
Decision Session
– Executive Member for City Strategy

7 December 2010

Report of the Director of City Strategy

City Strategy Capital Programme – 2010/11 Monitor 2 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 October 2010, and inform the Executive Member of the likely outturn position of the programme.
2. The report also proposes adjustments to scheme allocations to align with the latest cost estimates and delivery projections. It is proposed to reduce the level of overprogramming to approximately £200k to ensure that the programme is kept within budget at outturn. Additional funding of £110k has been introduced into the programme from grants and virements. The principal changes include reduced allocations for the A19/A1237 roundabout, Deighton Right Turn Lane and crossing and Rawcliffe Recreation Ground Shared-Use Path. Increased allocations have been provided for Access York Phase 1 and the City Centre Accessibility Improvements schemes.

Recommendations

3. 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

4. The City Strategy Capital Programme is made up of the Planning & Transport, Economic Development and Property Capital Programmes. The Accommodation Review and Stadium schemes being progressed by the City Strategy Directorate are reported separately.

5. The 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.
6. A number of amendments were also made to the programme at the Monitor 1 report, which was presented to the September Decision Session meeting. As a result of these adjustments the current approved budget for the Planning & Transport Capital Programme for 2010/11 is £5,694k, which includes £2,236k of Local Transport Plan (LTP) funding, plus other funding from the Cycling City grant, Regional Funding Allocation (RFA) Supplementary 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.
7. The Planning & Transport Capital Programme also includes £182k 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 budget of £2,090k in 2010/11, which is funded from council resources.
9. The Economic Development Capital budget of £93k is also included within the overall City Strategy Capital Programme.
10. Table 1 shows the current approved capital programme.

Table 1: Current Approved Capital Programme

	Gross Budget £000s	External Funding* £000s	Capital Receipts £000s
Original P & T Capital Programme	7,000	6,910	90
Transport Variations approved at July Decision Session	-1,144	-1,236	+92
Changes approved at September Decision Session	+20	+20	
Current Approved P & T Capital Programme	5,876	5,694	182
Original Property Capital Programme	1,336		1,336
Property Variations approved at July Decision Session	+677		+677
Changes approved at September Decision Session	+77		+77
Current Approved Property Capital Programme	2,090		2,090
Current Economic Development Capital Programme	93		93

	Gross Budget £000s	External Funding* £000s	Capital Receipts £000s
Current Approved City Strategy Capital Programme	8,059	5,694	2,365

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

Summary of Key Issues

11. At this stage of the year, feasibility and outline design has been completed for most of the schemes in the Planning & Transport programme, which has allowed more accurate cost estimates to be prepared.

Current Spend

12. The current spend in the Planning & Transport Programme to the end of October is £2,135k, which represents 36% spend on the total budget allocation (i.e the programme minus overprogramming). This is a higher level than the spend at this time in 2009/10 (£1,504k), which is mainly due to the cost of carryover works from the Fulford Road Corridor scheme, the work done on the Lendal Hub Station and the Deighton Access Improvement schemes, and the purchase of two new buses for the Dial & Ride service.

Overprogramming

13. Each block within the LTP element of the programme has a budget figure allocated, which indicates the level of funding available, and a programme figure, which shows the value of all the schemes being progressed. As is usual through the year the level of overprogramming is adjusted to manage the programme and accommodate the changes which arise to the specification and delivery of the projects.
14. Owing to the good progress on the schemes within the programme and as a consequence of the in-year cuts to the budget, the current level of overprogramming (£686k) is considered to be too high for this stage in the year. Therefore progress on a number of schemes has needed to be slowed to reduce the risk of an overspend. These schemes will be prioritised against projects developed to support the new Local Transport Plan and delivered in future years when funding is available. It is proposed to reduce the level of overprogramming to approximately £200k (c.f. £460k in 2009/10) to account for the increased certainty of delivery for schemes across the programme.

Future Funding

15. The Government's Comprehensive Spending Review announced in October indicated that future funding from the LTP Integrated Transport block grant will be substantially lower over the next four years. Subject to the detailed settlement to be announced in December, it is anticipated that the LTP funding allocation for 2011/12 will be approximately £1.6m, compared to the original £2.9m allocation for 2010/11 (which was reduced

to £2.2m as part of the June spending cuts). Together with the ending of the Cycling City Grant, the Regional Funding Allocation supplement and the Road Safety Grant, the overall City Strategy transport budget is expected to be reduced from approximately £7m at the start of 2010/11 down to £2m in 2011/12.

16. The Comprehensive Spending Review also announced the creation of a Local Sustainable Transport Fund, which includes both capital and revenue funding and could provide funding to supplement the Integrated Transport allocation. Subject to the confirmation of the bidding criteria (expected by the end of the year), it is anticipated that bids will be submitted by the council for measures to support sustainable transport initiatives in the city.
17. There are also Property and carryover Economic Development schemes to report in the overall City Strategy Capital Programme, as detailed in the following table.
18. 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

City Strategy Capital Programme	2010/11 £000s	Paragraph Ref
Current Approved P&T Programme	5,876	
<u>Transport Adjustments:</u>		
Addition of grant funding from the Freeflow Project	+50	Annex 1
Addition of Property funding for the Library Square scheme	+60	Annex 1
Proposed P&T Programme	5,986	
Current Approved Property Programme	2,090	
<u>Property Adjustments:</u>		
Transfer of Property Funding for the Library Square scheme to P&T Programme	-60	Annex 4
Proposed Property Programme	2,030	
Current Approved Economic Development Capital Programme	93	
<u>Economic Development Adjustments</u>		
Slippage of Small Business Unit allocation into 2011/12	-58	Para. 19
Proposed E D Programme	35	
Revised Total City Strategy Capital Programme	8,051	

Scheme Specific Analysis

19. 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 Access York Phase 1 scheme to £385k (from £350k), to enable additional information to be prepared for the submission of an Expression of Interest to the Department for Transport, and to continue to Project Manage the scheme and complete the design of the Askham Bar site.
- Reduced allocation for the A19/A1237 Roundabout Improvements scheme to £1,220k (from £1,400k), as the tenders for scheme have come in lower than originally expected.
- Increased allocation for the Urban Traffic Management & Control scheme to £125k (from £75k), as £50k of grant funding from the Freeflow project is available for the scheme.
- Increased allocation for the Museum Street Library Square Scheme to £185k (from £125k), to include a contribution of £60k from the Property budget to upgrade the disabled access to the Library.
- Reduced allocation for the Rawcliffe Recreation Ground Shared-Use Path scheme, as implementation of the scheme has been deferred until early 2011/12 to reduce the level of overprogramming.
- Reduced allocations for the James St to Millennium Bridge Orbital Cycle Route scheme and the Clifton Green to Crichton Avenue Orbital Cycle Route scheme, as the cost estimate for each scheme is lower than originally expected.
- Increased allocation for the Cycle Route Signing scheme back to the original budget level, to ensure that the new orbital route is fully signed when launched.
- Reduced allocation for the Deighton Access Improvement scheme, as the scheme cost was lower than originally estimated.
- Transferral of the £58k allocation for the Small Business Workshop scheme, which is being held to fund the demolition of the Parkside Centre into 2011/12 as the planning application for the development at this location is unlikely to be determined until June 2011.

Consultation

20. 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

21. 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.

22. The City Strategy Capital Programme supports the Sustainable City, Thriving City and Safer City elements of the new Corporate Strategy.
23. **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.
24. **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.
25. **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

26. The report has the following implications:
- **Financial** – See below
 - **Human Resources (HR)** – No HR implications in 2010/11, but it is anticipated that there will need to be significant staff reductions in 2011/12 due to the substantially lower Integrated Transport budget.
 - **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

27. 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), Economic Development, and Property elements are funded from council resources.

City Strategy Capital Programme	Current Budget	Proposed Alteration	Proposed M2 Budget
	£000s	£000s	£000s
Planning & Transport			
Government Grants	5,044	+50	5,094
Developer Contributions	650		650
CYC Resources	182	+60	242

Planning & Transport Total	5,876	+110	5,986
Economic Development			
CYC Resources	93	-58	35
Economic Development Total	93	-58	35
Property			
CYC Resources	2,090	-60	2,030
Property Total	2,090	-60	2,030
Total City Strategy (Exc. HQ and Stadium)			
City Strategy Total	8,059	-8	8,051

28. 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 **£6,183k** including overprogramming. The overprogramming would reduce from £686k to **£197k** (compared to £460k at this stage in 2009/10). The budget would increase to **£5,986k**, and would be funded as follows:

Planning & Transport Capital Programme	Current Budget	Proposed Alteration	Proposed Budget
	£000s	£000s	£000s
LTP Settlement	2,236		2,236
Regional Funding Allocation	1,680		1,680
Developer Contributions	650		650
Cycling City Grant	1,055		1,055
CYC Resources	182	+60	242
Other Grant Funding	73	+50	123
Total	5,876	+110	5,986

29. The review of the programme and the deferment of some schemes to future years has allowed the overprogramming to be reduced from £686k to £197k, which reflects the progress achieved to date on the larger schemes in the programme, and the reduced level of funding expected in future years.
30. Due to pressures on the council's revenue budget, options are being prepared to ensure the budget is balanced. One option being considered is to reduce the expenditure on City Strategy capital schemes in the year to allow the monies to be used to fund capital items currently included in the revenue budget. Should this option be required and full spend of the capital programme was anticipated, then it would be proposed to defer the start of schemes planned to commence towards the end of the financial year and complete them early in 2011/12 using the 2011/12 budget allocation.
31. As set out in Annex 4, it is proposed to reduce the Property Services budget to £2,030k and transfer £60k to the Planning & Transport Capital Programme for the Library Square improvements scheme. This budget is fully funded from council capital resources.

Property Capital Programme	Current Budget	Proposed Alteration	Proposed Budget
	£000s	£000s	£000s
Total	2,090	-60	2,030

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. Due to the reduced level of funding, it is important that schemes proposed for future years will deliver the best value for money in accordance with the objectives of the council's Local Transport Plan.

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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: 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
City Strategy Capital Programme: 2010/11 Monitor 1 Report – 7 September 2010

Annexes

Annex 1: 2010/11 Monitor 2 Report – Scheme Progress Report
Annex 2: Summary of Proposed Changes
Annex 3: Current and Proposed Budgets
Annex 4: Property Services Capital Programme