

Executive Decision Report

Capital Budget Monitoring – Outturn, 2017/18

Decision to be taken by: City Mayor
Overview Select Committee date: 21st June 2018
Lead director: Alison Greenhill



City Mayor

Useful Information

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1. Summary

- 1.1 The purpose of this report is to show the position of the capital programme at the end of the 2017/18 financial year.
- 1.2 This is the fourth and final report of the financial year, following similar monitoring reports as at Periods 4, 6 and 9.

2. Recommendations

2.1 The Executive is recommended to:

- Note total spend of £104.9m for the 2017/18 financial year;
- Note the progress in delivery of major projects, as shown at Appendix A;
- Note progress on spending work programmes, as shown at Appendix B, and approve the carry-forward of resources into 2018/19 for schemes where spend has slipped into 2018/19 (£12.3m);
- Note that the great majority of provisions remain unspent, as shown at Appendix C, and approve the carry-forward of unspent resources into 2018/19 (£1.3m).
- Note that across a number of schemes, £1.0m has been declared as savings following completion of schemes within budget. £127k of this was to be funded by corporate resources and will now be available for future capital projects. The remainder was to be funded by prudential borrowing or revenue contributions, which will not now be required;
- Approve the addition of £570k DFT funding to the capital programme for Highways Maintenance, as detailed in Appendix B para 3.2 of this report;
- Approve an additional £150k for CCTV improvements, as detailed in Appendix F para 1.3 of this report.

The OSC is recommended to:

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

3. Supporting Information including options considered

- 3.1 The 2017/18 Capital Programme was approved by Council on 24th February 2016.
- 3.2 A Capital Programme for 2018/19 to 2019/20 was approved by Council on 30th November 2017. Budgets for this Capital Programme are **excluded** from this report, although some spend against these has been brought forward into 2017/18. This spend is summarised in a separate appendix to this report.

3.3 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;

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;
- (e) **Policy Provisions**, which are sums of money for which there is currently no approval to spend, ie they are awaiting a City Mayor decision. Spending cannot be monitored until such approval has been given.

3.4 Summary of the total approved 2017/18 capital programme as at 31st March 2018:

	2017/18	2018/19	Total
	£000	£000	£000
Work programmes	60,950	17,493	78,443
Provisions	1,666	50	1,716
Schemes nearly complete	4,569	-	4,569
Sub-total	67,185	17,543	84,728
Projects			143,739
Total Immediate Starts			228,467
Policy Provisions			20,812
Total Programme			249,279

3.5 As stated above projects are monitored only against delivery. This report monitors financial progress only in relation to work programmes, provisions and schemes nearly complete (the £67.2m shown in the table above).

3.6 Since Period 9 the total 2017/18 capital programme has increased by £8.2m, as follows:

	£000
2017/18 Capital Programme at Period 9	241,079
LGF additions, mainly external funding for Midland Mainline improvements	5,087
Addition of Haymarket Consortium Loans	600
Addition of Enterprising Leicester Loan - Ethically Sourced Products	507
Addition of DFT funding for retrofitting of bus engines	2,200
Write-out of unspent Friars Mill Phase 2 budget	(320)
Other	126
2017/18 Capital Programme Outturn	249,279

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

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

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

3.9 Capital Receipts

3.9.1 During 2017/18, the Council has realised £9.9m of General Fund capital receipts. In line with our policies, these are set aside for future capital programmes.

3.9.2 Right to Buy receipts this year have amounted to £18.6m.

3.9.3 This is summarised at Appendix G to this report.

4. Financial, Legal and other Implications

4.1 Financial Implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, 37 4001

4.2 Legal Implications

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

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

4.3 Climate Change and Carbon Reduction Implications

This report is solely concerned with financial issues.

4.4 Equalities Implications

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

4.5 Other Implications

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

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

5. Is this a private report

No.

6. Is this a “key decision”?

No.

7. If a key decision please explain reason

N/a.

PROJECTS

1. Summary

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

Department / Division	Budget 2017/18 to 2019/20 £000	2017/18 Outturn £000
Corporate Resources	1,970	314
Adult Social Care	6,167	1,129
Planning, Development & Transportation	70,232	15,473
Tourism, Culture & Inward Investment	10,222	6,306
Neighbourhood & Environmental Services	451	320
Estates & Building Services	7,417	6,970
Children's Services	41,905	16,206
Public Health	328	323
Total (including HRA)	138,692	47,041
Housing Revenue Account	5,047	3,039
Total (including HRA)	143,739	50,080

- 1.2 A list of the individual projects is shown in the table on pages 6-8 of this report. This also summarises the progress of each project. Attention has been given 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)	2017/18 Outturn (£000)	U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Project RAG Rating	Reason for RAG Rating (if not Green or Blue)
CRS	Electronic Document System Replacement	330	0	50	Apr-18	Sep-19	Purple	Project no longer needed
CRS	Automatic Call Distribution System Upgrade	295	92	0	Apr-18	Apr-19	Amber	Procurement delays, but now expected to complete during 2018/19.
CRS	Lync Telephony Infrastructure Upgrade	52	52	0	Apr-17	Jul-17	Blue	
CRS	Finance, HR & Payroll System	1,293	170	(250)	Jun-17	2018/19	Red	Project overspend anticipated and delays in project implementation.
ASC	ICT Investment - Phase 2 - Liquidlogic	1,185	558	0	Jan-19	Mar-19	Green	
ASC	Improvement to Day Care Services at Hastings Road	385	118	0	Apr-16	May-18	Green	
ASC	Anchor Centre - new recovery hub	599	453	0	Apr-17	Jan-18	Blue	
ASC	Specialist Dementia Care Centre	1,548	0	0	TBC	TBC	Purple	Being reviewed following the government announcement on Housing Cap
ASC	Extra Care Schemes	2,450	0	0	TBC	TBC	Purple	
CDN (PDT)	Leicester North West Major Transport Scheme	8,928	373	0	Mar-19	Mar-21	Amber	Rephasing of works and preparation of new business case
CDN (PDT)	North City Centre Access Improvement Scheme	11,432	1,873	0	Feb-20	Nov-19	Green	
CDN (PDT)	Ashton Green Highways Infrastructure (A46/Anstey Lane)	7,900	0	0	May-19	Mar-20	Green	
CDN (PDT)	City Centre Street Improvements	2,237	1,975	0	Apr-19	May-19	Green	
CDN (PDT)	Townscape Heritage Initiative	2,515	1,719	0	Feb-18	Apr-18	Green	
CDN (PDT)	Waterside Strategic Regeneration Area	25,370	7,606	0	Mar-23	Mar-23	Green	
CDN (PDT)	St George's Churchyard	900	43	0	Aug-18	Dec-18	Amber	Delayed planning permission.
CDN (PDT)	Queen's Building (formerly Shahista House), 37-45 Rutland Street	150	0	0	Dec-17	Sep-18	Green	
CDN (PDT)	Great Central Street / Vaughan Way	3,050	310	0	Jan-19	Aug-19	Green	
CDN (PDT)	Ashton Green	878	474	0	Mar-18	Mar-19	Green	
CDN (PDT)	Pioneer Park	5,000	783	0	Jan-21	Jan-21	Green	
CDN (PDT)	Newarke Street Car Park Improvements	335	88	0	Sep-18	Sep-18	Green	
CDN (PDT)	Great Central Railway Mainline Museum	250	90	0	Oct-18	TBC	Purple	Currently on hold following withdrawal of HLF funding
CDN (PDT)	Pioneer Park Commercial Workspace (formerly Dock 2)	1,287	139	0	Spring 18	Spring 20	Amber	Tenders received higher than budget. New delivery strategy adopted.

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold

Dept/ Division	Project	Total Budget (£000)	2017/18 Outturn (£000)	U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Project RAG Rating	Reason for RAG Rating (if not Green or Blue)
CDN (TCI)	Jewry Wall Museum Improvements	1,622	553	0	Mar-18	May-20	Amber	Walkway design revised
CDN (TCI)	Leicester Market Redevelopment	4,610	2,080	0	Dec-18	Sep-19	Green	
CDN (TCI)	Haymarket Theatre	3,490	3,490	0	Dec-17	Mar-18	Blue	
CDN (TCI)	Abbey Pumping Station	500	183	0	Mar-19	Sep-18	Green	
CDN (NES)	Saffron Hill Cemetery Improvements	301	300	1	Dec-17	Mar-18	Blue	
CDN (NES)	Library Management System	150	20	0	Dec-18	Dec-18	Green	
CDN (EBS)	15 New Street	58	34	0	Nov-17	Jul-18	Green	
CDN (EBS)	11-15 Horsefair Street	1,645	1,222	0	Nov-18	Mar-19	Amber	Reinstatement works to adjacent buildings on hold until artwork/finishing decided.
CDN (EBS)	York House acquisition	5,714	5,714	0	Dec-17	Dec-17	Blue	
ECS	Waterside Primary School	2,231	1,310	0	Aug-19	Sep-19	Amber	Project in danger of slippage
ECS	Additional Places - Inglehurst Junior	310	25	(12)	Sep-17	Jul-18	Amber	Delayed as VFM concerns addressed. Contractor now appointed.
ECS	Additional Places - Spinney Hill	231	0	0	Feb-18	Aug-18	Amber	Now progressing following delay whilst planned structural works were reviewed
ECS	Additional Places - Alderman Richard Hallam	400	60	0	Sep-17	Sep-17	Blue	
ECS	Additional Places - Overdale Junior	86	81	0	Aug-16	Aug-16	Blue	
ECS	Additional Places - Marriott	1,039	39	0	Sep-18	Nov-18	Amber	Revised construction solution being proposed. Project now progressing.
ECS	Primary School TMBs	2,081	1,400	0	Oct-17	Apr-18	Green	
ECS	Primary School Internal Reconfigurations	615	332	0	Sep-17	Apr-18	Green	
ECS	Carisbrooke TMB	693	640	0	Oct-17	Apr-18	Green	
ECS	Secondary School Places - PFI schools	2,401	2,001	0	Aug-19	Oct-19	Green	
ECS	Secondary School Places - Non-PFI schools	1,099	1,014	0	Jul-19	Oct-19	Amber	Review of practical completion dates. Contingency being developed.
ECS	Secondary School TMBs	11,993	5,990	0	Oct-17	Oct-17	Green	
ECS	Fullhurst/Braunstone Skills Centre Expansions	575	388	0	Oct-17	Feb-18	Blue	
ECS	Fullhurst / Ellesmere School Expansions	17,503	2,671	0	Aug-19	Jul-19	Green	

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold

Dept/ Division	Project	Total Budget (£000)	2017/18 Outturn (£000)	U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Project RAG Rating	Reason for RAG Rating (if not Green or Blue)
ECS	Children's Homes - Barnes Heath	56	42	(22)	Sep-17	Sep-17	Blue	
ECS	Children's Homes - Dunblane Avenue	124	124	(81)	Oct-17	Feb-18	Amber	Project complete, but issues with design of kitchen extract system.
ECS	Children's Homes - Netherhall	290	26	(62)	Sep-17	Oct-18	Amber	Review of service caused delay, but project is now progressing
ECS	Children's Homes - Tatlow Road	178	63	(42)	Dec-17	Sep-18	Amber	Review of service caused delay, but now recommenced and close to completion
PH	Humberstone Heights Golf Course - drainage/irrigation	328	323	0	Mar-18	Mar-18	Blue	
Total (excluding HRA)		138,692	47,041	(418)				
CDN (HRA)	Conversion of Former Council Hostels	1,988	1,904	84	Jan-18	Jan-18	Blue	
CDN (HRA)	St Leonard's Tower Block - Lift	100	0	(95)	Mar-18	TBC	Amber	Overspend due to increased scope of project. Will be funded by HRA resources
CDN (HRA)	Exchange Demolition	112	12	0	Dec-17	Oct-18	Amber	Delay in construction by medical centre owner deferring demolition to 2018/19
CDN (HRA)	E-Communications (Mobile Working)	402	5	0	Aug-18	Feb-19	Amber	Difficulty in sources suitable devices
CDN (HRA)	Northgate Business Systems Phase 2	1,536	561	0	Mar-18	Jun-18	Green	
CDN (HRA)	Tower Block Redevelopment	909	557	0	Sep-18	Jan-19	Amber	Safety works following Grenfell
Total HRA		5,047	3,039	(11)				
Total (including HRA)		143,739	50,080	(429)				

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold

3. Commentary on Specific Projects

- 3.1 Explanatory commentary for projects that are not currently progressing as planned, or for which issues have been identified is provided below. This has been defined as any scheme that has a RAG Rating other than “green” or “blue”.
- 3.2 **Electronic Document System Replacement** Documents previously held in EDRMS are being migrated to Line of Business Applications (e.g. LiquidLogic and Safe HR). SharePoint is now the central Reference Architecture for Document Management outside of Line of Business applications. Migration from EDRMS is expected to complete during the final quarter of 2018.
- 3.3 **Automatic Call Distribution System Upgrade** This project was delayed whilst a supplier of a new ACD system was being sought. An agreement has since been signed on 11 April 2018 with Amillan.
- 3.4 **Finance, HR & Payroll Systems** The core HR system has now been implemented with the recruitment system anticipated to be implemented in June 2018. The Council is currently reviewing the project plan for the Finance system with the supplier following identification of project slippage and the need to ensure we use the flexibility offered by the system to best effect. Additional resources have been allocated to the project team and additional resource will be needed from the supplier. The project plan is currently forecasting an overspend of around £250k.
- 3.5 **Specialist Dementia Care Centre** This project is on hold, pending the outcome of the government consultation on the future of social housing rents. Early indications are positive for the Council, but the detail is still awaited. An announcement is anticipated in early 2018/19
- 3.6 **Extra Care Schemes** These schemes are on hold, pending the outcome of the government consultation on the future of social housing rents. Early indications are positive for the Council, but the detail is still awaited. An announcement is anticipated in early 2018/19.
- 3.7 **Leicester North West Major Transport Project** Staffing shortages, delays with construction drawings and County issues with design have hindered the progress of this project. However, early contractor involvement on the phase 1 scheme for Ravensbridge Drive/Anstey Lane is now progressing well with the contract due to be signed by the end of May and work commencing on site mid-July. Officers are progressing options for spending the remainder of the funding (approx. £4.5m) by March 2021.
- 3.8 **St George’s Churchyard** The scheme for public realm improvements was presented to Planning Committee in January 2018 but was deferred. Conversations remain ongoing with stakeholders. It is anticipated that works, subject to planning permission, will commence later in 2018.
- 3.9 **Great Central Railway Mainline Museum** This project is now on hold following the withdrawal of HLF funding in December 2017. GCR are now considering options for an alternative scheme and further meetings to discuss alternatives will be held with the City and County Councils in due course. The £160k remaining in the budget will be held pending the outcome of the options review.

- 3.10 **Pioneer Park Commercial Workspace (formally Dock 2) Pioneer Park Commercial Workspace (formally Dock 2)** As reported at 2016/17 Outturn, tenders received for the project were higher than the budget allowed. This project is no longer proceeding via the original delivery route. The land and the adjoining land formerly owned by the HCA (now Homes England) have now been acquired and are within LCC ownership. A proposal to seek a development partner to develop out new commercial space on both of the vacant sites is being considered. Consultants have been appointed to restart the design works and external legal advice has been appointed to assist with exploring procurement routes. These sites will most likely be delivered in phases and there is potential that the Council may retain some business space which could function as move-on space for Dock. The balance of the land available could enable the development partner to build additional business space for sale or lease.
- 3.11 **Jewry Wall Museum Improvements** The design for the project has been progressed to RIBA Stage 4, the project to be issued out to tender once the Walkway design has been completed and funding has been identified. Based on issue of the tender documents to the market in August 2018, the project is forecast to be completed in May 2020.
- 3.12 **11-15 Horsefair Street** Demolition of unit is on programme for November 2018; however, reinstatement works in respect of the adjacent gable walls are in delay due to availability and lead time on the finish required (bricks) of 25 weeks. Art works are on hold until the gable walls are completed. Pedestrian access will be available from November 2018 with a temporary surface of approx. 3-4 metres width. The gable walls will be boarded to allow safe access to pedestrians over the Christmas period. Permanent reinstatement works are expected to be complete by March 2019.
- 3.13 **Waterside Primary School** The agreed scheme and programme is now in place with the main contractor, but the project remains on the critical path. Recent issues on site, including unauthorised access and new badger sets have increased the risk in the project. Whilst this risk is being managed, it is likely that when these work have been finalised the programme will extended beyond the current end date of September 2019. Contingency measures are currently being measures.
- 3.14 **Additional School Places – Inglehurst Junior School** Works have been competitively tendered to achieve a value for money scheme. Following tender evaluation a main contractor has been appointed. Works are programmed to commence on 23 April 2018, and due to be completed on site by 30 July 2018 ahead of the 2018/19 academic year.
- 3.15 **Additional School Places – Spinney Hill Primary School** A feasibility study has been undertaken, brief has been established and programme is currently being reviewed at present which shows an initial programmed completion date of August 2018.
- 3.16 **Additional School Places – Marriott Primary School** A procurement waiver has been authorised to enable works to progress with a preferred modular supplier for completion of the new build teaching block. Initial site visits and engagement with the school have taken place. Initial discussions have commenced with Planning and a delivery programme is being finalised with the Main Contractor and Modular building supplier. Works are expected to complete in 2018.
- 3.17 **Secondary School Places – Non-PFI Schools** The planned practical completion date of October 2019 is after the required date of August 2019. This will be reviewed after the planning applications have been concluded and it is hoped that current forecast can be improved upon. A contingency plan has now been established in consultation with all stakeholders in order to accommodate children from September 19 onwards.

- 3.18 **Children's Homes – Dunblane Avenue** Extension and refurbishment works at Dunblane are now complete. There are issues relating to the kitchen extract system and its design which are currently being investigated, although these are not affecting the operation of the equipment or the premises.
- 3.19 **Children's Homes – Netherhall** Works have been assessed and funding allocated, to enable these works to proceed. EBS are in the process of appointing Arcadis to undertake the scheme.
- 3.20 **Children's Homes – Tatlow Road** Construction works have now commenced on site (Jan 18) and are progressing in line with the agreed construction programme. The office extension is nearing completion externally, with internal works due to commence June 2018 for completion Summer 2018.
- 3.21 **St Leonard's Lift** The building was originally designed to have two lifts but only one was ever installed, with the location of the second lift being used as communal cupboards. The original lift is now coming to the end of its useful life and the decision has been taken to install a new second lift so that the existing lift can be renewed and the block will have two lifts as originally planned. It is now estimated that the cost for both lifts will be around £195k, exceeding the approved budget by £95k. The ongoing delay is being caused because of reluctance on the part of a leaseholder to the installation of the second lift.
- 3.22 **Exchange Demolition** The demolition of the existing parade of shops is dependent on the relocation of the post office currently located there. A decision was taken in August 2017 to dispose of land on Sturdee Road to Invonex Properties Limited in order that an existing Health Centre can be extended to accommodate a new post office. The land transfer was subsequently completed in October 2017. Delays to the construction of the post office will mean that demolition will now not take place until 2018/19.
- 3.23 **E-Communications (Mobile Working)** The project has been subject to delays due to significant difficulties in IT sourcing suitable devices. Various options are being explored to resolve these issues.
- 3.24 **Tower Block Redevelopment** Following the Grenfell Tower fire in London, it was decided to delay the re-occupation of Gordon House to reassure returning tenants that all passive fire safety measures had been completed to the required standard. This delay has subsequently affected the start date for works to Maxfield House.

WORK PROGRAMMES**1. Summary**

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

Department /Division	Approved £000	2017/18 Outturn £000	Slippage £000	Under/(over) Spend £000
Adult Social Care	248	64	184	0
Planning, Development & Transportation	10,812	9,650	1,162	0
Tourism, Culture & Inward Investment	130	97	33	0
Neighbourhood & Environmental Services	225	221	0	4
Estates & Building Services	1,446	1,446	0	0
Housing General Fund	5,474	2,079	3,383	12
LLEP	15,197	15,197	0	0
Children's Services	11,654	5,826	5,828	0
Total (excluding HRA)	45,186	34,580	10,590	16
Housing Revenue Account	15,764	14,805	1,050	(91)
Total (including HRA)	60,950	49,385	11,640	(75)

2. Summary of Individual Work Programmes

Work Programme	Approved £000	2017/18 Outturn £000	Slippage £000	Under/(over) Spend £000
Transport Improvement Works	1,458	1,420	38	0
Air Quality Action Plan	115	139	(24)	0
Collaborate Business Project - Business Grants	300	223	77	0
Highways Maintenance	3,656	3,408	248	0
Townscape Heritage Initiative - Business Grants	205	205	0	0
Flood Strategy	247	180	67	0
Festive Decorations	50	54	(4)	0
Local Environmental Works	449	449	0	0
Legible Leicester	618	460	158	0
Leicester Strategic Flood Risk Management Strategy	1,200	1,091	109	0
Parking Strategy Development	1,259	771	488	0
Potential Strategic Development Sites Assessment	100	95	5	0
Haymarket Consortium Loans	600	600	0	0
Enterprising Leicester Loans	507	507	0	0
MIRA Loans	48	48	0	0
Retail Gateways	50	30	20	0
Heritage Interpretation Panels	80	67	13	0
Parks Plant and Equipment	150	146	0	4
Allotment Infrastructure Phase 2	75	75	0	0
Property Maintenance	1,446	1,446	0	0
Private Sector Disabled Facilities Grant	2,130	1,635	495	0
Repayable Home Repair Loans	300	267	33	0
Leicester Energy Efficiency Fund	50	37	0	13
Street Scene Improvements - Housing Estates	65	66	0	(1)
Vehicle Fleet Replacement Programme	2,929	74	2,855	0
Local Growth Fund Projects	15,197	15,197	0	0
School Capital Maintenance	7,987	4,683	3,304	0
BSF Schools' Landlord Lifecycle Fund	3,667	1,143	2,524	0
Dementia Friendly Buildings Initiative	248	64	184	0
Total (excluding HRA)	45,186	34,580	10,590	16
Council Housing - New Kitchens and Bathrooms	4,000	3,659	341	0
Council Housing - Boiler Replacements	3,500	3,715	0	(215)
Council Housing - Rewiring	2,200	1,623	0	577
Disabled Adaptations & Improvements	1,300	1,067	74	159
Council Housing - External Property Works	1,077	936	254	(113)
Council Housing - Fire and Safety Works	1,150	1,585	0	(435)
Council Housing - Insulation Works	983	909	74	0
Community & Environmental Works - Housing Estates	1,554	1,311	307	(64)
Total HRA	15,764	14,805	1,050	(91)
Total (including HRA)	60,950	49,385	11,640	(75)

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 outturn reporting, this has been defined as any scheme where material slippage has occurred.

3.2 **Highways Maintenance** Slippage is due to a combination of: Halifax Drive footway maintenance scheme (resource availability due to Connecting Leicester priorities); footway slurry sealing programme due to tender delays; re-tendering of the bridge maintenance contract. The underspend on the bridges programme will be used in the 2018/19 capital programme for repairing winter damage to road surfaces.

Additional highways maintenance funds totalling £570k have been secured from the Department for Transport for 2018/19. These are £310k Highways Incentive Funding and £260k 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.

3.3 **Legible Leicester** Good progress has been made overall including the installation of a new city centre wayfinding system. The underspend is due to delays in awarding the free-text VMS (variable message sign) contract. This has now been awarded and sign installation will commence by August 2018.

3.4 **Parking Strategy Development** Slippage is due to the tendering processes involved with Haymarket Car Park and Newarke Street Car Park refurbishment and upgrade works. Also the need to co-ordinate the works with those of the Haymarket Theatre refurbishment.

3.5 **Disabled Facilities Grant** As a long-standing programme the Disabled Facilities Grant programme has supported the adaptation of 218 properties during 2017/18. £0.5m will be re-profiled into 2018/19 to continue to support this work. The scheme is funding from a contribution of corporate resources and government grant. Additional grant was received after the capital programme was approved, which meant the balance of funding was amended.

3.6 **Vehicle Fleet Replacement Programme** Work continues in developing a detailed vehicle replacement plan that will promote the most cost effective management of the Council's vehicle fleet. The timescales for the completion of this will result in expenditure after April, requiring £2.9m to be re-profiled into 2018/19.

3.7 **School Capital Maintenance & BSF Landlord Lifecycle Fund** School maintenance budgets have been rescheduled for 2018/19 following a prioritisation exercise. This will enable works that have already been scoped to take place during the school summer holiday. Such works include window, fencing and boiler replacement programmes, essential roof replacement works and kitchen and electrical upgrades.

3.8 **Dementia Friendly Buildings** A delay with the second phase of works at the Customer Care Centre has meant that spend has slipped into 2018/19. Works for libraries and other neighbourhood services have also recently commenced, the spend for which will be reported during 2018/19.

3.9 **Council Housing - New Kitchens and Bathrooms** The Grenfell Tower fire has resulted in delays to the tower block redevelopment as the reoccupation of Gordon House was delayed to enable returning residents to be properly assured about fire

safety measures. £340k of the planned expenditure on new kitchens and bathrooms will need to be re-profiled as a result and will be spent in 2018/19.

- 3.10 **Council Housing - Boilers** The number of boilers needing to be replaced in the final quarter of the year exceeded expectations and the cost of this has been funded within the year from savings on other work programmes.
- 3.11 **Council Housing – Rewiring** Re-wiring has underspent by £580k during the year. This is partly due to upgrading circuits rather than undertaking full re-wires of properties. The resulting saving has been used to fund investment in cost effective waylighting (which delivers on-going revenue savings), additional boiler replacements and bringing forward re-roofing work.
- 3.12 **Council Housing – Disabled Adaptations & Improvements** Disabled adaptations is a reactive service and a lower number of referrals than expected has resulted in a saving on this programme. Separately, £74k will be re-profiled in relation to improvements to Sheltered Housing improvements.
- 3.13 **Council Housing - External Property Works** Planned re-roofing works on a number of properties have been brought forward from 2018/19. The completion of this work early has been funded from an underspend in re-wiring. £254k is requested to be re-profiled into 2018/19 for balcony improvement work which stalled due a lack of contractor capacity.
- 3.14 **Council Housing – Fire & Safety Works** Partly in response to the Grenfell tower tragedy, additional fire risk assessments and fire door replacements have been undertaken, spending £220k more than budgeted. £210k of expenditure on the installation of additional intruder alarms has been brought forward from 2018/19.
- 3.15 **Council Housing – Insulation Works** The procurement of a contractor to undertake loft insulation work has taken longer than anticipated, meaning that £74k is requested to be re-profiled into 2018/19.
- 3.16 **Community & Environmental Works - Housing Estates** Housing Estates expenditure on waylighting of £150k has been brought forward from 2018/19 and funded from underspends in the Council Housing Rewiring programme. Re-profiling of £300k for CCTV replacement and Supporting Neighbourhood Hubs will be required for this work to continue into 2018/19.

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 the 2017/18 financial year, the following budgets for capital provisions were unspent.

Provision	Approved £000	2017/18 Outturn £000	Carry Forward to 2018/19 £000	Under/ (over) Spend £000
Local Investment Fund Support	187	6	181	0
New School Places - General Contingency	1,083	188	895	0
Adventure Playgrounds & Youth Centres	25	0	25	0
Early Years - Two Year Olds - PVI providers	321	132	189	0
Empty Homes Purchase	50	(44)	0	94
Total	1,666	282	1,290	94

2. Commentary on Specific Provisions

- 2.1 **Empty Homes Purchase** The saving on this scheme reflects the difference between the cost of purchasing 3 properties during the year and the proceeds from their subsequent sale at auction.

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

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

Project	Approved £000	2017/18 Outturn £000	Slippage £000	Under/(over) Spend £000
Street Lighting Replacement Programme	166	164	0	2
Haymarket Bus Station	236	233	0	3
Friars' Mill Phase 1	220	166	54	0
Mill Lane Pedestrianisation (DMU funded)	193	193	0	0
Carron Building	18	0	18	0
Victoria Park Centenary Walk Phase 2	212	212	0	0
Installation of Defibrillators on Parks	25	25	0	0
New Walk Museum Works	414	409	0	5
Braunstone Hall	11	11	0	0
20-40 New Walk (IBM)	2	2	0	0
LED Lighting	142	135	0	7
New School Places	605	416	189	0
Targeted Basic Need - Kestrels' Field	269	118	151	0
Children's Service's Contact Centre	34	0	34	0
Schools (Residual BSF Programme)	1,793	625	250	918
Meynell's Gorse	65	58	0	7
Total (excluding HRA)	4,405	2,767	696	942
Affordable Housing Programme 2013-17	164	190	(26)	0
Total HRA	164	190	(26)	0
Total (including HRA)	4,569	2,957	670	942

POLICY PROVISIONS**1. Summary**

1.1 At the end of the financial year, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CDN (EBS)	Property Maintenance	1,652
CDN (EBS)	Braunstone Hall*	130
CDN (PDT)	Economic Action Plan	2,592
CDN (PDT)	Air Quality Action Plan	740
CDN (PDT)	Parking Strategy Development	700
CDN (PDT)	Local Environmental Works	346
ECS	Children's Services	6,138
ASC	Extra Care Schemes	6,700
Total (excluding HRA)		18,998
CDN (HRA)	New Affordable Housing	1,514
CDN (HRA)	Other HRA Schemes	300
Total HRA		1,814
Total (including HRA)		20,812

* exception, in that no further approval required

1.2 Money for new school places has been periodically released during the year, as plans are developed and approved. Decisions taken include:

- £12,758k released on 30/5/17 for temporary modular buildings and secondary school expansions.
- £777k released on 23/6/17 for primary school expansions.
- A further £4,834k released on 3/7/17 for temporary modular buildings and secondary school expansions.
- £739k released 11-14/7/17 for ICT needs for secondary school expansions.
- £3,383k released on 6/9/17 for the design phase of secondary school expansions.
- £2,231k released on 25/9/17 and 18/1/18 for the new Waterside Primary School.
- £15,778k released on 7/2/17 for the Fullhurst Secondary School expansion.

1.3 Other releases from policy provisions during the year (reflected in the table above) include:

- £300k released from the Saffron Hill Cemetery policy provision on 23/5/17 for cemetery extension works.
- £150k released from the Library Management System policy provision on 12/7/17.
- £1,748k released from the Property Maintenance policy provision on 1/9/17 to undertake capital maintenance works on the Council's corporate property portfolio.
- £300k released from the Local Environment Works policy provision on 10/11/17.
- £700k released from the Parking Strategy Development policy provision on 17/11/17.
- £440k released from HRA policy provisions for the buying back of Council Houses.

2018/19 to 2019/20 CAPITAL PROGRAMME**1. Summary**

- 1.1 A Capital Programme for 2018/19 to 2019/20 was approved by Council on 30th November 2017.
- 1.2 Of the £121.8m that was approved for 2018/19 and 2019/20, the following spend was brought forward into 2017/18:

Scheme Type	Dept/ Division	Scheme	2018/19 Budget £000	2017/18 Outturn £000
Project	CDN (PDT)	Putney Road Link	4,900	41
Project	CDN (PDT)	Abbey Park Precinct Wall	167	75
Project	CDN (TCI)	De Montfort Hall Improvement Works	570	91
Project	CDN (NES)	Watermead Country Park - Additional Car Park	150	111
Project	PH	Relocation of Sexual Health Clinic	1,400	26
Work Programme	CDN (NES)	CCTV Upgrade - Infrastructure	450	156
Total Immediate Starts			7,637	500
Policy Provision	CDN (TCI)	12-20 Market Place North & 42 Cank Street	4,000	1,699
Total			19,274	2,199

- 1.3 In the 2018/19 budget £450k was allocated to the CCTV Upgrade of the infrastructure. It is recommended to approve an addition of £150k to the budget to reflect tender costs. This will be funded from corporate reserves, which are available as consequence of the outturn position.

CAPITAL RECEIPTS**1. Summary**

- 1.1 During the 2017/18 financial year, the Council realised £9.9m of General Fund capital receipts. These include the sales of the former St Mary's Allotments land and Blackbird Road Playing fields, as well as 3 surplus Council depots across the city.
- 1.2 Right to buy receipts this year have amounted to £18.4m. Under Government rules these receipts have been allocated as follows:
- 55% ringfenced for the replacement of affordable housing, which can be used to fund up to 30% of the cost of replacement dwellings
 - 29% ringfenced for the repayment of debt
 - 9% payable to the central government housing pool
 - 4% available for the financing of eligible capital projects
 - 3% reimbursement to the HRA for property disposal costs.