



**Executive**

**16 February 2010**

## **Report of the Director of Resources**

### **Capital Programme Budget – 2010/11 to 2014/15**

#### **Summary**

1. This report presents the current position of the 2009/10 – 2013/14 capital programme, highlights the existing funding position and associated pressures and then considers the bids received as part of this year's Capital Resource Allocation Model (CRAM) process covering the period 2010/11 – 2014/15.
2. Members are asked to:
  - Note the current funding position of the capital programme
  - Note the new bids for capital schemes, their requirement for funding covering the period 2010/11 – 2014/15 and how best the available resources can be used to achieve the Council's objectives.
  - Recommend to Council the recommendations as set out in the report.

#### **Background**

3. This report is part of the suite of reports outlining the Council's spending and funding plans for future years and as such should be read in conjunction with the Revenue Budget report and the Treasury Management Strategy and Prudential Indicators report, both of which are on this agenda. These reports are inter-related and take account of the recommendations made in this report.
4. The current 2009/10 – 2013/14 capital programme was approved by Council on 26th February 2009. Since then a number of amendments have taken place as reported to the Executive in the 2008/09 Capital Programme Monitor 3 report, the 2008/09 Capital Programme Outturn report and both the 2009/10 Capital Programme Monitor 1 and 2 reports. The changes made as a result of the above reports have resulted in a current approved capital programme for 2009/10 – 2013/14 of £213.230, financed by £87.029m of external funding, and Council controlled resources of £126.201m. Table 1 illustrates the current approved capital programme profile from 2009/10 – 2013/14 as at monitor 2.

	2009/10	2010/11	2011/12	2012/13	2013/14	Total
	£m	£m	£m		£m	£m
<b>Gross Capital Programme</b>	<b>67.379</b>	<b>60.782</b>	<b>37.166</b>	<b>30.100</b>	<b>17.803</b>	<b>213.230</b>
Funded by:						
External Funding	32.737	27.373	8.888	8.428	9.603	<b>87.029</b>
Council Controlled Resources	34.642	33.409	28.278	21.672	8.200	<b>126.201</b>
<b>Total Funding</b>	<b>67.379</b>	<b>60.782</b>	<b>37.166</b>	<b>30.100</b>	<b>17.803</b>	<b>213.230</b>

**Table 1 – Capital Programme Funding and Receipts Position**

5. The make up of the current approved 2009/10 – 2013/14 capital programme can be grouped into 3 key elements.
  - Fully Funded (by Government Departments) - £126.884m
  - Political Imperatives - £60.696m
  - Rolling Programmes - £25.650m
  
6. The fully funded schemes make up the majority of the capital programme and include the:
  - Local Transport Plan (£19.923m),
  - Department for Children, Schools and Families schemes (DCSF) (£57.312m)
  - Housing Revenue Account Business Plan (£39.405m)
  - Housing General Fund (£5.0m)
  - Various smaller schemes (£5.244m)
  
7. The political imperative schemes are made up of 5 major projects and account for £60.696m, the majority of which are funded from corporate resources. These schemes, some of which have already started are summarised below highlighting the budgeted spend between 2009/10 and 2013/14:
  - York Pools – £5.2m
  - Admin Accom - £40.293m
  - Community Stadium - £4.0m
  - West of York Recycling Site - £2.5m
  - Acomb Office - £1.750m
  
8. There are currently a number of rolling programme schemes totalling £25.650m over the current 5 year programme. These include:
  - Highways Resurfacing and Reconstruction £17.033m
  - Disabled Facilities Grant £4.250m
  - Special Bridge Maintenance £0.985m
  - City Walls £0.446m

## Consultation

9. The CRAM process invited bids from the departments asking them to put forward their main capital priorities as identified by their asset management plans which are aligned to the Councils Corporate Strategy. 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.

## Analysis

### Funding Position of approved 2009/10 – 2013/14 programme

10. The current economic environment continues to place pressure on the funding of the programme over the 5 year cycle based on current projections. The capital programme continues to place significant reliance on the achievement of a small number of high value asset disposals which have been affected by the economic downturn.
11. As part of the CRAM process officers from Property Services have carried out an assessment of the Councils assets that are surplus to requirements. Following a number of years of rationalisation of Council assets, that allowed property and buildings to be freed up for reinvestment, officers have at this time been unable to identify any additional assets that are surplus to requirements. The current capital receipts target for the currently approved programme is in itself the most challenging ever faced by the Council, in terms of both volume and value of sales, with the Council remaining reliant on a small number of high value capital receipts.
12. Officers have carried out a detailed review of all approved asset sales to ensure the projected sale value and timings are reasonable. This exercise has resulted in a number of revisions to the asset values giving a bottom line position of a £3.772m deficit over 5 years. This figure represents the required level of capital receipts to fund all the capital schemes that have associated receipts funding as agreed as part of the 2008/09 budget process and is shown in table 2.

Required Capital Receipts	£28.476m
Projected Capital Receipts	£24.704m
Projected Receipts Shortfall	(£3.772m)

**Table 2 – Capital Receipts Shortfall**

13. It should be noted that the 2009/10 budget process did not add any new schemes that required capital receipts funding so the existing capital receipts pressure is as a result of the 2008/09 budget setting process, which when set was balanced.

14. The main driver of the shortfall of sale values versus original projections is the current state of the economy and the general depressed property market making it an unfavourable time to be disposing of high value assets. One option to address this is to delay all property sales where it is expected that reasonable sale values cannot be achieved until such times that the economy picks up sufficiently to allow for asset disposals to achieve satisfactory values.
15. If this principle is endorsed then expenditure funded from the disposal of assets can proceed as the impact of delayed and reduced value sales will not have an adverse impact over a medium term time period. The financial impact can be accommodated in the treasury management budget which has taken this requirement into account for 2010/11.
16. In addition to the current shortfall in projected receipts values, the timings of the sales have been re-profiled to later years to reflect existing trend of property sales. As a result of this the 2010/11 Treasury Management revenue growth (as reflected in this group of budget reports through the revenue report) takes account of this and allows the Council the ability to temporarily borrow to cover the timing differences arising from the 2009/10 and 2010/11 projected receipts.
17. The final financing position to note relates to the capital schemes that were approved as part of the 2009/10 – 2013/14 budget process. As part this process schemes requiring funding totalling £18.1m were approved. These schemes were to be funded based on a combination of revenue contributions and prudential borrowing with the programme being monitored annually to assess the affordability and the impact of timing differences. The 2009/10 element which was c£3m of the £18.1m was met using prudential borrowing using the revenue funding allocated to support capital expenditure as part of the 2009/10 budget process. In 2010/11 there is a requirement for £1.6m of funding that has been addressed by a growth bid in the 2010/11 Treasury Management revenue budget (as part of the revenue budget report on this agenda) which provides budget to allow prudential borrowing of the £1.6m to be undertaken.
18. The above measures address the requirements in 2009/10 and 2010/11 but still leave a requirement to fund the remaining c£14.979m. This could be achieved by continuing to increase the Treasury Management revenue budget in the respective budget cycles. The extent of the increase in growth on the revenue budget would be as illustrated in table 3.

<b>Financial Year</b>	<b>Capital Expenditure Value</b>	<b>Revenue Growth Required Assuming Prudential Borrowing</b>	<b>Revenue Funding Awarded / Bid For</b>	<b>Comments</b>

2009/10	£3.050m	£250k	✓	
2010/11	£1.373m	£147k	✓	Part of current 10/11 budget process
2011/12	£9.1m	£800k	✗	
2012/13	£2.248m	£200k	✗	
2013/14	£2.258m	£201k	✗	
<b>Total</b>	<b>£18.029m</b>			

**Table 3 – Revenue growth implications of funding existing capital programme using prudential borrowing**

19. These assumptions will be incorporated into the Councils Medium Term Financial Strategy, but will clearly need to be considered/reviewed as part of each years budget setting process. In particular it may be that additional capital receipts are identified over coming years which would reduce the need for prudential borrowing, and also some capital schemes within the programme are still subject to detailed business cases being considered by the Executive, and as such some of the assumptions for future years will potentially change.

#### **The 2010/11 CRAM Process**

20. The CRAM process invited bids from the departments asking them to put forward their main capital priorities. A total of 59 bids were received (including individual housing scheme bids) and are summarised in Annex A. Of these bids, 40 are fully funded from external sources, 6 are rolling programme bids, with the remaining 13 bids seeking additional discretionary resources over and above those already approved in the Capital Programme. In total, requests that would increase the capital programme by £89.065m have been made, requiring an additional £11.257m of Council funding.

#### **Summary of Bids**

21. The Access York Phase 1 scheme which commenced in 2008/09 has a total estimated scheme cost of £26.339m with a Council funding requirement of £3.249m. The scheme cost for 2010 - 2013 is £24.784m with a Council funding requirement of £2.057m. The scheme will allow the disposal of Askham Bar park and ride site which on the assumption of it being a back to back sale will contribute

to the funding of the project. Any cost of the new scheme over the amount that could be financed from the receipt will be met from LTP funding, s106 developer contributions, the value of the proposed new park and ride site and prudential borrowing (subject to approval). Removing the capital receipts requirement of this project on the assumption the receipt is attributable to fund this scheme (as without it the asset will not be available for disposal) the projected call on capital receipts will be £9.200m.

22. The 2010/11 – 2014/15 CRAM process will use the ranking system of high, medium and low classifications to assign a level of priority to individual scheme bids. Two key assumptions form the basis of this ranking methodology, firstly the need for rolling programmes remains a high priority in the same way they were on their original inception into the programme and secondly that any schemes that are legislative requirements will be ranked as high. Using this methodology the Capital Asset Management Group (CAMG) have categorised the bids which have requested new or additional funds beyond the level which is currently approved. Table 4 shows the schemes which are currently requesting Council funding. Note all bids are being included at this stage for completeness.

<b>Rolling Programme Scheme requiring CYC funding</b>	<b>10/11 £000</b>	<b>11/12 £000</b>	<b>12/13 £000</b>	<b>13/14 £000</b>	<b>14/15 £000</b>	<b>Total £000</b>	<b>Rank</b>
Disability Support					150	<b>150</b>	High
Community Equipment Loans Service					105	<b>105</b>	High
Disabled Facilities Grant					475	<b>475</b>	High
City Walls Rolling Repair			12	12	90	<b>114</b>	High
Bridge Maintenance					200	<b>200</b>	High
Highways Resurfacing and Reconstruction					1,250	<b>1,250</b>	High
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>2,270</b>	<b>2,294</b>	
<b>New Schemes requiring CYC funding</b>	<b>10/11 £000</b>	<b>11/12 £000</b>	<b>12/13 £000</b>	<b>13/14 £000</b>	<b>14/15 £000</b>	<b>Total £000</b>	<b>Rank</b>
Crematorium - Mercury Abatement - Install 3 No. Cremators	1,766					<b>1,766</b>	High
Access York Phase 1	922	1,041	94			<b>2,057</b>	High
Explore History @ York		245	255			<b>500</b>	High
Telecare Equipment	450					<b>450</b>	High
Oakland's Sports Centre/ York High School Sports	60					<b>60</b>	High

Contingency	300						<b>300</b>	High
Property Compliance (Asbestos and Fire regs)	80	80	80				<b>240</b>	High
Riverbank Repairs Urgent	717						<b>717</b>	High
Health & Safety Repairs & Access Improvements	500						<b>500</b>	Med
Replacement of unsound lighting columns	200	200	200	200	200		<b>1,000</b>	Med
Strensall and Towthorpe Sports Association	100						<b>100</b>	Med
Yearsley Pool Energy Review	220						<b>220</b>	Med
Riverbank Repairs		516	537				<b>1,053</b>	Med
<b>Sub Total</b>	<b>5,315</b>	<b>2,082</b>	<b>1,166</b>	<b>200</b>	<b>200</b>		<b>8,963</b>	
<b>Total</b>	<b>5,315</b>	<b>2,082</b>	<b>1,178</b>	<b>212</b>	<b>2,470</b>		<b>11,257</b>	
Removal of Access York Phase 1	(922)	(1,041)	(94)				<b>(2,057)</b>	
<b>Total</b>	<b>4,393</b>	<b>1,041</b>	<b>1,084</b>	<b>212</b>	<b>2,470</b>		<b>9,200</b>	

**Table 4 – Summary of Bids Requesting Capital Receipt Funding**

### **Detailed Bid Analysis of High Priority schemes**

23. Details of the bids in table above are set out in the following paragraphs. For each bid a summary is provided along with the consequences of not proceeding with the scheme.

#### **Rolling Programme Bids**

##### **Disability Support Budget (£150k) - High**

24. To provide discretionary assistance for disabled customers who need financial help. The grants help disabled people and parents with disabled children to adapt their homes to continue living there and maintain their independence. The assistance helps with the shortfall between the cost of the eligible works and the mandatory disabled facilities grant to purchase a more suitable property where it is more cost effective. This budget has not seen any inflationary increase and given the relationship with the Mandatory DFG budget there is a need to increase funding for this area to meet the demand.

25. The council has a statutory duty to administer disabled facilities grants without this additional support most of these schemes will not be carried out. If the budget is not funded there is a risk that the Council may not provide a statutory service, as well as a loss in reputation and the ability to deliver timely and quality services leading to increase in complaints. This could result in the most vulnerable residents being put at risk. It is part of the Council's obligations to deliver specific legal duties under the Disability Equality Duty Act 2006 by providing the right services to eliminate discrimination and enable disabled people to live independently.

### **Community Loans Equipment Service (£105) - High**

26. Enables people with complex and disabling conditions to be safely cared for in their own homes avoiding unnecessary admissions to hospital or nursing care. Provides support to carers to enable them to continue to care for their partner/relative. The budget would contribute to the costs of specialist occupational therapy assessments (£15k) and funds the purchase and maintenance of major items of equipment to aid daily living (£90k).
27. The risks of not proceeding are that the financial burden on vulnerable residents increases, the potential for residents to adapt their homes for disability needs diminishes and the potential increase cost to PCT/CYC of supporting residents in their own homes or through increased length of stay in hospital.

### **Disabled Facilities Grant (£475k) - High**

28. This scheme allows payment of mandatory disabled facilities grants in line with statutory and Council policies (Housing Grants, Regeneration and Construction Act 1996 as amended and Grants policy - June 2008). The DFG rolling programme enables disabled people to remain at home and maximise their independence.
29. The non-funding of this scheme could prevent the Council fulfilling its legal duties. By not funding the scheme additional pressure will be placed on existing stretched resources and the ability to deliver timely and quality services will be a risk leading to an increase in complaints. Failure to provide this statutory service could leave the Council open to legal challenges and could result in reputational damage. There will be a detrimental impact on other services resulting in additional financial burden in areas such as nursing and residential care. The DFG service has been assessed on the Council risk register as having a gross score of 25 and a net score of 21, which means the failure of the service has a catastrophic impact, as vulnerable and disabled customers are put at risk by living in dangerous conditions.

### **City Walls Rolling Repairs (£114k) - High**

30. This bid continues the rolling programme, established in 1991, of essential repair and restoration to the City Walls. The bid will pay for works which will ensure the continued structural integrity and stability of the Walls and hence public access and enjoyment of this unique asset. In 2010-11 the programme will continue the



assessment and restoration of the section of wall adjacent to Monk Bar Garage, will continue the restoration of areas where the York stone flags and copings on the walkway have failed, and will carry out repairs to the roof and balustrade at Walmgate Bar. A continual funding requirement for the foreseeable future is anticipated.

31. The most significant risk of not funding the continued maintenance of the City Walls is that sections of the wall, and potentially areas adjacent to the wall, would have to be closed to the public. The city walls are a scheduled ancient monument and significant tourist attraction which the Council has an obligation to keep in a good state of repair.

#### **Bridge Maintenance (£200k) - High**

32. Inspections are carried out on highway structures which result in a programme of bridge maintenance work. The regular cycle of general inspections provides a continuing programme of maintenance and there is a backlog of work identified from previous reports. Revenue funding has been made available over the past two years to carry out detailed principal inspections on the City's major bridges and this is beginning to identify further maintenance items and potential reprioritisation of schemes. Funding is required to carry out the work to maintain the structures in a serviceable and safe condition.
33. The risks of not proceeding with this scheme are that ultimately without maintenance work being undertaken deterioration may reach such a stage that weight restrictions have to be introduced, more major works undertaken or in a worse case scenario full replacement. The introduction of a weight limit or demolition of a structure would have a detrimental affect on traffic movement, and subsequently have a detrimental effect on the economic environment of the city.

#### **Highways Resurfacing and Reconstruction (£1,250k) - High**

34. A programme for the resurfacing and reconstruction of the City's roads and footways has been established to halt deterioration of the assets and maintain them in the best condition possible with the anticipated level of funding available. The total annual rolling budget requirement for this funding restricted level of works is circa £4.0m per year at 2009/10 prices. Although the proposed allocations in this bid are insufficient to fund the long term maintenance of the highway infrastructure they are considered to be the minimum required based on what is affordable. The bid identifies an increasing revenue commitment of £250K per year to offset the reduction in availability of capital receipts. This bid seeks to maintain the historic level of funding over the five year budget period.
35. The Council has a statutory duty under the Highways Act 1980 to maintain the public highway fit for purpose. The risks of not proceeding with this scheme are that without a full programme of work the condition of the roads and footways will deteriorate. A deteriorating highway network would lead to a need to undertake more reactive maintenance, an increase in insurance claims, a lowering of

performance indicator scores, and have an affect on the economic environment of the city.

### **New Schemes**

36. It is normal practice that schemes requiring capital funding are identified where possible well in advance of need giving a lead in time of more than one financial year. Many of the major bids requiring funding in 10/11 support this practice with schemes such as Access York Phase 1 and the Crematorium Mercury Abatement being discussed in previous CRAM processes.
37. However as part of this report there are schemes that require funding in 10/11 that are of a more reactive nature thus not allowing for such a long lead in time. Programme managers are actively encouraged to submit bids with a long a lead in time as possible but this approach is only achievable where the nature of the scheme allows this approach.
38. Details of the bids ranked as 'high' in the table above are set out in the following paragraphs with the schemes judged to be of the highest priority within this classification being discussed first. For each bid a summary is provided along with the consequences of not proceeding with the scheme.

#### **Crematorium Mercury Abatement (£1,766k) - High**

39. York Crematorium at present have three cremators, two are currently operational dealing with over 2000 cremations per year. Emissions legislation will be significantly tightened, with the result that by December 2012. DEFRA require that at least 50% of all cremations are subject to abatement of increased proportions of emissions specifically Mercury (Hg). The equipment removes gaseous mercury from flue gases as well as a range of other pollutants.
40. The risk of not proceeding with this scheme is that the authority could face being served with a direction to comply if abatement is not undertaken by the due date , this may also put at risk gross income generated by the crematorium which in 2009/10 is budgeted to be £1.3m. There are further risks of delaying work, as there are believed to be only 4 engineering firms capable of undertaking the work, and to date very few authorities have undertaken the work to comply. This may cause market capacity problems in the run up to the compliance date and cause costs to inflate.

#### **Access York Phase 1 (£2,057k) - High**

41. The Access York Phase 1 scheme provides 3 new Park & Ride sites (Askham Bar, Poppleton Bar on the A59, Clifton Moor on Wigginton Road) and improves the A59/A1237 roundabout. The scheme was the subject of a successful bid to the Regional Transport Board in April 2008 with a complete Major Scheme Business Case submitted to the Department for Transport in February 2009 and refreshed in June 2009. The DfT are currently assessing the bid with determination expected

early in 2010. 100% of the development costs before the approval of the business case by the DfT and 50% of the preparatory costs after gaining acceptance by the DfT have to be funded locally. 10% of the entire scheme including construction is also expected to be funded locally. Planning consent has been granted for the Askham Bar site and planning applications for the Poppleton and Clifton Moor sites have now been submitted. Procurement of the detailed designer is progressing so that detailed design can commence immediately following the receipt of funding approval.

42. The principal risk of not proceeding with this scheme is that the step change in transport provision provided by the new Park & Ride sites and infrastructure improvements will not occur. Air quality and traffic congestion will continue to worsen on the northern Outer Ring Road and radial routes into the city centre. The existing A59/A1237 roundabout, which causes a significant proportion of the delays on the northwest section of the A1237, will not be upgraded reducing the economic attractiveness of the city. Without the improvements included in the Access York Phase 1 project there is a significant risk that the congestion target within the Local Area Agreement will not be achieved. There would also be considerable abortive development costs to fund if the scheme did not progress.

#### **Explore History @ York (£500k) - High**

43. This scheme implements the Executive's Vision for the City Archives Service by refurbishing the first floor former reference library and basement storage spaces in York Explore to allow the complete merger and relocation of the Archives Service with the Local Studies Library to create a single high-profile city centre access point to York's world-class archive and local history collections. The proposal builds on the Phase 1 York Explore capital investment of 2009/10 which refurbished the ground floor spaces in York Central library to convert them into an Explore Centre. Integration of the service into York Explore will allow the service to increase its user numbers from the current 3,500 to around 22,000 annually with no increase in staffing costs. The scheme demonstrates the city's commitment to stop the physical deterioration and loss of our world-class civic archive which is currently housed in premises which do not meet basic preservation standards. Action to preserve the archive is required to retain our National Archives Approved status, which enables the city to access external funding for the service.
44. The Council's Corporate Strategy commits the Council to "refurbish and relaunch the Central Library into an Explore Centre attracting 1 million visitors a year" by 2012. This scheme is an essential element of this target. The current scheme refurbishes just the ground floor. This scheme is needed so that the City Archives can be brought in achieving efficiency savings and providing an integrated service for customers.
45. Without this scheme the Council cannot resolve the long-standing inadequacies of the current archives which jeopardise our National Archives Approved status. Ultimately the Council would have to move the collections to safe storage likely outside of the city.

### **Telecare Equipment (£450k) - High**

46. To provide necessary digital upgrades to sheltered housing schemes and telecare equipment in order that vital wardens services can be maintained following the BT digital upgrade scheduled for 2010. It is also necessary to continue to provide funding for the growing telecare service which provides vital pieces of equipment to vulnerable customers across the city. Demand for this service has increased dramatically in the last three months and that trend is set to continue as more and more people become aware of what is available and the difference it can make to a person's independence.
47. The risk of not proceeding is that with the BT telephone infrastructure switching from analogue to digital in 2010 all existing dialling equipment such as Warden Call assistance is required to be digital compliant or it will not work. If this scheme does not go ahead the vital adult social care support of Warden Call will not be provided. As a result residents will not be able to ask for assistance with major health and potentially adverse consequences to most vulnerable customers.

### **Oakland's Sports Centre/ York High School Sports (£60k) - High**

48. The Sports Hall floor is heavily used and has started to break up in places, which require emergency repairs. Generally these type of grant wood floors deteriorate quickly when they reach the end of their life and the current condition of the floor is causing health and safety concerns now. York has a shortfall of sports hall space and therefore if the hall was closed due to the floor condition it would have a significant impact on the operation of York High School and on public and club use.
49. Over the past two years emergency repairs have been carried out to enable the hall to remain open. Each one of these has resulted in a weakening of the floor and makes the next repair more expensive. To guarantee the hall can remain open and service the public safely it will need to be replaced.

### **Contingency (£300k) - High**

50. Consideration should be given to creating a corporate capital contingency budget. This would be in effect approved by Council but would then be managed by the Executive. It would allow for small ad hoc schemes to be dealt with by the Executive, and allow for any minor items of an urgent nature to be approved in year.

### **Property Compliance - Asbestos and Fire Regulations (£240k) - High**

51. Revenue funding has been provided to undertake compliance surveys for both asbestos and fire regulation management. Capital funding is required to undertake the emergency and remedial works, emanating from the surveys, to ensure compliance with current regulations. An asbestos capital emergency pot was established 4 years ago, of £100k, and is now fully expended. This bid is a request

for a similar fund that would average out at £40k per year each for both asbestos and fire, over a three year period. (£80k for each totalling £240k over 3 years).

52. The risk of not proceeding is that the Council fails to be compliant with regard to the asbestos and fire regulations potentially resulting in closure of certain high properties.

#### **River Bank Repairs Urgent (£717k) - High**

53. In 2002 the Council's Engineers undertook a survey of the riverbanks of the Ouse and Foss Basin, detailing a programme of works over a 10 year period. From that survey three main areas were identified as requiring stabilising work in 5 years time one of which forms part of this high priority bid; east bank between Scarborough Bridge and Clifton Bridge, east bank between Lendal mooring and Marygate Landing and Foss Basin island. The specific area causing the most concern is Foss Basin island which requires significant structural work to be carried out.
54. The Council would not be carrying out its legal duty as navigation authority which could result in legal action.

#### **Replacement of unsound lighting columns (£1,000k) - Medium**

55. As part of the new street lighting contract a structural testing regime for street lighting columns has been put in place. About 1200 steel columns have been tested in 2008/9 and this is showing a failure rate of 10%. Similarly the majority of concrete columns are rapidly coming to the end of their lives with about 100 reaching a critical condition each year. The Council will have little option other than to carry out these replacements on safety grounds and base budgets cannot support this replacement programme. A fund of approximately £90k is allocated from the LTP settlement but this is insufficient to stem the deterioration and tackle the backlog of columns needing replacing.
56. If the Council fails to act reasonably when provided with information about potentially dangerous lighting columns then it may be subject to legal action in the event of an accident. The alternative to replacement is to remove or cut the columns down. This would result in gaps in the lighting network making the night time scene less safe for the public with a potentially detrimental effect on crime figures.

#### **Strensall and Towthorpe Sports Association (£100k) - Medium**

57. To work alongside the local community to upgrade the Strensall and Towthorpe Sports Association building in Durlston Drive which incorporates changing rooms, small community rooms, tennis courts and a multi use games area (MUGA) which is currently unusable.

58. The Strensall and Towthorpe Sports Association is the governing body of the Durlston Drive Sports field with a responsibility for the MUGA, changing rooms and hard court tennis courts. The MUGA is currently unusable, the changing rooms are deemed not fit for purpose and the site requires investment to make it into a well used community facility. There is a possibility of the Association folding, leaving no one to take on the maintenance, security, health and safety. If the complex were left without investment the area may induce anti-social behaviour problems typically associated with vacant buildings. Without the investment the community of Strensall would have no local access to sporting facilities for young people and for anyone with transport difficulties accessing facilities in the City is prohibitive.
59. It should be noted that the Executive Member (Resources EMAP of 20th June 2005) accepted the advice of the panel that the Executive recommended that a proportion of the capital receipt be made available to Strensall Parish Council as a capital grant towards the provision of youth services in Strensall.

#### **Yearsley Pool Energy Review (£220k) - Medium**

60. Yearsley pool currently operates using a combination of power sources made up of steam supplied by Nestle and electricity. The cost of steam has more than doubled in the last three years alongside an increase in usage. The cost of energy has risen to in excess of £100,000 per year creating a significant revenue budget pressure. In order to address this an energy survey has been commissioned and the report has just been received. The report looks at the long-term sustainability and considers greener ways to heat and power Yearsley. Each of the recommended options varies in cost and the level of savings it produces but would reduce the revenue pressure, lower CO2 levels produced and ensure the long term future of the building in case of any change in agreement or circumstance of the steam supplier. As the report has recently been received further discussions are needed to establish the additional costs on top of those identified in the report varying from adaptations to the existing building to new gas mains. The capital costs in the report vary from £128k to £360k with the average cost being around £250k and savings ranging from between £9k and £45k.
61. The risk of not proceeding is that the cost of steam has doubled in the past two years and there is a realistic possibility the suppliers could continue to increase the price. If prices increased and no action was taken the revenue budget pressure would also grow.

#### **River Bank Repairs (£1,053k) - Medium**

62. In 2002 the Council's Engineers undertook a survey of the riverbanks of the Ouse and Foss Basin, detailing a programme of works over a 10 year period. From that survey three main areas were identified as requiring stabilising work in 5 years time two of which form part of this medium ranked bid; east bank between Scarborough Bridge and Clifton Bridge, east bank between Lendal mooring and Marygate Landing and Foss Basin island. These works are required now. Scarborough to Clifton Bridges section has suffered collapse in places with large

holes appearing which have been fenced off. This stretch is additional to the urgent works currently being undertaken by the Engineers in this area. The Council have been fortunate that no known injuries have been sustained by the public, especially as the cycle track runs close by. Lendal mooring to Marygate is a continuation of the piling work undertaken earlier at Lendal mooring which financial constraints prevented completing. This stretch is severely undermined by erosion and work is required urgently to avoid collapse and damage to visitor moorings.

63. The Council would not be carrying out its legal duty as the navigation authority which could result in legal action. Also if the riverbanks were allowed to collapse there would be no cycle/foot path, no visitor moorings and it would have to be fenced off to prevent access.

### **Health & Safety Repairs & Access Improvements (£500k) - Medium**

64. Current 3 year capital programme of £0.6M (£0.1M for 2010/11) for urgent repair works is inadequate for level of urgent and essential works required as shown by the 2008/9 performance indicator which is in excess of £19M (£3M excluding schools). These repairs are needed to carry out Health and safety work only to Council buildings to safeguard delivery of services. The bid is for work on land and buildings which have been identified for retention only through the Service and Area Asset Management Planning. This bid is for one year only to supplement the amount already allocated as there is need for additional capital for the proposed works. It is the intention to submit an annual capital bid from now on to cover new urgent repairs identified during each year.
65. If funds are not available then the existing revenue and capital budgets are insufficient to meet the needs identified above with the result that a Health & Safety failure is likely to occur which would result in the closure of a building and the inability to provide the service to customers without a potentially expensive alternative being found.

### **Proposals to Fund the new 2010/11 – 2014/15 schemes**

66. The requests for funding the extension of the existing rolling programme schemes into 2014/15 plus the two minor amendments in 12/13 and 13/14 totalling £2,294k is recommended. This would require revenue budget growth of £195k in the 2014/15 budget process. Clearly as with all the schemes in the programme funding will need to be reviewed over this period to ensure the programme remains deliverable subject to funding.
67. The requests for funding the Access York Phase 1 project (£2.057m Council requirement) that will generate a capital receipt from the disposal of the existing Askham Bar Park and Ride site is recommended. It is recommended that the sale proceeds generated should be attributable and therefore reinvested in this scheme.

68. The requests for funding the cremators at the Crematorium (£1.766m requirement) was included as part of this report to show the full potential capital pressures faced the by the Council. A separate report to this is being presented to the Executive in December which will consider funding options and business models and as a result of this it shall not be included in the funding proposals set out below.
69. In addition to the schemes ranked as high by officers as part of the CRAM process, the Executive has requested an additional amount of £1m for Highways Maintenance and Flooding Alleviation. This additional investment is as result of the feedback received from the budget consultation process. The consultation process identified in the category of 'Top priorities for spending' maintaining highway and footpath maintenance at current levels, allowing for inflation as a high priority and received support at a level of 97%. It should be noted that this is in addition to already high levels of discretionary funding currently approved at a level of £4.685m for Highways Re-surfacing and Reconstruction profiled for 10/11.
70. The requests for funding for the remaining bids that have been categorised as high (£2.267m requirement) are recommended along with the additional £1m as set out above (totalling £3.267m). The total of the Council funded recommended schemes are set out in tale 5:

<b>Rolling Programme Scheme requiring CYC funding</b>	<b>10/11 £000</b>	<b>11/12 £000</b>	<b>12/13 £000</b>	<b>13/14 £000</b>	<b>14/15 £000</b>	<b>Total £000</b>	<b>Rank</b>
Disability Support					150	<b>150</b>	High
Community Equipment Loans Service					105	<b>105</b>	High
Disabled Facilities Grant					475	<b>475</b>	High
City Walls Rolling Repair			12	12	90	<b>114</b>	High
Bridge Maintenance					200	<b>200</b>	High
Highways Resurfacing and Reconstruction					1,250	<b>1,250</b>	High
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>2,270</b>	<b>2,294</b>	
<b>New Schemes requiring CYC funding</b>	<b>10/11 £000</b>	<b>11/12 £000</b>	<b>12/13 £000</b>	<b>13/14 £000</b>	<b>14/15 £000</b>	<b>Total £000</b>	<b>Rank</b>
Telecare Equipment	450					<b>450</b>	High
Oakland's Sports Centre/ York High School Sports	60					<b>60</b>	High
Contingency	300					<b>300</b>	High
Riverbank Repairs Urgent	717					<b>717</b>	High



Highways Maintenance and Flooding Alleviation	1,000					1,000	Public Consultation
Property Compliance (Asbestos and Fire regs)	80	80	80			240	High
Access York Phase 1	922	1,041	94			2,057	High
Explore History @ York		245	255			500	High
<b>Sub Total</b>	<b>3,529</b>	<b>1,366</b>	<b>429</b>	<b>0</b>	<b>0</b>	<b>5,324</b>	
<b>Total</b>	<b>3,529</b>	<b>1,366</b>	<b>441</b>	<b>12</b>	<b>2,270</b>	<b>7,618</b>	

**Table 5 – Recommended new schemes**

71. The total value of the Council funded recommended bids as shown above and the revenue implications of funding them through borrowing where applicable are shown in table 6:

<b>Scheme Type / Description</b>	<b>Financial Year</b>	<b>Capital Expenditure Value</b>	<b>Revenue Growth Required Assuming Prudential Borrowing</b>
<b>New Schemes</b> (Telecare/ Oaklands/ Contingency/ Prop Compliance/ River Banks/ Highways Maint & Flooding)	2010/11	£2.607m	£224k
<b>New Schemes</b> (Prop Compliance / Explore History)	2011/12	£325k	£28k
<b>New Schemes</b> (Prop Compliance / Explore History)	2012/13	£335k	£30k
<b>Rolling Programme</b> (City walls)	2012/13	£12k	
<b>Rolling Programme</b> (City walls)	2013/14	£12k	£1k
<b>Rolling Programme</b> (Disab Supp/ CELS/ DFG/ City walls/ Bridges/ Highways)	2014/15	£2.270m	£195k

R&R)			
	<b>Total</b>	<b>£5.561m</b>	
<b>New Scheme</b> (Access York Phase 1)	2010/11 – 2012/13	£2.057m	N/A – capital receipt allocated to fund growth
	<b>Total</b>	<b>£7.618m</b>	

**Table 6 – Financial implications of funding 10/11 – 14/15 recommended schemes**

72. As highlighted in the report it is reasonable to expect that some additional capital receipt funding be identified in the 5 year period of the capital plan. Such receipts would reduce the need for prudential borrowing. However the prudent approach is to assume all of these schemes will require revenue funding to support prudential borrowing in order to finance the funding requirement.
73. Based upon current projections, revenue contributions to capital will need to increase on an annual basis over the next 5 years to ensure the Capital Programme is sustainable. Table 7 sets out the required revenue growth that is needed to ensure the capital programme is affordable and prudent. The table combines the growth from the 09/10 – 13/14 budget process along with the new growth requirement from this years 10/11 – 14/15 budget process to show the full revenue impact of proceeding with the programme.

<b>Financial Year</b>	<b>09/10 – 13/14 Budget Process</b>	<b>10/11 – 14/15 Budget Process</b>	<b>TOTAL 10/11 – 14/15</b>	<b>Revenue Growth Required Assuming Prudential Borrowing</b>	<b>Revenue Funding Awarded / Bid For</b>	<b>Comments</b>
2009/10	£3.050m	N/A	£3.050m	£250k	✓	
2010/11	£1.373m	£2.607m	£3.980m	£342k	✓	Part of current 10/11 budget process
2011/12	£9.100m	£0.325m	£9.425m	£809k	x	

2012/13	£2.248m	£0.347m	£2.595m	£223k	x	
2013/14	£2.258m	£0.012m	£2.270m	£195k	x	
2014/15	N/A	£2.270m	£2.270m	£195k	x	
	<b>£18.029m</b>	<b>£5.561m</b>	<b>£23.590m</b>			

**Table 7 – Revenue implications of funding recommended schemes**

74. Clearly the overall position will need to be reviewed on an annual basis and the capital receipts will need to continue to be tightly monitored to update the latest position regarding capital receipts. The proposal to use the revenue contributions to fund the new schemes is made on the assumption that over the medium term the current level of required receipts is achieved. Clearly if the projected level of receipts is not achieved action will be required to overcome the resulting funding shortfall. This action could take the form of either increasing revenue contributions to meet any capital receipts shortfall or reducing the capital programme schemes funded by capital receipts. The ability to contribute revenue funds over and above the level currently being proposed as part of this report would have a significant impact on revenue budgets and would potentially place pressure on other Council service areas.
75. It is proposed that in addition to revenue contributions being used to fund the capital programme consideration is given to utilising any in year revenue under spends to support the capital programme in future years thus enabling the overall capital funding deficit to be reduced. This position will be monitored, on an ongoing basis, with a view to ensuring the overall 5 year position is broadly in balance.
76. Any short term shortfall in funding will be met from prudential borrowing. The revenue implications of any in year shortfall due to timing differences will be borne by the treasury management budget.
77. The additional schemes being proposed to be added to the capital programme that are funded from external sources are £72.860m. The funding types are a mixture of supported borrowing, grants and external contributions. Table 8 sets out the additional funding that has been added to the capital programme for 10/11 – 14/15.

<b>Additional external scheme funding</b>	<b>2010/11 External Growth £000</b>	<b>2011/12 External Growth £000</b>	<b>2012/13 External Growth £000</b>	<b>2013/14 External Growth £000</b>	<b>2014/15 External Growth £000</b>	<b>Total External Growth £000</b>

Housing Grants & Associated Investment (Gfund)					1,100	1,100
MRA Schemes	-524	-1,169	-1,213	-661	5,791	2,224
Disabled Facilities Grant (Gfund)					375	375
Local Authority Homes (part match funding)	625					625
NDS Devolved Capital		1,503	1,503	1,503	1,503	6,012
Harnessing Technology		317	317	317	317	1,268
Targeted Capital Fund 14-19 Diploma		3,600	3,600	3,600	3,600	14,400
Primary School Strategic Programme		3,227	3,227	3,227	3,227	12,908
NDS Modernisation		1,136	1,136	1,136	1,136	4,544
Sure Start		635	635	635	635	2,540
Extended Schools		82	82	82	82	328
Youth Capital Fund		42	42	42	42	168
Schools Access Initiative		173	173	173	173	692
Explore History @ York (part match funding)		245	255			500
Access York (part match funding)	6,525	15,080	1,122			22,727

Highway Resurfacing & Reconstruction (part match funding)		80	165	253	1,951	2,449
<b>TOTAL</b>	<b>6,626</b>	<b>24,951</b>	<b>11,044</b>	<b>10,307</b>	<b>19,932</b>	<b>72,860</b>

**Table 8 – Additional Externally Funded Schemes**

### IT Development Plan

78. Each year the IT development plan makes a decision as to finance the expenditure using leasing or prudential borrowing. The existing IT revenue budget contains funds that allow a certain level of either borrowing or leasing to take place. This budget is sufficient as it currently stands to allow the level of borrowing set out here to be funded without any requirement for revenue growth. Due to the nature of the equipment being purchased and the access to low borrowing rates all equipment is now financed using prudential borrowing which as stated is supported by existing IT revenue budgets and now included as part of this report as it constitutes capital expenditure (note operating leases do not constitute capital expenditure and therefore not formed part of this budget process).
79. The main elements of expenditure that make up the £1.141m in 10/11 are the replacement of the Delphi payroll system, upgrade to Office 97, update to Citrix, and the corporate EDMS extension. The schemes that form the 10/11 budget are schemes that have been previously agreed and which, under the previous model of funding would have been funded over two years (only part year funding been set aside in the first year due to mid year implementation and spend patterns). The remaining funding requirement is set out here and appear as part of this report as part of the presentation of capital expenditure. As a result of this a scheme for the IT development plan with associated expenditure and funding has been added as part of this budget process for the period 2010/11 – 2014/15. It should be noted that the £1m per year expenditure is an indicative spend profile based on projected levels of activity. This projected investment in ICT will be considered in greater detail in future reports to the Executive. Consideration will be given as part of these future reports to join up the investment in ICT and the More for York programme to ensure that transformational ICT development delivers efficiencies that help to self fund new expenditure. It should however be noted that there will always be a need for medium term provision for Corporate ICT to ensure the systems are maintained fit for purpose. As with the 10/11 £1.141m of expenditure, the 11/12 onwards expenditure of £1m per annum is affordable under existing revenue budget levels and will therefore not require revenue growth to support the costs of borrowing. This is because the majority of ICT expenditure funded by prudential borrowing (or leasing) is done so on a 5 year repayment cycle. This means that after 5 years the capital is repaid but the revenue budget remains and would available for reinvestment to support new expenditure should Members decide to do so. The profiled expenditure is shown in table 9 including specific schemes for 10/11:

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
Pre Approved Schemes	1,141					
Future estimate subject to Exec approval	0	1,000	1,000	1,000	1,000	4,000
<b>IT Development Plan</b>	1,141	1,000	1,000	1,000	1,000	5,141
<b>Total</b>	<b>1,141</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>5,141</b>

**Table 9 – IT Development Plan**

**More for York**

80. In addition to the above it is recommended that Members approve a level of prudential borrowing in relation to the More for York programme totalling £210k for the 10/11 financial year. The requirement for investment is set out in detail in Annex 4 of the Revenue Budget report on this agenda, comprised in the main of the requirement to purchase segregated recycling containers to allow for efficiencies to be made to recycling rounds. The funding of this scheme will come from the More for York programme as set out in the Revenue Budget report.

**Housing Revenue Account (HRA)**

81. The HRA element of the proposed housing capital programme is requesting a revenue contribution totalling £3.236m from HRA balances over a period of 5 years as set out in table 10. Members do as with all the above bids have the option of funding from available resources or reducing the proposed schemes but is officers recommendation that the programme is financed from HRA contributions.
82. This revenue contribution will be used to fund the following schemes as set out in table 10:

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
Repairs to Local Authority Properties/ Modernisation of Local Authority Properties/ New build of Local Authority Homes	736	389	434	696	981	3,236
<b>Total</b>	<b>736</b>	<b>389</b>	<b>434</b>	<b>696</b>	<b>981</b>	<b>3,236</b>

**Table 10 – HRA revenue requirement**

## Summary of Analysis

83. The outcome of the proposals outlined above if accepted are illustrated in Table 11 which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex B.

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Total £000
<b>Chief Executives</b>	1,151	1,330	80	0	0	2,561
<b>Children's Services</b>	22,849	10,715	10,715	10,715	10,715	65,709
<b>City Strategy</b>	15,544	19,738	4,833	3,617	90	43,822
<b>City Strategy (Admin Accommodation)</b>	12,494	12,304	13,388	0	0	38,186
<b>City Strategy (Community Stadium)</b>		4,000				4,000
<b>Housing</b>	9,958	9,425	9,028	10,923	8,722	48,056
<b>Leisure &amp; Heritage</b>	3,250	490	510	0	0	4,250
<b>Neighbourhood Services</b>	5,326	5,635	3,220	3,308	3,401	20,890
<b>Resources</b>	1,651	1,000	1,000	1,000	1,000	5,651
<b>Social Services</b>	801	235	245	255	255	1,791
<b>Total by Department</b>	<b>73,024</b>	<b>64,872</b>	<b>43,019</b>	<b>29,818</b>	<b>24,183</b>	<b>234,916</b>

**Table 11– Proposed Capital Programme 2010/11 – 2014/15**

## Corporate Priorities

84. The CRAM process ensures that all bids received for capital funding address the aspirations of the Corporate Strategy with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report have demonstrated through the CRAM process that they directly contribute toward the achievement of the Corporate Strategy.

85. As a result of this budget round the capital investment over the next 5 years up to 2014/15 will increase by £89.065m taking the new 5 year capital programme to £234.916m.
86. The following paragraphs set out the value of investment by the Councils current corporate priorities. It should be noted that many schemes contribute to more than one corporate priority but for the purpose of this section the priority they contribute to most has been chosen. The proposals contained in the capital programme make a major contribution to the Councils priorities and contribute to the Sustainable Community Strategy. These schemes represent major investment, which alongside the proposals within the revenue budget will tackle a range of priorities, and deliver major outcomes for the City. The impact in terms of the wider economy, infrastructure, and future prosperity of the City is significant.
87. £3.699m of schemes will contribute towards making York a Thriving City. These schemes include Highways R&R.
88. £25.784m of schemes are focused on making York a Sustainable City, including, Access York, and Highways improvements.
89. £42.860m of schemes will increase people's skills and knowledge to improve future employment prospects, including the Primary School Strategic Programme and the Targeted Capital Fund 14 – 19 Diploma.
90. £1.891m of schemes will contribute to making York a City of Culture, including the Explore [History@York](#) programme and the Oaklands Sports Centre Scheme.
91. £8.740m of schemes will improve the quality and availability of decent, affordable homes in the city, and make York a more Inclusive City, in particular among groups whose levels of health are the poorest. These schemes include MRA schemes, Modernisation of Local Authority Homes, Disabled Facilities Grant Schemes, and Telecare Equipment.
92. £5.681m of schemes will allow the Organisation to be more Effective, including IT Development.
93. In addition to contributing toward the achievement of the Corporate Priorities much of the discretionary capital investment is reflective of the feedback received from the budget consultation process. The consultation process identified in the category of 'Top priorities for spending' maintaining highway and footpath maintenance at current levels, allowing for inflation as a high priority and received support at a level of 97% and as a result Highways Maintenance and Flooding Alleviation scheme received £1m of discretionary funding in addition to the existing approved £4.685m for Highways Re-surfacing and Reconstruction profiled for 10/11.
94. In addition, the capital programme has considerable impact on the local economy. This is of particular significance given the current economic downturn. Whilst the



risks in respect of the economic downturn in terms of capital receipts have been outlined in this report, by continuing to invest in a major capital programme the Council will be making a significant contribution to the local economy. This programme ensures significant expenditure in schemes such as highways and bridge maintenance, schemes which have implications in terms of supplies and employment. Further investment over the current approved level of £146.061m will see the Councils commitment to capital schemes increase by £89.065m to a level of £234.916. As stated in the report the capital programme proposed is not without risk but the negative impact on York in this time of economic downturn of significantly contracting the capital programme would be significant.

## **Implications**

### **Financial Implications**

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

### **Human Resources Implications**

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

### **Equalities Implications**

97. A number of schemes have specific implications for Equalities. These include the Disability Support budget, and Disabled facilities grants, assistance to elderly, housing grants, and housing repairs. The detailed equalities implications of the individual schemes will be further assessed by individual directorates once the capital programme has been approved and the schemes are further developed. Any implications will be identified in the individual schemes project plans.

### **Legal Implications**

98. The Council is legally required to set a balanced 3 year capital programme.

### **Crime and Disorder**

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

### **Information Technology**

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

### **Property**

101. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

## **Risk Management**

102. The risks associated with both the existing and proposed capital programme has been discussed extensively throughout this report.
103. This report highlights the challenge presented by the proposed capital programme, which includes a significant level of Council driven schemes. Despite the proposed

schemes being funded from revenue contributions the existing approved capital programme still places significant reliance on a small number of high value capital receipts. In addition the recent increase in the size of the programme has meant the Council has to ensure that the key skills are in place to allow the programme to be successfully delivered.

104. To mitigate the risks the capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Management Group (CAMG – capital programme managers along with the Capital Finance team) meets regularly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised. The development of the revised CRAM process and capital strategy has put in place gate keeping controls to ensure that only projects that can be delivered are put forward for approval by the Council.
105. The use of revenue contributions are required for a balanced programme to be set and the risk associated with this means of funding is the additional pressure placed on the existing revenue budgets. This issue has been covered in detail in the main body of the report.

## **Recommendations**

106. The Executive is requested to recommend that Council:
  - Agree to the revised capital programme of £234.916, including specifically the inclusion in the capital programme of new schemes totalling £89.065m (as set out in Annex B 'growth' column) comprised of:
    1. the bids recommended in paragraph 70 (table 5) totalling £7.618m including the allocating of receipts to Access York Phase 1;
    2. the additional external funded schemes in paragraph 77 (table 8) totalling £72.860m;
    3. the use of prudential borrowing for the IT development plan in paragraph 79 (table 9) totalling £5.141m containing specific schemes of £1.141 with the remaining £4m subject to further approval and for the capital element of the More for York programme as in paragraph 80 totalling £210k ;
    4. the use of HRA balances to fund HRA capital schemes as set out in paragraph 81 (table 10) totalling £3.236m.
  - Note the overall funding position identified in the report, which highlights a current shortfall in resources over the next five years, which the Council will need to address through increased revenue contributions in the medium term;
  - Endorse the principle of postponing asset sales until such when the market picks up sufficiently to allow optimum values to be realised;
  - Approve the full restated programme as summarised in Annex B totalling £234.916m up to 2014/15.

107. Reason: To set a balanced capital programme as required by the Local Government Act 2003.

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Report Approved  Date *January 2010*

Keith Best *AD Resources Corporate Finance*

Report Approved  Date *January 2010*

**Specialist Implications Officer(s):**

**Wards Affected:** *List wards or tick box to indicate all*

All

**For further information please contact the author of the report**

**Background papers:**

CRAM bids departmental  
Budget Control 09/10 – 13/14 & 10/11 – 14/15

**Annexes:**

Annex A – Summary of CRAM Bids (by type)  
Annex B – Revised Capital Programme 2010/11 – 2014/15