

Cabinet

10 February 2015

Report of the Director of Customer and Business Support Services (Portfolio of the Leader of the Council)

Capital Programme – Monitor Three 2014/15

Report Summary

1. The purpose of this report is to set out the key deliverables of the capital programme and projected the outturn position for 2014/15 including any under/ over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The 2014/15 capital programme approved by Council on 27 February 2014 and updated for amendments reported to Cabinet up to and including the December Monitor 2 report is £72.555m, financed by £32.063m of external funding and internal funding of £40.492m.

Recommendations

3. The Cabinet is requested to:
 - Recommend to Full Council the adjustments in the Capital programme of a decrease of £6.350m in 2014/15 as detailed in the report and contained in Annex A.
 - Note the 2014/15 revised budget of £66.205 as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2014/15 – 2018/19 as set out in paragraph 46, Table 2 and detailed in Annex A.

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

Consultation

4. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 27 February 2014. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

5. A decrease of £6.350m is detailed in this monitor resulting in a revised capital programme of £66.205m. £7.309m of the decrease is attributable to re-profiling to budgets to future years. Offsetting this is a net increase of £959k attributable to an increase in government grants available. The Councils borrowing need across the 5 year programme is not changed as a result of these changes.
6. Table 1 outlines the variances reported against each portfolio area.

Directorate	Department	Current Approved Budget £m	Projected Outturn £m	Variance £m
CSES	Children's Services, Education & Skills	10.202	8.657	(1.545)
H&WB	Adult Social Services and Public Health	0.835	0.835	0.000
CANS	Communities Culture & Public Realm	5.449	4.979	(0.470)
CANS	Housing & Community Safety	17.392	17.267	(0.125)
CES	Highways & Waste	7.591	7.307	(0.284)
CES	Transport	9.149	8.026	(1.123)
CES	Economic Development	0.058	0.000	(0.058)
CES	Community Stadium	3.026	1.890	(1.136)

CBSS	Asset Management	2.198	1.496	(0.702)
CBSS	West Offices - Admin Accom	0.533	0.533	0.000
CBSS	IT Development Plan	2.284	1.927	(0.357)
CBSS	Misc(Contingency)	0.183	0.183	0.000
CBSS	Economic Infrastructure Fund	13.665	13.105	(0.550)
	Total	72.555	66.205	(6.350)

Table 1 Capital Programme Forecast Outturn 2014/15

7. To the mid point in January there was £32.8m of capital spend representing 50% of the revised monitor 3 budget.

Key Schemes

8. **Fulford School Expansion** Phase 1 (£1,250k 14/15) of this planned three year scheme was carried out over the summer and comprised groundwork and infrastructure upgrades in preparation for the expansion of the school.
9. **Carr Junior Expansion** (£610k 14/15) project providing a three classroom extension to the existing building to enable the school to accommodate future demand through the increase in capacity of 80 additional places. The final stages of the project will be completed at October half term.
10. **Universal Infant Free School Meals** (£379k 14/15) approximately £260k has been spent or committed to assist primary schools to expand the provision of meals. A number of schools have been equipped with new Combi-ovens, and in addition a number of hot cupboards have been purchased to expand serving provision.
11. **Huntington Secondary School New Block** (£985k 14/15) scheme provided a seven classroom modular building to replace the existing Biology Block and 2 Temporary Classroom Units, which were at the end of their useful lives.
12. **Basic Need Programme** (£2,376k 14/15) including an additional classroom provided at Skelton Primary School at an estimated cost of £180k (also incorporating some roof repairs and toilet refurbishment

funded from maintenance at a cost of £50k), and at Badger Hill Primary School at a cost of £230k. Both these schemes were completed by September.

13. The **Access York project** (£2,580k 14/15 - 70% part funded by the government) has been created in partnership with contractors Balfour Beatty and designers CH2M Hill to develop a new Park&Ride at Poppleton Bar and a larger facility near to the previous Askham Bar Park&Ride. The parking capacity has increased to 1,100 vehicles at Askham Bar and a new 600-vehicle facility at Poppleton Bar has been provided. These sites will help cut congestion levels along routes into the city centre by offering free parking and low price 15-minute journeys into York. Major improvements have also been made to the A59/A1237 roundabout to help alleviate congestion. At Askham Bar, work consisted of remediation and reclamation of a waste site, interaction works on the rail and road networks as well as carrying out the environmental consenting. At the Poppleton Bar site, work consisted of construction of sustainable drainage systems as well as upgrade works of a roundabout and pedestrian underpass.
14. In relation to **housing** the Council has provided a range of major adaptations to residents homes across all tenures (over £1.3m funding). Typically the adaptations installed are stairlifts and ramps to provide access around the home to people with poor mobility and/or the replacement of a bath with level access showering facilities. The programme also funds extensions where the property can not be adapted within the existing foot print of the property, often these are for families with disabled children with complex needs. Through customer feedback almost 100% of our customers advise that the adaptations have improved the quality of their lives and have enabled them to continue to live independently in their home. One customer said "I was amazed how everyone was so helpful and reacted swiftly to my needs and requests. My quality of life has improved immensely and at 96 years old its greatly appreciated, Thank you".
15. The **IT Development Plan** (£2.284m 14/15) programme will see a number of improvements, projects and upgrades completed during the year: an expansion of the Mapinfo mapping and Geographic Analysis System and the introduction of an enhanced Database Management tool have both been completed and a number of other major works are underway including upgrading CYC Laptops to Windows 7, upgrading Encryption Services and investigating Data Loss Protection tools. Larger projects are underway include: a

programme of technology refresh which will replace the Council's Desktop Equipment and Servers on a rolling basis to ensure a consistent ICT customer experience regardless of location, replacement of CYC's Customer Relationship Management System to improve services and replacement of the Children's Care System.

16. The **Economic Infrastructure Fund** is delivering a wide range of benefits across a number of priority areas ranging from the Superconnected cities programme to the Financial Inclusion and Policy Action Plan. Annex B contains details of both projected spend and progress to date on a scheme by scheme basis.

Analysis

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

CSES – Children Services, Education and Skills

18. There are 2 requests for re-profiling funds from 14/15 to 15/16 required as part of this report. The first is £600k for the DfE Maintenance programme of works due to some retentions on schemes which will not be paid until 2015/16 (approximately £200k) and there has been a smaller call on the contingency for dealing with unforeseen and emergency schemes over the early part of the winter period. It is proposed this is allocated to new planned schemes over the summer, with any remaining unused contingency carried forward at outturn if available.
19. The second is for £1.000m for the Basic Need programme of works as is unlikely that there will be any more significant spend in 2014/15. It is therefore proposed to move back £1.000m of the 2014/15 programme into 2015/16 whilst further work is done on planning the best use of this funding and the timing of individual schemes. Of this £1.000m, £520k is committed to providing the local authority's contributions to the two Education Funding Agency (EFA) funded school rebuilds (Carr Infant and Lord Deramore's Primary), under the Priority Schools Building Programme (PSBP), that were the subject of successful bids in 2012. At Carr Infant an estimated contribution of £370k is funding additional classrooms within the new building and some landscaping works, neither of which will be funded by the EFA. At Lord Deramore's Primary, an estimated contribution of £150k will fund an improved specification throughout, and some repairs to a

temporary classroom unit, which will still be required. These contributions were expected to be drawn down in 2014/15, but will now not be required until 2015/16

20. There are minor amendments for scheme re-profiling that net to £25k and the allocation of £80k S106 funds to the DfE in 14/15.
21. The forecast spend inclusive of the above for 14/15 is £8.657m

Health & Wellbeing – Adult Social Services and Public Health

22. There are no variations to report as part of this report and the Adult Social Services and Public Health programme has a forecast spend of £835k.

Communities and Neighbourhood Services – Communities, Culture and Public Realm

23. A single change is proposed to the Communities, Culture and Public Realm capital programme.
24. It is requested to re-profile the Little Knavesmire Pavilion scheme to the value of £470k from 14/15 to 15/16 due to a decision to award the contract is expected to be made in early 2015. Design fees will be incurred in the final quarter of 2014/15 with major building works being completed by autumn 2015.
25. The forecast spend inclusive of the above for 14/15 is £4.979m.

Communities and Neighbourhood Services - Housing & Community Safety

26. A number of amendments are proposed in relation to Housing and Community Safety.
27. There are in year amendments to 3 individual programme schemes within the Housing Revenue Account that result in a nil movement of the budgeted expenditure position overall. In brief they are comprised as -£93k Modernisation of Local Authority Homes, -£44k Building Insulation programme and corresponding budget increase of £137k for Major Repairs Allowance schemes.

28. An adjustment is proposed to the Local Authority Homes that results in Homes and Communities Agency grant being brought into the programme to fund the works to the value of £403k. As a result the requirement of HRA balances can be re-profiled to 15/16.
29. A request is made to re-profile £125k of the Air Quality Monitoring scheme, this is as a result of seeking approval from DEFRA to reallocate this funding to our third Air Quality Action Plan delivery and monitoring programme. AQAP is an exciting collection of new air quality improvement measures for the city based around the evidence base arising from our recent LEZ feasibility study, anti-idling feasibility study and electric bus feasibility study. A draft AQAP is currently out for consultation (closing date Friday 2nd January 2015) and the delivery of AQAP will begin following final member approval in early 2015.
30. The forecast spend for 14/15 is £17.267m.

City & Environmental Services – Highways, Waste & Fleet

31. There is a single amendment proposed as part of the Highways, Waste and Fleet capital programme. In relation to the Highway Resurfacing & Reconstruction scheme £284k requires re-profiling from 14/15 to 15/16 due to 5 schemes experiencing with minor delays all individually under £80k.
32. The programme is currently projecting a 14/15 spend of £7.307m

City & Environmental Services - Transport + Economic Development

33. A number of amendments are required to the Transport capital as part of this report.
34. The first is a request to re-profile £1.499m the Local Transport Plan (LTP) scheme from 14/15 to 15/16 as result of the A19 pinch point works. Work on Phase 1 is now expected to start in February and continue into 15/16, due to the length of time needed to design and gain approval for the proposed work. Phases 2 and 3 will follow Phase 1 (the timescales for Phase 3 are dependent on the Germany Beck development).

35. In relation to the Better Bus Fund Area (BBAF) additional funding of £476k is to be added as part of this report to reflect the Clean Bus technology grant for modifications to buses.
36. There are 2 minor re-profiling changes required to the York City Walls repair scheme and the Alley Gates programme of works. Both require £50k to be re-profiled to 15/16 from 14/15.
37. The Transport service programme is currently projecting a 14/15 spend of £8.026m.
38. The Economic Development budget of £58k will be re-profiled to 15/16 from 14/15 as part of this report.

City & Environmental Services – Community Stadium

39. It is requested that £1.136m be re-profiled from 14/15 to 15/16 to align with the projected main stadium contract awarded in summer 2015. Work on the University athletics track has commenced and will be complete by the summer once the weather improves. Expenditure on the stand and pavilion will commence in early 2015. Provision of off-site sports facilities are on schedule.
40. The project is currently projecting a 14/15 spend of £1.890m

Customer and Business Support Services - Administrative Accommodation

41. No changes to the projected spend are proposed at this monitor with in year spend budgeted at £0.533m.

Customer and Business Support Services – Asset Management / IT Development Plan / Contingency/ Economic Infrastructure Fund (EIF)

42. 3 schemes under the Asset Management schemes require re-profiling.
43. The River Bank repairs at Marygate require funds re-profiling to 15/16 to the value of £327k due to work now having been suspended for the winter due to high river levels and the temperature being too low for the work. Work will resume in March 2015 weather permitting Work has progressed on site as follows. Secondly the overall River Bank

repairs programme requires £200k re-profiling to 15/16 from 14/15 and a reallocation of this funding to undertake alternative river banks work. And the final request to re-profile is in relation to the Community Asset Transfer budget that requires £175k to be allocated to 15/16 from 14/15 as no applications have been received for asset transfer however it is anticipated that requests will be made at a future date and therefore the budget allocation is still required.

44. The IT development plan programme of works requires £357k of funds to re-profile from 14/15 to 15/16 reflecting the latest delivery plans for the current financial year.
45. A single re-profiling request for £550k is made to the EIF programme in relation the Better Bus Fund, the main works subject to delay are the Clarence Street Bus Improvement Scheme, Rougier Street – Roman House Bus Shelter and the Reinvigorate York Duncombe Place contribution . No further changes are proposed as part of this report to the Asset Management, IT Development Plan and Economic Infrastructure Fund (EIF).

Summary

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

Gross Capital Programme	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
Current Programme						
<u>Adjustments :</u>						
Children's Services, Education & Skills	8.657	15.283	9.962	5.106	2.250	41.258
Adult Social Services and Public Health	0.835	0.903	0.505	0.505	0.505	3.253
Communities Culture & Public Realm	4.979	1.690	0.000	0.000	0.000	6.669
Highways & Waste	7.307	3.781	2.934	2.839	1.350	18.211
Housing & Community Safety	17.267	11.990	10.026	8.753	9.023	57.059
Transport	8.026	4.312	2.713	2.713	0.090	17.854

Community Stadium	1.890	20.271	0.000	0.000	0.000	22.161
Economic Development	0.000	0.058	0.000	0.000	0.000	0.058
Asset Management	1.496	1.472	0.200	0.200	0.100	3.468
West Offices - Admin Accom	0.533	0.000	0.000	0.000	0.000	0.533
IT Development Plan	1.927	2.227	1.920	2.245	2.025	10.344
Contingency	0.183	0.000	0.000	0.000	0.000	0.183
Economic Infrastructure Fund	13.105	9.161	5.800	0.000	0.000	28.066
Revised Programme	66.205	71.148	34.060	22.361	15.343	209.117

Table 2 Revised 5 Year Capital Programme

Funding the 2014/15 – 2018/19 Capital Programme

47. The 2014/15 capital programme of £66.205m is currently being funded from £29.510m external funding and £36.695m of internal funding. The internal funding is comprised of revenue contributions, revenue reserves, prudential borrowing, right to buy housing capital receipts and general capital receipts.

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

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	66.205	71.148	34.060	22.361	15.343	209.117
Funded by:						
External Funding	29.510	44.348	22.246	14.278	8.359	118.741
Council Controlled Resources	36.695	26.800	11.814	8.083	6.984	90.376
Total Funding	66.205	71.148	34.060	22.361	15.343	209.117

Table 3 – 2014/15 –2018/19 Capital Programme Financing

49. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves and Capital Receipts.
50. It should be recognised that capital receipts which form part of the Council Controlled Resources should be considered at risk of not being realised within set time frames and to estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts, which if not achieved would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that the over the full duration of the capital programme it remains balanced, any issues with regard to financing will be reported as part of the standard reporting cycle to the Cabinet.

Council Plan

51. 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 capital resources to schemes that contribute toward the achievement of the Council Plan. The Capital Asset Board (CAB) meet monthly to ensure the capital programme targets the Councils Plan. The capital programme addresses all priorities of the Council Plan due to its varied and numerous schemes as shown in the main body of the report.

Implications

Financial Implications

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

Human Resources Implications

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

Equalities Implications

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

Legal Implications

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

Crime and Disorder

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

Information Technology

57. The information technology implications are contained in the main body of the report.

Property

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

Risk Management

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

Contact Details

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	Report Approved	√	Date 09/01/15
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Wards Affected: All			

For further information please contact the author of the report

Specialist Implications:

Legal – Not Applicable

Property – Not Applicable

Information Technology – Not Applicable

Annexes

Annex A – Capital Programme 2014/15 to 2018/19