
Executive Decision Capital Budget Monitoring April-December 2023/24

Decision to be taken by: City Mayor

Decision to be taken on: 29 April 2024

Lead director/officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Catherine Taylor, Acting Chief Accountant
- Author contact details: catherine.taylor@leicester.gov.uk

1. Summary

- 1.1 The purpose of this report is to show the position of the capital programme at the end of December 2023 (Period 9).
- 1.2 This is the third capital monitoring report of the financial year. An outturn report will be presented following the year end.
- 1.3 As previously reported, many projects are experiencing delays and increased costs due to instability in the construction industry and continued inflationary pressures. Some work programmes will manage this through their current budget by deferring planned work. When this is not possible it is reported in the monitoring report and decisions are taken as required. It is anticipated construction industry uncertainty and cost pressures will continue to be an issue for the foreseeable future.
- 1.4 The CIPFA Prudential Code, which is intended to ensure capital investment plans are affordable, prudent and sustainable, requires a number of indicators to be reported on a quarterly basis. The Code was revised in 2021 and required authorities to follow the revised reporting requirements in the 2023/24 financial year. These indicators are included at Appendix F.

2. Recommended actions/decision

- 2.1 The Executive is recommended to:
 - Note total spend of £94.8m for the year to date.
 - Approve the following additions:
 - £415k for Highways Maintenance, funded by an additional Government Grant, see Appendix B, Para 3.6.
 - £116k for the Leisure Centres Phase 2 overspend, £64k to be funded from the Programme Contingency policy provision and £52k to be funded from the Capital Fund. See appendix D, Para 1.3.

The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.
- Note the quarterly prudential indicators presented in Appendix F.

3. Scrutiny / stakeholder engagement

N/a

4. Background and options with supporting evidence

4.1 The 2023/24 Capital programme was initially approved by Council on 22nd February 2023. It has subsequently been amended (including the 2022/23 outturn).

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.

4.2 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, financial slippage is not in itself an issue on these projects;
- (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.

4.3 A summary of the total approved 2023/24 capital programme as at Period 9 is shown below:

	£000
Projects	188,224
Work Programmes	223,752
Provisions	191
Schemes Substantially Complete	6,870
Total Immediate Starts	419,037
Policy Provisions	21,864
Total Capital Programme	440,901

4.4 The following changes have occurred to the capital programme since period 6:

	£000
Executive Decisions from P6 report	
Green Homes	915
New Build Council Housing	713
Off-site Cloud Backup	388
Network Wi-Fi Replacement	300
Property Conversions	(170)
Director Decisions	
Family Hubs	132
Other	124
Net Movements	2,402

These movements are included in the table at 4.3 above.

4.5 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
- Appendix F – Prudential Indicators

4.6 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.

4.7 Capital Receipts

4.7.1 At Period 9, the Council has realised £7.4m of General Fund capital receipts, of which £6.7m relates to ringfenced receipts on the Ashton Green and Waterside developments.

4.7.2 “Right to Buy” receipts from sales of council housing have amounted to £12.0m received in year.

4.8 Prudential Indicators

This report also presents prudential indicators for the same period, in accordance with the CIPFA code.

5. Detailed report

N/A

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

This report is solely concerned with financial issues.

Kirsty Cowell, Head of Finance, 37 2377

6.2 Legal implications

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

Kamal Adatia, Head of Law - City Barrister & Head of Standards

6.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected

characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. At this time, there are no further equality implications as these have already been identified for the proposals agreed and submitted.

There may be future projects, arising from the report and its recommendations, which would benefit from further consideration of the equalities implications and possibly a full equality impact assessment in certain circumstances. People from across all protected characteristics should benefit from the improved public good arising from the capital programme. Whether an Equalities Impact Assessment is required will be dependent upon how work develops and whether the changes are likely to have a disproportionate impact on any protected group; this is usually the case where there are significant changes or a reduction in provision.

Equalities Officer, Surinder Singh, ext. 37 4148

6.4 Climate Emergency implications

Following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions for the council and the city, the council has a key role to play in addressing carbon emissions relating to the delivery of its services. This includes through its delivery of capital projects, with buildings being one of largest contributors to the city's carbon emissions.

A number of the projects for addition and transfer with this report have direct climate emergency implications, including the following:

Green Homes – This funding will directly contribute to reducing carbon emissions in the city's private homes through increasing their energy efficiency.

New Build Council Housing – New council housing has been designed to be energy efficient and low carbon, minimising carbon emissions from its use.

Council House Boiler Replacements – This work will reduce carbon emissions from existing council houses through fitting more efficient gas boilers to properties.

Leicester Market Redevelopment – This project has been designed to be energy efficient, including the installation of solar PV panels and a heat pump, minimising carbon emissions.

Aidan Davis, Sustainability Officer, Ext 37 2284

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

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

7. Background information and other papers:

Capital Programme 2023/24 approved by Council on 22 February 2023.

Housing Revenue Account Budget (including Capital Programme) 2023/24 approved by Council on 22 February 2023.

2023/24 Capital Monitoring P3 Report presented to OSC on 20 September 2023.

2023/24 Capital Monitoring P6 Report presented to OSC on 14 December 2023.

8. Summary of appendices:

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

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

10. Is this a “key decision”? If so, why?

No.

PROJECTS

1. Summary

1.1 As stated in the cover report, the focus of monitoring projects is physical delivery, i.e. 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 12-23 within this Appendix.

Department / Division	Remaining Budget £000	2023/24 Spend £000
Corporate Resources	688	0
Planning, Development & Transportation	98,804	37,775
Tourism, Culture & Inward Investment	38,629	4,591
Neighbourhood & Environmental Services	4,471	165
Estates & Building Services	12,994	279
Adult Social Care	2,510	0
Children's Services	22,323	5,673
Housing Revenue Account	7,805	2,216
Total	188,224	50,699

1.2 A list of the individual projects is shown in the table on pages 10-11 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 to the latest approved delivery and cost plan 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 substantially 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	Remaining Budget (£000)	2023/24 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P9
CRS	Off-site Cloud Backup	388	0	0	Sep-24	Sep-24	N/A	Green
CRS	Network Wi-Fi Replacement	300	0	0	Dec-24	Dec-24	N/A	Green
CDN (PDT)	Connecting Leicester	35,927	14,536	0	Nov-20	Dec-24	Green	Green
CDN (PDT)	Waterside Strategic Regeneration Area	3,793	1,413	0	Mar-23	Jun-26	Green	Green
CDN (PDT)	St George's Churchyard	558	4	0	Aug-18	Jul-24	Green	Green
CDN (PDT)	High Streets Heritage Action Zones	808	101	(100)	Apr-24	Mar-24	Green	Blue
CDN (PDT)	Leicester Railway Station - Levelling up	20,878	2,293	0	Mar-24	TBC	Amber	Amber
CDN (PDT)	Electric Bus Investment	8,003	8,003	0	Dec-23	May-24	Green	Green
CDN (PDT)	Pioneer Park - Levelling Up	25,031	11,425	0	Dec-24	Sep-24	Green	Green
CDN (PDT)	Land South of Midland Street	1,156	0	0	Sep-22	Dec-23	Amber	Blue
CDN (PDT)	Ashton Green Access Road	2,250	0	0	Dec-24	TBC	Green	Purple
CDN (PDT)	St Paul's Church	400	0	0	Aug-25	Aug-25	Green	Green
CDN (TCI)	Jewry Wall Museum Improvements	10,004	2,342	0	Mar-23	Oct-24	Amber	Green
CDN (TCI)	Leicester Market Redevelopment	9,733	483	0	Dec-21	Dec-24	Amber	Amber
CDN (TCI)	12-20 Cank St Link	2,824	56	0	Jan-25	Jan-25	Green	Green
CDN (TCI)	Onsite Construction Skills Hub	706	75	0	Dec-22	Mar-25	Green	Green
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	2,091	165	0	Mar-22	Jun-26	Green	Green
CDN (TCI)	De Montfort Hall	722	172	0	Mar-22	Mar-24	Green	Blue
CDN (TCI)	Pilot House - Levelling Up	12,281	1,106	0	Mar-24	Feb-25	Green	Green
CDN (TCI)	Ugandan Asians – 50 Year Anniversary Commemoration	268	192	0	Jun-23	Mar-24	Green	Blue
CDN (NES)	Library Self Access Rollout	587	41	0	Sep-24	TBC	Amber	Purple
CDN (NES)	St Margaret's Pastures Skate Park	384	27	0	Jan-23	May-25	Green	Amber
CDN (NES)	Multi Use Games Areas (MUGAs)	3,106	60	0	Mar-25	Sep-25	Green	Amber
CDN (NES)	Spinney Hills Park - Levelling Up	199	37	0	Mar-24	Mar-24	Green	Blue
CDN (NES)	African Caribbean Centre Maintenance	60	0	0	Jan-24	Jul-24	Amber	Green
CDN (NES)	Study Zones	135	0	0	Mar-24	Mar-24	Green	Blue
Total		142,592	42,531	(100)				

Dept/ Division	Project	Remaining Budget (£000)	2023/24 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P9
CDN (EBS)	Estate Shops	496	19	0	Mar-22	Mar-24	Amber	Blue
CDN (EBS)	Changing Places - Disabled Facilities Toilets	305	38	0	Mar-24	Jun-24	Green	Amber
CDN (EBS)	Malcolm Arcade Refurbishment	1,353	34	0	Nov-23	TBC	Purple	Purple
CDN (EBS)	Replacement Cladding Phoenix Square	9,570	175	0	Dec-24	Sep-25	Green	Green
CDN (EBS)	St Nicholas Wall	460	0	0	Sep-24	Sep-24	Green	Green
CDN (EBS)	Aikman Avenue District Heating	195	0	0	Dec-23	Apr-24	Purple	Green
CDN (EBS)	Phoenix Arts Car Park	100	13	0	Mar-25	Dec-23	Green	Blue
CDN (EBS)	Heathers Industrial Estate	515	0	0	Dec-23	Jan-24	Green	Blue
SCE (ASC)	Extra Care Schemes	2,510	0	0	Aug-20	TBC	Amber	Purple
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	11,754	2,519	10,300	Jan-24	Sep-25	Amber	Red
SCE (ECS)	Overdale Infant and Juniors School Expansion	3,255	2,247	0	Nov-21	Mar-24	Green	Blue
SCE (ECS)	Pindar Nursery	841	6	0	Mar-23	TBC	Purple	Purple
SCE (ECS)	S106 Additional School Places	519	106	0	Sep-23	Aug-24	Green	Green
SCE (ECS)	Children's Homes Refurbishments	800	110	0	Sep-23	Jul-24	Green	Green
SCE (ECS)	Expansion of Children's Homes	2,037	536	0	May-23	Dec-24	Green	Green
SCE (ECS)	Winstanley Contact Centre	785	83	0	Apr-24	Jun-24	Amber	Green
SCE (ECS)	Education System Re-tender	2,200	59	0	Mar-26	Mar-26	Green	Green
SCE (ECS)	Family Hubs	132	7	0	Mar-26	Mar-26	N/A	Green
Total (excluding HRA)		180,419	48,483	10,200				
CDN (HRA)	New House Build Council Housing	1,577	430	0	Apr-23	Mar-25	Green	Green
CDN (HRA)	Bridlespur Way Refurbishment	300	0	0	Mar-23	Sep-24	Amber	Amber
CDN (HRA)	Dawn Centre Reconfiguration	1,500	27	0	May-23	Oct-24	Amber	Green
CDN (HRA)	St Matthews Concrete Works	1,300	0	0	Mar-24	Sep-24	Green	Green
CDN (HRA)	District Heating Metering	3,128	1,759	0	Jan-24	Jun-24	Amber	Amber
Total HRA		7,805	2,216	0				
Total (including HRA)		188,224	50,699	10,200				

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 2023/24 P9

Corporate Resources

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Off-site Cloud Backup	388	0	Sept 2024	Sept 2024	G
Network Wi-Fi Replacement	300	0	Dec 2024	Dec 2024	G
Total	688	0			

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

Capital Programme Project Monitoring 2023/24 P9

Planning, Development & Transportation

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Connecting Leicester	35,927	0	March 2024	Dec 2024	G
Waterside Strategic Regeneration Area	3,793	0	March 2023	June 2026	G
St George's Churchyard	558	0	Aug 2018	July 2024	G
High Streets Heritage Action Zones	808	(100)	April 2024	March 2024	B
Leicester Station Improvements – Levelling Up	20,878	0	March 2024	TBC	A
Electric Bus Investment	8,003	0	Sept 2024	May 2024	G
Pioneer Park – Levelling Up	25,031	0	Dec 2024	Sept 2024	G
Land South of Midland Street	1,156	0	Sept 2022	Dec 2023	B
Ashton Green Access Road	2,250	0	Dec 2024	TBC	P
St Paul's Church	400	0	Aug 2025	Aug 2025	G
Total	98,804	(100)			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple; and others as required).

- 2.1. Leicester Station Improvements – Levelling Up** – An updated completion date will be provided following contractor engagement in the Autumn.
- 2.2. Ashton Green Access Road** – This project is currently on hold while the current scope of the works is being revised.

Capital Programme Project Monitoring 2023/24 P9

Tourism, Culture and Inward Investment

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum Improvements	10,004	0	March 2023	Oct 2024	G
Leicester Market Redevelopment	9,733	0	Dec 2021	Dec 2024	A
12-20 Cank St Link	2,824	0	Jan 2025	Jan 2025	G
Onsite Construction Skills Hub	706	0	Dec 2022	March 2025	G
Leicester Museum and Art Gallery Phase 1	2,091	0	March 2022	June 2026	G
De Montfort Hall	722	0	March 2022	March 2024	B
Pilot House – Levelling Up	12,281	0	March 2024	Feb 2025	G
Ugandan Asians – 50 Year Anniversary Commemoration	268	0	June 2023	March 2024	B
Total	38,629	0			

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

2.1. **Leicester Market Redevelopment** – Site investigations are expected to complete in April 2024, following the results there could be potential for delay.

Capital Programme Project Monitoring 2023/24 P9

Neighbourhood and Environmental Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Self Access Rollout	587	0	Sept 2024	TBC	P
St Margaret's Pastures Skate Park	384	0	Jan 2023	May 2025	A
Multi Use Games Areas (MUGAs)	3,106	0	March 2025	Sept 2025	A
Spinney Hills Park - Levelling Up	199	0	March 2024	March 2024	B
African Caribbean Centre Maintenance	60	0	Jan 2024	July 2024	G
Study Zones	135	0	March 2024	March 2024	B
Total	4,471	0			

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

2.1 Library Self Access Rollout – The project is on hold until Community Services and Library Needs Assessment is complete following public consultation.

2.2 St Margaret's Pastures Skate Park – Further ecology and archaeology investigations have been completed following consultation and planning approval is expected at the end of March 2024. It's anticipated that construction is now expected to begin in January 2025 and due to complete by May 2025 due to the contractor's capacity.

2.3 Multi Use Games Areas (MUGAs) – Majority of the sites will meet the original completion date. However, there is the legislative obligation to protect some protected species, and this may cause delays in some sites. Minor works have been completed at Melbourne Street and the procurement process for a main tenderer at Cedar Road Gardens has started. Resurfacing works to the synthetic carpet have also been completed at Nelson Mandela Park.

Capital Programme Project Monitoring 2023/24 P9

Estates and Building Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	496	0	March 2022	March 2024	B
Changing Places - Disabled Facilities Toilets	305	0	March 2024	June 2024	A
Malcolm Arcade Refurbishment	1,353	0	Nov 2023	TBC	P
Replacement Cladding Phoenix Square	9,570	0	Dec 2024	Sept 2025	G
St Nicholas Wall	460	0	Sept 2024	Sept 2024	G
Aikman Avenue District Heating	195	0	Dec 2023	April 2024	G
Phoenix Arts Car Park	100	0	March 2025	Dec 2023	B
Heathers Industrial Estate	515	0	Dec 2023	Jan 2024	B
Total	12,994	0			

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

2.1 Changing Places - Disabled Facilities Toilets – The forecast completion has been delayed due to proposed works on toilets at a listed building requiring planning approval to progress further. This has since been granted and works are forecast to complete by the end of June 2024.

2.2 Malcolm Arcade Refurbishment – There has been a proposed change to the original scope of the works which are being finalised.

Capital Programme Project Monitoring 2023/24 P9

Adults

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Extra Care – Two Schemes	2,510	0	Aug 2020	TBC	P
Total	2,510	0			

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

- 2.1 **Extra Care – Two Schemes** – This project is currently paused at the procurement stage whilst seeking advice on the council's ability to proceed to the next stage.

Capital Programme Project Monitoring 2023/24 P9

Children's Services

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	11,754	10,300	Jan 2024	Sept 2025	R
Overdale Infant and Juniors School Expansion	3,255	0	Nov 2021	March 2024	B
Pindar Nursery	841	0	March 2023	TBC	P
S106 Additional School Places	519	0	Sept 2023	Aug 2024	G
Children's Homes Refurbishments	800	0	Sept 2023	July 2024	G
Expansion of Children's Homes	2,037	0	May 2023	Dec 2024	G
Winstanley Contact Centre	785	0	April 2024	June 2024	G
Education System Re-tender	2,200	0	March 2026	March 2026	G
Family Hubs	132	0	March 2026	March 2026	G
Total	22,323	10,300			

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

2.1 Additional SEND Places – As previously reported, following a review of the requirements for the scheme which includes the Rowans (Ellesmere), Knighton Lane (Leicester Partnership School) and the Armadale Centre (Netherhall School), the additional cost of the requirements have now been determined and funding options are being explored. For the proposed amendments an increase in budget will be sought once a decision on how best to use available resources has been finalised.

2.2 Pindar Nursery – This scheme is currently on hold due to revision of the planned scope of works which will need further decisions.

Capital Programme Project Monitoring 2023/24 P9

Housing (HRA)

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
New Build Council Housing	1,577	0	April 2023	March 2025	G
Bridlespur Way Refurbishment	300	0	March 2023	Sept 2024	A
Dawn Centre Reconfiguration	1,500	0	May 2023	Oct 2024	G
St Matthews Concrete Works	1,300	0	March 2024	Sept 2024	G
District Heating Metering	3,128	0	Jan 2024	June 2024	A
Total	7,805	0			

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

- 2.1 Bridlespur Way Refurbishment** – After starting on site, an infestation was identified which required clearing ahead of the work. The delay meant that contractors had to move onto other jobs. Although the contractors are due back on site shortly, the expected completion date is now September 2024.
- 2.2 District Heating Metering** – Difficulties gaining access to the homes of tenants and leaseholders. The project will conclude as planned in June 24 however internal business as usual arrangements are being set up to permit those tenants and leaseholders who have so far refused/not been available to have a meter to opt back into the scheme.

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.

Department / Division	Approved to spend in 23/24 £000	2023/24 Spend £000	Slippage £000	Over/(under) Spend £000
City Development & Neighbourhoods	1,841	181	1,400	0
Planning, Development & Transportation	11,753	4,011	1,429	(90)
Tourism, Culture & Inward Investment	1,166	135	649	0
Neighbourhood & Environmental Services	1,034	336	498	0
Estates & Building Services	8,952	2,730	3,006	(160)
Housing General Fund	11,968	1,916	7,170	0
Adult Social Care	0	0	0	0
Children's Services	17,273	5,003	7,944	0
Total (excluding HRA)	53,987	14,312	22,096	(250)
Housing Revenue Account	40,562	25,722	905	48
Total (including HRA)	94,549	40,034	23,001	(202)

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2023/24 Spend £000	Slippage £000	Over/(under) Spend £000
Feasibility Studies	CDN	1,841	181	1,400	0
Transport Improvement Works	CDN (PDT)	4,120	903	600	0
Bus Engine Retrofitting	CDN (PDT)	412	36	376	0
Air Quality Action Plan	CDN (PDT)	240	264	0	24
Highways Maintenance	CDN (PDT)	4,238	1,595	0	0
Flood Strategy	CDN (PDT)	300	196	0	0
Local Environmental Works	CDN (PDT)	400	289	0	0
Legible Leicester	CDN (PDT)	51	11	0	0
Potential Strategic Development Sites Assessment	CDN (PDT)	844	594	47	0
Architectural & Feature Lighting (Grant)	CDN (PDT)	196	0	196	0
Front Wall Enveloping	CDN (PDT)	200	0	180	0
Transforming Cities Work Programmes	CDN (PDT)	341	1	0	0
Campbell Street Feasibility Study	CDN (PDT)	186	80	0	(34)
Conservation Building Grants	CDN (PDT)	71	22	30	0
Street Nameplates City Branding Programme	CDN (PDT)	67	13	0	0
Environment Agency Feasibility Studies	CDN (PDT)	87	7	0	(80)
Heritage Interpretation Panels	CDN (TCI)	217	35	0	0
Cank St Feasibility	CDN (TCI)	3	0	3	0
Local Shopping Centres Reopening & Improvement Programme Grants	CDN (TCI)	946	100	646	0
Parks Plant and Equipment	CDN (NES)	298	109	0	0
Parks and Open Spaces	CDN (NES)	327	108	308	0
Franklyn Fields Public Open Space	CDN (NES)	409	119	190	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	6,679	911	3,006	0
Green Homes	CDN (EBS)	1,947	1,795	0	0
Phoenix & Sovereign House	CDN (EBS)	160	0	0	(160)
Depots Refurbishment	CDN (EBS)	166	24	0	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,231	1,423	0	0
Repayable Home Repair Loans	CDN (HGF)	134	13	121	0
Vehicle Fleet Replacement Programme	CDN (HGF)	7,466	480	6,563	0
District Heating Metering	CDN (HGF)	2,137	0	486	0
School Capital Maintenance	SCE (ECS)	17,029	4,882	7,944	0
Foster Care Capital Contribution Scheme	SCE (ECS)	244	121	0	0
Total (excluding HRA)		53,987	14,312	22,096	(250)
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,000	1,651	0	0
Council Housing - Boiler Replacements	CDN (HRA)	2,800	1,914	0	0
Council Housing - Rewiring	CDN (HRA)	1,610	940	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,307	1,144	0	48
Council Housing - Insulation Works	CDN (HRA)	82	0	0	0
Council Housing - External Property Works	CDN (HRA)	450	154	0	0
Council Housing - Fire and Safety Works	CDN (HRA)	724	310	0	0
Community & Environmental Works	CDN (HRA)	1,349	185	655	0
Affordable Housing - Acquisitions	CDN (HRA)	24,596	19,162	0	0
Affordable Housing - RPs & Others	CDN (HRA)	4,765	92	0	0
Public Realm Works	CDN (HRA)	629	170	0	0
Feasibility Study for Sheltered Housing	CDN (HRA)	250	0	250	0
Total HRA		40,562	25,722	905	48
Total (including HRA)		94,549	40,034	23,001	(202)

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 **Feasibility Studies** – A review of current feasibility schemes is ongoing to identify the priorities of schemes to be progressed. The slippage is also due to resourcing issues that are being addressed internally.
- 3.3 **Transport Improvement Works** – There is forecasted slippage on this scheme due partly to longer lead times for materials required for construction and prioritisation for delivery and space on the network. Some of the work will therefore be slipped into the next financial year.
- 3.4 **Bus Engine Retrofitting** – This scheme is currently on hold due to a review being taken by DFT to establish whether they will carry on with the scheme.
- 3.5 **Air Quality Action Plan** – The overspend on this scheme is due to unforeseeable additional costs related to the installation and connection of Electric Vehicle Charging points, it is suggested that this will be funded from Transport Improvement Works.
- 3.6 **Highways Maintenance** – This report seeks to add £415k to the Highways Maintenance budget which is funded by an additional government grant (Highways Maintenance Funding: Network North).
- 3.7 **Potential Strategic Development Sites** - Work on this scheme is progressing well, however due to available resources a small proportion of the work planned for this year has now had to be carried forward into the next financial year.
- 3.8 **Architectural & Feature Lighting** – As previously reported, Grant recipients continue to request that works are delayed due to the current economic climate.
- 3.9 **Front Wall Enveloping** – Construction on this scheme is due to take place in 2024/25. This is due to approval of the property owners being required to progress

and this is usually a lengthy process to complete. These approvals are still being sought and can take approximately 6 months.

- 3.10 **Campbell Street Feasibility Studies** – As previously reported, this study is considered complete. However, there is still some expenditure expected but there is a forecasted underspend being reported.
- 3.11 **Conservation Building Grants** – All of the grants for this scheme have been committed; however, some of the claims will be completed in the next financial year at the request of the grant recipient.
- 3.12 **Environment Agency Feasibility Studies** – As previously reported, all three projects in this scheme of works are in the process of being terminated, mostly due to external partners prioritising other projects.
- 3.13 **Local Shopping Centres Reopening & Improvement Programme** – Plans for works at shop fronts located on Welford Road, Melton Road and Netherhall Road have now been identified and are planned for the next financial year due to the current capacity or resources.
- 3.14 **Parks and Open Spaces** – There have been delays with Victoria Park bandstand due to pre-planned works having to be rearranged due to a recent festival. Rally Park Ballcourt has experienced a delay due to additional investigations required around ground contamination and ecology.
- 3.15 **Franklyn Fields Public Open Space** – Reported slippage is due to resources being occupied on priority landscape works and recent wet conditions have prevented the start of some works further.
- 3.16 **Property and Operational Estate Capital Maintenance** – As previously reported, the slippage is due to the long lead times for energy efficiency works required on council buildings, with contractors having limited capacity to deliver the decarbonisation works this financial year. These will be completed in future years. Some planned works to council buildings have slipped to minimise the disruption that they would cause during times of high usage. A decision is also to be made on the priority of pre-planned maintenance works.
- 3.17 **Phoenix & Sovereign House** – Work on access control has been completed at Phoenix House and following condition surveys it has been decided the original scope of works to a platform and passenger lift would not be required.

- 3.18 **Repayable Home Repair Loans** – Resources are currently focused on the delivery of Disabled Facilities Grants resulting in the scheme slipping into the next financial year.
- 3.19 **Vehicle Replacement Programme** – As previously reported forecast slippage is due to the continued global factors affecting the supply of new vehicles and increased delivery lead times. A supplier for passenger assisted vehicles has recently gone into administration which has resulted in proposed orders not being placed and other sources being investigated. Internal resource issues have led to delays in the ordering process.
- 3.20 **District Heating Metering** – Reported slippage is due to difficulties in obtaining access to residents’ homes to install meters. Project remains planned to complete in June 24 with business as usual arrangements set up to enable those without meters to have them installed post this date.
- 3.21 **School Capital Maintenance** – As previously reported, the slippage is principally due to the supplier for energy efficiency works having limited capacity to deliver the decarbonisation of school buildings. This has increased from the previous quarter due to the prioritisation of works and will be completed in future years. In addition to this some works have slipped and being rescheduled around school holidays due to their disruptive nature.
- 3.22 **Council Housing Disabled Adaptations and Improvements (Sheltered Housing Improvements)** – There has been an increased demand this year for minor improvement work in Sheltered Housing relating to health and safety (for example, new carpets or furniture in the communal areas that have failed a fire risk assessment). The overspend of £48k will be funded from forecast HRA revenue underspends.
- 3.23 **Council Housing Communal and Environmental Works (District Heating)** – The technical team that support the delivery of the district heating capital improvements have been redirected to support the installation of heat meters; as such £200k of work will be delayed and carried out during 2024/25. In addition, the £455k payment to LDEC for the connection of Aikman Avenue onto the network is now expected to take place in 2024/25.

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, none of the budgets for capital provisions had been spent.
- 1.3 Normally provisions are there if needed. The sums below are for the 2023/24 financial year.

Provision	Dept/ Division	Approved £000	2023/24 Spend £000	2023/24 Total £000	Remaining Budget £000
Empty Homes Purchase	CDN (HGF)	50	0	0	50
Early Years - Two Year Olds	SCE (ECS)	141	0	0	141
Total		191	0	0	191

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

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

Project	Dept/ Division	Approved £000	2023/24 Spend £000	Over/(Under) Spend £000
Leicester North West Major Transport Scheme	CDN (PDT)	89	0	0
St Margaret's Gateway	CDN (PDT)	1	0	0
Stocking Farm Community Shop	CDN (PDT)	30	0	(30)
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	83	60	0
Saffron Brook	CDN (PDT)	280	133	0
North West Leicester Regeneration Area	CDN (PDT)	60	28	0
Acquisition of Queen St	CDN (PDT)	120	119	(1)
Pioneer Park	CDN (TCI)	16	16	0
Pioneer Park Commercial Workspace (formerly Dock 2)	CDN (TCI)	63	57	0
Gresham Business Workspace	CDN (TCI)	40	27	0
Abbey Pumping Station	CDN (TCI)	0	0	0
Growth Hub	CDN (TCI)	343	305	(38)
Fashion Technology Academy	CDN (TCI)	120	16	(98)
Library RFID Self-Service System	CDN (NES)	11	0	0
Library Improved Self-Access Pilot	CDN (NES)	10	2	0
Abbey Park Precinct Wall	CDN (NES)	46	20	3
Digital & Performance Suite	CDN (NES)	15	15	0
Ash Die Back Equipment	CDN (NES)	130	128	(2)
Haymarket House, Car Parks & Lifts	CDN (EBS)	173	66	0
Haymarket Bus Station - Toilet Expansion and Refurbishments	CDN (EBS)	58	10	0
Energy Efficiency Technology	CDN (EBS)	0	0	0
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	0
African Caribbean Centre	CDN (EBS)	23	3	(20)
Aylestone Leisure Centre PV Panels	CDN (EBS)	595	311	0
Bosworth House	CDN (EBS)	675	675	0
Haymarket Theatre - Internal Completion Works	CDN (EBS)	301	134	0
Goscote House Demolition	CDN (HRA)	304	263	0
Greener Homes	CDN (HRA)	667	0	(480)
Tower Block Sprinkler Systems	CDN (HRA)	1,100	1,075	0
Additional Primary School Places	SCE (ECS)	63	0	0
Glebelands Primary School Modular Building	SCE (ECS)	33	1	(32)
Expansion of Oaklands Special School	SCE (ECS)	1,189	292	0
Tiny Forests in Leicester Schools	SCE (ECS)	53	50	(3)
Leisure Centres Phase 2	PH	91	176	116
Total		6,870	3,982	(585)

1.2 **Leisure Centres Phase 2** – As previously reported the forecast overspend is a result of increased inflation on building materials and unforeseen drainage issues. £64k of the overspend will be funded from the Programme Contingency policy provision and the remaining £52k is to be funded from the Capital Fund.

POLICY PROVISIONS**1. Summary**

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

Department/ Division	Policy Provision	Amount £000	Savings £000
CRS	New Ways of Working	1,887	0
CDN (PDT)	Strategic Acquisitions	2,572	0
CDN (TCII)	Tourism & Culture	50	50
CDN (TCII)	Highways, Transport & Infrastructure	1,494	1,294
CDN (TCII)	Leicester Museum and Art Gallery (LMAG)	3,621	0
CDN (NES)	Library Investment	1,000	0
CDN (Various)	People & Neighbourhoods	392	0
SCE (ECS)	New School Places	4,673	0
SCE (ASC)	Extra Care Schemes	3,426	0
Other	Black Lives Matter	435	0
All	Programme Contingency	1,564	0
Total (excluding HRA)		21,114	1,344
CDN (HRA)	Other HRA Schemes	750	0
Total HRA		750	0
Total (including HRA)		21,864	1,344

1.2. Releases from policy provisions since the 2023/24 P6 report (reflected in the tables above) are listed below:

- £1,600k for Connecting Leicester from Highways, Transport & Infrastructure
- £1,400k for Leicester Market Redevelopment from Highways, Transport & Infrastructure
- £1,350k for Leicester Market Redevelopment from Programme Contingency

1.3. As shown in the above table, £1.344m can be taken as a saving. £1.334m of this is funded by corporate resources and as outlined in the 2024/25 capital programme it has been recommended that this can be used for future programmes.

Prudential Indicators

Summary

Under the requirements of the Prudential Code for Capital Finance in Local Authorities, Council set each year in February, the prudential indicators for the authority as part of the Treasury Management Strategy and Capital Strategy. Monitoring of prudential indicator is not required to be taken to full council but should be reported as part of the capital monitoring.

1. Debt and the Authorised Limit and Operational Boundary

The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2023/24 Authorised Limit £m	2023/24 Operational Boundary £m	Debt at 31/12/23 £m	Complied?
Borrowing	300	245	154	yes
PFI and Finance Leases	175	145	89	yes
Total debt	475	390	243	

Note that the operational boundary is a management tool for in-year monitoring, and it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

2. Maturity Structure of Borrowing

This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity of all borrowing were:

	Upper Limit £m	Lower Limit £m	31/12/23 Actual £m	Complied?
Under 12 months	50	nil	nil	yes
12 months and within 24 months	80	nil	20	yes
24 months and within 5 years	140	nil	nil	yes
5 years and within 10 years	140	nil	nil	yes

Note that these figures exclude PFI and finance leases. It also excludes money we hold and manage on behalf of the Fire Authority. The £20m due between 12 months

and 24 months relates to our LOBO loans which could be called in January 2025. All other loans have a maturity profile of over 10 years.

3. Short-term Treasury Management Investments

The Council has an overall limit for investments. We invest mainly in money markets and with other Local Authorities for short-term investments as we are able to call back for cashflow.

4. Long-term Treasury Management Investments

The Council has a limit of £50m for investments in all types of long-term investments such as property funds, long dated bond funds and equities. The total sum of such investments held by the Council as of 31 December 2023 was the £7m we hold in property funds. It is highly unlikely that we will invest further in these funds during the rest of the year or next year.

One of our property funds, Lothbury has suffered a large number of redemption requests which has resulted in withdrawals from the fund being suspended. At the time of writing the fund has a termination date of 31 March 2024. The position regarding the fund is subject to ongoing negotiations but there are 2 outcomes subject to an Extraordinary General Meeting (EGM), investors either transfer their holdings into a fund run by UBS or, remain within fund until the termination in May. Once the fund is formally terminated either on the 31 March 2024 or a date in May 2024, the remaining properties will be sold over the next 18 months. The fund has already generated a significant amount of cash from property sales, in readiness for the termination of the fund, and this cash will be repatriated to investors on termination, with monthly repatriations of any income generated and sales of the remaining properties.

5. Gross Debt and the Capital Finance Requirement (CFR)

The underlying need to borrow for capital purposes is called the Capital Financing Requirement (CFR). The CFR falls over time as loans are gradually repaid and rises with new borrowing. The historic Housing Revenue Account debt does not have to be repaid and will therefore remain in the CFR.

Statutory guidance is that debt should remain below the capital finance requirement, except in the short term. The authority has complied and expects to continue to comply with this requirement. The total debt including PFI and finance leases (but

excluding money we hold on behalf of the Fire Authority) was £243m whereas our Capital Finance Requirement (CFR) was £591m.

6. Liability Benchmark

The Liability Benchmark compares the underlying need to borrow for capital purposes with the external loans profile over the next 50 years, for existing and approved future expenditure.

We are required to set money aside each year to repay borrowing, this is a revenue budget cost. We would expect the CFR to rise in the medium term due to the planned increased investment in housing. Cash balances continue to decline, and the Council is likely to need to borrow more in the medium term within the CFR, instead of relying on internal borrowing.

After revenue and other balances have been considered, the liability benchmark (the underlying need to borrow for all purposes), is less than the CFR which is the maximum amount that can be borrowed except for very short term cashflow requirements.

7. Compliance with the Council's Treasury Management Strategy

For the operational implementation of the Council's Treasury Management Strategy the most important limits and indicators that need to be monitored throughout the year are:

- The authorised limit – the maximum amount of borrowing that the Council permits itself to have outstanding at any one time.
- The operational limit – a lower limit to trigger management action if borrowing is higher than expected.
- Limits on sums to be invested for more than one year.

These limits are monitored and have been complied with.