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**Decision Session  
– Executive Member for City Strategy**

**7 September 2010**

Report of the Director of City Strategy

**City Strategy Capital Programme – 2010/11 Monitor 1 Report**

**Report Summary**

1. The purpose of this report is to set out progress to date on schemes in the 2010/11 City Strategy Capital Programme, including budget spend to the end of July 2010.
2. The report also proposes adjustments to scheme allocations to align with the latest cost estimates and delivery projections. The main adjustments to the programme to accommodate the reductions in the Government funding announced in June 2010 were approved at the July Decision Session.
3. There are relatively few changes proposed at this stage in the year as the detailed scheme designs and delivery programmes are currently being prepared. The main variations proposed to the programme are an increased allocation for the Fulford Road Corridor scheme, and new allocations added for the amendments to the Clifton Bridge Approaches scheme and James Street Link Road Phase 1 landscaping works. The Property budget has been increased to accommodate the additional works to the Lendal Boatyard Slipway.

**Recommendations**

4. The Executive Member is requested to:
  - i) Approve the adjustments to the programme set out in Annexes 1 to 4.
  - 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**

5. The City Strategy Capital Programme is made up of the Planning & Transport and Property Capital Programmes.

6. The City Strategy Planning & Transport Capital Programme budget for 2010/11 was confirmed as £7,000k at Full Council on 25 February 2010. The programme was finalised on 6 July 2010 when the Executive Member was presented with the consolidated Capital Programme, which included all work that had carried over from 2009/10, and the changes to the programme following Government funding cuts announced in June 2010.
7. The current approved budget for the City Strategy Planning & Transport Capital Programme for 2010/11 is £5,856k, which includes £2,236k of Local Transport Plan (LTP) funding, plus other funding from the RFA Supplementary Grant, Cycling City grant, developer contributions, and other grant funding. 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. Overprogramming is used as a means to ensure the available funding is fully spent in each year.
8. The City Strategy Planning & Transport Capital Programme also includes £182k of funding from council resources for the maintenance of the City Walls.
9. Since 1 April 2010 the property section has been integrated into the City Strategy Directorate. The Property Capital Programme has a budget of £2,013k in 2010/11, which is funded from council resources.
10. The Accommodation Review and Stadium schemes being progressed by the City Strategy Directorate are reported separately.
11. Table 1 shows the current approved capital programme.

**Table 1: Current Approved Capital Programme**

	<b>Gross Budget £000s</b>	<b>External Funding* £000s</b>	<b>Capital Receipts £000s</b>
Original P & T Capital Programme	7,000	6,910	90
Transport Variations approved at July Decision Session	-1,144	-1,236	+92
<b>Current Approved P &amp; T Capital Programme</b>	<b>5,856</b>	<b>5,674</b>	<b>182</b>
Original Property Capital Programme	1,336		1,336
Property Variations approved at July Decision Session	+677		+677
<b>Current Approved Property Capital Programme</b>	<b>2,013</b>		<b>2,013</b>
<b>Current Approved City Strategy Capital Programme</b>	<b>7,869</b>	<b>5,674</b>	<b>2,195</b>

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

## Summary of Key Issues

12. Few changes are proposed to current scheme allocations as the majority of schemes in the Planning & Transport capital programme are in the feasibility and outline design stages. As work progresses through the year, scheme costs will be confirmed and the current allocations will be adjusted as required.
13. The current spend to the end of July is £1,026k, which represents 17.5% spend on the total budget allocation (i.e. the programme minus overprogramming). This is a higher spend than at this time in 2009 (£779k), which is mainly due to the cost of carryover works from the Fulford Road Corridor scheme, which have almost been completed, and the preparatory work carried out on the A19 Roundabout Improvements scheme.
14. Each main block within the LTP element of the Planning & Transport programme has a budget figure allocated, which indicates the level of funding available, and a programme figure, which shows the value of all schemes being progressed. The level of overprogramming varies between blocks depending on the level of deliverability risk. As in previous years, the level of overprogramming will be amended through the year as the certainty of delivery becomes evident.
15. The levels of Integrated Transport funding have not been confirmed for future years, however it is likely that funding levels will be significantly reduced after the end of the second Local Transport Plan (LTP2) period in March 2011. The review of the 2010/11 programme at the Consolidated Report stage included a reduction in the level of overprogramming, to take account of anticipated reduction in future funding levels. 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.
16. Schemes within the Property element of the Capital Programme are currently progressing to programme. Additional funds are required for the repairs to the Lendal Boatyard Slipway. Further details are provided in Annex 4.
17. The current approved City Strategy Capital Programme 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 Proposed Budget 2010/11**

<b>Gross City Strategy Capital Programme</b>	<b>2010/11 £000s</b>	<b>Paragraph Ref</b>
<b>Current Approved P&amp;T Capital Programme</b>	<b>5,856</b>	
<b><u>Transport Adjustments:</u></b>		
Addition of s106 funding for James Street Link Road	+20	Annex 1
<b>Current Approved Property Capital Programme</b>	<b>2,013</b>	
<b><u>Property Adjustments:</u></b>		
Additional funding for Lendal Boatyard Slipway Repairs	+77	Annex 4
<b>Revised Capital Programme</b>	<b>7,966</b>	

## **Scheme Specific Analysis**

18. The key proposed changes included in this report are summarised below and are detailed in Annexes 1-3 for the Planning & Transport elements and Annex 4 for the Property schemes.

- Increased allocation for the Fulford Road – 09/10 Completions scheme, due to the increased cost of the carryover works.
- Reduced allocation for the Low Emission Strategy scheme, as match funding for the ‘Plugged in Places’ scheme is not required in 2010/11.
- New allocation added for the implementation of 20mph limits at four locations across the city.
- New allocations added for the costs of the review and minor amendments to the Clifton Bridge Approaches scheme, and the development of a scheme for the reinstatement of the left turn lane at Clifton Green.
- Addition of funding for carryover schemes from previous years for James Street Link Road Phase 1 and Moor Lane Roundabout Retentions.
- Increased allocation for the Lendal Boatyard Slipway repair scheme to accommodate additional works revealed during detailed surveys.

## **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 consultation is not undertaken for the overall capital programme, 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 City Strategy budget is funded from a variety of sources. Funding for the Transport element is principally provided through government grants and developer contributions whereas the Planning (City Walls) and Property elements are funded from Council resources.

City Strategy Capital Programme	Current Budget	Proposed Alteration	Proposed M1 Budget
	£000s	£000s	£000s
<b>Planning &amp; Transport</b>			
Government Grants	5,044		5,044
Developer Contributions	630	+20	650
CYC Resources (City Walls)	182		182
<b>Planning &amp; Transport Total</b>	<b>5,856</b>	<b>+20</b>	<b>5,876</b>
<b>Property</b>			
CYC Resources	2,013	+77	2,090
<b>Property Total</b>	<b>2,013</b>	<b>+77</b>	<b>2,090</b>
<b>City Strategy</b>			
<b>City Strategy Total</b>	<b>7,869</b>	<b>97</b>	<b>7,966</b>

27. 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, and the Property Capital Programme became part of the City Strategy Capital Programme when the Property Service section was transferred to the City Strategy Directorate on 1 April 2010.
28. The City Strategy Capital Programme was amended to include the revised funding allocation following Government funding cuts to the Transport budget, and carryovers from the 2009/10 capital programme, in the City Strategy Capital Programme Consolidated Report to the July Decision Session meeting.
29. If the changes proposed in this report are accepted, the total value of the City Strategy Planning & Transport Capital Programme for 2010/11 would be **£6,562k** including overprogramming. The overprogramming would increase from £605k to **£686k** (compared to £1,254k at this stage in 2009/10). The budget would increase to **£5,876k**, and would be funded as follows:

Planning & Transport Capital Programme	Current Budget £000s	Proposed Alteration £000s	Proposed Budget £000s
LTP Settlement	2,236		2,236
Regional Funding Allocation	1,680		1,680
Developer Contributions	630	+20	650
Cycling City Grant	1,055		1,055
CYC Resources	182		182
Other Grant Funding	73		73
<b>Total</b>	<b>5,856</b>	<b>+20</b>	<b>5,876</b>

30. Although the level of overprogramming is much lower than at this stage in 2009/10, additional schemes may need to be deferred later in the year depending on the progress of schemes, due to the reduced level of funding anticipated for future years.

31. As set out in Annex 4, it is proposed to increase the Property Services budget to £2,090k to accommodate the additional cost of the Lendal Boatyard slipway repairs. This budget is fully funded from council capital resources.

Property Capital Programme	Current Budget £000s	Proposed Alteration £000s	Proposed Budget £000s
<b>Total</b>	<b>2,013</b>	<b>77</b>	<b>2,090</b>

## Risk Management

32. 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.

33. 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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Report Approved  Date 24 August 2010

Report Approved  Date 20 August 2010

### 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: 2010/11 Budget Report – 2 March 2010

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

City Strategy Capital Programme: 2010/11 Consolidated Report – 6 July 2010

**Annexes**

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

Annex 2: Summary of Proposed Changes

Annex 3: Current and Proposed Budgets

Annex 4: Property Services Capital Programme