



# ***Capital Budget Monitoring – Period 6, 2016/17***

Decision to be taken by: City Mayor

Decision to be taken on: 19<sup>th</sup> January 2017

Lead director: Alison Greenhill

---

## Useful information

■ Report author: Ernie Falso

■ Author contact details: [ernie.falso@leicester.gov.uk](mailto:ernie.falso@leicester.gov.uk)

### 1. Summary

The purpose of this report is to show the position of the capital programme for 2016/17 at the end of Period 6.

This is the second report of the financial year. Reports at Period 9 and at the outturn will be presented as the year progresses.

### 2. Recommendations

The Executive is recommended to:

- Note the level of expenditure of £37.4m at Period 6;
- Note the current level of spend (28%) of the £135.2m approved programme, and note that £8.1m of the approved programme has now been re-profiled to future years. Re-profiling occurs when it is sensible to delay commencement of a scheme and reasons for this are detailed in the commentary on individual schemes in Appendices B-F;
- Note that across a number of schemes, £239k has been declared as savings following completion of projects within budget.
- Approve the addition of £3.2m of Local Growth Fund monies to the Waterside Strategic Regeneration Area scheme (Appendix E, Para 2.19)
- Approve the addition of £265k to the Highways Maintenance budget, funded by additional resources secured from the Department for Transport (Appendix E, Para 2.9)
- Approve the release of £0.4m from the HRA Affordable Housing policy provision to part fund the development of 25 homes in Hamilton (Appendix E, Para 8.6)

The OSC is recommended to:

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

### 3. Report/Supporting information including options considered:

The 2016/17 Capital Programme was approved by Council on 24<sup>th</sup> February 2016.

The appendices B, C, D, E & F attached to this report provide further detail for each Strategic Director's area of responsibility.

The approved programme included:

- Schemes classified as 'immediate starts', which required no further approval to commence; and

- A number of separate 'policy provisions' which would not be released until specific proposals have been approved by the executive.

This report only monitors policy provisions to the extent that spending approval has been given.

#### **4. Financial, legal and other implications**

##### 4.1 Financial & Legal Implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, 37 4001

##### 4.2 Climate Change and Carbon Reduction Implications

This report is solely concerned with financial issues.

##### 4.3 Equalities Implications

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

##### 4.4 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. Background information and other papers:**

Capital Budget 2016/17 presented to Council on 24<sup>th</sup> February 2016

2016/17 HRA Budget Setting Report, which incorporates the 2016/17 HRA capital programme, presented to Council on 24<sup>th</sup> February 2016

Capital Outturn 2015/16 presented to Overview Select Committee on 22<sup>nd</sup> June 2016

Capital Monitoring Report for Period 3 2016/17 presented to Overview Select Committee on 15<sup>th</sup> September 2016

**6. Summary of appendices:**

Appendix A - Period 6 Financial Position of Capital Programme 2016/17

Appendix B - Summary of Adult Social Care projects

Appendix C - Summary of Health Improvement & Wellbeing projects

Appendix D - Summary of Children's Services projects

Appendix E - Summary of City Development and Neighbourhoods projects

Appendix F - Summary of Corporate Resources projects

**7. Is this a private report**

No

**8. Is this a "key decision"?**

Yes

**9. If a key decision please explain reason**

The recommendation on the Waterside Strategic Regeneration Area scheme would give rise to a key decision.

Strategic Director	Division	Approved Programme 2016/17	Spend to Period 6	Re-profiling into 2017/18	Year End Slippage	Year End Savings / (overspends)	Percentage of Spend *
		£000	£000	£000	£000	£000	%
Adult Social Care	Adult Social Care	6,677.0	393.0	5,106.0	637.0	-	6%
Health Improvement & Wellbeing	Sports	450.0	76.0	-	60.0	-	17%
Children's Services	Schools	17,066.0	4,124.0	-	-	-	24%
	Schools (BSF)	9,000.0	2,369.0	-	-	-	26%
	Non-Schools	881.0	102.0	443.0	-	-	12%
City Development & Neighbourhoods	Planning, Development and Transportation	23,699.0	8,956.0	-	1,250.0	19.0	38%
	Tourism, Culture and Inward Investment	7,420.0	3,065.0	70.0	-	-	41%
	Neighbourhood & Environmental Services	2,615.0	818.0	20.0	-	220.0	34%
	Estates and Building Services	6,139.0	4,087.0	-	-	-	67%
	Vehicle Fleet Replacement Programme	501.0	395.0	-	-	-	79%
	Housing General Fund	2,721.0	385.0	-	600.0	-	14%
	Housing Revenue Account (HRA)	23,662.0	7,866.0	2,496.0	-	-	33%
	LLEP (accountable body)	32,430.0	3,222.0	-	-	-	10%
Corporate Resources	Financial Services	900.0	537.0	-	-	-	60%
	Information Services	51.0	17.0	-	-	-	33%
	Corporate Loans	1,000.0	1,000.0	-	-	-	100%
	<b>TOTAL</b>	<b>135,212.0</b>	<b>37,412.0</b>	<b>8,135.0</b>	<b>2,547.0</b>	<b>239.0</b>	<b>28%</b>

\* Percentage is based on approved programme minus any savings.

### Adult Social Care Projects

#### 1. Summary

- 1.1. The projects comprising the Adult Social Care capital programme have spent £0.4m at the end of Period 6. This equates to 6% of the approved programme of £6.7m.

#### 2. Adult Social Care

- 2.1. The table below summarises the £6.8m approved capital programme for Adult Social Care.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
ICT Investment - Phase 2	1,198.0	338.0	473.0	37.0	-	28%
Social Inclusion	201.0	10.0	-	-	-	5%
Improvement to Day Care Services at Hastings Road	430.0	45.0	385.0	-	-	10%
Anchor Centre	600.0	-	-	600.0	-	0%
Special Dementia Care Centre	1,798.0	-	1,798.0	-	-	0%
Extra Care	2,450.0	-	2,450.0	-	-	0%
<b>Total</b>	<b>6,677.0</b>	<b>393.0</b>	<b>5,106.0</b>	<b>637.0</b>	<b>-</b>	<b>6%</b>

- 2.2. **ICT investment.** This scheme consists of further enhancements to the Liquid Logic social Care IT system. The enhancements include mobile working for social workers, an on-line market place to enable budget holders and self-funders to purchase goods and services, improvements in data sharing with the NHS, training and other system improvements. A substantial proportion of this work has now been re-scheduled for 2017/18 (resulting in the re-profiled budget shown above) to reflect a more realistic work programme. For Children's Services, this scheme will provide enhancements to the system including an online portal to communicate with children and families, improved communication and payment mechanisms for foster carers, case management for early help cases, together with delivering recommendations from the 2015 system health check, for which a small amount of slippage is expected.
- 2.3. **Social Inclusion.** This covers a range of projects to provide access for disabled people to universal services, including community centres, libraries, leisure centres and other public services. Works include the adaptation of toilet facilities and the provision of specialised equipment. Schemes at Abbey Park, Age UK, Haymarket Bus Station and The Emerald Centre were completed in 2015/16. The Council capital programme of £201k is funding two toilet facility schemes at Aylestone and Leicester Leys Leisure centres to complete in 2016/17. In addition to these a further scheme is being proposed to add a toilet facility at the Outdoor Pursuits Centre which will be funded separately using the Disabled Facilities Grant. These schemes commenced in September and should complete by the end of November.
- 2.4. **Hastings Road.** This scheme is intended to improve Hastings Road Day Centre by utilising and expanding the use of the building, to accommodate more teams and provide a resource hub for service users. The capital works are on hold pending the outcome of a feasibility study to determine the future best use of the building.

- 2.5. **Anchor Centre.** An Executive decision was taken to develop a new recovery hub at the Abbey Street premises. However the landlord pulled out of the scheme at the last minute and a new long term site is being sought. Spending is not therefore expected in 2016/17.
- 2.6. **Specialist Dementia Care Scheme.** Spending has been carried forward from the 15/16 Capital Programme to support the development of a specialist Dementia Care scheme in partnership with an external organisation. Currently plans are on hold pending further consideration of service needs. However, work is being done to allocate £250k to enhance the Council’s own buildings to support the authority’s commitment to make Leicester a Dementia Friendly City.
- 2.7. **Extra Care.** This provides self-contained flats where service users can live independently but have care and support provided on-site rather than having to live in traditional residential homes. There is a shortage of this type of accommodation in the city and this policy provision has been set aside to part fund schemes to address this. This funding will be complemented by money set aside from the portion of housing capital receipts which can only be spent on affordable housing or must otherwise be returned to the Government.

In 2014 the Council procured a partner, Ashley House Independent Living consortia, to develop two such Extra Care Housing schemes in the city costing approximately £10m each and providing 157 flats in total. The two sites are at Hamelin Road in Braunstone and Tilling Road in Beaumont Leys. These sites would be run by a Registered Social Landlord and the Council has nomination rights for the flats in perpetuity.

In November 2015 the then Chancellor announced a cap to local housing allowance payments for Extra Care and other supported living housing schemes. This has put at risk the viability of new and existing schemes because the Housing Benefit paid to the tenant would then not cover the cost of the supported living accommodation. The schemes will become unviable unless the cap is revised.

The government have recently announced that they have deferred their plans to cap the housing benefit payments for residents in Extra Care flats until 2019/20. From 2019/20 the cap will apply but a new ring-fenced grant will be given to local authorities out of which they will in theory be able to fund the difference between the local housing allowance rate and tenants’ actual rent and service charges. The government will be consulting on the new arrangements shortly. There is clearly still a significant risk that the fixed grant will be insufficient and therefore continue to jeopardise the financial viability of both existing and new schemes.

From a financial viewpoint this could frustrate one of our means of reducing care package costs and delivering a key policy agenda in providing independent living opportunities. The Council and the developer have put the two schemes on hold until the decision from the Government and to consider any procurement implications resulting from additional construction costs. More information is expected in the Autumn Statement.

### 3. **Policy Provisions**

- 3.1. At the end of Period 6 there was one policy provision for Adult Social Care.

Service Area		Amount £000
Adult Social Care	Extra Care Schemes	6,700.0
<b>Total</b>		<b>6,700.0</b>

### Health Improvement & Wellbeing

#### 1. Summary

- 1.1. The Health Improvement capital programme consists of one project which has spent £76k at the end of Period 6. This equates to 17% of the approved budget of £450k.

#### 2. Sports

- 2.1. The table below summarises the £450k approved capital programme for Sports.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Humberstone Heights Golf Course Investment	450.0	76.0	-	60.0	-	17%
<b>Total</b>	<b>450.0</b>	<b>76.0</b>	<b>-</b>	<b>60.0</b>	<b>-</b>	<b>17%</b>

- 2.2. **Humberstone Heights Golf Course Investment.** This scheme was approved in November 2015 and will improve the quality of facilities and the overall financial sustainability of the golf course. Works include new drainage, irrigation, footpath and pond repairs, new signage and rebranding and enhancements to the Academy course. There is small amount of slippage forecast which relates to contingencies within the contract sum.



### Children's Services Projects

#### 1. Summary

- 1.1. The projects comprising the Children's Services Capital programme have spent £6.6m (excluding BSF – see para. 1.4) by the end of period 6 this financial year.
- 1.2. This equates to 24% of the approved capital programme of £26.9m.
- 1.3. The Children's Service Capital Programme is reported, for monitoring purposes, in two distinct sections, schools (£17.1m) and non-schools (£0.9m).
- 1.4. There are also the final elements of the Building Schools for the Future programme which has amounted to £2.4m to date this financial year.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Schools	17,066.0	4,124.0	-	-	-	24%
Non-Schools	881.0	102.0	443.0	-	-	12%
<b>Children's Services (excluding BSF)</b>	<b>17,947.0</b>	<b>4,226.0</b>	<b>443.0</b>	-	-	<b>24%</b>
Building Schools for the Future (BSF) Programme	9,000.0	2,369.0	-	-	-	26%
<b>Total Children's Services</b>	<b>26,947.0</b>	<b>6,595.0</b>	<b>443.0</b>	-	-	<b>24%</b>

#### 2. Schools

- 2.1. The table below summarises the £17.1m approved Capital Programme for Children's Services Schools Programme and the related expenditure.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Basic Need Works	7,282.0	2,965.0	-	-	-	41%
Targeted Basic Need - Kestrels' Field	1,403.0	1,036.0	-	-	-	74%
School Capital Maintenance	8,381.0	123.0	-	-	-	1%
<b>Total</b>	<b>17,066.0</b>	<b>4,124.0</b>	-	-	-	<b>24%</b>

- 2.2. **Basic Need Works.** A further £3.7m of Basic Need funding for primary school places was approved for release in April 2016 to address the lack of capacity mainly within the central areas of the City. £2.6m of this funding was forecast to be spent on schemes in the 2016/17 financial year which, in addition to the existing programmes of £4.7m means the total 2016/17 approved spend on Basic Need schemes is £7.3m. Re-profiling of the planned 2016/17 spend is currently taking place with the aim of reporting this in the Period 9 Capital Monitoring report.
- 2.3. The new programme covers approximately 15 schemes including conversion of non-teaching spaces into classrooms, refurbishment and conversion of former ICT rooms into classrooms together with the use of temporary modular buildings. In total these works will create up to 1,200 additional places. Some of the larger schemes in 2016/17 include Alderman Richard Hallam Primary (£0.45m) and Fosse Primary (£0.32m).

- 2.4. The existing programme includes works at Wolsey House and rectification at Eyres Monsell (both of which are expected to complete by the end of December) together with a number of smaller schemes which will complete this year.
- 2.5. **Targeted Basic Need – Kestrels’ Field Primary School.** The Kestrels’ Field Primary School scheme will create an additional 60 reception places (equivalent to 420 places across all primary year groups). It is a £6.9m scheme funded through a combination of £3.9m from the Department of Education and £3.0m from the Council. The first phase of the works was completed at the end of November 2015. The second phase of the works, to reconfigure the existing Primary School site to become the new infant block, was completed in September 2016.
- 2.6. **School Capital Maintenance.** A separate Executive Decision report (Children’s Capital Maintenance Report 2016/17) was approved on the 1st September and £8.1m was released from the Capital Maintenance policy provision. This is to address works (including health & safety) across the Children’s Services capital portfolio. Together with £0.2m of existing school schemes (including roofing works and boiler works) this means there is total approved programme of £8.4m for capital maintenance this year. Re-profiling of the planned 2016/17 spend is currently taking place with the aim of reporting this in the period 9 capital monitoring report.

### 3. Non-Schools

- 3.1. The table below summarises the £1.2m approved Capital Programme for Children’s Services directly controlled projects.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Children's Homes and Contact Centre Refurbishments	508.0	86.0	211.0	-	-	17%
Adventure Playgrounds & Youth Centres	26.0	1.0	-	-	-	4%
Early Years - Two Year Old Entitlement	347.0	15.0	232.0	-	-	4%
<b>Total</b>	<b>881.0</b>	<b>102.0</b>	<b>443.0</b>	-	-	<b>12%</b>

- 3.2. Children’s Homes and Contact Centres Refurbishments. The budget is being spent on:
- 3.2.1. The St Andrew’s Family Contact Centre scheme which will improve space and facilities for parents and children whilst also providing space for training and other meetings.
- 3.2.2. Children’s homes, which will be refurbished and improved, with works to be carried out at Barnes Heath, Dunblane Avenue, Netherhall and Tatlow Road.
- 3.3. Recent more accurate re-profiling of this budget means that £211k of the remaining budget for 2016/17 will be used in 2017/18.
- 3.4. **The Early Years Two Year Old Entitlement** scheme provides resources to private, voluntary and independent providers to enable them to expand their provision to accommodate and provide the two year old free entitlement and enable the Council to meet its statutory obligations.
- 3.5. The 2016/17 plans to further support the scheme currently include 8 providers with a forecast cost of £195k. Approvals of work also consider the introduction of the extended entitlement for eligible 3 and 4 year olds that will commence in September 2017. The remaining £152k has been re-profiled into 2017/18.

#### **4. Building Schools For The Future (BSF)**

- 4.1. The BSF programme is now substantially complete with only some final retention payments, claims and work on a new dining hall. Some snags and defects also remain to be addressed. Actual expenditure of £2.4m has been incurred in 2016/17 to date and this is funded from an earmarked reserve that has been specifically set-aside for this purpose.
- 4.2. A further report ('Children's Capital Maintenance – BSF Secondary and Special Schools') was approved on the 20th October and includes a decision to release £4m from the BSF Landlord Lifecycle Fund to meet the costs of the programme of planned priority maintenance works and also a decision to add £1m to the Fund in pursuance of the Council's commitment to make further underwritten contributions (funded from a review of maintenance and lifecycle earmarked reserves).

#### **5. Policy Provisions**

- 5.1. There are two policy provisions for Children's Services projects. The Children's Services policy provision covers spend for three years to 2018/19 and is split into current and future year elements.

<b>Service Area</b>		<b>Amount £000</b>
Schools	Basic Needs (New Primary School Places)	1,197.0
	Children's Services (for current financial year)	12,431.0
	Children's Services (for 2017/18 and 2018/19)	33,930.0
<b>Total</b>		<b>47,558.0</b>

**City Development and Neighbourhoods' Projects****1. Summary**

- 1.1 The projects comprising the City Development and Neighbourhoods' capital programme have spent £28.8m at the end of Period 6. This equates to 29% of their approved capital programme of £99.2m.
- 1.2 Excluding the Leicester & Leicestershire Enterprise Partnership (LLEP) grants programme (which is managed by the LLEP) and savings, this equates to 38% of the approved programme.
- 1.3 The City Development and Neighbourhoods programme is split into eight distinct areas, as shown in the following table:

<b>Project</b>	<b>Approved £000</b>	<b>Spend £000</b>	<b>Profiling £000</b>	<b>Slippage £000</b>	<b>Saving £000</b>	<b>% Spent</b>
Planning, Development and Transportation	23,699.0	8,956.0	-	1,250.0	19.0	38%
Tourism, Culture and Inward Investment	7,420.0	3,065.0	70.0	-	-	41%
Neighbourhood & Environmental Services	2,615.0	818.0	20.0	-	220.0	34%
Estates and Building Services	6,139.0	4,087.0	-	-	-	67%
Vehicle Fleet Replacement Programme	501.0	395.0	-	-	-	79%
Housing General Fund	2,721.0	385.0	-	600.0	-	14%
Housing Revenue Account (HRA)	23,662.0	7,866.0	2,496.0	-	-	33%
<b>Total (Excluding LLEP)</b>	<b>66,757.0</b>	<b>25,572.0</b>	<b>2,586.0</b>	<b>1,850.0</b>	<b>239.0</b>	<b>38%</b>
Leicester & Leicestershire Enterprise Partnership (LLEP)	32,430.0	3,222.0	-	-	-	10%
<b>Total (Including LLEP)</b>	<b>99,187.0</b>	<b>28,794.0</b>	<b>2,586.0</b>	<b>1,850.0</b>	<b>239.0</b>	<b>29%</b>

## 2. Planning, Development and Transportation

2.1 The table below summarises the current approved projects relating to Planning, Development and Transportation.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Transport Improvement Works	2,453.0	981.0	-	-	-	40%
North City Centre Access Improvement Scheme	1,338.0	239.0	-	-	-	18%
Leicester North West Major Transport Scheme (A50 Corridor)	2,000.0	259.0	-	250.0	-	13%
Legible Leicester	448.0	83.0	-	-	-	19%
Air Quality - Walking and Cycling	39.0	18.0	-	-	-	46%
Haymarket Bus Station	779.0	711.0	-	-	-	91%
Highways Maintenance	2,860.0	1,158.0	-	-	-	40%
Street Lighting Replacement Programme	800.0	176.0	-	-	-	22%
Local Environmental Works	417.0	193.0	-	-	-	46%
Flood Strategy	300.0	42.0	-	-	-	14%
Christmas Decorations Replacement	59.0	9.0	-	-	-	15%
Parking Strategy Development	400.0	19.0	-	-	-	5%
City Centre Street Improvements	2,650.0	1,040.0	-	-	-	39%
Townscape Heritage Initiative	250.0	189.0	-	-	-	76%
Friars' Mill	377.0	112.0	-	200.0	-	30%
Friars' Mill Offices	1,250.0	115.0	-	800.0	-	9%
Waterside Strategic Regeneration Area	5,300.0	2,676.0	-	-	-	50%
Leicester Strategic Flood Risk Management Strategy	1,250.0	568.0	-	-	-	45%
St George's Church Yard	21.0	15.0	-	-	-	71%
15 New Street	60.0	6.0	-	-	-	10%
Architectural and Feature Lighting	129.0	159.0	-	-	-	123%
Ashton Green	500.0	188.0	-	-	-	38%
Residents' Parking Schemes	19.0	-	-	-	19.0	0%
<b>Total</b>	<b>23,699.0</b>	<b>8,956.0</b>	<b>-</b>	<b>1,250.0</b>	<b>19.0</b>	<b>38%</b>

2.2 **Transport Improvement Works** include:

2.2.1 The New College "closed road" cycling track is programmed to start on site in the autumn and is expected to be completed in the spring.

2.2.2 The level access bus stop programme is close to completion.

2.2.3 Construction of the cycleway and new crossings on Welford Road between Newarke Street and Lancaster Walk was completed in the summer. Works relating to Leicester Royal Infirmary bus gates were completed in September.

2.2.4 20mph schemes are planned for a number of areas. Consultations are complete for the Bloomfield Road and Merrydale Schools areas with construction expected over the winter. Other schemes are being consulted on. Works expected to complete later this year include Keyham Lane, Fosse Primary School, Whitehall Primary School, Charnor

Road, Fairfax Road and Northfields. Schemes at Downing Drive, The Avenues & Knighton Fields Road West are expected to take place during the summer of 2017.

- 2.2.5 Local Transport Plan (LTP) Management and Monitoring provides funding for staff costs and traffic surveys for preparing bids and monitoring performance of the various strategies of the LTP.
- 2.3 **North City Centre Access Improvement Scheme.** This scheme is helping to connect the city centre with existing and proposed communities at Belgrave and Abbey Meadows, together with new development sites at Belgrave Circle and the Community Sports Arena on Charter Street. Design work is progressing on Belgrave Gate North and South. Consultation results for the Golden Mile road improvement was undertaken and the results did not provide a clear level of support to allow either scheme option to be developed further, although further work will be carried out to consider more localised improvements. A planning application for the construction of a new five metre wide footbridge crossing the Grand Union Canal from Charter Street to Abbey Park has been submitted. Construction work is expected to start early in 2017, incurring significant expenditure at the end of the financial year.
- 2.4 **Leicester North West Major Transport Scheme (A50 corridor).** Design work on Phase 2 is currently focussing on the design and modelling of the Five Ways junction (Fosse Road/Blackbird Road/Groby Road/Woodgate). Designs for other junctions within this phase are already complete. Work on procuring a contractor is also continuing as are surveys and site investigations. The scheme is largely funded through the Local Growth Fund and is promoted jointly with Leicestershire County Council. Slippage of up to £250k is now expected following a review of design options.
- 2.5 **Legible Leicester.** There will be new mapping products, signage and on-street wayfinding infrastructure. The supply and installation of wayfinding information panels is due to commence late in 2016, with completion in February 2017.
- 2.6 **Air Quality – Walking and Cycling.** The DEFRA funded pathfinding programme aims to increase walking and cycling by developing route information on the “Choose How You Move” website.
- 2.7 **Haymarket Bus Station.** The new bus station opened in May, resulting in significantly improved bus service quality. There are 23 bus stands, compared with the previous 12, and a new Shopmobility facility. The Charles Street/Belgrave Gate junction has been remodelled to improve efficiency and pedestrian safety, together with extensive public realm improvements. Additional pedestrian barriers are being provided following a scheme review. The improvements have acted as a catalyst for investment by the bus companies in 72 brand new buses to the Euro 6 standard.
- 2.8 **Highways Maintenance.** The programme is targeted at asphalt carriageway maintenance works where the deterioration in road surfaces is most evident. Monies have also been allocated to address failing concrete roads and road humps, undertake footway schemes, renew traffic signals and for significant bridge maintenance schemes.
- 2.8.1 **Principal and Primary Roads.** The A563 carriageway between the A50 Groby Road and Glenfield Road islands has been resurfaced in conjunction with the Leicester North West A50 improvement scheme, together with works to the traffic islands. Resurfacing of Welford Road between Marlborough Street and Regent Road has been completed, as has a section between Palmerston Way and Highgate Drive. Resurfacing at the Red Hill Way/Thurcaston Road island took place in July.

- 2.8.2 **Generic Treatment.** The programme includes surface dressing, joint sealing and concrete carriageway repairs. Some 22 streets across different communities have benefitted from surface dressing over the summer. Locations include Ellesmere Road and Waltham Avenue in Braunstone; Tuxford Road, Hamilton; Nicklaus Road, Rushey Mead; and Asplin Road, Broughton Road, Sheridan Street and Cavendish Road, Aylestone.
- 2.8.3 **Footways.** Sites to be addressed include Bryngarth Crescent, St. Saviours Walk and Astill Lodge footpath. Work is expected to start on these sites from November.
- 2.8.4 **Bridge Maintenance.** A total programme costing £700k has been planned. This includes bridge improvement and maintenance works, such as Rayner Road bridge parapet upgrades and resurfacing. Strategic bridge deck maintenance and replacements will include the Highway Road bridge and the Friday Street underpass retaining walls.
- 2.8.5 **Traffic Signals Renewals.** A number of sites have been completed, including Welford Road/ Regent Road, Catherine Street/ Dysart Way, Main Street (Evington) and West Bridge/ St. Nicholas Circle. Schemes commencing later in the year include Spencefield Lane/ Downing Drive and Hinckley Road, Kingswood Avenue.
- 2.9 Additional highways maintenance funds totalling £265k have been secured from the Department for Transport for 2016/17. These are £146k of Highway Maintenance Incentive Funding and £119k of Pothole Action Funding. It is recommended that these are added to the capital programme via this report, to supplement and enhance the planned maintenance programme.
- 2.10 **Street Lighting Replacement Programme.** This is substantially complete, with a small number of units left to install. A saving is expected, which will be confirmed in the Period 9 monitoring report.
- 2.11 **Local Environmental Works.** Completed schemes include the new pelican crossing on Glenfield Road, a new pedestrian refuge on Welford Road and a one-way system for Bradbourne Road. Further schemes include repairs to Barleycroft Shopping Precinct, Craighill Road/ Chapel Lane road safety improvements, a speeding action plan and dropped kerb crossings to improve accessibility.
- 2.12 **Flood Strategy.** A comprehensive programme totalling £300k includes several feasibility studies at locations identified as being at particular risk of flooding, including Northfields, Eggington Street, Oakland Road and Redhill Way. An ongoing programme of gully replacements is underway in areas such as Knighton Road and Evington Drive. Other measures include watercourse improvements and repairs.
- 2.13 **Christmas Decorations Replacement.** This is the second year of a three-year refurbishment programme. Locations to benefit include Market Street, High Street and Town Hall Square.
- 2.14 **Parking Strategy Development.** This recently approved programme supports the commitment to improve road safety outside schools, improve car parking on housing estates, off-street car parking refurbishments and improved air quality by reducing congestion.
- 2.15 **City Centre Street Improvements.** This involves pedestrian and cyclist improvements to key city centre streets. Rutland Street is complete. Works on the current phase of Belvoir Street commenced in August at the Granby Street junction and are on programme to complete by December. Mill Lane public realm works started in July and are programmed to complete in the New Year, being funded entirely by De Montfort University.

- 2.16 **Townscape Heritage Initiative.** This is part-funded by a £1.1m grant from the Heritage Lottery Fund and will facilitate an overall programme of improvements valued at over £2m including third party investment. The project is progressing as planned. More grant applications for premises improvement have been received and approved.
- 2.17 **Friars' Mill.** Approximately half of the space is let and the enquiry pipeline is strong. The main construction contractor went into administration in September, leaving a number of items outstanding. The Council is in the process of instructing individual sub-contractors to return to site to complete outstanding works, hence forecast slippage of £200k.
- 2.18 **Friars' Mill Offices.** This project is funded from the Waterside Local Growth Fund monies and involves the construction of two new office buildings in the grounds of the existing Friars' Mill development. Work stalled due to the main contractor entering administration. The Council is negotiating with a new main contractor and works should resume in January, hence forecast slippage of £800k.
- 2.19 **Waterside Strategic Regeneration Area.** The main items of expenditure at this stage of the scheme are land acquisitions and development fees, with significant further land acquisitions expected. Very good progress continues to be made. The LLEP has agreed that £3.2m of Local Growth Fund monies planned for future years can be brought forward to 2016/17, and it is proposed that this sum be formally added to the capital programme.
- 2.20 **Leicester Strategic Flood Risk Management Strategy.** This is a programme of projects delivered by the Council, the Environment Agency and Canal and River Trust. Good progress is now being made as the programme is established and projects developed in 2015/16 are incurring expenditure.
- 2.21 **St George's Church Yard.** The project consists of feasibility into planned improvements to the churchyard, including repairs and public realm works. Public consultation has taken place and final plans will be developed with a planning application submitted in the coming months. The scheme is expected to start in spring 2017, subject to formal approval of the details and the funding.
- 2.22 **15 New Street.** This involves the demolition of the property and associated works to improve access from the rear of the Greyfriars complex, which should be complete by December.
- 2.23 **Architectural & Feature Lighting.** This project is complete and properties which have benefitted include Blunts Shoes and the Turkey Café on Granby Street, Café Bruxelles on High Street and St. Nicholas Church. The additional costs will be met from the related shopfronts grant budget.
- 2.24 **Ashton Green.** Planning permission for the first residential parcel of 100 homes was granted recently and Morris Homes are expected to be on site by early 2017. The Leicester Road cycleway improvement scheme has started. Preparation for the marketing of the next residential development parcel is underway with a view to securing a developer for this parcel by mid-2017.
- 2.25 **Residents' Parking Schemes.** These are complete, with any new schemes now part of the Local Environmental Works and Parking Strategy programmes. The budget brought forward from the 2015-16 programme is therefore not required.



### 3. Tourism, Culture & Inward Investment

3.1 The table below summarises the current approved projects for Tourism, Culture and Inward Investment.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
De Montfort Hall, new auditorium seating	400.0	287.0	-	-	-	72%
Heritage Interpretation Panels	45.0	-	-	-	-	0%
Story of Leicester Website	90.0	-	70.0	-	-	0%
Enterprising Leicester Local Investment Fund	4,000.0	1,634.0	-	-	-	41%
Leicester Market Redevelopment	2,000.0	587.0	-	-	-	29%
Dock 2	150.0	131.0	-	-	-	87%
Retail Gateways	100.0	32.0	-	-	-	32%
Broadband Business Vouchers	340.0	322.0	-	-	-	95%
Jewry Wall Museum Improvements	210.0	62.0	-	-	-	30%
Shahista House, 37-45 Rutland Street	75.0	-	-	-	-	0%
68-70 Humberstone Gate East	10.0	10.0	-	-	-	100%
<b>Total</b>	<b>7,420.0</b>	<b>3,065.0</b>	<b>70.0</b>	-	-	<b>41%</b>

3.2 **De Montfort Hall, new auditorium seating.** Replacement of the 22 year old seats was completed in August, offering an improved customer experience.

3.3 **Heritage Interpretation panels.** Some 25 Heritage Panels will be installed by March 2017. The panels have been prioritised by identifying locations and themes with key benefits for local communities, businesses and tourists.

3.4 **Story of Leicester Website.** This will be developed into an exciting and modern resource that tells the history of the City and its people through images, video and digital interactives. Initial research and stakeholder consultation is underway, which will drive the project into phase 2 during 2017/18.

3.5 **Enterprising Leicester Local Investment Fund.** A £4 million loan has been approved for Infrastructure Investments Ltd to revamp further parts of St George's Tower, to enable Hastings Direct to expand its Leicester operations and workforce.

3.6 **Leicester Market Redevelopment.** The new public square on the site of the former indoor market hall will be completed in the New Year, with improvements to Market Place North and Hotel Street due to complete in March/April. A planning application for the new screen to the rear of the Corn Exchange has been submitted.

3.7 **Dock 2.** The project will provide grow-on workspace for hi-tech businesses at Leicester's Pioneer Park. Planning consent is being sought, design development is progressing and a construction contractor is being procured. Implementation will be dependent upon agreement of the detailed design and confirmation of the funding package.

3.8 **Retail Gateways.** The programme is designed to support independent shop owners in the main gateway and regeneration areas. Areas supported include the Golden Mile, the West End (Narborough Road, Braunstone Gate/ Hinckley Road) and Leicester Market.

- 3.9 **Broadband Business Vouchers.** This is funded by Broadband Delivery UK (BDUK) as part of their national programme. Grants of up to £5k are available to SMEs in Leicester and Leicestershire to improve their broadband connectivity. Almost 500 SMEs have been supported in this way.
- 3.10 **Jewry Wall Museum improvements.** Research and development of options is underway for a co-ordinated design proposal for the Jewry Wall complex refurbishment. A Contractor will be procured to deliver a new walkway access, terrace and adjacent path improvements.
- 3.11 **Shahista House, 37-45 Rutland Street.** The grant will support a developer to regenerate the Grade II listed building with a mix of retail and residential apartments, within the Cultural Quarter.
- 3.12 **68-70 Humberstone Gate East.** The grant will support the development of new workspace for creative industries in the Cultural Quarter.

#### 4. Neighbourhood and Environmental Services

- 4.1 The table below summarises the current approved projects for Neighbourhood and Environmental Services.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Victoria Park Centenary Walk Phase 2	1,500.0	345.0	-	-	-	23%
Victoria Park Gates	250.0	161.0	-	-	-	64%
Parks Plant and Equipment	150.0	-	-	-	120.0	0%
Public Conveniences	355.0	232.0	-	-	100.0	91%
Gypsum Close Waste Recycling Centre Enhancements	120.0	-	-	-	-	0%
Saffron Hill Cemetery Improvements	75.0	-	-	-	-	0%
Allotment Infrastructure Phase 2	100.0	80.0	-	-	-	80%
Installation of Defibrillators on Parks	65.0	-	20.0	-	-	0%
<b>Total</b>	<b>2,615.0</b>	<b>818.0</b>	<b>20.0</b>	<b>-</b>	<b>220.0</b>	<b>34%</b>

- 4.2 **Victoria Park Centenary Walk Phase 2.** Works are progressing well. The first phase of tree planting has taken place with 22 new semi-mature trees forming the first part of the processional route. Completion is anticipated around the turn of the year.
- 4.3 **Victoria Park Gates.** The Peace Walk gates have been repaired and reinstalled. The Victoria Park lodge gates have been repaired and will be reinstalled once the Centenary Walk works are complete. All stone pier cleaning works are complete.
- 4.4 **Parks Plant & Equipment.** This funds replacement items of grounds maintenance equipment with an initial purchase value of over £5k per item. Following a review of grass cutting schedules and changes made to the frequency of cuts to Highways and Parks, the forecast spend this year has been revised to £30k.
- 4.5 **Public Conveniences.** The new build toilet block at Belgrave Road opened in May and the refurbishment works at Abbey Grounds are complete.
- 4.6 **Gypsum Close Waste Recycling Centre enhancements.** These include steel works on the castellations, two new roll packers to replace compactors and enhanced signage and lighting. Additional containers started to arrive on site in October.

- 4.7 **Saffron Hill Cemetery.** The Muslim prayer house will benefit from new toilet facilities, as the male toilets are poor, there are no female toilets and the facility is often overcrowded. Increased numbers of mourners will be accommodated. The canopy extension design is agreed and the works should be complete by March/April 2017. The improvements will complement previous improvements to the chapel and disabled toilets.
- 4.8 **Allotment Infrastructure Phase 2.** This is the first year of a three year programme, arising from the 2014 site audits. All scheduled work is on time and on budget. Security improvements have been carried out at Bonney Road and Meredith Road; path and roadway repairs at Harrison Road; and an improved car park at Gorse Hill. Further work planned includes disabled access improvements and security works at Paget Street; road and pathway improvements at Uppingham Road; and security improvements at Wakerley Road.
- 4.9 **Installation of Defibrillators on Parks.** Around 30 defibrillators will be installed this year and next on parks and cemeteries and heart problem “hot spots” across the City. A promotional campaign is being developed to encourage awareness and use of the units when required.

## 5. Estates and Building Services

- 5.1 The table below summarises the current approved projects for Estates and Building Services.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
City Centre Office Accommodation	1,019.0	866.0	-	-	-	85%
Property Maintenance	1,200.0	-	-	-	-	0%
20-40 New Walk	3,095.0	3,095.0	-	-	-	100%
6-8 St Martins	10.0	-	-	-	-	0%
Haymarket Theatre	86.0	21.0	-	-	-	24%
GCR Railway Museum	189.0	-	-	-	-	0%
Braunstone Hall	540.0	105.0	-	-	-	19%
<b>Total</b>	<b>6,139.0</b>	<b>4,087.0</b>	-	-	-	<b>67%</b>

- 5.2 **City Centre Office Accommodation.** This supports the relocation of social workers and support staff from Greyfriars to Halford House, which has progressed smoothly. Different teams who were previously separated in small offices can physically work closer together, and facilities for partners and families who have been invited in for meetings are much improved.
- 5.3 **Property Capital Maintenance.** This comprises planned works which address health and safety risks outside the scope of normal repairs and maintenance via the Central Maintenance Fund and ‘tenant’/occupier budgets. It also includes replacement of certain buildings elements such as roofs or lifts that have reached the end of their life. These have been prioritised based on an assessment of their condition by surveyors and engineers using knowledge of the property portfolio. The programme includes a new staircase at New Walk and works relating to Asbestos, Water Hygiene and Fire Risk Assessments. Heritage works such as at Jewry Hall/Vaughan College and Abbey Pumping Station are also included. The Director is reviewing forecast spend and will report re-profiling at Period 9.
- 5.4 **20-40 New Walk.** IBM has been attracted to Leicester as a major inward investor. The Council has undertaken improvement works to this Council owned property for lease to IBM as their

new city home. Works (including additional elements requested and funded by IBM) are nearing completion.

5.5 **Haymarket Theatre.** The feasibility funding is to support the development of alternative uses, and has supported a proposal that could see it re-open as a space for live performance in 2017.

5.6 **GCR Railway Museum.** The Great Central Railway plans to deliver a major new railway museum at the Leicester North Station. The Council has financially supported the scheme design and the acquisition of allotment plots to release land, which is anticipated to be completed this year.

5.7 **Braunstone Hall.** The Council is contributing towards repairs and improvements to support bringing this historic building into use as a hotel and conference venue.

## 6. Vehicle Fleet Replacement Programme

6.1 The Vehicle Fleet Replacement programme includes the acquisition of 15 ultra-low emission vehicles and associated charging points.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Vehicle Fleet Replacement Programme	501.0	395.0	-	-	-	79%
<b>Total</b>	<b>501.0</b>	<b>395.0</b>	-	-	-	<b>79%</b>

## 7. Housing Services

7.1 The table below summarises the £26.4m approved capital programme for Housing Services and the related expenditure.

Programme Area	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Investment in Council Housing	14,771.0	5,507.0	602.0	-	-	37%
Business Investment	2,195.0	210.0	880.0	-	-	10%
Environmental and Communal Works	6,244.0	2,106.0	1,014.0	-	-	34%
Affordable Housing	452.0	43.0	-	-	-	10%
<b>Total HRA</b>	<b>23,662.0</b>	<b>7,866.0</b>	<b>2,496.0</b>	-	-	<b>33%</b>
Housing General Fund	2,721.0	385.0	-	600.0	-	14%
<b>Total Housing</b>	<b>26,383.0</b>	<b>8,251.0</b>	<b>2,496.0</b>	<b>600.0</b>	-	<b>31%</b>

7.2 The forecast for the HRA capital programme of £23.6m is a net underspend of £2.5m, which it is proposed to re-profile into 2017/18. By the end of period 6, some £7.9m had been spent and a further £730k of work was completed but not yet invoiced.

7.3 **Investment in Council Housing.** As reported at Period 3, the current phase of the Tower Block Redevelopment programme started later than expected due to a delay reoccupying Clipstone House. The redevelopment is expected to complete with Maxfield House in 2017 and hence re-profiling of £0.6m into 2017/18 is required. Highlights of the programme over the year will include replacing some 700 kitchens, 170 bathrooms and 1,400 boilers, over 1,650 electrical rewires and upgrades, 100 new roofs and various citywide door entry upgrades.

- 7.4 **Business Investment.** Also as previously reported, some £880k of slippage on business investment schemes is expected. This comprises the new Housing IT system, Northgate, which was delayed whilst phase 1 fixes were completed; mobile working, where the roll-out of tablet devices follows the new repairs and tenancy management services taking effect in November; and CCTV renewal which is dependent upon the outcomes of an on-going citywide review across all services.
- 7.5 **Environmental and Communal Works.** Efforts have been ongoing to find an external match funder for the next external wall insulation programme, however as previously reported, a partner is unlikely to be found this financial year. Nonetheless, enabling work to soffits and fascias and extending boiler flues at 185 homes has been carried out, meaning £914k will not be spent until 2017/18. Highlights of the programme over the year will include disabled adaptations for over 1,100 tenants, energy efficiency improvements to 450 poorly performing homes, elevated walkway / balcony and waylighting improvements, playground upgrades, together with the communal and environmental improvements budget which is allocated across the city by local tenants and councillors. Consultation with leaseholders to install a second lift at St Leonards is progressing and it is expected work will start next year. Therefore £100k has been re-profiled to next year.
- 7.6 **Affordable Housing.** Four former council hostels at Lower Hastings Street, Loughborough Road, Myrtle Road and Seymour Street are to be converted into affordable housing. Approval is sought to release £0.4m from the Affordable Housing Policy Provision to part fund the development of 25 homes at Keyham Lane, Hamilton, a scheme being carried out by Nottingham Housing Association.
- 7.7 **Housing General Fund.** The disabled facilities grants programme is expected to underspend due to delays in processing applications, hence there is slippage of £600k into 2017/18. However, some 230 grants should still be awarded. In addition, other highlights of the programme this year include the on-going acquisition of empty properties in poor condition where the owner has failed to secure the necessary improvements, some 140 low income owner-occupiers will be assisted by repayable home repair loans, and street scene improvements including alley gates and communal areas security will be completed.

## 8. Leicester and Leicestershire Enterprise Partnership

- 8.1 The table below summarises the approved projects relating to the Leicester and Leicestershire Enterprise Partnership, for which the Council is the accountable body.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Growing Places Fund	60.0	60.0	-	-	-	100%
MIRA Technology Park Enterprise Zone	530.0	530.0	-	-	-	100%
Local Growth Fund Projects	31,840.0	2,632.0	-	-	-	8%
<b>Total</b>	<b>32,430.0</b>	<b>3,222.0</b>	-	-	-	<b>10%</b>

- 8.2 **Growing Places Fund.** This is a revolving fund which advances loan funding for new development across city and county areas. The payment of £60k is the balance outstanding from the last round of approvals. Applications have recently been invited for a new round of short term loans to enable the delivery of infrastructure which accelerates economic growth.
- 8.3 **MIRA Technology Park Enterprise Zone.** The grant has been paid and will be repaid over time by present and future business rates uplift within the Zone.

8.4 **Local Growth Fund.** This covers major development and infrastructure schemes in the city and county. City Council led projects include the North City Centre Access Improvement Programme, Strategic Flood Risk Management, the Waterside Strategic Regeneration Area, Connecting Leicester and DOCK 2. These sums are also reflected in the Divisional tables above. Some £21m is allocated for projects led by external partners, including the North Warwickshire and Hinckley College new skills training centre at the MIRA Technology Park, the Leicester College Skills and Innovation village, the highways access to the new Lubbethorpe development near J21 of the M1-J21 and accelerated broadband. The spend to date appears low, as reimbursement claims are submitted to the LLEP quarterly in arrears and hence only spending claimed to the end of June is included. Some funding has recently been re-profiled between schemes which are now spending later than originally expected and those with earlier eligible spend.

9. **Policy Provisions**

9.1 At the end of Period 6 a number of policy provisions for City Development & Neighbourhoods projects still awaited formal approval for allocation to specific schemes.

Service Area	Project	Amount £000
Planning, Transportation and Economic Development	Economic Action Plan Phase 2	4,823.0
	Ashton Green Infrastructure	1,640.0
	Parking Strategy Development *	1,400.0
	Air Quality Action Plan *	960.0
	Local Environment Works *	700.0
Local Services & Enforcement	Replacement of Library Management System *	150.0
Property Services	Property Maintenance *	3,400.0
Housing Revenue Account	New Affordable Housing	2,654.0
	New HRA Schemes	300.0
<b>Total</b>		<b>16,027.0</b>

\*These policy provisions cover up to three years.

9.2 Since Period 6, £450k of the Economic Action Plan policy provision has been released to support independent retailers with shop front improvements.

### Corporate Resources Projects

#### 1. Summary

- 1.1. The projects comprising the Corporate Resources capital programme had spent £1.55m none of their approved capital programme of £1.95m up to Period 6.
- 1.2. The following table shows the split of the capital programme by division:

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
Financial Services	900.0	537.0	-	-	-	60%
Information Services	51.0	17.0	-	-	-	33%
Corporate Loans	1,000.0	1,000.0	-	-	-	100%
<b>Total</b>	<b>1,951.0</b>	<b>1,554.0</b>	-	-	-	<b>80%</b>

#### 2. Financial Services

- 2.1. New corporate Finance and HR/Payroll systems are required due to current contracts approaching expiry. A full OJEU tender process has been carried out and the new suppliers selected. The Leicester based company Safe Computing Limited will deliver the HR/Payroll solution, whilst accounting software company TechnologyOne will supply the finance system. Work leading to implementation in 2017 is now underway.

#### 3. Information Services

- 3.1. The table below summarises the £0.1m approved capital programme for Information Services.

Project	Approved £000	Spend £000	Profiling £000	Slippage £000	Saving £000	% Spent
ICT Firewall	21.0	17.0	-	-	-	81%
Lync Telephony Infrastructure System	30.0	-	-	-	-	0%
<b>Total</b>	<b>51.0</b>	<b>17.0</b>	-	-	-	<b>33%</b>

- 3.2. The Firewall improvements are complete.
- 3.3. It is anticipated that £30k will be spent this year on the first phase of upgrading the Council's Lync telephony system infrastructure, with further major expenditure anticipated in 2017/18.

#### 4. Corporate Loans

- 4.1. A loan of £1m has been made to Leicestershire County Cricket Club to assist them in developing the ground to increase income generation. This is expected to be repaid by the English Cricket Board in 2018/19.