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**Executive**

**24 June 2021**

Report of the Chief Finance Officer  
Portfolio of the Executive Member for Finance and Performance

## **Capital Programme Outturn 2020/21 and Revisions to the 2021/2–2025/26 Programme**

### **Report Summary**

1. The purpose of this report is to set out the capital programme outturn position including any under or over spends, overall funding of the programme and an update as to the impact on future years of the programme.
2. The report contains details of the capital investment made during 2020/21 and how this has supported delivery of the Council Plan. Key areas of investment are listed below with further details contained in the body of the report.
  - £8.6m of housing repairs
  - £2.2m on aids and adaptations to peoples homes
  - £3.9m creating 49 new units in our independent living schemes
  - £19.7m on the provision of new homes and the shared ownership scheme.
  - £1.9m to create a community woodland
  - £2.8m on a Centre of Excellence for disabled children at Lincoln Court
  - £2.1m on an extension at Marjorie Waite Court
  - Investment of £6m to improve highways
  - £2.5m on a range of measures under the Local Transport Plan
  - £1.9m on hyper Hub charging stations
  - £2.7m on continued works to deliver York Central
  - £7.2m on work to deliver a comprehensively refurbished and renewed Guildhall
  - Commercial Property acquisition of £3.9m

- £2.9m on Vehicle Replacement
- Investment of £2m to deliver significant ICT developments and improvements

3. Some of the direct outcomes from this investment include:

- the granting of planning consent for the Station Gateway Scheme
- bus stop improvements (including new bus shelters) across the city
- installation of Pay-on-Exit systems at Marygate and Piccadilly car parks
- installation of electric vehicle charging infrastructure in five car parks (with further sites being progressed in early 2021/22)
- upgrades to traffic signals at seven locations across the city;
- trial road closures in The Groves area to reduce traffic levels; installation of new pedestrian crossings at Haxby Road, Green Dykes Lane, and York Road Haxby;
- measures to improve safety at Lord Deramore's school; improvements to the zebra crossing on Hull Road (near Owston Avenue)
- completion of the maintenance works at Blue Bridge.
- The purchase of 155 acres of land at Knapton to create a community woodland.
- The completion of the Centre of Excellence for disabled children
- The completion of a major extension at Archbishop Holgate Academy, delivering a new three storey classroom block, together with the conversion of some existing classrooms into specialist teaching facilities for Science, ICT and Graphics.
- 49 new Independent Living Scheme units have been created at Lincoln Court and Marjorie Waite Court and James House has created 160 bed spaces within this 57 room hostel
- Rapid deployment of ICT services to enable effective remote working for members and officers

4. The report shows an outturn of £92.395m compared to an approved budget of £119.859m, an overall variation of £27.462m.

5. The net variation of -£27.462m is made up as follows:

- Requests to re-profile budgets of a net -£37.575m of schemes from 2020/21 to future years (currently approved budgets in the capital programme but requires moving to or from future years in line with a changing timetable of delivery for individual schemes)

- Adjustments to schemes increasing expenditure by a net £10.113m, mainly due to additional grant funding being received.
6. The level of re-profiling reflects the scale of the capital programme, and in particular that it contains a number of major and complex projects. The overall capital programme continues to operate within budget, due to careful management of expenditure against the budget.
7. The main areas of re-profiling included within the £37.575m include:
- £5.168m – Lowfield Housing
  - £3.741m - Guildhall
  - £2.409m – Highway Schemes
  - £2.083m – Local Transport Plan (LTP)
  - £2.066m – Community Stadium
  - £1.976m – Shared Ownership Scheme
  - £1.714m – York Central Infrastructure
  - £1.377m – Major Repairs & Modernisation of LA Homes
  - £1.257m – LA Homes Energy Efficiency Programme
  - £0.965m – Smarter Travel Evolution Programme

## **Recommendations**

8. The Executive is requested to
- Note the 2020/21 capital outturn position of £92.397m and approve the requests for re-profiling totalling £37.575m from the 2020/21 programme to future years.
  - Note the adjustments to schemes increasing expenditure in 2020/21 by a net £10.113m
  - Recommend to Full Council the restated 2021/22 to 2025/26 programme of £600.778m as summarised in Table 3 and detailed in Annex A
  - Approve that an additional £73k is released from capital contingency to allow the construction of the new crematorium waiting room
  - To approve the revised leisure offer at the community stadium of a Children's Play area
9. Reason: to enable the effective management and monitoring of the Council's capital programme

10. Reason: to ensure that mourners attending the crematorium and waiting to enter can be treated with dignity through appropriate and proper waiting facilities.

## Summary of Key Issues

11. Table 1 outlines the variances reported against each portfolio area.

| <b>Department</b>  | <b>Current Approved Budget<br/>£m</b> | <b>Projected Outturn<br/>£m</b> | <b>Increase (decrease)<br/>£m</b> | <b>Reprofile<br/>£m</b> | <b>Total Variance<br/>£m</b> | <b>Paragraph Ref</b> |
|--|---------------------------------------|---------------------------------|-----------------------------------|-------------------------|------------------------------|----------------------|
| Children, Education & Communities                                | 13.231                                | 10.792                          | <b>0.224</b>                      | <b>(2.663)</b>          | <b>(2.439)</b>               | 12 – 26              |
| Health, Housing & Adult Social Care – Adult Social Care          | 3.867                                 | 2.603                           | <b>(0.096)</b>                    | <b>(1.168)</b>          | <b>(1.264)</b>               | 27 – 31              |
| Health, Housing & Adult Social Care – Housing & Community Safety | 45.050                                | 35.622                          | <b>2.289</b>                      | <b>(11.717)</b>         | <b>(9.428)</b>               | 32 – 69              |
| Economy & Place – Transport, Highways & Environment              | 33.342                                | 22.963                          | <b>0.657</b>                      | <b>(11.036)</b>         | <b>(10.379)</b>              | 70 - 83              |
| Economy & Place – Regeneration & Asset Management                | 17.675                                | 16.727                          | <b>6.001</b>                      | <b>(6.949)</b>          | <b>(0.948)</b>               | 84 – 90              |
| Community Stadium  | 2.219                                 | 1.349                           | <b>1.196</b>                      | <b>(2.066)</b>          | <b>(0.870)</b>               | 99 -101              |
| Customer & Corporate services                                    | 2.108                                 | 0.354                           | <b>(0.163)</b>                    | <b>(1.591)</b>          | <b>(1.754)</b>               | 91 – 97              |
| IT Development Plan  | 2.367                                 | 1.987                           | <b>0.005</b>                      | <b>(0.385)</b>          | <b>(0.380)</b>               | 98                   |
| <b>Total</b>   | <b>119.859</b>                        | <b>92.397</b>                   | <b>10.113</b>                     | <b>(37.575)</b>         | <b>(27.462)</b>              |                      |

**Table 1 – Summary of capital outturn by department**

## **Children, Education & Communities**

12. Capital Expenditure within the Children, Education & Communities service area totalled £10.792m in 2020/21.
13. The majority of this expenditure was incurred under three major scheme headings where there was significant work and progress in 2020/21. These schemes were: The Centre of Excellence for Disabled Children; Schools Basic Need Accommodation works, and Schools Condition and Maintenance Works.
14. Expenditure on smaller schemes within the Basic Need scheme totalled £406k in 2020/21. This was almost entirely spent (£403k) on a scheme at Millthorpe School to provide classrooms for satellite provision for SEND pupils. This scheme is now complete with only a final payment outstanding.
15. The first phase of the Fulford Expansion work is the installation of a temporary 4 classroom block which was completed in time for the September 2020 intake at a cost of just over £488k. Further expenditure has been and continues to be incurred on the preparations for Stage 2, the permanent expansion of the school, which is moving into the planning stage. An amount of £103k requires reprofiling into 2021/22
16. The All Weather Pitch at Southbank is now completed with only smaller associated works to be carried out and minor payments outstanding. The remaining budget of £311k requires reprofiling into 2021/22 to fund the remaining works and some further improvements.
17. The major expansion at Archbishop Holgate Academy which has been funded by the local authority and managed by Pathfinder Multi-Academy Trust is now complete. This scheme has delivered a new three storey classroom block, together with the conversion of some existing classrooms into specialist teaching facilities for Science, ICT and Graphics. Spend of £4,218k with remaining £90k to be paid in 2021/22.
18. Only a small number of critical schemes within the School Maintenance programme were prioritised during this financial year due to the issues created by the impact of the Coronavirus lockdown at the point in the year when schemes would normally be tendered, with work normally planned over the summer holidays.

19. The two urgent large schemes which were carried out were at Dringhouses and Westfield Primaries. At Dringhouses Primary alterations were carried out to allow the Out of School Club to be accommodated within the schools. At Westfield Primary the KS1 playground was completely resurfaced and some emergency pipework was carried out. A number of minor urgent repairs have also been carried out at a small number of schools.
20. Expenditure in 2020/21 totalled £589k, resulting in net reprofiling of £731k into 2021/22 (made up of £331k of Condition and Maintenance funding) and £400k of CRAM funding). This funding will fund outstanding payments and retentions with any remainder available to fund further works in 2021/22 and future years.
21. The main project carried out within the SEND Expansion of facilities scheme in 2020/21 is the provision of a modular building to host a satellite provision for Applefields School at a budgeted cost of £410k. This work is now almost complete, however payments are still outstanding on this scheme and together with the unallocated amount of the budget result in reprofiling of £339k.
22. Work is progressing at All Saints School which currently has the most critical issues in the city related to accessibility. Phase 1 was carried out in 2020/21 at a cost of £167k. Expenditure of £148k was incurred in 2020/21, with the remaining £352k requiring reprofiling into 2021/22 to fund outstanding payments and Phase 2 which will now be carried out in summer 2021.
23. The Centre of Excellence for Disabled Children project is fully complete with only minor payments outstanding. The remaining 2021/22 budget of £171k needs reprofiling into 2021/22.
24. Funding of £500k was paid to the Theatre Royal in April 2020 to contribute to their overall capital investment plans.
25. Phase 2 of the Energise roof works has been substantially completed with expenditure of £72k by the end of 2020/21. The remaining £58k needs reprofiling to 2021/22 to fund the remaining expenditure.
26. The urgent roof works at Explore Central library have been carried out, with £187k paid by the end of 2020/21. The remaining £34k will be required in 2021/22 to fund the remaining contract payments.

## **Health, Housing & Adult Social Care – Adult Social Care**

27. Capital expenditure within the Adult Social Care service area totalled £2.603m in 2020/21.
28. The development of the community hall is part of the final phase of the Marjorie Waite Court construction project. The project was delayed in the early stages due to asbestos removal in the old community centre building and a delayed electricity connection to the new plant room. Both of which meant that the community centre building could not be demolished as expected. All of this work is now completed and the community hall (and the rest of the development) are on schedule for completion in July. A procurement exercise has been launched to appoint a community operator for the café and community hall at Marjorie Waite Court. The operator should be appointed by June, with arrangements in place to open the hall for community bookings when it is complete.
29. The transfer of Haxby Hall to Yorkare Homes was completed on 31 March 2021. All residents and staff have transferred maintaining residents' homes and continuation of care and employment. Yorkare Homes have planning approval for a programme of redevelopment to extend and modernise the care home to provide modern en-suite bedrooms and a range of enhanced communal facilities, this work is expected to begin in Autumn 2021. The Council have secured beds in the care home for all existing residents on their existing funding terms and 9 beds at Actual Cost of Care in the future. The remaining budget has been slipped to fund the potential purchase of the ambulance station should it become available as agreed by Executive in January 2020.
30. The last financial year has seen significant works on site at Ashfield, including seeding of all the pitches and nearing completion of the pavilion. However, the access road works have been delayed due to ongoing negotiations with BP the neighbouring land owner. These have instead been moved into the next financial year, along with the final pavilion works. All remaining works will be completed in the 2021/22 financial year.
31. Implementation of this capital scheme has been delayed due to Covid as trialling innovative technology would have been impractical and difficult during the thick of the pandemic. Heads of Service are now looking to establish the technology to be trialled in 2021/22 and identify

which service areas would potentially most benefit from the use of this technology

## **Health, Housing & Adult Social Care – Housing & Community Safety**

32. Capital expenditure on schemes within the Housing & Community Safety service area totalled £35.622m in 202/210. The capital budget has been used to cover an array of schemes including maintenance and modernisation of the existing housing stock, adapting homes so tenants can remain in their homes for longer, building and extending new properties to expand the stock level and meet the needs and demand for appropriate, affordable accommodation across the city. This includes £8.6m of housing repairs, £2.2m on aids and adaptations to people's homes, £3.9m creating 49 new units in our independent living schemes and £19.7m on the provision of new homes and the shared ownership scheme.
33. Phase 1 of the new council house building programme is nearing completion with 66 general needs units being completed across sites at Beckfield Lane, Pottery Lane, Fenwick Street, Lindsey House, Hewley Avenue and Newbury Avenue. Furthermore an additional 61 Independent Living Scheme units have been created at Glen Lodge and Marjorie Waite Court and James House has created 160 bed spaces within this 57 room hostel. In addition the shared ownership schemes will create a further 65 affordable homes across the city upon completion of this programme.
34. There are just two schemes which will complete in the summer of 2021, these being Marjorie Waite Court and the Shared Ownership programme.
35. Work to develop apartments, bungalows and a community hall at Marjorie Waite Court is progressing well and the project is scheduled to be completed in July 2021. The structural block and brick work is complete and the internal fit out of the apartments and communal spaces is ongoing. Kitchens have been fitted in the apartments, including a number specifically designed for those living with dementia.
36. Initial works on site revealed additional asbestos which led to increased cost and extension of time to allow for its removal. In addition an extension of time was incurred when the installation of the

new electrical supply was delayed. The opportunity has also been taken to review the designs which has enabled the inclusion of one additional apartment in the scheme, increasing the number of units from 33 to 34. Work to create new communal lounge area and a community café has begun. These delays and costs and the inclusion of the additional apartment and a commercial kitchen have led to a requirement for a further £330k budget for the project. The additional costs of the scheme can be funded from the use of additional £99k of RTB receipts and £231k being funded from the balance of the £20m Phase 1 investment reserve.

37. The conversion of James House to temporary homeless accommodation comprising of 57 apartments, interview rooms, public reception and staff office was completed in April 2020. The benefits of a purpose built facility delivering support as well as accommodation have been clear since opening, with numerous plaudits from residents and professionals. The design of the building is working well and homeless households – many with children – are able to live in temporary accommodation that is safe, modern and befitting of a service that supports people in the most challenging of personal circumstances
38. The project was, however, hindered by cost and time overruns and disputes with the main contractor over the quality of their work. The completed scheme was £2.776m over budget and completed 15 months later than forecast. The reasons for this overspend relate primarily to three elements: increased construction costs, delay costs and increases in professional fees.
39. Increases in construction costs and delays to completing the project were a source of ongoing dispute between the council and contractor. From the council's perspective there were examples of legitimate cost increases due to design and specification changes, but the majority of the increases were considered the responsibility of the contractor.
40. On site challenges included poor quality work that needed constant pressure to be rectified, a high turnover of sub-contractor and contractor staff, disputed contractor documentation and disputes over responsibility for specification and design changes.
41. Concerns regarding the time and cost overruns led to the council engaging internal audit and appointing specialist construction lawyers to protect the council's position in a formal dispute with the contractor.

Independent programming and quantity surveying experts were also appointed to scrutinise the time and cost claims of the contractor alongside those of the contract administrator. These appointments were vindicated when the contractor triggered the dispute resolution clause in the contract which meant the final construction costs were determined by an independent adjudicator.

42. The adjudicator determined that the final construction cost was £2.383m more than the original contract sum. This was considerably lower than the £3.945m increase that the contractor was claiming. The remaining cost increase is largely accounted for in professional fees which are calculated as a percentage of the contract sum.
43. The adjudicator determined it was design changes that led to most of the legitimate increased construction costs. These changes came about as a result of an early start date to the project before the end of March 2018 when some design elements were incomplete. The driver for this start date was the risk of losing Homes England grant funding of £2.8m if the project start slipped to the new financial year.
44. The additional costs have been significant compared to the original budget and the service is undertaking a review as to the reasons for the additional costs in order that many of the issues that have occurred are not repeated.
45. An overspend of £1,782k was reported in the 2019/20 outturn report. The additional overspend reported at this time of £994k at James House will be funded from the balance on the Phase 1 Investment Reserve.
46. The table below shows that of the £20m originally set aside for the Phase 1 programme there is a balance of £3.1m remaining which will be used to fund the pressures at Marjorie Waite Court and James House. The balance, is higher than forecast due to the drawdown of time limited commuted sums utilised earlier in the programme, which replaced the need for investment reserve funding. The revised balance of £1.9m will be transferred to the Phase 2 Council House Building programme as part of the £20m HRA investment.

| Phase 1 CYC Council House Building - £20m Investment Reserve |               |       |
|--|---------------|-------|
|  | £'000         | £'000 |
| Original Budget  | 20,000        |       |
| Utilised   | <u>16,857</u> |       |
| Available  |               | 3,143 |
| Funding required for programme pressures                     |               |       |
| Marjorie Waite Court   |               | -231  |
| James House  |               | -994  |
| To transfer to Phase 2 programme                             |               | 1,918 |

47. The phase 1 programme also includes the Shared Ownership Scheme. In 2020/21 we acquired 27 shared ownership homes across the city and equity sales on 27 properties were completed. The shared ownership portfolio now totals 58 properties with 5 further properties in the pipeline to be purchase and 2 customers still looking for new properties. The scheme has now been closed to new applicants as the programme was to purchase 65 shared ownership properties in total.
48. The budget for this scheme is modelled on 50% of each home being funded by the HRA and resources from Homes England funding. The matched funding is received as a capital receipt when the purchaser buys an equity share of the property, as such the receipts from the sale of the 12 shared ownership homes in quarter 4 are required to be reinvested back in to the programme and will increase the budget by £1,217k of which, £1,976k should be reprofiled to 2020/21.
49. Within the Local Authority Homes Phase 2 Scheme, the project to develop 35 modern accessible independent living apartments at Lincoln Court, was completed in October 2020. During the project the design was amended to create fully accessible open plan kitchens in the refurbished apartments to improve access, additional asbestos was found in the building, drainage issues and weather conditions and the COVID pandemic all lead to an extension of time for the works, which all contributed to additional expenditure totalling £360k. All 35 apartments are now occupied and feedback from tenants about the design, warmth and quality of the building has all been really positive. The project has delivered the types of homes that our older residents have asked for and are helping tenants to live well independently.
50. The scheme is now in retention and the final scheme costs is expected to be £5,153k, £360k above budget, £127k of these costs will be charged in 2021/22. This overspend is to be funded from a

combination of HRA resources of £320k from the Phase 2 Homes Building Programme and £40k RTB 1-4-1 receipts.

51. The budget within the Phase 2 House Building Programme is for future housing delivery schemes not included in the first phase of 8 sites, it has also been used to make purchases of one off properties for social rent to increase the housing stock and maximise the 1-4-1 Right to Buy receipts which are time limited. Two such properties have been purchased in 2020/21. £84k of RTB receipts have been used to fund these purchases and £197k budget is to be profiled from 2021/22 to 2020/21 to fund the costs which total £281k.
52. The purchase of the Duncombe Barracks site was completed in August 2019 and work is at the pre-construction stage. £510k has been spent on this scheme in 20/21 as design work has progressed significantly and a planning application for 34 homes and commercial/community space on the site was approved by committee on the 30<sup>th</sup> March 2021. Detailed design work has continued with Mikhail Riches as lead designer, and a full pack of information is now ready for procurement of a main contractor in June 2021.
53. Work continues to progress well at Lowfield Green, with total expenditure of £11,332k in 20/21. Homes are being constructed to a high standard, achieving EPC A ratings and NHBC warranty certification. The first sales phase has achieved £1.8m income in the first 4 weeks of release, up to 10<sup>th</sup> June 2021, and the remaining properties are all reserved. The second phase properties were released to the market in April 2021, with a priority period for local key workers on the shared ownership properties – these are all now reserved.
54. The large village green and play area will be completed and open to the public in the summer 2021 providing valuable community focus and amenity space for residents of Lowfield Green and the surrounding area.
55. House prices have risen since the valuations undertaken in 2018 and the current property valuations indicate that there is likely to be an increase in sales income across the Lowfield site of c£3m, this is reflected in an increase in the sales income from phase 1 of c £0.5m above the 2018 forecast.

56. This additional forecasted income allows the flexibility to assist the Housing Adaptations team who struggled to find appropriate accommodation within the existing CYC housing stock for a large family with specific accessibility needs. The Lowfield Green development is able to meet this family's identified housing need by substituting a 4 bed market sales property at Lowfield Green into the social rented provision and making adaptations to the property to ensure it is wheelchair accessible at a lower cost to the HRA than purchasing a property on the open market. A 3 bed social rent property will be exchanged for market sale, reducing the original forecasted capital receipts income by £0.1m.
57. The Lowfield Green development has seen some delay and subsequent increased costs throughout 2020/21, mainly as a result of highways and statutory service delays (electricity supply services and drainage). Much of the impact was due to the pressure from the COVID pandemic, including delays from services subcontractors being placed on furlough for extended periods and the realities of working in new ways to remain COVID secure. These costs are outlined in the table below.

|   | £'000 |
|---|-------|
| Changes to original specification   | 155   |
| Costs relating to highways works  | 565   |
| Costs relating to drainage, weather, highways & COVID-19 delays   | 752   |
| Contingency to cover possible ground works (£200k), movement of services (£250k), additional surveys, extended period consultant costs, etc (£178k) | 628   |
|   | 2,100 |

58. This increase in expenditure requires an increase to the project budget from £26.6m to £28.7m which can be funded from the increase in market sales values. This requires no additional HRA funding although there is a slight risk in the future sales values going forward. The slippage of £5,168k in 2020/21 is to be reprofiled to 2021/22.
59. Capital expenditure at the Burnholme scheme totalled £1,142k in 20/21. The site is still in the pre-construction stage. Detailed design work has progressed significantly and a planning application for 83 homes on the site was approved by committee on the 21<sup>st</sup> April 2021. Preparation of the construction information and tender documentation has continued with Mikhail Riches as lead designer, with a full pack of

information now ready for procurement of a main contractor in June 2021. The £182k budget is to be reprofiled to 2021/22.

60. The progression of the Ordnance Lane & Hospital Fields Road scheme has seen an extremely successful participatory engagement process with several successful events where the design team have developed the design together with local stakeholders. The design is now ready to progress to the planning stage however, current costs indicate a viability gap because of a number of site abnormal costs and the costs associated with achieving the mandated Housing Delivery Programme standards. The team are currently undergoing a value engineering exercise and have applied to One Public estate for Brownfield Land Release Funding to meet the abnormal costs and are engaging with Homes England to source additional grant funding for the scheme. The team are looking to progress to planning in summer 2021.
61. The major repairs & modernisation of local authority homes programme has total capital expenditure of £8.636m in 2020/21. The service have undertaken works during the year on major damp issues, replacement kitchens, bathrooms and roofs and upgrading of external door entry systems to flats, asbestos removals and installation programmes. There have been additional contributions of £34k from leaseholder income. An underspend of £1.377m has been re-profiled to 2021/22.
62. During 2020/21 two new contractors were utilised who completed major works to 48 homes suffering from standing water issues, a 30% increase on the previous year. This was particularly notable given that for 4 months work was restricted due to the Covid-19 pandemic. In addition minor works were completed on a further 156 properties
63. Historically, c30% of tenants have annually declined Tenants Choice work, mainly on the grounds of their inability to cope with what is quite a disruptive process of having new heating, a re-wire, new kitchen and new bathroom fitting all in a short space of time. As such, when these tenants vacate the property, Building Services take the opportunity to do the Tenants Choice work while the property is empty, there has been an increase in such voids during the pandemic time.
64. Four contractors are now assisting the Building Services team to complete void properties with a total of 79 properties requiring major

works in 2020/21, of which 36 properties had standing water issues and 43 had new kitchens, bathrooms and rewires.

65. Following a slow start to the year due to the pandemic, 155 tenants choice works in customer's homes were completed, these mainly benefiting from new kitchens, bathrooms and rewires. In addition 17 new kitchens have been fitted in 2020/21 using the early kitchen failure budget and 27 new bathrooms have been installed from the early bathroom failure budget and includes the installation of a wet wall system. These are where the kitchen or bathroom needed replacing earlier than programmed due to being beyond repair or due to damp in the property and these have been paid from the £120k budget allocated for this works
66. 521 households benefitted from new gas central heating systems in 2020/21 including five properties that were part of the Warm Homes green deal scheme and which changed from electric storage heaters to gas central heating. Two air source heat pumps have also been installed.
67. During 2020/21 Executive Members approved the pilot project to significantly improve the energy efficiency of 60 council homes and extract the learning from the project to inform subsequent energy efficiency projects and the development of our Housing Energy Efficiency Strategy. The proposals were also approved by the board of West Yorkshire Combined Authority giving us access to their Energy Efficiency Accelerator funding which will provide 5% of the total project costs in kind via design consultancy for the project. Survey and design work will take place during spring of 2021 with work on site due to commence in the summer and complete by December 2021. The work will be delivered through the Better Homes Yorkshire contract. The underspend of £1,257k is to be reprofiled to 2021/22.
68. Home Upgrade Grant (LAD1B) is a new capital scheme for 2021/22. The Council has successfully obtained £535k from BEIS (Business, Energy and Industrial Strategy) to deliver a range of energy efficiency schemes aimed at improving poor private sector homes in York, Harrogate, Selby and Craven. The schemes will support the Council's ambitions to reduce carbon emissions, address fuel poverty and support low carbon jobs. In York, the scheme will concentrate on poorly insulated "rooms in roof". This will be initially offered to residents in fuel poor wards identified by our Building Research Establishment report in 2015. In addition, across all 4 councils there

will be an offer to all fuel poor householders who have inadequate /no loft insulation, an opportunity to receive free insulation and across all measures to carry out draught proofing

69. The disabled facilities grant programme is for adaptations to allow private residents to stay in their own homes for longer. It has been a difficult year for all during the first lockdown as all major adaptations were put on hold with a focus on supporting the council's wide efforts to support residents during the pandemic. Only services to support swift hospital discharge such as the installation of grab rails or key safes were completed. Key services such as the falls prevention team also continued to provide advice and information over the phone. As the city and the country eased out of the first lock down the number of referrals for all service increased quickly and were higher than the number of referrals for the same period in the previous year (36% in the second quarter). Despite missing over a quarter of the year and two subsequent lockdowns a significant number of installations were completed.

### **Economy & Place – Transport, Highways & Environment**

70. Capital expenditure on various schemes within Transport, Highways & Environment totalled £22.963m in 2020/21.
71. Despite a very challenging year due to the pandemic and associated restrictions there has been significant progress in delivering transport and highway schemes across the city. Important milestones, such as the granting of planning consent for the Station Gateway Scheme, have also been achieved for some of the Major Projects in the programme.
72. Progress on schemes was affected by the impact of the lockdown measures introduced in March 2020 due to the COVID-19 pandemic. Implementation of schemes in early 2020/21 was delayed as it was not possible for the work to be done while complying with lockdown requirements such as social distancing, and feasibility and design work on new schemes was also delayed as staff resources were focussed on the COVID-19 measures and the schemes included in the Emergency Active Travel Fund programme.
73. However, as the lockdown restrictions were reduced over the year, it was possible to progress and implement schemes as planned.

Schemes that have been completed in 2020/21 include bus stop improvements (including new bus shelters) across the city; completion of the CCTV Upgrades programme; installation of Pay-on-Exit systems at Marygate and Coppergate car parks; installation of electric vehicle charging infrastructure in five car parks (with further sites being progressed in early 2021/22); upgrades to traffic signals at seven locations across the city; trial road closures in The Groves area to reduce traffic levels; installation of new pedestrian crossings at Haxby Road, Green Dykes Lane, and York Road Haxby; measures to improve safety at Lord Deramore's school; improvements to the zebra crossing on Hull Road (near Owston Avenue); and completion of the maintenance works at Blue Bridge.

74. Some of the proposed pedestrian and cycle schemes were delayed due to the focus on the implementation of Emergency Active Travel Fund measures in summer 2020, and feasibility and design work on some of the safety schemes was deferred as it was not possible to review accident levels and traffic speeds during the lockdown periods where traffic levels were greatly reduced.
75. Progress on the major schemes was also affected by the impact of the lockdown measures, but it has been possible to carry out some of the planned works in 2020/21. Work to install hostile vehicle mitigation measures at York Racecourse was completed, which included the installation of bollards to protect pedestrian areas, and amendments to the road layout to slow vehicles. Grant funding has been awarded to bus companies for work to improve emissions from their bus fleets so that all buses now comply with the city centre Clean Air Zone restrictions, and all of the new electric buses for the Park & Ride service are now in use. The Tadcaster Road scheme funded by DfT has commenced with the award of the professional services contract to AECOM which started late October 2020. As part of the initial workstage AECOM have developed a programme of works for delivery of the project through to a contract award and commencement of the construction period in 2021/22.
76. The construction of the new Hyper Hub at Monks Cross has progressed well, and the site is expected to open in summer 2021. Work on the Poppleton Bar Hyper Hub was delayed due to the use of the site as a COVID-19 testing centre, but construction work was able to start on site in April 2021. The initial plans for the Hyper Hubs project included a third Hub at York Hospital, but it was not possible to progress this scheme due to land ownership issues, and an alternative

site at Union Terrace car park is now proposed, which will be developed further in 2021/22.

77. Feasibility and design work on the planned improvements to cycle routes on the approaches to Scarborough Bridge Footbridge was completed, and the schemes will be implemented in early 2021/22.
78. Although work on the Smarter Travel Evolution Programme has continued throughout the year, some of the aspects of the programme were not completed in 2020/21, and the remaining work on the data platform and communications upgrades will be completed in 2021/22.
79. Work to develop the Station Frontage scheme has progressed throughout 2020/21, including the confirmation of funding from the Transforming Cities Fund for the scheme, and an agreement for LNER to provide funding for the station works. Approval was granted to proceed with enabling (utility diversions) works and the Canada Life land purchase, and full planning/ Listed Building Consent was granted for the scheme. The utility diversion works will be carried out later in 2021/22, with the main works expected to start on site in early 2022.
80. Following the granting of funding from the DfT the York Outer Ring Road upgrade (A19 – A64 Little Hopgrove) is now being progressed as a single dualling scheme comprising junction and link upgrades. The public consultation process undertaken in 2020 is currently being evaluated. This will be presented to the Executive in the early summer of 2021 and it is planned to submit a planning application soon after. Other ongoing concurrent activity in 2021/22 is the completion of the detailed design, acquisition of land by private agreement and further development of the business case. Construction is expected to commence in mid-2023.
81. The schemes in the Emergency Active Travel Fund programme were implemented earlier in 2020/21, included creating more space for pedestrians at pinchpoints, extension of the Footstreets area, extension of Park & Cycle facilities at Park & Ride sites, improvements to cycle facilities between Park & Ride sites and the city centre, and additional cycle parking in the city centre. The programme was reviewed in autumn 2020, and some of the temporary measures were amended/removed, while the Coppergate one-way closure and the extension of the Footstreets area were extended and consultation will be carried out on proposals to make these measures permanent.

82. The council was awarded £658k from Tranche 2 of the government's Active Travel Fund to allow further improvements for pedestrians and cyclists to be implemented. Initial feasibility and design work has been carried out on the proposed schemes, including improvements to cycle facilities on Ouse Bridge (A1237), a new pedestrian/ cycle crossing on Tower Street, and a new off-road cycle route linking Wheldrake and Heslington, which will be progressed in 2021/22.
83. A number of highway and drainage schemes were reprioritised due to covid 19 and were scheduled for later in the year, however as the early part of 2021 was effected by the surge in covid 19, a longer winter season and the impact of flooding which all impacted resource availability these schemes are delayed until 2021/22 including works to Colliergate, Church Street, Burton Stone Lane, Kent Street and Melbourne Street. Despite the pandemic 91% of planned carriageway works and 86% of planned footway works were completed in 2020/21

### **Economy & Place – Regeneration & Asset Management**

84. Capital expenditure on various schemes within Regeneration & Asset Management totalled £16.727m in 2020/21.
85. The Guildhall project has make strong progress on site in the first quarter of 2021, despite high river levels in the early part of the year, which did have some impact on the progress of the works. The substructure to the new north annex has been completed and the steel frame erected. Re-roofing works to the Guildhall were completed and are well progressed on the council chamber along with the conservation repairs to the riverside elevation. The installation of new M&E services including the green energy river water source heat pump is well progressed and the rebuilding of the south range accommodation is almost complete with the substructure for the link to the Guildhall also completed.
86. The early project challenges associated with the underpinning, piling, high river levels and archaeology, which extended the contract period and costs were report last November, along with the agreed mitigation measures and budget support. There is ongoing budget pressure in relation to the projected contract out-turn and this will continue to be repeated through future monitoring reports. However, the project is on track to deliver the agreed outcomes and the lease agreement with

University of York Science Park Ltd should be concluded in the next quarter, securing the agreed income generation.

87. Planning permission was granted for Castle Mills in December 2020 and St George's Field multi-storey car park (MSCP) in January 2021, forming the first phase of the Castle Gateway regeneration. Castle Mills will provide new apartments, a riverside park and pedestrian cycle bridge in addition to a commercial return to help cross fund the wider public benefits of the masterplan. The procurement of a contractor to undertake the RIBA stage 4 design and to provide a tender price for construction is underway, with an Executive decision to proceed based on the tender price due in October 2021. This would allow a start on site in early 2022.
88. A decision on whether to proceed with the St George's Field MSCP will also take place in October 2021 based on the outcome of the ongoing strategic review of city centre access and parking which will conclude in September. St George's Field would consolidate two large surface level car parks in to a new modern land efficient MSCP, and allow the closure of Castle Car Park to be transformed in to new public realm for the city and to enhance the historic setting of Clifford's Tower and the Castle complex. The planning application for this new public realm will be submitted in the summer of 2021 and external funding bids are currently being prepared for submission.
89. The council purchased 155 acres of land at Knapton in October 2020 for £1.6m to create a community woodland. Work is progressing to set out the infrastructure and tree planting on the site.
90. Following approval at Executive (26 November 2020) the council bought the freehold of the Eco Business Centre at Clifton Moor in February 2021 for £3.9m. This investment will allow the council to address some long-term maintenance issues and consider green energy initiatives.

### **Customer and Corporate Services**

91. Capital expenditure on various schemes within Customer and Corporate Services totalled £354k in 2020/21.
92. The council approved the construction of a new waiting room at York Crematorium in the 2019/20 capital programme. Property Services

provided an estimate of £250k at the time of submission. The pressure of work in Property and the covid-19 pandemic mean that the costs of construction this summer have only just been received.

93. The construction costs including the contingency fee and C&D fee increase the construction costs to £323K an increase of £73K. This report asks for the additional funding to be released from capital contingency so the works can be expedited and the current temporary marquee removed before winter 21/22
94. The CDFM team, in conjunction with the Health & Safety partner, have agreed a number of asbestos surveys to be completed this year which will inform a programme of asbestos removal works. These works will now continue in 21/22.
95. The work to replace the Cremators was completed in August 2020 and the final retention will be settled in 2021/22.
96. Work on phase 2 of the Hazel Court installation of Photovoltaic Panels has been completed during 2021/21.
97. The Hazel Court Welfare facilities scheme will see the reconfiguration of existing internal accommodation at Hazel Court, to improve the staff welfare facilities within the Amenity Block. Although work was planned for 2021, due to the absence of a key member of staff, work has been delayed and the tender has not progressed as planned. Work on this scheme is now expected to be completed in 21/22

### **Customer and Corporate Services - IT**

98. The ICT development plan has a total outturn position of £1.987m in 2020.21. Significant work has been carried out in response to Covid-19 that has seen personnel being rapidly redeployed away from other planned work into the enabling of flexible and homeworking, including:
  - The quick roll out of Skype for Business to over 2400 users enabling video and audio communication and collaboration tools such as screen sharing etc.
  - Purchased, configured, set up and deployed Zoom for use where Skype was not able to meet needs, for example large public facing council meetings.

- Made use of relationships with service areas and schools, sourced, built, tested and issued hundreds of extra laptops to increase home and remote working capacity at a time when usual supply routes were not available and we know other councils struggled.
- Millions of potentially harmful scam emails were blocked and dealt with over the last 9 months
- Worked with colleagues to provide the ICT services required for a number of different projects including but not limited to:
  - connecting the hub sites within the City
  - Commissioning Peppermill Court which provides Covid19 Patients a step down location between hospital and home to recuperate safely.
  - Identifying and commissioning a waste booking system to enable the reopening of the waste recycling centres. This was provided via the website where we took the precaution to provide additional capacity to ensure the system was not overwhelmed by requests as we know has happened at other authorities.
  - helping Age UK to identify grants and secure equipment to digitally support their customers.
  - providing wireless connectivity coverage at the coronavirus testing facility at [Poppleton Bar Park & Ride](#) as part of the government's UK-wide testing drive.
  - provided devices and internet connectivity to residents within our assisted living communities enabling them to have contact with the outside world, from careworkers, doctors, friends & family to giving them the ability to order online food shopping and video calling. This supports our existing work in advancing digital inclusion.
  - supported the commissioning of the Nightingale hospital in the Harrogate Convention Centre
- designed, built, tested and deployed a new Cloud based Connection Gateway to allow faster upgrading and patching of remote laptops without impacting the connectivity over Direct Access.
- upgraded the learning network to a new operating system and Office system
- migrated nearly 2000 smartphones to Microsoft Intune and Microsoft Azure rights management
- migrated 2000 plus users to Exchange online
- set up 600 plus Skype Enterprise Voice telephony solutions
- upgraded over 3500 users to the new Citrix Receiver remotely

The team have delivered or are working on the following:

- City Centre – overnight work to deliver a full fibre service to Stonegate, Swinegate, Church Street, Grape Lane, Goodramgate has taken place this year. Businesses in Swinegate Court East now have access to the fibre broadband.
- Shambles Market – Final work to install wi-fi for market traders was completed during November. Funded through DCMS gigabit voucher money, the cost of the installation is paid for and traders will access the wi-fi for their card transactions, online ordering and social media etc at no cost.
- Fossgate & Walmgate – Funded through Digital Enterprise, marketing has now taken place to promote fibre delivery with great take up so far. Further work required to sign more businesses up and put each business through the funding process.
- Elvington & Wheldrake – A bid to the value of £1.2million has been made to the DCMS complex funding stream to provide access to significantly improved Broadband for residents and Businesses.
- Digital Enterprise – A further £5million has been secured with a change request extending the programme through to summer 2023. This funding, shared within the Leeds city region, is for all three strands of the programme:- Digital Growth, Digital Knowledge exchange and connectivity.
- Superfast West Yorkshire & York – this is the rural broadband programme, and CYC have recently awarded ‘Contract 3’ to a company called Quickline. For York this means approx 1000 rural premises are set to benefit from upgraded broadband by summer 2022.
- Ultra Fibre Optic (UFO) - the expansion of the cities fibre based broadband network continues under the new ownership and direction of CityFibre following their FibreNation acquisition, and coverage levels within the city has now surpassed 60% of all premises and this year has also seen a number of infill areas being revisited and connected

### **Community Stadium**

99. The community stadium capital scheme showed an outturn of £1.349m in 2020/21 which was an underspend of £0.87m in the year. A detailed update was provided at Executive (11 February 2021) where the budget was increased by £1.2m (that increase is reflected in the figures in Table 1). The major construction work is complete and there

remains a £2.066m budget to cover residual works and retentions. The NHS have opened up a number of services at the facility. The Leisure Centre reopened to the public in April 2021 and we are working with partners to open up the other parts of the stadium complex.

100. The New Stadium Leisure Complex procurement, which began in 2012, included in it a space next to the leisure centre which was originally proposed to be an outdoor ropes area. In 2021, outdoor ropes is not a commercially viable leisure proposal, is seasonal, is heavy on staffing, costs and maintenance and secures minimal revenue. This area if developed as high ropes would be a loss leader with little ability to even break even. Given there is already an outdoor high ropes facility only a short distance away under a commercial operator, this proposal has for some time been considered unviable for GLL. The alternative proposal is to provide a free to use children's play area, which incorporates an element of high ropes play (rather than supervised restricted climbing). This area would not require a staffing presence and could provide a free use element on a site which is lacking in this, especially on the Vangarde development.
101. GLL's proposal is for a children's play area with an additional outdoor gym area. This outdoor gym area would provide flexibility in the space and would enable GLL, during times of potential lockdown or pandemic, to carry on providing classes and fitness equipment outside, when operations within a building are not permitted. This proposal has no financial implications and will be delivered by GLL as part of the capital budget agreed.

### **Funding the 2020/21 Capital Programme**

102. The 2020/21 capital programme of £92.397m has been funded from £25.860m external funding and £66.537m of internal funding. The internal funding includes resources such as revenue contributions, Supported Capital Expenditure, capital receipts and reserves.
103. The overall funding position continues to be closely monitored to ensure the overall capital programme remains affordable and is sustainable over the 5 year approved duration.

## Update on the 2021/22 – 2025/26 Capital Programme

104. The restated capital programme for 2021/22 to 2025/26 split by portfolio is shown in table 3. The individual scheme level profiles can be seen in Annex 1.

|             |  | 2021/22<br>Budget | 2022/23<br>Budget | 2023/24<br>Budget | 2024/25<br>Budget | 2025/26<br>Budget | Total<br>Budget |
|-------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
|             |  | £m                | £m                | £m                | £m                | £m                | £m              |
| CEC         | Children's,<br>Education &<br>Communities              | 27.329            | 3.000             | -                 | -                 | -                 | 30.329          |
| HH &<br>ASC | Adult Social Care &<br>Adult Services<br>Commissioning | 2.297             | 0.638             | 0.660             | 0.682             | 0.705             | 4.982           |
| HH &<br>ASC | Housing &<br>Community Safety                          | 58.205            | 43.032            | 36.218            | 32.944            | 25.854            | 196.253         |
| E&P         | Transport,<br>Highways &<br>Environment                | 88.113            | 46.722            | 27.765            | 8.316             | 10.600            | 181.516         |
| E&P         | Regeneration &<br>Asset Management                     | 35.892            | 80.850            | 51.770            | 0.500             | 0.500             | 169.512         |
| CCS         | Community Stadium                                      | 2.066             | -                 | -                 | -                 | -                 | 2.066           |
| CCS         | Customer &<br>Corporate Services                       | 3.445             | 0.200             | 0.200             | 0.200             | 0.200             | 4.245           |
| CCS         | IT   | 3.195             | 2.420             | 2.420             | 1.670             | 2.170             | 11.875          |
|             | <b>Total</b>   | <b>220.542</b>    | <b>176.862</b>    | <b>119.033</b>    | <b>44.312</b>     | <b>40.029</b>     | <b>660.778</b>  |

**Table 3 – Restated Capital Programme 2022/22 to 2025/26**

105. Table 4 shows the projected call on Council resources going forward.

|                                    | 2021/22<br>Budget | 2022/23<br>Budget | 2023/24<br>Budget | 2024/25<br>Budget | 2025/26<br>Budget | Total<br>£m    |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| <b>Gross Capital<br/>Programme</b> | <b>220.542</b>    | <b>176.862</b>    | <b>119.033</b>    | <b>44.312</b>     | <b>40.029</b>     | <b>660.778</b> |
| Funded by:                         |                   |                   |                   |                   |                   |                |
| External Funding                   | 74.355            | 112.001           | 60.279            | 5.680             | 5.680             | 257.995        |
| Council Controlled<br>Resources    | 146.187           | 64.861            | 59.754            | 38.632            | 34.349            | 342.783        |
| <b>Total Funding</b>               | <b>220.542</b>    | <b>176.862</b>    | <b>119.033</b>    | <b>44.312</b>     | <b>40.029</b>     | <b>660.778</b> |

**Table 4 – 2021/22 –2025/26 Capital Programme Financing**

106. 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.
107. In financing the overall capital programme the Chief Finance Officer will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

### **Consultation**

108. Not applicable

### **Options**

109. Not applicable

### **Council Plan**

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

### **Implications**

111. 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** - Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves will be in receipt of legal advice where necessary
- **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

112. 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.

## Contact Details

|   |  |   |             |         |
|---|--|---|-------------|---------|
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|   | <b>Report Approved</b>                     | √ | <b>Date</b> | 15/6/21 |
| <b>Wards Affected:</b> All  |  |   |             |         |
| <b>For further information please contact the authors of the report</b>   |  |   |             |         |

|  |
|--|
| <b>Specialist Implications:</b>                |
| <b>Legal – Not Applicable</b>                  |
| <b>Property – Not Applicable</b>               |
| <b>Information Technology – Not Applicable</b> |

**Annexes**

Annex A – Capital Programme by year 2020/21 – 2025/26