

Meeting:	Executive
Meeting date:	21/01/2025
Report of:	Debbie Mitchell, Director of Finance
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

Decision Report: Capital Budget 2025/26 to 2029/30

Subject of Report

1. This report sets out the capital programme for 2025/26 to 2029/30, and in particular sets out proposals to continue the Council's approach to prioritise investment in the economy, housing, transport and to invest to save including energy efficiency.

Benefits and Challenges

2. Schemes funded by borrowing have an associated revenue impact. In order to minimise the additional growth required in future years, and mindful of the Council's current financial position in light of both the ongoing pressures in social care and the current economic uncertainty, it is proposed that any new borrowing is minimised as much as possible by reprioritising elements of the existing approved programme.
3. The costs of supporting the capital programme have increased over the years as the Bank of England increased base rates from 0.25% in February 2022 to 5.25% in August 2023 and have only recently started to reduce to 4.75% in November 2024. This has resulted in increases to the cost of borrowing compared to 2022. Given the challenges outlined in the Financial Strategy report elsewhere in the agenda, only essential new investment is recommended at this time.
4. The council has been successful in identifying external funding for much of its schemes. The 5 year capital programme currently stands at £427m

(as reported in Monitor 3) of which £166m (42%) is funded from external grants and contributions, £167m (34%) from general fund borrowing / internal resources and £94m (24%) from internal Housing Revenue Account (HRA) funding. There are further opportunities in the recently created York and North Yorkshire Mayoral Combined Authority to further increase external funding for investment in the city.

5. The Prudential Code requires Local Authorities to only undertake borrowing that is affordable within available resources. This report therefore needs to be considered in line with the other budget papers on this Agenda.

Policy Basis for Decisions

6. The capital programme budget covers the period 2025/26 to 2029/30 and sets out revised investment in the capital programme over the next 5 years.
7. The level of capital investment and levels of borrowing are a key element of the overall finances of the council and key part of the Medium Term Financial Plan.

Financial Strategy Implications

8. This report outlines the five year programme for capital investment and needs to be considered alongside the other key financial reports on the agenda. The report recommends an increase in the council's borrowing of £32.862m (the largest amount being in 2029/30).

Recommendations and Reasons

9. The Executive is requested to recommend that Council:
 - Agree to the revised capital programme of **£385.383m** that reflects a net overall increase of **£60.947m** (as set out in table 2 and in Annex 1). Key elements of this include:
 - New schemes funded by prudential borrowing totalling £8.150m as set out in table 3;
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £24.712m as set out in table 4;
 - Extension of externally funded Rolling Programme schemes totalling £11.935m as set out in table 5;

- An increase in HRA funded schemes totalling £16.150m funded from a combination HRA balances/capital receipts as set out in table 6;
- Note the total increase in Council borrowing as a result of new schemes being recommended for approval is £32.862m the details of which are considered within this report and the financial strategy report.
- Approve the full restated programme as summarised in Annex 2 totalling **£385.383m** covering financial years 2025/26 to 2029/30 as set out in table 10 and Annex 2

Background

10. The current 2024/25 – 2028/29 capital programme was approved by Council on 22 February 2024. Since then, a number of amendments have taken place as reported to the Executive up to and including the 2024/25 Capital Monitor 3 report also on this agenda. The changes made as a result of the above reports have resulted in a current approved capital programme for 2024/25 – 2028/29 of £427.283m, financed by £165.716m of external funding and Council controlled resources of £261.567m. Table 1 illustrates the current approved capital programme profile from 2024/25 – 2028/29 as of capital monitor 3 2024/25.

	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £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 1 – Funding Position of approved 2024/25 – 2028/29 Capital programme per Monitor 3

11. The majority of external funding is comprised of Government Grants, including those from the Department for Transport and Department for Education and Skills. Council controlled resources comprise of Housing

Revenue Account (HRA) funds, prudential borrowing and capital receipts.

Options

12. This report sets out the new capital investment proposals for the 5 year period covering 2025/26 to 2029/30. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the council to set a capital budget for the forthcoming year per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

13. The capital budget process invited proposals from the departments asking to submit requests for the Councils main capital priorities. Of the 33 proposals going forward 10 are new schemes requiring decision for new council funding, 14 are extensions to rolling programmes that require council funding, 2 are new proposed rolling programmes. The remainder are externally funded (4) and HRA funded (3).
14. In total, proposals have been made that would increase the existing 2025/26 – 2029/30 Capital Programme by **£60.947m**. The proposals are comprised as follows:
 - General Fund schemes requiring financing by Council borrowing **£32.862m**
 - General Fund Schemes and HRA Schemes financed by external funds **£11.935m**
 - Housing Revenue Account schemes financed by HRA funds **£16.150m**

Key Scheme proposals

15. The table below summarises the key proposals that result in an increase to the capital programme of £60.947m split by type. Whilst much of the investment relates to adding a future year to the programme there are proposals to invest in Gypsy and Traveller Site provision, upgrading the riverside pathway by Scarborough Bridge and further investment in Housing Maintenance. Further details of the individual schemes can be found later in the report at the following references.

Type	Total Value	Further Details
	£m	
New Schemes – Prudentially Borrowed	8.150	Table 3
Rolling Programme – Prudentially Borrowed	24.712	Table 4
Rolling Programme – Externally Funded	6.110	Table 5
Housing Revenue Account (HRA) Schemes – Funded by HRA resources	16.150	Table 6
Total Increase in Capital Programme	60.947	

Table 2 – Summary of New Proposals and Increase in Capital Programme

16. Overall, this report proposes new capital schemes totalling **£60.947m** which result in a net increase to the Capital Programme of the same amount. Details of all schemes within the proposed capital programme can be seen in Annex 2.

Detailed Consideration of Proposed Investment

New Schemes – Prudential Borrowing

17. As part of this year’s capital budget process a number of proposals have been received that require discretionary prudential borrowing. These are set out in **table 3** below.

Scheme Type / Description	Total Value	Financial Year
	£m	
Gypsy and Traveller Site Investment	5.250	2025/26 to 2027/28
Leisure Facilities Solar Arrays	0.750	2025/26
Riverbank Repairs (Riverside Path)	0.600	2025/26-2026/27
Mansion House Refurbishment	0.450	2025/26
Crematorium Refurbishment	0.375	2025/26
Union Terrace & Robinson Court Refurbishment	0.325	2025/26
CRIS Portal Replacement	0.125	2025/26

Pay & Display Parking Machines	0.125	2025/26
CCTV Asset Replacement (incl ANPR)	0.100	2025/26
Rufforth Public Right of Way Bridge	0.050	2025/26
New Proposals Requiring Prudential Borrowing	8.150	

Table 3 – Summary of New Proposals Requiring Prudential Borrowing Funding

18. An overview of each new scheme being proposed is set out in the following paragraphs.
19. **Gypsy and Traveller Site Investment - Total £5,250k (£750k in 2025/26, £1,500k in 2026/27 and £3,000k 2027/28)** - The council own and manage 61 Gypsy and Traveller pitches across three sites. These are at Water Lane in Clifton, Outgang Lane in Osbaldwick, and James Street in Layerthorpe. The evidence base for the emerging Local Plan identifies the need for additional pitches to meet an identified need. These will be provided through a combination of new pitch provision on both strategic housing sites and direct delivery by the council. As well as providing new pitches, there is a need to invest in existing pitches and sites to improve the quality of accommodation and facilities for residents. This report Executive 14th March 2024 identified how the additional pitches will be delivered by the council alongside improvements to existing facilities. This programme of works will be forward funded with a full business case to be developed and brought before Executive this year. It is estimated the cost of the additional pitch provision and improvements will be around £5.25m.
20. This investment supports the core commitments of the council in the following ways. Gypsies and Travellers are one of the largest minority groups in York, and inequalities affecting Gypsies and Travellers include lack of access to suitable accommodation. This programme of work aims to both increase both the amount and quality of accommodation for Gypsy and Traveller communities and reduce the costs of living through upgrading the energy efficiency of the council owned buildings. Improving the energy efficiency of the buildings will reduce carbon emissions. Improving the sites will have a positive effect on residents physical and mental health. Improvements could include upgrades to walking and cycling routes, street lighting, quality and quantity of open space as well as warmer and healthier living accommodation.

21. The s106's will not be available for a number of years and will be received as and when Local Plan developments are progressed. It will be necessary for the council in the short term to fund the investment.
22. **Leisure Facilities Solar Array – (£750k in 2025/26)** - GLL as the Council's operator for our leisure estate including the LNER Community Stadium are seeking to reduce its reliance on fossil fuels by using alternative methods. This bid is to install solar arrays on four of the leisure building, to save 121,401 tons a year of CO2 emissions and up to £1.3m saving over a 13 year period, excluding the initial investment. This would support the Council's EACH values and the target of being net zero by 2030, through decarbonising the four leisure venues.
23. Currently the Council has a contractual risk share with GLL on utilities. GLL take the risk on consumption levels and the Council take the risk on unit price of energy. Over the last two years the Council has been liable for an additional cost of on average, £500k per year. This proposal would also offset this liability.
24. **Riverside Path - Total £600k (£200k in 2025/26 and £400k in 2026/27)** - The riverside embankment is currently in a state of disrepair. Up until 2021, the embankment was leased from Helmsley Group. Executive agreed to purchase the land at a report in April 2021 which gives the council full control of the asset. As part of the land purchase a dilapidation survey of the embankment was undertaken by consultants, which identified the need for remedial work to address the embankment's condition.
25. In 2024, a subsequent report was commissioned by the Riverside Improvement Scheme project to provide a more current assessment of the embankment's condition and to understand the impact on the Riverside Path Improvement Scheme project. This report also examined the potential risks associated with not addressing the necessary repairs in the time frames (1-5yrs+).
26. The majority of observed defects are located on the capping beam and piles. While most of these defects are classified as minor in severity, there are small sections where the defects are severe and require high-priority attention.
27. There are a number of repairs recommended to deal with the pitched stone embankment, concrete slabs, capping beam and piles, The estimated cost is £600k but should extend the life of the embankment by 30-40 years.

28. **Mansion House – (£450k in 2025/26).** A full condition survey was carried out in 2022 to highlight areas in need of work and to remain compliant with previous grant monies awarded to the house in 2016, to remedy and maintain essential items. The survey highlighted some £2.2m of works, c£1m of which were identified as red or urgent/ essential works. The following years initial capital funding value was based on that extensive specialist survey and totalled £1.27m awarded which included costs for specialist architects and consultants, surveys and fees in addition to the monies required for the essential works. This was only to cover the essential/ urgent items and only those have been tendered.
29. The scheme also implements the conservation management plan (CMP) and issues identified as part of the fabric condition survey (FCS) carried out in March 2023. The outcome of the scheme will ensure the grade 1 listed building is maintained to industry standards, continues to be publicly accessible, income generating, whilst ensuring it remains the symbol of civic pride in York. The scheme will consist of the following key areas:
- Repair the vaulting in the passageway under the Mansion House leading to the Guildhall.
 - Install a new fire rated passenger lift.
 - External restoration and repair of the windows and exterior façade
 - Internal restoration including the failing plaster work in the main hall staircase and drawing room.
 - Re-roof and address the rot in the roof structure of the slated areas.
 - Address issues with the hot water system.
 - Compliance with Health and safety and equality legislation
30. The CMP/FCS sets out detailed and specific time scales for key works to be undertaken with other works being reactive to the developing condition of the building. Even if this CRAM bid is successful the planned scheme the works (as per the CMP and emerging conditional needs) will not be commenced until late 2024/2025, which means the building will undergo another winter (maybe two) of further degradation in those areas.
31. The initial funding was approved in the 2024/25 Capital Budget report and the next six months consisted of numerous detailed surveys and assessments of the house in order to provide the most robust and

detailed specification possible for the tender. This was to try and reduce risk of further major issues being identified during the construction phase. Whilst this risk in a property of its age and type is inherent, the information gathered over time has resulted in four tenders from specialist contractors, exceeding expectations.

32. Due to construction costs increasing and specialist materials costs increasing still further, the tenders returned are above the initial expected budget. Prices also reflect the urgency of the works with the Mansion House 300 years approaching and activities and bookings scheduled around that, contractors have a limited time in which to complete the necessary remedials. This further reinforces the need to complete the works urgently as further delay will not only include significant abortive costs for this procurement but will see defects worsen, prices from the market increase further and a subsequent re-procurement will suffer from contractors engaging with the knowledge of cost risk and so will price that into their subsequent tenders.
33. The team and consultants continue to review items and processes and have identified some savings within the initial cost assessment. Ideally all works need addressing as they are on the priority list, but several small items could be excluded if needed. Whilst we await final confirmation and clarifications for the procurement tender award the amount for the likely winning bid would require £450k of additional funds to ensure all items are met and a working contingency is available to the project.
34. As noted, buildings of this age and condition come with inherent risk and until works are fully started and areas exposed there will always remain potential for further issues to be discovered, therefore a contingency is essential in this process.
35. **Crematorium Upgrade (£375k in 2025/26)** - The crematorium is in dire need of refurbishment and expansion. The facility is dated and subject to numerous complaints as it has not been maintained over the years due to lack of funding. The budget, along with the monies already approved would provide a refurbishment of the toilet facilities, expansion of a new waiting area and the delivery of a changing place facility for use by those of accessible needs. this would provide a far more fitting environment for the activities the facility delivers. The original 2019 award of £250k supplemented by £73k (from capital contingency but not allocated) in 2021 due to price rises during the pandemic was to provide a standalone waiting room separate to the existing building. this modular unit was designed and planning approved, however, the contract fell through

during the Covid pandemic. Costs have risen considerably since then and so the old scheme is now no longer affordable.

36. There is £221k left from the original scheme. A reduced scheme has been designed to meet the remaining budget but this is small and does little to improve the existing building. The reduced scheme would simply provide additional waiting space. The crematorium building receives up to 1,000 visitors a day for services and the existing facilities are in desperate need of update. The additional funds we believe, would enable us to return to the original scheme, providing a modular addition with toilet and accessible facilities on the grounds directly opposite the main entrance to the crematorium, plus the conversion of the old waiting space into a changing place toilet and a refresh of the existing toilets on site providing a much more presentable facility to the mourners attending. This will lead to a scheme valued at £596k and also provides a platform for other future developments under review including solutions around providing visiting mourners with refreshments.
37. **Union Terrace and Robinson Court Upgrades (£325k in 2025/26) -** Works to upgrade hostel resident shower rooms and carry out other essential capital works as newly acquired hostels at Union Terrace and Robinson Court (women's only accommodation) are brought into the management of the authority following Executive decision of May 2024. The hostels were previously managed by Changing Lives under contract to the Council but the capital responsibility for the buildings and related maintenance remained with the Council.
38. The ensuite shower rooms in these hostels are designed to allow level access and to mitigate damage and disruption through malicious use. Their safe and efficient operation is important to the wellbeing of residents. Over the last two years, four bathrooms have failed and many more have been "patch repaired" to prolong their operation in anticipation of upgrade works. In addition, damp and/or air quality issues need to be addressed by works to air-exchange units in bedrooms and other items of Mechanical and Electrical works.
39. **CRIS Replacement (£125k in 2025/26) -** To replace the existing in-house provider portal (CRIS), which receives weekly actuals of care delivered to customers, with the fully integrated Mosaic Provider Portal. CRIS provides a tool to end the processing of paper homecare invoices, however the system lacks flexibility and cannot support the change to locality service provision or support the removal of the remaining paper invoices. The CRIS portal is now unsupported, and further in house development of the system cannot proceed as the code and technology

is out of date and knowledge has been lost through staff attrition. The aim of the scheme is to implement a provider portal which is configurable to the Council's specifications, which will allow all suppliers to submit invoices (regardless of the type of care being provided) and which is maintained/updated through an annual service agreement.

40. **Pay and Display Ticket Machines (Car Parks) (£125k in 2025/26)** - Replacement of all car park pay and display machines following decision to go cashless. Currently all pay and display machines accept cash, they cannot be retro fitted to become card only. Not all machines take card therefore all machines need to be replaced. 40% of these machines are over 15 years old and as such parts are now obsolete, they also are unable to communicate large data files as required for remote tariff upgrades. Preference would be to move to a ticketless solution where a motorist uses the registration number and parking session details are sent to the CEO handhelds, this would remove a further expense (ticket roll cost and replacement) as well as another component to repair and maintain (printer) It would also make patrols more efficient as all checks can be done using ANPR.
41. **CCTV Asset Replacement and ANPR Cameras (£100k in 2025/26)** – The council has recently gained powers to enforce moving traffic offences. To properly enforce such powers will require additional equipment such as ANPR cameras. This budget will allow for the purchase of such equipment. Any schemes taken forward will be subject to approved business case,
42. There is also a necessity to replace a number of life expired CCTV cameras. City of York Council owns and operates a Public Space Surveillance System that comprises of several hundred CCTV cameras, plus communications and instation equipment. These assets are subject to a full maintenance contract, however as with all assets, they eventually become life-expired and need replacing. A contract is already in place through which these assets can be purchased.
43. **Rufforth Public Rights of Way Bridge (£50k in 2025/26)** - In May 2024, scheduled maintenance works to the timber bridleway bridge on the popular and well-used public bridleway/cycle path between Rufforth and Knapton, revealed that the beams of the bridge had rotted more than expected, meaning that the maintenance works scheduled to be carried out could not continue and the bridge had to be closed to the public on safety grounds.

44. The route has strategic importance in that it provides a safe off-road active travel route from Rufforth to Knapton and the cycle network into York. The route is also well frequented by leisure users (walkers, wheelers, cyclists and equestrians) for health and well-being purposes.

Rolling Programme Schemes – Prudential Borrowing

45. The 2024/25 – 2028/29 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2029/2030 and also incorporates proposals which increase the level of currently approved rolling programme schemes by adding additional years across the financial years. These schemes are set out in the table below:

Scheme Type / Description	Total Value	Financial Year
	£m	
Structures (Special Bridge Maintenance)	0.605	2029/30
Non-Highways Structures	0.250	2025/26 - 2029/30
Drainage	1.400	2025/26 - 2029/30
Highways	5.070	2029/30
Replacement of unsound columns	1.650	2027/28 – 29/30
City Walls Maintenance	1.035	2025/26 - 2029/30
Fleet Replacement	8.532	2029/30
Park Investment Fund	0.500	2025/26 - 2026/27
Asset Maintenance	1.175	2025/26, 2026/27 & 2029/30
Disabled Facilities Grant	0.475	2029/30
Disability Support Budget	0.310	2029/30
Major Items of Disability Equipment	0.172	2029/30
Telecare Equipment	0.318	2029/30
ICT Rolling Programme	2.820	2029/30
Project Support Fund	0.200	2029/30
Contingency	0.200	2025/26
Total Rolling Programme Schemes	24.712	

Table 4 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

46. All of the £24.712m of rolling programme scheme will require revenue growth to fund (to support the prudential borrowing), the revenue

implications are contained in the Financial Strategy 2025/26 – 2029/30 report also on this agenda.

47. An overview of each scheme being proposed is set out in the following paragraphs.
48. **Structures (Special Bridge Maintenance) (£605k 2029/30)** – All highway bridges and other highway structures are fundamental to the transport infrastructure. They are relied upon to remain in service year after year and are carrying ever increasing traffic flows. The Highways Act places a statutory obligation on highway authorities to maintain the public highway.
49. Costs for an inspection and assessment regime are included within this bid, routine principal and general inspections and bridge assessments help identify whether the structures are safe for use and fit for purpose. Other work will include bridge minor maintenance works identified through the BCI forms undertaken for the general and principal bridge inspections.
50. This is for various bridges in the Council's bridge stock and will incorporate low, medium and high priority works on a case-by-case basis. The bid covers future major maintenance of bridges which will include bridge waterproofing and joint replacements, painting works, small bridge replacements and strengthening works.
51. **Non-Highways Structures £250k (£50k pa 2025/26 to 2029/30)** – A significant number of historic CYC assets have been passed to the Highway Asset Management Team for investigation, renewal and management in recent years. These have been delivered through a number of routes in the past but have not actively been managed by the service as part of the core adopted highway network. With the emerging Local Transport Plan and Movement & Place Plan it is likely that more assets will be passed to the service.
52. The programme will encompass all the work required to ensure that these additional structures are inspected and maintained in accordance with the Code of Practice for Well-Managed Highways Infrastructure or the CYC Highways Infrastructure Asset Management Plan which will be updated in line with the LTP and Movement & Place plans.
53. These additional structures are over and above those structures identified and included within the CRAM bid for Special Bridge

Maintenance and have not previously been managed by the Highways Team.

54. The initial programme may include, but are not limited to, the following assets, future years programmes will be revised as new assets are identified:

- Monk Stray / University footbridge.
- Moore Avenue footbridge
- Temple Avenue footbridge.
- Cable Bridge Foss Islands
- Highways Retaining Walls

55. **Drainage £1,400k (£100k pa 2025/26 to 2028/29 £1,000k 2029/30)** – Funding through the capital programme has enabled the team to repair and remedy persistent highway flooding problems, many of which also affected properties. Investigations in many parts of the city have all located unrecorded drainage infrastructure affected by blockages from silt, tree roots and damage by utilities.

56. The Flood Risk Management team has developed a Surface Water Management Plan for the Council's area which has been approved by Executive. Based on findings from the investigations and modelling it concludes that significant investment is required to restore the highway drainage infrastructure to a satisfactory standard to enable future flood risk to be managed effectively.

57. This budget includes works that have been identified following drainage investigations.

58. **Highways Schemes (£5,070k in 2029/30)** – The total annual rolling budget requirement for an optimum structural maintenance regime is circa £10m representing current costing.

59. Outputs from the Councils highway inspection and deterioration data (Vaisala) will be used to target additional highways R&R funding to address emerging highway asset defects, proactive works will slow the deterioration of the cities highway network, The current rate of highway depreciation is greater than the funding the service is receiving annually, the highways asset management team are therefore requesting capital funding required to slow the rate of depreciation across the network.

60. To achieve best value, we undertake a range of interventions, which include but are not limited to Reconstruction, Resurfacing, Micro Surfacing, Surface Dressing, Footway Reconstruction including modular

and asphalt, Footways Resurfacing and Slurry Sealing. In order to continue our maintenance of the highway network, it is recommended that rolling funding of £5,070k is made available for 2029/30.

61. The service is reporting a c £100m maintenance backlog and therefore even with this level of investment the network is likely to continue to deteriorate. The council already adds significant sums on top of funding that is above funding provided by Central Government.
62. The benefits of surface treatments on roads, footpaths and footways are felt by all users. Treatments delivered at the optimum time in the carriageway lifecycle, will prevent the formation of defects like potholes, for the benefit of all road users.
63. The Council contribution to Highway Maintenance is £5.070m and as in previous years this includes an allocation towards the maintenance of traffic signals (£1m). The balance is used for highway repairs. It is proposed that included in the highway repairs is an allocation made to compliment highway maintenance such as such as road safety, danger reduction, pedestrian crossings and speed management interventions (£300k).
64. The government have announced an allocation of £62.181m for Highway Maintenance to York and North Yorkshire Combined Authority. This is an increase of c.37% compared to baseline. It will be for the Combined Authority to agree the individual allocations, but it is likely that there will be an increase to the council. It is currently assumed for planning purposes that this will increase Highway Funding by £1.165m in 2025/26 and subsequent years. This is considered later in the External Funding section of the report.
65. **City Walls £1,035k (£350k in 2025/26 £45k a year 2026/27 to 2028/29 and £550k 2029/30)** – The city walls are one of the most important assets for the city, offering outstanding heritage value but also a civic amenity for residents and key tourist attraction. This programme encompasses all works required to ensure that the City Walls are managed, maintained, and remain open for both residents and visitors.
66. As the owners of the schedule monument, we have obligations of care under the Monuments and Archaeological Areas Act 1979, The National Planning Policy Framework and The Planning (Listed Buildings and Conservation Areas) Act 1990. This investment is therefore a statutory requirement.

67. We are committed to principles of affordability, by investing in inspection and monitoring regimes to identify issues early, so that smaller scale timely interventions can be undertaken, reducing the needs for more extensive works.
68. Additionally, we will be rolling out initiatives such as donation points and interpretation spaces to encourage visitors to donate to the upkeep of the monument.
69. The annual cost for the mandatory inspection and monitoring regime of the City Walls are included for the 2029/30 rolling programme bid.
70. These costs cover monitoring and general inspections of the assets, the identification of any degrading of monuments and the extent of any intervention and remedial works, where required. The scheme encompasses all required work to ensure that the City Walls are inspected and maintained in accordance with the adopted Conservation Management Plan. The City Walls are an Ancient Monuments with the highest level of heritage significance, a key draw for tourism and of singular importance to the residents of York.
71. Costs for an inspection and monitoring regime are included within this bid, regular monitoring and general inspections identify how the monument is degrading, where intervention is warranted and keeps the structure safe and accessible. The bid includes provision for all routine conservation and maintenance works, as well as larger scale interventions for the area of the Monument that have been identified as of High at risk of damage.
72. For 2025/26 it is recommended that an additional £350k is added to the current programme which brings the funding available to the £550k required plus a further contribution to cover urgent repairs that are required at Bootham Bar.
73. The current the roof is in a poor state, it is not keeping water from entering the building and we are having to jury rig a solution to manage quite a severe leak in order to prevent the upper floor flooding. Failure to address water ingress has already caused significant decay to some of the roof timbers to the point where they now require replacing, and in one case temporarily propping to prevent collapse as well as the floor of the roof space. The scheme encompasses all required work to ensure that the City Walls are inspected and maintained in accordance with the adopted Conservation Management Plan.

74. Fleet Replacement (£8,532k in 2029/30) - Ongoing replacement of vehicle and plant since 2020, continued procurement is required to ensure fleet reliability and to assist services with maintenance budgets and costs that can escalate if assets are kept after scheduled replacement life. The funds required are to replace EV vehicles at end of life and to replace diesel powered HGV vehicles to EV in line with CYC policy to be carbon neutral by 2030. There is a case for HGV's to be purchased with diesel powered engines, this would significantly reduce the purchase costs but will delay the CYC policy of being carbon neutral by seven years.

75. Park Investment Fund £500k (£300k 2025/26, £200k 2026/27) - Public Realm manages a significant estate across the city. The service has a very limited provision in terms of basic maintenance and would like to create a public realm improvement fund to ensure that investment can be focused into the effective management and maintenance of its assets. The fund would be used to make improvements to parks and open space across the city but particularly to deliver the Council's ambition to have more Green Flag parks. The money would be directed towards improvements to core infrastructure, fencing, parks buildings and roofs and other needs as and where required across Green Flag Parks (and other sites across the city that we want to improve to Green Flag standards) and other open space. There are a number of built structures in parks at Hull Road, West bank park and Rowntree Park in particular that will require investment/maintenance works over the next few years and this fund can be directed to such works. It is proposed that spending priorities would be agreed with the Director of Environment, Transport and Planning in consultation with the Executive Member for the Environment and Climate Emergency.

76. Asset Maintenance £1,175k (£500k in 2025/26, £400k in 2026/27 and £275k 2029/30) – There is currently a rolling programme capital Scheme for health and safety repairs of £275k per annum with 4 years left to run. The previous years allocations have been spent and committed the Council has a number of properties which have been identified as being retained for service delivery and/or delivering Council objectives, either directly or indirectly, through the Corporate and Community Asset Strategies and also individual service reviews.

77. The budget has previously been used to address costly capital repairs such as roofs on the commercial and operational estate, mechanical and electrical major expense such as heating systems and to cover the council's responsibility for closed churchyards. Extending the scheme for another year so there are 5 years remaining as has been undertaken

previously is recommended. This bid therefore is to increase the approved annual rolling programme to help fund these critical repairs to the retained buildings.

78. There are additional requests for funding to deal with major repairs at the council's Administrative Accommodation estate totalling £900k over 2025/26 and 2026/27.
79. At Hazel Court the Eco building roof has been under investigation for repairs for many months due to a leak in the 1st floor kitchen, which has resulted in many findings. The PV panels across the whole roof have been fitted incorrectly and over time has created holes in the shingle that now allow water to egress into the structure. The shingles have also been incorrectly fitting to exacerbate the water egress leaving the water nowhere to drain off other than underneath the roof and again into the building. The batons fitted are of an inferior size which over time have worn to the point where it has no void for condensation to escape and again is finding its way into the building structure. Finally, the flashings around the roof lights (Velux windows) have worn and now leak precipitation into the 1st floor office space. All of the moisture and water seeping into the building, which is built of wood with straw bale walls, is gradually deteriorating and has been for almost 12 months, thus any longer term delays will compromise the integrity of the structure. The repair requires will replace the roofing lights, repair the roof and refit the PV's correctly to ensure it is water tight and will last up to a further 10 years.
80. The Eco Depot Salt barn requires concrete repairs to ensure the ongoing viability of this resource. Surveys have been carried out which conclude the rods in the concrete walls are corroding and the impact to the concrete is corrosion, ultimately deeming the structure to be a H&S risk. Albeit the concrete walls only form part of the full scale walls these do support the upper portions of the enclosure and roof. The structure has been in place for 10 years and to date has received no maintenance or survey until now. The repairs will cement a 5-10 year lifespan by halting the corrosion process and enabling the service to provide a continued essential gritting service to the roads of York, ultimately supporting the safety of our residents. By law we are required to have 2900 tonnes of salt at any one time during our gritting season, this is provided by our current facility, however over the past 10 years the salt has ultimately corroded the wall concrete over time and compromised the metal supports within the concrete. Without this repair the barn would be deemed in time unsafe and alternative storage would need to be sought incurring additional costs.

81. At West Offices there is a need to replace the destratification fans which reduce heat particularly on the third floor during summer months. These were installed in 2012 and are life expired. West Officed does generate significant external income particularly from hiring out the higher floors and therefore it is necessary that the office environment remains comfortable.
82. **Disabled Facilities Grant (£475k 2029/30)** – The Disabled Facilities Grants programme provides financial, to occupiers of privately owned properties, to undertake adaptations to help owner occupiers and tenants living in the properties to live independently within the property in the future. A wide range of adaptations are provided ranging from minor to major works, with these being funded through minor works grants, disabled adaptation grants and disabled facility grants. Typical adaptations included 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. In more complex cases we can also provide funding to enable extensions or to support relocation of the applicant where it is found to be more cost effective. The budget is financed through monies allocated from the Better Care Fund and CYC's budget in line with our statutory obligations.
83. The government have announced nationally there will be an increase in of £86m for disabled facilities in 2025/26. This could lead to an increase to CYC of c. £200k per annum.
84. **Major Items of Disability Equipment (£172k 2029/30)** – CYC provide equipment to vulnerable individuals which enables them to remain in their own homes and live in the community. Timely supply of equipment is an essential component of prevention and 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.
85. **Telecare equipment (£309k 2029/30)** – Funding for Telecare equipment - sensors will be installed in vulnerable customers' homes to deal with specific assessed risks. The sensors will be linked to our Community Alarm system and trigger alerts automatically given a programmed set of circumstances, ensuring speedy response from the response service. These pieces of equipment provide customers with peace of mind and 24 hour monitoring of their circumstances. In some cases, the provision of telecare equipment can prevent a move to residential care and can provide monitoring so that smaller care

packages can be commissioned. Telecare allows more people to be looked after at a lower cost and several studies have shown its cost effectiveness.

86. ICT Rolling Programme (£2,820k 2029/30) - Crucially this budget funds the maintenance, development and compliance requirements of the key corporate systems enabling and supporting ICT infrastructure, device and application estate that is required to underpin the delivery, sustainability and security of these programme supporting technologies whilst also maintaining the organisation's business as usual critical ICT services to staff and citizens. In addition, each of the years in the bid requires a significant allocation to fund our technology refresh programme that is required as part of the new Network Managed Service Agreement and the connectivity, supporting technology platforms and devices to enable and sustain the mobilisation of a flexible workforce and building estate across CYC. This programme funds the design, development, procurement and deployment of evolving digital customer centric technologies to help improve and personalise the customer experience by supporting the delivery of the organisational transformation, the evolving Digital Service Programme and CYC's continual improvement and development programme.

87. Project Support Fund (£200k 2029/30) – To extend the existing funding into 2029/30 to allow the continuation of the capacity to provide professional advice (primarily legal but also including finance and asset management) to support the Capital programme, and in particular major complex regeneration/building schemes including York Central, Castle Gateway, York Outer Ring Road to support the successful delivery of bringing new assets into operation.

88. Contingency Funds (£200k 2025/26) – Included within the capital programme is a contingency which is available to reallocate to other capital schemes if there are unexpected cost increases which cannot be managed within the programme. At Monitor 3 the Contingency stands at £1,176k. Given the scale of the capital programme it is proposed to increase by £200k. The use of the contingency will need to be approved by Executive.

Rolling programme - Externally Funded + HRA Funded

89. In addition to part funded rolling programme schemes, Schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding	Financial Year
	£m	
<u>Existing General Fund Schemes New External Funding</u>		
Highways schemes	8.660	2025/26 to 2029/30
Integrated Transport	1.570	2029/30
Disabled Facilities Grant	1.625	2029/30
<u>Total</u>	11.855	
<u>New General Fund Schemes – New External Funding</u>		
Drainage Works	0.080	2025/26
<u>New General Fund Schemes – New External Funding TOTAL</u>	0.080	
<u>Total – New External Funding</u>	11.935	

Table 5 – Summary of New External Funding

90. The funding for the schemes set out above for the rolling programmes have been updated to reflect the indicative funding settlements in 2029/30.
91. The Highways and Transport capital allocations will in future be passed through from the York and North Yorkshire Combined Authority. As they will be determined by the Mayor and Members of the Authority the ongoing allocations will be subject to change.
92. As stated in paragraph 64 above, the Government have announced the 2025/26 allocation to York and North Yorkshire Combined Authority of £62.181m for Highway Maintenance. This is an increase of c. 37% compared to baseline. It will be for the Combined Authority to agree the individual allocations, but it is assumed that there will be an increase to the council. The figures above assume an increase of £1.165m to take the budget to £4m over the years in the plan. When the final allocation to CYC is determined this will be updated in future monitoring reports.
93. At the time of writing the report there has been no indication of funding related to Integrated Transport. This will also be passed to the

Combined Authority who will determine allocations to the constituent authorities.

External Drainage Funding

94. City of York Council have worked with the Environment Agency and Yorkshire Regional Flood and Coastal Committee on a number of projects in recent years, grant in aid and Local Levy funding, respectively, has been awarded to CYC for a number of schemes and works have been delivered to remedy issues and increase flood resilience.
95. In several past financial years some grant funding has remained unallocated to specific budgets post scheme completion and local service area spend have not been offset by the incoming grant. This grant funding has been accrued and is available to be re-distributed to similar schemes, finance officers have advised that a CRAM bid is submitted to reallocate.
96. The available funding will be targeted towards schemes and improvements to increase flood resilience across numerous sites affected by fluvial flooding or surface water flooding in accordance with our Strategic Flood Risk Management Plan, Local Flood Risk Management Strategy and flood operations plans.
97. Specific sites for targeted improvements are to be determined but likely sites are Peckitt Street, Tower Gardens and numerous surface water flood risk sites identified within our strategy.
98. The **Housing Revenue Account (HRA)** generates funds within the account to deliver capital repairs and investment in its properties.
99. Table 6 shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	Total Value	Financial Year
	£'m	
New Investment for the HRA		
Major Repairs & Modernisation	15.300	2025/26 to 2028/29
Assistance to Older and Disabled People	0.680	2029/30

Housing Environmental Improvement Programme	0.170	2029/30
New Investment for the HRA	16.150	

Table 6 – Summary of HRA investment

100. **Major Repairs & Modernisation of LA Homes (£800k growth per annum 2025/26 to 2028/29, £12,100k 2029/30)** – The HRA has required to allocate additional funds to reflect the need to structurally maintain its stock which has resulted in an increase of £800k per annum in the capital budget across all years. A major stock condition survey has been completed against all of the councils c.7,500 homes. The programme of works for 2025/26 will be focused on delivering all of the required improvements under Year 1 of a 5 year programme. Works will ensure that homes reach the “City of York Standard”, focusing upon matters of interest for tenants such as:

- Improving the energy efficiency of homes, seeking to bring the Energy Performance rating of homes up from D to C.
- Working to complete the upgrading of older uPVC windows, installing high performance and thermal efficient new windows.
- Continuing the programme of work to provide effective protection in walls and floors to prevent damp penetration and measures to manage or eradicate water below suspended floors, where problems have been identified.
- When we modernise homes, ensure that there are extractor fans in both the kitchen and bathroom which are humidistat controlled, helping to control the moisture which can give rise to mould.
- Installing secure, ideally composite, external doors, replacing soft-wood doors as a priority.

The major repairs and modernisation budget for 2025/26 is £12,741k which includes £800k carried forward from 2024/25. A preliminary breakdown of the type and value of works are provided below:

	2025/26 budget £'000	Description of works 2025/26
Home Modernisation	1,695	Periodic modernisation of homes, providing new kitchens, bathrooms and electrical wiring. At the same time, and where the energy efficiency of the home is currently rated D, seek to carry out insulation and other works to improve its thermal efficiency. Homes will benefit from an upgrade to their bathroom and kitchen ventilation, when new humidistat

		controlled, extract fans are installed, helping to control the moisture which can give rise to mould. An estimated 130 homes will be modernised which will include properties identified in the stock condition survey.
Modernisation of Void properties	2,000	Essential repairs to void properties including the upgrading of the kitchen, bathroom and electrical wiring if the outgoing tenant had previously refused this. We will also carry out works to improve the energy efficiency of the home and major structural damp where required. An estimated 100 homes are expected to be improved which is greater than last year but with less resources.
Heating/Boilers	300	Boiler replacements are currently well ahead of schedule and for 2025/26 the focus will be on replacement of boilers that are uneconomic to repair. This will free up resources for other elements of the programme.
Roof Replacements	600	Roof Replacement Works, guided by stock condition results. An estimated 100 homes will be updated this year and the next 4 years. Loft insulation to be topped up where necessary to improve thermal performance of properties
Door Entry Systems	400	Programme to upgrade the communal door entry systems plus replacement when beyond repair.
External Doors	300	A programme of External Door Replacements to approximately 300 homes in order to provide high quality composite doors and deliver Decent Homes "safe and secure". This includes properties identified as needing replacement in year 1 of the stock condition survey
Window Replacements	700	Window Replacements in the Tang Hall area will progress, addressing difficulties with 1st generation uPVC double glazed windows. 70 homes will get new, high

		performance, windows, helping to keep homes secure and draught free.
Tackling damp	2,100	Addressing rising and penetrating damp issues in homes. This will include a review and reform of our approach, helping to make best use of these resources, and expect to carry out works to an estimated 70 homes. This year will be the first year of proactively finding damp in properties rather than waiting for tenants to report issues.
Fire Remedial Works	1,840	Year 2 of a 4 year programme to address all actions from 2023 Fire risk assessments.
Fire Doors	100	Installation of Fire Doors following FRA and Fire Door inspections. 50 to be installed to help keep tenants safe in the event of a fire.
Smoke alarms and electrical upgrades	350	Installation of smoke alarms, rewires and replacement of consumers units. Work identifies in the stock condition survey and electrical testing.
Asbestos Removal	150	Remedial works following asbestos surveys.
Energy efficiency works	500	Matched funded to improve the energy efficiency of properties currently below EPC band C.
Other	1,706	Various budgets including one-off capital salaries, health and safety works, retrofit works, small planned and reactive projects, kitchen and bathroom refurbishments, upgrading communal corridor lighting and a budget for design drawings to improve the approach taken to investment to include architectural designs when required.

Table 7 – Breakdown of Major Repairs & Modernisation of LA Homes 2025/26 Budget

101. The intention of these projects is to ensure the Council invest in and plan for the future, ensuring we support safe, sustainable, affordable and good quality homes.

102. **Assistance to Older and Disabled People (£680k 2029/30)** – This will see continued investment in undertaking adaptations to properties following needs assessment of tenants and their dependants who have some sort of disability, ensuring they can remain in their property and lead as near normal life as possible.
103. **Housing Environmental Improvement Programme (£170k 2029/30)** - The Housing Environment Improvement Programme gives the opportunity to link with other funding streams to deliver schemes which have an impact for all residents and realise economies of scale. Improvements include providing solutions for car parking, secure external storage facilities for tenants of flats, improving security by providing fencing and /or gates with keypads, improving external environments through landscaping. Whilst there is a review of how this funding can be maximised the benefits to the HRA estates and council stock, it is proposed that the funding continues to be set aside.
104. **Local Authority Homes (no proposed budget changes)** - The Council's first fully certified Passivhaus projects, Duncombe Barracks and Burnholme, continue to make progress on site. The first handovers for Duncombe Barracks are expected in Spring 2025. The site comprises of 34 homes and one commercial unit as well as generous public open space in the heart of the development. The first handovers for Burnholme are forecast for autumn 2025 providing 78 new homes. Both sites are 60% affordable housing supported by grant funding from Homes England.
105. Ordnance Lane is the first site in the Housing Delivery Programme to be delivered as 100% affordable housing. Following Planning Approval in August 2024, the site is out to tender for a Principal Contractor to build the 101 homes. All new build homes on the site will be delivered to Passivhaus certified standards. The retained 'Married Quarters' building will be retrofit to high environmental standards. It is expected the project will start on site Summer 2026 and will complete within approximately 24 months. The site has now been cleared ready for development to begin utilising funding from the One Public Estate. The project has been awarded £2m of funding from the Mayoral Combined Authority Brownfield Housing Fund to support this exemplar development.
106. Work to deliver new housing in the South Walmgate area is progressing well through design stages. The work to date has involved developing a Community Design Panel alongside a Youth Design Panel to co-design the buildings and develop ideas for wider area

improvements. It is expected that a planning application will be made in Spring 2025 with an enabling contract to follow shortly after.

107. The Housing Delivery Programme are soon to conclude two highly successful low-cost home ownership schemes. The schemes are funded through two grant funded sources; Homes England’s Second Hand Shared Ownership and YNY Devolution funded Second Hand Shared Ownership with Retrofit. Combined these two schemes have delivered 40 new affordable homes. All the properties within these schemes have now been identified with all purchases due to complete within 24/25. A detailed end of project evaluation report will be developed to gather key learnings and demonstrate the benefits of these projects including the number of families houses and the savings in carbon emissions as a result of retrofit measures undertaken.

Funding Position – Council Prudential Borrowing

108. The budget proposals requires additional prudential borrowing to existing rolling programme schemes of £24.712m and to new schemes totalling £8.150m. This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £32.862m over the 5 year programme. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

	25/26 £000	26/27 £000	27/28 £000	28/29 £000	29/30 £000	Total £000
Rolling Programme	1.500	0.795	0.745	0.745	20.927	24.712
New Schemes	3.250	1.900	3.000	-	-	8.150
Increase in Prudential Borrowing	4.750	2.695	3.745	0.745	20.927	32.862

Table 8 – Net Funding Position of Prudential Borrowing Schemes

109. The incremental revenue costs of the new schemes funded by prudential borrowing is estimated at £3.166m over the 5 year budget period, assuming borrowing of £32.862m. Actual borrowing may be taken during 2025/26, although the costs are not incurred in revenue until the year following any capital expenditure. The Financial strategy report elsewhere on the agenda includes revenue growth of £1.8m to cover additional capital investment.

Summary of Analysis

110. This table summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing an overall increase in the capital programme of **£60.947m** of which £41.072m relates to the extension of the programme to future years.

	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
1) New CYC Schemes Funded by CYC PB (table 3)	3.250	1.900	3.000	-	-	8.150
2) Rolling Programme Schemes Funded by CYC PB (table 4)	1.500	0.795	0.745	0.745	20.927	24.712
3) Existing Schemes Funded by External Grant (table 5)	1.245	1.165	1.165	1.165	7.195	11.935
4) HRA Schemes Funded by HRA (table 6)	0.800	0.800	0.800	0.800	12.950	16.150
Total Net Increase to Capital Programme	6.795	4.660	5.710	2.710	41.072	60.947

Table 9 – Summary of new expenditure by funding type 2025/26 – 2029/30

111. The outcome of the proposals outlined above if accepted are illustrated in the next table which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex 2.

Gross Capital Programme	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Children's services	13.918	1.631	0	0	0	15.549
Adult Social Care	0.830	0.728	0.752	0.776	0.800	3.886
Housing	32.933	17.601	18.438	15.150	15.050	99.172
Communities	4.375	0	0	0	0	4.375
Transport, Env & Planning	60.063	49.636	41.516	27.708	21.927	200.850
City Development	27.167	10.582	2.800	1.920	0	42.469
Property Services	1.593	0.675	0.275	0.275	0.275	3.093
ICT	3.170	2.820	2.820	2.820	2.820	14.450

Corporate Services	0.570	0.369	0.200	0.200	0.200	1.539
Total Capital Programme	144.619	84.042	66.801	48.849	41.072	385.383

Table 10 – Proposed Capital Programme 2025/26 – 2029/30

Other Major Capital Projects

112. **York Outer Ring Road Dualling** - During 2024/25, the main focus of activity for the project team has been gaining planning approval for the scheme. Following approval by City of York’s planning committee on Tuesday 19 March 2024, and referral to the Secretary of State, the York Outer Ring Road planning application was approved on the 12 April 2024.
113. After the granting of planning approval a cost review has been undertaken which is part of a full scheme review, with the aim of updating all the key areas of the project such as the latest anticipated cost, programme, risk and land acquisition against the original business case and funding. The review will help inform the required update to the business case for funders and the best way for the project to progress forward through to delivery.
114. The cost review report which was issued in October has confirmed that there is a significant funding gap to deliver the whole of the dualling scheme. It is at present looking unlikely that efforts to fill the funding gap will prove successful therefore CYC is looking to potentially reduce the scope of the works to accord with the available funding. This will involve optioneering and value engineering to establish what elements of the scheme, in economic terms, are best value for money. Given the nature of the works, the likely reduction in scope will involve sections of the dualling scheme being omitted and focus being turned to upgrade roundabouts and improvements to active travel measures. The outcome of this cost review has generated a number of queries and issues to address prior to determining a way forward and has thus impacted on the programme. The previous programme was to present a report to Executive Committee by November 2024, this has now slipped to circa March 2025.
115. Meanwhile concurrent workstreams have continued in other areas. Work continues to take place to attempt to purchase land for the scheme. This is slow as many landowners appear to be waiting to see what happens following the scheme review. All adjacent workstreams such as work on the CPO, land referencing and planning support are

also awaiting the outcome of the scheme review, which will confirm the reduced scope of the scheme. The detailed design to assist with the submission of the planning application is complete, however once the reduced scope is confirmed then amendments to the existing design will be required and necessary preparations will need to be made for the final business case.

116. 2025 will therefore be a time to confirm the reduced scope of the scheme, acquire as much land as possible by private agreement for the revised scheme, progress with any required CPO, finalise the business case and launch procurement of a contractor for commencement of construction in late 2026.
117. **York Station Gateway** – The York Station Gateway scheme is to be delivered in five works packages. The first package of enabling works involving the diversion of key statutory utilities from in and around Queen Street Bridge to enable its demolition was completed in October 2023. This package of work was delivered by CYC and completed on budget.
118. Following a procurement exercise, delivery contractor, John Sisk and Son, in August 2023 was appointed as the main delivery contractor for Package 2 Highway Works. The current programme (December 2024) estimates completion of the Package 2 works in February 2026. Package 2 of the scheme required the acquisition of two areas of land: an area of the station long stay car park owned by Network Rail; and an area of land to the front of George Stephenson House owned by Canada Life. Both parcels of land have been acquired at a total cost of £2.8m (including fees). A further parcel of land currently in the station car park is required for the delivery of Packages 3 and 4 of the scheme, and negotiations are taking place for completion in Spring 2025. The Package 2 works is currently forecasting a £7m funding gap to complete delivery.
119. The delivery of the Package 3 Station Works is led by LNER under a Development Agreement. This package is currently at tender with price returns expected in December 2024. If a suitable bid is received, the Package 3 works are programmed to commence in June 2025. Meanwhile, the Package 4 Loop Road works, which provides access the station car park and three new bus stops will be re-priced in early 2025. If a suitable bid is received for this package, works are expected to begin in autumn 2025. The Package 5 Multi-Storey Car Park works is funded and delivered by Network Rail is currently programmed to commence in March 2025 with an 18-month programme.

120. **Haxby Station** - 2024 started off very positively, with the first two months comprising delivery funding being provisionally secured; a visit by the (then) Prime Minister to site; and submission of a planning application for the new £24m railway station at Towthorpe Road, Haxby. Additionally, our delivery partners Network Rail had secured investment authority to progress to the next stage of development (detailed design and procurement of a delivery contractor), pending release of further funding by Department for Transport.
121. However, a change of national UK government in July led to the newly appointed Chancellor cancelling a number of DfT programmes and funding streams. This included the 'Restoring Your Railway' programme, which Haxby Station had been part of. This has put future funding of the project into significant doubt at this particular time. The DfT themselves have continued to actively submit queries relating to the Outline Business Case however (originally submitted in 2023) and it is currently believed that the project is still in scope for potential future funding, as part of the governmental Spending Review. To date, circa £1.5m of central government funding has been spent; with City of York Council committing £4.3m of match funding. This now leaves a funding shortfall of approximately £18m for the project, and we continue to work with partners, including the Mayoral Combined Authority, to identify potential funding options. Further time-related delays are likely to subject this previous cost estimate (£24m) to inflationary pressures.
122. Whilst there is still much uncertainty in terms of future funding, we have continued to progress the (pending) planning application, to put the project in as strong a position as possible. Due to the requirement to undertake statutory wildlife surveys in the spring season, this now means that determination of planning has been delayed until an expected date of late Summer 2025. If full governmental funding was forthcoming in early 2025, the target date for construction completion and entry into service of the new station would now stand at (provisionally) May 2027. However, this is all dependant on the timing of any future funding announcements by the government.
123. **York Central** - The project is now well underway. Led by Homes England who is responsible for the access infrastructure contract IP2 – and appointment of development partners Arlington/McLaren. The access infrastructure work is scheduled for completion late 2026/27 with the reserved matters planning application for offices and housing due summer 2025. The council still has a significant role to play as the local planning / highway authority and as a funder with Enterprise Zone borrowing to start August 2025 and into 2027/28

124. **Castle Gateway** - In November 2023 Executive approved a revised brief for the design of the Castle / Eye of York which included creating a greener scheme with children's play, whilst still retaining the disabled parking bays and also reducing the upfront and ongoing maintenance costs. The revised brief responded to the councils' priorities around improving sustainability and accessibility, and also responded to the council's financial position and the recent unsuccessful funding bids. Public and stakeholder consultation was undertaken on the new concept designs at the end of the summer 2024 and the feedback received is being used to shape the next stage of the design prior to submission to planning in February 2025. A report will be brought back to Executive in April 2025, seeking approval to proceed with procuring a contractor to finalise the design and deliver the scheme. This report will consider the cost of delivering the scheme as well as the implications associated with closing Castle car park. With the proposed closure of Castle car park, the importance of St George's Field as a parking location is acknowledged and proposals for improving parking provision with coach drop off facilities are being progressed as well as exploring opportunities for improved cycle connectivity.
125. At the same Executive in November 2023, officers were also asked to explore opportunities for delivering a 100% affordable housing scheme on the Castle Mills site. Officers were also asked to explore the option of delivering the pedestrian and cycle bridge at Castle Mills in isolation to the residential scheme, utilising the West Yorkshire Transport Fund. Both these options continue to be explored.

Consultation Analysis

126. There has been widespread consultation over the budget process and this has been detailed within the Financial Strategy 2025/26 to 2029/30 report elsewhere on the agenda.

Organisational Impact and Implications

127. The recommendations in the report potentially have implications across several areas. However, at this stage
- **Financial implications** are contained throughout the main body of the report.
 - **Human Resources (HR)**, the capital programme supports a number of staff within the organisation who deliver capital schemes. The level of funding available will impact the number of staff who are required. It is not anticipated that the

changes in the programme reported will have a significant impact on staffing levels.

- **Legal** *Local authorities are required under the capital finance regime set out in the Local Government Act 2003 to have regard to the Prudential Code when carrying out their duties. The key objectives of the Code are to ensure ‘... within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.’*

Schemes within the capital programme will themselves be in receipt of legal advice where necessary throughout the year.

- **Procurement**, Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver some of the upcoming projects and will be a supporting tool for the capital programme. Should works and/or services become apparent, these must be procured via a compliant, open, transparent, and fair process in accordance with the council’s Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. Creative and innovative ways of procuring will be explored to ensure York’s local supply chain can tender for any contracts to support and improve the local economy. 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 spend will continue to be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, there are no direct implications related to the recommendations, but each scheme will need to consider the Environment and Climate impacts as they progress through future decisions.
- **Affordability**, Works to improve affordability of homes are included through the provision of a wide range energy efficiency improvements and affordable house building plans. The Rough Sleepers Accommodation Programme provides homes for those at risk of homelessness in the city, therefore

this report has a positive impact on affordability of housing in the city.

- **Equalities and Human Rights**, whilst there are no specific implications within this report, some of the individual schemes within the programme make due consideration of these implications as a matter of course.
- **Data Protection and Privacy**, there are no implications related to the recommendations.
- **Communications**, the information set out in this report necessitates both internal and external communications.
- **Economy**, the council's capital programme does provide work for regional and national suppliers / contractors so will impact the wider economy.

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. In addition, the Major Projects all have regular monthly Board meetings to plan, monitor and review their capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised.
129. Additional risk exists in relation to existing schemes in the Capital programme whereby costs are incurred in developing a project, however no asset is achieved. Such costs may then need to be written off to the revenue account. The risks in relation to this are referred to separately in the Revenue Budget Report also on this Agenda.

Wards Impacted

130. The schemes within the capital programme impact all wards across the council.

Contact details

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Annexes

- Annex 1 – Capital Budget Growth 2025/26 to 2029/30
- Annex 2 – Restated Capital Budget 2025/26 to 2029/30

Abbreviations used in this report:

ANPR – Automatic Number Plate Recognition
BCI – Bridge Condition Index
CCTV – Closed Circuit Television
CMP – Conservation Management Plan
CPO – Compulsory Purchase Order
CRAM – Capital Resource Allocation Methodology
CYC – City of York Council
DfT – Department for Transport
EPC – Energy Performance Certificate
EV – Electric Vehicle
FCS – Fabric Condition Survey
FRA – Fire Risk Assessment
GF - General Fund
GLL – Greenwich Leisure Limited
HGV – Heavy Goods Vehicle
HRA - Housing Revenue Account
ICT – Information & Communications Technology
IP2 – Infrastructure Package 2
LTP – Local Transport Plan
PB- Prudential Borrowing
R&R – Resurfacing & Reconstruction

uPVC - Unplasticized Polyvinyl Chloride
YNY – York & North Yorkshire