
Executive

31 August 2017

**Report of the Director of Customer and Corporate Services
(Deputy Chief Executive)**

CAPITAL PROGRAMME – MONITOR 1 2017/18

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2017/18 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2017/18 capital programme approved by Council on 23 February 2017, updated for amendments reported to Executive and Council in the July Outturn Report resulted in an approved capital budget of £125.703m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2017/18 budget of £14.065m as detailed in the report and contained in Annex A.
 - Note the 2017/18 revised budget of £111.638 as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2017/18 – 2021/22 as set out in paragraph 17, Table 2 and detailed in Annex A.

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

Consultation

- 4 The capital programme was developed under the Capital Budget Process and agreed by Council on 23 February 2017. 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

- 5 An decrease of £14.065m is detailed in this monitor resulting in a revised capital programme of £111.638m. There is an increase of £13.741m in 2017/18 attributable to new schemes added to the programme agreed by members set out in the paragraphs below, funded by an increase in government grants available and departmental prudential borrowing. This is offset by a £27.806m decrease in 2017/18 due to re-profiling of budgets to future years.
- 6 Table 1 outlines the variances reported against each portfolio area.

Department	Current Approved Budget £m	Projected Outturn £m	Variance £m	Paragraph Ref
Children, Education & Communities	28.463	9.618	(18.845)	8-10
Health, Housing & Adult Social Care – Adult Social Care	5.825	5.922	(0.097)	
Health, Housing & Adult Social Care – Housing & Community Safety	33.399	25.718	(7.681)	11-18
Economy & Place – Transport, Highways & Environment	21.558	20.607	(0.951)	19-27
Economy & Place – Regeneration & Asset Management	15.023	30.023	15.000	28
Community Stadium	15.926	14.241	(1.685)	29
Customer & Corporate services	2.184	2.184	0.000	
IT Development Plan	3.325	3.325	0.000	
Total	125.703	111.638	(14.065)	

Table 1 Capital Programme Forecast Outturn 2017/18

Analysis

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

Children, Education & Communities

- 8 There have been a number of amendments as part of this report, including an overall increase to the programme of £3.5m (£655k 17/18, £2.8m 18/19) and a transferring of £19.5m of funds from 2017/18 into 2018/19. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 17/18 £m	Amount 18/19 £m	Further Details – Paragraph ref
Basic Need	Re-profile	(19.500)	19.500	9
Basic Need	Adjustment	2.250	2.800	9
South Bank Expansion	Adjustment	(1.250)	-	10

- 9 The Basic Need scheme requires funds of £19.5m to be transferred from 2017/18 into 2018/19. Pupil number projections and pressures continue to be monitored across the city and, when appropriate, additional schemes will be proposed which might require further changes to the profile in the later years of the programme. In 2018/19, the effect of the remainder of the DSG budget set aside for funding the revenue cost of capital expenditure on reorganisation of the school estate has been added to the programme.
- 10 The budget for the South Bank Expansion scheme was originally set at £2.5m. As reported to and approved by Executive on 17th March, following two consultations and subsequent changes it is now projected the funding required will be £1.25m. The budget for this scheme has therefore been reduced by the same amount in 2017/18.

Housing & Community Safety

- 11 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £7.7m in 2017/18. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 17/18 £m	Amount 18/19 £m	Further Details – Paragraph ref
Modernisation of Local Authority Homes	Re-profile	(0.840)	0.840	12
Local Authority Homes Phase 1	Adjustment	(5.778)	-	13
Local Authority Homes Phase 1	Re-profile	(1.342)	1.342	14
Shared Ownership	Adjustment	1.500	4.020	15
Water Mains Upgrade	Re-profile	(0.721)	0.721	17
IT Infrastructure	Re-profile	(0.500)	0.500	18

- 12 The Modernisation of Local Authority Homes scheme requires funds of £840k to be transferred from 17/18 into 18/19. A scheme is planned to remove a number of asbestos constructed bathroom 'pods' in the Bell Farm area, however the housing development team are looking at further options for the site which has delayed work starting. It is therefore expected the expenditure will now be incurred during 2018/19.
- 13 The Local Authority Homes Phase 1 scheme budget is to be reduced by £5.778m following the decision not to continue with the redevelopment of Ordnance Lane Hostel and associated housing development. A new budget has been created to fund the alternative hostel development at James House.
- 14 The residual budget of £3.070m is committed to fund the completion of schemes at Fenwick Street, Hewley Avenue, Pottery Lane and Pack of Cards. The budget is also committed to fund developments at Newbury Avenue and Chaloners Road. It is proposed to slip £1.342m of this budget into 2018/19.

- 15 Following the withdrawal of the contractor at Chaloners Road consideration is now being given to amending the current scheme from predominantly flats to a development of two bedroom houses of modular construction and planning application will be submitted October/November 2017.
- 16 Members approved a budget totalling £5.52m (Executive 18th May 2017) for investment in a shared ownership scheme funded equally by the Homes and Communities Agency and CYC. The scheme anticipates that 15 homes will be delivered in 2017/18 and 50 homes in 2018/19 and therefore the budget is proposed to be £1.5m in 2017/18 and £4.02m in 2018/19.
- 17 The Water Mains upgrade scheme requires £721k of funds to be transferred from 17/18 into 18/19 to reflect the scheme remaining at feasibility stage and the view that it is no work is expected to begin on site during 2017/18.
- 18 The IT Infrastructure scheme requires funds of £500k to be transferred from 17/18 into 18/19 to reflect the fact that work is currently being scoped for a feasibility study, therefore it is unlikely that full budget will be spent in 2017/18.

Transport, Highways & Environment

- 19 There have been a number of amendments to this area as part of this report resulting in a net decrease to the capital programme in 17/18 of £951k. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 17/18 £m	Amount 18/19 £m	Amount 19/20- 21/22	Further Details – Paragraph ref
Built Environment Fund	Re-profile	(0.450)	0.450	-	20
Harewood Whin Transfer station	Adjustment	(0.109)	-	-	21
Better Bus Area Fund	Adjustment	0.236	-	-	22
Local Transport Plan	Re-profile	(0.600)	0.600	-	23
Scarborough Bridge	Adjustment	(0.192)	-	-	24

Scarborough Bridge	Re-profile	(2.168)	2.168	-	24
WYTF - YORR	Adjustment	1.100	9.200	23.900	25-26
WYTF – York Central Access	Adjustment	1.200	11.900	24.300	25-27

- 20 Within the Built Environment fund scheme, funds of £500k were allocated for an improvement scheme at Fossgate. This allocation has been reduced to £50k in 2017/18 with the remaining £450k to be transferred into 2018/19. This is to enable the experimental traffic order to reverse the traffic flow to be in place for at least 6 months prior to a decision being taken whether to make the change permanent and in advance of undertaking any physical changes to the streetscape.
- 21 The budget for the Harewood Whin scheme has been reduced by £109k as the loan facility to Yorwaste has been drawn down and the final amount required by Yorwaste was lower than originally estimated.
- 22 Additional Better Bus area grant has been identified and added to the existing programme of works, increasing the budget for this scheme by £236k.
- 23 Within the Local Transport Plan scheme, work has been carried out to develop the programme for the installation of Rapid Charger Hubs (funded by a grant from the government's Office of Low Emission Vehicles). £600k of this grant is to be transferred into 2018/19 to allow a prototype hub to be developed and implemented.
- 24 The budget allocation for the replacement of the Scarborough Bridge footbridge has been reduced in 2017/18 with the remainder slipped into 2018/19 for delivery. This is due to the extended period of project development and to allow time for the additional design work needed to take account of the consultation responses received from the public.
- 25 Following approval by Full Council on 20th July, two new schemes have been added to the capital programme in relation to the West Yorkshire Transport Fund as set out below.
- 26 Total Funds of £34.2m across 5 years from 2017/18 – 2021/22 has been added to the programme for the delivery of the York Outer Ring Road improvements funded from the West Yorkshire Plus Transport Fund grant as set out in the report to Executive and Full Council.

27 Total Funds of £37.4m across 5 years from 2017/18 – 2021/22 has been added to the Capital programme for York Central Transport improvements funded by the West Yorkshire Plus Transport Fund grant as detailed in the report to Executive and Full Council.

Regeneration & Asset Management

28 Following Full Council’s approval on 20th July, a new Capital scheme has been added to the programme with a budget of £15m. This is to make a strategic acquisition of a mixed commercial portfolio in York City centre, including the freehold interest in a portfolio of properties in Swinegate Court

Community Stadium

29 Following the latest report to Executive on 27th July, the budget for this scheme has been updated to reflect the latest anticipated profile of expenditure. Funds of £1.685m have been transferred from 2016/17 to 2018/19, along with £1.760m from 2017/18.

Summary

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

Gross Capital Programme	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	9.618	28.401	2.391	4.845	0	45.255
Health, Housing & Adult Social Care – Adult Social Care	5.922	3.781	0.565	0.565	0.565	11.398
Health, Housing & Adult Social Care – Housing & Community Safety	25.718	20.494	10.108	9.689	9.812	70.301
Economy & Place – Transport, Highways & Environment	20.607	31.908	29.614	22.363	17.015	121.507

Economy & Place – Regeneration & Asset Management	30.023	7.692	0.860	0.220	0.220	39.015
Community Stadium	14.241	18.266	3.445	0	0	35.952
Customer & Corporate Services	2.184	0.419	0.250	0.250	0.250	3.353
IT Development Plan	3.325	2.025	1.970	1.085	1.770	10.175
Revised Programme	111.638	112.986	49.203	39.017	29.632	342.476

Table 2 Revised 5 Year Capital Programme

Funding the 2017/18 – 2021/22 Capital Programme

31 The revised 2017/18 capital programme of £110.092m is funded from £44.457m of external funding and £66.525m of internal funding. Table 3 shows the projected call on resources going forward.

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	111.638	112.986	49.203	39.017	29.632	342.476
Funded by:						
External Funding	45.207	74.999	35.544	31.152	21.223	208.125
Council Controlled Resources	66.431	37.987	13.895	7.865	8.409	134.351
Total Funding	111.638	112.986	49.439	39.017	29.632	342.476

Table 3 – 2017/18 –2021/22 Capital Programme Financing

32 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

33 It was reported to Members in the 2016/17 Capital Outturn report, that the capital programme had achieved all the assumed capital receipts. Therefore it was outlined that any new capital receipts received (other than those earmarked receipts for the older person programme) would be additional resource for the council and will continue to be paid into the Capital Receipts reserve. It was also noted however that there was already an assumption within the revenue budget savings plans for some of these potential additional receipts to be used to generate future revenue savings. In July Executive/Council approved the purchase of

property in Swinegate, and agreed that this should ultimately be financed from additional capital receipts, thereby delivering significant revenue savings. As such all new capital receipts (other than those already earmarked) will be allocated towards the Swinegate property purchase until such time as that property is fully funded. Further updates on this will be provided in reports to the Executive

34 The sales of Stonebow House (£750,000), 29 Castlegate (£431,250) and 10/11 Redeness St (£256,500) are all well advanced and the capital receipts will be received in 2017/8 and 2018/9 as will the receipt from the sale of Ashbank. Further overage payments from residential sales on Hungate will also be received during this period

Council Plan

35 The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

36 This report has the following implications:

- **Financial** - are contained throughout the main body of the report
- **Human Resources (HR)** – There are no HR implications as a result of this report
- **One Planet Council/ Equalities** – 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. All individual schemes will be subject to Equalities Impact Assessments
- **Legal Implications** - There are no Legal implications as a result of this report.
- **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
- **Information Technology** – The information technology implications are contained within the main body of the report,

- **Property** - 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.
- **Other** – There are no other implications

Risk Management

37 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. In addition, the Capital Asset Board meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised

Contact Details

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Wards Affected: All			

For further information please contact the author of the report

Specialist Implications:

Legal – Not Applicable

Property – Not Applicable

Information Technology – Not Applicable

Annexes

Annex A – Capital Programme 2017/18 to 2021/22