

Executive

30 August 2018

**Report of the Director of Customer and Corporate Services
(Deputy Chief Executive)**

Capital Programme – Monitor 1 2018/19

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2018/19 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2018/19 capital programme approved by Council on 22 February 2018, updated for amendments reported to Executive and Council in the 2017/18 outturn report resulted in an approved capital budget of £156.949m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2018/19 budget of £33.329m as detailed in the report and contained in Annex A.
 - Note the 2018/19 revised budget of £123.620 as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2018/19 – 2022/23 as set out in paragraph 17, 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 budget process and agreed by Council on 22 February 2018. 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 £33.329m is detailed in this monitor resulting in a revised capital programme of £123.620m. There is an increase of £3.403m in 2018/19 attributable to new schemes added to the programme agreed by members set out in the paragraphs below. This is offset by a £36.732m decrease in 2018/19 due to re-profiling of budgets to future years.
- 6 Table 1 outlines the variances reported against each portfolio area.

Department	Current Approved Budget £m	Projected Outturn £m	Increase (decrease) £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children, Education & Communities	11.946	11.946	0.000	0.000	0.000	8-16
Health, Housing & Adult Social Care – Adult Social Care	3.903	4.221	1.383	(1.065)	0.318	17-20
Health, Housing & Adult Social Care – Housing & Community Safety	38.160	32.409	(1.300)	(4.451)	(5.751)	21-26
Economy & Place – Transport, Highways & Environment	48.002	34.309	0.398	(14.091)	(13.693)	27-32
Economy & Place – Regeneration & Asset Management	18.964	10.566	2.922	(11.320)	(8.398)	33-36
Community Stadium	29.237	23.432	0.000	(5.805)	(5.805)	37-38
Customer & Corporate services	2.203	2.203	0.000	0.000	0.000	
IT Development Plan	4.534	4.534	0.000	0.000	0.000	
Total	156.949	123.620	3.403	(36.732)	(33.329)	

Table 1 Capital Programme Forecast Outturn 2018/19

Analysis

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

Children, Education & Communities

- 8 Whilst there are no changes to the overall net budget with the Children's capital programme, there have been a number of other amendments to reflect the recommendations approved by Executive on 17 March 2018.
- 9 At this meeting, Executive approved a proposal to expand the programme of school maintenance for 2018/19 by supplementing the amount of School Maintenance funding available from the Department for Education (DfE) in 2018/19 by the use of £2.083m of Basic Need funding already received by the LA for the purposes of creating additional places in schools. Consequently £2.083m has been transferred from the Basic Need Scheme to the Maintenance Scheme in 2018/19.
- 10 Within the report, 3 specific schemes at schools with a cost over £500k were approved to be funded by the Maintenance and Basic Need budgets. These schemes have now been split out and presented separately on the Annex to allow more transparent monitoring. It is anticipated that work will progress on all 3 sites over the summer holidays. The following paragraphs provide further information on these schemes.
- 11 The complete kitchen and dining refurbishment at Westfield Primary began on at the end of June 2018 and is scheduled to be completed in early October. The roof works at Clifton Green Primary are also underway and although complex, are currently on schedule to be completed in early November.
- 12 Phase 1 of the expansion work at St Mary's Primary is also in progress. This first phase consists of a classroom reorganisation, also encompassing the reorganisation of toilets and cloakrooms to create additional classroom space and is scheduled for a late August completion, in time for the new academic year
- 13 In addition to the above major schemes, smaller schemes are being carried out within the overall maintenance programme. Major works are being undertaken at Huntington School, comprising Phase 3 of a major rewiring programme, Phase 1 of a window replacement programme and the installation of a replacement heating system in the sports hall and gym.
- 14 Minor alterations have been carried out at the Glen at a cost of £51k, and some internal alterations are planned at Hob Moor Oaks to help in accommodating increased numbers of pupils in September, at an estimated cost of approximately £95k. These works are being carried out within the SEND capital scheme.

- 15 Dringhouses Primary is undergoing significant refurbishment, comprising some re-roofing works, hall window replacement and a new boiler, replacing an oil-fired system with gas.
- 16 Plans are currently being drawn up for investment to create additional provision for SEND pupils. These plans will require some more significant investment and will be detailed in a future report to the Executive encompassing overall school place planning issues in York.

Adult Social Care

- 17 Amendments made as part of this report have resulted in a net increase to the capital programme of £318k in 2018/19. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 18/19 £m	Amount 19/20 £m	Further Details – Paragraph ref
Older Persons Accommodation Review	Re-profile	(1.065)	1.065	18-20
Older Persons Accommodation Review	Adjustment	1.361	1.837	18-20

- 18 In July 2018 Executive approved an additional £2.450m investment in the sports facilities at Burnholme. The Capital budget for this scheme has therefore been updated to reflect this, along with the remaining funds of £748k approved by Executive in December 2016 for Lowfield sports facilities.
- 19 A contribution towards expenditure on Marjorie Waite Court of £712k has been delayed until 2019/20 to reflect latest profiling expectation as tenders are still being reviewed and therefore it is unlikely work will start until later in the year.
- 20 In January 2018 the Executive agreed to seek a partner to take over and transform Haxby Hall Care home and the procurement to find that partner is currently on-going. The budget set aside to support the transformation of Haxby Hall will not be needed until after this process is concluded and is unlikely to be spent in this financial year. Consequently funds of £589k have been transferred into 2018/19.

Housing & Community Safety

21 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £5.751m in 2018/19. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 18/19 £m	Amount 19/20 £m	Amount 20/21 £m	Amount 21/22 £m	Further Details – Paragraph ref
Modernisation of Local Authority Homes	Re-profile	(1.720)	1.320	0.400	-	22
Modernisation of Local Authority Homes	Adjustment	(0.636)	-	-	-	22
MRA Schemes	Adjustment	0.636	-	-	-	
Local Authority Homes Phase 2	Adjustment	(2.800)	-	-	(3.000)	
Lowfield Housing	Adjustment	1.500	9.000	9.000	3.000	24
Lowfield Housing	Re-profile	-	1.500	1.500	(3.000)	24
Water Mains Upgrade	Re-profile	(0.731)	-	0.731	-	25
Shared Ownership Scheme	Re-profile	(2.000)	2.000	-	-	26

22 The Modernisation of Local Authority Homes scheme requires funds of £1.720m to be transferred from 18/19 into 19/20 and 20/21 in relation to standing water and Bell Farm projects. It is also proposed to transfer funds of £636k into the MRA schemes due to a reprofiled programme of works following the decision not to continue with the existing contract for Tenants Choice and Standing Water work. A new contractor has been appointed for the Tenants Choice works in the empty properties and a new tender will go out for Tenants Choice work in tenanted properties in September with work expected on site in early 2019

23 The Local Authority Phase 1 scheme includes developments at Newbury Avenue and Chaloners Road. Start on site at Newbury Avenue is scheduled for spautumn 2018 and Chaloners Road by quarter 4.

- 24 The development of 140 new homes on the Lowfields site was approved by full council on 19th July 2018. A total budget of £22.5m has therefore been added to the capital programme, across 2018/19 – 2021/22 to be funded by £18m Housing capital receipts and £4.5m from the existing Local Authority Homes phase 2 project. The Lowfields project was considered by planning committee in August 2018 with an estimated start date on site of spring 2019.
- 25 The Water Mains Upgrade scheme required £731k of funds to be transferred into 2020/21. Works on this project are currently suspended due to other more pressing priorities within Building Services Capital Investment programme. However, it is still the intention to renew these water supply pipes and it is hoped preparation work will resume on this in 2019/20
- 26 The Shared Owner Scheme has a target to purchase 16 homes in this financial year, four of which have been purchased in the first quarter of 2018/19. Further properties will be purchased in 2019/20, as such £2m budget is to be transferred in to the next financial year

Transport, Highways & Environment

- 27 There have been a number of amendments to this area as part of this report resulting in a net decrease to the capital programme in 18/19 of £13.693m. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 18/9 £m	Amount 19/20 £m	Further Details – Paragraph ref
Pothole spotter Trial	Adjustment	0.250	-	28
Local Transport Plan	Adjustment	0.332	-	29
WYTF - YORR	Re-profile	(3.573)	3.573	30
WYTF – York Central Access	Re-profile	(10.518)	10.518	31
Potholes	Adjustment	(0.184)	-	32

- 28 The budget for the Pothole spotter trial has been increased by £250k to reflect additional funding agreed by Executive in May 2017 from the Lendal Bridge reserve to support the DfT grant allocation in funding the trial costs.

- 29 Additional S106 funding has been added to the Local Transport Plan budget in order to support a range of schemes in line with the S106 conditions.
- 30 The West Yorkshire Transport Fund York Outer Ring Road scheme is now progressing. Funds of £3.5m have been transferred from 18/19 to 19/20 to reflect the latest forecasts. The newly profiled expenditure in 2018/19 reflects the expected delivery of the Wetherby Road roundabout upgrade, the commencement of the next upgrade later in the financial year and continued development works for the remaining roundabout upgrades.
- 31 The West Yorkshire Transport Fund York Central Access scheme is also progressing and therefore funds of £10.5m are being transferred into 2019/20. This reflects continued development with submission of a planning application planned for late 2018.

Regeneration & Asset Management

- 32 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £8.398m in 2018/19. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 18/9 £m	Amount 19/20 £m	Further Details – Paragraph ref
Castle Gateway (Piccadilly Regeneration)	Adjustment	2.640	-	34
Castle Gateway (Piccadilly Regeneration)	Re-profile	(1.315)	1.315	35
Guildhall	Re-profile	(9.731)	9.731	
Critical Repairs and Contingency	Re-profile	(0.274)	0.274	36

- 33 On 26 April 2018 Executive approved a further £2.4m towards the redevelopment of the Castle/ Piccadilly area. The project is divided into a number of work packages to be completed during 2018 to 2020. The immediate focus is to plan and design a new car park at St George's Field, the redevelopment of Castle Mills and Fishergate gyratory junction improvements. Further master planning for the area, including Coppergate extension, Piccadilly redevelopment, riverside walk, and other Foss Basin improvements are planned for next year and therefore £1.3m budget has been transferred to 2019/20.

- 34 The Guildhall scheme requires funds of £9m to be deferred from 18/19 into 19/20. Due to the high cost estimated by the previous bidder, Members decided at Executive on 8 May 2018 to reject the bid and proceed with a new procurement based on a revised project specification. The results of the tender process are expected in December with construction starting in early summer.
- 35 Within the Critical Repairs and Contingency scheme, funds of £274k were earmarked to cover repairs to the Guildhall roof. This is now part of the Guildhall project and repairs to the roof will be carried out once a new contractor has been appointed following re-procurement in the autumn. It is unlikely that this budget will be spent this year so it has been transferred to 2019/20.

Community Stadium

- 36 Construction progress on the stadium site is continuing at great pace, with the leisure centre and stadium's main east stand superstructure now complete and foundations works underway to the north and west stands. Construction works are on programme with the new facilities scheduled to open to the public in summer 2019.
- 37 The project remains on budget, however £5.8m has been transferred to 2019/20 to reflect the slight delay in signing the contract and a further review of contractor payments now that work has commenced.

Summary

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

Gross Capital Programme	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	11.946	8.988	9.142	8.500	0	38.576
Health, Housing & Adult Social Care – Adult Social Care	4.221	4.018	0.595	0.616	0.638	10.088
Health, Housing & Adult Social Care – Housing & Community Safety	32.409	31.804	27.534	12.652	10.741	115.140
Economy & Place – Transport, Highways & Environment	34.309	44.890	22.663	17.065	6.225	125.152

Economy & Place – Regeneration & Asset Management	10.566	12.280	0.220	0.220	0.220	23.406
Community Stadium	23.432	9.110	0	0	0	32.542
Customer & Corporate Services	02.203	0.250	0.250	0.250	0.200	3.153
IT Development Plan	4.534	2.320	1.435	1.770	1.970	12.029
Revised Programme	123.620	113.560	61.839	41.073	19.994	360.086

Table 2 Revised 5 Year Capital Programme

Funding the 2018/19 – 2022/23 Capital Programme

39 The revised 2018/19 capital programme of £123.620m is funded from £48.863m of external funding and £74.757m of internal funding. Table 3 shows the projected call on resources going forward.

	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	123.620	113.560	61.839	41.073	19.994	360.086
Funded by:						
External Funding	48.863	61.037	29.686	23.946	4.596	168.128
Council Controlled Resources	74.457	52.523	32.153	17.127	15.398	191.958
Total Funding	123.620	113.560	61.839	41.073	19.994	360.086

Table 3 – 2018/19 –2022/23 Capital Programme Financing

40 The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts

41 During Executive meetings in October 2016 and July 2017, Members decided to ultimately finance the purchase of property at Hospital Fields Road and Swinegate from Capital receipts. Therefore it should be noted that all future capital receipts are assumed to be used for this purpose in the medium term. This strategy will deliver significant revenue savings, and reduce the need for savings within the revenue budget.

Council Plan

42 The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

43 This report has the following implications:

- **Financial** - are contained throughout the main body of the report
- **Human Resources (HR)** – There are no HR implications as a result of this report
- **One Planet Council/ Equalities** – The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements. All individual schemes will be subject to Equalities Impact Assessments
- **Legal Implications** - There are no Legal implications as a result of this report.
- **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
- **Information Technology** – The information technology implications are contained within the main body of the report,
- **Property** - The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.
- **Other** – There are no other implications

Risk Management

44 There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Capital Asset Board meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised.

Contact Details

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Emma Audrain Technical Accountant Corporate Finance 01904 551170 emma.audrain@york.gov.uk	Ian Floyd Director of Customer & Corporate Support Services (Deputy Chief Executive)		
Debbie Mitchell Corporate Finance Manager 01904 554161	Report Approved	√	Date 30 August 2018
Wards Affected: All			
<i>For further information please contact the author of the report</i>			

Specialist Implications:
<i>Legal – Not Applicable</i>
<i>Property – Not Applicable</i>
<i>Information Technology – Not Applicable</i>

Annexes

Annex A – Capital Programme 2018/19 to 2022/23