
Executive

18 November 2021

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

Capital Programme – Monitor 2 2021/22

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2021/22 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2021/22 capital programme approved by Council on 25 February 2021 and updated for amendments reported to Executive in the 2020/21 outturn report resulted in an approved capital budget of £158.404m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2021/22 budget of £15.142m as detailed in the report and contained in Annex A.
 - Note the 2021/22 revised budget of £143.262m as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2021/22 – 2025/26 as set 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 25 February 2021. 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 £15.142m is detailed in this monitor resulting in a revised capital programme for 2021/22 of £143.262m. There is an increase of £4.402m in 2021/22 and a re-profiling of budgets to future years totalling £19.544m. The majority of this re-profiling is due to delays in schemes such as Highways, Bridge Maintenance and Flood Alleviation schemes to match latest expected expenditure profiles and re-profiling of Basic Need grant funding.
- 6 Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Adjustment £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	24.303	13.092	3.713	(14.294)	(11.211)	7 - 24
Adult Social Care	2.297	2.297	-	-	-	-
Housing & Community Safety	42.128	42.649	0.521	-	0.521	25 - 29
Transport, Highways & Environment	60.879	56.765	0.506	(4.620)	(4.114)	30 - 36
Property Services	16.760	16.760	-	-	-	-
Community Stadium	2.066	2.066	-	-	-	-
FM & Buildings	1.911	1.911	-	-	-	37 - 38
ICT	2.625	2.475	(0.150)	-	(0.150)	39 - 42
Customer & Corporate Services	2.409	2.209	(0.200)	-	(0.200)	-
Communities, Culture & Public Realm	3.026	3.038	-	-	-	43
Total	158.404	143.262	4.402	(19.544)	(15.142)	

Table 1 Capital Programme Forecast Outturn 2021/22

Analysis

Children, Education & Communities

- 7 Amendments to this area of the capital programme have resulted in a reduction of £11.211m in 2021/22.

Scheme	Amendment	21/22 £m	22/23 £m	Further Details – Paragraph ref
NDS Devolved Capital	Adjustment	0.231	-	19
DfE Maintenance	Adjustment	2.103	-	8 – 10
Basic Need	Adjustment	0.433	-	8 – 10
Basic Need	Re-profile	(9.000)	9.000	12
Fulford School Expansion Phase 1 and 2	Re-profile	(2.500)	2.500	11
Applefields extension work	Adjustment	0.250	0.515	8 – 10
Danesgate extension	Adjustment	-	1.900	8 – 10
Expansion & improvement of facilities for pupils with SEND	Re-profile	(0.500)	0.500	20
Schools essential building work	Re-profile	(1.308)	1.308	16-18
Schools essential mechanical & electrical work	Re-profile	(1.239)	1.239	16-18
Improving School accessibility	Adjustment	0.330	-	

- 8 The current approved budget for the main Basic Need scheme in the programme is £9.564m. However the effect of the paper at Executive on 20th May 2021 regarding Applefields and Danesgate needs reflecting in the programme. A scheme was approved at this meeting for additional teaching and office accommodation at Applefields over two years, costing £250k in 2021/22 and £515k in 2022/23.
- 9 Also approved was a scheme being developed at Danesgate to reorganise the existing site to accommodate students with a range of different needs including PRU students and EHCP students with SEMH needs at a budgeted cost of £1.900m. This scheme is currently being planned for summer 2022.
- 10 Both of these schemes were planned and approved to be fully funded from Basic Need, however following an announcement from the DfE an additional

SEND capital grant of £627k has been allocated and received which can now be allocated to these schemes as a replacement for the equivalent amount of Basic Need funding.

- 11 Other amendments to this scheme are to add in an amount of £33k of Section 106 relevant to a minor scheme and to transfer back from the Fulford scheme £400k of Basic Need due to the receipt of Section 106 funding which can be used to part-fund the Fulford scheme.
- 12 As no further work is expected in 2021/22 it is proposed to re-profile £9.000m of this into 2022/23. This leaves an amount of just under £1m in the main Basic Need budget for 2021/22, to deal with any additional urgent requirements before the year-end, for example if additional resources are required to supplement the SEND expansion of Facilities scheme as a result of the Inclusion Review
- 13 A further amendment to the scheme has been made in 2022/23 to reflect confirmation of an amount of new Basic Need funding announced for this year. The addition of a total of £6.205m represents the additional funding announced net of an assumption already included in the programme.
- 14 The major expansion scheme at Fulford School has been delayed due to the requirement to ensure all planning conditions were fulfilled before the contractor is able to begin on site. The main contract work has not yet begun therefore the spend profile needs to be adjusted. At this stage an amount of £2.500m is proposed to be re-profiled to 2022/23.
- 15 The Southbank All Weather Pitch is complete with only final payments outstanding.
- 16 A significant number of schemes have been carried out over the summer of 2021 within the School Condition and Maintenance programme, including many schemes postponed from 2020 due to the Covid pandemic. A major scheme to upgrade kitchen and dining-room facilities has been carried out mainly over the summer at Huntington School with completion scheduled for the October half-term.
- 17 Other major schemes which have been carried out over the summer or will be completed at October half-term include: Clifton Green Primary (a major programme of works, including toilet replacement, a further phase of rewiring, and pipework replacement); Dringhouses Primary (window and door replacement together with improvements to the main entrance); Ralph Butterfield Primary (roof works and minor drainage improvements); St Mary's Primary (kitchen refurbishment); St Pauls Primary (roof works and

rewiring); St Paul's Nursery (door and window replacement), Stockton-on-Forest Primary (heating pipework), and various smaller works at a number of other schools in the city.

- 18 As most schemes are now complete or nearing completion it is clear that there is an overall underspend on the maintenance programme. It is therefore proposed to re-profile the majority of this underspend into 2022/23 to add to the available funding for planning the 2022/23 programme. Across the two LA funded Maintenance schemes in the programme this is a total of £2.547m.
- 19 The LA has received £231k of Devolved Formula Capital Grant for 2021/22 which needs adding into the programme.
- 20 An additional grant of £627k for the expansion of SEND provision has been allocated by the Department for Education and received in 2021/22. This is added into the programme at this monitor and has been used to contribute to the schemes at Applefields and Danesgate reported above.
- 21 There is unlikely to be a significant amount of further spend in 2021/22 in the SEND facilities scheme therefore it is proposed to re-profile £877k into 2022/23, part to contribute to the scheme at Danesgate reported on earlier in this report.
- 22 The work at All Saints to improve accessibility is being progressed. This has now been combined with urgent boiler works which have been funded by contributions from the Diocese and the school together with a small amount of maintenance funding.

Maintenance Schemes for 2022/23

- 23 School maintenance schemes for 2022/23 are currently being planned. At this stage the Directorate is working within an overall funding amount of approximately £3.250m, based on an assumption of the 2022/23 Condition and Maintenance allocation from the DfE and the available underspend from 2021/22 reported above. A number of schemes have previously received member approval as part of previous years planning but were unable to proceed due to lack of funding. Many of these are expected to be part of the 2022/23 programme.
- 24 It is possible that some new emerging issues may be deemed a higher priority as part of this planning round and permission is sought for officers to have delegated authority (perhaps in consultation with the Executive Member for Children and Young People) to substitute new schemes where

this is felt to be required. All decisions will be made based on being affordable within the overall funding available.

Housing & Community Safety

- 25 There are no variances to disclose as part of this report. Updates on progress across schemes in this area are summarised below.
- 26 Capital works across the LA housing stock is going well as Covid controls have reduced, with 135 homes receiving works via our current Tenants Choice programme as well as 71 homes receiving remedial works to deal with standing water in sub-floor areas, and a further 27 properties fully modernised through the Void scheme. Voids have increased this year and as such an additional sub-contractor has now been appointed to assist our in-house team deal with this workload to ensure that the properties are repaired to a lettable standard in the shortest time possible.
- 27 Within the Housing delivery programme an update was provided to Executive on 14th October 2021 on the Housing Delivery Programme including the successful bid of £2.429m from the One Public Estate Brownfield Land Release Fund, to cover the abnormal costs of developing the Ordnance Lane site.
- 28 Work on Lowfield Green is progressing well despite some delays related to national material and labour shortages. Phase 3, comprising of 18 mixed tenure apartments for over 55s and a large area of public space and play area, completes on 8th October 2021 with new residents due to move in throughout October and November. Phase 4 is expected to complete this financial year and will provide a further 35 family homes for social rent, shared ownership and market sale. The final phase is due to complete in late summer 2022.
- 29 The Shared Ownership Programme is nearing an end with 64 of the 65 properties now purchased. In quarter 2 we purchased 4 shared ownership properties and sold equity shares in 3 of these properties. In addition, we have seen the first tenant fully staircase, and now owns 100% of their property. 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 3 shared ownership homes, totalling £512k are required to be reinvested back in to the programme

Transport, Highways & Environment

30 Amendments to this area of the capital programme have resulted in a reduction of £4.114m in 2021/22.

Scheme	Amendment	21/22 £m	22/23 £m	Further Details – Paragraph ref
Highways Schemes	Adjustment	(1.300)	-	31 – 32
Highways Schemes	Re-profile	(0.920)	0.920	31 - 32
Drainage Investigation and Renewal	Re-profile	(0.150)	0.150	-
Local Transport Plan (LTP)	Adjustment	1.751	-	-
Hyper Hubs	Adjustment	(0.323)	-	-
Haxby Station	Adjustment	0.650	-	-
TCF – Tadcaster Road Improvements	Re-profile	(0.050)	0.050	-
Flood Scheme Contributions	Re-profile	(1.500)	1.500	33
Wayfinding	Adjustment	(0.122)	-	-
EV Charging Asset Replacement	Adjustment	(0.150)	-	-
Essential Bridge Maintenance	Re-profile	(1.100)	1.100	-
Flood Alleviation Schemes incl Germany Beck	Re-profile	(1.100)	1.100	-

31 Within the Highways scheme £920k has been re-profiled in relation to surface dressing works which cannot be completed in 21/22 due to the requirement for more extensive pre patching and surface water related repairs to be completed first. £650k has also been transferred from Highways to a new scheme at Haxby Station as agreed at Executive on 30th September. A total of £400k DfT grant and £250k CYC funds have been used to establish this scheme.

32 Additional grant funding of £500k has been awarded within the LTP scheme. This is additional funding for the TSAR programme awarded to CYC by DfT following a successful bid. This will be used to upgrade pedestrian crosses across the city.

33 Funds of £1.5m within the Flood scheme have been re-profiled to 22/23. This is due to these being CYC contributions to wider flood schemes so the timescale is not wholly determined by CYC.

34 The Lendal Bridge scheme delivery will now not be completed in 21/22 due to preparatory scoping works still to complete.

Property Services

35 The delivery of the Guildhall project continued through Q2 with a number of significant project milestones being achieved: the site crane was dismantled and removed from site; and the majority of the scaffold has been removed from the exterior of the building, revealing the conservation and repair works to the riverside elevations. The quality of this work is a testament to the specialists employed to deliver the conservation packages. This is a complex project and there has been a requirement for additional works and essential repairs, when the actual condition of the existing building has been exposed, some in accordance with the contract, but with other elements at additional cost. The site works continued throughout the period, although there were some Covid related impacts in the early part of the summer.

36 Members are aware of the previously reported delays, and there has been further delay in securing utility connections from statutory undertakers. Some additional fit-out works for the incoming tenant (at their cost) have also been added into the contract. The project team are working closely with the contractor to manage these impacts and details of the delay and the associated additional costs will be reported in the next quarter's update. The project is now progressing well towards completion, but with finishing works and commissioning of services now extending into early 2022

FM & Buildings

37 Phase 2 of the refurbishment works at the Registry Office was delayed in 20/21 largely due to the pandemic. Design work is being finalised and work is expected to be completed in 21/22

38 Work on the Crematorium waiting room refurbishment was delayed in 20/21 due to the pandemic. A modular building solution has been identified and installation is expected to be completed before the end of March 2022.

Customer & Corporate Services - IT

39 Since monitor 1, the procurement process to secure a new Managed Service provider has concluded and the phased work programme to implement the significant infrastructure technology refresh has been

initiated. The first phase includes the upgrade and replacement of our WIFI platform which is essential to enable and support the Working as One programme, and was a key requirement of the tender process

- 40 Our new MSA provider has taken early positive action to secure the required equipment and resources which means that we are able to deliver significant elements of this important refresh within this financial year. This will require an early drawdown of identified and planned capital from the 5 year ICT Development Plan rolling programme of work and total capital expenditure in 21/22 is now forecast to be £3.655m
- 41 Work continues on the drive to support all staff working flexibly and at home due to the pandemic and this will be further developed by the cross Directorate project, Working as One, which will support new ways of working over the coming months
- 42 Work also continues to further develop and expand the cities digital connectivity landscape that is providing the city's residents, communities and businesses access to enhanced broadband services both within our more rural communities and suburban areas through the multiple programmes that the service is working within

Communities, Culture & Public Realm

- 43 It is proposed to transfer the current balance on the Haxby Library Replacement scheme (£734k) into the main Library Investment scheme. This will facilitate the management of all library improvement and expansion works under one budget with flexibility to manage resources between the schemes to best effect. The first priority will be the replacement of Haxby Library, with the work on the major scheme to develop the new library in Clifton carrying on alongside this scheme.

Summary

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

Gross Capital Programme	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Childrens services	13.092	22.129	-	-	-	35.221
Adult Social Care	2.297	0.638	0.660	0.682	0.705	4.982
Housing & Community Safety	42.649	48.694	42.318	33.544	32.104	199.309
Transport, Highways & Environment	56.765	37.902	35.988	37.400	14.240	182.295
Property Services	16.760	0.578	38.749	0.250	0.250	56.587
Community Stadium	2.066	-	-	-	-	2.066
FM & Buildings	1.911	0.750	0.400	0.250	0.250	3.561
ICT	2.475	2.190	2.070	2.070	2.920	11.725
Customer & Corporate Services	2.209	0.400	0.200	0.200	0.200	3.209
Communities, Culture & Public Realm	3.038	2.000	-	-	-	5.038
Revised Programme	143.262	115.281	120.385	74.396	50.669	503.993

**Table 2 Revised 5 Year Capital Programme
Funding the 2021/22 – 2025/26 Capital Programme**

45 The revised 2021/22 capital programme of £143.262m is funded from £42.121m of external funding and £101.141m of internal funding. Table 3 shows the projected call on resources going forward.

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	143.262	115.281	120.385	74.396	50.669	503.993
Funded by:						
External Funding	42.121	48.821	31.446	29.366	9.055	160.809
Council Controlled Resources	101.141	66.460	88.939	45.030	41.614	343.184
Total Funding	143.262	115.281	120.385	74.396	50.669	503.993

Table 3 – 2021/22 –2025/26 Capital Programme Financing

46 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

47 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.

Council Plan

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

Implications

49 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

50 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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	Report Approved	√	Date 4/11/21
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 2021/22 to 2025/26