays are largely contractor risks. The delivery budget has been increased to reflect final forecast account which has increased by £426k, reflecting delays with design and instructed change related to party wall works. It is currently assumed that this can be contained within the overall scheme budget.
32. At the Burnholme site all substructures to the plots have been complete and the erection of the timber frame is ongoing on terraces 8 & 11 and progressing steadily. As with Duncombe, the contractor has experienced some delays related to the timber frame, Passivhaus construction and labour shortages however the quality on site is good. The project is within budget.

33. There are currently two grant funded Second Hand Shared Ownership (SHSO) schemes being actively delivered by the Housing Delivery team; 25 SHSO with retrofit funded by Devolution funding and an additional 15 SHSO funded by Homes England. 14 of these properties have had all retrofit works complete and are being sold on to customers with 4 completions to date and a further 6 due imminently. It is anticipated that all 25 homes will be purchased by year end.
34. As part of the 15 Homes England funded homes, to date 12 homes have been identified and it is anticipated that all these homes will complete within this financial year.
35. When the decision was made in February 2019 to invest £153.9m in new council housing on council owned sites, the HRA capital budget was increased to reflect the scale of the programme. This was significantly funded from the assumption that 60% of the stock would be sold at Market sale. Executive have now made commitments in the Council Plan and decisions in the report in November 2023 “Delivering More Affordable Housing in York – update on the Housing Delivery Programme Update” to commit to deliver a greater percentage of affordable housing on these sites without market sales. It is proposed therefore to reduce the capital programme by £68.6m of assumed market sales and remove the associated assumed income that was funding the expenditure. The Housing Delivery Programme continues to progress, and Executive will be provided with business cases for delivery of affordable housing at sites coming forward. The cost and funding of the schemes will need further full council approval.

Healthy and Sustainable Homes

36. The Disabled Facilities grant budget £2,074k is used to undertake adaptations to privately owned properties in order to help owner occupiers and tenants living in the properties to be able to live independently within the property in the future. The budget is financed through monies allocated from the Better Care Fund (£1,596k) and CYC borrowing (£478k).
37. Monies for adaptations are provided through minor works grants, disabled adaptation grants (DAGs), and disabled facility grants (DFGs), to provide a range of adaptations to properties, including minor adaptations such as the installation of hand rails, steps and

other equipment, to more major adaptations such as stairlifts, through floor lifts, level access showers (wet rooms) etc.

38. For 2023/2024 budget year it is predicted that the full budget will be spent once again in its entirety. An additional £128k, as a capital top up, has been awarded by DLUCH this financial year to increase funding and support for people to adapt or maintain their homes. It is anticipated that this additional funding will be spent too.
39. To support the Council's 2030 net zero carbon ambition, we are providing funding to undertake energy improvements and retrofit works within the private housing sector in York and some privately owned housing in adjoining local authorities areas.
40. Monies have been provided through bid submissions to the Department for Energy Security & Net Zero (formerly known as Department for Business, Energy & Industrial Strategy) via the Local Authority Delivery Phase 2 scheme, and the Sustainable Warmth Competition (SWC), involving the Home Upgrade Grant (HUG 1) for properties off the gas grid and the Local Authority Delivery Phase 3 (LAD 3) scheme for properties with a gas supply.
41. Proposed measures within the SWC programme include works to 255 homes, including 335 measures such as solar voltaic panels, air source heat pumps, hybrid air source heat pumps, loft insulation, external wall insulation, and underfloor insulation.
42. The Home Upgrade Grant (HUG1) and Local Authority Delivery Phase 3 (LAD3) has now been completed with the costs of works undertaken being less than previously anticipated and so providing better value for money. Several difficulties were encountered finding sufficient suitable properties to carry out works which met the requirements and conditions associated with the grant funding and other partner LAs, who were part of the partnership scheme, were only able to join the scheme later on resulting in fewer premises being involved than anticipated. The underspend of this scheme totalling £963k has been returned to the funding body.
43. The Home Upgrade Grant 2 scheme is due to commence in 2024 and span until March 2025 The council has been awarded £1,242k to carry out this scheme. The aim of this scheme is to complete

retrofit energy efficiency works to properties that are off the gas network.

44. Grant funding of £343k has also been provided for the Social Housing Decarbonisation fund (SHDF Wave 1) this has been awarded alongside HRA funding of £370k. The purpose of this scheme is to provide registered providers of social housing to improve the energy efficiency of their social housing stock. Works have been underway on this scheme and the first wave is due to be completed by January 2024.

Transport, Highways & Environment

45. There has been a thorough review of the phasing of the capital programme across Transport, Highways and Environment to reflect latest timescales.

Major Projects

46. For the York Outer Ring Road the current focus of the project team continues to be to get the planning application for the scheme proposals through the determination period and then to a planning committee. There have been some challenges and clarifications involving statutory consultees and this has led to a series of delays. The expectation that the application will be considered at an autumn planning committee has now slipped to February 2024. If this is achieved the project team will then be seeking to get approval to make a compulsory purchase order (CPO) in order to lodge an application with the Secretary of State for Transport. Preparation of the CPO documents is well under way.
47. In parallel, work is ongoing to acquire land, develop the business case and complete the detailed design for the scheme. The construction stage is expected to start in Spring 2025. A small adjustment in current year spend has brought the expenditure projection for the current year to £1.3m and 2024/25 projected to £22.6m.
48. For the Station Gateway Scheme the latest programme still indicates expenditure of £9.2m in 2023/24. The utility diversion and highways works have started on site, with completion currently programmed for autumn 2025.

49. Package 2 of the scheme required the acquisition of two areas of land: an area of the station long stay car park owned by Network Rail; and an area of land to the front of George Stephenson House owned by Canada Life. Both parcels of land have been acquired in August and September 2023 at a total cost of £2.54m (excluding fees). A further parcel of land currently in the station car park is required for the delivery of Packages 3 and 4 of the scheme and negotiations are taking place for completion in Spring 2024.
50. The Castle Gateway Transport Improvements scheme aims to improve transport infrastructure in the area of the Castle Gateway development, and the timescales for any proposed schemes are dependent on the wider development proposals. This work is not expected to be delivered in 2023/24 therefore the majority of the funding (£3.423m) will be carried forward to 2024/25.
51. Tadcaster Road Phase 1 project has a projected overspend due to the extent of shallow services, tree roots and the limitations on working times that have taken place to reduce impact on local residents. A formal approach to WYCA as one of the existing funding bodies to see if additional funding can be secured has been made. The Director of Environment, Transport and Planning has agreed to a number of items of the scheme, as part of value engineering, being descoped meaning that they will not be delivered in this scheme and will need to be considered for future phases. The works that have been taken out of the scheme included bus lay-by works, stepped cycleway works, some footway/ cycleway widening and some discrete resurfacing works. The cost of the scheme even with these value engineering reductions is expected to be in the order of £0.6m over budget which will need to be met from existing highways and transport budgets if additional external funding cannot be identified. This will be managed within the outturn position.

Transport

52. Work to install the Hostile Vehicle Mitigation measures at key locations around the city centre began in April 2023. Currently the installation works have been completed at 9 out of the 11 sites as follows: High Petergate, Lendal, Spurriergate, Goodramgate, The Shambles, Minster Gates, St Andrewgate, and Colliergate, with further work planned for Pavement/ Parliament Street and Blake Street in early 2024.

53. The scheme completion has been delayed by approximately four months. This is due to a range of issues, the primary one being a change in method of working directed by CYC to ensure public access around the site areas during the construction phase. The other main cause of delay has been due to ground conditions. Despite a preparatory phase of ground investigation, complications with utility services have hampered progress along with the unearthing of at least 40kg of archaeological human remains. The latter requires an archaeological watching brief to oversee the work which determines the pace of progress when sensitive layers are being exposed.
54. The prolongation of the scheme and additional items such as redesign and larger areas of reinstatement means that costs have risen. The current working assumption is that the cost of the project will be in the region of £700k (20%) above budget. The additional costs will be managed from within Highways and Transport Capital Budgets as well as there being a contribution of c £100k from city centre capital budgets from UK Shared Prosperity Fund.
55. Work has continued on the Electric Vehicle Fleet Infrastructure, Union Terrace Hyper Hub, and Electric Vehicle Charging Infrastructure schemes. The installation of charging infrastructure for electric vehicles at the council's Hazel Court depot is ongoing. A planning application has been submitted for the proposed Hyper Hub at Union Terrace car park, and work is also progressing on the installation of new electric vehicle charging points across the city, with the final works at Bishopthorpe Road and Monk Bar car parks to be completed in 2023/24.
56. Preparatory work for the St Mary's Ramp Cycle Scheme was carried out earlier in the autumn, and the work to construct the ramp started in November. Due to additional utility diversion work required for the construction of the new ramp, the cost of the scheme has increased, and the allocation for the scheme has been increased to £320k.
57. The council was awarded grant funding from the government's Zero Emission Bus Regional Area (ZEBRA) fund to support the purchase of electric buses, and £9.5m grant funding has been awarded to First York for the purchase of 53 electric buses, with 40 of these already delivered to First York.

58. A revised Active Travel Programme the work has continued on progressing the schemes in the programme through feasibility and design to implementation. Work to improve cycle facilities at the build-outs along Skeldergate was completed in the summer, and a new pedestrian crossing at Tower Street near St George's Field car park was constructed in November.
59. Feasibility and design work on other schemes in the programme is being progressed to develop schemes for implementation, including the proposed improvements to the Riverside Path between Jubilee Terrace and Scarborough Bridge, improvements to the area around Badger Hill school to improve safety for pedestrians and cyclists, and installation of new cycle parking in the city centre including spaces for non-standard bicycles such as cargo bikes. However, a further review of the Active Travel Programme will be carried out to confirm which of the remaining schemes can be progressed to delivery with the available funding.
60. The Castle Gateway Transport Improvements scheme aims to improve transport infrastructure in the area of the Castle Gateway development, and the timescales for any proposed schemes are dependent on the wider development proposals. This work is not expected to be delivered in 2023/24 and a further slippage of £540k has been carried forward to 2024/25 giving a budgeted spend of £4,448k in 2024/25.
61. Haxby Station - a further £2.1m has been approved at the end of November 2023 from Restoring Your Railway (DfT) to the project (direct funding to Network Rail) for the next stage of development. DfT have also confirmed that full delivery funding will be available for complete delivery of the station subject to a satisfactory business case. This DfT funding is going directly to Network Rail with the council contributing £4m. A planning application for the new station is anticipated to be submitted in January 2024.

Highway Schemes (including footways)

62. The Capital Highway Programme has now been completed with 22 schemes being delivered. There have been additional costs at several of the resurfacing schemes, predominately down to the

scope of the works increasing to improve the condition of the carriageway and supporting infrastructure, typically where further deterioration has occurred since the initial design. There has also been a requirement to undertake works outside of normal working hours as directed by Street Works and not anticipated prior to tender.

63. There have been two schemes (at Bishopthorpe Road and Danesgate) that will slip to 2024/25. It is anticipated that the budget will also slip into that year however that will be dependent on the final accounts of the other schemes.
64. The Department for Transport announced an additional £360k for Highway Maintenance in each year of 2023/24 and 2024/25 (£720k total). These allocations have been added to the programme although given the late notice of the award it is likely that the schemes that will be delivered with the funding will be considered as part of the 2024/25 Highway Maintenance Programme.
65. The Large Patching programme is ongoing and making good progress with all schemes currently forecast to be completed this financial year. The additional £250k patching is also forecast to be completed this financial year. In addition, all the Surface Dressing schemes are now complete.
66. The Footway schemes at Manor Park Road, Forestgate, Coda Avenue and Heslington Lane have been successfully delivered within budget, Myrtle Avenue will soon be complete, and the remaining schemes are now programmed in for delivery within the financial year.
67. The remaining programme is currently progressing well. However, the planned works at Coppergate will be deferred to 2024/25 due to the amount of works planned and ongoing within the City Centre.

Drainage

68. The scheme at Kent Street is now complete. Delays were experienced in the delivery of the works due to significant archaeological finds in the excavated areas.

69. A signification number of drainage repairs have been carried out on Hull Road between Tang Hall Lane and the A64 and the scheme is now complete.
70. Pre-surfacing repairs have been undertaken at Elvington Lane and Lawrence Street in conjunction with the Carriageway resurfacing works.
71. Minor drainage schemes have been completed in twelve locations: addressing specific isolated flooding related issues. These Proactive Maintenance and Repair Schemes are ongoing, and the works will continue throughout the financial year.
72. Investigation work has been carried at Murton Way to understand the drainage system in the area.
73. Due to weather conditions, we've encountered a high number of sink holes which have required urgent repair. These include works at Hamilton Drive, Rawcliffe Lane Wilton Rise, Bootham Terrance, Avenue Road, Greenshaw Drive, Low Poppleton Road. Horner Street. Balfour Steet and Lowther Street.
74. As a result of the sink hole repair works at Bishopthorpe Road there is a forecast overspend on Drainage Basic Maintenance. A transfer of £300k from Highway Maintenance to Drainage has been proposed to cover the costs.

City Walls

75. The substantive works on Red Tower are now complete.
76. The decision on the planning application for Bootham Bar will likely be delayed beyond the end of the financial year; therefore, its likely this scheme will be delivered 24/25 and subsequent slippage of £100k has been made.

Street Lighting

77. The Capital Replacement scheme of 560 concrete street lighting columns in Haxby and Wigginton was planned for completion in December. There are further works to complete from the previous year's programme which are programmed for delivery in February.

Waste Fleet & Public Realm

78. Vehicle Replacement Programme – much of the anticipated delay in delivery of vehicles and plant that was reported at Monitor 2 has not occurred and therefore £2.4m has been brought forward from 2024/25 to 2023/24.

Regeneration, Economy & Property Services

79. There has been a review of all the budgets across Property Services to determine the need for continued budgetary support and likely value of spend in the year. With a small slippage of £30k to next year for the Removal of Asbestos project.
80. The delivery of the Castle Gateway Regeneration project has been impacted by a number of factors – specifically construction cost inflation and delays to the announcement of potential Levelling up Funding by government. In November 2023 Executive agreed the way forward and work will now commence to revise designs for the Castle / Eye of York and the delivery of Affordable Housing. The strategic importance of St George's Field as a parking location is acknowledged and proposals for improving parking provision here with coach drop off facilities are being progressed.
81. The York Central scheme has seen good progress on the delivery of the access infrastructure, with significant works evident on site and with Homes England / Network Rail managing the construction contract which includes; the new bridge across the East Coast Main Line; the spine road with access into the site from Water End; dedicated / segregated pedestrian and cycle routes along the full length of the route, and associated landscaping. The Funding Agreement for allocating £35m of Enterprise Zone (EZ) backed borrowing to the delivery of the York Central Infrastructure is still pending, however, although spend is not anticipated until Q2 24/25 and later years.
82. In April 2022 a report to Executive provided an update on York Central, and at that meeting CYC funding of £2.7m for Highway Supervision works and £0.5m towards the riverside path was agreed, as well as noting the residual £1m of unallocated budget. It is proposed to slip £3.5m at this monitor because the scheme continues into future years.

83. With regards the Enterprise Zone funding, the April 2022 report set out the latest business rate assumptions for the site and borrowing costs in respect of the £35m investment. There was also a recommendation to delegate to the Chief Finance Officer (in consultation with the Director of Governance or her delegated officers) the authority to enter into an Enterprise Zone Funding Agreement with Homes England to reimburse infrastructure costs where these facilitate the delivery of York Central.
84. Since that meeting there have been changes to both interest rate assumptions (which have worsened) and some changes to business rate retention (which have improved) and the timeframe for development has seen further delay. There has also been the announcement, as part of the devolution deal, that the government will forego York Central business rates for a further 10 year period following the creation of the York and North Yorkshire Mayoral Combined Authority is created. This allows the council to retain business rates from 2042/43 to 2051/52.
85. In response to this, further modelling work was commissioned, to confirm that the assumptions on retained business rates remain in line with those previously reported. The table below provides a summary.

| Scenario | RV assumption | Delay | Office quantum reduction | Net NNDR generated (2041) £'m | After Borrowing Costs £'m | Early yr. Interest £'m |
|-----------------|------------------------|--------------|---------------------------------|--------------------------------------|----------------------------------|-------------------------------|
| 1 | Baseline | 0 | 0 | 103.2 | 48.6 | -1.7 |
| 2 | Low | 3 year | 0 | 74.5 | 19.2 | -5.5 |
| 5 | Baseline | 0 | 20% | 86.9 | 32.2 | -1.7 |
| 6 | Low | 3 year | 20% | 62.7 | 7.4 | -5.5 |
| | | | | | | |
| Nov 2023 | As per HE/NR proposals | | | 82.1 | 15.9 | -5.5 |

86. The table indicates that the level of business rates generated, when development is built out at York Central, are consistent with previous assumptions. However, as borrowing costs are assumed to be higher based on current interest rates, there remains a short term cash flow issue in line with that previously reported. The additional 10 year extension to the EZ models that an additional £10m of business rates income will be generated, per annum, when York Central is built out. This allows greater comfort to the council that the short term costs will be covered by the longer term receipts. When the timing and value of receipt of business rates are be more certain Members will be able to revisit investment levels on the site.
87. Homes England and Network Rail have selected McLaren Property and Arlington Real Estate as the preferred developer for their major brownfield scheme, York Central. This is a really significant milestone for the project and the City with York Central entering a new delivery phase with a private sector partner on board.
88. Progress has also been reported earlier in the year with respect to: the development of the NRM Central Hall; a new public square, and early design proposals for Government Hub adjacent to the Railway Museum. In combination these elements should all give confidence that York Central will soon emerge as a new piece of city generating employment opportunities, and where the developer partner will deliver new homes for city living.
89. UK Shared Prosperity Fund (UKSPF) Phase 1 of Acomb Front Street (Improvements to City Centres & High Streets project) began last year and continued until Summer 2023 with a projected spend of £161k this financial year.
90. Following an Executive decision in October 2023, £300k earmarked for UKSPF Enterprise Infrastructure spend in 2024/25, has been moved to UKSPF Improvements to City Centre & High Streets project 2024/25.

Customer & Corporate Services

Crematorium Waiting Room

91. The scheme at the crematorium is currently being reviewed to ensure that works at the crematorium can be contained within the budget. The outcome of any such review will be reported to future monitoring reports.

Register Office Phase Two

92. It is anticipated that the refurbishment to the toilets will complete later this year.

Customer & Corporate Services - IT

93. The ICT capital programme has a budget of £3,722k for 2023/24. At monitor 3, it is requested that £311k is drawn down from 2024/25 to meet this year's programme requirements.
94. Key achievements in the year to date include:
- Additional Citrix nodes to increase capacity and performance purchased and installed.
 - EDRMS Upgrade currently being implemented.
 - Nutanix storage upgrade was installed October 2023.
 - Significant progress is being made with the Network upgrade and associated telephony.
 - Ongoing provision and refresh of standardised ICT equipment aligned to new worker styles including the specification, sourcing, configuring, delivery and support of the equipment necessary to allow the delivery of secure hybrid working ensuring staff have the right equipment at the right time to meet the demands of their role.
 - Engagement in floor plate design and the planning for, sourcing and installation of essential ICT equipment to allow for welcoming of new partners into West Offices. This included ensuring that the required levels of secure access and effective working were enabled and maintained for the new and evolving occupancy mix of the building.

- Ongoing commitment to the testing and roll out of the M365 applications, in particular this year including further investment in Teams and Micollab to incorporate incoming and external telephony services as we work toward the decommissioning of Skype.
- Identification and deployment of applications previously only available in Citrix over to laptops and desktops.
- Ongoing improvement works relating to ICT service provision for staff at Hazel Court.
- Implementation and commissioning of the new Citizen Access platform replacing the ageing SX3 Revenues and Benefits System.
- The roll out of Secure Mail to replace DoqEx is underway.
- In Adults Social Care, supporting the adaptation and take up of the Yorkshire/Humberside Shared Care Records platform.
- Supported the access to ultrafast and future proof Broadband Services within the hard to reach parts of the City in terms of securing private sector interest and investment.

Communities & Culture

Future Libraries Investment Programme

95. The three library projects have been combined and are reported within a single FLIP (Future Libraries Investment Programme), under the corporate project management structure. The capital budget this year is £5,378k which includes an education allocation of £255k for Clifton Library.
96. Works at Clifton are 8 months into a 13 month on-site build and are progressing very well. Old buildings have been demolished, improved local school footpath links completed, all underground works and the foundations for the new two storey building are complete. Work is currently focused on the block work construction of the main new two storey building. The ground foundations are now up to mid-first floor brick work level. At Monitor 1 £1.3m was slipped to 2024/25 aligning with building continuing until next summer and an anticipated opening date during Autumn 2024.

97. The new library at Haxby is open. Public consultation has taken place on Acomb Library and the scheme will be reviewed in Spring/Summer 2024.

Westfield Multi Use Games Area Provision

98. Following preliminary investigation works at the York Acorn Sports and Social Club, an additional community sports club has been approached for a potential site for the Westfield MUGA within the ward. Build is not expected to take place this year, it is proposed that the £192k budget is slipped to 24/25.

Changing Places Toilets

99. £244k has been awarded to provide two facilities, one at Oaken Grove, Haxby and the refurbishment of Silver Street in the city centre. Design sign-off has been approved by MDUK for Oaken Grove and the planning determination is also approved. Contract is awarded and build starts in January 2024. Silver Street now has budget approval. Final design is approved by MDUK and contract awarded, fit out starts second week of January 2024. Delivery of both is still programmed to complete by end of March 2024.

Climate Change

100. The Climate Change programme has a budget of £1,461k for 2023/24, at Monitor 2 £400k of the Northern Forest Land Purchase budget was slipped to 2024/25. At Monitor 2, a further £734k was slipped to future years in line with match funding requirement of the Public Sector Decarbonisation Schemes (PSDS). At monitor 3, it is requested that a further £66k is slipped to next year, this the net effect of a reverse slippage of £100k from M2 for the PSDS, the slippage of £127k to 2024/25 for potential match funding of the Harewood Whin scheme from the Mayoral Combined Authority's Net Zero Fund and a new a Defra grant £39k to be used in 2024/25.
101. Key achievements since M2 include:
- Becoming a signatory to the Yorkshire & Humber Climate Commission's Climate Action Pledge
 - Retaining York's status as an A-listed climate action leading city with CDP

- Secured £39k of funding from Coronation Living Heritage Fund to deliver two micro-woodlands to mark the coronation of King Charles.
- Three schools have received free solar panel installations in partnership with Solar for Schools
- Confirmation of funding from the MCA Net Zero Fund for LED, housing and renewable feasibility projects
- Completed annual city-wide and corporate emissions reporting requirements.

Organisational Impact and Implications

102. The report has the following implications:

- **Financial** - are contained throughout the main body of the report. Given the forecast financial position of the Council and the need to reduce expenditure, there will be a review of the capital programme. This review will need to identify ways in which capital expenditure can also be reduced.
- **Human Resources (HR)** - There are no direct HR implications as a result of this report. Any variations to the capital programme that have staffing implications will follow appropriate consultation and HR policies and procedures.
- **Legal** - Whilst this report itself does not have any legal implications, the schemes within the capital programme themselves will be in receipt of legal advice where necessary
- **Procurement** – Whilst this report itself does not have any procurement implications, schemes within the capital programme are all procured in accordance with the procurement legislation.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in the capital programme will be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct environment and climate action implications as a result of this report.

- **Affordability**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct affordability implications as a result of this report.
- **Equalities and Human Rights** — as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct equalities and human rights implications as a result of this report. All individual schemes will be subject to Impact Assessments in the usual way.
- **Data Protection and Privacy**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct data protection and privacy implications as a result of this report.
- **Communications**, the information set out in this report does not have any specific communications implications. The finance and performance monitor report elsewhere on this agenda includes details of the communications activity in relation to the overall council finances.
- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

103. 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.

Wards Impacted

104. All wards are impacted by the issues detailed in the report.

Contact details

For further information please contact the authors of this Decision Report.

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Background papers

- Capital Budget Report – Full Council 23 February 2023
- Capital Programme Outturn 2022/23 and Revisions to the 2023/24-2027/28 Programme – Executive 15 June 2023
- Capital Programme Monitor 1 2023/24 – Executive 14 September 2023
- Capital Programme Monitor 2 2023/24 – Executive 16 November 2023

Annexes

- Annex A – Capital Programme 2023/24 to 2027/28