

Executive

30 July 2015

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

Capital Programme Outturn 2014/15 and Revisions to the 2015/16 – 2019/20 Programme

Report Summary

1. The purpose of this report is to set out the capital programme outturn position including any under or over spends, overall funding of the programme and an update as to the impact on future years of the programme.
2. The report shows an outturn of £48.202m compared to an approved budget of £66.205m, an overall variation of £18.115m.
3. The net variation of -£18.115m is made up as follows:
 - Requests to re-profile budgets of a net -£19.232m of schemes from 2014/15 to future years (currently approved budgets in the capital programme but requires moving to or from future years in line with a changing timetable of delivery for individual schemes)
 - Adjustments to schemes increasing expenditure by a net £1.117m (all of which is funded from external funding sources such as Government Grants)
4. The level of re profiling reflects the scale of the capital Programme, and in particular that it contains a number of major and complex projects. The overall capital Programme continues to operate within budget, due to careful management of expenditure against the budget.

5. The Cabinet is requested to
 - Note the 2014/15 capital outturn position of £48.202m and approve the requests for re-profiling totalling £19.232m from the 2014/15 programme to future years.
 - Note the additions in future years totalling £1.117m
 - Note the outturn position of the EIF in 2014/1 and revisions to the profile of the £28.5m as set out in Annex B.
 - Recommend to Full Council the restated 2014/15 to 2018/19 programme of £206.231m as summarised in Table 3 and detailed in Annex A.
 - Approve the revised EIF profile set out at Annex B

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

Consultation

7. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 27 February 2014. 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

8. Table 1 below shows the total variances for individual departments along with requests for re-profiling.

Directorate	Dep't	Approved Budget	Revisions to Approved Budget (re-profile)	Revised Budget	14/15 Outturn	Variance (under) / overspends - funding
		£m	£m	£m	£m	£m
		(1)	(2)	(3)	(4)	(5)
				(1) + (2)		(4) - (3)
CSES	Children's Services, Education & Skills	8.657	-2.370	6.287	6.366	0.079
H&WB	Adult Social Services and Public Health	0.835	-0.378	0.457	1.035	0.541
CANS	Communities Culture & Public Realm	4.979	-1.005	3.974	4.053	0.004
CANS	Housing & Community Safety	17.267	-2.072	15.195	15.200	0.005
CES	Highways & Waste	7.307	-1.066	6.241	6.239	-0.002
CES	Transport	8.026	-2.071	5.955	6.091	0.136
CES	Community Stadium	1.890	-0.443	1.447	1.447	0.000
CBSS	Asset Management	1.496	-1.075	0.421	0.421	0.000
CBSS	West Offices - Admin Accom	0.533	-0.512	0.021	0.021	0.000
CBSS	IT Development Plan	1.927	-0.769	1.158	1.099	-0.059
CBSS	Misc(Contingency)	0.183	-0.143	0.040	0.040	0.000
CBSS	Economic Infrastructure Fund	13.105	-7.328	5.777	6.190*	0.413
	Total	66.205	-19.232	46.973	48.202	1.117

Table 1 – Summary of capital outturn by department

*note that the EIF spend of £6.190m referenced in this table is the prudential borrowing funded capital element only. A further, £1.647m relates to revenue expenditure and this has been transferred to the revenue budget in year. See para 53 – 55

9. The variations of £1.117m as set out in table 1 are funded by corresponding changes in the use of Government grants, S106 funds, the Major Repairs Grant and Commuted Sums. The following paragraphs set out the main variances and the requirements for re-profiling. All the explanations are based on movement against the approved monitor 3 position.

CSES – Children Services, Education and Skills

10. £998k of DfE Maintenance programme requires re-profiling to future years. Over the winter, the focus has been on smaller maintenance schemes, particularly with regard to electrical issues and heating, and responding to emergencies across the school estate.
11. A contingency of £250k is held within the maintenance budget but due mainly to the milder winter, there were fewer emergency issues, therefore only £100k of this contingency was spent.
12. Contributions from schools from their Devolved Formula Capital resources towards schemes at their schools also freed up an additional £70k of Maintenance funding which we can carry forward into 2015/16 to be allocated to new schemes. A number of the rolling programme schemes also under spent in 2014/15. The budget of £50k for kitchen improvements under spent by £28k, mainly due to the concentration on implementing the UIFSM programme, which funded all the required works so far carried out to implement this initiative. A budget of £100k was also set aside for emergency Fire and Water risk works, but only £35k was spent in total.
13. Property services fees were lower than anticipated by c£175k with the remainder of the slippage relating to a number of high value invoices paid in 2015/16, plus retentions outstanding on most of the schemes which will be paid in 2015/16.
14. At the end of 2014/15 an amount of £626k remained unspent on Basic Need, which needs reprofiling into 2015/16. Of this, an amount of £206k to be paid over to Robert Wilkinosn from within Basic Need was not required until April 2015. The remainder was held to deal with any early demands for funding from the EFA in resepct of the

two schemes above. A full review of the expenditure profile of Basic Need across the city is being undertaken.

15. In relation to works at Fulford School £525k of budget is required to be re-profiled to 2015/16 as a result of delays in the planning process resulting in a slightly later start on site than originally expected for the main build contract. This delay is not expected to impact on the projected completion date of the scheme.
16. All other variations are below £100k and shown in the accompanying annex.

H&WB – Adult Social Services and Public Health

17. There are 2 requests made to re-profile budget to future years and one increase in expenditure that is funded entirely by external grants
18. In relation to the Telecare Equipment the capital budget is now committed by Be Independent (BI) on behalf of CYC. BI have not seen customer growth at initially estimated rates but expect growth to be back on track in 2015/16 as they invest more in equipment which keeps older people in their homes and communities rather than coming into formal care.
19. £200k budget was allocated from contingency to bring the Older Peoples Homes up to Care Quality Commissioning standards and for anticipated lift repairs. Surveys and reports have been received but work did not commence in 2014/15 and as such it is requested that £192k is re-profiled in to 2015/16.
20. The Council was successful in securing a Public Health grant bid on behalf of Changing Lives to provide funds for the acquisition and renovation of suitable premises in York to create a dedicated drug and alcohol recovery centre. These funds had been passed through to Changing Lives.
21. All other variations are below £100k and shown in the accompanying annex.

CANS – Communities, Culture and Public Realm

22. A number of amendments are proposed as part of this outturn report. In relation to Millfield Lane Community Sports Facility £380k requires re-profiling to 2015/16 as the land has not yet transferred from North Yorkshire County Council. Once the land has transferred the council can enter into an access agreement with Manor School and progress works.
23. York Explore Phase 2 requires £240k to be re-profiled to 2015/16. The work on transferring the Archives to Central Library, repairs to the roof and ground floor was essentially complete by the year end. However the final payment to the main contractor was not reached by the end of the year and funding requires moving to 2015/16 to cover this and the remaining fittings and storage costs.
24. The Public Convenience Facilities project has carried out improvements to a number of toilets across the city. Most have been completed but at the end of the year the refurbishment of Exhibition Square toilets was incomplete and will be finished in the summer. The refurbishment of Tanner Row toilet is on hold as the current property is likely to be sold and a new facility will be built nearby. Accordingly it is requested that £138k be re-profiled to 2015/16.
25. All other variations are below £100k and shown in the accompanying annex.

CES – Highways and Waste

26. £154k of Special Bridge Maintenance budget is requested to be re-profiled to 15/16 due to Severus Bridge work being reliant on Network Rail giving permission to close the rail line. This work had been planned for March but was cancelled at short notice
27. £179k in relation to Replacement of Unsound Lighting columns and £104k in relation to LED Lighting Replacement programme re-profiling to 2015/16 to bring in line with the joined up procurement taken covering both schemes.

28. £173k in relation to Highways Improvements requires re-profiling to 15/16. Various schemes encountered delays, including Galtres Grove which was delayed due to private residential works and High Ousegate and New Lane Holtby which were delayed due to staffing capacity.
29. In relation to Fleet vehicles purchase decisions delayed as part of the rewiring programme, £430k is recommended to be re-profiled to 2015/16
30. All other variations are below £100k and shown in the accompanying annex.

CANS - Housing & Community

31. The Modernisation of Local Authority Homes and Local Authority Homes have switched funding to allow for more work to be undertaken in respect of the latter scheme, the effect overall within the Housing and Community area being nil. With regard to budget requiring to be re-profiled to 2015/16 £154k is required for Modernisation of Local Authority Homes and £1.432m for Local Authority Homes due to the delays with the build programme relating to the tendering process and unforeseen remediation issues at several of the sites.
32. The Building Insulation Programme requires budget of £192k to be re-profiled to 2015/16 due to delays in gaining planning approval at some sites in relation to the colour and finish of the windows and due to the need to conduct acoustic monitoring tests.
33. The loft conversions programme of works requires £289k to be re-profiled to 2015/16 due to suitable properties taking longer to identify than initially anticipated. Tenants apply through the Housing team and a number of criteria must be met in order to proceed with the conversion. The remaining properties will be identified and completed in 2015/16.
34. All other variations are below £100k and shown in the accompanying annex.

CES – Transport

35. The Better Bus Area Fund scheme sees 2 changes, the first is a £133k under spend. The under spend is mainly due to changes in funding reflected within the Local Transport Plan scheme below. The second is a requirement to re-profile £476k as a further allocation of DfT Clean Bus Technology Grant was received late in the year and applied to fund the programme. The expenditure for this scheme will be incurred in 15/16.
36. The Local Transport Plan schemes is showing an increase of £165k that corresponds to the under spend in the Better Bus scheme above. In addition there was also some minor works at monks cross which were funded by corresponding S106 monies. £1.157m requires to be re-profiled to 2015/16.
37. There were delays to a number of schemes - A19 pinch point scheme - Scheme commenced at the end of 14/15 slightly later than originally anticipated due to additional detailed design and utility work being required. Haxby to Clifton Moor Cycle bridge scheme – the main parts of the scheme were completed in 14/15, at the end of the financial year, therefore there are some minor final works to be completed in 15/16 and retention due to the contractor. Jockey Lane cycle route – scheme delayed due to additional refinement of design following consultation, will now be delivered in 15/16. Clifton Moor Pedestrian and Cycling Link Improvements – footpath works completed, remaining link works to be completed in early 15/16. River Foss off-road cycle and pedestrian route – delay due to extended feasibility study in 14/15. It is anticipated that the delivery of the scheme will need to be re-evaluated due to higher than anticipated costs.
38. There are also a number of Safety schemes which are now programmed for delivery in 15/16.
39. York City Walls - Repairs & Renewals (City Walls) requires £137k to be re-profiled to 2015/16 due to delays to the works on Walmgate bar.
40. Leeman Road Flood defences requires £317k to be re-profiled to 2015/16 as the proposed solution has required redesign works. It is expected the works will now take place in 2015/16.

41. All other variations are below £100k and shown in the accompanying annex.

CES – Community Stadium

42. The Community Stadium capital scheme has an outturn position of £1.447m. It is requested that £443k of funding been re-profiled into 15/16 as during 2014/15 pre-contract costs were slightly lower than anticipated, and a £200k payment for Off-site Sports Facilities was delayed until April.

CBSS – West Offices Administrative Accommodation)

43. £512k of funds are required to be re-profiled to 15/16. The £512k balance pertains to the remaining payment to be made to York Investors LLP. All such amounts will be paid in 15/16 upon completion of outstanding snagging.

CBSS – Asset Management

44. £108k of Fire Safety Regulations requires re-profiling to 15/16 as the majority of this budget was used primarily to deliver works to the EPH's. Following the review of the provision elderly care and the ensuing closure of various EPH's this budget is not required for it's original purpose and therefore requested to be carried forward for other Fire Safety works.
45. £246k of the Photovoltaic Energy Programme budget is requested to be carried forward to 15/16 and be made available for other energy efficiency projects in due course.
46. £397k of Holgate Park Land – York Central Land and Clearance budget needs re-profiling to 2015/16. The re-profiled budget will be required to fund the demolition costs for ex works site canteen block.
47. £147k of Asset Maintenance + Critical H&S Repairs budget is requested to be re-profiled to 2015/16 to enable works on the Guildhall Gates, Micklegate Bar, and Lord Mayor's Walk Fuel Tank.

48. All other variations are below £100k and shown in the accompanying annex.

CBSS – IT Development Plan

49. Due to continued procurement/contract negotiations particularly in relation to the replacement of the CRM and the replacement of the Children's Case Management System, it is requested that budget of £769k be re-profiled to 2015/16 to allow the delivery of planned corporate projects that are underway but delayed, or have been deferred in terms of actual commencement until 2015/16.

Capital Contingency

50. The £143k of remaining budget will be re-profiled to future years to address other contingency requirements.

Funding the 2014/15 Capital Programme

51. The 2014/15 capital programme of £48.202m has been funded from £25.730m external funding and £22.482m of internal funding. The internal funding includes resources such as revenue contributions, Supported Capital Expenditure, capital receipts and reserves.
52. The overall funding position continues to be closely monitored to ensure the overall capital programme remains affordable and is sustainable over the 5 year approved duration.

Economic Infrastructure Fund Update

53. The Economic Infrastructure Fund (EIF) has an overall value £28.5m covering a 5 year period and is funded via a combination of the New Homes Bonus grant (revenue) and prudential borrowing (capital).
54. As at 31st March 2015 the EIF has schemes committed requiring CYC funds to a value of £28.188m. The total CYC funded expenditure incurred in 14/15 was £7.174m of which £1.647m was revenue funded by New Homes Bonus and £5.527m of revenue funded through borrowing.

55. The remaining capital and NHB funding will be carried forward to 2015/16 and spent in line with the revised EIF programme as outlined in Annex B.

Update on the 2015/16 – 2019/20 Capital Programme

56. As a result of this report amendments have been made to future year's capital programmes as a result of re-profiling schemes from 2014/15 to future years as set out above.
57. The restated capital programme for 2015/16 to 2019/20 split by portfolio is shown in table 3. The individual scheme level profiles can be seen in Annex 1.

		2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget
		£m	£m	£m	£m	£m	£m
CSES	Children's Services, Education and Skills	18.185	10.337	5.281	5.106	5.106	44.015
H&WB	Adult Social Services and Public Health	1.435	0.535	0.545	0.555	0.565	3.635
CANS	Communities Culture & Public Realm	3.015	0	0	0	0	3.015
CES	Highways & Waste	5.976	3.231	3.168	2.977	2.977	18.329
CANS	Housing & Community Safety	2.072	12.099	9.831	8.472	9.812	57.967
CES	Transport	8.483	2.293	4.331	1.660	1.660	18.427
CES	Community Stadium	20.714	0	0	0	0	20.714
OCE	Economic Development	0.058	0	0	0	0	0.058
CBSS	Asset Management	3.559	1.212	0.300	0.300	0.300	5.671
CBSS	West Offices - Admin Accom	0.512	0	0	0	0	0.512
CBSS	IT Development Plan	2.996	1.920	2.245	2.025	1.970	11.156
CBSS	Misc(Contingency)	0.443	0	0	0	0	0.443
CBSS	Economic Infrastructure Fund	16.849	5.800	0	0	0	22.289
	Total	99.618	37.427	25.701	21.095	22.390	206.231

Table 3 – Restated Capital Programme 2015/16 to 2019/20

58. Table 4 shows the projected call on Council resources going forward.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Gross Capital Programme	99.618	37.427	25.701	21.095	22.390	206.231
Funded by:						
External Funding	52.267	21.860	25.701	14.111	14.369	119.162
Council Controlled Resources	47.351	15.567	16.555	6.984	8.021	87.069
Total Funding	99.618	37.427	25.701	21.095	22.390	206.231

Table 4 - 2015/16 –2019/20 Capital Programme Financing

59. 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.
60. Capital receipts, which form part of the Council controlled resources, should be considered at risk both of not being realised within set time frames and having estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts which, if not achieved, would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that over the full duration of the capital programme it remains balanced. Any issues with regard to financing will be reported as part of the standard reporting to the Executive.

Council Plan

61. 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 Council Plan. The Capital Asset Board (CAB) meet monthly to ensure the capital programme targets the Councils Plan. The capital programme addresses all 5

priorities of the Council Plan due to its varied and numerous schemes as shown in the main body of the report.

Financial Implications

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

Human Resources Implications

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

Equalities Implications

64. The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements.
65. All individual schemes will be subject to Equalities Impact Assessments

Legal Implications

66. There are no Legal implications as a result of this report.

Crime and Disorder

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

Information Technology

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

Property

69. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.

Risk Management

70. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB) meets regularly to plan monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

Contact Details

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Wards Affected: All			
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Specialist Implications:
Legal – Not Applicable
Property – Philip Callow
Information Technology – Not Applicable

Annexes

- Annex A – Capital Programme by year 2014/15 – 2019/20
Annex B – Economic Infrastructure Fund 2012/13 – 2016/17