

Meeting:	Executive
Meeting date:	21/01/2025
Report of:	Director of Finance – Debbie Mitchell
Portfolio of:	Cllr Katie Lomas - Executive Member for Finance, Performance, Major Projects, Human Rights, Equalities and Inclusion

Decision Report: Capital Programme – Monitor 3 2024/25

Subject of Report

1. The purpose of this report is to set out the projected outturn position for 2024/25 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The Capital Monitor report is one of a number of reports taken to Executive on a regular basis to provide details of expenditure and how that impacts the financial standing of the council.

Benefits and Challenges

3. The capital programme is key in delivering the Council Plan. Members are able to prioritise capital expenditure to deliver improvements across all service areas notably Schools, Housing, Transport and Regeneration as well as supporting Climate Change ambitions.
4. The programme does involve significant levels of council borrowing which impacts the level of revenue expenditure. The cost of delivering the capital programme is therefore dependent on levels of external funding, inflation levels and interests rates.

Policy Basis for Decision

5. The Capital Budget is set as part of the Council's budget setting in February 2024. The capital programme is set alongside decisions to deliver a balanced revenue position.

Financial Strategy Implications

6. This report needs to be read alongside the Finance and Performance Monitor 3 report and Revenue and Capital budget reports elsewhere on this agenda. This report identifies slippage on schemes but also the impact that delays have had on projects in terms of delivery.

Recommendation and Reasons

7. Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2024/25 budget of £20.923m as detailed in the report.
 - Note the 2024/25 revised budget of £102.847m as set out in paragraph 11 and Table 1
 - Approve the recommended actions around the Transport Major Schemes detailed in paragraph 81
 - Note the restated capital programme for 2024/25 – 2028/29 as set out in Annex 1.

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

Background

8. The 2024/25 capital programme was approved by Council on 22 February 2024 and updated for amendments reported to Executive in the 2023/24 outturn report, which resulted in an approved capital budget for 2024/25 of £215.874m.
9. At Monitor 1 report (September 12th, 2024) there was a decrease of £81.72m resulting in a revised capital programme of £134.154m.
10. At Monitor 2 report (November 14th, 2024) there was a further decrease of £10.384m resulting in a revised capital programme of £123.770m.

11. A decrease of £20.923m is detailed in this monitor resulting in a revised capital programme for 2024/25 of £102.847m. There is an increase of £0.570m due to additional funding being awarded / approved and a re-profiling of budgets to future years totalling £21.493m. This is mainly due to a review of the phasing of the capital programme across the School's capital programme and Transport schemes particularly the Bus Service Improvement Plan to reflect latest programmes.
12. The report highlights a number of achievements across the capital programme. Highlights for the year to date include
 - Queen Street Demolished and new public spaces and public transport interchange emerging from the ground.
 - Secured further funding for Electric Vehicle (EV) Charging. Completed EV charging and vehicle roll out at Hazel Court.
 - City Centre Security Project completed.
 - Construction continuing across Housing Delivery Sites at Burnholme and Duncombe Barracks due to complete early in 2025/26
 - Glen Lodge refurbishment due to complete and reopen by end of financial year
 - Significant spend with over £10m forecast to be undertaking major repairs, damp work and retrofit across council houses
 - Completion and opening of new Clifton Library
13. The report does highlight particular financial pressures across the Major Transport Schemes which have arisen due to delay and high levels of inflation that have arisen particularly following the pandemic and war in Ukraine. These projects (particularly York Outer Ring Road and Station Gateway) are being reviewed and Executive are updated with latest proposals around scheme delivery.
14. Table 1 outlines the variances reported against each Directorate 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	Adjusts £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	14.578	11.063	-	(3.515)	(3.515)	20 – 31
Adult Social Care	0.959	1.099	-	-	-	32 – 35
Housing Services	44.861	42.817	0.430	(2.474)	(2.044)	36 – 66
Communities	6.745	5.000	(0.095)	(2.550)	(2.505)	67 – 74
Transport & Env..	46.941	34.685	-	(12.256)	(12.256)	75 – 115
City Development	2.090	2.010	-	(0.080)	(0.080)	116 – 121
Property Services	3.127	2.604	0.095	(0.618)	(0.523)	122 – 124
ICT	2.923	2.923	-	-	-	125 – 126
Corporate Services	1.546	1.546	-	-	-	-
Total	123.770	102.847	0.570	(21.493)	(20.923)	

Table 1 Capital Programme Monitor 3 2024/25

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

Gross Capital Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Children's services	11.063	13.918	1.631	-	-	26.612
Adult Social Care	0.933	0.705	0.728	0.752	0.776	3.894
Housing Services	42.817	31.058	15.301	14.638	14.350	118.164
Communities	4.266	2.800	-	-	-	7.066
Transport, Env & Plan	34.685	57.543	47.676	39.606	25.798	205.308
City Development	2.010	27.167	10.582	2.800	1.920	44.479
Property Services	2.604	1.093	0.275	0.275	0.275	4.522
ICT	2.923	3.170	2.820	2.820	2.820	14.553
Corporate Services	1.546	0.370	0.369	0.200	0.200	2.685
Revised Programme	102.847	137.824	79.382	61.091	46.139	427.283

Table 2 Revised 5 Year Capital Programme

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Gross Capital Programme	102.847	137.824	79.382	61.091	46.139	427.283
Funded by:						
External Funding	42.128	50.509	38.200	26.058	8.821	165.716
Council Controlled Resources	60.719	87.315	41.182	35.033	37.318	261.567
Total Funding	102.847	137.824	79.382	61.091	46.139	427.283

Table 3 – 2024/25 to 2028/29 Capital Programme Financing

16. The revised 2024/25 to 2028/29 capital programme of £427.283m is funded from £165.716m of external funding and £261.567m of internal funding. Table 3 shows the projected call on resources going forward.
17. 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.
18. In financing the overall capital programme, the Director of Finance 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 Analysis

19. The capital programme was developed under the capital budget process and agreed by Council on 22 February 2024. 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.

Options Analysis and Evidential Basis

Children and Education Services

20. The total approved budget within the Children's Services and Education Capital Programme for 2024/25 is £14.578m.
21. There are a small number of adjustments to report at this monitor, plus an update on the maintenance programme budget for 2025/26.
22. It is not expected that any new schemes requiring Basic Need funding will begin in this financial year. It is therefore proposed that a further amount of £267k is re-profiled into 2025/26 at this monitor leaving a budget of £100k in 2024/25 in case of urgent work required.
23. The first part of the works at St Paul's Nursery, the demolition of the old annexe is complete. The contract for construction of the new replacement annexe is currently out to tender with a provisional start date on site of March 2025. As a result, the majority of the work and expenditure will take place in 2025/26, therefore a significant proportion of the budget (£1,400k), requires reprofiling into next year.
24. The scheme to create an Enhanced Provision unit at Huntington School is progressing well. Phase 1 involved the installation of ground works for the whole modular unit and the installation of the 1st classroom with sensory room, toilets, meeting room and staff PPA space/ kitchen. This was completed in 2023. Phase 2, completed in 2024 has involved installing the 2nd classroom and fitting out for use from September 2024. The shell of the 3rd classroom has also been installed this year. As a result, the scheme is ahead of the financial profile and an amount of £200k requires bringing forward from 2025/26 to fund expenditure in this financial year. The fit out of the final classroom will be completed in summer 2025.
25. The major works at Applefields have continued in 2024/25. Phase 4, which was carried out over the summer, involved the adaptation of a 4th classroom (following the 3 classroom adaptations carried out in 2023) to create access to a toilet and quiet room directly off the space, the refurbishment of 4 further classrooms and upgrade of hoist systems. Planned work in 2025/26 involves the refurbishment and adaptation of 3 more classrooms, electrical works, and an upgrade to the hydrotherapy pool.

26. It is likely that the scheme overall will underspend but at this stage it is proposed that the amount remaining in 2024/25 (expected to be £691k) be reprofiled into 2025/26 until the full works are completed.
27. No further works are currently planned in 2024/25 from either the Expansion of SEND provision and SEND Mainstream Inclusion projects so a total of £476k is proposed to be reprofiled into 2025/26 across these two schemes.
28. The Children in Care Residential Commissioning scheme has not been committed this year, so it is proposed to reprofile an amount of £392k into 2025/26 at this monitor.
29. The maintenance schemes for 2024/25 are now substantially complete and planning is underway for the 2025/26 programme of essential maintenance. A further underspend is predicted to the overall programme with the final position available at the end of the financial year. At this point it is proposed to re-profile another amount of £489k into 2025/26 across all the maintenance schemes, including the budgets for school building and mechanical and electrical works, to be included in the budget for 2025/26 schemes.
30. The School maintenance programme for 2025/26 is currently being planned. At this stage the Directorate is working within an overall funding amount of approximately £4.2m, based on an assumption of the 2025/26 Condition and Maintenance allocation from the DfE and the available underspend from 2023/24 reported above as well as use of relevant section 106 receipts. The budgets for 2025/26 and 2026/27 have been updated to reflect the best estimate of the amount of DfE funding which will be made available for these two years.
31. Officers will prepare the detailed programme for the maintenance programme and report back the schemes to be delivered as part of these regular quarterly monitoring reports. Any scheme valued at over £500k will need Executive approval.

Adult Social Care

Telecare Equipment (£275k)

32. Sensors and other telecare equipment are installed in vulnerable customers' homes to deal with specific assessed risks. The sensors are linked to our Community Alarm system and trigger alerts automatically ensuring speedy response from the response service.

The equipment provides customers with 24 hour monitoring of their circumstances, which can help to keep them in their own homes and communities, improving their wellbeing and avoiding / reducing the need for formal care packages.

Major Items of Disability Equipment (£157k)

33. This budget funds equipment for vulnerable individuals, including ceiling track hoists, stair climbers, specialist beds, etc. The supply of equipment is an essential component of prevention, enabling people to continue to live safely in their own homes rather than moving to residential care. It also contributes to successful community reablement and is a key component of hospital discharge packages.

Disabled Facilities Grant (£261k)

34. CYC provides equipment to vulnerable individuals which enables them to remain in their own homes and communities. DFGs are mandatory grants, but the maximum grant offered does not always cover the cost of adaptations. This budget can be used to top up the grant funding. It also enables the council to look at relocation packages where it is more reasonable and practicable to adapt another property.
35. It is currently anticipated that all these budgets will be fully spent in the financial year.

Housing Services

Disabled Facilities (£2,076k)

36. This budget is used to undertake adaptations to privately owned properties in order to help owner occupiers and tenants living in the properties to be able to live independently within the property in the future. The budget is financed through monies allocated from the Better Care Fund and CYC's budget.
37. It is currently predicted that the 2024/2025 budget will be fully spent.

CYC Adaptations Budget (£901k increase of £200k)

38. This budget is used to undertake adaptations to Council properties to help council tenants living in the properties to live independently within the property in the future. The budget is financed through monies allocated from the HRA budget. A range of adaptations are undertaken, ranging from minor adaptations such as the installation of hand rails, steps and other equipment, to more major adaptations

such as stairlifts, through floor lifts, level access showers (wet rooms) etc.

39. Due to a backlog of cases an additional £400k has been allocated from the major repairs budget, split between 2024/25 and 2025/26, which should be within the capacity of the contractors to complete and spend the budgets in full. Demand is increasing for the service and options for increasing the budget and also improving its effectiveness are being considered.

Major Repairs (£10,280k slippage of £800k, transfer of £200k)

40. The initial results of the stock condition survey arrived in November 2024 and officers are analysing the data. Any urgent repairs have been picked up on a case by case basis as the surveys have been completed. There remains some lower risk repairs that need to be undertaken in the coming weeks which may result in revised priorities for the remainder of the financial year. The budget for major repairs is flexed during the year as issues are identified and surveys completed.

Compliance Works

41. We have excellent coverage of fire risk within our buildings which has informed a series of remediation works. Fire remedial works (£1,050k) are progressing well and will see accelerated spend in Q3 and 4. We expect to deliver all planned works in full including at Gale Farm Court and general needs blocks. Extra funds have been diverted towards fire doors as there is a higher demand than expected as a result of Fire Risk assessments.
42. Although Electrical works spend (£120k) has been below budget to date there is an expectation that we will receive some additional works resulting from the Stock Condition Survey data which will see an increased spend against this budget.
43. Asbestos budget (£233k) is seeing less demand than assumed at the start of the year. The service will look to utilise the underspend on other priorities.

Major Repairs

44. The Damp programme which deals with structural issues is beginning to accelerate with two contractors progressing through the works needed and it anticipated that the budget (£2.16m) will be fully utilised

this year. The repairs team are currently undertaking less specialist damp works, funded from the planned and reactive project budgets.

45. The roofing programme (£240k) is progressing well and approaching on site completion for the year. The same applies for windows but we are accelerating this work to ensure all accessible properties in the Bell Farm area are completed this financial year. This will create a small overspend against this budget heading this year.
46. The early kitchen and bathroom replacement budgets (£276k) is on track to spend in full.
47. The Home Modernisation programme (£1,360k) is accelerating as we move towards the end of the year with around 15 a month planned until year end. If achieved, this will ensure that the planned works for this year are complete and the full budget has been utilised.
48. The Voids budget (£2,610k) is likely to see an underspend of £460k. This is due to efficiencies in working practices which has also seen the average home re-let more quickly.
49. Overall, it is expected that £10,280k will be spent across this area compared to a budget of £11,280k. As reported earlier £200k is to be transferred to support the Aids and Adaptations budget and £800k is expected to slip into 2025/26. This additional spend capacity within 2025/26 will allow us to undertake priority works and respond positively to the stock condition survey results.

Home Upgrade Grant

50. Monies have been provided through a bid submission to the Department for Energy Security & Net Zero (DESNZ) under the Home Upgrade Grant (HUG 2) scheme for 60 properties which are not connected to the gas grid. The project will undertake retrofit works to 60 properties. Initial funding of £95k was received in April 2023, with a further £67k due in 2024/2025, as a mobilisation payment, with this being provided by DESNZ to CYC to establish the project. Further funding is anticipated to be received when each batch of properties requiring retrofit measures are submitted to and approved by DESNZ. The grant scheme allows for a maximum total spend of £1,242k, but it will depend on the successful sign up of properties along the way. The scheme finishes on 31 March 2025.

51. The Retrofit One Stop Shop York project is an Innovate UK funded project to create an online one stop shop to support residents of York to carry out retrofit measures to their homes through the provision of advice. The project will also involve the carrying out of retrofit measures to two CYC owned houses to demonstrate the effectiveness of measures and to help promote energy efficiency in York. The project will run until November 2025, with the capital budget running over the same time period. Total costs of £188k are anticipated for the carrying out of deep retrofit works to two council homes, with a further £146k costs for staffing and management costs.

Housing Delivery

52. Final drainage and highways works are underway at Lowfield Green as part of the contract with Wates Construction. It is expected that this work will conclude early in the new year and final retentions will be released early in the next financial year. Following this CYC will complete the s278 works to widen the entrance into the site via Dijon Avenue.
53. Following approval by Executive in September 2024 to commence a supported housing project at Plot A of Lowfield Green, the procurement of design teams underway. It is expected that early design will commence in the final quarter of the financial year.
54. At Ordnance Lane, the grant funded enabling works contract with contractor Rhodar has now been completed. This work is funded by One Public Estate grant. As part of this work the previous industrial buildings have now been demolished, the hard standing has been removed and the contaminated material has been taken off site. The Married Quarters building which is due to be refurbished and retrofitted has been stripped in preparation for the main works contract. This work has been completed to programme and within the grant funding budget.
55. The tender process for the main works will commence in January 2025. Tenders returns are due in Spring 25.
56. Work continues to deliver 112 homes across Duncombe Barracks and Burnholme with Principal Contractor, Caddick Construction. On Duncombe Barracks the progress has been consistent over the previous period and the development is starting to take shape with the first handovers due from April 2025. The project has encountered some minor delays related to labour availability in the period.

57. Burnholme also continues to progress well. Work has substantially progressed to deliver the new public realm to the eastern boundary. The homes are watertight across the site with internal fitout ongoing. Homes are meeting air tests which is a crucial stage of achieving Passivhaus certification. Successful training events have been undertaken with colleagues from Building Services teams in preparation for handover in Summer 2025.
58. The Willow House project is in the design stage with RIBA 2 designs due in January 2025. During the period detailed resident engagement has been undertaken with the local community and other partners. This has been achieved by developing two design panels, one of local people and stakeholders and the second focussed on youth engagement. Further events will be held early in the new year to share the latest designs and gain further feedback. A planning application is due to be submitted in Spring 2025.
59. The refurbishment of Glen Lodge continues to make good progress on site. Replacement of utilities throughout the building is underway and the project is on programme to complete in Spring 2025.
60. At Bell Farm work to demolish the rear bathroom pods in the first block has begun. There have been some delays encountered relating to the structure of these pods along with a number of minor design items which are being progressed.
61. The Housing Delivery Programme continue to deliver low-cost home ownership through two grant funded schemes; Homes England's Second Hand Shared Ownership and YNY Devolution funded Second Hand Shared Ownership with retrofit. These two projects are delivering 40 affordable homes. The projects are largely complete with the final 4 homes currently in the conveyancing process. All purchases are expected to complete by the end of the financial year.
62. The Council also secured funding to purchase 10 homes to support demand for temporary accommodation under the Local Authority Housing Fund. All 10 properties have now been acquired by the Council.

LA Homes Energy Efficiency / Social Housing Decarbonisation Fund
(Ginnels Phases 1 and 2) (£1,548k)

63. For this element of the SHDF programme, 95 properties are planned to have energy efficiency retrofit insulation works completed during 2024/25, which will complete this capital works programme. This work is progressing well.
64. The SHDF funding is also supporting retrofit works as part of the refurbishment of homes in Bell Farm (referenced above).

Alex Lyon House and Honeysuckle House (£1,895k)

65. These works are being funded from grant under the Combined Authority 'Net Zero Fund'. A Designer and Professional Services Consultant has been appointed, Align Property Partners, who have been undertaking site visits, surveys, and design and cost work. Redefinition of the project scope has progressed with individual Air Source Heat Pump installations to each flat now representing the preferred option to minimise disturbance for residents. These will be installed alongside Solar Photovoltaic panels and energy storage capacity to minimise utilise bills for residents and reducing carbon emissions.
66. The designed scheme has been tendered. The grant funder has supported an application to extend the timescale for completing these works until June 2025.

Communities (Incl. Climate Change)

Future Libraries Investment Programme

67. The three library projects have been combined and are reported within a single FLIP (Future Libraries Investment Programme). The capital budget this year is £2,657k plus a Libraries Improvement Fund grant of £250k from the Department for Culture, Media & Sports (DCMS). The total budget for the scheme overall is £8,228k.
68. Construction and fitout of the new Clifton Explore Library Learning Centre is complete, and tenants have all moved in. The centre opened to the public on Monday 23 September 2024, with some great feedback from customers and partners so far. Outstanding defects are minimal, and focus is now on managing the soft landings period and implementing the planned servicing and maintenance required.

69. The Acomb library project is now able to progress with a process to refresh the vision and scope based on the available Council budget and the Library Improvement Fund grant of £250k towards the overall project budget. The public consultation has taken place on the refurbishment of Acomb Library in early 2024 and the results remain at the heart of the refresh. A detailed feasibility is now underway to ensure the project team report to Executive to sign off the final vision, business case and refurbishment plans for works to start in autumn 2025.

Energise Roof Works

70. Phase 1 of the works on Energise roof are complete which has eliminated 90% of the problems. Greenwich Leisure Limited have commissioned a further roof inspection and report, which the Council are waiting to understand the finding and to agree a next phase of works within the budget remaining.

Sports Development

71. There is a requirement to add a budget to fund the sports development budgets. £166k of Sports s106 Developer's Contributions have been paid out as grants to various sports clubs and facilities across the city. These include £74k for improvements to the pitch and changing rooms at New Earswick Sports and Social Club, £56k to Poppleton Community Trust towards the installation of a new Padel Court and Petanque Rink, and £18k to Rowntree Park Tennis Club for improvements to the tennis pavilion.

Mansion House Repairs

72. The Mansion House Repairs scheme has an approved budget of £1,273k for 2024/25. Buttress Ltd have been appointed as specialist architects for the listed building. As principal architects they are designing specification for the refurbishment works. This will result in a construction tender in Q3 to enable a January 2025 start to the physical works with an expected completion date of September 2025. As the works will be delivered over the financial year an assessment over the phasing of the works has been undertaken with a proposal to slip £900k into 2025/26.

Climate Change

73. The Climate Change programme has a budget of £1,727k for 2024/25, including £227k slippage from last year. The budget has supported £95k towards LED improvements at West Offices and Hazel Court which were due to complete by December 2024. There are further calls on the budget potentially to fund solar panels at Glen Lodge (£35k) as well as £400k may be required for additional car parking at the Northern Forest (a review of the current parking situation is being conducted in January 2025). There are also potential commitments for tree provision as part of the York Outer Ring Road Scheme. It is proposed that £1.5m is slipped to 25/26 whilst officers review opportunities to use funding to support the above as well as for potential match funding Public Sector Decarbonisation Scheme applications including at Yearsley Swimming Pool and Hazel Court.
74. Key achievements include:
- On-going delivery of Net Zero Fund Projects, including:
 - Phase 2 feasibility of Solar PV at Elvington Lane and Onshore Wind at North Wigginton has commenced.
 - Installation of LED improvements at Hazel court and West Offices is 90% complete.
 - Installation of LED replacement of 985 streetlights is 75% complete.
 - Designs completed for replacement heating system at Honeysuckle House and Alex Lyon House, resident engagement underway.
 - Consultants appointed to support delivery of the Harewood Whin Green Energy Park.
 - Site surveys, ground truthing and design workshops carried out as part of the Local Investment in Natural Capital pilot for York; aiming to increase the value of the city's green spaces.
 - Project Manager appointed for the regional Net Zero Accelerator (City Leap) project with North Yorkshire Council and the Combined Authority. Asset base scoping review complete.
 - Expression of interest submitted to the White Rose Forest for £250k funding for phase 2 of the Green Streets tree planting.

- Solar for Schools installation expanded with 8 York schools now having panels fitted.
- Micro-woodland site selection completed and appointment of contractor for planting in January 2025.

Transport, Environment & Planning

Major Projects

75. The West Yorkshire Transport Fund (WYTF) is the major capital fund to deliver a number of the council's major transport projects. It funds the following projects to a maximum value of £85m.

- Station Frontage £12,873k
- York Outer Ring Road Phase 1 £42,172k*
- Castle Gateway and Eye of York £4,600k*
- York Central £24,447k (funding direct to Homes England)
- Circa £908k unallocated

*This includes £3.5m reallocated across these schemes swapped with CYC funding

76. The priorities, cost estimates, allocations and scope of these projects was agreed around 2012 when a Leeds City Deal was agreed with the Government which included the creation of £1bn Transport investment fund for the region. The council formally agreed to join the West Yorkshire Transport Fund in November 2016 which outlined the fund was the best approach to deliver affordable investment at both York Central (including Station Gateway) and the Outer Ring Road. Since then the country has seen significant challenges to major projects such as Brexit, War in Ukraine, significant inflation, contraction of the major construction market which has all delayed the delivery of projects and raised the cost of project delivery. The cost risk / delivery ambitions of all of these project lies with the Council. In the same way government are having to review their programme the Executive needs to review its programme in the same way to determine its priorities for the budget available.

77. The Station Frontage scheme is also funded by an allocation from the Transforming Cities fund (£13,117k) and LNER Contribution (£500k) bringing the total budget available to £26,490k. The project has been split into phases to manage the risk of overspend so future phases are not committed. Phase 1 enabling works was delivered to

budget. Phase 2 to demolish Queen Street Bridge is currently on site, but faces challenges in terms of delay to the project timescale as a result of mitigating the disturbance to the city in terms of road closures and a number of changes to the design as a result of ground conditions etc is resulting in a projected over spend. Value engineering is underway on phase 2 and discussions with the contractor are ongoing to minimise the over spend. Future phases therefore remain in doubt but additional funding will be need to complete the project as envisaged.

78. The WYTF for York Outer Ring Phase 1 was allocated in August 2018 and a successful bid to Department for Transport (DfT) added £25.2m for dualling in September 2019. In addition, at that report £2.8m funding was allocated by the Council to deliver the council's contribution to the scheme and £5m contribution to the Clifton Moor roundabout improvements in advance of the local plan, on the understanding this funding would be sought from the developer. In addition, the project has increased to include land for tree planting and a significant active travel element added to the scheme which has not had funding allocated. We have programme entry for Phase 2 Dualling and need to develop an outline business case. Work will need to be undertaken to identify which elements of the scheme will be delivered in. The current budget for the scheme totals £71.4m of which £57m remains at this time.
79. The business case for the Castle Gateway and Eye of York will be brought to a future meeting of Executive, but it is clear that what was originally a self funding scheme with commercial development and replacement car parking will not have the same financial model with 100% affordable housing lost car parking all be it with a different open space solution.
80. The Station Frontage scheme is strongly aligned to the new Local Transport Strategy and creates stronger sustainable travel links at our key transport interchange with improved walking and cycling and bus improvements. It is the start and an integral part of the City Centre Sustainable Transport Corridor and is therefore a priority.
81. Therefore, Executive are asked to:
 - Work with WYCA to allocate £908k of currently unallocated Transport Fund to station gateway.
 - Work with the WYCA to reduce the York Outer Ring Road budget by £5m to reflect that the development at Clifton Moor will now

likely happen before the York Outer Ring Road is delivered and the funding can be secured direct from the developers.

- Allocate this funding from YORR to Station Gateway.
- Request a report on the viability of the remaining phases of the station gateway project.
- Request a report on what aspects of the YORR can be delivered in Phase 1 of dualling and what needs to be considered in Phase 2
- Request a report on the business case for both capital and revenue for the Castle Gateway and Eye of York Project.

82. Regarding **Haxby Station**, the council continues to provide information to the Department for Transport and Treasury regarding the scheme at Haxby Station and we are working with Network Rail on the planning application that was submitted earlier this year. Since the government announced they were reviewing transport projects the council has been making the case for why this project is important and will continue to do so until a definitive decision is made

Transport

83. **Bus Service Improvement Plan.** Work on the installation of new real-time information screens has continued in 24/25 with 66 screens installed over the summer, and work on the programme of bus stop improvements is ongoing. However, funding for the bus priority and Park & Ride Interchanges programme has been reprofiled to 2025/26 as the schemes are still in the feasibility and design stages to develop schemes for implementation in future years. It is anticipated that c£2m of the £9.7m programme will be spent in year resulting in £7.8m slippage. Officers are working with the Department for Transport to extend existing funding arrangements.
84. Regarding the **Access Barrier** Removal scheme, work has continued to develop a programme of sites where access barriers on the off-road walking and cycling network can be removed or amended to improve accessibility for all users, with a focus on sites on the emerging Key Cycle Route Network. The funding has been reprofiled with some funding slipped to 2025/26 to reflect the expected timescales for the first phase of works.
85. Work to raise the level of the shared-use paths on the approaches to Millennium Bridge was completed in the summer, and a programme of improvements to other sections of **National Cycle Network Route 65** in York is being developed for implementation in 2025/26. As a result,

the funding has been reprofiled to reflect the revised timescales for the second phase of the project.

86. The proposed programme of TSAR schemes has been deferred to allow the schemes to be reviewed to ensure that they meet the requirements of the new Local Transport Strategy and the emerging Movement and Place Plan, including a review of scope and prioritisation of sites. A revised programme will be included in the 2025/26 Transport Capital Programme.
87. Due to the delays to the progress of the Hungate development, the proposed work to improve the CCTV (funded by s106 contributions) links to the site has been deferred until 2025/26.
88. Following the development of the new Local Transport Strategy and the Movement and Place Plan, the **Active Travel Programme** is being reviewed and the majority of the schemes in the programme have been deferred pending the outcome of this review. Work on the Riverside Path scheme has continued, with a public consultation event held in November, and feasibility work is expected to be completed by spring 2025.
89. The development of both the proposed Union Terrace Hyper Hub and Askham Bar **Hyper Hubs schemes** have been delayed due to the need to resolve land ownership issues before the scheme can be progressed any further, and the planned work to upgrade the existing EV Chargers at Monk Bar Car Park has also been delayed due to land ownership issues. As a result, the funding for these schemes has been slipped to 2025/26 to allow the schemes to be progressed once these issues have been resolved.
90. Additional funding is required for the Tadcaster Road Transport Improvements scheme due to the additional costs incurred due to issues on site, most notably with underground services, working in close proximity to trees and traffic management restrictions. A final payment figure for these amendments has now been agreed with the contractor, and the budget has been increased by £150k to cover these additional costs. The additional funding is made up of a contribution from the Local Transport Plan grant and CYC funding transferred from the Flood Signage Improvement scheme due to the low expected cost of the signage works.

91. The final phase of the **Hostile Vehicle Mitigation** scheme was completed in November 2024 with the installation of moving bollards at the Parliament Street/ Pavement/ Piccadilly junction. However, the cost of the Parliament Street works has increased due to the need for additional utility diversions and traffic signal ducting works, as the cost of these items could not be fully estimated until groundworks started on site. As a result, the budget for the scheme has been increased by £250k to cover these additional costs, which will be funded from the Local Transport Plan grant.
92. Funding has been made available for repairs to the sections of the PROW network currently affected by **river bank** slippage, and a programme of work is being developed for inclusion in the 2025/26 Capital Programme.
93. Following the completion of Phase 1 of the improvements to the **flood warning signs**, work is continuing to look at potential improvement to signage on the off-road pedestrian and cycle network. Due to the revised cost estimate for these works, it is proposed to transfer some of the funding to the Tadcaster Road scheme to cover the additional costs of the scheme.

Highway Schemes (including footways)

Carriage Resurfacing

94. The Capital Highway Resurfacing Programme is now complete. The final project on the programme was a major resurfacing scheme at Grimston Bar Roundabout. This was initially delayed, due to work being carried out by East Riding Council at Stamford Bridge during the Summer. The scheme started with some drainage remedial works, followed by the resurfacing, which was completed by the middle of October. There were some issues with the National Highways traffic signals at the roundabout, which came to light following the work. Through close liaison with National Highways, these issues were resolved with minimal impact. Unfortunately, the weather turned very autumnal as the resurfacing was taking place. This has led to a few areas needing to be watched during the winter to check that they do not deteriorate. Moving forward, this highlighted the need to plan resurfacing work to take place in the spring / summer, where possible, to mitigate any potential defects.
95. The cycle margin patching schemes were delivered in autumn. These include Rose Street, Vyner Street, North Street and Carr Lane. Both

North Street and Carr Lane included significant drainage work in advance of the resurfacing.

96. The Capital Footway schemes are almost complete with only two schemes outstanding, St Benedict Road which is due to be complete by Christmas, and Lendal which is programmed in for February 2025. All schemes have been successfully delivered within the allocated budgets.

Drainage

97. Significant drainage works were carried out at Grimston Bar to proceed the carriageway resurfacing scheme. Further gully repair works were carried out at North Street, Carr Lane, and the tunnel at Leeman Road, to prevent flooding.
98. Several new drainage gullies were installed on the A166 at Sledmore Crossing, Wigginton Road, Strensall Road, Thanet Road, Tower Street, Pear Tree Close and Hull Road. The works at Sledmore Crossing further involved the abandonment of the existing failed soakaway and the installation of a new connection to stop property damage caused by standing water.
99. We carry out monthly monitoring across the Highways Capital Programme, across all schemes, throughout the financial year. The focus of this, is to identify any areas of the programme where we are anticipating any levels of overspend or underspend. This enables us to highlight any budget adjustments which may need to be made, across the service areas, within the Capital Delivery Programme (example Highways Schemes, Drainage, City Walls, Street Lighting and Special Bridge Maintenance).

Castle Mills Lock Gate

100. All terms and conditions have been agreed with the Contractor, BAM Nuttall Ltd, who have been procured through the Environmental Agency Collaborative Delivery Framework.
101. The scheme will include the complete design, manufacture, and replacement of two pairs of new Ekki timber lock gates, including other associated lock equipment. The manufacture of the new gates will be carried out from February 2025, with the on-site installation works taking place from mid-April to early July 2025.

Bridges

102. Tenders have now been received for the bridge strengthening scheme at Bishopthorpe Bridge, which is being procured through the North Yorkshire Council Civil Engineering Contractors Framework. The site works are programmed to commence in January 2025.
103. The Bishopthorpe Bridge Decision Report, dated 12th March 2023, outlined that the cost of the work, would be funded from the capital budget allocated to bridge maintenance, and other areas of the capital programme. Due to commitment and forecasted spend across the wider bridges programme, the project will largely need to be funded, from re-allocated funds from Highway Schemes
104. Structural Review have been carried out at 25 bridges and general inspections have been carried out at 45 bridges.

Lendal Bridge

105. Preparation for major maintenance works at the Grade II listed Lendal Bridge is currently underway, and liaison with the Environmental Agency (EA) and Navigation Authority is ongoing. Tenders for a pre-specification paint survey have now been received and the traffic management proposals have now been agreed by all parties. As a result of increasing costs, the allocated budget will need to be reviewed and the scope of works may need to be adjusted, to reflect the funding available.

Street lighting

106. The Capital scheme for the replacement of more than three hundred steel Street Lighting Columns is well underway. We are approximately sixty percent completed at this point in the program. It has been a difficult program logistically, due to permitting and traffic management issues. The work includes the upgrading of fifty concrete streetlight columns on York Road Strensall, to provide better illumination.
107. The Street Lighting LED Conversion project, funded through Net Zero Fund, commenced in early September 2024 and is due for completion in January 2025. We are seventy five percent complete on this project. We have had some logistical difficulties on site and are addressing these issues with the Contractor. This is to ensure that if there any assets we are unable to complete within the timescales, we can replace with other unconverted assets to hit the nine hundred and fifty LED conversions in line with our original expectation.

City Walls

108. Remedial works have been carried out to the Icehouse structure, which is a Grade II listed building, and the last surviving example of its kind, within the York area.
109. The area at risk of collapse was stabilised, and new homemade bricks were used in areas where previous cementitious repairs have failed. Much of the rest of the structure was repointed, and lime haunching was added to the base to prevent water ingress.
110. The stone masons' team have carried out renewal works of the copings near Layerthorpe postern, including placement of new hand carved stones, and several other repairs and maintenance works to the section of wall between Monk Bar and Layerthorpe postern.
111. The team have further addressed loose stonework, damage caused by invasive weeds, and frost damaged pointing, at Roman Corner Tower.
112. The section of Roman fortifications (uncovered in the 1925 excavations), near monk bar had a few conservation issues, so the team addressed the loose stonework, damage caused by invasive weeds, and frost damaged pointing.
113. Recent condition surveys identified significant damp issues in Bootham Tower, which the ancient monuments team diagnosed as most likely being caused by poorly maintained rainwater and wastewater goods, plus a lack of natural ventilation. Works were carried out to address the identified issues, further survey and repair the external fabric, and rectify mistakes of previous internal works to improve ventilation.

Overall Highways Programme

114. Following a review of all the Highway related budgets it is proposed to transfer of £840k from the funding available for Highway Schemes, due to savings across the delivery programme on carriageway renewal works, patching, surface dressing and footway schemes. These are to be reallocated to Drainage £300k to fund the additional works required dealing with maintenance issues, City Walls £240k to reflect the ongoing maintenance pressures and Bridges £300k to support the additional costs of maintenance at Bishopthorpe Bridge.

Fleet

115. All purchases are in line with the council's Vehicle Management Policy. Although a large proportion of the capital budget has needed to be slipped into 2025/26 due to long lead times from point of order of 12 months or more, we are aiming to have 90%+ of the original budget committed to replacement fleet purchases.

City Development

116. The delivery of the main **York Central highway infrastructure** by Homes England is progressing with the Phase 1 delivering the alternative route around the National Railway Museum expected to be complete by end of the 2024/25 financial year, allowing the stopping up of Leeman Rd to be certified.
117. Road construction has progressed to enable Leeman Road to be stopped up. This includes construction of the new spine road as well as the main cycle/pedestrian route and improvements to Station Rise.
118. Phase 2 of the scheme to connect the new spine road through to Water End is expected to be complete in 2026. Ground improvement works and foundations have progressed for the embankments and bridges.
119. **Castle Gateway** – In November 2023 Executive agreed the way forward to deliver some of the masterplan proposals, and work has now commenced to revise designs for the Castle / Eye of York and assess the potential for the delivery of Affordable Housing at Castle Mills. The strategic importance of St George's Field as a parking location was acknowledged and proposals for improving parking provision there, with coach drop off facilities, are being progressed. The proposals, including a business case, must be reported back to Executive for approval prior to delivery.
120. Public and stakeholder engagement has been undertaken on the stage 2 designs for the Castle and Eye of York scheme. The feedback from the engagement, along with the updated costings for the designs will inform the next stage of design development which is due to start in November 2024.

121. The phasing spend for Castle Gateway Infrastructure (Castle Mills Bridge and cycle route) has been pushed back a year to 2026/27. This is linked to the wider review of WYCA spend on capital projects.

Property Services

122. Works on the LED replacement scheme at West Offices and Hazel Court are nearing completion and anticipated to be complete January, £95k funding from the Carbon Reduction scheme has been provided.
123. Following design work on Swinegate's heating system, works have now been completed. Various works to CYC schools were completed over the summer. Works scheduled to roofs and windows are due to commence this financial year.
124. Options for locating the data centre at West Offices have been explored which took some time with Planning, tender documents are now being finalised and the works are anticipated early part of next financial year. It is requested that the £380k budget is slipped to next year.

Corporate Services - IT

125. The ICT capital programme has a budget of £2,803k for 2024/25 which includes £294k slippage from last year. At Monitor 3 there are plans to spend all the allocation during the year and a nil variance is reported.
126. Key purchases completed or in hand to date include:
- 300 laptops to enable and sustain hybrid working.
 - SNOW (software asset management) hosting, support, and maintenance for 2 years from May 24
 - Elements of the infrastructure tech refresh programme
 - Cisco Firewall
 - New contracts for iTrent and Civica Pay (Icon)

Organisational Impact and Implications

127. The report has the following implications:
- **Financial** - are contained throughout the main body of the report. Given the forecast financial position of the Council and the need to

reduce expenditure, there will be a review of the capital programme. This review will need to identify ways in which capital expenditure can also be reduced.

- **Human Resources (HR)** - There are no direct HR implications as a result of this report. Any variations to the capital programme that have staffing implications will follow appropriate consultation and HR policies and procedures.
- **Legal** - Whilst this report itself does not have any further legal implications, the schemes within the capital programme themselves will be in receipt of legal advice where necessary.
- **Procurement** – Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver schemes in the capital programme. Any services or works required, will be procured in accordance with the Public Contract Regulations 2015, soon to be Procurement Act 2023 and the Council’s Contract Procedure Rules. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in the capital programme will be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct environment and climate action implications as a result of this report.
- **Affordability**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct affordability implications as a result of this report.
- **Equalities and Human Rights** – as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct equalities and human rights implications as a result of this report. All individual schemes will be subject to Impact Assessments in the usual way.
- **Data Protection and Privacy**, *As there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a data protection impact assessment (DPIA).*
- **Communications**, the information set out in this report does not have any specific communications implications. The finance and performance monitor report elsewhere on this agenda includes

details of the communications activity in relation to the overall council finances.

- **Economy**, there are no direct implications related to the recommendations.

Risks and Mitigations

128. 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.

Wards Impacted

129. All wards are impacted by the issues detailed in the report.

Contact details

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Background papers

- [Capital Budget Report Executive 25th January 2024](#) and Full Council 22 February 2024
- [Capital Programme Outturn 2023-24](#) – Executive 18 July 2024
- [Capital Programme Monitor 1](#) – Executive 12th September 2024
- [Capital Programme Monitor 2](#) – Executive 14th November 2024

Annexes

- Annex 1 – Capital Programme 2024/25 to 2028/29

Abbreviations used in this report:

CCTV – Closed Circuit Television

CYC – City of York Council

DESNZ – Department for Energy Security & Net Zero

DFE – Department for Education

DFT – Department for Transport

EV – Electric Vehicle

GF - General Fund

HRA - Housing Revenue Account

HUG – Homes Upgrade Grant

ICT – Information & Communications Technology

LED - Light-emitting diode

PPA - Planning, preparation, and assessment

PV – Photovoltaic

SEND – Special Educational Needs and Disability

SHDF – Social Housing Decarbonisation Fund

TSAR – Traffic Signals Asset Renewal

WYCA – West Yorkshire Combined Authority

WYTF – West Yorkshire Transport Fund

YORR – York Outer Ring Road