
Cabinet

5 November 2013

Report of the Cabinet Member for Finance, Performance and Customer Services

Capital Programme – Monitor Two 2013/14

Report Summary

1. The purpose of this report is to set out the projected capital programme outturn position for 2013/14 including any under/ over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The 2013/14 capital programme approved by Council on 28 February 2013 and updated for amendments reported to Cabinet in the September Monitor 1 report is £77.184m, financed by £42.467m of external funding and internal funding of £34.717m.

Consultation

3. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 28 February 2013. 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

4. A decrease of £4.611m is detailed in this monitor resulting in a revised capital programme of £72.573m. This net decrease of £4.611m is made up of:
 - Re-profiling of schemes budgeted at £4.403m to 2014/15
 - Reductions of scheme budgeted at £208k funded from external funds of +£20k and CYC resources of -£228. The reduction is comprised in the main of the reduction in the IT development

plan in year spend to match available revenue resources as reported below).

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

Directorate	Department	Current Approved Budget £m	Projected Outturn £m	Variance £m
ACE	Children's, Education and Skills	9.870	7.375	(2.495)
ACE	Adult Social Services	1.225	1.098	(0.127)
CES	Strategic Planning & Transport	20.864	20.514	(0.350)
CES	Community Stadium	1.850	1.850	0.000
CES	Economic Development	0.058	0.058	0.000
CANS	Housing & Public Protection	18.994	18.984	(0.010)
CANS	Communities, Culture & Public Realm	3.420	3.070	(0.350)
CANS	Highways, Waste & Fleet	4.654	4.654	0.000
CBSS	Asset Management	3.223	2.192	(1.031)
CBSS	Admin Accom	2.580	2.580	0.000
CBSS	IT Development Plan	0.983	0.750	(0.233)
CBSS	Contingency	0.676	0.661	(0.015)
CBSS	Economic Infrastructure Fund	8.787	8.787	0.000
	Total	77.184	72.573	(4.611)

Table 1 Capital Programme Forecast Outturn 2013/14

6. To the mid point in August there was £18.418m of capital spend representing 25% of the revised monitor 2 budget.

Analysis

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

ACE - Education and Children's Services

8. There is one significant variation to report along with some minor changes reduces the budget by £2.495m in 13/14 to £7.375m.
9. A request is made to re-profile £2.500m of basic need budget from 13/14 to 14/15 and allocate £130k in year to the Knavesmire Expansion scheme. The request for re-profiling is due to a number of new schemes being planned to add pupil places at schools across the city. An expansion of Fulford School is required in order to provide sufficient places to meet rising demand from within the school's catchment area, which includes Wheldrake, Dunnington, Elvington and Naburn in addition to the school's catchment area coverage within the city.
10. The scheme, which is being developed in consultation with the school's governing body, is planned to increase the school's capacity and will also include significant remodelling and refurbishment of the school estate. The first phase, which is planned to begin in 2014, will enable the school to meet the demand for places from within the catchment area. A second phase will be timed to accommodate additional demand for places arising from the Germany Beck development. The scheme will be funded through a combination of grant funding and S106 contributions from the developers of the Germany Beck site. Detailed design of the various phases is now underway and total budget for all phases is estimated at £3.6m.
11. Other schemes also expected to take place in 2014/15 are a three classroom extension at Carr Junior (approximate cost of £500k), and additional classrooms at Badger Hill Primary and Skelton Primary (approximate cost of £130k on each site). As these works are planned to take place in 2014/15 a significant proportion of the Basic Need programme requires re-profiling into 2014/15. £130k of Basic Need is also being allocated to the Knavesmire expansion to address final completion payments. This £2.48m scheme, delivered on time and on budget, has secured an additional 210 places, provided the school with a new hall, kitchen and dining facilities, and delivered significant improvements to the condition of the original building.

12. In respect of DfE maintenance budgets, schemes carried out over summer 2013 include roof repairs at Applefields and Badger Hill, electrical work at Bishopthorpe Infants and Copmanthorpe Primary, elevational treatment at Poppleton Road Primary, window replacement at Millthorpe School at Stockton-on-Forest Primary, and window and canopy replacement at Tang Hall Primary, together with a number of smaller schemes at other schools across the city. At present it is expected that most of the budget for 2013/14 will be spent, with possibly a small amount of slippage required, but this cannot be quantified at this stage.
13. Plans are now being made for projects to be funded from the 2014/15 budget. A number of projects represent the final year of multi-year schemes, including Phase 2 of window replacement at Millthorpe School (£180k), Phase 2 of electrical work at Copmanthorpe Primary (160k), phase 2 of window replacement at Stockton on Forest Primary (94k) and phase 2 and 3 of Yearsley Grove Primary rewire £1101k). In addition new schemes have been prioritised for 2014/15 to maintain safe warm and dry school environments.
14. The major schemes identified to date are Canon Lee Secondary - roof replacement (£150k), Danesgate - repairs to building fabric (100k) and replacement of temporary classroom unit (£120k), Huntington Primary - replace boilers (£100k), Fulford Secondary - repairs to hot water system (£150k) and Scarcroft - window replacement scheme (£100k). Cabinet is requested to approve these schemes to be funded from the 21014/15 Maintenance allocation.
15. In addition, a major scheme is being developed to replace the Biology Block at Huntington Secondary School, together with carrying out major internal refurbishment. At present, it is estimated that the scheme will cost in the region of £1.53m, with the majority of the work to be carried out during 2014/15. A detailed scheme budget is being worked up, to be funded partly from Maintenance, but with some Section 106 funding.

ACE – Adult Social Services

16. There are two re-profiling requests to the Adult Social Care capital programme as a result of this monitor both under £100k individually and moves £40k for Health and Safety Works at Social Services Facilities and £87k for Adult Services Community Space from 13/14 to 14/15.

City & Environmental Services - Strategic Planning and Transport + Economic Development

17. The Strategic Planning and Transport capital programme requires £335k of budget to re-profiled to future years to match resource requirements.
18. Other minor variations relate to a re-profiling of budgets for Alley gating from 13/14 to 14/15 as a result of new external contributions of £20k in 13/14.
19. The Economic Development capital programme is projected to outturn at £58k on budget.

City & Environmental Services – Community Stadium

20. The Community Stadium Project is expected to outturn to budget at £1.850m. The community stadium project is progressing positively and within the budget envelope agreed in March 2012. This project includes the delivery of the stadium, athletics, training and reserve facilities for the York City Knights and the operation and investment into the city's leisure facilities.
21. The procurement process now moves into the final bidding stage. An update paper is planned to be taken to the January Cabinet, setting the framework for the final submissions and providing detail regarding other aspect and updates to the business case.

CANS – Housing & Public Protection

22. A minor re-profiling of budget is required in relation to Air Quality Monitoring from 13/14 to 14/15 of £25k.
23. At the end of 12/13 there was an under spend on the crematorium capital scheme of £279k with the remaining budget re-profiled into 13/14 to fund the estimated final account payment for the scheme. The final account has now been paid however was £15k greater than originally planned. It is recommended that this can be funded from capital contingency.
24. Overall scheme updates for the Housing and Public Protection area are as follows:
25. The Modernisation of Local Authority Homes and Major Repairs schemes are on schedule to be completed by early next year, so far 355 properties have had work completed through these schemes

receiving various upgrades including replacement boilers, kitchens and bathrooms with a further 236 properties still to be completed.

26. The Building Insulation scheme has upgraded 289 properties, installing new UPVC windows, a further 256 are due to be completed before the end of the financial year.

27. There are 5 properties currently undergoing work through the Loft Conversion programme in order to relieve overcrowding with an additional 4 properties currently out to tender. Further properties are being reviewed for suitability.

28. The Local Authority Homes scheme at Beckfield Lane has received planning permission and is currently out to tender to appoint a contractor. A further 5 sites are at pre application stage and are expected to go forward for planning permission between December and the end of the financial year.

CANS – Communities, Culture and Public Realm

29. A request is made to re-profile the budget of £350k for the Little Knavesmire Pavilion scheme to 14/15 from its current approved 13/14 position. The request is in relation to delays in bidding for Sport England funding and reaching agreement for other contributions to the project.

CANS – Highways, Waste & Fleet

30. There are no projected variances to report at Monitor 2 in relation to the Highways, Waste and Fleet capital programme.

CBSS - Administrative Accommodation

31. No changes to the projected spend are proposed at this monitor with in year spend budgeted at £2.580m. This amount relates to final payments to the developer to settle the account. The project is still expected to be within the overall budget of £43.804m. It is currently expected that the project as a whole will be under spent by approximately £50k and this will be confirmed through further monitoring reports.

CBSS – Asset Management

32. A number of changes are proposed to the Asset Management schemes as part of this monitoring report of which some are carried out

under delegated authority transferring approved budgets to reflect scheme pressures.

33. A request is made to re-profile £506k from 13/14 to 14/15 in relation to the Marygate River Bank repairs moving the budget in line with the current state of progress of now being designed and with the tender scheduled for a start early in 14/15.
34. The Community Asset Transfer project requires community partners to take the sites on. Currently there are no such agreements in place. Consequently no works are programmed to be delivered in this financial year and the budget of £175k is requested to be re-profiled to 14/15.
35. The majority of the Critical Repairs and Contingency scheme budget (£350k of the £431k pre re-profiling) relates to the Guildhall reroofing project. These works are programmed for delivery in 14/15 as set out in Phase 1 of the 'Future of the Guildhall' development plan so a request to re-profile the £350k to 14/15 from 13/14 is made.

CBSS - IT Development Plan

36. As part of the continual monitoring of available revenue budgets that support the delivery of the IT development plan, the maximum amount of capital spend affordable in this financial year will be £750k. Of the existing IT development budget of £983k this report will reduce the projected capital spend by £233k to match the latest revenue budget available. It should be noted that Cabinet at the appropriate point will need to consider the significant ICT investment requirements of the council. Proposals are currently being developed and will be brought forward as part of the 14/15 Budget report in February.

CBSS - Miscellaneous

37. As set out above capital contingency has been used to fund the £15k pressure in relation to the Crematorium. Other commitments against the revised contingency budget (post £15k) of £661k include a £200k allocation for the Tour De France contribution as approved by Cabinet on 1 October 2013. This would leave a balance of £441k available for allocation in 13/14.

Economic Infrastructure Fund (EIF)

38. No changes are proposed in relation to the EIF although a more complete update will be provided at Capital Monitor 3.

39. Major Schemes updates for the EIF are as follows:

40. The main construction work for the £22.7m Access York project to increase Park & Ride capacity commenced in May. After a preparatory period when service diversions held up the project at Poppleton construction activity will now reach a peak over the next few months. It is anticipated that the junction changes at Askham Bar will be completed in December with the main site opening in May 2014. The first main traffic management change has just been brought into operation at the A59/A1237 roundabout to enable commencement of the subway construction. Progress on the Park & Ride site is good with completion expected in June 2014. It is anticipated that the overall spend within 2013/14 will be slightly lower than originally anticipated due to the programme slippage but the grant funded element will still be fully spent within the year as planned

41. With regard to the Better Bus Fund a wide range of bus improvement measures are in progress across the city. Infrastructure upgrades have been undertaken at the Station, Stonebow and Piccadilly. Real Time Passenger Information screens at bus stops in the city centre and key interchange points are starting to be erected. Bus stops and shelters have been improved on routes across the city. There is ongoing development work progressing for the Rougier Street and Theatre/Exhibition Square bus interchange improvements which will be delivered later in the year and into early 2014/15.

42. For the Re-invigorate York programme of works Phase 1 construction work started on site at Kings Square on Monday 2 September however, the need to undertake archaeological works has meant a delay of around 5 weeks to the planned project programme. Proposals for the next phase of the programme which outlines the broad scheme options for the Exhibition Square/St Leonards Place/Bootham Bar and Duncombe Place/Blake Street junction (Reinvigorate York) and the linked Theatre Interchange scheme (Better Bus Area Fund) are being developed and will be brought to Cabinet in due course.

Summary

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

Gross Capital Programme	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Current Programme						
Adjustments :						
ACE - Children's Education & Skills	7.375	7.862	5.125	5.125	5.125	30.612
ACE – Adult Services	1.098	0.642	0.525	0.400	0.400	3.065
CANS – Communities, Cult & Public Realm	3.070	1.256	0.000	0.000	0.000	4.326
CANS – Highways, Fleet & Waste	4.654	3.637	3.397	2.934	2.639	17.261
CANS – Housing & Community Safety	18.984	9.744	10.019	9.982	10.921	59.650
CES – Strategic Planning & Transport	20.514	3.879	2.713	2.713	2.713	32.532
CES - Community Stadium	1.850	9.050	7.679	0.000	0.000	18.579
CES - (Economic Development)	0.058	0.000	0.000	0.000	0.000	0.058
CBSS – Asset Management	2.192	1.431	0.320	0.100	0.100	4.143
CBSS - IT Development Plan	0.750	0.750	0.750	0.750	0.750	3.750
CBSS – Administration Accommodation	2.580	0.000	0.000	0.000	0.000	2.580
Miscellaneous (Contingency etc)	0.661	0.000	0.000	0.000	0.000	0.676
Economic Infrastructure Fund	8.787	7.071	6.800	5.800	0.000	28.458
Revised Programme	72.573	45.322	37.328	27.804	22.648	205.675

Table 2 Revised 5 Year Capital Programme 13/14 -17/18

Funding the 2013/14 – 2017/18 Capital Programme

44. The 2013/14 capital programme of £72.573m is currently being funded from £39.150m external funding and £33.423m of internal funding. The internal funding is comprised of revenue contributions, revenue

reserves, prudential borrowing, right to buy housing capital receipts and general capital receipts.

45. Table 3 shows the projected call on Council resources going forward.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	72.573	45.322	37.328	27.804	22.648	205.675
Funded by:						
External Funding	39.150	27.819	24.537	17.556	16.242	125.304
Council Controlled Resources	33.423	17.503	12.791	10.248	6.406	80.371
Total Funding	72.573	45.322	37.328	27.804	22.648	205.675

Table 3 – 2013/14 –2017/18 Capital Programme Financing

46. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves (including Venture Fund) and Capital Receipts.

47. It should be recognised that capital receipts which form part of the Council Controlled Resources should be considered at risk of not being realised within set time frames and to estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts, which if not achieved would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that the over the full duration of the capital programme it remains balanced, any issues with regard to financing will be reported as part of the standard reporting cycle to the Cabinet.

Council Plan

48. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that contribute toward the achievement of the Council Plan. The Capital Asset Board (CAB) meet monthly to ensure the capital programme

targets the Councils Plan. The capital programme addresses all 5 priorities of the Council Plan due to its varied and numerous schemes as shown in the main body of the report.

Implications

Financial Implications

49. The financial implications are considered in the main body of the report.

Human Resources Implications

50. There are no HR implications as a result of this report

Equalities Implications

51. There are no equalities implications as a result of this report

Legal Implications

52. There are no legal implications as a result of this report

Crime and Disorder

53. There are no crime and disorder implications as a result of this report

Information Technology

54. There are no information technology implications as a result of this report

Property

55. The property implications of this paper are included in the main body of the report.

Risk Management

56. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB) meets regularly to plan monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

Recommendations

57. The Cabinet is requested to:

- Recommend to Full Council the adjustments in the Capital programme of a decrease of £4.611m in 2013/14 as detailed in the report and contained in Annex A.
- Note the 2013/14 revised budget of £72.573m as set out in paragraph 5 and Table 1.
- Note the restated capital programme for 2013/14 – 2017/18 as set out in paragraph 43, Table 2 and detailed in Annex A.
- Approve the use of contingency to fund £15k in relation to the Crematorium and note the allocation of £220k in relation to The Tour de France programme.

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

Author:	Cabinet Member and Chief Officer Responsible for the report:		
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	Report Approved	√	Date 25 October 2013
Wards Affected: All			√
Specialist Implications:			
Legal – Not Applicable			
Property – Philip Callow Head of Asset and Property Management Extension - 3362			
Information Technology – Not Applicable			
For further information please contact the authors of the report			

Background Papers: Budget Control 2013/14 Mon 2

Annexes: Annex A –Capital Programme 2013/14 to 2017/18