

Executive

13 February 2020

Report of the Corporate Finance & Commercial Procurement Manager
(Interim S151 officer)

Portfolio of the Executive Member for Finance and Performance

Capital Programme – Monitor 3 2019/20

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2019/20 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2019/20 capital programme approved by Council on 28 February 2019, updated for amendments reported to Executive and Council in the 2018/19 outturn report resulted in an approved capital budget of £121.456m.
- 3 Whilst the content of this report focuses on reporting amendments to budgets in year and re-profiling to future years, it should be recognised that there have been a number of significant achievements delivered through the Capital programme during 2019/20 including work beginning on the restoration of the Guildhall, the appointment of a contractor to build 104 new homes at Lowfield and the Community stadium now in its final site fit out, testing and commissioning phase before opening to the public during the year.

Recommendations

- 4 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2019/20 budget of £15.414m as detailed in the report and contained in Annex A.
 - Note the 2019/20 revised budget of £121.456m as set out in paragraph 6 and Table 1.

- Note the restated capital programme for 2019/20 – 2023/24 as set out in paragraph 17, Table 2 and detailed in Annex A.
- Approve the appropriation of land from the general fund to HRA for the Burnholme site at a market value of £3m
- Approve the transfer of budget of £2.9m from the Local Authority (LA) Homes New Build and £200k from LA Homes project team schemes in 20/21 to Hospital Fields Road/ Ordnance lane, Burnholme, and Duncombe Barracks as set out at paragraph 21.
- Note the allocation of £774k of funds within the overall Maintenance programme towards a maintenance scheme at Huntington School in 2020/21 as set out at paragraph 14.

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

Consultation

- 5 The capital programme was developed under the capital budget process and agreed by Council on 28 February 2019. 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

- 6 A decrease of £15.414m is detailed in this monitor resulting in a revised capital programme of £121.456m. There is an increase of £3.299m in 2019/20 and an £18.713m decrease in 2019/20 due to re-profiling of budgets to future years. The majority of this re-profiling is due to a review of the WYTF York Outer Ring Road; Station frontage, Smarter travel evolution & Guildhall schemes to reflect a more appropriate and accurate scheduling of when the costs are likely to be incurred. Progress has been made across a number of key areas of the capital programme, including work beginning on the restoration of the Guildhall and the appointment of a contractor build 140 new homes at Lowfield.

7 Table 1 outlines the variances reported against each portfolio area.

Department	Current Approved Budget £m	Projected Outturn £m	Increase (decrease) £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children, Education & Communities	14.377	12.284	-	(2.093)	(2.093)	10-16
Health, Housing & Adult Social Care – Adult Social Care	5.254	5.321	-	0.067	0.067	17-21
Health, Housing & Adult Social Care – Housing & Community Safety	39.258	37.758	0.477	(1.977)	(1.500)	22-26
Economy & Place – Transport, Highways & Environment	41.268	31.559	(0.028)	(9.681)	(9.709)	27-34
Economy & Place – Regeneration & Asset Management	18.606	17.666	2.850	(3.790)	(0.940)	35-40
Community Stadium	10.143	10.143	-	-	-	-
Customer & Corporate services	2.999	2.260	-	(0.739)	(0.739)	41-45
IT Development Plan	4.965	4.465	-	(0.500)	(0.500)	46
Total	136.870	121.456	3.299	(18.713)	(15.414)	

Table 1 Capital Programme Forecast Outturn 2019/20

Analysis

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

Children, Education & Communities

- 9 Amendments to this area of the capital programme have resulted in a net decrease to the capital programme of £2.093m 2019/20 at monitor 3. Further details on variance schemes can be found below.

Scheme	Amendment	Amount 19/20 £m	Amount 20/21 £m	Further Details – Paragraph ref
Basic Need	Re-profile	(1.000)	1.000	11-13
Basic Need	Adjustment	(0.506)	-	11-13
Archbishop Holgate's School Expansion	Adjustment	0.500		12
Family Drug & Alcohol Assess/ Recovery facility	Re-profile	(0.100)	0.100	15
Centre of Excellence for Disabled Children (Lincoln Court)	Re-profile	(0.900)	0.900	16

- 10 A significant programme of maintenance and condition works has been carried out in schools over the summer holiday period with remaining works completed in the October half-term.
- 11 Following approval at the Executive on 24th October 2019 the major scheme for the expansion of Archbishop Holgate's School is now shown separately in the programme. This scheme totals £4.4m and is scheduled to begin in spring 2020.
- 12 An amount of £1m of the £1.683m remaining in the main Basic Need budget now requires re-profiling into 2020/21. This will form part of the resource for the major scheme at Fulford School which has already had a draft budget of £6m earmarked by the Executive whilst a potential scheme is developed.
- 13 The Centre of Excellence is currently still progressing to the timetable previously reported, with the main build due to be completed in January 2020 and opening scheduled for May 2020. The scheduling of remaining works following the completion of the main build now requires that £900k be re-profiled into 2020/21 as this is when these works will be completed, prior to opening.

- 14 There are currently no plans to spend the budget within the Family Drug and Alcohol Resource Centre in 2019/20 therefore the budget of £100k has been transferred into 2020/21.
- 15 Within the overall Maintenance Programme a specific scheme is planned at Huntingdon School in 2020/21. This scheme, at a budgeted cost of £774k, will refurbish four of eight science labs to improve the educational experience for staff and pupils, and will also address urgent electrical and gas issues. Energy efficiency will be improved as a result of the updated electrical wiring which will be brought into line with current building regulations

Adult Social Care

- 16 Amendments made as part of this report have resulted in a net reduction in the capital programme of £67k in 2019/20.
- 17 The Ashfield sports pitches scheme is on track to spend on budget. The majority of the pitches have been seeded although some more seeding will take place in March 2020 having been delayed by the recent inclement weather. Work will start on the pavilion in January 2020 and the development is still scheduled to be in use by September 2020 in time for the 2020/21 football season.
- 18 The contract for the Burnholme sports centre is now complete. The Council took hand over of the building on 2nd December 2019 with minor snagging work being completed throughout December.
- 19 GLL are currently on site installing the gym kit and other infrastructure. The sports centre is due to open to the public on 8th January and is forecast to be delivered on budget.
- 20 The Lowfields enabling works have continued with funds of £67k being brought forward into 2019/20 due to more enabling works being completed than originally anticipated in 2019/20.

Housing & Community Safety

21 Amendments to this area of the capital programme have resulted in a net nil adjustment for 2019/20 at monitor 3. Further details on variance schemes can be found below.

Scheme	Amendment	Amount 19/20 £m	Amount 20/21 £m	Amount 21/22 £m	Amount 22/23 £m	Further Details – Paragraph ref
Local Authority Homes – New Build Project	Adjustment	-	(2.900)	-	-	23
Local Authority Homes – New Build Project	Re-profile	-	(20.000)	5.000	20.000	23
Local Authority Homes – Project team	Adjustment	-	(0.200)	-	-	23
Local Authority Homes – Hospital Fields/ Ordnance Lane	Adjustment	-	1.300	-	-	23
Local Authority Homes - Burnholme	Adjustment	-	1.400	-	-	23
Duncombe Barracks	Adjustment	-	0.400	-	-	23
Shared Ownership Scheme	Adjustment	0.477	-	-	-	24
Shared Ownership Scheme	Re-profile	(0.477)	0.477	-	-	24
Lowfield Housing	Re-profile	(1.500)	1.500	-	-	26

22 The Housing Delivery Team are working on the design of three sites, Burnholme, Hospital Field Road/Ordnance Lane(HFR/OL) and Duncombe. The programme has adopted a rise in design quality including passivhaus and net zero carbon as well as more land efficient sites. Additional funding is required to move these sites through planning to a level of design which will allow tender documents to be prepared for contract. Approval is requested to move budget in 2020/21 from the New

Build Project (£2,900k) and the Project Team budgets (£200k) to these three schemes (£1,400k Burnholme, £1,300k HFR/OL and £400k Duncombe) to allow this work to be completed. Funds of £20m within the LA Homes New Build Project scheme have also been re-profiled from 2020/21 to future years in order to align the budget with projected start date on future sites.

- 23 Within the Shared Ownership scheme - 4 properties have been bought and sold in quarter 3 (up to first week in December), in total 10 properties have been bought this year and 14 sold. The sales in this quarter of £477k are to be reinvested in the programme, therefore approval is requested to increase the budget by this level.
- 24 There has been significant progress on site at Marjorie Waite Court with 2 of the bungalows being completed for use as site accommodation, the new plant room is completed ready for the switchover and the superstructure of the main block of apartments is now at first floor level. There is however an estimated delay of approximately 23 weeks which has been caused by a delay in Northern Powergrid getting the necessary legal agreements to make the new electrical connection to the development, this has been outside of both CYC's and Hobson Porter's Control. However Hobson & Porter have re-programmed works to ensure that the delay is minimised and work has continued on site, the cost of this delay is currently being negotiated
- 25 Within the Lowfield Housing scheme, The main contractor, Wates Construction, started work on site on 2nd December 2019. Show homes are due to be ready in late Summer 2020 and first occupations expected late 2020. Funds of £1.5m have been re-profiled from 2019/20 to 20/21 in line with contract costs.

Transport, Highways & Environment

26 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 19/20 of £9.681m. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 19/20 £m	Amount 20/21 £m	Amount 21/22 £m	Amount 22/23 £m	Amount 22/23 £m	Further Details – Paragraph ref
Special Bridge Maintenance	Re-profile	(0.630)	0.630	-	-	-	28
Hyper Hubs	Re-profile	(0.836)	0.836	-	-	-	29
WYTF – York Outer Ring Road	Re-profile	(3.510)	(10.690)	1.120	10.000	3.080	30-31
WYTF – York Outer Ring Road	Adjustment	-	-	5.000	-	-	30-31
WYTF – Station Frontage	Re-profile	(1.330)	1.330	-	-	-	32
Smarter Travel Evolution programme	Re-profile	(1.985)	1.985	-	-	-	33
Clean Air Zone	Re-profile	(1.390)	1.390	-	-	-	34

27 A programme of bridge improvement work is now being developed following the programme of bridge inspections, but due to the length of time needed for the inspections process, the majority of the work will be carried out in 2020/21. It is proposed to reduce the allocation for this scheme to £300k in 2019/20 to fund the planned work on Blue Bridge and Castle Mills Bridge, which will start on site in March, and transfer the remaining funding of £630k into 2020/21 for the completion of these two schemes and the next schemes identified through the inspection programme.

28 Planning approval was granted for the proposals to install solar panel canopies and chargers for electric vehicles at Monks Cross and Poppleton Park & Ride sites in autumn 2019. Following a tender process, the contract for the work will be awarded in early 2020, and construction is expected to start in February/ March 2020 with completion in August 2020. As the majority of the construction work will be carried out in 2020/21, it is proposed

to reduce the allocation for this scheme in 19/20 to £600k and slip the remaining funding to 2020/21 for the completion of the scheme.

- 29 As previously reported to the Executive in September, progress on the Outer Ring Road roundabout improvements scheme has been delayed in 2019/20 due to the issues in acquiring land for the Monks Cross roundabout scheme. Due to these delays, it is proposed to reduce the allocation for this scheme in 2019/20 to £1,750k to allow the development of the Clifton Moor roundabout scheme to continue. It is proposed to slip the remaining West Yorkshire Transport Fund grant funding to 2020/21 for the implementation of the Monks Cross and Clifton Moor roundabout schemes, and further development work on the remaining roundabout upgrades
- 30 As agreed by Council in October 2019 an additional £5m of prudential borrowing is to be provided in order to fund the 'enhanced option' to upgrade the Clifton Moor junction'
- 31 It is proposed to re-profile the allocation for the Station Frontage scheme and slip £1,330k of West Yorkshire Transport Fund grant funding from 2019/20 to 2020/21, as the planning approval process has taken longer than originally expected - amendments to the planning application are due to be submitted in January 2020. This will allow work to gain planning approval and Full Business Case agreement from the West Yorkshire Combined Authority to be progressed in 2019/20, with delivery of the full scheme expected to start in 2020/21. The York Station Frontage scheme has been included in the Leeds City Region Transforming Cities Fund bid to the Department for Transport. In advance of the outcome of the bid being announced additional funding has been allocated by the West Yorkshire Combined Authority to develop scheme further.
- 32 There have been some delays to the Smarter Travel Evolution Programme (STEP) in 2019/20 due to the length of time required for procurement of some of the measures, due to the new technology required for the programme of work. The work in 2019/20 to collect traffic data required for the new transport model will continue, but the majority of the work to develop the new transport model and upgrade communications infrastructure at traffic signals will now be carried out in 2020/21. It is proposed to slip £1.9m grant funding to 2020/21 to allow preparatory work to continue in 2019/20 and complete the programme of work in 2020/21.
- 33 Following the approval of the Clean Air Zone proposals for the city centre, an application process was set up to allow bus companies to bid for funding

to convert their buses to Euro VI standards. All funding is now committed to operators following an allocation exercise undertaken in October/ November 2019, but due to the length of time needed to carry out the conversion work, the spend in 2019/20 will be lower than originally expected. It is proposed to reduce the allocation for 2019/20 to £250k and slip the remaining funding to 2020/21 for payment of the remaining grants once conversion work is completed.

Regeneration & Asset Management

34 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £854k in 2019/20. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 19/20 £m	Amount 20/21 £m	Amount 21/22 £m	Amount 22/23 £m	Further Details – Paragraph ref
Community Asset Transfer	Re-profile	(0.175)	0.175	-	-	36
One Planet Council – Energy Efficiency	Re-profile	(0.440)	0.440	-	-	37
Shambles Modernisation - Power	Re-profile	(0.180)	0.180	-	-	-
Commercial Property Acquisition	Adjustment	2.850	-	-	-	38
Guildhall	Re-profile	(2.936)	2.936	-	-	39
York Central Infrastructure	Re-profile	-	(103.615)	53.473	50.142	40

35 Within the Community Asset Transfer scheme there are a number of assets where improvements are required. However, schemes are slow in being brought forward. The scheme at Clementhorpe Community Centre is not expected until the Summer therefore funds of £175k have been transferred from 19/20 into 20/21.

36 Expenditure on the One Plane Council – Energy Efficiency scheme has been delayed whilst officers put together a coordinated strategy, using both

capital and revenue budgets, to consult and implement initiatives to reduce or offset carbon with the ambition of being carbon neutral by 2030, Funds of £440k have therefore been transferred from 19/20 into 20/21

- 37 At their Full Council meeting on 19th December 2019 Members formally approved the purchase of the freehold of a city centre property, following an Executive report on 28 November 2019. The property, 25-27 Coney Street, was purchased in December 2019 and will be added to the commercial property portfolio. It is a property with an existing tenant, but which has future development potential. The purchase will be funded by departmental borrowing which will be paid out of rental income
- 38 Following the delay in finalising the contract with Vinci the expenditure profile for the Guildhall scheme has been adjusted to reflect the revised cashflows. The work is underway and the work is expected to be complete by Spring 2021
- 39 The expenditure on York Central has been re-profiled to reflect the fact the Council is still awaiting an announcement on HIF funding. If the full funding package is secured the phase 1 infrastructure works contract could commence in Autumn 2020. This would be the subject of approval by Executive.

Customer & Corporate Services

- 40 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £739k in 2019/20. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 19/20 £m	Amount 20/21 £m	Further Details – Paragraph ref
Removal of Asbestos	Re-profile	(0.120)	0.120	42
PhotoVoltaic Energy programme	Re-profile	(0.100)	0.100	43
Crematorium Waiting room	Re-profile	(0.200)	0.200	44
West Offices – Major repairs	Re-profile	(0.237)	0.237	45

- 41 Within the removal of asbestos scheme, investigative works are underway at 22 the Avenues, which could result in further costs in 19/20. A project at

Rowntree Park Lodge has been deferred awaiting further consultation; therefore majority of budget has been transferred into 2020/21.

- 42 Tenders have been invited to expand the PhotoVoltaic (PV) panelling at Hazel Court. Work is expected to progress during 2019/20, continuing in 20/21 therefore funds of £100k have been transferred into 20/21 to continue the works.
- 43 The project to replace the two cremators has proceeded as planned and work is expected to complete by March 2020. With some operational adjustments, the Crematorium has continued to operate and meet demand during the period of the works. In terms of the project to redevelop the waiting room, detailed plans are now being drawn up and planning permission will be sought at the start of the new year, with a view to work starting in March 2020. As a result, budget of £225k has been transferred into 2020/21 to allow this work to continue.
- 44 There are no capital works planned for West Offices during 2019/20 therefore the total remaining budget of £237k has been transferred into 2020/21.

Customer & Corporate Services - IT

- 45 Funds of £500k have been transferred from 2019/20 into 2020/21 within the IT Development plan in relation to EDRMS delays. It is expected the scheme will outturn at £4.465m by the end of the year. Progress to date includes:
- Replacing our aged firewalls with future proof and more robust Cisco next generation firewall estate that will provide much superior e-protection services underpinning the councils "business as usual" services and its future Digital Service aspirations.
 - Migrated 95% of customers to the new Citrix farm providing access to a more up to date desktop and Microsoft office experience and combined with the replacement or upgrade of our thin clients we have enabled a much faster and effective logon experience.
 - Renewed our corporate anti-virus/security solution
 - Replaced our aging Smartphone device estate as part of continuing refresh policy to support agile working and also to improve the security of our mobile devices.
 - Worked with colleagues to identify and procure new Parking and Waste systems

- Worked with North Yorkshire County Council to implement their new Health & Safety system across the council.
- SX3 Housing Revenues and Benefits were successfully split into 2 separate systems in preparation for the new Housing system that we have worked with colleagues to procure.
- Upgraded all staff and public PC's at Explore locations to Windows 10 on new hardware
- Currently rolling out Wifi services to the Stadium and Coppergate
- delivered 1Gb superfast broadband connectivity to businesses on the Shambles as part of our work to support York's small and medium enterprises community.
- Undertaking Microsoft O365 trials as part of 2 year phased migration programme and have completed the install and configuration of Exchange on line and migrated test users to the new Office 365 email
- undertaken a Firmware upgrade of the entire Lenovo Miix estate
- moved all CMT and senior managers to flexible mobile working model (laptops/docking stations/mobile)
- upgraded 90% of Windows Server 2008R2 estate to 2012R2 or 2016 (circa 125 servers)
- upgraded all Public access PC's to Windows 10
- upgraded the CYC ICT estate to Office 2016
- upgraded the DMZ stack which is the subnetwork that contains and exposes CYC's external facing services to the Internet securely.
- implemented new domain management software
- making significant progress on the transfer of Lagan processes to Oracle CRM with only Waste processes remaining.
- produced a strategy and begun work to improve the Be Independent technologies.
- identified and deployed mobile devices for priority areas of Children's Social Care.
- Currently supporting the Future Focus Adult Social Care model of transformed assessments

Summary

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

Gross Capital Programme	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	12.284	24.764	10.500	2.000	-	49.548
Health, Housing & Adult Social Care – Adult Social Care	5.321	2.090	1.396	0.638	0.660	10.105
Health, Housing & Adult Social Care – Housing & Community Safety	37.758	46.992	51.054	39.282	36.390	212.976
Economy & Place – Transport, Highways & Environment	31.559	66.887	25.469	11.923	5.225	141.063
Economy & Place – Regeneration & Asset Management	17.666	135.380	27.011	1.448	0.470	184.911
Community Stadium	10.143	-	-	-	-	10.143
Customer & Corporate Services	2.260	1.057	0.250	0.200	0.200	3.967
IT Development Plan	4.465	2.155	1.870	2.070	2.070	12.630
Revised Programme	121.456	283.761	117.550	57.561	45.015	625.343

**Table 2 Revised 5 Year Capital Programme
Funding the 2019/20 – 2023/24 Capital Programme**

47 The revised 2019/20 capital programme of £121.456m is funded from £37.836m of external funding and £83.620m of internal funding. Table 3 shows the projected call on resources going forward.

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	121.456	283.761	117.550	57.561	45.015	625.343
Funded by:						
External Funding	37.836	181.678	29.505	8.486	5.598	263.103
Council Controlled Resources	83.620	102.083	88.045	49.075	39.417	362.240
Total Funding	121.456	283.761	117.550	57.561	45.015	625.343

Table 3 – 2019/20 –2023/24 Capital Programme Financing

48 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

49 During Executive meetings in October 2016 and July 2017, Members decided to ultimately finance the purchase of property at Hospital Fields Road and Swinegate from Capital receipts. Therefore it should be noted that all future capital receipts are assumed to be used for this purpose in the medium term. This strategy will deliver significant revenue savings, and reduce the need for savings within the revenue budget.

Council Plan

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

Implications

51 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

52 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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	Report Approved	x	Date
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 2019/20 to 2023/24