

Report of the Cabinet Member for Corporate Services

Hungate Haymarket Car Park Site

Summary

1. This report seeks urgent member approval to proceed with additional archaeological excavation works at Hungate Haymarket car-park site at a cost of £112k.
2. At Cabinet on 6 December 2011 members approved the current phase of archaeological investigation work at the Hungate site, with the funding of the work being from the future capital receipt at a cost of £115k.
3. The current phase of work is due to complete on 30 March 2012 and therefore the most cost effective option is to proceed with the additional works straight away.
4. The original capital receipt to be realised from the Hungate site is allocated to fund the capital programme. The current phase of investigation works at £115k are proposed to enhance the future value of the receipt to be realised. In addition, the archaeological excavation works at £112k are unavoidable costs that need to be incurred in order to maintain / increase the value of the capital receipt to be realised.

Background

5. The current phase of archaeological work at the Haymarket car-park has revealed an unexpectedly high density and height of burials which will pose a problem for future development of the site.
6. The current phase of work, at £115k, has been designed to map the extent of, but not remove, human remains associated with the medieval cemetery of All Saints Peaseholme Green. The excavation has demonstrated that these remains are widespread and lie very close to the modern ground surface.

7. It is likely that any future sale and/or development of this site would be “de-risked” if the excavation works were carried out and it would be more cost effective if City of York commissions the excavation of these human remains to follow straight on from the current phase of work.
7. This excavation will be an additional cost of £112k in the best case scenario (a) and (b) below. This has been estimated to be
 - (a) £66.5k to excavate the human remains which is a direct cost attributable to bringing the site into a condition to be operational and associated archaeological deposits
 - (b) a further mutually exclusive sum of up to £45k for the associated archaeological deposits to be deposited at the archive with the Yorkshire Museum which would be a planning requirement and therefore an unavoidable cost.
 - (c) If the work is not done now then the site will be covered up with an estimated additional cost of £10k to uncover it at a future date.
8. The current phase of work will end on 30th March 2012 and therefore to achieve the most cost effective option it is most appropriate to proceed now.
9. This additional capital expenditure of £112k will be included in the capital programme in the year 2013/14 which is also when the capital receipt is scheduled to be realised.
10. The company to complete the works will fund the additional costs until 31 March 2014 or until the site is sold whichever comes first. If the site is not sold prior to the Council incurring the capital expenditure then prudential borrowing will be used and Property Service’s revenue budget will incur the associated finance costs.
11. When the site is sold, if the amount realised is not sufficient to cover the level assumed in the capital programme, (which includes the original amount, plus the £115k approved at cabinet 6/12/11 and the £112k for the excavation works in this report) then there will be a shortfall in the capital programme. This will need to be considered in the future and potentially additional borrowing may be required.

12. It should be noted that the realisable value of the Hungate Site will be considered alongside the ongoing capital receipt schedule reviews done at regular intervals and included in capital programme quarterly monitoring reports to cabinet.
13. There has been considerable interest expressed in this Hungate site which could create additional jobs for the city. This is positive in the current volatile economic environment; however there is currently no firm agreement
14. In summary the additional archaeological excavation works at Hungate will need to be done as set out above before the site is developed. A cleared site will be more attractive and potentially realise a greater capital receipt. The costs of the work proposed will be offset by the enhanced value of the site.

Consultation

15. This report has been written in consultation with property services

Options

16. Approve or reject the recommendations.

Council Plan

17. a. Create jobs and grow the economy.
b. Protect the environment.

Implications

Finance

18. The financial implications are included in the body of the report.

Legal

19. None.

Property

20. Achieving the required capital receipt in 2013/4 will be dependant on the market conditions at the time and investor/occupier interest

Human Resources

21. None

Risk Management

22. There are no known risks with the recommendation.

Recommendations

23. Approve

- a. the additional archaeological excavation works at £112k
- b. the use of the capital receipt to fund the capital expenditure
- c. the capital expenditure to be included in the capital programme in the year 2013/14 and accept the company that completes the work will fund the expenditure until 2013/14
- d. if the capital receipt is not realised at an amount to cover the expenditure, then potential additional borrowing may be required, subject to a review of the overall capital programme
- e. finance costs as a result of the timing differences between the archaeological investigation costs incurred and the sale of the capital receipt to be funded from property services revenue budget

Reason: To enable the archaeological investigative work on the site to proceed in the most cost effective manner.

Contact Details

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Cabinet Member, Corporate Services
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Report Approved 30/3/12

Ward Affected:
Guildhall

All Yes

For further information please contact the author of the report