

---

**Executive**

**29 August 2019**

Report of the Corporate Finance & Commercial Procurement Manager  
(Interim S151 officer)  
Portfolio of the Executive Member for Finance and Performance

## **Capital Programme – Monitor 1 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 and subsequent budget amendments totalling £4.25m made by the new administration resulted in an approved capital budget of £205.478m.

### **Recommendations**

- 3 Executive is asked to:
  - Recommend to Full Council the adjustments resulting in a decrease in the 2019/20 budget of £65.816m as detailed in the report and contained in Annex A.
  - Note the 2019/20 revised budget of £205.478 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.
  - Agree to increase the gross budget for Assistance to Older & Disabled People programme by £200k funded by a revenue contribution from the HRA as detailed in paragraph 25
  - Agree to the contract award as outlined in paragraphs 57 to 62

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 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

- 5 A decrease of £65.816m is detailed in this monitor resulting in a revised capital programme of £205.478m. There is an increase of £1.394m in 2019/20 attributable to new schemes added to the programme agreed by members set out in the paragraphs below. This is offset by a £67.210m decrease in 2019/20 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	Increase (decrease) £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children, Education & Communities	23.233	16.979	<b>0.846</b>	<b>(7.100)</b>	<b>(6.254)</b>	8 - 17
Health, Housing & Adult Social Care – Adult Social Care	7.371	6.670	<b>0.896</b>	<b>(1.597)</b>	<b>(0.701)</b>	18 - 22
Health, Housing & Adult Social Care – Housing & Community Safety	55.860	39.258	<b>(0.408)</b>	<b>(16.194)</b>	<b>(16.602)</b>	23 - 34
Economy & Place – Transport, Highways & Environment	78.219	41.468	<b>2.580</b>	<b>(39.507)</b>	<b>(36.927)</b>	35 - 48
Economy & Place – Regeneration & Asset Management	87.901	82.876	<b>(2.520)</b>	<b>(2.769)</b>	<b>(5.289)</b>	49 - 52
Community Stadium	10.143	10.143	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	-
Customer & Corporate services	3.482	2.999	<b>0.000</b>	<b>(0.043)</b>	<b>(0.043)</b>	53 - 54
IT Development Plan	5.085	5.085	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	55

<b>Total</b>	<b>271.294</b>	<b>205.478</b>	<b>1.394</b>	<b>(67.201)</b>	<b>(65.816)</b>	
--------------	----------------	----------------	--------------	-----------------	-----------------	--

**Table 1 Capital Programme Forecast Outturn 2019/20**

## **Analysis**

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

### **Children, Education & Communities**

- 8 Amendments made as part of this report have resulted in a new reduction in the capital programme of £6.254m in 2019.20 Key variances are summarised in the table below, referenced to further narrative.

<b>Scheme</b>	<b>Amendment</b>	<b>Amount 19/20 £m</b>	<b>Amount 20/21 £m</b>	<b>Further Details – Paragraph ref</b>
Basic Need	Re-profile	<b>(7.000)</b>	<b>7.000</b>	9 - 14
Basic Need	Adjustment	<b>(0.250)</b>	-	9 - 14
Centre of Excellence for disabled children (Lincoln Court)	Adjustment	<b>1.120</b>	-	15
Energise Roof	Re-profile	<b>(0.100)</b>	<b>0.100</b>	16

- 9 The Basic Need programme currently contains a budget of £9.439m in 2019/20. At the Executive meeting of 18th July 2019, the paper titled The Provision of School Places and Allocation of School Capital Budgets outlined the current options and risks associated with the management of place pressures in the secondary phase of education in the south and east of the city, and gained approval to the recommended approach to dealing with these pressures
- 10 The approved strategy entails working with the Pathfinder and South York Multi-Academy Trusts to provide additional places at Archbishop Holgates Church of England Academy and Fulford School, with notional Basic Need allocations of £4.4m and £6m respectively
- 11 It is expected that the scheme at Archbishop Holgate Academy is likely to begin before the end of this financial year, however the Fulford School expansion is at an earlier stage and is not expected to begin until 2020/21. It is proposed therefore to reprofile the funding for this scheme, and for part

of the Archbishop Holgate scheme into 2020/21, a total of £7m. This, together with the transfer to the Centre of Excellence Scheme discussed below, will leave a budget of almost £2.2m in 2019/20, which is likely to be enough to fund works to the end of the financial year

- 12 Also funded from Basic Need is the expansion of St Mary's Primary School. Phase 1 was completed in summer 2018. The remaining budget is to fund Phase 2, which is being carried out over the summer of 2019.
- 13 A significant programme of maintenance and condition works is being carried out in schools, with the majority of the work scheduled for the summer holiday period. A major scheme of investment at Huntington School is in progress, including the second phase of major roofing and windows improvements, and further rewiring and hot water boiler improvements.
- 14 Large schemes are also in progress at Fishergate Primary School (rewiring and boiler replacement), St Paul's Nursery School (roof and structural improvements and some rewiring work), Westfield Primary School (roofing, windows, door and guttering improvements) and Wigginton Primary School (boiler and window replacement)
- 15 The current timeline for the Centre of Excellence is for the main build to be completed by January 2020 with opening scheduled for May 2020. The scheme budget needs updating to reflect the full amount of NHS grant which has now been confirmed to be added to the scheme (an amount of £820k. on top of the £255k already used to fund expenditure in 2019/20). In addition a further £250k has been allocated from Basic Need (approved at the Executive Member for Children, Young People and Education Decision Session of 18th June 2019). The scheme also needs increasing by a further £50k, funding for which is made up of a £20k contribution from the Ebor MAT, and £30k from School Condition and Maintenance funding. The total increase in the scheme in the programme is therefore £1,120k
- 16 Phase 1 of the work on Energise Roof (repairs to the Changing Village flat roof), is due to commence during August 2019, and should be completed before winter. Phase 2 is likely to be carried out in summer 2020 so £100k of the budget needs to be re-profiled into the 2020/21 financial year
- 17 Significant schemes in progress within SEND Enhanced Resource Provision include the provision of a modular building at Danesgate to provide safe spaces for pupils exhibiting challenging behaviours, and alterations at Applefields Special School to provide classroom accommodation for young people requiring bespoke provision, separate spaces and secure outdoor provision

## Adult Social Care

18 Amendments made as part of this report have resulted in a net reduction in the capital programme of £701k 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	Further Details – Paragraph ref
OPA – Burnholme Sports Facilities	Re-profile	<b>(0.780)</b>	-	<b>0.780</b>	19
OPA – Lowfields Enabling works	Adjustment	<b>0.896</b>	-	-	20
OPA – Ashfield Estate sports pitches	Re-profile	<b>(0.317)</b>	<b>0.317</b>	-	21
OPE – Community space and Marjorie Waite Court	Re-profile	<b>(0.500)</b>	<b>0.500</b>	-	22

- 19 Improvements and enhancements to the Burnholme sports facility are progressing in line with expected timescales. The Council have appointed a contractor and as such have reprofiled the budget to estimate when this spend is likely to occur. We are awaiting a final contract payment schedule and will reflect the timing of payments in Capital Monitor 2.
- 20 In June 2019 Executive approved a recommendation to increase Lowfields enabling budget to reflect £1.466m Accelerated Construction Fund Grant awarded plus the £593k agreed as part of the original business case. To note the original business case agreed funding of £993k however Executive agreed to move £400k to Ashfield Sports Pitches.
- 21 Works started on the pitches at Ashfield on 10<sup>th</sup> July 2019 and are due to be completed in 2019/20. Work on the pavilion is likely to start in 2019/20 and complete by September 2019 allowing teams to play football in the venue in the 2020/21 season.
- 22 Within the Community space at Marjorie Waite court element of the OPA programme, funds of £500k equivalent to approximately 50% of costs have been transferred to 2020/21 in line with the Housing element of the overall build.

## Housing & Community Safety

23 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £16.602m 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	Amount 23/24 £m	Further Details – Paragraph ref
Modernisation of Local Authority Homes	Re-profile	<b>(0.820)</b>	<b>0.820</b>	-	-	-	24
Assistance to Older & Disabled People	Adjustment	<b>0.200</b>	-	-	-	-	25
MRA Schemes	Adjustment (Budget Amendment)	<b>1.000</b>	-	-	-	-	27
MRA Schemes	Re-profile	<b>(0.335)</b>	<b>0.335</b>	-	-	-	27
Local Authority Homes Phase 2	Adjustment	<b>(3.123)</b>	<b>(2.661)</b>	-	-	-	28
LA Homes – Askham Bar	Adjustment	<b>0.350</b>	-	-	-	-	28
LA Homes - Burneholme	Adjustment	<b>0.350</b>	-	-	-	-	28
Lowfield Housing	Re-profile	<b>(11.600)</b>	<b>7.100</b>	<b>4.000</b>	<b>0.500</b>	-	29
Building Insulation Programme	Adjustment (Budget Amendment)	<b>1.000</b>	-	-	-	-	
Disabled Facilities Grant	Adjustment	<b>(0.474)</b>	<b>(0.420)</b>	<b>(0.358)</b>	<b>(0.287)</b>	<b>(0.207)</b>	30
IT Infrastructure	Re-profile	<b>(0.300)</b>	<b>0.300</b>	-	-	-	31
Shared Ownership Scheme	Adjustment	<b>0.289</b>	-	-	-	-	32
Shared Ownership Scheme	Re-profile	<b>(0.289)</b>	<b>0.289</b>	-	-	-	32
Lincoln Court Independent Living Scheme	Re-profile	<b>(0.750)</b>	<b>0.750</b>	-	-	-	33
Extension to Marjorie Waite Court	Re-profile	<b>(2.100)</b>	<b>2.100</b>	-	-	-	34

- 24 The Modernisation of Local Authority Homes scheme requires funds of £820k to be transferred from 19/20 into 20/21 in relation to Bell Farm Avenue/ Huntington Road, Middleham Avenue Bathroom Extensions. Bathrooms require replacing as they have been found to contain asbestos. Additionally the structural frames of these bathroom extensions are starting to show weakness. The future design of these buildings is being considered as part of the Asset Management Strategy, as such it is unlikely work will be completed in this financial year.
- 25 The Assistance to Older & Disabled People scheme provides adaptations to council dwellings such as ceiling track hoists, ramped access and wet rooms to assist older people to stay in their own homes for longer. There were 30 cases carried forward from 2017/18 mainly around bathing and stair lifts with expected costs of £200k. Last year cases had to be prioritised where there was a health and safety issue e.g. ceiling track hoists to alleviate moving and handling issues and to provide safe access to tenant's homes e.g. ramped access. However there is an impact on the health and wellbeing of tenants who have been assessed to have a shower instead of a bath so that they can bathe safely. To deal with the backlog and the demand this year would potentially see an overspend of £200k, however it is possible to manage the expectations of new customers joining the list and make them aware that it is not possible to complete such works until 2020/21 to bring the programme within budget. Members are asked to support an increase in budget of £200k to be funded from a HRA revenue contribution to the capital scheme rather than 'turn off' the scheme towards the end of the year.
- 26 The Local Authority Homes Modernisation and Major Repairs capital programmes have historically been two separate programmes of work due to the way they were funded in the past. Both these schemes are now funding in the same way from the Major Repairs Reserve and therefore these schemes are to be consolidated together.
- 27 Funds of £335k have been transferred into 2020/21 within the MRA scheme due to the tenants choice programme now being due to be rolled out at Bell Farm & Chapelfields in 2020/21. As such the window replacement programme as been delayed to enable all works to be completed as one programme to reduce the disruption for the tenants.
- 28 The budget for the Local Authority Homes phase 2 scheme has been realigned and reduced to take into consideration the grossing up on budgets in the new build project and team schemes. This includes adding lines in the programme to reflect the decision (Executive July 18) to undertake preparatory works at Burnholme and Askham Bar.

- 29 Within the Lowfields Housing site scheme, total funds of £11.6m have been re-profiled from 2019/20 into the following 3 years. The enabling works to clear the site and form haul roads have now been completed. The Council's Highways team are progressing the work to form the new junction from Tudor Road and widen the access from Dijon Avenue. Wates Construction have been announced as the successful bidder for the construction of 140 homes on the site. Wates are currently finalising design work prior to construction works starting on site.
- 30 The purpose of the Disabled Facilities scheme is to provide adaptations to allow private residents to stay in their own homes for longer. In 2018/19 274 grants were completed in comparison to the 222 the previous year almost a 20% increase. This budget has been reduced to reflect the level of grant now expected to be received to support this scheme. This budget is on track to be fully spent in this financial year.
- 31 The Housing ICT Programme has awarded contract to Capita PLC and the Council is working with this provider to put together an implementation plan. The new Housing IT system is planned to go live in winter 2020 therefore funds of £300k require transferring into 2020/21.
- 32 In quarter 1 within the Shared Ownership Scheme, the Council has acquired one property and sold equity shares in three properties. The target is to purchase 23 properties by the end of 2019/20 and sell the same amount. Capital receipts from the equity sales are to be reinvested in to the shared ownership programme, as such the budget is to be increased by £289k at quarter 1 and the same amount is to be re-profiled to 2020/21 for future purchases.
- 33 During quarter 1 within the Lincoln Court Scheme, the work to relocate all Lincoln Court tenants into alternative accommodation was completed successfully, this has then allowed Sewell's to take possession of the site, undertake site set up and begin enabling works. This has included a full invasive asbestos survey and works to build an access road and car parking for sub-contractors accessed via the Hob Moor primary academy site. All the remaining window replacement works have been completed in this quarter as has the demolition of the single storey extension in preparation for works to begin for the new build extension. The Centre of Excellence and Lincoln Court project teams have worked together to communicate with residents neighbouring the site and also to keep Ward Councillors updated on project progress. £750k budget has been transferred from 2019/20 into 2020/21
- 34 Within the Marjorie Waite Court scheme, the site set-up has been completed as has the demolition of Burton Stone Community Centre. In the process of demolition previously unidentified notifiable asbestos was discovered. The



asbestos has been removed and progress in this quarter has moved from demolition to construction and Hobson & Porter have progressed with piling works, construction of the bungalows and plant room. The Aecom/CYC/Hobson & Porter project team are working closely with housing operational colleagues to manage the disruption the work is causing to existing tenants and staff at Marjorie Waite Court. Due to the reasons above £2.1m of the budget is to be re-profiled to 2020/21.

- 35 At James House, the performance of the contractor has been disappointing resulting in delays in the project. The Council have instructed professional resources to negotiate costs with the contractor and the outcome will be reported in future monitoring reports.

### **Transport, Highways & Environment**

- 36 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 £36.927m. Key variances are summarised in the table below, referenced to further narrative.

<b>Scheme</b>	<b>Amendment</b>	<b>Amount 19/20 £m</b>	<b>Amount 20/21 £m</b>	<b>Amount 21/22 £m</b>	<b>Amount 22/23 £m</b>	<b>Further Details – Paragraph ref</b>
Highways Infrastructure	Adjustment (Budget Amendment)	<b>2.000</b>	-	-	-	37
Built Environment Fund	Re-profile	<b>(0.562)</b>	<b>0.562</b>	-	-	38
Better Play Areas	Adjustment (Budget Amendment)	<b>0.250</b>	-	-	-	37
Local Transport Plan	Adjustment	<b>(0.756)</b>	-	-	-	39
Hyper Hubs	Adjustment	<b>1.436</b>	-	-	-	40
WYTF - YORR	Re-profile	<b>(10.488)</b>	<b>6.190</b>	<b>3.100</b>	<b>1.198</b>	41
WYTF – Station Frontage	Re-profile	<b>(0.957)</b>	<b>(2.681)</b>	<b>1.638</b>	<b>2.000</b>	42
Wayfinding	Adjustment	<b>(0.350)</b>	-	-	-	43
York Outer Ring Road - Dualling	Re-profile	<b>(27.500)</b>	<b>27.500</b>	-	-	44

- 37 Additional funds of £2m have been added to the Highways Infrastructure scheme, and £250k to the Better Play Areas scheme in line with the budget amendment.

- 38 Funds of £562k have been transferred to 2019/20 in line with progressing the city centre access measures. There is a report elsewhere on the agenda giving further detail in the delivery of these measures
- 39 A reduction of £800k has been made the Local transport plan scheme – this is primarily to reflect the movement of the OLEV funding to the new hyperhubs scheme detailed below.
- 40 Following the successful ERDF bid which has brought in £700k of funding, a new scheme for Hyper Hubs has been added to the capital programme, at a total of £1.500m including the OLEV funding discussed in the paragraph above A report was presented to Executive in March 2019 containing further detail. This scheme will support the implementation of Hyper hubs for electric vehicles at Monks Cross Park and Ride and Poppleton Bar Park and Ride.
- 41 Total funds of £10.488m have been re-profiled across the WYTF York Outer Ring road scheme to reflect expected progress in 2019/20, which is continued work on the Monks Cross and Clifton Moor roundabout schemes.
- 42 Similarly the total budget for the WYTF Station frontage scheme have been re-profiled across the next 4 years to reflect the expected progress in 2019/20, which is to gain planning approval and full business case agreement to allow detailed design and some enabling works before commencing full delivery stage in 2020.
- 43 The Wayfinding scheme has been reduced by £350k in 2019/20. This scheme is jointly funded by York BID and the £700k total budget reflects this joint budget. The scheme will be delivered in 2019/20 by York BID as such the budget is being amended to reflect the payment of the council contribution of £350k to York BID.
- 44 Funds of £27.5m have been transferred from 2019/20 to 2020/21 under the York Outer Ring Road Dualling scheme. There has yet to be an announcement on the funding for phase 1 dualling of the A1237 therefore at this stage the budget is only required for preparatory work including environmental surveys, preliminary design and business case development.

### **Highway Schemes and Ward Committees**

- 45 Full council in July 2019 approved £2,000k additional capital budgets to prioritise investment in highway infrastructure, linked to the development of a new city wide plan for road repair and maintenance and a new sustainable transport plan, allocating £1m to road repairs and £1m to cycling and

walking improvement schemes. Schemes will include removing hazardous pot-holes for cyclists, improvements to footways, pedestrian crossings, dropped kerbs, smart travel and cycle infrastructure

46 The capital programme for Highway Maintenance consists of a number of lines shown in annex 1 that are delivering the same outcomes on the highway network. These budgets are all managed by Head of Highways and overseen by the Assistant Director for Transport, Highways and the Environment. The individual schemes being delivered within these capital budgets are determined by officers and reported in the Annual Highways Report each year. It is proposed that these budgets are consolidated into the Local Transport Plan budget and a single Highway Maintenance budget line for the purposes of capital monitoring. The lines and budgets to be consolidated are

- Highway Resurfacing & Reconstruction (Struct Maint)
- Highway Renewal Investment - Highways and TSAR
- Targeted Investment for Highways Improvement Highway, Footway, Cycleway Improvement Acceleration
- Highway Infrastructure (July amendment)
- Walking and Transport Schemes (July Amendment)

47 It is proposed to consolidate these budgets into the current highways and transport programmes

	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m
Highway Schemes & Repairs	7.992	6.291	6.177	6.077	26.537
Local Transport Plan	4.535	1.570	1.570	1.570	9.245
<b>Total</b>	<b>12.527</b>	<b>7.861</b>	<b>7.747</b>	<b>7.647</b>	<b>35.782</b>

48 Elsewhere on the Agenda there is a report recommending the allocation of £0.5m of Highway Schemes and £0.5m of Transport, Cycling and Walking Schemes to be prioritised by the Ward Committees. In order to monitor and report the spending of these funds it is proposed to include these budgets as a line within the capital programme. Taking into account the funds carried forward from previous years allocated to Ward Committees along with the annual allocation to wards the overall ward funding over the next four years is as follows. The budgets will be reprofiled once priorities are identified within wards.

	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m
Prior Year's budget to Carry forward	0.525	-	-	-	0.525

Roads Schemes	0.500	-	-	-	0.500
Transport Schemes	0.500	-	-	-	0.500
Annual Allocation	0.250	0.250	0.250	0.250	1.000
Total	1.775	0.250	0.250	0.250	2.525

49 The resulting budget lines that will therefore be reported through the Capital Monitoring reports for the new budgets are as follows

	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m
Highways & Transport - Ward Committees	1.775	0.250	0.250	0.250	2.525
Highway Schemes	6.717	6.041	5.927	5.827	24.512
Local Transport Plan	4.035	1.570	1.570	1.570	8.745
<b>Total</b>	<b>12.527</b>	<b>7.861</b>	<b>7.747</b>	<b>7.647</b>	<b>35.782</b>

### **Regeneration & Asset Management**

50 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £5.289m 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
Guildhall	Re-profile	<b>(2.495)</b>	<b>2.495</b>	50
Critical Repairs and Contingency	Re-profile	<b>(0.274)</b>	<b>0.274</b>	51
Commercial property acquisition incl. Swinegate	Adjustment	<b>(2.520)</b>	-	51

51 Funds of £2.495m have been re-profiled from 2019/20 into 2020/21 under the Guildhall scheme to reflect the latest spend profile, following a delay in signing the construction contract.

52 In line with this, funds of £274k have been reprofiled into 2020/21 under the Critical repairs scheme, as this budget has been earmarked to contribute towards the Guildhall roof repairs any may not be utilised until the project nears completion.

53 The Commercial property acquisition including Swinegate scheme has been reduced by £2.52m in 2019/20. Although Executive approved a budget to purchase further properties at Swinegate, the current owner has indicated they will only be in a position to sell if they can find an alternative property to purchase. The budget is therefore being returned as this is deemed to be unlikely in the near future. However, if the opportunity to purchase similar

properties in the future arises, a business case will be taken to Executive in the usual way.

### **Customer & Corporate Services**

- 54 The budget for the replacement of 2 cremators has been increased by £213k, funded by capital contingency budget as previously reported and approved in the 2018/19 Outturn report. Following this draw down there remains funds of £512k within the contingency budget.
- 55 The Council has now agreed the final payment terms with the contractor for the Mansion House refurbishment. This is due to be paid in July 2019 and will be within the revised approved budget for 2019/20 of £257k

### **Customer & Corporate Services - IT**

- 56 It is currently forecast that the IT Development plan will spend all of its budget in 2018/19, totalling £4.96m. Progress to date includes:
- Delivering 1Gb superfast broadband connectivity to businesses on The Shambles, dropping fibre cables from the roofs of the buildings and installing them directly into each location.
  - Replaced or upgraded all thin terminals.
  - Replaced aged smartphones to ensure security updates are maintained.
  - Developing a 50 user proof of concept for Microsoft O365.
  - Concluded the ECM / Intranet business case discussions which will see us going out to market to upgrade / replace Documentum in the next quarter
  - Progress made in supporting changes to Web Hosting and work with the Web Team
  - Liaised with NYCC to scope out how to implement their new Health & Safety system across CYC
  - Worked with Be Independent to scope out their digital aspirations for the future aligned to their vision
  - Re-negotiated the Total Mobile contract and on with transitioning to a Software as a Service (SaaS model), mapping out areas for expansion into the future
  - SX3 Housing Revenues and Benefits successfully split into 2 separate systems
  - Concluded input into the procurement of the new Housing system and planning for implementation is underway
  - Commenced the project to upgrade all staff and public PC's at Explore locations to Windows 10 on new hardware

- 57 In December 2017 Executive agreed to the approach to procure a technology provider to deliver the council's essential managed network services, including that authority be delegated to the Deputy Chief Executive / Director of Customer & Corporate Services to approve the procurement process, to approve the terms of relevant legal agreements and to award the resulting contract to the successful bidder.
- 58 This was to include the implementation of a critical and essential Firewall software upgrade with licences, implementation and support to continue the functionality and security of the Council's network. It has been necessary to pull this element of the procurement forward due to the current software become unsupported from 31st August this year. This will be integrated into the managed services arrangement once a new provider is appointed later this year.
- 59 The current Firewalls were last substantially updated when the council moved to West Office in 2012 and whilst they have been regularly updated since then, there has been a significant increase in the volume and also the profile of the cyber threats over the past 6 months that has seen our existing firewalls being stretched to their maximum capabilities. Any new threat that we were unable to repel could have a very high profile and impact on the council's network infrastructure and the developing Public Services Network requirements announced that we need to implement new controls and network traffic separation rules to retain our certification of compliance.
- 60 It is proposed to award a 5 year contract with a total value of £1.1m which can be funded from within the existing budget set aside for this essential infrastructure software.
- 61 Following legal and procurement advice this has been designated a matter for a Contract Change Notice and a routine officer decision, in line with the original Executive approval. The contract award will be made through a compliant framework. Further quotes have also been sought to demonstrate that this contract offers value for money.
- 62 Although it was previously agreed by Executive that this decision is delegated to officers, it is included as a recommendation within this report for transparency and to demonstrate the council's commitment to ensuring it protects its ICT infrastructure effectively given the increased risks outlined above.

## **Summary**

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

<b>Gross Capital Programme</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children, Education & Communities	16.979	18.846	10.500	2.000	-	<b>48.325</b>
Health, Housing & Adult Social Care – Adult Social Care	6.670	1.412	1.396	0.638	0.660	<b>10.776</b>
Health, Housing & Adult Social Care – Housing & Community Safety	39.258	65.754	46.054	24.282	36.390	<b>211.738</b>
Economy & Place – Transport, Highways & Environment	41.468	56.306	20.469	11.923	5.225	<b>135.391</b>
Economy & Place – Regeneration & Asset Management	82.876	70.503	27.004	1.448	0.470	<b>182.301</b>
Community Stadium	10.143	-	-	-	-	<b>10.143</b>
Customer & Corporate Services	2.999	0.318	0.250	0.200	0.200	<b>3.967</b>
IT Development Plan	5.085	1.535	1.870	2.070	2.070	<b>12.630</b>
<b>Revised Programme</b>	<b>205.478</b>	<b>214.674</b>	<b>107.543</b>	<b>42.561</b>	<b>45.015</b>	<b>615.271</b>

**Table 2 Revised 5 Year Capital Programme**

### **Funding the 2019/20 – 2023/24 Capital Programme**

64 The revised 2019/20 capital programme of £205.478m is funded from £111.564m of external funding and £93.914m of internal funding. Table 3 shows the projected call on resources going forward.

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Gross Capital Programme</b>	<b>205.478</b>	<b>214.674</b>	<b>107.543</b>	<b>42.561</b>	<b>45.015</b>	<b>615.271</b>
Funded by:						
External Funding	111.628	107.814	29.448	8.486	5.598	<b>262.960</b>
Council Controlled Resources	93.914	106.860	78.095	34.075	39.417	<b>352.311</b>
<b>Total Funding</b>	<b>205.478</b>	<b>214.674</b>	<b>107.543</b>	<b>42.561</b>	<b>45.015</b>	<b>615.271</b>

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

65 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

66 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**

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

## **Implications**

68 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**

69 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

<b>Authors:</b>	<b>Cabinet Member &amp; Chief Officer Responsible for the report:</b>		
Emma Audrain Technical Accountant Corporate Finance 01904 551170 emma.audrain@york.gov.uk	Debbie Mitchell Corporate Finance & Commercial Procurement Manager (Interim S151 officer) 01904 554161		
	<b>Report Approved</b>	√	<b>Date</b> 20 August 2019
<b>Wards Affected:</b> All			√
For further information please contact the author of the report			

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

### Annexes

Annex A – Capital Programme 2019/20 to 2023/24