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| <b>Meeting:</b>      | Executive   |
| <b>Meeting date:</b> | 12/09/2024  |
| <b>Report of:</b>    | Director of Finance – Debbie Mitchell   |
| <b>Portfolio of:</b> | Cllr Katie Lomas and Anna Baxter – Executive Members for Finance, Performance, Major Projects, Human Rights, Equalities and Inclusion |

## **Decision Report: Capital Programme – Monitor 1 2024/25**

### **Subject of Report**

1. The purpose of this report is to set out the projected outturn position for 2024/25 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The Capital Monitor report is one of a number of reports taken to Executive on a regular basis to provide details of expenditure and how that impacts the financial standing of the council.

### **Benefits and Challenges**

3. The capital programme is key in delivering the Council Plan. Members are able to prioritise capital expenditure to deliver improvements across all service areas notably Schools, Housing, Transport and Regeneration as well as supporting Climate Change ambitions.
4. The programme does involve significant levels of council borrowing which impacts the level of revenue expenditure. The cost of delivering the capital programme is therefore dependent on levels of external funding, inflation levels and interests rates.

## **Policy Basis for Decision**

5. The Capital Budget is set as part of the Council's budget setting in February 2024. The capital programme is set alongside decisions to deliver a balanced revenue position.

## **Financial Strategy Implications**

6. The Finance and Performance Monitor 1 report elsewhere on this agenda again outlines the council's 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**

7. Executive is asked to:
  - Recommend to Full Council the adjustments resulting in a decrease in the 2024/25 budget of £81.72m as detailed in the report.
  - Note the 2024/25 revised budget of £134.154m as set out in paragraph 4 and Table 3
  - Note the restated capital programme for 2024/25 – 2028/29 as set out in Annex 1.
  - Approve the grant award to University of York for £530k for the Ousewem Flood Resilience Project

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

## **Background**

8. The 2024/25 capital programme was approved by Council on 22 February 2024 and updated for amendments reported to Executive in the 2023/24 outturn report, which resulted in an approved capital budget for 2024/25 of £215.874m.
9. A decrease of £81.720m is detailed in this monitor resulting in a revised capital programme for 2024/25 of £134.154m. There is an increase of £0.487m due to additional funding being awarded / approved and a re-

profiling of budgets to future years totalling £82.207m. This is mainly due to a review of the phasing of the capital programme across the York Outer Ring Road and York Central schemes to reflect latest programmes.

10. Table 1 outlines the variances reported against each Directorate area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

| <b>Department</b>                 | <b>Current Approved Budget<br/>£m</b> | <b>Projected Outturn<br/>£m</b> | <b>Adjustment<br/>£m</b> | <b>Reprofile<br/>£m</b> | <b>Total Variance<br/>£m</b> | <b>Paragraph Ref</b> |
|-----------------------------------|---------------------------------------|---------------------------------|--------------------------|-------------------------|------------------------------|----------------------|
| Children's services               | 17.074                                | 17.140                          | <b>0.066</b>             | -                       | <b>0.066</b>                 | 16 – 20              |
| Adult Social Care                 | 0.952                                 | 0.959                           | <b>0.007</b>             | -                       | <b>0.007</b>                 | -                    |
| Housing Services                  | 52.071                                | 45.355                          | <b>(0.042)</b>           | <b>(6.674)</b>          | <b>(6.716)</b>               | 21 – 37              |
| Communities (Incl Climate Change) | 6.495                                 | 6.745                           | <b>0.250</b>             | -                       | <b>0.250</b>                 | 38 - 48              |
| Transport, Environment & Planning | 87.239                                | 54.069                          | <b>0.102</b>             | <b>(33.272)</b>         | <b>(33.170)</b>              | 49 – 82              |
| City Development                  | 44.247                                | 2.090                           | <b>0.104</b>             | <b>(42.261)</b>         | <b>(42.157)</b>              | 83 - 88              |
| Property Services                 | 3.327                                 | 3.327                           | -                        | -                       | -                            | -                    |
| ICT                               | 2.923                                 | 2.923                           | -                        | -                       | -                            | 89 – 90              |
| Corporate Services                | 1.546                                 | 1,546                           | -                        | -                       | -                            | -                    |
| <b>Total</b>                      | <b>215.874</b>                        | <b>134.154</b>                  | <b>0.487</b>             | <b>(82.207)</b>         | <b>(81.720)</b>              |                      |

**Table 1 Capital Programme Monitor 1 2024/25**

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

| <b>Gross Capital Programme</b>    | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>2027/28<br/>£m</b> | <b>2028/29<br/>£m</b> | <b>Total<br/>£m</b> |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Children's services               | 17.140                | 5.261                 | 1.031                 | -                     | -                     | 23.432              |
| Adult Social Care                 | 0.959                 | 0.705                 | 0.728                 | 0.752                 | 0.776                 | 3.920               |
| Housing Services                  | 45.355                | 28.090                | 15.301                | 14.638                | 14.350                | 117.734             |
| Communities (Incl Climate Change) | 6.745                 | 0.250                 | -                     | -                     | -                     | 6.995               |
| Transport, Environment & Planning | 54.069                | 44.927                | 40.203                | 38.733                | 25.798                | 203.730             |
| City Development                  | 2.090                 | 26.795                | 10.274                | 3.866                 | 1.454                 | 44.479              |
| Property Services                 | 3.327                 | 0.275                 | 0.275                 | 0.275                 | 0.275                 | 4.427               |
| ICT                               | 2.923                 | 3.170                 | 2.820                 | 2.820                 | 2.820                 | 14.553              |
| Corporate Services                | 1.546                 | 0.370                 | 0.369                 | 0.200                 | 0.200                 | 2.685               |
| <b>Revised Programme</b>          | <b>134.154</b>        | <b>109.843</b>        | <b>71.001</b>         | <b>61.284</b>         | <b>45.673</b>         | <b>421.955</b>      |

**Table 2 Revised 5 Year Capital Programme**

**Funding the 2024/25 – 2028/29 Capital Programme**

12. The revised 2024/25 to 2028/29 capital programme of £421.955m is funded from £159.577m of external funding and £262.378m of internal funding. Table 3 shows the projected call on resources going forward.

|                                | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>2027/28<br/>£m</b> | <b>Total<br/>£m</b> |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Gross Capital Programme</b> | <b>134.154</b>        | <b>109.904</b>        | <b>71.001</b>         | <b>61.284</b>         | <b>45.673</b>         | <b>421.955</b>      |
| Funded by:                     |                       |                       |                       |                       |                       |                     |
| External Funding               | 57.743                | 34.828                | 32.127                | 26.058                | 8.821                 | <b>159.577</b>      |
| Council Controlled Resources   | 76.411                | 75.015                | 38.874                | 35.226                | 36.852                | <b>262.378</b>      |
| <b>Total Funding</b>           | <b>134.154</b>        | <b>109.843</b>        | <b>71.001</b>         | <b>61.284</b>         | <b>45.673</b>         | <b>421.955</b>      |

**Table 3 – 2024/25 to 2028/29 Capital Programme Financing**

13. 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.
14. In financing the overall capital programme, the Director of Finance will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore, an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

## **Consultation Analysis**

15. The capital programme was developed under the capital budget process and agreed by Council on 22 February 2024. 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**

16. The total approved budget within the Children's Services and Education Capital Programme for 2024/25 is £17.074m.
17. At this early point in the financial year there are only two adjustments to report, both as a consequence of minor changes to funding allocations from the DfE
18. Firstly, the amount of DfE Condition and Maintenance funding for 2024/25 has been confirmed and the final allocation is £1.381m, an increase of £0.080m on the amount assumed in the programme.
19. A reduction to the Devolved Formula Capital scheme of £14k is required to reflect the actual grant receipt for 2024/25. The scheme value represents the amount paid to the LA on behalf of maintained

schools to be included in their delegated budgets, and the reduction is due mainly due to schools converting during 2023/24. This reduction has also been applied to all future years expected scheme and grant values.

20. The projects within the maintenance programmes are mainly scheduled to be carried out over the summer holiday period and therefore a fuller progress report will be available at Monitor 2.

### **Housing Services**

#### **Disabled Facilities (£2,076k)**

21. This budget 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 and CYC's budget. The budget has been amended to reflect the level of government funding and is expected to be fully spent across the year.

#### **CYC Adaptations Budget (£701k)**

22. This budget is used to undertake adaptations to Council properties in order to help council tenants living in the properties to live independently within the property in the future. The budget is financed through monies allocated from the HRA budget. A range of adaptations are undertaken, ranging from 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.
23. At current spend levels the budget is anticipated to fully spent by Autumn and therefore we are looking at ways that the budget can be supplemented. This will be reported back at Monitor 2.

#### **Major Repairs (£11,774k)**

24. Quarter 1 has seen reasonable progress in many areas of the programme but delays in procuring some services restricted progress in others.
25. The intention at this point in the year is to spend in full in all areas of the capital investment programme. Any underspend/overspend risk to individual budget lines will be realised by the end of Q2. Potential risks

are mainly in Damp, Painting and Energy Retrofit. We are still in the process of awarding contractors on to the damp framework which is restricting progress.

### Housing Delivery

26. The Housing Delivery Team have reached significant milestones on the Glen Lodge refurbishment project, with a start on site achieved in May 2024. Construction has commenced and Principal Contractor, Hobson Porter have made good progress with the initial strip out works. The project remains on programme and is likely to finish by Spring/Summer 2025.
27. Following the successful conclusion of number of utility diversions required on Ordnance Lane site, the contract has been entered with enabling contractor, Rhodar to begin the OPE funded enabling works. The site set up has commenced and Rhodar expect to begin demolition within the coming weeks. Meanwhile, good progress has been made on the main works contract for the construction of 101 new homes on Ordnance Lane. Planning permission was submitted in February and the project is expected to be determined over Summer 2024. The project team have completed RIBA 4(a) design and procurement for a Principal Contractor is expected to be issued in Summer 2024.
28. Construction continues to progress on the two certified Passivhaus sites, Duncombe Barracks and Burnholme led by contractor Caddick Construction. Duncombe Barracks commenced in late 2022 and the construction of the timber frame is now complete with external brickwork ongoing. The site team have successfully achieved the required airtightness on all plots which is significant milestone in the delivery of Pasivhaus projects and progress to internal fit-out has started with mechanical and electrical works now ongoing. The site will deliver 34 new homes with first handovers anticipated in late 2024. Burnholme will deliver 78 new homes across 11 terraces. It is now anticipated that the first handovers on Burnholme will occur in early 2025. Both sites are 60% affordable housing supported by grant funding from Homes England.
29. Work on the refurbishment and retrofit works for 40 flats at Bell Farm has been delayed and is not expected to commence onsite until late Summer/early Autumn 2024. The delay has resulted from a need to undertake bat surveys during summer months and the discovery of a bat roost in mid-June. Work is ongoing with the preferred contractor to commence a start on site as soon as possible and bring these buildings

back into use in 2025. This unavoidable delay has meant the project will run into 2025/26.

30. Engagement events for the Willow House project are planned to commence from late July 2024 onwards. The multidisciplinary team have been working on site analysis and survey information required to build the knowledge of the area so they can better understand the needs of the area. Combining this information with engagement with residents and stakeholder meetings will allow the team to progress towards a planning application early in 2025. This project has been allocated York and North Yorkshire Devolution Brownfield Housing Fund and work is ongoing to enter the grant agreement to support enabling works on this site.
31. The Housing Delivery programme continues to deliver low-cost home ownership through two grant funded schemes; Homes England's Second Hand Shared Ownership and YNY Devolution funded Second Hand Shared Ownership with retrofit. Combined these two schemes will deliver 40 new affordable homes and to date 36 homes have been acquired and matched to purchasers. The final 4 properties in the YNY funded programme are expected to be secured by the end of Q2 2024.
32. In November 2023, an additional £1.3m of grant funding was secured through the Local Authority Housing Fund to support the purchase of an additional 10 homes, 7 homes for Afghan resettlement households and a further 3 homes to contribute towards meeting wider temporary accommodation needs in the city. To date, all homes are either under offer and progressing through the conveyancing process or purchased and in occupation.  
LA Homes Energy Efficiency / Social Housing Decarbonisation Fund (Ginnels Phases 1 and 2)
33. For this element of the SHDF programme, 95 properties are planned to have energy efficiency retrofit insulation works completed during 2024/25, which will complete the capital works programme. A further 40 are in the Bell Farm project, which is monitored separately.
34. Phase 1 of the project comprises 44 properties. This has faced challenges from contractor performance, which have been managed proactively and mitigation measures applied, including a different existing contract to be used for Phase 2 and an approach that further manages the risk of poor performance in future. These properties are expected to be completed during July 2024.



35. Phase 2 of the project is underway with Retrofit Assessments to be carried out imminently, with the 2nd Home Improvements & Retrofit contract beginning work on the project. This is for 51 properties. It is forecast that this will be successfully completed during 2024/25, with lessons learned from Phase 1.
36. £733k of the total SHDF budget is identified for the Bell Farm Refurbishment project.  
Alex Lyon House and Honeysuckle House
37. The Grant Funding Agreements for these projects (funded through York and North Yorkshire MCA Net Zero Fund) have now been signed, and a design contractor has been identified with initial site visits undertaken. This work to upgrade heating and install renewable generation and energy storage systems to 61 older people's supported housing apartments is required to fully complete during 2024/25 in compliance with grant funding conditions.

### **Communities (Incl Climate Change)**

#### **Future Libraries Investment Programme**

38. The three library projects have been combined and are reported within a single FLIP (Future Libraries Investment Programme). The capital budget this year is £2,657k plus a Libraries Improvement Fund grant of £250k from the Department for Culture, Media & Sports (DCMS). This additional funding has been added to the budget at this Monitor. The total overall budget for the programme is £8,228k.
39. Construction works at the new Clifton Library Learning Centre are now complete and the project is moving onto the fitout and mobilisation phase, in preparation for the library to open. The anticipated opening date is expected to be during Autumn 2024. An announcement will be made over summer 2024.
40. The new library at Haxby has now been open for over a year and has been very successful. Visitor levels are excellent and additional improvements with the installation and opening of a changing places toilet facility in April 2024. This makes the Oaken Grove Community Centre where the library is collocated the only facility in Haxby and Wigginton to have a changing places facility which makes this venue truly accessible.

41. Public consultation has taken place on the development of Acomb Library and the results fed into an external funding bid to Arts Council, under the Library Improvement Fund and the Council have been successful in achieving a grant of £250,000 towards the overall project budget. The grant bid focussed on what residents told us and that included a larger children library, café, and area for quiet study. A detailed feasibility is now underway and will be reported to Executive to sign off the final vision, business case and refurbishment plans in late 2024.

#### Energise Roof Works

42. Phase 1 of the works under Energise roof are complete which has eliminated the majority of problems that were occurring at the site. A specialist roof report has been commissioned to locate the final leaks and we are awaiting the recommendations.

#### Mansion House Repairs

43. The Mansion House Repairs scheme has an approved budget of £1,273k for 24/25. Buttress Ltd have now been appointed as specialist architects for the listed building. As principal architects they are designing specification for the refurbishment works. This will result in a construction tender in Q2 to enable a January 2025 start to the physical works with a September 2025 expected completion date.

#### Changing Places Toilets

44. £244k was awarded to provide two facilities, one at Oaken Grove, Haxby and the refurbishment of Silver Street in the city centre. Silver street is now complete and ready for registration. Haxby Oaken Grove is also complete and opened on 5th June 2024. All city centre signage is complete and in place. All monies have now been received from the Department of Levelling Up.

#### Crematorium Waiting Room

45. 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

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

## Climate Change

47. The Climate Change programme has a budget of £1,727k for 2024/25, including £227k slippage from last year. £104k is required for potential match funding of the Harewood Whin scheme from the MCA's Net Zero Fund. £400k may be required for additional car parking at the Northern Forrest (assessment is to be made following the public site opening on 30th August 2024). £95k has been allocated for LED improvements at West Offices and Hazel Court scheduled to take place between July and December 2024. The rest is available as potential match funding for PSDS applications.
48. Key achievements include:
- Initiation of Net Zero Fund Projects, including:
  - Desk Top Study complete for feasibility of Solar PV at Elvington Lane and Onshore Wind at North Wigginton
  - Installation commenced for LED improvements at Hazel court and West Offices
  - Installation commenced for LED replacement of 985 street lights.
  - Designs underway for replacement heating system at Honeysuckle House and Alex Lyon House
  - Procurement underway for technical support to deliver the Local Investment in Natural Capital (LINC) pilot for York; aiming to increase the value of the city's green spaces.
  - Approval of the business case to deliver the regional Net Zero Accelerator (City Leap) project with North Yorkshire Council and the Combined Authority, with the award of £2m to explore delivery models to achieve the outcomes of the York Local Area Energy Plan.
  - Completed the planting of 2,550 new trees at 13 sites across the city as part of the Green Streets Programme.
  - Expanding the number of Council buildings to have received a Heat Decarbonisation Plan (37)
  - Initiated the Harewood Whin Green Energy Park project, with £245,000 of Net Zero funding from the Combined Authority and recruitment of a new Project Manager

## Transport, Environment & Planning

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

### Major Projects

50. Following City of York's planning committee on Tuesday 19 March 2024, and referral to the Secretary of State, the **York Outer Ring Road** planning application was approved on the 12 April 2024. A milestone review is currently being undertaken, and other work is continuing for example on the business case.
51. The timing of expenditure has been reviewed resulting in a revised spend profile.

|          | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 | 2028/29<br>£'000 |
|----------|------------------|------------------|------------------|------------------|------------------|
| Original | 22,604           | 23,952           | 12,282           |                  |                  |
| Revised  | 1,114            | 9,164            | 22,394           | 19,563           | 5,603            |

52. The **York Station Gateway** scheme is now progressing with delivery, with Package 1 (Utility Diversionary Works) now complete, and Package 2 (Highways Works) midway through construction. A further highways package 4 (Loop Road Works) is expected to commence in autumn 2024 and Packages 2 and 4 are programmed for completion in April 2025. The relocation of the existing electrical substation in the station car park is also expected to begin in autumn 2024 to be completed by spring 2025. The Package 3 (Station Works) will commence in March 2025 and run for approximately two years. Meanwhile, a new multi-storey car park that is funded and delivered by Network Rail will commence delivery in September 2024 with an eighteen-month delivery programme.
53. **Haxby Station** - Following the announcement by the Chancellor (29/07/2024) that the Restoring Your Railway programme has been cancelled, we propose to continue to work with Department for Transport around seeking other sources of funding to continue the scheme. In the meantime, we are supporting Network Rail in finalising

the planning application. Further information will be provided when options have been fully considered.

### Transport

54. Due to the complexity of changes to land ownership and leases at the proposed site, it is unlikely that the Askham Bar Hyper Hub will enter the construction phase in 2024/25, and as a result the forecast spend for 2024/25 has been reduced to £50k.
55. The Riverside Path project faces numerous complexities, including the issues of the structural boundary fence and flood compensation areas. These challenges have delayed the implementation of the scheme. Additionally, coordinating with external partners, understanding their timelines and requirements, and assessing the risks and conditions related to the stability of the riverside embankment have further impacted the project schedule, and the expected spend in 2024/25 has reduced to reflect the expected timescales.
56. Within the Integrated Transport Block the budget has been increased to reflect a £40k grant towards Traffic Signal Upgrades and £36k s106 contributions for individual schemes.

### Highway Schemes (including footways)

57. The Capital Highway Resurfacing Programme is nearing completion with one scheme still on site at the end of Q1 and one left to complete in Q2. The A1079 Hull Road scheme at Grimston Bar Roundabout eastern approach, will begin with drainage works starting towards the end of July. The resurfacing work will follow towards the end of September, and this should all be completed by the middle of October.
58. The first three schemes that have been valued have come in below budget, which gives further scope to manage the costs of the more difficult schemes, as we progress through the later part of the programme.
59. The Surface Dressing schemes are 90% complete with road markings outstanding.
60. The Large Patching programme is due to commence on Monday 8th July and should be completed before the end of the summer. The

patching scheme at York Road Dunnington will be delayed due to East Riding Council works at Stamford Bridge. The York Road Dunnington scheme will now be tied into the A1079 Hull Road at Grimston Bar Roundabout resurfacing scheme in October.

61. The Footway schemes at Holroyd Avenue and Giles Avenue have been successfully delivered within budget. Lamplugh Crescent is progressing and will soon be complete, and the remaining schemes are expected to be successfully delivered within the financial year.

### Drainage

62. Investigation and repairs have been made to gullies on Huntington Road between the Link Road and A1237. There have also been repairs and maintenance works have been carried out at Field Lane, including the repair of six non running gullies and replacement of fifteen gully covers.
63. Two kilometres of drainage on the A166 has been investigated and repaired between Dunnington and Gate Helmsley, which includes the repair of twelve existing gullies.
64. More than a hundred meters of new drainage pipework has been laid, multiple manholes found and restored to functionality and a soakaway has been replaced.
65. Maintenance works to Pike Hills Pond on the A1237 have been carried out and the team have installed flow control manholes to prevent flooding near the Askam Bryan Roundabout.
66. Ten further investigation and repair schemes are planned for completion this financial year, subject to timescales, permitting and budgetary constraints.
67. Three voids (Sink Holes) have been repaired at Bootham Terrace, Avenue Road and Avenue Terrace with work commencing imminently on Bewlay Street.
68. Salisbury Terrace design work has been progressing and further site investigation works have been carried out involving coring and ground penetrating radar (GPR) surveys.

69. Regarding the scheme at Castle Mills lock gates - the EA Collaborative Delivery Framework (CDF) has been identified as an appropriate procurement model for the works. The scheme will be procured through this framework on a design and build basis. The Council's Procurement Team have now signed off the call-off contract to allow access to the framework. It's likely that the full scheme will be carried forward into the next financial year, although some spend on design and the procurement of the materials could be incurred in this financial year.

#### Bridges

70. The damage to Lendal Bridge means that major maintenance work is now deemed to be essential. The existing waterproofing, which has been installed piecemeal, has failed in several locations allowing salt laden water through onto the steelwork below, resulting in corrosion.
71. Five different options have been considered for the management of vehicular traffic management during proposed maintenance works. A report will be submitted shortly to the with a recommended option for implementation.
72. The team are reviewing the most suitable means for the procurement a contractor to carry out the strengthening on Bishopthorpe Bridge, with the construction work planned for commencement January 2025. This will likely be an open tender process. The team have now received quotations, for comparison, for the necessary Ground Investigation works.

#### City Walls

73. This year's work will be focussing on monitoring and maintenance of the city walls, which is fundamentally required to inform of future years interventions and gauge the current risks to monuments.
74. Preventative maintenance works, including pointing, walkway repaving and stone replacement works will be concentrated on the area's most in need of repair, to avoid long term deterioration.
75. Emergency works were carried out to the Ice House building, where the state of disrepair had led to the structure becoming unsafe. This has now been rectified.
76. The City Walls team is also undertaking heritage conservation projects for alternative teams within the Council, and team members are being deployed to support other Highways services where required.

### Waste Fleet & Public Realm

77. Due to a delay in some services finalising their orders and long delivery lead in times there is anticipated slippage of £2,000k into 2025/26.
78. Two recycling trucks have been delivered this financial year. The remaining budget for Waste Vehicle Replacement is going to be used to fund small/narrow vehicle replacement (final scope being agreed following vehicle trials).

### Flood Alleviation

79. Executive (28th July 2022) approved the implementation of the Catchment Flood Management Project (Ousewem), a £5.9m project fully funded from DEFRA to deliver a number of wide ranging projects and investment in natural flood management measures which increase the resilience of small communities across North Yorkshire.
80. University of York were contracted in January 2023 to provide 3 primary services to the Ousewem project these were to;
  - 1) Evaluate community and partner organisations understanding and delivery of Natural Flood Management in the catchment
  - 2) Explore understanding of investment opportunities for Natural Flood Management in the catchment
  - 3) to monitor and evaluate the Ousewem project deliverables
81. A grant agreement of £432k was signed in January 2023 with the University.
82. During the grant delivery phase it has been necessary to refine and amend the objectives and processes and this has resulted in some further work added to the contract and an additional resource being added to the project by the University. The new grant value is £530k. Given the value it is recommended that Executive approve the grant award.

### City Development

83. The project funding position for **York Central** has been reprofiled to reflect an updated funding agreement with project partners. The key change is that the £35m CYC contribution towards IP2 site infrastructure work will now not be required until later in the delivery programme. In terms of the CYC capital programme, project expenditure has therefore moved from 2024/25 to 2025/26 onwards, which is a positive outcome for the Council.



84. General progress on the project remains positive, as per the update provided in the Quarter 3 monitor. The planning application for the Government Property Agency building will be considered by Planning Committee on 22 July 2024.
85. The delivery of the main York Central highway infrastructure by Homes England is progressing with the phase 1 delivering the alternative route around the National Railway Museum expected to be complete by the end of 2024 allowing the stopping up of Leeman Rd to be certified. The majority of the site preparation and drainage and utility diversion work is complete and road construction commenced. Footway construction is continuing on Station Rise on the city side of Leeman Rd tunnel. Phase 2 of the scheme to connect the road through to Water End is expected to be complete in mid 2026. Approximately 80% of the ground improvement works have been completed for the embankment between Water End and the Railway and ground improvement works have commenced on the opposite side of East Coast Main Line. Piling for the new footbridge adjacent to the existing road bridge is complete and foundation construction has commenced. The main developer for the site has been appointed by Homes England and the initial phase of the NRM redevelopment has commenced with the re-roofing of Station Hall and preparatory works for the new Central Hall ongoing including the provision of a new substation.
86. Castle Gateway – In November 2023 Executive agreed the way forward to deliver some of the masterplan proposals, and work has now commenced to revise designs for the Castle / Eye of York and assess the potential for the delivery of Affordable Housing at Castle Mills. The strategic importance of St George’s Field as a parking location was acknowledged and proposals for improving parking provision there, with coach drop off facilities, are being progressed. The proposals, including a business case, must be reported back to Executive for approval prior to delivery.
87. A key part of the revision to the Castle and Eye of York is going back out to public engagement. Due to the pre-election period for the General Election and the summer holidays, this has been delayed. The programme has also been updated following input from our design team on the stages of work required to inform the final design and secure planning. The programme, and therefore budget for delivery, has

therefore needed to be re-phased taking it in to the following financial years.

88. The total UKSPF 20224/25 budget remains at £3,248k, but there has been a minor adjustment of the final allocation reducing capital by £15k and increasing revenue by £15k. This adjustment is reflected in this monitor report.

### **Corporate Services - IT**

89. The ICT capital programme has a budget of £2,803k for 2024/25 which includes £294k slippage from last year. At Monitor 1 there are plans to spend all the allocation during the year and a nil variance is reported.
90. Key purchases completed or in hand to date include:
- 300 laptops to enable and sustain hybrid working.
  - SNOW (software asset management) hosting, support and maintenance for 2 years from May 24
  - Elements of the infrastructure tech refresh programme

## **Organisational Impact and Implications**

91. 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** - In relation to the grant to the University of York, the grant funding arrangements sought to deliver the Ousewem Flood Resilience Project will need to be reviewed to understand whether the Council's use of any of the grant funding will comply with the requirements set out within the Subsidy Control Act 2022. Whilst this report itself does not have any further legal implications, the schemes within the capital programme themselves will be in receipt of legal advice where necessary

- **Procurement** – Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver schemes in the capital programme. Any services or works required, will be procured in accordance with the Public Contract Regulations 2015, soon to be Procurement Act 2023 and the Council’s Contract Procedure Rules. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
- **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 there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a data protection impact assessment (DPIA). This is evidenced by completion of DPIA screening questions under the reference AD-08285.*
- **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

92. 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

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

## Contact details

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

### Author

|                         |                         |
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| <b>Report approved:</b> | Yes                     |
| <b>Date:</b>            | 08/08/2024              |

## Background papers

- [Capital Budget Report Executive 25th January 2024](#) and Full Council 22 February 2024
- [Capital Programme Outturn 2023-24](#)– Executive 18 July 2024

## Annexes

- Annex 1 – Capital Programme 2024/25 to 2028/29