

# Executive Decision Report

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## **Capital Budget Monitoring – Period 9, 2018/19**

Decision to be taken by: City Mayor

Date of Decision: 5<sup>th</sup> April 2019

Overview Select Committee date: 4<sup>th</sup> April 2019

Lead director: Alison Greenhill

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**City Mayor**

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## Useful Information

- Report author: Amy Oliver
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### 1. Summary

- 1.1 The purpose of this report is to show the position of the capital programme for 2018/19 as at the end of Period 9.
- 1.2 This is the third capital monitoring report of the financial year following similar monitoring reports as at Period 3 and Period 6. A final report will be presented at Outturn.

### 2. Recommendations

2.1 The Executive is recommended to:

- Note total spend of £65.7m for the year to date.
- Note the progress in delivery of major projects, as shown at Appendix A.
- Note progress on spending work programmes, as shown at Appendix B.
- Note that the great majority of provisions remain unspent as shown at Appendix C.
- Approve the addition of £660k to the capital programme for St Mary's Allotments, funded from S106 payments, to create new play areas, landscaping and habitat creation.
- Approve the addition of £600k to the capital programme for a new Cash Income Management system, to be funded from earmarked reserves.
- Approve the addition of £578k to the Ashton Green scheme, as detailed in Appendix A, Planning, Development & Transportation, Para 2.3.
- Approve the addition of £384k for Tower Block Redevelopment as detailed in Appendix A, Housing, Para 2.3.
- Approve the budget transfers within Children's Services and the release of £1,765k from the New School Places policy provision to fund additional project costs, as detailed in Appendix A, Children's Services, Para 2.11.
- Approve the addition of £430k for residual BSF works, to be funded from the BSF Landlord Lifecycle Fund, as detailed in Appendix B, Para 3.10.
- Approve the addition of £400k for Haymarket Theatre to be funded from resources set aside for the Economic Action Plan, as detailed in Appendix D, Para 1.2.

The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.

### 3. Supporting Information including options considered

- 3.1 The 2018/19 to 2019/20 Capital Programme was approved by Council on 30<sup>th</sup> November 2017 and amended at the 2017/18 outturn.
- 3.2 The capital programme is split in the following way:

- (a) Schemes classified as '**immediate starts**', which require no further approval to commence; and
- (b) A number of separate '**policy provisions**' which are not released until specific proposals have been approved by the Executive;

3.3 Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time and the achievement of milestones. Consequently, there is no attention given to in-year financial slippage;
- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of schemes in previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years;

3.4 A summary of the total approved 2018/19 to 2019/20 capital programme as at Period 9 is shown below:

	<b>£000</b>
Projects	145,265
Work Programmes	86,574
Provisions	1,195
Schemes nearly complete	10,806
<b>Total Immediate Starts</b>	<b>243,840</b>
Policy Provisions	81,071
<b>Total Capital Programme</b>	<b>324,911</b>

3.5 The following changes have occurred to the capital programme since Period 6:

	<b>£000</b>
Installation of Sprinklers in Maxfield House	450
Affordable Housing - Acquisitions	6,400
Affordable Housing - LA New Build	200
Affordable Housing - Other	666
Ashton Green Highway Infrastructure	10,000
Transport Improvement Works	100
City Centre Street Improvements	250
Council Housing - Insulation Works	176
Highways Maintenance	1,158
Other	(360)
<b>Net Movements</b>	<b>19,040</b>

These additions are included in the table at 3.5 above.

The following appendices to this report show progress on each type of scheme:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions

3.6 This report only monitors policy provisions to the extent that spending approval has been given, at which point they will be classified as projects, work programmes or provisions.

### 3.7 Capital Receipts

3.7.1 At Period 9, the Council has realised £7.2m of General Fund capital receipts. These receipts are not required to fund the current programme. In line with our policies, with the exception of any earmarked receipts, these are set aside for future capital programmes.

3.7.2 Right to Buy receipts this year have so far amounted to £13.6m.

## 4. **Financial, Legal and other Implications**

### 4.1 Financial Implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, 37 4001

### 4.2 Legal Implications

There are no legal implications arising directly from the recommendations of this report.

Emma Horton, Head of Law (Commercial, Property and Planning).

### 4.3 Climate Change and Carbon Reduction Implications

This report is solely concerned with financial issues.

### 4.4 Equalities Implications

No Equality Impact Assessment (EIA) has been carried out as this is not applicable to a budget monitoring report.

#### 4.5 Other Implications

<b>Other implications</b>	<b>Yes/No</b>	<b>Paragraph referred</b>
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-
Corporate Parenting	No	-
Health Inequalities Impact	No	-

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

#### 5. **Is this a private report**

No.

#### 6. **Is this a “key decision”?**

No.

#### 7. **If a key decision please explain reason**

N/A.

## PROJECTS

### 1. Summary

- 1.1 As stated in the cover report, the focus of monitoring projects is physical delivery, ie whether they are being delivered on time, on budget and to the original specification. This appendix summarises progress on projects. Project summaries provided by departments/divisions are shown on pages 9-20 within this Appendix.

Department / Division	Budget 2018/19 to 2019/20 £000	2018/19 Spend to Date £000
Corporate Resources	1,816	980
Adult Social Care	4,892	681
Planning, Development & Transportation	79,810	9,654
Tourism, Culture & Inward Investment	8,682	2,325
Neighbourhood & Environmental Services	230	35
Estates & Building Services	11,043	549
Children's Services	29,704	14,100
Public Health	3,619	1,189
Housing Revenue Account	5,469	1,150
<b>Total</b>	<b>145,265</b>	<b>30,663</b>

- 1.2 A list of the individual projects is shown in the table on pages 6-8 of this report. This also summarises the progress of each project. Attention is drawn to expected completion dates and any project issues that have arisen.
- 1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing as expected, and whether it is still expected to complete within budget.
- 1.4 The ratings used are:
- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
  - (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a project is classed as amber if some insubstantial slippage or minor overspend is probable.
  - (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
  - (d) **Blue** The project is complete.
  - (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

## 2. Summary of Individual Projects

Dept/ Division	Project	Total Budget (£000)	2018/19 Spend (£000)	Forecast U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ Period 9
CRS	Automatic Call Distribution System Upgrade	203	180	0	Apr-18	TBC	Amber	Red
CRS	Finance, HR & Payroll System	1,613	800	0	Jun-17	TBC	Red	Red
ASC	ICT Investment - Phase 2 - Liquidlogic	627	474	0	Jan-19	Mar-19	Green	Green
ASC	Improvement to Day Care Services at Hastings Road	267	207	0	Apr-16	Mar-19	Green	Green
ASC	Specialist Dementia Care Centre	1,548	0	0		TBC	Purple	Purple
ASC	Extra Care Schemes	2,450	0	0		Aug-20	Purple	Green
CDN (PDT)	Leicester North West Major Transport Scheme	8,720	817	0	Mar-19	Mar-21	Amber	Amber
CDN (PDT)	North City Centre Access Improvement Scheme	10,559	3,329	0	Feb-20	Nov-20	Green	Green
CDN (PDT)	Anstey Lane Improvements for Ashton Green	7,900	0	0	May-19	Mar-20	Green	Green
CDN (PDT)	City Centre Street Improvements	2,512	445	0	Apr-19	Dec-20	Green	Green
CDN (PDT)	Waterside Strategic Regeneration Area	17,764	3,137	0	Mar-23	Mar-23	Green	Green
CDN (PDT)	St George's Churchyard	857	1	0	Aug-18	Aug-19	Amber	Purple
CDN (PDT)	Great Central Street / Vaughan Way	2,740	57	0	Jan-19	Aug-19	Green	Green
CDN (PDT)	Ashton Green	404	509	(578)	Mar-18	Mar-19	Green	Amber
CDN (PDT)	Pioneer Park	4,217	359	0	Jan-21	Jan-21	Green	Green
CDN (PDT)	Newarke Street Car Park improvements	247	100	0	Sep-18	May-19	Green	Green
CDN (PDT)	Abbey Park Precinct Wall	92	0	0	Aug-19	Aug-19	Green	Green
CDN (PDT)	Pioneer Park Commercial Workspace (formerly Dock 2)	1,148	18	0	Spring 18	Spring 20	Amber	Amber
CDN (PDT)	Connecting Leicester - Low Carbon Schemes	7,250	819	0	Nov-20	Nov-20	Green	Green
CDN (PDT)	Putney Road Link	4,859	63	0	Dec-19	Nov-19	Green	Green
CDN (PDT)	22 St. Georges Way	541	0	0	Feb-19	Feb-19	N/A	Green
CDN (PDT)	Ashton Green Highways Infrastructure	10,000	0	0	Mar-21	Mar-21	N/A	Green
CDN (TCI)	Jewry Wall Museum Improvements	2,691	107	0	Mar-19	Sep-20	Amber	Green
CDN (TCI)	Leicester Market Redevelopment	5,030	1,752	0	Dec-18	Mar-20	Amber	Amber
CDN (TCI)	Abbey Pumping Station	482	157	0	Mar-19	Jun-19	Green	Green
CDN (TCI)	De Montfort Hall Improvement Works	479	309	0	Sep-18	Feb-19	Amber	Green

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold  
[Green] [Amber] [Red] [Blue] [Purple]

Dept/ Division	Project	Total Budget (£000)	2018/19 Spend (£000)	Forecast U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ Period 9
CDN (NES)	Library Management System	130	35	0	Dec-18	Mar-19	Green	Green
CDN (NES)	City Centre Playground	100	0	0	Mar-19	Mar-20	Green	Amber
CDN (EBS)	Haymarket House, Car Parks & Lifts	10,067	373	0	Mid - 20	Mid - 20	Green	Amber
CDN (EBS)	11-15 Horsefair Street	516	168	(177)	Nov-18	May-19	Amber	Amber
CDN (EBS)	City Hall Power Backup	300	5	0	Sep-18	TBC	Amber	Purple
CDN (EBS)	Great Central Railway Museum	160	3	0	Oct-18	TBC	Purple	Purple
ECS	Waterside Primary School Feasibility	1,223	1,024	(400)	Aug-19	Dec-18	Green	Blue
ECS	Additional Places - Marriott	1,390	42	(50)	Sep-18	May-19	Amber	Amber
ECS	Secondary School Places - PFI schools	568	512	0	Aug-19	Dec-18	Purple	Blue
ECS	Secondary School Places - Non-PFI schools	259	791	(750)	Jul-19	Dec-18	Amber	Blue
ECS	St Paul's Temporary Modular Buildings	582	0	(50)	Sep-18	Apr-19	Green	Amber
ECS	Fullhurst School Expansions	14,832	11,121	550	Aug-19	Feb-19	Green	Green
ECS	SEND Places Expansion - Phase 1	2,064	129	350	Nov-18	Mar-19	Green	Amber
ECS	Primary Pupil Referral Unit Expansion	2,657	1	(150)	Oct-19	Oct-19	Green	Amber
ECS	St John the Baptist Primary Extension	1,566	396	(50)	May-19	May-19	Green	Amber
ECS	Additional SEND Places - Phase 2 - Knighton Fields Centre	3,574	0	(350)	Dec-19	Dec-19	N/A	Amber
ECS	Wigston Lane Children's Home	500	28	0	Nov-18	May-19	Green	Green
ECS	Children's Homes - Netherhall	264	11	0	Sep-17	Dec-19	Green	Green
ECS	Children's Homes - Tatlow Road	225	45	0	Dec-17	Apr-19	Green	Green
PH	Relocation of Sexual Health Clinic	1,374	1,189	0	Mar-18	Feb-19	Green	Green
PH	Leisure Centre Improvement Programme	2,245	0	0	Mar-20	Jul-20	Amber	Amber
<b>Total (excluding HRA)</b>		<b>139,796</b>	<b>29,513</b>	<b>(1,655)</b>				

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold  
[Green] [Amber] [Red] [Blue] [Purple]



Dept/ Division	Project	Total Budget (£000)	2018/19 Spend (£000)	Forecast U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ Period 9
CDN (HRA)	St Leonard's Tower Block - Lift	195	0	0	Mar-18	Apr-20	Amber	Amber
CDN (HRA)	Exchange Demolition	100	0	0	Dec-17	Sep-19	Amber	Amber
CDN (HRA)	E-Communications (Mobile Working)	247	50	0	Aug-18	Mar-19	Amber	Green
CDN (HRA)	Northgate Business Systems Phase 2	1,125	366	0	Mar-18	Mar-19	Green	Green
CDN (HRA)	Tower Block Redevelopment	352	734	(384)	Sep-18	Apr-19	Amber	Amber
CDN (HRA)	Goscote House Demolition	3,000	0	0		Jan-20	Green	Green
CDN (HRA)	Installation of Sprinklers in Maxfield House	450	0	0	Mar-19	Mar-19	N/A	Green
<b>Total HRA</b>		<b>5,469</b>	<b>1,150</b>	<b>(384)</b>				
<b>Total (including HRA)</b>		<b>145,265</b>	<b>30,663</b>	<b>(2,039)</b>				

COLOUR KEY : **Successful Delivery Likely** [Green] **Successful Delivery Probable** [Amber] **Successful Delivery Appears Unachievable** [Red] **Project Complete** [Blue] **Project on Hold** [Purple]

### **3. Commentary on Specific Projects**

- 3.1 Explanatory commentary for projects that are not currently progressing as planned, or for which issues have been identified, is provided in the next pages. This has been defined as any scheme that has a RAG Rating other than “green” or “blue”.

## Capital Programme Project Monitoring 2018/19 Period 9

### Corporate Resources

#### 1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Automatic Call Distribution System.	203	0	April 2018	TBC	R
Finance, HR & Payroll System	1,613	0	June 2017	TBC	R
<b>Total</b>	<b>1,816</b>	<b>0</b>			

#### 2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1. **Automatic Call Distribution System** The implementation has slipped due to a dispute with the supplier regarding costs. Following independent legal advice, meetings are planned to reach a mutual agreement on how to proceed with the project. Until this is resolved, the RAG rating remains red.

2.2. **Finance System** The Council is implementing a new finance system. As previously reported implementation has slipped, and the project team and supplier are working together to determine how this can be recovered. Until a clearer picture emerges, the RAG rating remains at red.

## Capital Programme Project Monitoring 2018/19 – Period 9

### Adults

#### Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
ICT Investment – Phase 2 (Liquidlogic Enhancements)	627	0	January 2019	March 2019	<b>G</b>
Improvements to day care services at Hastings Road	267	0	April 2016	March 2019	<b>G</b>
Special Dementia Care Centre	1,548	0		TBC	<b>P</b>
Extra Care – Two Schemes	2,450	0		August 2020	<b>G</b>
<b>Total</b>	<b>4,892</b>	<b>0</b>			

#### 1. Projects Commentary (for all projects rated Amber, Red or Purple)

**1.1 Specialist Dementia Care Centre** This project has been on hold pending expected Government changes to benefit which could have affected the viability of the scheme. After a long period of uncertainty, the Government has announced that vulnerable people will still be able to claim the higher rate of intensive housing management as part of their housing benefit claim. Therefore, the original business case produced in 2014/15 will be re-visited to determine whether this type of accommodation is still required, and an update report will be presented to the Executive for consideration in due course.

**1.2 Extra Care Schemes** These schemes were on hold pending the outcome of a government review into the Local Housing Allowance paid via Housing Benefits which if implemented would have rendered the schemes unviable. However, the government has decided not to implement the proposals and therefore Executive approval has been given for the schemes to proceed. Pending planning permissions being granted the building work is likely to start in February 2019.

# Capital Programme Project Monitoring 2018/19 Period 9

## Planning, Development & Transportation

### 1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Leicester North West Transport Scheme	8,720	0	Mar 2019	Mar 2021	A
North City Centre Access	10,559	0	Feb 2020	Nov 2020	G
Anstey Lane Improvements for Ashton Green	7,900	0	May 2019	Mar 2020	G
City Centre Street Improvements	2,512	0	Apr 2019	Dec 2020	G
Waterside	17,764	0	Mar 2023	Mar 2023	G
St George's Churchyard	857	0	Aug 2018	Aug 2019	P
Vaughan Way / Great Central Street	2,740	0	Jan 2019	Aug 2019	G
Ashton Green	404	(578)	Mar 2018	Mar 2019	A
Pioneer Park	4,217	0	Jan 2021	Jan 2021	G
Newarke Street Car Park Improvements	247	0	Sept 2018	May 2019	G
Abbey Park Precinct Wall	92	0	Aug 2019	Aug 2019	G
Pioneer Park Commercial Workspace	1,148	0	Spring 2018	Spring 2020	A
Connecting Leicester – Low Carbon Schemes	7,250	0	Nov 2020	Nov 2020	G
Putney Road Link	4,859	0	Dec 2019	Nov 2019	G
22 St. Georges Way	541	0	Feb 2019	Feb 2019	G
Ashton Green Highways Infrastructure	10,000	0	Mar 2021	Mar 2021	G
<b>Total</b>	<b>79,810</b>	<b>(578)</b>			

### 2. Projects Commentary (for **all** projects rated Amber, Red or Purple). An addition to the programme is also proposed in respect of Ashton Green.

2.1. **Leicester North West Major Transport Project** Work is progressing on site. There has been some slippage due to the presence of services which were previously thought to be unaffected. Construction is now programmed to continue until mid-August 2019.

2.2. **St George's Churchyard** The scheme for public realm improvements was re-presented to Planning & Development Control Committee (PDCC) in December 2018 but was rejected. Options for the scheme are currently being reviewed.

2.3. **Ashton Green** The additional costs forecast in relation to Ashton Green are needed to meet the internal project management costs of an externally funded programme. The outstanding costs are in relation to highways and green infrastructure planning conditions, to support the development of the first parcel of land. Further to this, capital expenditure forecasts include additional consultancy support required for the land disposal. Approval is being sought to add £578k to the project, to be funded initially by prudential borrowing and repaid by future Ashton Green capital receipts.

2.4. **Pioneer Park Commercial Workspace** Land has been acquired from Homes England and Brackley Property Developments has been appointed as preferred developer. Development Agreement negotiations are underway and a key decision is expected regarding capital investment through allocated Local Growth Fund and matching funding required from the Economic Action Plan. The site will be delivered in phases with phase 1 including new workspace next to Dock, to be owned and operated by the Council.

## Capital Programme Project Monitoring 2018/19 Period 9

### Tourism, Culture and Inward Investment

#### 1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum Improvements	2,691	0	March 2019	Sept 2020	G
Leicester Market Redevelopment	5,030	0	Dec 2018	March 2020	A
Abbey Pumping Station	482	0	March 2019	June 2019	G
De Montfort Hall Improvement Works	479	0	Sept 2018	Feb 2019	G
<b>Total</b>	<b>8,682</b>	<b>0</b>			

#### 2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1. **Leicester Market Redevelopment** The work on the screen wall has been delayed due to a number of site issues including poor ground conditions. Additional costs have arisen as a result and outdoor market works are being reviewed as a result to reduce costs within the funding envelope.

## Capital Programme Project Monitoring 2018/19 Period 9

### Neighbourhood and Environmental Services

#### 1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Management System	130	0	Dec 18	March 19	<b>G</b>
City Centre Play	100	0	March 19	March 20	<b>A</b>
<b>Total</b>	<b>230</b>	<b>0</b>			

#### 2. Projects Commentary (for **all** projects rated Amber, Red or Purple)

2.1 **City Centre Play** Proposals are currently being developed.



# Capital Programme Project Monitoring 2018/19 – Period 9

## Estates and Building Services

### 1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
Haymarket House, Car Park and Lifts	10,067	0	Mid 2020	Mid 2020	A
11-15 Horsefair Street	516	(177)	Nov 2018	May 2019	A
City Hall Power Back Up	300	0	Sept 2018	TBC	P
GCR Mainline Museum	160	0	Oct 2018	TBC	P
<b>Total</b>	<b>11,043</b>	<b>(177)</b>			

### Projects Commentary (for **all** projects rated Amber, Red or Purple).

**2.1 Haymarket House, Car Park and Lifts** Work continues to agree contracts with Haymarket shopping centre, Travelodge and Haymarket Consortium for the refurbishment of the car park, the provision of lifts which will serve the theatre, carpark and Travelodge and the purchase of the created investment in the proposed hotel. All these issues are interlinked with the Council. The detailed scope and costs of associated works are being reviewed and refined. A start on site is anticipated in April/May 2019. The scheme is rated Amber due to its complexity and time critical activities.

**2.2 11-15 Horsefair Street** A contractor has been appointed. The project cost plan has been re-profiled to include the additional wall re-build because of the structural steel projections from number 11 which cannot be removed. The project is now forecasting an overspend of £177k, which will be considered as part of the review of the market redevelopment scheme. The options for the public art work required are being considered and requires planning approval, which will delay completion until May.

**2.3 City Hall Power Back Up** Further to completion of an options appraisal, EBS are in the process of evaluating the best option in respect of continuity of service.

**2.4 Great Central Railway Mainline Museum** This project is on hold following the withdrawal of HLF funding in December 2017. GCR are considering options for an alternative scheme, and further meetings to discuss alternatives will be held with the City and County Councils in due course. Further site investigations and feasibility work have been commissioned.

## Capital Programme Project Monitoring 2018/19 – Period 9

### Children’s Services

#### 1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
Waterside Primary School – Feasibility	1,223	(400)	Aug 19	Dec 18	B
Additional Places - Marriott	1,390	(50)	Sept 18	May 19	A
Secondary School Places – PFI Schools	568	0	Aug 19	Dec 18	B
Secondary School Places – Non-PFI Schools	259	(750)	Jul 19	Dec 18	B
St Paul’s TMB 2018	582	(50)	Sep 18	Apr 19	A
Secondary Expansions – Fullhurst	14,832	550	Aug 19	Feb 19	G
SEND Places Expansion - Phase 1	2,064	350	Nov 18	Mar 19	A
Primary Pupil Referral Unit (PRU) Expansion (Netherhall)	2,657	(150)	Oct 19	Oct 19	A
St John the Baptist Primary Expansion	1,566	(50)	May 19	May 19	A
Additional SEND Places - Phase 2 - Knighton Fields Centre	3,574	(350)	Dec 19	Dec 19	A
Children’s Homes – Wigston Lane	500	0	Nov 18	May 19	G
Children’s Homes – Netherhall	264	0	Sep 17	Dec 19	G
Children’s Homes – Tatlow Road	225	0	Dec 17	Apr 19	G
<b>Total</b>	<b>29,704</b>	<b>(900)</b>			

#### 2. Projects Commentary (for all projects rated Amber, Red or Purple)

Children’s have a significant capital programme of £29.7m. This programme is mainly focused on creating additional places at schools. With a capital programme of this nature variances can be expected, due to additional technical fees or enhanced requirements being identified as a project is progressed.

- 2.1 Waterside Primary School - Feasibility** - The approved budget relates to activities up to the appointment of a Design and Build contractor and some enabling works. Significant levels of site abnormalities, including ground contamination, have emerged which have led to additional technical investigations and architectural design options coming up to £400k more than originally expected.
- 2.2 Additional Places Marriott** - Investigation surveys have identified that a number of elements of enabling work will be required and may be more expensive than originally envisaged. Whilst options are considered additional costs have been accounted for as part of this monitoring report.
- 2.3 Secondary School Places, non-PFI schools** - The design and feasibility works were more complex and time consuming than originally envisaged and were impacted by a review of pupil place planning data, resulting in additional project costs against the original budget allocation.
- 2.4 St Paul's Temporary Modular Building** - Works were substantially complete in September 2018, although the first floor rooms require additional works in order to meet the current curriculum delivery and fire risk assessment. Further works are planned for February half term.
- 2.5 Secondary Expansions - Fullhurst** - The works are ahead of the initial programme for completion in the Spring. An underspend of £550k can be declared at this stage.
- 2.6 SEND Places Expansion – Phase 1** - Internal refurbishment works at Barley Croft and Millgate are complete, with external works due to complete in March. The internal works at West Gate are expected to complete in March, followed by external works in April. The TMB at Ellesmere is scheduled to complete during May. The scope of some works has been simplified and hence an underspend of circa £350k is expected.
- 2.7 Primary Pupil Referral Unit Expansion (Netherhall)** – Currently a review is being completed of the Primary PRU scheme. This is following a strategic review that identified additional works may lead to increased costs, which will be reported to the Executive in due course.
- 2.9 St John the Baptist** – The project was part of the primary expansion programme, and the school has expanded by 240 pupils. Part of the works is to extend the catering provision and dining area, which has had unforeseen technical issues. The design team are reviewing options and are confident in reducing potential additional costs.
- 2.10 Knighton Fields Centre** – The original brief for the project has changed following a strategic review of SEND delivery across Leicester. On this basis the costs have been updated to reflect these changes.
- 2.11** It is proposed to use the savings on projects to meet additional costs of other projects. Further to this a policy provision release of £1,765k from New School Places is requested, to fund the additional costs detailed here and in the substantially complete projects.

## Capital Programme Project Monitoring 2018/19 – Period 9

### Public Health

#### 1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
Relocation of Sexual Health Clinic	1,374	0	March 2018	Feb 2019	<b>G</b>
Cossington Leisure Centre Equipment	600	0	July 2019	April 2020	<b>A</b>
Evington Leisure Centre Equipment	865	0	July 2019	July 2020	<b>A</b>
Aylestone Leisure Centre Equipment	349	0	September 2019	May 2020	<b>A</b>
Braunstone Leisure Centre Equipment	31	0	March 2020	June 2019	<b>A</b>
Leisure Centres Building Improvements (excluding Braunstone Leisure Centre)	400	0	September 2018 Phase 1 and September 2019 Phase 2	April 2020	<b>A</b>
<b>Total</b>	<b>3,619</b>	<b>0</b>			

#### 2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1. **Leisure Centre Improvement Programme** Feasibility studies have identified that costs may be in excess of the programme funds. The schemes are currently being reviewed.

## Capital Programme Project Monitoring 2018/19 – Period 9

### Housing

#### 1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Under / (Over) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
St Leonard's Tower Block - Lift	195	0	Mar 18	April 20	A
Exchange Demolition	100	0	Dec 17	Sept 19	A
E-Communications (Mobile Working)	247	0	Aug 18	March 19	G
Northgate Business Systems Phase 2	1,125	0	March 18	March 19	G
Tower Block Redevelopment	352	(384)	Sept 18	April 19	A
Goscote House Demolition	3,000	0		Jan 20	G
Installation of Sprinklers in Maxfield House	450	0	Mar 19	Mar 19	G
<b>Total</b>	<b>5,469</b>	<b>(384)</b>			

#### 2. Projects Commentary (for all projects rated Amber, Red or Purple)

**2.1 St Leonard's Lift** The building was originally designed to have two lifts but only one was ever installed, with the location of the second lift being used as communal cupboards. The original lift is now coming to the end of its useful life and the decision has been taken to install a new second lift. The existing lift can then be renewed and the block will have two lifts as originally planned. It is estimated that the cost for both lifts will be around £195k. The delay was caused because of reluctance on the part of a leaseholder to the installation of the second lift. However an agreement has now been reached with the leaseholder and procurement of the lift is due to start imminently.

**2.2 Exchange Demolition** The demolition of the existing parade of shops is dependent on the relocation of the post office. A decision was taken in August 2017 to dispose of land on Sturdee Road in order that an existing health centre can be extended to accommodate a new post office. The land transfer was subsequently completed in October 2017. Ongoing delays to the construction of the post office will mean that demolition will now not take place until the middle of 2019/20.

**2.3 Tower Block Redevelopment** The costs are expected to exceed the budget by £384k, following the delay in the re-occupation of Gordon House. This delay was to allow time to reassure returning tenants that all passive fire safety measures had been completed to the required standard. It is proposed to increase the budget funded from HRA underspends.

**WORK PROGRAMMES****1. Summary**

- 1.1 As stated in the cover report, work programmes are minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion.

<b>Department /Division</b>	<b>Approved to spend in 18/19 £000</b>	<b>2018/19 Spend to Date £000</b>	<b>Forecast Slippage £000</b>	<b>Forecast Under/(over) Spend £000</b>
Adult Social Care	184	6	0	157
Planning, Development & Transportation	14,587	5,912	2,382	0
Tourism, Culture & Inward Investment	2,548	1,428	0	0
Neighbourhood & Environmental Services	895	432	78	0
Estates & Building Services	3,704	1,193	0	0
Housing General Fund	5,833	2,072	1,562	0
LLEP	8,604	7,645	0	0
Children's Services	10,189	1,746	8,035	(432)
<b>Total (excluding HRA)</b>	<b>46,544</b>	<b>20,434</b>	<b>12,057</b>	<b>(275)</b>
Housing Revenue Account	27,262	10,603	5,934	0
<b>Total (including HRA)</b>	<b>73,806</b>	<b>31,037</b>	<b>17,991</b>	<b>(275)</b>

## 2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2018/19 Spend to Date £000	Forecast Slippage £000	Forecast Under/(over) Spend £000
Dementia Friendly Buildings Initiative	ASC	184	6	0	157
Transport Improvement Works	CDN (PDT)	2,724	730	1,300	0
Bus Engine Retrofitting (DFT funded)	CDN (PDT)	2,200	1,055	632	0
Air Quality Action Plan	CDN (PDT)	76	32	0	0
Highways Maintenance	CDN (PDT)	4,078	1,980	0	0
Townscape Heritage Initiative - Business Grants	CDN (PDT)	661	63	400	0
Flood Strategy	CDN (PDT)	367	99	0	0
Festive Decorations	CDN (PDT)	46	30	0	0
Local Environmental Works	CDN (PDT)	400	201	0	0
Legible Leicester	CDN (PDT)	695	395	0	0
Parking Strategy Development	CDN (PDT)	488	335	0	0
Leicester Strategic Flood Risk Management Strategy	CDN (PDT)	2,223	513	0	0
Potential Strategic Development Sites Assessment	CDN (PDT)	479	432	0	0
Architectural & Feature Lighting	CDN (PDT)	50	0	50	0
Front Wall Enveloping	CDN (PDT)	50	47	0	0
Replacement Doors & Windows St Saviours Road	CDN (PDT)	50	0	0	0
Enterprising Leicester Loans	CDN (TCI)	993	993	0	0
Heritage Interpretation Panels	CDN (TCI)	13	3	0	0
Retail Gateways	CDN (TCI)	425	21	0	0
Arts & Museum Security Improvements	CDN (TCI)	40	0	0	0
Collaborate Business Project - Business Grants	CDN (TCI)	977	411	0	0
Cultural investment programme	CDN (TCI)	100	0	0	0
Parks Plant and Equipment	CDN (NES)	150	0	0	0
Allotment Infrastructure Phase 2	CDN (NES)	75	43	0	0
Replacement Tree Planting	CDN (NES)	86	0	0	0
CCTV Upgrade - Infrastructure	CDN (NES)	444	374	0	0
CCTV Upgrade - Neighbourhood Facilities	CDN (NES)	90	0	45	0
Street Scene Improvements	CDN (NES)	50	15	33	0
Euston Street Store	CDN (EBS)	790	457	0	0
Property Maintenance	CDN (EBS)	2,830	736	0	0
Energy Fund - Pool Covers	CDN (EBS)	84	0	0	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,495	1,283	0	0
Repayable Home Repair Loans	CDN (HGF)	433	146	144	0
Leicester Energy Efficiency Fund	CDN (HGF)	50	5	0	0
Vehicle Fleet Replacement Programme	CDN (HGF)	2,855	638	1,418	0
Local Growth Fund Projects	CDN (LLEP)	8,604	7,645	0	0
School Capital Maintenance	ECS	7,664	1,588	5,851	0
BSF Schools' Landlord Lifecycle Fund	ECS	2,525	158	2,184	(432)
<b>Total (excluding HRA)</b>		<b>46,544</b>	<b>20,434</b>	<b>12,057</b>	<b>(275)</b>
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	4,341	2,825	50	0
Council Housing - Boiler Replacements	CDN (HRA)	3,500	2,347	0	0
Council Housing - Rewiring	CDN (HRA)	1,750	1,133	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,374	433	241	0
Council Housing - External Property Works	CDN (HRA)	1,054	572	217	0
Council Housing - Fire and Safety Works	CDN (HRA)	1,150	577	0	0
Council Housing - Insulation Works	CDN (HRA)	350	251	0	0
Community & Environmental Works	CDN (HRA)	1,967	581	71	0
Affordable Housing - Acquisitions	CDN (HRA)	9,780	1,159	5,094	0
Affordable Housing - LA New Build	CDN (HRA)	200	144	0	0
Affordable Housing - Other	CDN (HRA)	1,796	581	261	0
<b>Total HRA</b>		<b>27,262</b>	<b>10,603</b>	<b>5,934</b>	<b>0</b>
<b>Total (including HRA)</b>		<b>73,806</b>	<b>31,037</b>	<b>17,991</b>	<b>(275)</b>

### **3. Commentary on Specific Work Programmes**

3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast.

3.2 **Transport Improvement Works** - This includes bus pinch point schemes, 20mph schemes, surveys and charges for management of the programme. The bus pinch point schemes cover a number of locations. Many of the schemes are at design stage but due to consultations and timing of the programme delivery there is slippage of £1.3m. The majority of 20mph schemes are in progress with works programmed to complete towards the end of the year.

Further to this, delays in finalising the ERDF Low Carbon Fund Project contract with the government will result in slippage of £300k. The contract is expected to be signed in February 2019 and the contribution will be made in 2019/20.

3.3 **Bus Engine Retrofitting (DFT funded)** - £2.2m has been awarded by the Department for Transport towards retrofitting engines in 109 buses in the city fleet (operated by First, Arriva, Centrebus and Kinch) to achieve Emissions Euro Standard 6. This will assist in meeting EU air quality targets as part of the Council's Air Quality Action Plan. Due to the work schedules for bus retrofitting the final payment to the bus companies will be made in the first quarter of 2019/20.

3.4 **Highways Maintenance** - The Council has been allocated £1.158m additional funding for highway maintenance which has been added to the current highway capital maintenance programme 2018/19. The extra funding is being used to deliver a programme of highway repairs and resurfacing work tackling maintenance priorities on both major routes and local neighbourhood streets.

3.5 **Townscape Heritage Initiative - Business Grants** - The overall programme is progressing although there will be some slippage into the final year of the grant scheme (2019-20) due to minor project changes. These include a delay in the development of a grant application for bringing vacant space back into use.

3.6 **Leicester Strategic Flood Risk Management Strategy** - The pace of spend has increased in the second half of the year and it is likely that the whole budget allocated for 2018/19 will be spent by the end of the year.

3.7 **Repayable Home Repair Loans** - These loans support people, often Adult Social Care clients, to continue living independently within their homes. The service is demand-led, and a drop in the number of applications has led to a forecast underspend of £144k, which will be slipped into 19/20.

3.8 **Vehicle Fleet Replacement Programme** - Of the £2.9m approval, £1.5m is scheduled to be spent during this year, supported by a detailed plan of vehicle purchases. This approach continues the cost effective management of the Council's vehicle fleet and will result in £1.4m being available for purchases in 2019/20.

3.9 **Schools Capital Maintenance** – The slippage is due to limited spend to date against 'production kitchens' whilst schemes are identified, compliance and fire safety where surveys are underway to determine the necessary works to be carried out in 2019/20,



and because the most recent funding approval of £4.3m was in November 2018 and hence procurement is in hand and works will generally start to get underway in 2019/20.

- 3.10 **BSF Schools' Landlord Lifecycle Fund** – The slippage is due to LOT 4 remedial works which are at New College, Millgate Academy, Lancaster Academy and Sir Jonathan North Academy. These works are currently at RIBA Stage 4 with contracts expected to be issued for a total works value of £2.317m. Works are programmed to be completed in the 2019/20 financial year. An additional budget of £430k has however been required to close out a larger than envisaged range of relatively small remedial and safety/compliance works outstanding at the conclusion of the BSF contract works, and to fund technical support to enable more significant outstanding matters across the BSF phase 3-6 estate to be properly addressed by the contractor and/or the Council. This will be funded from the BSF Landlord Lifecycle Fund.
- 3.11 **Council Housing – Disabled Adaptations and Improvements** – Some slippage will occur due to changes in tenants' circumstances, delaying some disabled improvements regarding Sheltered Housing Schemes and allow time for full engagement with tenants.
- 3.12 **Council Housing – External Property Works** - Procurement has commenced for improvement works to balconies, however much of this spend is expected to now fall within the 2019/20 financial year due to timing associated with progressing procurement and then completing the work.
- 3.13 **Affordable Housing – Acquisitions** - The budget includes provision for acquisitions due to take place within the 19/20 financial year. The number of acquisitions undertaken in 18/19 is in line with expectations.
- 3.14 **Affordable Housing – Other** - This work programme principally represents payments of RTB receipts to Registered Providers for the provision of affordable housing. A recent approval for grant payment to Ross Walk Housing Co-operative will be largely spent within 19/20.

**PROVISIONS****1. Summary**

- 1.1 As stated in the cover report, provisions are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem.
- 1.2 As at the end of Period 9, the following budgets for capital provisions were unspent.

<b>Provision</b>	<b>Dept/ Division</b>	<b>Approved £000</b>	<b>2018/19 Spend to Date £000</b>	<b>2018/19 Commit- ments £000</b>	<b>2018/19 Total £000</b>	<b>Remaining Budget £000</b>
Local Investment Fund Support	CDN (TCI)	181	0	0	0	181
Feasibility and Development Studies	CDN (PDT)	250	20	0	20	230
Empty Homes Purchase	CDN (HGF)	50	8	0	8	42
New School Places - Contingency	ECS	0	0	0	0	0
Children's Services Buildings (Non-Schools)	ECS	500	0	0	0	500
Adventure Playgrounds & Youth Centres	ECS	25	0	0	0	25
Early Years - Two Year Olds	ECS	189	13	0	13	176
<b>Total</b>		<b>1,195</b>	<b>41</b>	<b>0</b>	<b>41</b>	<b>1,154</b>

**PROJECTS SUBSTANTIALLY COMPLETE****1. Summary**

- 1.1 As at the end of Period 9, the following schemes were still in progress and nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

<b>Project</b>	<b>Dept/ Division</b>	<b>Approved £000</b>	<b>2018/19 Spend to Date £000</b>	<b>Forecast Slippage £000</b>	<b>Forecast Under/(over) Spend £000</b>
Electronic Document System Replacement	CRS	330	0	0	100
Anchor Centre - new recovery hub	ASC	146	49	0	100
Friars' Mill Phase 1	CDN (PDT)	54	12	0	0
Queen's Building (formerly Shahista House)	CDN (PDT)	150	146	0	0
Townscape Heritage Initiative	CDN (PDT)	796	610	0	0
Carron Building	CDN (TCI)	18	18	0	0
Watermead Country Park - Additional Car Park	CDN (NES)	39	13	0	0
15 New Street	CDN (EBS)	24	21	0	3
Braunstone Hall	CDN (EBS)	130	24	0	0
9 Midland Street Acquisition	CDN (EBS)	281	275	0	0
Haymarket Theatre	CDN (EBS)	0	0	0	(400)
New School Places - various	ECS	2,332	814	0	(695)
Secondary School Temporary Modular Buildings	ECS	6,003	1,801	0	0
Children's Homes - Barnes Heath	ECS	15	3	0	0
Children's Services Contact Centres	ECS	33	9	0	0
Primary School Temporary Modular Buildings	ECS	455	175	0	(170)
<b>Total</b>		<b>10,806</b>	<b>3,970</b>	<b>0</b>	<b>(1,062)</b>

- 1.2 Due to unforeseen technical difficulties, the Haymarket Theatre redevelopment work took longer than expected, hence an additional £190k cost was incurred. Furthermore, as the wider discussions with the Haymarket Shopping Centre progressed, it became clear a dual lift solution (rather than the originally envisaged single lift solely for the theatre) would be needed alongside an integrated control system. This had a knock-on impact for the theatre works, in particular the entire relocation of the entrance, which is now closer to the top of the existing external stair and is felt to work better than the original design. This work however was a change to the contract scope at a cost £210k. Hence total additional costs of some £400k have been incurred, which it is proposed to fund from resources set aside for the Economic Action Plan.

**POLICY PROVISIONS****1. Summary**

1.1 As at Period 9, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

<b>Department/ Division</b>	<b>Policy Provision</b>	<b>Amount £000</b>
CDN (EBS)	Property Maintenance	1,412
CDN (PDT)	Economic Action Plan	7,094
CDN (PDT)	Air Quality Action Plan	740
CDN (PDT)	Parking Strategy Development	0
CDN (PDT)	Local Environmental Works	346
CDN (PDT)	Ashton Green Infrastructure	400
CDN (PDT)	Front Wall Enveloping	150
CDN (EBS)	Commercial Property Acquisitions	1,927
CDN (HGF)	Vehicle Replacement Programme	1,800
ECS	New School Places	55,126
ECS	School Maintenance	3,688
ASC	Extra Care Schemes	6,700
<b>Total (excluding HRA)</b>		<b>79,383</b>
CDN (HRA)	New Affordable Housing	1,388
CDN (HRA)	Other HRA Schemes	300
<b>Total HRA</b>		<b>1,688</b>
<b>Total (including HRA)</b>		<b>81,071</b>

1.2 Money for new school places has been periodically released since period 6, as plans are developed and approved. Decisions taken include:

- £3,574k released 06/12/18 for the expansion of Millgate Special School
- £163k for New School places
- £168k for Secondary school places (PFI Schools)

1.3 Other releases from policy provisions since Period 6 (reflected in the tables above) are listed below:

- £165k for the Leicester North West Major Transport Scheme
- £2,350k for the Corporate property improvement programme
- £780k for the Cultural investment programme
- £750k Leicester strategic flood risk management strategy
- £800k Parking strategy development
- £4,312k for the Children's capital improvement programme
- £541k for proposed acquisition 22 St. Georges Way
- £1,600k for the Acquisition of affordable housing
- £1,622k for the Cultural Investment programme
- £165k Abbey Pumping Station

1.4 The Economic Action Plan Policy Provision includes £1,000k that has been committed for the Cultural Investment Programme, as per an executive decision taken on 23<sup>rd</sup> October 2018.