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# **Executive Decision Capital Budget Monitoring April-June 2021/22**

Decision to be taken by: City Mayor

Decision to be taken on: 6 October 2021

Lead director/officer: Colin Sharpe

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## Useful information

- Ward(s) affected: All
- Report author: Ben Matthews, Senior Capital Accountant
- Author contact details: ben.matthews@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 June 2021 (Period 3).
- 1.2 This is the first capital monitoring report of the financial year. Further quarterly reports and an outturn report will be presented as the year progresses.
- 1.3 As reported throughout last year the COVID-19 pandemic has had a significant impact on the capital programme, with many schemes delayed. Increased costs of materials on schemes which were previously anticipated and reported, are becoming visible and hence some schemes may start to forecast overspends. These will be reported as they are identified and decisions recommended as necessary. Funding was set-aside for this purpose in the 2021/22 capital programme.

### 2. Recommended actions/decision

2.1 The Executive is recommended to:

- Note total spend of £24m for the year to date.
- Note the following savings:
  - £7.1m for New School Places Policy Provision, see Appendix E, para 1.3.
  - £750k for Leicester Flood Strategy, see Appendix B, para 3.3. This was fully funded by corporate resources and will now be available for the future capital programme.
  - £200k for Community & Environmental Works, see Appendix B, para 3.19. This was fully funded by the Housing Revenue Account.
- Approve the following transfers:
  - £1,639k of budgets from various schemes to energy reduction works at Aylestone Leisure Centre, as detailed at Appendix A, Public Health, para 2.3.
  - £800k of budget from Council Housing Boiler Replacements to Council Housing External Property Works, as detailed at Appendix B, para 3.18.

- £252k of budgets from various schemes to fund the installation of solar panels at Leycroft Road, as detailed at Appendix A, Estates and Building Services, para 2.4.
- £200k of budget from various HRA project underspends to the Goscote House demolition, as detailed at Appendix A, Housing, para 2.2.
- Approve the following additions:
  - £840k towards the improvement of Saffron Brook, to be funded by government grant and £40k of match funding from the Leicester Flood Strategy, see Appendix A, para 2.4.
  - £672k for Bus Engine Retrofitting, funded by DfT grant.
  - £450k to install first time central heating, funded by the Warm Homes Fund.
  - £362k for Highways Maintenance to expand the current programme of works, funded by DfT grant.
  - £350k for Ashton Green, funded by future earmarked Ashton Green capital receipts, Appendix A, Planning, Development & Transportation, para 2.2.
  - £150k for Parks, Plant and Equipment, this is part of the annual programme for machinery replacements and will be funded by prudential borrowing.
  - £120k for Potential Strategic Development Sites Assessment, funded by future earmarked Ashton Green capital receipts, Appendix B, para 3.4.
  - £50k for the Leisure Centre Improvement Programme, to be funded by money set aside for COVID, Appendix A, Public Health, para 2.1

The OSC is recommended to:

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

### 3. Scrutiny / stakeholder engagement

N/a

### 4. Background and options with supporting evidence

4.1 The 2021/22 Capital programme was initially approved by Council on 17<sup>th</sup> February 2021. It has subsequently been amended (including the 2020/21 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, there is no attention given to in-year financial slippage;
- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of schemes in previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years.

4.3 A summary of the total approved 2021/22 capital programme as at Period 3 is shown below:

	<b>£000</b>
Projects	170,396
Work Programmes	143,881
Provisions	191
Schemes Substantially Complete	1,472
<b>Total Immediate Starts</b>	<b>315,940</b>
Policy Provisions	33,350
<b>Total Capital Programme</b>	<b>349,290</b>

4.4 The following changes have occurred to the capital programme since period 1:

	<b>£000</b>
Affordable Housing - RPs & Others addition	248
Leicester Strategic Flood Risk Management Strategy addition	33
<b>Net Movements</b>	<b>281</b>

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

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 “Right to Buy” receipts from sales of council housing have amounted to £2.9m received in year.

### **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.

Colin Sharpe, Deputy Director of Finance, 37 4001

### 6.2 Legal implications

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

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

### 6.3 Equalities implications

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

### 6.4 Climate Emergency implications

This report is solely concerned with financial issues.

### 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 2021/22 approved by Council on 17th February 2021.

Housing Revenue Account Budget (including Capital Programme) 2021/22 approved by Council on 17th February 2021.

## **8. Summary of appendices:**

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

## **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?**

Yes. Expenditure exceeding £1m is proposed which has not been specifically approved by Council.

## 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 12-26 within this Appendix.

Department / Division	Total Budget £000	2021/22 Spend to Date £000
Corporate Resources	208	0
Smart Cities	190	1
Planning, Development & Transportation	79,757	3,253
Tourism, Culture & Inward Investment	26,214	618
Neighbourhood & Environmental Services	1,852	242
Estates & Building Services	27,917	143
Adult Social Care	2,510	0
Children's Services	20,555	309
Public Health	1,040	547
Housing Revenue Account	10,153	1,622
<b>Total</b>	<b>170,396</b>	<b>6,735</b>

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 as expected, and whether it is still expected to complete within budget.

1.4 The ratings used are:

(a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.

- (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a project is classed as amber if some insubstantial slippage or minor overspend is probable.
- (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
- (d) **Blue** The project is complete.
- (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.



## 2. Summary of Individual Projects

Dept/ Division	Project	Total Budget (£000)	2021/22 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P3
CRS	Corporate LAN/WAN Network Cisco Infrastructure Replacement	208	0	0	Dec-21	Dec-21	Green	Green
SC	Smart Cities Pilot Projects	190	1	0	Dec-20	Mar-22	Green	Green
CDN (PDT)	Connecting Leicester	52,699	1,354	0	Nov-20	Mar-23	Green	Green
CDN (PDT)	Waterside Strategic Regeneration Area	6,903	734	0	Mar-23	Jun-26	Green	Amber
CDN (PDT)	St George's Churchyard	803	0	0	Aug-18	Mar-22	Green	Green
CDN (PDT)	Ashton Green	308	73	350	Mar-21	Mar-22	Amber	Amber
CDN (PDT)	Pioneer Park	627	43	0	Jan-21	May-21	Green	Blue
CDN (PDT)	Pioneer Park Commercial Workspace (formerly Dock 2)	193	0	0	Spring 18	May-21	Green	Blue
CDN (PDT)	Ashton Green Highways Infrastructure	3,760	781	0	Mar-21	Nov-21	Green	Green
CDN (PDT)	City-wide Parkmap TRO review, signs and lines upgrades	200	0	0	Mar-21	Mar-22	Green	Amber
CDN (PDT)	North West Leicester Regeneration Area	889	21	0	Mar-22	Mar-22	Green	Green
CDN (PDT)	St Margaret's Gateway	11,948	236	0	Sep-22	Sep-22	Green	Green
CDN (PDT)	High Streets Heritage Action Zones	1,427	11	0	Apr-24	Apr-24	Green	Green
CDN (TCI)	Jewry Wall Museum Improvements	15,358	447	0	Mar-23	Mar-23	Green	Green
CDN (TCI)	Leicester Market Redevelopment	2,597	52	0	Dec-21	Mar-23	Green	Green
CDN (TCI)	Abbey Pumping Station	239	0	0	Mar-19	Feb-22	Green	Amber
CDN (TCI)	Gresham Business Workspace	250	0	0	Mar-21	Sep-21	Green	Green
CDN (TCI)	Onsite Construction Skills Hub	818	1	0	Dec-22	Jun-23	Green	Amber
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	2,376	0	0	Mar-22	Mar-23	Green	Green
CDN (TCI)	Museums Security Programme	125	3	0	Nov-21	Nov-21	Green	Green
CDN (TCI)	Visit Leicester Relocation	263	78	0	Nov-21	Mar-22	Green	Green
CDN (TCI)	Growth Hub	1,016	34	0	Jun-23	Jun-23	Green	Green
CDN (TCI)	Phoenix 2020	1,400	0	0	Mar-23	Mar-23	Green	Green
CDN (TCI)	Fashion Technology Academy	332	0	0	Aug-23	Aug-23	Green	Green
CDN (TCI)	De Montfort Hall	1,440	3	0	Mar-22	Mar-22	N/A	Green
<b>Total</b>		<b>106,369</b>	<b>3,872</b>	<b>350</b>				

Dept/ Division	Project	Total Budget (£000)	2021/22 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P3
CDN (NES)	St Marys Allotments	206	97	0	Jul-19	Jul-21	Amber	Blue
CDN (NES)	Abbey Park Precinct Wall	535	87	0	Mar-22	Mar-22	Green	Green
CDN (NES)	Library RFID Self-Service System	330	10	0	Mar-21	Dec-21	Green	Green
CDN (NES)	Library Improved Self-Access Pilot	210	6	0	Mar-21	Dec-21	Green	Green
CDN (NES)	Reuse Shop Expansion	495	20	0	Jul-20	Dec-21	Green	Green
CDN (NES)	Highways and Parks Public Toilet Refurbishment	76	22	0	Mar-21	Jul-21	Amber	Blue
CDN (EBS)	Estate Shops	905	4	0	Mar-22	Mar-22	Green	Green
CDN (EBS)	Touchdown Project	50	0	0	Mar-21	TBC	Green	Purple
CDN (EBS)	Haymarket Theatre - Internal Completion Works	579	60	0	Mar-21	Sep-22	Green	Amber
CDN (EBS)	Haymarket Bus Station - Toilet Expansion and Refurbishments	398	0	0	Dec-20	Nov-21	Green	Amber
CDN (EBS)	Climate Emergency - Carbon Reduction Fund	888	0	0	Mar-22	Mar-22	Green	Green
CDN (EBS)	Energy Efficiency Technology	25,097	79	0	Mar-20	Mar-22	Green	Green
SCE (ASC)	Extra Care Schemes	2,510	0	0	Aug-20	TBC	Purple	Purple
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	12,782	304	2,750	Dec-19	Sep-22	Red	Red
SCE (ECS)	Overdale Infant and Juniors School Expansion	3,315	0	0	Nov-21	May-22	Green	Amber
SCE (ECS)	Expansion of Oaklands Special School	4,458	5	0	Mar-22	Sep-22	Green	Green
PH	Leisure Centre Improvement Programme	754	545	50	Mar-20	Jul-21	Green	Blue
PH	Leisure Centre Air Handling Units	286	2	0	Mar-20	Oct-22	Green	Amber
<b>Total (excluding HRA)</b>		<b>160,243</b>	<b>5,113</b>	<b>3,150</b>				
CDN (HRA)	St Leonard's Tower Block - Lift	496	70	(100)	Mar-18	Nov-21	Green	Amber
CDN (HRA)	Goscote House Demolition	4,387	464	200	Jan-20	Dec-22	Green	Amber
CDN (HRA)	New House Build Council Housing	2,736	731	0	Apr-20	Jun-23	Green	Green
CDN (HRA)	Tower Block Sprinkler Systems	1,299	0	0	Apr-22	Mar-23	Green	Amber
CDN (HRA)	Property Conversions	435	357	0	Mar-22	Mar-22	Green	Green
CDN (HRA)	Feasibility Study for Sheltered Housing	250	0	0	Apr-22	TBC	Green	Purple
CDN (HRA)	Bridlespur Way Refurbishment	300	0	0	TBC	TBC	N/A	Purple
CDN (HRA)	Climate Change & Retrofitting Feasibility	250	0	(125)	Apr-22	Apr-22	N/A	Green
<b>Total HRA</b>		<b>10,153</b>	<b>1,622</b>	<b>(25)</b>				
<b>Total (including HRA)</b>		<b>170,396</b>	<b>6,735</b>	<b>3,125</b>				

## **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 2021/22 Period 3

### Corporate Resources

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Corporate LAN/WAN Network Cisco Infrastructure Replacement	208	0	Dec 2021	Dec 2021	<b>G</b>
<b>Total</b>	<b>208</b>	<b>0</b>			

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

## Capital Programme Project Monitoring 2021/22 Period 3

### Smart Cities

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Smart Cities Pilot Projects	190	0	Dec 2020	March 2022	<b>G</b>
<b>Total</b>	<b>190</b>	<b>0</b>			

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

## Capital Programme Project Monitoring 2021/22 Period 3

### Planning, Development & Transportation

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Connecting Leicester	52,699	0	Nov 2020	March 2023	G
Waterside Strategic Regeneration Area	6,903	0	March 2023	June 2026	A
St George's Churchyard	803	0	Aug 2018	March 2022	G
Ashton Green	308	350	March 2021	March 2022	A
Pioneer Park	627	0	Jan 2021	May 2021	B
Pioneer Park Commercial Workspace	193	0	Spring 2018	May 2021	B
Ashton Green Highways Infrastructure	3,760	0	March 2021	Nov 2021	G
City-wide Parkmap TRO review, signs and lines upgrades	200	0	March 2021	March 2022	A
North West Leicester Regeneration Area	889	0	March 2022	March 2022	G
St Margaret's Gateway	11,948	0	Sep 2022	Sep 2022	G
High Streets Heritage Action Zones	1,427	0	April 2024	April 2024	G
<b>Total</b>	<b>79,757</b>	<b>350</b>			

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

- 2.1 **Waterside Strategic Regeneration Area** – Following extensive relocation, clearance and preparation of the site and a lengthy development approval process, excellent progress is now being made on delivering the first phase of the housing scheme and the first office unit has been completed. The initial completion date set in March 2018

reflected the best position outlined at the Compulsory Purchase Order Inquiry. A recent renegotiation of the development contract with the developer Keepmoat includes a 'long stop' worst case completion date of June 2026. This is reflected in the monitoring report but completion of the development is expected earlier than this.

- 2.2 Ashton Green** – The continuing delivery of the Ashton Green development by the Council as land promoter/master developer requires on-going financial support to fund the in-house project management staffing resources and external consultancy support for specialist technical disciplines. Additional costs identified include external support for a new outline planning application to enable the release of an additional 12 hectares of large-scale employment land, site wide engineering design consultancy to release future housing parcels and on-going external legal support for development land sales in progress. Additional permanent traffic calming is required as an outstanding commitment from the sale of the first development parcel. Approval is sought to add £350k to the budget to be funded from future Ashton Green capital receipts.
- 2.3 City-wide Parkmap TRO review, signs and lines upgrades** – The forecast completion date has been extended due to increased works to ensure integration with other IT systems.
- 2.4 Saffron Brook** – The council has been successful in securing £807,000 from the Government's Green Recovery Challenge Fund to support the restoration of the Saffron Brook. Match funding of £40,000 will be allocated from the approved Leicester Flood Strategy.

## Capital Programme Project Monitoring 2021/22 Period 3

### Tourism, Culture and Inward Investment

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum Improvements	15,358	0	March 2023	March 2023	G
Leicester Market Redevelopment	2,597	0	Dec 2021	March 2023	G
Abbey Pumping Station	239	0	March 2019	Feb 2022	A
Gresham Business Workspace	250	0	March 2021	Sep 2021	G
Onsite Construction Skills Hub	818	0	Dec 2022	June 2023	A
Leicester Museum and Art Gallery Phase 1	2,376	0	March 2022	March 2023	G
Museums Security Programme	125	0	Nov 2021	Nov 2021	G
Visit Leicester Relocation	263	0	Nov 2021	March 2022	G
Growth Hub	1,016	0	June 2023	June 2023	G
Phoenix 2020	1,400	0	March 2023	March 2023	G
Fashion Technology Academy	332	0	Aug 2023	Aug 2023	G
De Montfort Hall	1,440	0	March 2022	March 2022	G
<b>Total</b>	<b>26,214</b>	<b>0</b>			

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



- 2.1 Abbey Pumping Station** – To minimise disruption to visitors, works will now commence after the site closes for the winter in November 2021, with the project expected to take 12 weeks.
- 2.2 Onsite Construction Skills Hub** – The project start was later than originally anticipated due to delays with staff recruitment.
- 2.3 Phoenix 2020** – Note the £1m set aside from the economic action plan policy provision has now been released now that all funding is in place for the scheme, including the additional £0.5m provided by the Council. This is in line with the original decision of 23<sup>rd</sup> October 2018.

## Capital Programme Project Monitoring 2021/22 Period 3

### Neighbourhood and Environmental Services

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
St Mary's Allotments	206	0	July 2019	July 2021	<b>B</b>
Abbey Park Precinct Wall	535	0	March 2022	March 2022	<b>G</b>
Library RFID Self-Service System	330	0	March 2021	Dec 2021	<b>G</b>
Library Improved Self-Access Pilot	210	0	March 2021	Dec 2021	<b>G</b>
Reuse Shop Expansion	495	0	July 2020	Dec 2021	<b>G</b>
Highways and Parks Public Toilet Refurbishment	76	0	March 2021	July 2021	<b>B</b>
<b>Total</b>	<b>1,852</b>	<b>0</b>			

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

## Capital Programme Project Monitoring 2021/22 Period 3

### Estates and Building Services

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	905	0	March 2022	March 2022	G
Touchdown Project	50	0	March 2021	TBC	P
Haymarket Theatre - Internal Completion Works	579	0	March 2021	Sep 2022	A
Haymarket Bus Station - Toilet Expansion and Refurbishments	398	0	Dec 2020	Nov 2021	A
Climate Emergency – Carbon Reduction Fund	888	0	March 2022	March 2022	G
Energy Efficiency Technology	25,097	0	March 2020	March 2022	G
<b>Total</b>	<b>27,917</b>	<b>0</b>			

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

**2.1 Touchdown Project** – This project is currently on hold whilst new ways of working are being developed.

**2.2 Haymarket Theatre - Internal Completion Works** – The delay is due to shortage of construction materials leading to long lead times.

**2.3 Haymarket Bus Station - Toilet Expansion and Refurbishments** – The delay is due to restriction to access for movement of construction material through the public access areas and negotiations required with the landlord.

**2.4** Approval is sought to transfer £252k from the Climate Emergency – Carbon Reduction Fund and Connecting Leicester budgets to fund energy reduction works, including solar panels, to 90 Leycroft Road from ERDF funds received for such schemes.

## Capital Programme Project Monitoring 2021/22 Period 3

### Adults

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Extra Care – Two Schemes	2,510	0	Aug 2020	TBC	P
<b>Total</b>	<b>2,510</b>	<b>0</b>			

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

2.1 **Extra Care – Two Schemes** – This project is currently on hold whilst alternative procurement options are pursued.

## Capital Programme Project Monitoring 2021/22 Period 3

### Children's Services

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	12,782	2,750	Dec 2019	Sep 2022	R
Overdale Infant and Juniors School Expansion	3,315	0	Nov 2021	May 2022	A
Expansion of Oaklands Special School	4,458	0	March 2022	Sep 2022	G
<b>Total</b>	<b>20,555</b>	<b>2,750</b>			

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

- 2.1 Additional SEND Places (including Primary Pupil Referral Unit)** – As previously reported, following a review of the provision, additional works have been identified to cater for a more specialist group of Autism Spectrum Disorder children at Knighton Fields Centre. In order to make the building a specialist standalone unit, additional works have been identified to the kitchen, playground and infrastructure. A separate decision will be sought to add the additional funds to the capital programme.
- 2.2 Overdale Infant and Juniors School Expansion** – The forecast completion date has been extended slightly due to delays in getting the contractor on site.

## Capital Programme Project Monitoring 2021/22 Period 3

### Public Health

#### 1. Projects Summary

Project Name	Approval 2021/22 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Leisure Centre Improvement Programme	754	50	March 2020	July 2021	B
Leisure Centre Air Handling Units	286	0	March 2020	Oct 2022	A
<b>Total</b>	<b>1,040</b>	<b>50</b>			

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

**2.1 Leisure Centre Improvement Programme** - The £50k overspend is due to some additional costs associated with the scheme. This will be funded from monies set aside for COVID.

**2.2 Leisure Centre Air Handling Units** - This scheme has been delayed whilst the Council undertakes a widespread programme of decarbonisation measures across its estate.

**2.3** Approval is sought to transfer £1,639k for energy reduction works to Aylestone Leisure Centre roof. The works include installing of PV panels, re-enforcing the roof structure and upgrading the roof insulation to thermally protect the building. The budget transfers will be from ERDF funds received for such schemes. These are £606k from the Climate Emergency – Carbon Reduction Fund, £598k from Connecting Leicester and £435k from the Property and Operational Estate Capital Maintenance Programme.

## Capital Programme Project Monitoring 2021/22 Period 3

### Housing

#### 1. Projects Summary

Project Name	Approval 2020/21 (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
St Leonard's Tower Block - Lift	496	(100)	March 2018	Nov 2021	A
Goscote House Demolition	4,387	200	Jan 2020	Dec 2022	A
New Build Council Housing	2,736	0	April 2020	June 2023	G
Tower Block Sprinklers	1,299	0	April 2022	March 2023	A
Property Conversions	435	0	March 2022	March 2022	G
Feasibility Study for Sheltered Housing	250	0	April 2022	TBC	P
Bridlespur Way Refurbishment	300	0	TBC	TBC	P
Retrofitting Feasibility	250	(125)	April 2022	April 2022	G
<b>Total</b>	<b>10,153</b>	<b>(25)</b>			

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

**2.1 St Leonards Tower Block – Lift** - Tenders received came in below budget, resulting in a forecast £100k underspend on the project. There has also been a slight delay to the forecast completion date, due to enabling works required to the new lift shaft taking longer than anticipated.

**2.2 Goscote House Demolition** - The site was handed over to the contractor in August 2021, with demolition work expected to commence in November 2021. Destructive testing has identified additional asbestos requiring removal which has resulted in an increase to contractor costs, this will be funded from in year HRA capital underspends.

**2.3 Tower Block Sprinklers** - The installation of two sprinklers is expected to be complete this financial year, with the final two completing by the end of March 2023.

**2.4 Feasibility Study for Sheltered Housing** - Capacity within the contracts management team is such that other work has been prioritised. This project will be picked up again as other projects reach their conclusion.

**2.5 Bridlespur Way** - The refurbishment of Bridlespur Way will lead to a temporary reduction in the availability of temporary accommodation for families. Therefore, the scheme has been delayed until current pressures on temporary accommodation are alleviated.



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

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

<b>Department / Division</b>	<b>Approved to spend in 21/22 £000</b>	<b>2021/22 Spend to Date £000</b>	<b>Forecast Slippage £000</b>	<b>Forecast Over/(under) Spend £000</b>
City, Development & Neighbourhoods	132	37	0	0
Planning, Development & Transportation	16,659	1,482	508	(630)
Tourism, Culture & Inward Investment	1,323	122	76	0
Neighbourhood & Environmental Services	604	0	0	0
Estates & Building Services	6,736	227	290	0
Housing General Fund	8,968	628	1,345	0
Adult Social Care	0	0	0	0
Children's Services	6,199	212	564	0
<b>Total (excluding HRA)</b>	<b>40,621</b>	<b>2,708</b>	<b>2,783</b>	<b>(630)</b>
Housing Revenue Account	96,103	14,240	6,634	(1,288)
<b>Total (including HRA)</b>	<b>136,724</b>	<b>16,948</b>	<b>9,417</b>	<b>(1,918)</b>

## 2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2021/22 Spend to Date £000	Forecast Slippage £000	Forecast Over/(under) Spend £000
Feasibility Studies	CDN	132	37	0	0
Transport Improvement Works	CDN (PDT)	5,982	151	130	0
Bus Engine Retrofitting (DFT funded)	CDN (PDT)	225	72	0	0
Air Quality Action Plan	CDN (PDT)	208	6	50	0
Highways Maintenance	CDN (PDT)	6,132	494	200	0
Townscape Heritage Initiative - Business Grants	CDN (PDT)	98	0	0	0
Flood Strategy	CDN (PDT)	338	41	0	0
Festive Decorations	CDN (PDT)	51	0	0	0
Local Environmental Works	CDN (PDT)	491	59	0	0
Legible Leicester	CDN (PDT)	135	0	0	0
Parking Strategy Development	CDN (PDT)	27	21	0	0
Leicester Strategic Flood Risk Management Strategy	CDN (PDT)	1,176	363	0	(750)
Potential Strategic Development Sites Assessment	CDN (PDT)	20	20	0	120
Architectural & Feature Lighting	CDN (PDT)	200	0	128	0
Front Wall Enveloping	CDN (PDT)	265	68	0	0
Replacement Doors & Windows St Saviours Rd	CDN (PDT)	46	4	0	0
Transforming Cities Work Programmes	CDN (PDT)	844	166	0	0
Campbell Street Feasibility Study	CDN (PDT)	186	0	0	0
Conservation Building Grants	CDN (PDT)	69	13	0	0
Street Nameplates City Branding Programme	CDN (PDT)	100	0	0	0
On-Street Charging	CDN (PDT)	66	4	0	0
Heritage Interpretation Panels	CDN (TCI)	284	35	76	0
Retail Gateways	CDN (TCI)	239	79	0	0
Leicester Museum and Art Gallery	CDN (TCI)	347	6	0	0
Cank St Feasibility	CDN (TCI)	57	0	0	0
Local Shopping Centres Reopening & Improvement Programme	CDN (TCI)	396	2	0	0
Parks Plant and Equipment	CDN (NES)	0	0	0	0
Parks and Open Spaces	CDN (NES)	579	0	0	0
Skate Park Feasibility	CDN (NES)	25	0	0	0
Euston Street Store	CDN (EBS)	36	4	0	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	3,599	98	0	0
Pilot House	CDN (EBS)	345	0	0	0
Green Homes	CDN (EBS)	1,251	0	0	0
Phoenix & Sovereign House	CDN (EBS)	1,130	125	0	0
CCTV Newarke Houses/Guildhall	CDN (EBS)	85	0	0	0
Depot Refurbishment	CDN (EBS)	290	0	290	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,100	340	250	0
Repayable Home Repair Loans	CDN (HGF)	200	0	170	0
Vehicle Fleet Replacement Programme	CDN (HGF)	6,668	288	925	0
School Capital Maintenance	SCE (ECS)	5,782	212	264	0
Foster Care Capital Contribution Scheme	SCE (ECS)	417	0	300	0
<b>Total (excluding HRA)</b>		<b>40,621</b>	<b>2,708</b>	<b>2,783</b>	<b>(630)</b>

<b>Work Programme</b>	<b>Dept/ Division</b>	<b>Approved £000</b>	<b>2021/22 Spend to Date £000</b>	<b>Forecast Slippage £000</b>	<b>Forecast Over/(under) Spend £000</b>
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	4,571	374	1,971	0
Council Housing - Boiler Replacements	CDN (HRA)	4,781	225	0	(1,381)
Council Housing - Rewiring	CDN (HRA)	2,199	7	0	(449)
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,300	179	300	(50)
Council Housing - Insulation Works	CDN (HRA)	186	0	136	0
Council Housing - External Property Works	CDN (HRA)	1,106	78	0	792
Council Housing - Fire and Safety Works	CDN (HRA)	1,905	33	855	0
Community & Environmental Works	CDN (HRA)	2,435	185	258	(200)
Affordable Housing - Acquisitions	CDN (HRA)	75,429	13,068	3,114	0
Affordable Housing - RPs & Others	CDN (HRA)	669	0	0	0
Public Realm Works	CDN (HRA)	953	4	0	0
Business Systems	CDN (HRA)	569	87	0	0
<b>Total HRA</b>		<b>96,103</b>	<b>14,240</b>	<b>6,634</b>	<b>(1,288)</b>
<b>Total (including HRA)</b>		<b>136,724</b>	<b>16,948</b>	<b>9,417</b>	<b>(1,918)</b>

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

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast. Due to the pandemic, there has been a lot of slippage from the previous year.
- 3.2 **Air Quality Action Plan** – £50k slippage is expected, due to a change in the roll out of electric vehicles.
- 3.3 **Leicester Strategic Flood Risk Management Strategy** – The £750k underspend relates to planned works for a new Watermead Bridge, which is no longer required. The funding of this scheme will now be available for the future capital programme.
- 3.4 **Potential Strategic Development Sites Assessment** - Funding for additional external consultancy support of £120k is needed to complete the land promotion work for three key development opportunities to be promoted through the new Local Plan. This includes land at Ashton Green East, land at Beaumont Park and the site of the former Western Park Golf Course and adjoining land. These future development sites will deliver housing and employment land outputs from 2027/28 onwards and capital receipts from future land sales.
- 3.5 **Architectural & Feature Lighting** – Take up of the grant and delivery of the schemes has been slow due to the reliance on third party applicants (many of whom are in the hospitality sector) and the impact of COVID-19. As a result, slippage of £128k is forecast.
- 3.6 **Depot Refurbishment** – Slippage of £290k is forecast, as both schemes are delayed. The Evington Park depot refurbishment is now planned to go out to tender in late 2021 and works at Knighton Park depot are delayed until the spring to reduce the impact on services.
- 3.7 **Disabled Facilities Grants** – COVID-19 restrictions have had an impact on the availability of builders that are able to submit tenders and start within 3 weeks of securing a contract, as they are trying to fulfil other commitments. The forecast slippage of £250k assumes that this will result in reduced completion rates.

- 3.8 **Repayable Home Repairs Loans** – Currently the service area is focused on the delivery of Disabled Facilities Grants. Forecast spend is only for emergency cases and one loan approved prior to COVID-19, resulting in slippage of £170k.
- 3.9 **Fleet Replacement** – Forecast slippage is due to a combination of global factors affecting vehicle delivery lead times, including steel shortages and microchip supply issues.
- 3.10 **Foster Carers – Capital Contribution** - Applications for this funding continue to be received, with a further £117k spend committed so far this year. This capital investment supports the Council’s wider placement sufficiency requirements to ensure adequate suitable accommodation for Looked After Children. There are ongoing discussions with foster carers about the possibility of adaptations to support additional children, which will be set against the remaining £300k. It is proposed that any remaining amount would be slipped into 2022/23 to continue to support these works.
- 3.11 **Kitchens & Bathrooms** – The backlog of work which accumulated during lockdown, when all but essential work was paused, remains outstanding due to issues with contractor capacity. Recovery against this work is not anticipated in the current financial year.
- 3.12 **Boiler Replacements** – Demand on boiler replacements has been lower than anticipated. As such the surplus budget will not be required in future years and will result in an underspend.
- 3.13 **Re-Wiring** – This is a demand-led budget and it is not anticipated that the surplus budget brought forward from 20/21 will be required this year.
- 3.14 **Disabled Adaptations** – There has been limited capacity to make referrals for adaptations to properties to enable occupation by people on the housing register who are waiting for a suitable council property to become available. Slipping £300k of this budget will enable this work to be carried out in 2022/23.
- 3.15 **Insulation works** - The contractor for this work is experiencing difficulty in resourcing the contract requirements, alternative options are being explored
- 3.16 **External Property Works** – During lockdown most external work could continue without significant interruption. The decision was taken in 20/21 to bring forward

work from 21/22, to continue the progress of work in this area. It is proposed that underspends on boiler replacements be used to fund £800k of external property works in the current year. Examples include re-roofing and soffits/facia work.

- 3.17 **Fire & Safety Works** – There is a national delay in the process for manufacturers of fire doors gaining accredited approval for their use from government. Existing doors are being monitored to ensure they remain safe, but the current procurement process continues to be affected..
- 3.18 **Communal & Environmental Works** – Limited contractor capacity has restricted the ability to undertake work on the district heating network, resulting in slippage of £258k. It is proposed that following a review of the longer term financial implications, the trial Fencing Replacement should not proceed and the £200k budget should be declared as a saving.
- 3.19 **Affordable Housing – Acquisitions** – There is a concerted effort to acquire properties this year before a government cap is introduced from April 2022. We are increasing our acquisition team to reflect this change in landscape in RTB, which has enabled us to change our approach to acquisitions to be a mixture of singular and much larger scale acquisitions. Larger acquisitions by their very nature are complex with multiple facets and whilst there are a number of these in the pipeline, it does mean the completion dates are difficult to predict due to various interdependences.

**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 3, none of the budgets for capital provisions had been spent.
- 1.3 Normally provisions are there if needed. The sums below are for the 2021/22 financial year.

<b>Provision</b>	<b>Dept/ Division</b>	<b>Approved £000</b>	<b>2021/22 Spend to Date £000</b>	<b>2021/22 Total £000</b>	<b>Remaining Budget £000</b>
Empty Homes Purchase	CDN (HGF)	50	0	0	50
Early Years - Two Year Olds	SCE (ECS)	141	0	0	141
<b>Total</b>		<b>191</b>	<b>0</b>	<b>0</b>	<b>191</b>

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

- 1.1 As at the end of Period 3, the following schemes were nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

<b>Project</b>	<b>Dept/ Division</b>	<b>Approved £000</b>	<b>2021/22 Spend to Date £000</b>	<b>Forecast Over/(Under) Spend £000</b>
Leicester North West Major Transport Scheme	CDN (PDT)	309	90	0
11-15 Horsefair Street	CDN (EBS)	136	0	0
Haymarket House, Car Parks & Lifts	CDN (EBS)	568	131	0
Demolition of Former Anchor Recovery Centre	CDN (EBS)	13	1	0
ICT Investment - Phase 2 - Liquidlogic	SCE (ASC)	42	0	(42)
Additional Primary School Places	SCE (ECS)	72	6	0
Additional Secondary School Places	SCE (ECS)	114	0	0
Children's Residential Homes	SCE (ECS)	156	37	0
New Parks House	SCE (ECS)	26	0	0
Relocation of Sexual Health Clinic	PH	36	33	0
<b>Total</b>		<b>1,472</b>	<b>298</b>	<b>(42)</b>



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

1.1 As at Period 3, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

<b>Department/ Division</b>	<b>Policy Provision</b>	<b>Amount £000</b>
CDN (PDT)	Economic Action Plan	0
CDN (PDT)	Ashton Green Infrastructure	400
CDN (PDT)	Strategic Acquisitions	4,000
CDN (TCII)	Tourism & Culture	550
CDN (TCII)	Highways, Transport & Infrastructure	3,364
CDN (NES)	Tree Programme	500
CDN (Various)	People & Neighbourhoods	1,767
SCE (ASC)	Extra Care Schemes	6,700
SCE (ECS)	New School Places	14,569
Other	Black Lives Matter	500
<b>Total (excluding HRA)</b>		<b>32,350</b>
CDN (HRA)	Other HRA Schemes	1,000
<b>Total HRA</b>		<b>1,000</b>
<b>Total (including HRA)</b>		<b>33,350</b>

1.2 Releases from policy provisions since the 2020/21 Outturn (reflected in the tables above) are listed below:

- £25k policy provision for Skate Park Feasibility
- £1,000k policy provision for Phoenix 2020

1.3 A prudent policy provision was set aside for New School Places, of which £7.1m has been determined as no longer being required and can be used for future capital programmes.