
Decision Session
– Executive Member for City Strategy

6 July 2010

Report of the Director of City Strategy

City Strategy Capital Programme – 2010/11 Consolidated Budget Report

Report Summary

1. This report identifies the proposed changes to the 2010/11 City Strategy Capital Programme to take account of the budget cuts identified by the government, carryover of funds from 2009/10, additional funds received since the budget report, and variations to developer contribution budgets. The report also proposes adjustments to scheme allocations to align with latest cost estimates and delivery projections.
2. On June 10 the Government announced £1.452m of in-year cuts to the 2010/11 transport capital budget. The implications of these budget cuts have been assessed and variations to the allocations are proposed in this report. Further work will be undertaken to finalise allocations, and the detailed budgets will be confirmed in the Monitor 1 report to the Executive Member in September.
3. The 2010/11 Integrated Transport budget has been reduced from £6,910k to £5,674k to accommodate the funding variations. All projects in the programme have been critically reviewed against LTP priorities and assessed for value for money. Overprogramming levels have been reduced in recognition of the anticipated reduced future budget allocations.
4. The budget reductions have been achieved by the suspension of detailed work on a small number of schemes and re-phasing or reduction of scope of schemes across the programme. Details of the proposed changes are included in the Annexes to the report.

Recommendations

5. The Executive Member is requested to:
 - i) Approve the variations to the programme to accommodate the reduction in funding and addition of carryover schemes in 2010/11, as identified in Annexes 1 and 2.

- ii) Approve the variations to the 2010/11 City Strategy capital budget, subject to the approval of the Executive.

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

Background

6. The City Strategy Planning and Transport Capital Programme budget for 2010/11 was confirmed as £7,000k at Full Council on 25 February 2010. The approved Integrated Transport budget of £6,910k includes £2,986k of Local Transport Plan (LTP) funding, plus other funding from the Cycling City grant, Road Safety grant, Regional Funding Allocation (RFA) Supplementary Grant and developer contributions. This represents the budget available to spend, and is therefore net of the over-programming built into the Local Transport Plan element of the programme.
7. The City Strategy Capital Programme also includes £90k of funding from council resources for the maintenance of the City Walls.
8. Since 1 April 2010 the property section has been integrated into the City Strategy Directorate. The Property Capital Programme has a starting budget of £1,336k in 2010/11 funded from council resources.
9. The Accommodation Review and Stadium schemes being progressed by the City Strategy Directorate are reported separately.
10. Table 1 illustrates the current approved capital programme.

Table 1: Current Approved Capital Programme

Original Budgets approved by Council at 25 February 2010	Gross Budget £000s	External Funding* £000s	Capital Receipts £000s
Planning & Transport	7,000	6,910	90
Property	1,336		1,336
Current Approved Capital Programme	8,336	6,910	1,426

*External funding refers to government grants, non government grants, other contributions, developer contributions and supported capital expenditure.

Summary of Key Issues

11. On 24 May the government announced that £6.2bn of cuts were to be made from 2010/11 budgets. The detail of where the cuts would be made was published on 10 June and included £1.452m from capital Integrated Transport budgets in York. In addition the Major Scheme process, which was to be used to fund the majority of the Access York Phase 1 project,

has been suspended until the completion of the Spending Review in the autumn. As part of this process it is anticipated that a new prioritisation and evaluation methodology for major schemes will be established later in the year.

12. The cuts include £750k from the LTP budget (approx. 25%), £660k from the Regional Funding Allocation Supplement (50% of 10/11 allocation) and £42k from the Road Safety Grant (100%). The Cycling City budget remains as originally allocated.
13. The entire programme has been reviewed against the objectives of the Local Transport Plan and has been amended to achieve the highest value for money possible using the available funds. The level of overprogramming has been reduced by approximately £600k in light of the anticipated reductions to future budgets.
14. Expenditure has been focussed on the delivery of schemes in 2010/11, rather than preparatory work for projects planned to be delivered in future years. However, even with the lower level of overprogramming additional schemes may need to be deferred later in the year if good progress continues on all projects. Updates will be provided to the September and December Decision Sessions.
15. The budget reductions have been achieved by the suspension of detailed work on a small number of schemes (e.g. Haxby Station, Access York Phase 2, Howden Dike, Bootham Crossing, Quality Bus Contract Scheme), and the re-phasing or reduction of scope of schemes across the programme (e.g. Access York Phase 1, Blossom Street, Fishergate Gyratory, Beckfield Lane Phase 2, Minor Cycling Schemes). Details of the proposed changes to the programme are provided in Annexes 1 & 2.
16. As reported to the Executive Member in June, the outturn for the 2009/10 capital programme was £4,737k, an underspend of £496k against the adjusted budget of £5,233k (Monitor 2 budget of £5,145k, plus £88k additional grant funding and council resources). The proposed carryovers are identified in the following table.
17. The current approved budget and proposed adjustments are indicated in Table 2 below. Additional information, including details of the proposed changes to allocations, is provided in the Annexes to the report.

Table 2: Capital Programme Budget 2010/11

Gross City Strategy Capital Programme	2010/11 £000s	Paragraph Ref
Current Approved Capital Programme	7,000	
<u>Transport Adjustments:</u>		
Regional Funding Allocation (Carryover from 2009/10)	+13	Annex 1
Proposed Section 106 Funding increase	+130	Annex 1
Yorkshire Forward grant (Dial & Ride bus purchase)	+73	Annex 1
<u>Transport Budget Cuts</u>		
Local Transport Plan Cut	-750	
Regional Funding Allocation Cut	-660	
Road Safety Grant Cut	-42	
<u>Total Transport Variation</u>	-1,236	
City Walls (Carryover of underspend in 2009/10)	+92	Annex 1
Revised Capital Programme	5,856	

Scheme Specific Analysis

18. The key proposed changes included in this report are summarised below and are detailed in Annex 1.

- Reduce the allocation for the Access York Phase 1 scheme, following suspension of the Department for Transport (DfT) Major Scheme process on 10 June. It is proposed to suspend the delivery of the full scheme at a sensible break point to minimise abortive expenditure, but continue preparatory works on the Askham Bar site up to the completion of the detailed design stage.
- Continue the delivery of the A19/A1237 Roundabout Improvements scheme with an anticipated completion in early 2011.
- Stop work on the Access York Phase 2 and Haxby Station schemes, pending confirmation of the new Major Schemes process.
- Reduce the allocation for the Blossom Street scheme and focus delivery on the Nunnery Lane/Queen Street Junction in 2010/11.
- Reduce the allocation for the Fishergate Gyratory scheme to allow for consultation and detailed design in 2010/11, and defer implementation of the scheme to future years.
- Increase the allocation for the Fulford Road scheme to complete the construction of the Hospital Fields Road to Heslington Lane section and progress the Cemetery Road to Fishergate section.

- Add grant funding from Yorkshire Forward for the purchase of a new Dial & Ride vehicle.
- Reduce the allocations for the Bus Location and Information Sub-system (BLISS) and Urban Traffic Management and Control (UTMC) projects.
- Reduce the allocations for the smaller walking and cycling schemes.
- Adjust the allocations for the Footstreets Review and City Centre Accessibility Improvement schemes.
- Slip the allocation for the Minster Piazza scheme to 2011/12, pending confirmation of the success of the funding bid to the Heritage Lottery Fund by the Minster.
- Suspend the delivery of the Bootham Crossing Cycling scheme subject to progress on other schemes in 2010/11.
- Reduce the allocation for the Beckfield Lane Phase 2 scheme to enable delivery of the proposed revised scope of the project.
- Increase the allocation for the City Walls Restoration scheme using carry over funds from 2009/10.

Consultation

19. The capital programme was developed under the Capital Resource Allocation model (CRAM) framework and agreed at Full Council on 25 February 2010. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals do follow a consultation process with local councillors and residents in the locality of the individual schemes.

Corporate Priorities

20. 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 meet corporate priorities.
21. The City Strategy Capital Programme supports the Sustainable City, Thriving City and Safer City elements of the new Corporate Strategy.
22. **Sustainable City** We aim to be clean and green, reducing our impact on the environment while maintaining York's special qualities and enabling the city and its communities to grow and thrive. Improvements to cycle routes, walking routes and public transport will help to meet this objective.
23. **Thriving City** We will continue to support York's successful economy to make sure that employment rates remain high and that local people benefit from new job opportunities. Improvements to the city's sustainable transport network including the improvements to the Park & Ride service will assist the economy by reducing the impact of congestion.
24. **Safer City** We want York to be a safer city with low crime rates and high opinions of the city's safety record. Improvement schemes and speed management measures are targeted at prioritised sites to reduce

casualties. Education and enforcement campaigns complement the highway improvement works.

Implications

25. The report has the following implications:

- **Financial** – See below
- **Human Resources (HR)** – The lower budget means that reduced resources will be needed to deliver the programme in the year. This will be managed by reducing the use of consultants and agency staff where possible and appropriate.
- **Equalities** – There are no equalities implications
- **Legal** – There are no legal implications
- **Crime and Disorder** – There are no crime and disorder implications
- **Information Technology (IT)** – There are no IT implications
- **Property** – There are no property implications
- **Other** – There are no other implications

Financial Implications

26. The LTP allocation for 2010/11 was confirmed by the Government Office for Yorkshire and the Humber on 27 November 2007. The City Strategy Capital Programme budget was agreed by the Budget Council as part of the overall CYC Capital Programme on 25 February 2010. All funding for the base budget of £7,000k had therefore been agreed and confirmed, prior to the announcement of cuts to the 2010/11 transport capital programme.

27. The cuts announced on 10 June have reduced the funding available directly from government sources by £1,452k. Carryovers of funding from 2009/10, additional grants, and use of more developer contributions in 2010/11 has reduced the overall budget variation to £1,144k.

28. If the proposed changes are accepted, the total value of the City Strategy Planning and Transport Capital Programme for 2009/10 would be **£6,461k** including overprogramming. The overprogramming would decrease from £1,184k to **£605k** (compared to £1,259k at this stage in 2009/10). The budget would decrease to **£5,856k**, and would be funded as follows:

	Current Budget £000s	Proposed Alteration £000s	Proposed Budget £000s
LTP Settlement	2,986	-750	2,236
Regional Funding Allocation	2,327	-647	1,680
Developer Contributions	500	+130	630
Road Safety Grant	42	-42	0
Cycling City Grant	1,055		1,055
CYC Resources	90	+92	182
Other Grant Funding		+73	73
Total	7,000	-1,144	5,856

29. Details of the proposed Property Services budget are provided in Annex 4. This budget is fully funded from council capital resources as indicated in the following table:

	Current Budget £000s	Proposed Alteration £000s	Proposed Budget £000s
Total	1,366	+677	2,013

Risk Management

30. The Capital Programme has been prepared to assist in the delivery of the objectives of the Local Transport Plan. The Department for Transport will assess the progress of the LTP against the targets set in the plan. If the schemes included within the programme do not have the anticipated effect on the targets, it is possible that the council will receive a lower score, and consequentially there is a risk that future funding will be reduced.

31. In addition to the cuts to transport capital budgets for 2010/11, there is a significant risk that future budgets will be substantially lower than in recent years. This will increase the importance of the prioritisation of schemes to ensure that the reduced funding is allocated to schemes which deliver the best value for money in accordance with the objectives of the LTP.

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Specialist Implications Officer(s) N/A

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers

City Strategy Capital Programme: 2009/10 Monitor 2 Report – 1 December 2009

City Strategy Capital Programme: 2010/11 Budget Report – 2 March 2010

City Strategy Capital Programme: 2009/10 Outturn Report – 1 June 2010

Annexes

Annex 1: 2010/11 Consolidated Report – Scheme Progress Report

Annex 2: Summary of Proposed Changes

Annex 3: Current and Proposed Budgets

Annex 4: Property Services Capital Programme