
Executive

7 February 2022

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance and Performance

Capital Programme – Monitor 3 2021/22

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2021/22 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2021/22 capital programme approved by Council on 25 February 2021 and updated for amendments reported to Executive in the 2020/21 outturn report resulted in an approved capital budget of £143.262m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2021/22 budget of £15.678m as detailed in the report and contained in Annex A.
 - Note the 2021/22 revised budget of £127.584m as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2021/22 – 2025/26 as set 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 25 February 2021. 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 A decrease of £15.678m is detailed in this monitor resulting in a revised capital programme for 2021/22 of £127.584m. There is an increase of £4.520m in 2021/22 and a re-profiling of budgets to future years totalling £15.678m. The majority of this re-profiling is due to delays in schemes such as Highways, Flood Alleviation schemes, Fleet Replacement & Acquisition schemes to match latest expected expenditure profiles and re-profiling of Basic Need grant funding.
- 6 Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Adjustment £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	13.092	9.442	-	(3.650)	(3.650)	7 – 13
Adult Social Care	2.297	2.107	-	(0.190)	-	-
Housing & Community Safety	42.649	47.674	5.025	-	5.025	14 - 17
Transport, Highways & Environment	56.765	43.267	(0.505)	(12.993)	(13.498)	18 – 31
Property Services	16.760	16.008	-	(0.752)	(0.752)	32
Community Stadium & Other Major Projects	2.066	2.066	-	-	-	-
FM & Buildings	1.911	0.431	(0.965)	(0.515)	(1.480)	33 – 36
ICT	2.475	3.598	-	1.123	1.123	37 - 42
Customer & Corporate Services	2.209	2.209	-	-	-	-
Communities, Culture & Public Realm	3.038	0.617	-	(2.421)	(2.421)	43
Climate Change	-	0.165	0.965	(0.800)	0.165	36
Total	143.262	127.584	4.520	(20.198)	(15.678)	

Table 1 Capital Programme Forecast Outturn 2021/22

Analysis

Children, Education & Communities

- 7 Amendments to this area of the capital programme have resulted in a reduction of £3.650m in 2021/22.

Scheme	Amendment	21/22 £m	22/23 £m	23/24 £m	Further Details – Paragraph ref
Basic Need	Re-profile	(0.500)	(2.500)	3.000	9
Fulford School Expansion Phase 1 and 2	Re-profile	(1.500)	(0.500)	2.000	10
Schools essential building work	Re-profile	(0.300)	0.300	-	11
Schools essential mechanical & electrical work	Re-profile	(0.350)	0.350	-	11
Children in Care Residential Commissioning Plan	Re-profile	(1.000)	1.000	-	12

- 8 The total approved budget within the Children's Services and Education Capital Programme for 2021/22 is £13.092m. Only a small number of budget reprofiling requests are detailed in this monitor.
- 9 The current approved budget for the main Basic Need scheme in the programme is £997k. As little further work is expected to be committed in 2021/22 from this budget it is proposed to re-profile a further £0.5m into 2022/23. This leaves an amount of £0.497m in the budget for 2021/22, to deal with any additional urgent requirements before the year-end, for example if additional resources are required to supplement the SEND expansion of Facilities scheme as a result of the Inclusion Review
- 10 The major expansion scheme at Fulford School has been delayed due to the requirement to ensure all planning conditions were fulfilled before the contractor is able to begin on site. The main contract work is now scheduled to begin in January 2022, therefore the spend profile needs to be further adjusted throughout the life of the scheme. It is proposed to re-profile an amount of £1.5m from 2021/22 into 2022/23, then re-profile £2m into 2023/24 to better reflect the latest expected spend profile.

- 11 As reported at monitor 2, a significant number of schemes were carried out over the summer of 2021 within the School Condition and Maintenance programme, including many schemes postponed from 2020 due to the Covid pandemic. Within the overall condition and maintenance programme a further amount of reprofiling across the various schemes totalling £650k into 2022/23 is now requested due to further underspends and to deal with retention payments.
- 12 Investment within the scheme in the programme for the development and acquisition of residential accommodation for children is still being developed, therefore it is unlikely that there will be significant spend in 2021/22. At this stage it is recommended that an amount of £1m of the £1.358m is reprofiled into 2022/23.
- 13 Work is currently underway at two properties within the scheme for investment in adaptations in Foster Carers homes.

Housing & Community Safety

- 14 Amendments to this area of the capital programme have resulted in an increase of £5.025m in 2021/22.

Scheme	Amendment	21/22 £m	Further Details – Paragraph ref
Home Upgrade grant	Adjustment	2.383	15
Local Authority Homes – New Build Project	Adjustment	(0.500)	16
LA Homes – Hospital Fields/ Ordnance Lane	Adjustment	2.429	17
Tang Hall Site enabling works	Adjustment	0.119	17
Chalnor Road site enabling works	Adjustment	0.094	17

- 15 A further £2.383m has been awarded for energy efficiency work in homes through the Sustainable Warmth Competition. The funding is to upgrade homes both on and off the mains gas grid for low-income households heated by mains gas.
- 16 Executive on 14th October 2021 agreed to allocate an additional £500k from the Housing Delivery Programme capital programme budget in order to

undertake detailed design work at the Ordnance Lane and Hospital Fields Road site in conjunction with the submission of the planning application and completing the financial business case for this site.

- 17 The Housing Delivery Team have also secured £2.64m in Brownfield Land Release Funds to assist with addressing abnormal costs and undertake enabling works at Ordnance Lane (£2.429m), Tang Hall site (£119k) and Chaloner Garages (£94k)

Transport, Highways & Environment

- 18 Amendments to this area of the capital programme have resulted in a reduction of £13.498m in 2021/22.

Scheme	Amendment	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	Further Details – Paragraph ref
Highways Schemes	Adjustment	(0.500)	-	-	-	-	19 – 20
Highways Schemes	Re-profile	(0.595)	0.595	-	-	-	21
Drainage Investigation and Renewal	Re-profile	(0.200)	0.200	-	-	-	22
Built Environment Fund – Hostile Vehicle Mitigation	Adjustment	0.500	-	-	-	-	25
Built Environment Fund – Hostile Vehicle Mitigation	Re-profile	(1.632)	1.632	-	-	-	25
Replacement Vehicles & Plant	Re-profile	(3.306)	3.306	-	-	-	23
Fleet Acquisition	Re-profile	(1.930)	1.930	-	-	-	-
Local Transport Plant (LTP)	Re-profile	(1.818)	1.818	-	-	-	24
Electric Charging Infrastructure	Re-profile	(0.900)	0.900	-	-	-	26
York City Walls Restoration Programme	Adjustment	(0.305)	0.305	-	-	-	27

WYTF – Castle Gateway Development	Re-profile	(0.155)	0.155	-	-	-	31
WYTF – Castle Gateway Development	Adjustment	-	1.940	1.347	0.908	0.050	31
WYTF – Station Frontage	Re-profile	(1.922)	(11.934)	9.546	4.310	-	28
City Fibre Network	Adjustment	(0.410)	-	-	-	-	29
Traffic Control/reduction	Re-profile	(0.230)	0.230	-	-	-	30

- 19 Within the highways capital scheme there was £1,640k of unallocated funding that was added to the 2021/22 programme after the annual highway maintenance report, of schemes to be delivered, was agreed. This was due to additional DfT funding provided over and above that assumed in the budget process. This has been used to fund the purchase of land near Haxby relating to the Haxby Station Project (Executive 30th Sept 2021) and £500k to cover the Hostile Vehicle Measures (Executive 13th January 2022). The adjustment in the table above 500k between highways schemes and Built Environment Fund reflects this agreed amendment and also slippage of the majority of the Hostile Vehicle Mitigation scheme which is currently anticipated to be delivered in 2022/23.
- 20 The remaining £890k is proposed to be used to deliver various highway schemes across cycle margin repairs, concrete road joint repairs and rubber replacement speed cushions (£600k) highways works at Danesgate (£190k), street lighting safety improvements (£65k) and £35k relating to unadopted roads condition surveys.
- 21 The programme assumes £7.7m of spend across Highway schemes over the year. There is a small amount of slippage of £595k identified where various footway and carriageway schemes are being reprofiled until 2022/23 to optimise with works in the same areas and to allow design complexities to be resolved.
- 22 There is a delay to the drainage scheme on Kent Street which requires design issues to be resolved and to allow for the appropriate road space to be booked. This is therefore programmed for delivery in 2022/23.
- 23 There is slippage across the vehicle replacement programme as there are significant lead in times for many of the vehicles ordered and they will not be delivered before 31st March 2022.

- 24 A number of transport schemes have been completed, including upgrades to traffic signals at eight locations through the TSAR programme, improvements to car park signage, installation of new pay-on-exit systems at Marygate and Coppergate car parks, installation of a trial one-way system on Navigation Road, measures to improve safety at Clifton Green Primary School and at Hempland Lane/ Hempland Avenue, improvements to Speed Management measures at Elvington Lane and Sim Balk Lane, and an extension of the existing 20mph limit at Osbaldwick. A number of other schemes are being prepared for implementation in early 2022, and feasibility and design work is being progressed to develop schemes for implementation in 2022/23. Construction work on the Monks Cross Hyper Hub is complete, but the final electrical connection has been delayed due to historical legal issues, which are being addressed by the council's legal team, with the aim opening the site early in 2022 once the final connection to the grid is completed. The Poppleton Bar Hyper Hub is close to completion. Commissioning of the chargers, batteries, and electrical equipment will be carried out in December, and the site should be opened to the public by the end of January 2022.
- 25 It is proposed that the additional DfT funding of £500k for TSAR schemes is being reprofiled as it is programmed to be spent in 2022/23 once feasibility and design for schemes has been undertaken. There is also reprofiling of schemes in the active travel programme these schemes with new project managers being appointed will allow the schemes to progress in 2022/23.
- 26 The electric charging infrastructure scheme at Hazel Court has been reprofiled as scheme delivery will not be fully complete in 2021/22. The infrastructure will be ready for the delivery of the first phase of Building Services electric vehicles in mid 2022/23.
- 27 There are two bar walls schemes around Bootham Bar where scheme delivery will now take place in 2022/23 once the planning stage has been completed.
- 28 The station frontage scheme has been reprofiled to match the latest delivery timescales as updated to Executive in November 2021.
- 29 The city fibre scheme has progressed to completion and this funding allocation is not required to complete the scheme
- 30 The traffic control scheme at Victoria Bar is on hold following requests to extend the scope of the scheme to review the wider area and the need to consider the proposals to reduce car levels in the city centre. It is proposed

to reprofile the funding to 2022/23 to allow a scheme to be developed that could incorporate all of these proposals and include the wider aims of the council's fourth Local Transport Plan.

- 31 To rationalise the funding arrangements for the Outer Ring Road and Castle Gateway schemes it is proposed to switch funding sources between the two schemes. There is no overall change to the funding allocation for each scheme. It is proposed to transfer £3.5m of indicative WY+TF funding to the Outer Ring Road scheme and in return transfer £3.5m of CYC resources from the Outer Ring Road scheme to the Castle Gateway scheme. These changes will be subject to approval by the West Yorkshire Combined Authority.

Property Services

- 32 Amendments to this area of the capital programme have resulted in a decrease of £752k in 2021/22

Scheme	Amendment	21/22 £m	22/23 £m	Further Details – Paragraph ref
Holgate Park Land – York Central Land and Clearance	Re-profile	(0.397)	0.397	-
Community Asset Transfer	Re-profile	(0.175)	0.175	-
Shambles Modernisation - Power	Re-profile	(0.180)	0.180	-
Castle Gateway (Picadilly Regeneration)	Adjustment	-	3.500	31

Guildhall

- 33 The delivery of the Guildhall project has continued through Q3 with further project milestones being achieved: the new floor to the Guildhall; the final internal finishes to the Victorian Block; the completion of most services ahead of the commissioning stage. The complexity of the project and the challenges co-ordinating the different elements; new build, conservation work, and renewal of services on the tight site, compounded by some further Covid / supply chain disruption has seen the completion date slip further into early March 2022.
- 34 Members are aware of the previously reported delays relating to; structural defects requiring further underpinning and piling work, high river levels, archaeology and further drainage work. The most recent delay has been that in securing the new electricity supply, which has only just been made

available as a result of a series of issues as follows; firstly in securing the necessary wayleave agreements from adjoining owners, and then with the meter installation. The project team continue to work closely with the contractor and the University to manage and mitigate the impact of these delays.

- 35 The full extent of delay to the works is likely to be circa 52 weeks and the additional costs associated with this and the additional works necessary to complete the project to the required standard are proportionate.
- 36 A full report setting out the outturn position for the contract and the additional costs involved will be brought forward and presented when these have been agreed with the contractor in accordance with the terms of the contract. At this time the project team remain focussed on completing the project, which is progressing well towards completion. Plans are being put in place to provide opportunities for the building to be opened up on completion, so that the extent of the transformation and the value of the investment can be fully appreciated.

FM & Buildings

- 37 Amendments to this area of the capital programme have resulted in a decrease of £1.315m in 2021/22

Scheme	Amendment	21/22 £m	22/23 £m	Further Details – Paragraph ref
Removal of Asbestos	Re-profile	(0.137)	0.137	38
Crematorium Waiting Room	Re-profile	(0.242)	0.242	39
Climate Change Schemes incl Northern Forest	Re-profile	(0.800)	0.800	40
Climate Change Schemes incl Northern Forest	Adjustment	(0.965)	-	40

- 38 No schemes have been identified for the removal Asbestos scheme this financial year and therefore it is recommended that the remainder of the budget is slipped into 2022/23.
- 39 Contract terms have now been agreed with the preferred supplier of the Crematorium Waiting Room and a contract will be awarded shortly. However

as the supplier needs to submit a planning application ahead of manufacturing the waiting room structure, the works will be paid in 2023/23 and slippage of the budget is proposed.

- 40 The York Community Woodland will now be delivered through the Council's preferred partner, Forestry England, who will be responsible for the creation and management of the woodland. They will also access external capital funding to do so. As a result, the financial commitments for the Council in this financial year have reduced significantly. Slippage of £800k is proposed at Monitor 3. This scheme has also been moved into the Climate Change area from FM & Buildings in line with the Council structure.

Customer & Corporate Services - IT

- 41 The ICT capital programme has a budget of £2,475k for 2021/22
- 42 During the year, the procurement process to secure a new Managed Service provider has concluded and the phased work programme to implement the significant infrastructure technology refresh has been initiated and is underway. The first phase includes the upgrade and replacement of our WIFI platform which is essential to enable and support the Working as One programme, and was a key requirement of the tender process
- 43 Our new MSA provider has taken early positive action to secure the required equipment and resources which means that we are able to deliver significant elements of this important refresh within this financial year. This will require an early drawdown of identified and planned capital from the 5 year ICT Development Plan rolling programme of work and total capital expenditure in 21/22 is now forecast to be £3.598m
- 44 The Working as One programme has develop and provided ICT solutions to support all staff working flexibly and at home due to the pandemic and will continue to support new ways of working over the coming months
- 45 A new parking applications has been procured and delivered and the iTrent HR and payroll system has been re-procured for a further 3 years
- 46 Work also continues to further develop and expand the cities digital connectivity landscape that is providing the city's residents, communities and businesses access to enhanced broadband services both within our more rural communities and suburban areas through the multiple programmes that the service is working within

Communities, Culture & Public Realm

47 Executive received an update on the Future Libraries Investment Programme in January 2022 which detailed the investment planned at Libraries in Haxby, Clifton and Acomb. The amendments to the programme in this report reflects the phased investment and amendments to the Children's Services budgets and Carbon reduction budgets that are contributing to the scheme costs.

Summary

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

Gross Capital Programme	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Childrens services	9.442	19.899	5.000	-	-	34.341
Adult Social Care	2.107	0.738	0.750	0.682	0.705	4.982
Housing & Community Safety	47.674	48.694	42.318	33.544	32.104	204.334
Transport, Highways & Environment	43.276	38.979	46.881	42.618	14.290	186.035
Property Services	16.008	4.830	38.749	0.250	0.250	60.087
Community Stadium	2.066	-	-	-	-	2.066
FM & Buildings	0.431	0.665	-	-	-	1.096
ICT	3.598	1.067	2.070	2.070	2.920	11.725
Customer & Corporate Services	2.209	0.400	0.200	0.200	0.200	3.209
Communities, Culture & Public Realm	0.617	1.950	3.700	0.726	-	6.993
Climate Change	0.165	1.100	0.400	0.250	0.250	2.165
Revised Programme	127.584	118.322	140.068	80.340	50.719	517.033

**Table 2 Revised 5 Year Capital Programme
Funding the 2021/22 – 2025/26 Capital Programme**

49 The revised 2021/22 capital programme of £127.584m is funded from £41.946m of external funding and £85.638m of internal funding. Table 3 shows the projected call on resources going forward.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	127.584	118.322	140.068	80.340	50.719	517.033
Funded by:						
External Funding	41.946	37.010	47.339	34.584	9.105	169.984
Council Controlled Resources	85.638	81.312	92.729	45.030	41.614	347.049
Total Funding	127.584	118.322	140.068	80.340	50.719	517.033

Table 3 – 2021/22 –2025/26 Capital Programme Financing

50 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

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

Council Plan

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

Implications

53 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** - Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves will be in receipt of legal advice where necessary

- **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

54 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.

Contact Details

Author:	Chief Officer Responsible for the report:		
Emma Audrain Technical Accountant Corporate Finance 01904 551170 emma.audrain@york.gov.uk	Debbie Mitchell Chief Finance Officer 01904 554161		
	Report Approved	√	Date 26/1/22
Wards Affected: All			
<i>For further information please contact the author of the report</i>			

Specialist Implications:
<i>Legal – Not Applicable</i>
<i>Property – Not Applicable</i>
<i>Information Technology – Not Applicable</i>

Annexes

Annex A – Capital Programme 2021/22 to 2025/26