

Executive

29 November 2018

Report of the Director of Customer and Corporate Services (Deputy Chief Executive); Portfolio of the Executive Leader (incorporating Finance & Performance)

Capital Programme - Monitor 2 2018/19

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2018/19 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2018/19 capital programme approved by Council on 22 February 2018, updated for amendments reported to Executive and Council in the 2017/18 outturn report resulted in an approved capital budget of £122.243m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in an decrease in the 2018/19 budget of £1.377m as detailed in the report and contained in Annex A.
 - Note the 2018/19 revised budget of £122.243m as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2018/19 – 2022/23 as set out in paragraph 17, Table 2 and detailed in Annex A.
 - Approve the award of the works contract at Marjorie Waite Court
 - Agree to the disposal of 49 East Mount Road to the highest bidder with the receipts earmarked to support the HRA investment programme as set out in paragraphs 35 - 36 subject to the property not being suitable for Children's Services requirements.
 - Delegate Authority to the Directors of Health Housing and Adult Social Care and Children Education & Communities to appoint a Construction Contractor for the Centre of Excellence for disabled children and Lincoln court, following design and cost submissions, assuming they are within the approved budget as detailed at paragraphs 17-19.

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 22 February 2018. 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 net decrease of £1.377m is detailed in this monitor resulting in a revised capital programme of £122.243m. There is an increase of £4.679m in 2018/19 attributable to new schemes added to the programme agreed by members set out in the paragraphs below. This is offset by a £6.056m decrease in 2018/19 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	11.946	8.937	0.162	(3.171)	(3.009)	8-21
Health, Housing & Adult Social Care – Adult Social Care	4.221	4.221	-	-	-	22-24
Health, Housing & Adult Social Care – Housing & Community Safety	32.409	31.282	(0.147)	(0.980)	(1.127)	25-36
Economy & Place – Transport, Highways & Environment	34.309	34.122	0.175	(0.362)	(0.187)	37-40
Economy & Place – Regeneration & Asset Management	10.566	14.622	4.489	(433)	4.056	41-43
Community Stadium	23.432	23.432	-	-	-	44
Customer & Corporate services	2.203	2.203	-	-	-	
IT Development Plan	4.534	3.424	-	(1.110)	(1.110)	45-46
Total	123.620	122.243	4.679	(6.056)	(1.377)	

Table 1 Capital Programme Forecast Outturn 2018/19

Analysis

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

Children, Education & Communities

- 8 A number of amendments have been made as part of this report, resulting in a net decrease to the capital programme of £3.009m in 2018/19. Key variances are summarised below, referenced to further narrative.

Scheme	Amendment	Amount 18/19 £m	Amount 19/20 £m	Amount 20/21 £m	Further Details – Paragraph ref
DfE Maintenance	Adjustment	(0.402)	-	-	9
DfE Maintenance	Re-profile	(0.200)	0.200	-	9
Basic Need	Re-profile	(2.200)	2.200	-	10-13
Expansion of SEN facilities	Re-profile	(0.250)	0.250	-	15
Centre of Excellence for Disabled children	Adjustment	0.500	3.500	0.274	16-19
Haxby Library Re-provision	Re-profile	(0.421)	0.421	-	20

- 9 The overall maintenance programme requires a reduction of £402k to reflect the actual grant announcement for 2018/19, which was only £971k, not the £1,373 originally assumed in the programme. When the programme was set for 2018/19, a more prudent grant estimate of £1.1m was assumed for the year, as no announcement had been made. The actual grant is £129k lower than this estimate, but expected underspends on schemes in progress should be greater than this reduction, so no further action is required at this stage. In addition, an amount of £200k requires transferring into 2019/20 to fund retentions on schemes which will not be due by the end of 2018/19
- 10 Funds of £2.2m within the Basic Need programme require transferring into 2019/20. This element of the Basic Need programme was provisionally earmarked for the York North West primary planning area. This area includes several strategic planning sites and the timing of these commitments depends on the delivery of these sites, particularly at York Central and British Sugar. The earliest any of this would be needed will be in 2019/20, although this will be kept under review as sites are developed.

- 11 The full refurbishment of Westfield Primary kitchen and dining room is due to complete at the beginning of November. The roof and window replacement works at Clifton Green Primary will also be complete in early November. Phase 1 of the expansion work at St Mary's Primary was completed on schedule in time for the new academic year. This first phase consisted of a classroom reorganisation, also encompassing the reorganisation of toilets and cloakrooms to create much needed additional classroom space. In addition to the above major schemes, smaller schemes are being carried out within the overall maintenance programme
- 12 Major works are underway at Huntington School, comprising Phase 3 of a major rewiring programme, Phase 1 of a window replacement programme and the installation of a replacement heating system in the sports hall and gym are now close to completion with the remaining rewiring work and curtain wall replacement scheduled for the Autumn half-term
- 13 The refurbishment of Dringhouses Primary, comprising some re-roofing works, hall window replacement and a new boiler, replacing an oil-fired system with gas were all completed over the summer holidays. Smaller schemes were carried out or at Fishergate, Headlands, Poppleton Road, Ralph Butterfield, Skelton and Yearsley Grove Primaries, with all work completed over the summer holidays, with the exception of Poppleton Road, where chimney works are still in progress with additional structural works now being carried out following a survey.
- 14 The internal alterations at Hob Moor Oaks to help in accommodating increased numbers of pupils in September were completed before the start of the autumn term. These works were carried out within the SEND capital scheme
- 15 Plans are currently being drawn up for investment to create additional provision for SEND pupils. These plans will require some more significant investment and will be detailed in a future report to the Executive encompassing overall school place planning issues in York. As these plans are still under consideration, an element of this scheme budget in 2018/19 will now not be needed until 2019/20 therefore funds of £250k are to be transferred into 2019/20.
- 16 At the meeting on 26th April 2018, Executive approved capital funding for the Centre of Excellence for Disabled Children scheme. A total budget of £4.274m was approved, with £500k to be funded by net capital receipts from the sale of the Glen, and the remainder being funded by borrowing.

- 17 Executive agreed to invest £1.4m to deliver new apartments and enhanced communal facilities for Lincoln Court in order to help to meet the need for additional older persons' accommodation in York. Provision has also been made in the HRA Business Plan for investment and maintenance works to refurbish the existing apartments, as set out within the Housing section of this report at paragraphs 26 – 28.
- 18 As the two projects are on adjacent sites and will have similar site access issues, timetables and land conditions, there was a chance that some works would be duplicated or that the two schemes could conflict over site issues. It was decided that to minimise these risks and to achieve economies of scale the construction of the two schemes would be procured as one project. A competitive procurement has been carried out via an EU compliant framework. The aim was to appoint a single bidder to carry out the works.
- 19 Stage 1 of the procurement process is now complete. This has led to the appointment of Sewell Construction to develop the design of the schemes in more detail. Sewell are working with the specialist Architect for the Centre of Excellence and a design team for Lincoln Court to take this work forward. Following this work Sewell will submit their final price to complete this work as stage 2 of the procurement process. Assuming that this price is within the available budget. If the tender price is above the figures agreed by the Executive the process can be reopened to invite the unsuccessful bidders using the developed designs agreed at stage 1.
- 20 The Haxby Road Library Replacement scheme is now unlikely to progress during 2018/19. A revised scheme is currently being developed which will be the subject of a future report to the Executive. Funds of £421k therefore require transferring into 2019/20, leaving £30k in the current year for fees and minor initial site works if required
- 21 The LA has received notification of its share of the Healthy Pupils Capital Fund for 2018/19, an amount of £93k. This funding (£100m nationally) has been provided from the revenue generated from the Soft Drinks Industry Levy and is intended to improve children's and young people's mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. The LA is currently planning the most effective use of this funding

Adult Social Care

- 22 Progress on the Burnholme site as part of the Older Persons Accommodation scheme has been good. A new £5m library and community facility has been built and opened in June 2018. The building is delivered in partnership with Explore York Libraries and Archives and, through the provision of this building, they have been able to reduce the net annual operating cost of the service by £66k.
- 23 Ashley House plc have been appointed working with HC-One to construct and operate an 80 bed residential and nursing care home on Council land at Burnholme. The Council will be buying 25 of those beds at our actual Cost of Care rate for 15 years and construction on the building is likely to start by the end of the year.
- 24 The remainder of the schemes within the Adult Social Care portfolio are rolling programme schemes which invest in preventative services (such as providing equipment to help an individual remain in their own home) which can stop individuals needing more expensive, ongoing services such as residential care. All schemes are fully committed in 2018/19

Housing & Community Safety

- 25 Within the IT Infrastructure scheme, the detailed contract drafting and tender planning has been completed and the ITT tender documents were issued at the end of September. The capital budget has been reduced by £300k to reflect the fact that the discovery and analytical work is to be met by the revenue budget.
- 26 Planning for the Lincoln Court Independent Living scheme was submitted in August 2018 and is expected to go to planning committee in December. Tenders have been returned and a preferred bidder was announced at the end of September. Start on site is currently estimated for January 2019. The full capital budget in HRA of £1.3m will be re-profiled once the cost of works are known. Additional funding for the accelerated repairs and modernisation works are included in the Building Services capital programme 2018/19 & will be reflected as new bids in the capital budget in 2019/20.
- 27 As part of the scheme to provide new apartments and refurbished communal areas at Lincoln Court, the council has sought to investigate whether Photovoltaic panels can be fitted onto the roof to provide energy to the residents and communal areas. As part of the procurement process tenders have been sought. An update report to award the contract is planned to go to Executive in December 2018 where this will be considered.

- 28 This would be funded from the existing photovoltaic budget of £240k within the capital programme. There is also a total budget of £250k in the One Planet Council Energy efficiency scheme available to enable both new and existing schemes in the capital programme to deliver higher environmental benefits than may otherwise be the case.
- 29 Work started on site for the James House scheme in March 2018 and is due to be completed in January 2019. A retention payment and any outstanding works will be re-profiled towards the end of the year when final costs are known.
- 30 The Shared Ownership Scheme was launched in August 2018, and offers have already been received on 3 of the properties. The target is to purchase 16 homes in this financial year, four of which have been purchased in the first half of 2018/19 taking the total to 6.
- 31 An OEJU compliant procurement process for the extension to Marjorie Waite Court attracted a number of competitive bids. Each of these were evaluated and a preferred bidder was selected. The executive are asked to approve the appointment of Hobson Porter as the preferred bidder to build a 29 apartment extension to the Marjorie Waite Court extra care scheme on Evelyn Crescent with communal facilities, 4 bungalows and a multi use community facility. The value of the contract is within the overall budget approved for the scheme
- 32 At Executive on 18th October 2018, members agreed to purchase the land at Duncombe Barracks without planning consent for a mixed tenure housing development including 40% affordable housing; and a future income for the council from rents and sale receipts. A new capital scheme with a budget of £2.555m has therefore been added to the capital programme to reflect the purchase of the site and a budget for legal costs, site surveys and design work to bring forward a planning application. £2.402m of this is funded from the budget of the Council House Building Phase 2 scheme already in the capital programme along with £153k of Right To Buy receipts.
- 33 Within the Local Authority Homes scheme, the contract has been awarded for 5 bungalows at Newbury Avenue. Demolition of the existing garages and hardstanding will be undertaken in December prior to construction work commencing in January 2019. Funds of £350k have therefore been transferred 18/19 to 19/20 to reflect this
- 34 The construction of 6 houses at Chaloners Road has been re-prioritised; as such budget of £1.1m for this scheme is to be transferred to 2019/20. Following the report in July on housing delivery focusing on the development of the councils general fund sites it has been decided to postpone any

further work on the Chaloners Road scheme to release capacity to concentrate on the larger sites.

- 35 49 East Mount Road is an HRA owned property that forms part of the Council Housing Stock and is currently vacant. The property is located in a very popular and high value residential area within walking distance from York City Centre. The property is a 4 bed end of terraced house of solid wall construction under a pitched slate covered rafter and purlin roof built around the year 1890. Repairs are estimated at between £60k and £70k of works. The identified repairs do not factor in any, damp or structural work.
- 36 Children Services are currently looking to source accommodation for 4 looked after young people. One consideration is that 49 East Mount Road maybe suitable. Further work is required before a firm decision is made. In the event that it is unsuitable the executive is asked to grant permission to sell the property - it is estimated that it could sell for in excess of £500K

Transport, Highways & Environment

- 37 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 18/19 of £187k. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 18/19 £m	Amount 19/20 £m	Amount 20/21 £m	Further Details – Paragraph ref
Replacement of Unsound Lighting columns	Re-profile	0.700	(0.578)	(0.122)	38
Built Environment Fund	Re-profile	(1.062)	1.062	-	39
Local Transport Plan (LTP)	Adjustment	0.200	-	-	40

- 38 The column replacement programme has capacity to be accelerated and as the columns are already life expired it is operationally beneficial to accelerate the programme. Total funds of £700k are therefore being brought forward into 2018/19 from 2019/20 and 2020/21
- 39 As agreed at Executive in September 2018, temporary measures to improve security in the city centre will be installed in 2018/19, and feasibility and design work will be carried out to develop a permanent scheme to be implemented in 2019. It is therefore proposed to transfer £1,062k funding from the Built Environment Fund from 2018/19 to 2019/20, as the majority of the funding will not be required in the current year.

- 40 The Local Transport Plan (LTP) scheme requires additional funds of £200k to be added in 2018/19. The council has been successful in its bid to the York and North Yorkshire and East Riding Local Enterprise Partnerships (LEP) for funding for the Rufforth to Knapton Cycle route. This will fund the construction of a new bridleway between Knapton and Moor Lane.

Regeneration & Asset Management

- 41 At Executive in August, Members agreed to a drawdown of £2.390m from the York Central capital allocation to progress the York Central project subject to the outcome of further funding bids. Since then an application for funding to YNYER (York, North Yorkshire and East Riding) LEP has been successful and, at this point, this drawdown is no longer required. An outline planning application for the whole York Central site has been submitted
- 42 At this meeting Members also approved a Capital budget of £1.924m to purchase the freehold of Robinson Court, and the leasehold of the Union Terrace Centre. At Executive in September Members also approved a budget of £2.520m for the purchase of further properties in Swinegate. As a result of these approvals, funds of £4.4m have been added to the Commercial Property acquisition scheme in 2018/19.
- 43 It is anticipated that the LCR Revolving Investment fund will make 2 further loans totalling £3m this year. York's contribution is expected to be approximately £240k.

Community Stadium

- 44 A detailed project update report on the Community stadium was taken to Executive in September 2018.

IT Development Plan

- 45 Within the IT development plan, progress has been made across a number of different areas:
- The replacement of Multi Functional Devices and refresh of the print unit in West Offices has been completed.
 - Mylo (eLearning) Phase 1 was successfully launched and phase 2 roll out offering mandatory training (e-learning) courses plus compliant training is imminent.
 - The latest version of the YorWellbeing site has been deployed and is now being used by the wellbeing team.
 - Registrars – the online booking system for customers to book their own birth or death registration appointments through the CYC website has

gone live. This will also provide customers with the ability to book marriage ceremonies at a later date.

- A new system has been launched to enable the crematorium to manage their bookings which will also allow for collaboration with Funeral Directors
- Mobile working schemes – In Children’s Social Care, 39 Devices have been configured for rollout alongside appropriate training to ensure staff are able to access and use the applications provided. Schemes in Building Services, Adult Social Care, Highways and Environmental Health are also progressing well
- Lync has now been upgrade to Skype for Business 2015, this allows iPhone/Android users to use the Skype for business client on their devices.
- Work is progressing well on the upgrade of the Citrix farm and the roll out of Windows 10 and Office 2016 applications with trials in place to identify and rectify any identified problems prior to full corporate roll out alongside appropriate training during Q4 2018/19.

46 The 5 year IT development plan scheme requires funds of £1m to be transferred from 2018/19 into 2019/20. A Digital Services Programme process has commenced which is formalising the projects into programme themes and revisiting the outcomes associated with each. The Digital Steering Group (DSSG) which has representation from each directorate is now undertaking an exercise of prioritisation of the projects. This includes consultation on restating the outcomes, and being clear on resource commitments and delivery timescales. This process has provided greater clarity on capacity, expectations and has resulted in previously identified funding requirements being delayed.

Summary

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

Gross Capital Programme	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	8.937	15.659	9.416	8.500	0	42.512
Health, Housing & Adult Social Care – Adult Social Care	4.221	4.018	0.595	0.616	0.638	10.088
Health, Housing & Adult Social Care – Housing & Community Safety	31.282	32.784	27.534	12.652	10.741	114.993
Economy & Place – Transport, Highways & Environment	34.122	45.374	22.541	17.065	6.225	125.327
Economy & Place – Regeneration & Asset Management	14.622	12.613	0.220	0.220	0.220	27.895
Community Stadium	23.432	9.110	-	0	0	32.542
Customer & Corporate Services	2.203	0.250	0.250	0.250	0.200	3.153
IT Development Plan	3.424	3.430	1.435	1.770	1.970	12.029
Revised Programme	122.243	123.238	61.991	41.073	19.994	368.539

Table 2 Revised 5 Year Capital Programme

Funding the 2018/19 – 2022/23 Capital Programme

48 The revised 2018/19 capital programme of £122.243m is funded from £46.895m of external funding and £75.348m of internal funding. Table 3 shows the projected call on resources going forward.

	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	122.243	123.238	61.991	41.073	19.994	368.539
Funded by:						
External Funding	46.895	62.887	29.686	23.946	4.596	167.760
Council Controlled Resources	75.348	60.351	32.305	17.127	15.398	200.779
Total Funding	122.243	123.238	61.991	41.073	19.994	368.539

Table 3 – 2018/19 –2022/23 Capital Programme Financing

- 49 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
- 50 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

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

Implications

- 52 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

53 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

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

Annexes

Annex A – Capital Programme 2018/19 to 2022/23