

**Report of the Director of Customer & Business Support Services**

**CAPITAL PROGRAMME – MONITOR THREE**

**Report Summary**

1. The purpose of this report is to:
  - Inform Members of the likely outturn position of 2010/11 Capital Programme based on the spend profile and information to mid January 2011;
  - Inform the Executive of any under or overspends and seek approval for any resulting changes to the programme;
  - Inform the Executive of any slippage and seek approval for the associated funding to be slipped to or from the financial years to reflect this;
  - To inform Members of the funding position of the capital programme, taking account of the current capital receipts forecasts for the capital programme.
  
2. The 2010/11 – 2014/15 capital programme was approved by Council on 25th February 2010. Since then a number of amendments have taken place as reported to the Executive in the 2009/10 Capital Programme Monitor 3 report, the 2009/10 Capital Programme Outturn report and the 2010/11 Capital Programme Monitor 1 and 2 report. The changes made as result of the above papers have resulted in a current approved capital programme for 2010/11 of £73.306m, financed by £37.818m of external funding, and internal funding of £35.488m. Table 1 illustrates the movements from the start budget to the current approved position at monitor 2.

	<b>Gross Budget £m</b>	<b>External Funding £m</b>	<b>Internal Funding £m</b>
Original Budget Approved by Council at 25 Feb 2010	<b>73.298</b>	<b>38.880</b>	<b>34.418</b>
Amendments from 2009/10 Monitor 3 report	5.324	3.390	1.934
Amendments from 2009/10 Outturn report	3.357	1.372	1.985
Amendments from 2010/11 Monitor 1 report	(0.447)	0.114	(0.561)
Amendments from 2010/11 Monitor 1 report	(8.226)	(5.938)	(2.288)
<b>Current Approved Capital Programme</b>	<b>73.306</b>	<b>37.818</b>	<b>35.488</b>

**Table 1 Current Approved Capital Programme**

## **Consultation**

3. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 25 February 2010. 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.

## **Summary of Key Issues**

4. The information contained within this report reflects all the latest known information following the Budget Settlement in relation to the Councils capital programme. As further information becomes available Members will be updated to ensure they are kept abreast of the latest changes and the resultant impact on the programme.
5. A decrease of £8.38m is detailed in this monitor that results in a revised capital programme budget of £64.926m; £6.446m higher than the 2009/10 capital outturn of £58.480m.
6. Against the current approved budget post 2010/11 Monitor 1 of £73.306m, there is a predicted outturn of £64.926m, a net decrease of £8.38m made up of:
  - Adjustments to schemes decreasing budgeted expenditure by £523k.
  - Reprofiling of £7.857m of schemes into future years

Table 2 outlines the variances reported against each portfolio area.

<b>Directorate</b>	<b>Department</b>	<b>Current Approved Budget £m</b>	<b>Projected Outturn £m</b>	<b>Variance £m</b>
ACE	Children's Services	26.797	24.645	(2.152)
ACE	Adult Social Services	0.941	0.876	(0.065)
CANS	Leisure and Culture	4.388	2.971	(1.417)
CANS	Neighbourhood Services	8.879	6.957	(1.922)
CANS	Housing	10.517	9.492	(1.025)
City Strategy	City Strategy (P&T)	5.986	5.926	(0.060)
City Strategy	City Strategy (Admin Accom)	11.251	10.651	(0.600)
City Strategy	City Strategy (Economic Development)	0.035	0.035	0.000
City Strategy	Property Services	2.063	1.264	(0.799)
CBSS	Resources	1.894	1.594	(0.300)
CBSS	Miscellaneous (Contingency etc)	0.555	0.515	(0.040)
	<b>Total</b>	<b>73.306</b>	<b>64.926</b>	<b>(8.38)</b>

**Table 2 Capital Programme Forecast Outturn 2010/11**

7. To the mid point in January there was £39.132m of capital spend representing 53% of the monitor 3 budget.
8. The 2010/11 capital programme will contribute toward the Corporate Strategy, some of the existing schemes are:
  - a. Works totalling £1.8m on New Deals for Schools (NDS) modernisation programmes has allowed schools to invest in buildings, grounds and ICT equipment enabling schools to improve their pupils' educational standards.
  - b. Projected spend of £1.3m on the New Deals for Schools (NDS) devolved capital programmes provided schools with direct funding for the priority capital needs of their buildings (capital repair, remodelling or new build) and investment in ICT equipment. Many schools use their allocations to contribute to larger projects at their school within the Children's Services capital programme.

- c. Budgeted spend of £3.1m on Targeted Capital Fund (TCF) schemes. TCF supports projects which provide good evidence of educational improvement as a result of the investment, and which might not otherwise be supported through formulaic allocations to Local Education Authorities and schools.
- d. Projected spend of £7.8m in this financial year to transform the physical appearance of primary schools and equip schools for the 21st century through the widespread use of information technology (IT) to improve the teaching and learning experience through personalised learning and thereby raising student attainment levels.

Planning permission was granted for the replacement of Clifton without Junior and Rawcliffe Primary on 29 April 2010 and work started on site in July in preparation for the construction of the new school. It is expected that it will be complete by September 2011, when pupils will move into their new school and the old buildings will be vacated. The Rawcliffe building will then be demolished and the site landscaped. The Clifton Without building is due to be handed over to Canon Lee School and its partners.

The development of the new Primary School to replace our Lady's and English Martyrs is currently being managed by the RC Diocese. Planning permission was submitted in July and was granted in September. Work commenced on site in November 2011 with completion estimated in spring 2012.

- e. The first phase of the refurbishment of the Yorkshire Museum (the biggest since it opened in 1830) has been completed. This phase totalled £2.01m with the Trust obtaining £1.26m in grants and other fundraising activities with the remaining £750k provided from the council's capital programme as matched funding. The Museum closed in November 2009 whilst the work was carried out and reopened on 1<sup>st</sup> August 2010.
- f. The progression of works that will see the Barbican re-opened following a programme of refurbishment work including the creation of a new entrance along with new signage, enhanced foyer and concourse area, lighting and contemporary new furniture, refurbished bar areas and function and meeting rooms. The Barbican will offer a diverse programme of events taking advantage of the venue's seated and standing formats. The opening season will include comedy, a range of music events, snooker, family shows and community events. The annual Festival of Remembrance and the Lord Mayor's Carol Concert will return to the Barbican as a regular part of the programme, as will the Guildhall Orchestra.
- g. Works totalling £1.4m on capacity improvements to the A19/A1237 roundabout will be provided by the introduction of additional approach

and exit lanes on the A1237 and A19 North. Substantial eastbound and southbound journey time improvements are predicted.

- h. Projected spend of £1.1m on the remaining three sections of the Orbital Cycle Route will be completed: Crichton Avenue to Clifton Green, Hob Moor to Poppleton Rd (Water End), James Street (Hazel Court) to Millennium Bridge. The elements of the scheme to be delivered in 2010/11 includes approximately 1km of off-road cycle track, remodelling of the Lawrence Street/James Street junction, signalised crossings of Water Lane and Acomb Road and improvements to road crossings at other locations. Signs and on road cycle lanes will be provided where necessary around the entire route.
- i. Schemes in housing will see over 1500 individual works completed on the Council houses.

## Analysis

- 9. A summary of the key exceptions and implications on the capital programme are highlighted below.

### **ACE - Education and Children's Services**

- 10. The current approved capital programme for Education and Children's services for 2010/11 is £26.797m following the adjustments made as a result of the 2010/11 Monitor 2 report. As a result of changes made at the third monitor, the 2010/11 capital programme will decrease by £2.152m to £24.645m. Table 3 gives a summary of the changes on a scheme by scheme basis.

<b>Gross Children's Services Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>26.797</b>	<b>11.356</b>	<b>10.356</b>	<b>10.356</b>	<b>10.356</b>	<b>69.221</b>
<b><u>Adjustments:</u></b>						
NDS Devolved Capital		(1.028)	(1.028)	(1.028)	(1.028)	<b>(4.112)</b>
Targeted Capital Fund 14-19 Diploma		(3.600)	(3.600)	(3.600)	(3.600)	<b>(14.400)</b>
NDS Modernisation		1.638	1.638	1.638	1.638	<b>6.552</b>
Schools Access Initiative	(0.100)	(0.173)	(0.173)	(0.173)	(0.173)	<b>(0.792)</b>
Sure Start		(0.635)	(0.635)	(0.635)	(0.635)	<b>(2.540)</b>
Extended		(0.082)	(0.082)	(0.082)	(0.082)	<b>(0.328)</b>

Schools						
Primary School Strategic Programme	0.100	(3.227)	(3.227)	(3.227)	(3.227)	<b>(12.808)</b>
Specialist Schools Status	0.020					<b>0.020</b>
Basic Need		2.334	2.334	2.334	2.334	<b>9.336</b>
<b>Reprofiling:</b>						
Targeted Capital Fund 14-19 Diploma	(1.200)	1.200				<b>0.000</b>
Extended						
Primary School Strategic Programme	(0.700)	0.700				<b>0.000</b>
Aiming high for disabled children short breaks	(0.072)	0.072				<b>0.000</b>
Applefields School - Co Location	(0.200)	0.200				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>24.645</b>	<b>8.755</b>	<b>5.583</b>	<b>5.583</b>	<b>5.583</b>	<b>50.149</b>

**Table 3 Education and Children's Services Capital Programme 2010-2015**

11. Outside of the funding switch between the Schools Access Initiative and the Primary School Strategic Programme the reductions in funding in future years is reflective of the 11/12 and projected future years finance settlement and represents a net decrease in funding of £19.092m.
12. Within the overall Targeted Capital Fund 14-19 Diploma scheme is the improvement / extension to Applefields School of £1.5m that will not commence on site until early 2011/12, therefore a significant element of this budget will now be required to be slipped into 2011/12. Further work is being carried out at Canon Lee and Huntington Schools which is expected to be complete in 2010/11.
13. In relation to the Primary School Strategic Programme work is progressing on site at the new Clifton with Rawcliffe School, and work has now begun on the second new school which is a merger of Our Lady's and English Martyrs. Due to a longer negotiation of contract than expected and the timing of the granting of planning permission £700k of budgeted expenditure will need reprofiling to 2011/12.
14. The aiming high for disabled children short breaks programme is planned to be spent on an extension to the Glen. Planning committee approved

the revised plans in December and work has begun on site. However the delay means that the work will not be completed until May 2011, resulting in a requirement for some reprofiling.

### **ACE – Adult Social Services**

15. The approved capital programme for Adult Social Services is £941k following the adjustments made as a result of the 2010/11 Monitor 1 report. As a result of this monitor the capital programme in year will decrease £65k to £876k. Table 4 gives a summary of the approved programme.

<b>Gross Social Services Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>0.941</b>	<b>0.235</b>	<b>0.245</b>	<b>0.255</b>	<b>0.255</b>	<b>1.931</b>
<b><u>Adjustments:</u></b>						
Joint Equipment Store/CELS	(0.024)					<b>(0.024)</b>
Day Service Modernisation	0.178					<b>0.178</b>
H&S Works at Social Services Establishments	0.029					<b>0.029</b>
<b><u>Reprofiling:</u></b>						
Information Management Improvements	(0.040)	0.040				<b>0.000</b>
ASC IT grant	(0.018)	0.018				<b>0.000</b>
Day Service Modernisation	(0.096)	0.096				<b>0.000</b>
H&S Works at Social Services Establishments	(0.094)	0.094				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>0.876</b>	<b>0.483</b>	<b>0.245</b>	<b>0.255</b>	<b>0.255</b>	<b>2.114</b>

**Table 4 Social Services Capital Programme 2010 – 2015**

16. In relation to the Community Equipment Loans Store demand has not been as high this year as anticipated. Funding will be needed in future years as the drive to keep people in the community will mean increased demand for large items of equipment to enable them to remain in their own homes and living as independently as possible.

17. The Day Service modernisation scheme has new income comprised of £104k Social Care Single Capital Pot in addition to the previously unallocated £65k carry fwd and £9k contribution from PCT re work

undertaken at Sycamore House. The grant funding ceases in 10/11 so any slippage will be used in future years to assist with modernising our day services so they meet future customer needs.

18. The Health And Safety at establishments scheme will be receiving the £94k Mental Health Single Capital Pot to be received end of Jan, beginning of Feb 11. This funding is typically used to meet any unplanned H&S work needed at Council establishments but this year the day service modernisation funds have been used to finance any works. The reprofiled budget will be used to fund ad hoc, unplanned works in the future and it should be noted the grant is no longer available post 10/11 financial year.

### **CANS - Leisure and Culture**

19. The approved capital programme for Leisure and Culture services is £4.388m following the adjustments made as part of the 2010/11 Monitor 2 report. As a result of changes made in this monitor, the capital programme will decrease by £1.417m to £2.971m. Table 5 gives a summary of the changes on a scheme by scheme basis.

<b>Gross Leisure and Culture Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>4.388</b>	<b>3.690</b>	<b>0.510</b>	<b>0.000</b>	<b>0.000</b>	<b>8.588</b>
<b><u>Adjustments:</u></b>						
Millfield Lane Community Sports Centre	(0.170)					<b>(0.170)</b>
Parks And Open Spaces	0.026					<b>0.026</b>
DCSF Wave 2 Playbuilder	0.032					<b>0.032</b>
Self Issue Libraby Machine	0.126					<b>0.126</b>
Barbican Auditorium	(0.026)					<b>(0.026)</b>



York Museums Trust Warehouse Acquisition	(0.525)					(0.525)
<b>Reprofiling:</b>						
York Pools Strategy	(0.050)	0.050				0.000
Millfield Lane Community Sports Centre	(0.210)	0.210				0.000
Self Issue Library Machine	(0.066)	0.066				0.000
Barbican Auditorium	(0.554)	0.554				0.000
<b>Revised Capital Programme</b>	<b>2.971</b>	<b>4.570</b>	<b>0.510</b>	<b>0.000</b>	<b>0.000</b>	<b>8.051</b>

**Table 5 Leisure and Culture Capital Programme 2010 - 15**

20. In relation to Milfield Lane Community Centre scheme the partnership with Manor School, Diocese of York, and Poppleton Football Club the Council is contributing £200k towards the building of changing rooms at Manor School which will now occur in the next financial year. CYC is also purchasing a piece of land next to Manor School £170k which will then be leased to the football club. The purchase is expected to be completed by the end of the financial year. The grant (now £250k of which the Council was showing £170k in the programme) from the football foundation has gone to the football club as partnership scheme. The s106 contribution will be used to help development football pitches in the new financial year. Due to delays encountered by the Diocese the Council's contribution will not be required until 2011/12 and therefore needs reprofiling accordingly.
21. For the Parks and Open Spaces schemes a further payment of £2.5k has been made to Strensall & Towthorpe Parish Council in order to repair Durlston Drive sports facility. Hull Road Park tennis courts have had £6.25k spent on repairs and Clarence Park paths have had £18.1k spent on maintenance. All these payments have been funded by S106 contributions.
22. The DCSF Wave 2 Playbuilder has 8 play schemes in process this year. Haxby, Garnet Terrace, Bell Farm, Hull Road Park and Strensall schemes have had the contractor appointed and February / March build expected. The Chapelfields scheme has the contractor appointed and planning permission is now being sought. The Heworth Without scheme has the design criteria agreed with the Parish Council and is out to tender this week. Planning permission not required. An additional £32k has been funded from S106 contributions.

23. Self Issue Library Machine - Following the approval of introducing the machines in four of the larger libraries, at Haxby, Clifton, Tang Hall and Fulford, there has been an extended lead-time for the procurement of the machines. They are now expected to be installed in May and therefore £66k is to be slipped into 2011/12. There have been a small additional expense on installing the machines at Acomb and York of £2k. All the self-issuing machines are to be funded by prudential borrowing, paid for via the savings generated within the Library revenue budget by the use of these machines. The machines are transferable between libraries.
24. The success of the self-issue machines in York Central and Acomb Libraries and the approval in Capital Monitor 2 of self-issue library machines to be introduced in Haxby, Clifton, Tang Hall and Fulford has prompted the Library service to further look at now introducing the machines in a further eight locations across York at a cost of £124k. This cost will also be funded from prudential borrowing, paid for by the savings to be generated in 2011/12. To ensure these savings are realised, due to the lead in time for the order of the self-issuing machines being circa 3 months, approval is requested in this report.
25. Work on the Barbican Auditorium refurbishment is due to start in February and carry on into the new financial year. An initial contribution from the operator of £500k is due on commencement. The balance of £48k is due around the time of reopening in the middle of the year. The total capital scheme is reduced down to £1,661k by £26k as some of the planned expenditure will now be dealt with within revenue existing revenue budgets.
26. The York Museums Trust Warehouse acquisition scheme has not been progressed following analysis of the business case and is therefore removed from the capital programme

### **CANS - Neighbourhood Services**

27. The approved capital programme for Neighbourhood services is £8.879m following the adjustments made as a result of the Monitor 2 report. As a result of this monitor, the capital programme will increase by £1.922m to £6.957m. Table 6 gives a summary of the changes on a scheme by scheme basis.

<b>Gross Neighbourhood Services Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>8.879</b>	<b>5.975</b>	<b>3.220</b>	<b>3.308</b>	<b>3.401</b>	<b>24.783</b>
<b><u>Adjustments:</u></b>						
Highway		0.180	0.020	(0.102)	(0.267)	<b>(0.169)</b>

Resurfacing & Reconstruction						
Special Bridge Maintenance	(0.028)					<b>(0.028)</b>
Winter Resilience	0.028					<b>0.028</b>
<b>Reprofiling:</b>						
Eco Depot Security Gate / Reception	(0.206)	0.206				<b>0.000</b>
Crematorium	(1.716)	1.716				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>6.957</b>	<b>8.077</b>	<b>3.240</b>	<b>3.206</b>	<b>3.134</b>	<b>24.614</b>

**Table 6 Neighbourhood Services 2010 – 2015**

28. A number of minor amendments have been made in relation to the Highway Resurfacing & Reconstruction expenditure levels reflecting the shift of funding from government supported borrowing to grant.
29. The Eco Depot Security Gate / Reception scheme is currently in the detailed design stage and is anticipated planning application will be made in February 2011 followed by tender process. No build on the scheme is anticipated until 2011/12 and so the scheme will need reprofiling into 11/12
30. The scheme for works to the Crematorium was approved for inclusion in capital programme as part of 2010/11 monitor 2 and is currently being scoped with significant expenditure not anticipated until 2011/12 and 2012/13. It is currently difficult to split the allocation of spend between the 2 years and is shown in 11/12 for the purpose of this update. As a result £1.716m of this scheme needs reprofiling to 11/12.
31. The special bridge maintenance scheme has a forecast under spend of £28k. A virement, approved in accordance with financial regulations by the Director of Customer Business and Support Services, has occurred in 2010/11 to redirect this under spend to a winter resilience provision. This capital investment will be used on weather station camera's £13k, salt bins £12k and snow ploughing equipment £3k.

### **CANS - Housing**

32. The approved capital programme for Housing services is £10.517m following the adjustments made as part of the 2010/11 Monitor 2 report. As a result of this monitor, the capital programme will decrease by £1.025m to £9.492m Table 7 gives a summary of the currently approved budget across the programme years.

<b>Gross Housing Capital Programme</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Current Approved Capital Programme	<b>10.517</b>	<b>9.541</b>	<b>9.028</b>	<b>10.923</b>	<b>8.722</b>	<b>48.731</b>
<b>Adjustments:</b>						
Modernisation of Local Authority Homes	0.005					<b>0.005</b>
Repairs to Local Authority Properties	(0.061)					<b>(0.061)</b>
Major Repairs Allowance	(0.009)					<b>(0.009)</b>
Hsg Grants and Associated Investments		(1.000)	(1.050)	(1.100)	(1.100)	<b>(4.250)</b>
James Street Travellers Site Flood Works	0.040					<b>0.040</b>
<b>Reprofiling:</b>						
Local Authority Homes	(1.000)	1.000				<b>0.000</b>
<b>Current Approved Capital Programme</b>	<b>9.492</b>	<b>9.541</b>	<b>7.978</b>	<b>9.823</b>	<b>7.622</b>	<b>44.456</b>

**Table 7 Housing Capital Programme 2010 - 2015**

33. Excluding the minor amendments and the Housing Grants and Associated Investments adjustments above the Local Authority Homes scheme requires a reprofiling to reflect the delay in starting due to having to re-bid after original funding was withdrawn.

34. The Housing Grants and Associated Investments adjustments reflect the reduction in grant to be received from central Government over future years in line with the settlement information.

35. In relation to the James Street Travellers Site flood defence works increased funding is required as the wall itself is now proposed to be of a higher specification than first anticipated in order that it fully alleviates the flooding problem. The quotations received are also more than estimated due to an higher than expected premium included in the pricing for the works being at a travelers site. It should be noted that major flooding at the site has occurred twice in the last 10 years and it cost the Council approx £25k last time. If Members chose to approve this scheme the total value for the scheme would be £70k and the contingency fund is the

recommended source of financing if the scheme additional funds are approved.

### **City Strategy (Planning & Transport)**

36. The current approved capital programme for City Strategy is £5.986m following the adjustments made as part of the 2010/11 Monitor 2 report. As a result of changes contained in the Monitor 2 report the capital programme will decrease by £0.060m to £5.926m. Table 8 gives a summary of the changes on a scheme by scheme basis.

<b>Gross City Strategy Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>5.986</b>	<b>5.490</b>	<b>16.590</b>	<b>8.874</b>	<b>0.090</b>	<b>37.030</b>
<b><u>Adjustments:</u></b>						
Local Transport Plan (LTP)		(0.051)	(0.048)	(0.048)	2.623	<b>2.476</b>
<b><u>Reprofiling:</u></b>						
Local Transport Plan (LTP)	(0.060)	0.060				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>5.926</b>	<b>5.499</b>	<b>16.542</b>	<b>8.826</b>	<b>2.713</b>	<b>39.506</b>

**Table 8 City Strategy Capital Programme 2010-15**

37. The decrease in future years in relation to the LTP up to 2014/15 reflects the latest funding allocations following the Settlement. £60k of funding is required to be reprofiled from 10/11 to 11/12 due to the slower than anticipated progress on the Library Square scheme due to the weather affecting resources and additional time taken to resolve equalities impact issues.

### **Administrative Accommodation**

38. The current approved capital programme for Admin Accom is £38.488m (10/11 – 13/14 element of spend) following the adjustments made as part of the 2010/11 Monitor 2 report. As a result of changes contained in this report this capital scheme has been reprofiled and remains at the total budget of £43.804m. Table 9 gives a summary of the changes on a scheme by scheme basis.

<b>Gross City Strategy Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>11.251</b>	<b>10.863</b>	<b>14.906</b>	<b>1.468</b>	<b>0.000</b>	<b>38.488</b>

<b>Reprofiling:</b>						
Admin Accom	(0.600)	0.600				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>10.651</b>	<b>11.463</b>	<b>14.906</b>	<b>1.468</b>	<b>0.000</b>	<b>38.488</b>

**Table 9 Admin Accom Capital Programme 2010-15**

39. The construction works have been rescheduled to start later in 2010/11, requiring part of the budget to be reprofiled into 2011/12, due to the land being purchased slightly later than anticipated. The Administrative Accommodation project will still be completed in the required timescale.

### **City Strategy – Economic Development**

40. The current approved capital programme for Economic Development is £0.035m following the adjustments made as part of the 2010/11 Monitor 2 report. There are no changes as a result of this report and remains at £0.035m. Table 10 gives a summary of the budgeted profile.

<b>Gross City Strategy Capital Programme</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Current Approved Capital Programme	<b>0.035</b>	<b>0.058</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.093</b>

**Table 10 Economic Development Capital Programme 2010-15**

### **City Strategy – Property**

41. The current approved capital programme for Property budget is £2.063m following the adjustments made as part of the 2010/11 Monitor 2 report. As a result of changes contained in the Monitor 3 report the capital programme will decrease by £799k to £1.264m. Table 11 gives a summary of the changes on a scheme by scheme basis.

<b>Gross City Strategy Capital Programme</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Current Approved Capital Programme	<b>2.063</b>	<b>1.330</b>	<b>0.080</b>	<b>0.000</b>	<b>0.000</b>	<b>3.473</b>
<b>Adjustments:</b>						
<b>Reprofiling:</b>						
Acomb Office	(0.144)	0.144				<b>0.000</b>
Riverbanks Repairs	(0.655)	0.655				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>1.264</b>	<b>2.129</b>	<b>0.080</b>	<b>0.000</b>	<b>0.000</b>	<b>3.473</b>

## Table 11 City Strategy - Property Capital Programme 2010-15

42. The Acomb Office scheme requires reprofiling into 11/12 as the acquisition of the site is subject to planning permission being granted and will not take place until summer 2011. Prior to submission of the planning application negotiation continues regarding the contract of sale for the required land. In addition discussion with partners, through the newly created Asset Board, continues as to their requirements. Accordingly the budget will need reprofiling into 11/12.
43. Work carried out in respect of the Riverbanks Repairs requires reprofiling to 11/12 as tenders are not due to be received until the end of January 2011. This engineering job needs to take account of the weather conditions due to the work being in water conditions in the middle of winter and therefore the lead in times post the award of the contract are unlikely to see the contractor on site before March 2011.

### **CBSS - IT**

44. The current approved capital programme for the IT Development is £1.894m. As a result of changes contained in the Monitor 3 report the capital programme will decrease by £300k to £1.594m. Table 12 gives a summary of the changes on a scheme by scheme basis.

<b>Gross IT devpt Fund Capital Programme</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Total £m</b>
Current Approved Capital Programme	<b>1.894</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>5.894</b>
<b><u>Reprofiling:</u></b>						
IT Dvpt Fund	(0.300)	0.300				<b>0.000</b>
<b>Revised Capital Programme</b>	<b>1.594</b>	<b>1.300</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>5.894</b>

**Table 12 CBSS – IT Development Fund Capital Programme 2010-2015**

45. At this stage of the monitoring cycle, there is a requirement to reprofile the IT Development Fund by £300k. IT Development plan is being reviewed with directorates, and currently it is not anticipated that any new projects will commence in the current financial year.

### **Remaining Schemes**

46. The £40k movement on Miscellaneous reflects the use of £40k of contingency funding for James Street Travellers site flood wall defences.

### **Summary**

47. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 13.

<b>Gross Capital Programme</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Current Programme</b>	<b>73.306</b>	<b>53.538</b>	<b>55.935</b>	<b>36.184</b>	<b>23.824</b>	<b>242.787</b>
<b>Adjustments :</b>						
ACE - Children's Services	(2.152)	(2.601)	(4.773)	(4.773)	(4.773)	(19.072)
ACE – Adult Social Services	(0.065)	0.248	0.000	0.000	0.000	0.183
CANS – Leisure and Culture	(1.417)	0.880	0.000	0.000	0.000	(0.537)
CANS - Neighbourhood Services	(1.922)	2.102	0.020	(0.102)	(0.267)	(0.169)
CANS – Housing	(1.025)	0.000	(1.050)	(1.100)	(1.100)	(4.275)
City Strategy - P&T	(0.060)	0.009	(0.048)	(0.048)	2.623	2.476
City Strategy - Admin Accom	(0.600)	0.600	0.000	0.000	0.000	0.000
City Strategy - (Economic Development)	0.000	0.000	0.000	0.000	0.000	0.000
City Strategy - Property Services	(0.799)	0.799				0.000
CBSS – IT Development Fund	(0.300)	0.300				0.000
Miscellaneous (Contingency etc)	(0.040)					(0.040)
<b>Revised Programme</b>	<b>64.926</b>	<b>55.875</b>	<b>50.084</b>	<b>30.161</b>	<b>20.307</b>	<b>221.353</b>

**Table 13 Revised 5 Year Capital Programme**

### **Funding the 2010/11 – 2014/15 Capital Programme**

48. The 2010/11 capital programme of £64.926m is currently being funded from £35.020m external funding and £29.906m of internal funding. The internal funding is comprised of revenue contributions, supported capital expenditure, venture fund, right to buy receipts, capital receipts and prudential borrowing.



49. Table 14 shows the projected call on Council resources going forward.

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£m	£m	£m	£m	£m	£m
<b>Gross Capital Programme</b>	<b>64.926</b>	<b>55.875</b>	<b>50.084</b>	<b>30.161</b>	<b>20.307</b>	<b>221.353</b>
Funded by:						
External Funding	35.020	20.302	27.458	22.373	16.056	
Council Controlled Resources	29.906	35.573	22.626	7.788	4.251	
<b>Total Funding</b>	<b>64.926</b>	<b>55.875</b>	<b>50.084</b>	<b>30.161</b>	<b>20.307</b>	<b>221.353</b>

**Table 14 – 2010/11 –2014/15 Capital Programme Financing**

50. The current economic environment continues to place pressure on the funding of the programme over the 5 year cycle resulting in additional funding pressures based on current projections. The capital programme continues to place reliance on the achievement of a small number of high asset disposals which have been affected by the economic downturn.

51. As reported in the 2010/11 – 2014/15 Capital Budget report approved by Full Council on 25 February 2010, the Council had a capital receipts requirement of £28.477m to fund new capital schemes. It was reported that based on projections at the time that the value of the assets to be disposed of was £24.704m leaving a shortfall of £3.773m. The reduced asset value was reflective of property market conditions at that time and it was accepted that over the medium term the asset values would rise to match the required value of £28.477m. As a result the decision was taken to hold the sale of assets where it was not in the interest of the Council to dispose. This places pressure in terms of funding the new capital schemes which is currently using temporary prudential borrowing to fund the programme until such time when the receipts are realised and used to repay the borrowing.

52. The monitor 3 position is for a required level of receipts of £26.659m with an expected receipt value of £24.248m leaving a temporary shortfall of £2.411m. Table 15 shows the position at monitor 2 against the budget setting position.

	Capital Budget Report 10/11 – 14/15	Capital Monitor 3 Report 10/11 – 14/15	Movement
	£m	£m	£m
<b>Receipts Required</b>	28.477	26.659	-1.818

<b>Receipts Forecast</b>	24.704	24.248	-0.456
<b>Temporary Shortfall</b>	3.773	2.411	-1.362

**Table 15 – Council Receipts Requirement 2010 - 15**

53. The movement of £1.818m is made up of 3 parts. The first is that since the Capital Programme budget report was approved in February there has been a number of schemes that have not required the capital receipts funding initially required, these total £664k. Secondly a level of receipts have been received and applied to finance the capital programme as part of the 2009/10 Capital Programme Outturn report thus reducing the receipts required by a further £1.130m. The third part refers to a reduction in receipts reflecting the programme changes above. The three parts total to £1.818m.

54. The temporary shortfall continues to be managed using discretionary prudential borrowing with the associated revenue implications being reported through the treasury management budget. To date £11.810m of borrowing has been used to cover the shortfall of receipts.

### **Corporate Priorities**

55. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that contribute toward the achievement of the corporate strategy.

### **Implications**

#### **Financial Implications**

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

#### **Human Resources Implications**

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

#### **Equalities Implications**

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

#### **Legal Implications**

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

#### **Crime and Disorder**

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

## **Information Technology**

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

## **Property**

62. The property implications of this paper are included in the main body of the.

## **Risk Management**

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

## **Recommendations**

64. The Executive is requested to:

- Recommend to Full Council the net adjustments of (£8.504m) in 2010/11, £2.337m in 2011/12, (£5.851m) in 2012/13, (£6.023m) in 2013/14 and (£3.517m) in 2014/15 which are set out on a scheme by scheme basis in the above paragraphs and contained in Annex A.
- Note the 2010/11 revised budget of £64.802m as set out in paragraph 6 and Table 2.
- Note the restated capital programme for 2010/11 – 2014/15 as set out in paragraph 45, Table 13 and as set out in detail in Annex A.
- Approve the use of an additional £124k of Prudential Borrowing for the funding of Self Issue Library machines which generates future savings and is detailed in paragraph 24.
- Note the under spend of £28k in the special bridge maintenance scheme which has been transferred to a winter resilience approved in accordance with financial regulations by Director of Customer & Business Support Services as detailed in paragraph 30.
- Approve the use of capital contingency to the value of £40k to enable the James Street Travellers Site Flood Defence work to progress.

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

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### Chief Officer Responsible for the report:

Ian Floyd

**Report  
Approved**

*Ti*  
 *ck*

**Date** 28/01/11

Keith Best  
Assistant Director of Customer & Business  
Support Services - Finance

**Report  
Approved**

*√*

**Date** 28/01/11

### Specialist Implications Officer(s)

*N/a*

### Wards Affected:

All  *√*

**For further information please contact the author of the report**

### Background Papers:

Budget Control 2010  
Departmental Capital Pro-forma

### Annexes

Annex A – Restated Capital Programme 2010/11 to 2014/15