

Executive Members for City Strategy and Advisory Panel

8 December 2008

Report of the Director of City Strategy

City Strategy Capital Programme – Monitor 2 Report

Summary and Background

1. The purpose of this report is to:
 - Inform Members of the likely outturn position of the 2008/09 Capital Programme based on the spend profile and information to the end of October 2008;
 - To seek approval to any resulting changes to the programme;
 - Inform the Executive Members of any slippage and seek approval for the associated funding to be slipped between the relevant financial years to reflect this.

2. The 2008/09 – 2010/11 capital programme was approved by Council on 21st February 2008. Since then a number of amendments have taken place as reported to Executive Members in the 2007/08 Capital Outturn report, Consolidated report (July) and Monitor 1 report (September). These changes have resulted in a current approved capital programme for 2008/09 of £8.439m, financed by £6.684m of external funding, leaving a cost to the Council of £1.775m. Table 1 illustrates the movements from the original budget to the currently approved position.

	Gross Budget £m	External Funding* £m	Capital Receipts £m
Original Budget Approved by Council at 21 Feb 2008	7.943	6.441	1.502
Re-profiling to 09/10 & 10/11 from 07/08 outturn report	n/a	n/a	n/a
Additions/ reductions from 07/08 outturn report approved at Monitor 1	+0.496	+0.243	+0.253
Current Approved Capital Programme	8.439	6.684	1.755

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

Table 1 Current Approved Capital Programme

3. The capital receipts column above implies receipts generated from the sale of Council assets will be used to fund the difference between the gross budget less all other specified funding sources. Due to the current economic climate not being favourable to achieving maximum receipt value from asset disposals, consideration will be given to the use of prudential borrowing to fund the capital programme as a temporary measure. When the economic climate returns to a more favourable state assets will be sold with the receipts being applied to finance the programme thus replacing the temporary borrowing.

Consultation

4. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 21 February 2008. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

5. Against the current approved budget of £8.439m in 2008/09, there is a predicted outturn of £8.658m, a net increase of £0.219m. Additional funding from the Cycling City Grant (approval of delivery plan anticipated from the Department for Transport in the next few weeks), and the Housing & Planning Delivery Grant (used to fund structural maintenance schemes) will increase the available capital budget up to 2010/11. The additional schemes in the Access York Phase 1 (Park & Ride) project (approx. £25m) have not been included in 2009/10 & 2010/11 pending confirmation of the level of funding from the Department for Transport. Subject to the success of a bid to the DfT, additional funding may also be available in 2009/10 for the maintenance of de-trunked roads (£781k in 2008/09).
6. The net increase is composed of the following:
 - Proposed additional capital schemes to a total value of £2,600k in 2008/09 and future years funded by the Cycling City Grant.
 - Proposed reduction in the current year's s106 budget by £228k.
 - Proposed increase in the current year's structural maintenance budget of £135k from the Housing & Planning Delivery Grant.
7. The current approved budget and proposed adjustments is indicated in Table 2 below. Additional information indicating progress on individual schemes and proposed allocation changes is provided in the Annexes to the report.

Gross City Strategy Capital Programme (excluding Corporate Accommodation Project (CAP))	2008/09 £m	2009/10 £m	2010/11 £m	Total £m	Paragraph Ref
Current Approved Capital Programme	8.439	6.566	6.050	21.055	
<u>Adjustments:</u>					
Cycling City Schemes	+0.312	+1.135	+1.153	+2.600	Annex 1
Developer Contribution Schemes	-0.228			-0.228	Annex 1
Structural Maintenance Schemes transferred from Revenue	+0.135			+0.135	Annex 1
<u>Re-profiling:</u>					
None					
Revised Capital Programme (excluding CAP)	8.658	7.701	7.203	23.562	

Table 2 Capital Programme Forecast Outturn 2008/09 – 2010/11

8. Responsibility for the delivery of the Corporate Accommodation Project has been transferred to the City Strategy directorate, therefore the capital programme implications will be reported in the City Strategy Monitor reports. Decisions on the delivery of the project will be made by the Executive.

Gross Corporate Accommodation Project Programme	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	Total £m
Current Approved Capital Programme	4.280	32.605	3.013			39.898
<u>Re-profiling:</u>						
Corporate Accommodation Project	-1.295	-26.679	+7.174	+12.274	+8.526	0.000
Revised CAP Capital Programme	2.985	5.926	10.187	12.274	8.526	39.898

Table 2a Corporate Accommodation Project Capital Programme Forecast Outturn 2008/09 – 2012/13

9. To the end of October there was £2.298m of capital spend in the core City Strategy programme (excluding the Corporate Accommodation Project) representing 27% of the approved budget, compared to 37% for the same period in 2007/08. The lower spend is principally because there is no single large scheme in the 2008/09 programme comparable to the Moor

Lane Roundabout scheme in 2007/08. In addition, most of the 2008/09 schemes have required developing, designing and approving within the year prior to implementation, meaning that much of the work on the ground is later in the financial year.

10. The main highlights of this report are:

- a. Good progress on the delivery of footway maintenance schemes with approximately 85% of the 7km footway programme complete.
- b. Carriageway resurfacing programme commenced and on target for delivery by the end of the financial year.
- c. Works to replace the parapets on Clifton Bridge on programme.
- d. Preparatory work completed on most of the Integrated Transport schemes, with delivery programmed to be complete by the end of the year.

Scheme Specific Analysis

11. Details of the progress on schemes and proposed changes to scheme allocations for the City Strategy Capital Programme can be found in Annex 1.

Summary

12. A summary of the proposed main changes to the programme is included as Annex 2 to the report.

13. It is proposed to provide an overprogramming allowance for the structural maintenance block of £148k to cover anticipated increases in the cost of delivering the schemes included in the programme. The budget for 2009/10 will be adjusted to account for the 2008/09 outturn spend if required.

14. It is proposed to reduce the level of Integrated Transport overprogramming to £614k to take account of progress on the schemes within the programme and to ensure that the total spend is kept within budget.

15. Depending on the decision of the Urgency Committee in December, the Structural Maintenance elements of the City Strategy Capital Programme may be transferred to the Neighbourhood Services portfolio. Further details will be reported to the Executive Member in the Monitor 3 report to the January City Strategy EMAP.

16. If the proposed changes are accepted, the total value of the City Strategy Capital Programme for 2008/09 would be **£9,420k** including overprogramming. The overprogramming would reduce from £860k to **£762k** (compared to £434k at this stage in 2007/08). The budget would increase to **£8,658k**, and would be funded as follows:

	Current Budget	Proposed Increase	Proposed Budget
	£000s	£000s	£000s
LTP Settlement	5,116		5,116
De-Trunked Road Capital Grant	781		781
Road Safety Grant	44		44
Developer Contributions	743	-228	515
CYC Resources	1,755		1,755
Cycling City Funding		+312	312
Housing & Planning Delivery Grant		+135	135
Total	8,439	+219	8,658

Corporate Priorities

17. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that meet corporate priorities.

18. The City Strategy Capital Programme supports the sustainable city element of the Corporate Strategy.

- **Increase the use of public and other environmentally friendly modes of transport**

Implications

Financial Implications

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

Human Resources Implications

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

Equalities Implications

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

Legal Implications

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

Crime and Disorder

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

Information Technology

24. There are no information technology implications as a result of this report

Property

25. There are no property implications as a result of this report

Risk Management

26. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Management Group (CAMG) meets regularly to plan monitor and review major capital receipts to ensure that all capital risks to the Council are minimised.

27. The City Strategy Capital Programme has been prepared to assist in the delivery of the objectives of the Local Transport Plan. The Department for Transport will assess the progress of the LTP against the targets set in the plan. If the schemes included within the programme do not have the anticipated effect on the targets it is possible that the council will receive a lower score, and consequentially there is a risk that future funding will be reduced.

Recommendations

28. The Advisory Panel advise the Executive Member to:

- i) Approve the adjustments to the allocations identified in Annex 2
- ii) Approve the increase to the 2008/09 City Strategy capital budget subject to the approval of the Executive.

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

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Report Approved **Date** 20/11/08

Specialist Implications Officer(s) N/A

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the author of the report

Background Papers:

Proposed 2008/09 City Strategy Capital Programme – 17 March 2008

2007/08 City Strategy Capital Programme: Outturn Report – 2 June 2008

City Strategy Capital Programme 2008/09 – Consolidated Report – 14 July 2008

City Strategy Capital Programme 2008/09 – Monitor 1 Report – 8 September 2008

Annexes

Annex 1: 2008/09 Monitor 2 Scheme Progress Report

Annex 2: Summary of Proposed Changes

Annex 3: Current and Proposed Budgets for 2008/09 Capital Programme