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# **Executive Decision Capital Budget Monitoring April-September 2024/25**

Decision to be taken by: City Mayor

Decision to be taken on: 2 January 2025

Lead director: Amy Oliver, Director of Finance

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## Useful information

- Ward(s) affected: All
- Report author: Kirsty Cowell, Head of Finance
- Author contact details: Kirsty.Cowell@leicester.gov.uk

### 1. Summary

- 1.1 The purpose of this report is to provide the position of the capital programme at the end of September 2024 (Period 6).
- 1.2 This is the second capital monitoring report of the financial year. There will be one further quarterly report and an outturn report will be presented to this committee, reporting on the capital programme.
- 1.3 As reported in the previous year's monitoring reports many capital projects have experienced delays in progress and increased costs, to an unusual extent. This has been attributable to instability in the construction industry, limited contractor capacity and continued inflationary pressures. For 2024/25 where projects continue from the previous year pressures should already have been identified. In the case of any new pressures, where possible increased costs will be managed within project contingencies and revised scope of works while maintaining the desired project outcomes. When this is not possible it is reported in the monitoring report and decisions are taken as required.

### 2. Recommended actions/decision

- 2.1 The Executive is recommended to:
  - Note the following:
    - Total spend of £59.4m for the year.
    - The release of £1m from the New School Places policy provision as a contribution to the cost of the Brook Mead Academy permanent building.
    - The progress in delivery of major projects, as shown at Appendix A.
    - The progress on spending work programmes, as shown at Appendix B.
    - The provisions that remain unspent as shown at Appendix C.
  - Approve the following additions to the programme:
    - £901k for Haymarket Theatre Works– UKSPF, funded by **government grant**.

- £750k for Jewry Wall Museum Improvements, £100k funded by UKSPF **Grant** and £650k being funded by capital receipts, see Appendix A, TCI, Para 2.1.
- £251k for De Montfort Hall Works – UKSPF, funded by **government grant**.
- £204k for Property and Operational Estate Capital Maintenance, funded by reserves, see Appendix B, Para 3.9
- £147k for Connecting Leicester, funded by S106, see Appendix A, PDT, Para 2.1.
- Approve the following transfer:
  - 
  - £1,300k from Pioneer Park – Levelling Up to Pilot House – Levelling Up, see Appendix A, TCI, Para 2.3.
- Note the prudential indicators presented in Appendix F.

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

4.1 The 2024/25 Capital programme was initially approved by Council on 21 February 2024. It has subsequently been amended (including the 2023/24 outturn).

The capital programme is split in the following way:

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

4.2 Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time

and the achievement of milestones. Consequently, financial slippage is not in itself an issue on these projects;

- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years.

4.3 A summary of the total approved 2024/25 capital programme budget and the spend at period 6 in the year is shown below:

	<b>Budget £000</b>	<b>Spend £000</b>
Projects	161,478	29,973
Work Programmes	95,450	27,541
Provisions	2,795	545
Schemes Substantially Complete	4,424	1,390
<b>Total Immediate Starts</b>	<b>264,147</b>	<b>59,449</b>
Policy Provisions	24,276	0
<b>Total Capital Programme</b>	<b>288,423</b>	<b>59,449</b>

4.4 A summary of the total approved 2024/25 capital programme budget and the resources that are funding them:

	£000s					
	Projects	Work Programmes	Provisions	Substantially Complete	Policy Provisions	Total
<b>HRA - Budget</b>	3,493	43,725	1,178	-	750	<b>49,146</b>
<b>GF - Budget</b>	157,985	51,725	1,617	4,424	23,526	<b>239,277</b>
<b>Total</b>	161,478	95,450	2,795	4,424	24,276	<b>288,423</b>
<b>Ringfenced - HRA</b>	650	4,338	-	-	-	<b>4,988</b>
<b>Unringfenced - HRA</b>	2,843	39,387	1,178	-	750	<b>44,158</b>
<b>Total HRA</b>	3,493	43,725	1,178	-	750	<b>49,146</b>
<b>Ringfenced - GF</b>	37,750	4,870	558	930	10	<b>44,118</b>
<b>Unringfenced - GF</b>	120,235	46,855	1,059	3,494	23,516	<b>195,159</b>

<b>Total GF</b>	157,985	51,725	1,617	4,424	23,526	<b>239,277</b>
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4.4.1 The unringfenced funding, in the above table, includes amounts where budget commitments have been made.

4.5 The following changes have occurred to the capital programme since period 3 2024/25, these movements are included in the table at 4.3 above:

	<b>Budget £000</b>
<b>Decisions since P3 2024/25</b>	
Affordable Housing – Acquisitions	6,024
Affordable Housing – Acquisitions	800
Action Homelessness Grant	665
Affordable Housing - Acquisitions	92
<b>Directors Decisions</b>	
Car Park on Site of Former Goscote House	232
Community Asset Transfer	230
Leicester Urban Natural Flood Management	217
PV Panels at Evington Leisure Centre	186
Heritage Development Trust	164
Other	330
<b>Net Movements</b>	<b>8,940</b>

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

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

4.7 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.

#### 4.8 Capital Receipts

4.8.1 At Period 6, the Council has realised £3.6m of General Fund capital receipts, of which £1.0m relates to receipts on the Waterside development. These receipts pay for spending on the development.

4.8.2 “Right to Buy” receipts from sales of council housing have amounted to £6.2m. Whilst the number of sales this year remains relatively low, anticipation of the changes to scheme eligibility have resulted in a large increase in the number of applications; this is likely to increase the number of sales over the next 12 months. The impact of the changes announced by the Chancellor in her October budget (including reducing the level of the discount and restricting eligibility) will reduce sales in future years.

#### 4.9 Prudential Indicators

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

### **5. Financial, legal, equalities, climate emergency and other implications**

#### 5.1 Financial implications

This report is solely concerned with financial issues.

Signed: Kirsty Cowell, Head of Finance, 37 2377

Dated: 11/11/2024

#### 5.2 Legal implications

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

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

Dated: 16/10/2024

#### 5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

People from across all protected characteristics should benefit from the improved public good arising from the capital programme. The purpose of this report is to provide the position of the capital programme at the end of September 2024. At this time, there are no further equality implications as these will have already been identified for the proposals agreed and submitted.

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

Signed: Equalities Officer, Surinder Singh, ext. 37 4148

Dated: 17/10/2024

#### 5.4 Climate Emergency implications

Following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions for the council and the city, the council has a key role to play in addressing carbon emissions relating to the delivery of its services. This includes through its delivery of capital projects, as projects involving buildings and infrastructure often present significant opportunities for achieving carbon savings or climate adaptations and are an area where the council has a high level of control.

Notable projects in the current programme expected to achieve climate benefits / high standards of environmental performance include Pioneer Park, Pilot House, Leicester Urban Natural Flood Management, PV panels at Evington Leisure Centre, Aikman Avenue District Heating project and Connecting Leicester.

It is important that the climate implications and opportunities of all projects and work programmes are considered on a project-by-project basis, both during the development phase and when decisions are made.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 17/10/2024

**5.5 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.

**6. Background information and other papers:**

Capital Programme 2024/25 approved by Council on 21 February 2024.

Housing Revenue Account Budget (including Capital Programme) 2024/25 approved by Council on 21 February 2024.

Capital Outturn 2023/24 presented at Overview Select Committee on 31 July 2024.

Capital Monitoring P3 2024/25 presented at Overview Select Committee on 26th September 2024.

**7. Summary of appendices:**

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

**8. 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.

**9. 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 in the remainder of this Appendix.

Department / Division	Remaining Budget £000	2024/25 Spend £000	Forecast (Under)/over Spend £000
Corporate Resources	688	104	0
Planning, Development & Transportation	46,319	13,060	(1,300)
Tourism, Culture & Inward Investment	33,980	7,654	2,050
Neighbourhood & Environmental Services	5,507	211	0
Estates & Building Services	14,679	5,614	0
Housing General Fund	44,995	223	0
Children's Services	11,817	3,045	0
Housing Revenue Account	3,493	62	0
<b>Total</b>	<b>161,478</b>	<b>29,973</b>	<b>750</b>

1.2 A list of the individual projects is shown in the table below. This also summarises the progress of each project. Attention is drawn to expected completion dates and any project issues that have arisen.

1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing to the latest approved delivery and cost plan as expected, and whether it is still expected to complete within budget.

1.4 The ratings used are:

- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
- (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist, and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a

project is classed as amber if some insubstantial slippage or minor overspend is probable.

- (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
- (d) **Blue** The project is substantially complete.
- (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

## 2. Summary of Individual Projects

Dept/ Division	Project	Remaining Budget (£000)	2024/25 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CRS	Off-site Cloud Backup	388	0	0	Sep-24	Nov-24	Green	Blue
CRS	Network Wi-Fi Replacement	300	104	0	Dec-24	Feb-25	Amber	Green
CDN (PDT)	Connecting Leicester	16,037	4,942	0	Mar-24	Mar-25	Green	Amber
CDN (PDT)	Waterside Strategic Regeneration Area	2,293	1	0	Mar-23	Jun-26	Green	Green
CDN (PDT)	St George's Churchyard	229	2	0	Aug-18	Apr-25	Amber	Amber
CDN (PDT)	Leicester Railway Station - Levelling up	17,867	2,734	0	Mar-24	TBC	Amber	Amber
CDN (PDT)	Pioneer Park - Levelling Up	8,732	5,362	(1,300)	Dec-24	Oct-24	Green	Blue
CDN (PDT)	St Paul's Church	400	0	0	Aug-25	Aug-25	Green	Green
CDN (PDT)	Land South of Phoenix	380	0	0	TBC	Jun-25	Green	Green
CDN (PDT)	Leicester Urban Natural Flood Management	217	19	0	Mar-27	Mar-27	N/A	Green
CDN (PDT)	Heritage Development Trust	164	0	0	Mar-25	Mar-25	N/A	Green
CDN (TCI)	Jewry Wall Museum	5,840	2,270	750	Mar-23	Jun-25	Amber	Amber
CDN (TCI)	Leicester Market Redevelopment	8,676	690	0	Dec-21	TBC	Purple	Purple
CDN (TCI)	12-20 Cank St Link	2,683	9	0	Jan-25	TBC	Purple	Purple
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	6,025	208	0	Mar-22	Jun-26	Green	Green
CDN (TCI)	Pilot House - Levelling Up	10,181	4,352	1,300	Mar-24	May-25	Green	Amber
CDN (TCI)	Climate Change Retail Scheme	210	32	0	Mar-25	Mar-25	Green	Green
CDN (TCI)	Community Digital Grant	135	93	0	Mar-25	Mar-25	Green	Green
CDN (TCI)	Community Asset Transfer	230	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	Library Self Access Rollout	542	33	0	Sep-24	Mar-26	Amber	Green
CDN (NES)	St Margaret's Pastures Skate Park	347	20	0	Jan-23	May-25	Green	Green
CDN (NES)	Multi Use Games Areas (MUGAs)	2,962	158	0	Mar-25	Apr-26	Green	Green
CDN (NES)	Depot Relocation	200	0	0	Mar-25	Mar-25	Green	Green
CDN (NES)	Pest & Dogs Depot Relocations	48	0	0	Mar-25	TBC	Green	Amber
CDN (NES)	Leisure Centre Improvements	1,072	0	0	Dec-25	TBC	Green	Amber
CDN (NES)	Green Libraries Project	150	0	0	Mar-25	Mar-25	N/A	Green
CDN (NES)	PV Panels at Evington Leisure Centre	186	0	0	Mar-25	Mar-25	N/A	Green
<b>Total</b>		<b>86,494</b>	<b>21,029</b>	<b>750</b>				

Dept/ Division	Project	Remaining Budget (£000)	2024/25 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P6
CDN (EBS)	Estate Shops	477	198	0	Mar-22	Mar-25	Green	Amber
CDN (EBS)	Malcolm Arcade Refurbishment	1,311	1	0	Nov-23	TBC	Purple	Purple
CDN (EBS)	Replacement Cladding Phoenix Square	10,684	5,396	0	Dec-24	Sep-25	Green	Green
CDN (EBS)	St Nicholas Wall	446	2	0	Sep-24	Jul-25	Green	Amber
CDN (EBS)	Aikman Avenue District Heating	195	0	0	Dec-23	TBC	Purple	Purple
CDN (EBS)	Boston Road	1,516	15	0	Jul-25	Nov-25	Green	Amber
CDN (EBS)	SuDS in Schools	50	2	0	Mar-25	Mar-25	N/A	Green
CDN (HGF)	Housing Acquisitions – SAP	44,995	223	0	Aug-25	Aug-25	N/A	Green
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	7,711	2,634	0	Jan-24	Sep-25	Red	Red
SCE (ECS)	Pindar Nursery	833	0	0	Mar-23	TBC	Amber	Amber
SCE (ECS)	Expansion of Children's Homes	1,192	33	0	May-23	Mar-25	Green	Green
SCE (ECS)	Education System Re-tender	2,081	378	0	Mar-26	Mar-26	Green	Green
<b>Total (excluding HRA)</b>		<b>157,985</b>	<b>29,911</b>	<b>750</b>				
CDN (HRA)	Bridlespur Way Refurbishment	300	23	0	Mar-23	Mar-25	Green	Amber
CDN (HRA)	Dawn Centre Reconfiguration	1,461	14	0	May-23	Mar-25	Green	Green
CDN (HRA)	St Matthews Concrete Works	1,500	15	0	Mar-24	Oct-25	Amber	Amber
CDN (HRA)	Goscote Site Carpark	232	10	0	Nov-24	Nov-24	N/A	Green
<b>Total HRA</b>		<b>3,493</b>	<b>62</b>	<b>0</b>				
<b>Total (including HRA)</b>		<b>161,478</b>	<b>29,750</b>	<b>750</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 2024/25 Period 6

### Corporate Resources

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Off-site Cloud Backup	388	0	Sep-24	Nov-24	<b>B</b>
Network Wi-Fi Replacement	300	0	Dec-24	Feb-25	<b>G</b>
<b>Total</b>	<b>688</b>	<b>0</b>			

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

## Capital Programme Project Monitoring 2024/25 Period 6

### Planning, Development & Transportation

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Connecting Leicester	16,037	0	Mar-24	Mar-25	A
Waterside Strategic Regeneration Area	2,293	0	Mar-23	Jun-26	G
St George's Churchyard	229	0	Aug-18	Apr-25	A
Leicester Station Improvements – Levelling Up	17,867	0	Mar-24	TBC	A
Pioneer Park – Levelling Up	8,732	(1,300)	Dec-24	Oct-24	B
St Paul's Church	400	0	Aug-25	Aug-25	G
Land South of Phoenix	380	0	TBC	Jun-25	G
Leicester Urban Natural Flood Management	217	0	Mar-27	Mar-27	G
Heritage Development Trust	164	0	Mar-25	Mar-25	G
<b>Total</b>	<b>46,319</b>	<b>(1,300)</b>			

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

2.1. **Connecting Leicester** – Due to prioritisation of other schemes across the city, works to be done at Granby Street and Dover Street are now due to be complete in March 2025. An approval is sought in this report to add £147k of S106 funding to the budget.

2.2. **St George's Churchyard** – Work is currently underway on this scheme. However, there is a delay to the forecast completion date due to weather restrictions going into the winter and elements of the work requiring planning approval.

- 2.3. Leicester Station Improvements – Levelling Up** – An updated completion date will be provided towards the end of this calendar year, after contractor engagement for the construction has started.
- 2.4. Pioneer Park – Levelling Up** – Additional budget was previously added to this project to cover inflationary pressures. This is no longer required and therefore, a decision is being sought in this report to transfer this underspend to Pilot House – Levelling Up.



## Capital Programme Project Monitoring 2024/25 Period 6

### Tourism, Culture and Inward Investment

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum	5,840	750	Mar-23	Jun-25	A
Leicester Market Redevelopment	8,676	0	Dec-21	TBC	P
12-20 Cank St Link	2,683	0	Jan-25	TBC	P
Leicester Museum and Art Gallery Phase 1	6,025	0	Mar-22	Jun-26	G
Pilot House – Levelling Up	10,181	1,300	Mar-24	May-25	A
Climate Change Retail Scheme	210	0	Mar-25	Mar-25	G
Community Digital Grant	135	0	Mar-25	Mar-25	G
Community Asset Transfer	230	0	Mar-25	Mar-25	G
<b>Total</b>	<b>33,980</b>	<b>2,050</b>			

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

**2.1 Jewry Wall Museum** – As reported previously, a contractor on this scheme has gone into administration. The impact of this has been reviewed and it has been forecasted that there will be a £750k overspend with an associated delay to the completion date of June 2025. A decision is being sought to add £750k to this budget with £100k being funded by the UKSPF grant and £650k being funded by capital receipts.

**2.2 Leicester Market Redevelopment & 12-20 Cank St Link** – These projects are currently on hold pending a decision on how to progress the schemes.

**2.3 Pilot House – Levelling Up** – In order to ensure that the workspaces are appealing to prospective tenants, additional work has been identified. Whilst this leads to a later forecast completion date, it will assist in securing future rental income. A decision is being sought to transfer the underspend of £1.3m on the Pioneer Park – Levelling Up project to Pilot House – Levelling Up.

## Capital Programme Project Monitoring 2024/25 Period 6

### Neighbourhood and Environmental Services

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Self Access Rollout	542	0	Sep-24	Mar-26	G
St Margaret's Pastures Skate Park	347	0	Jan-23	May-25	G
Multi Use Games Areas (MUGAs)	2,962	0	Mar-25	Apr-26	G
Depot Relocation	200	0	Mar-25	Mar-25	G
Pest & Dogs Depot Relocations	48	0	Mar-25	TBC	A
Leisure Centre Improvements	1,072	0	Dec-25	TBC	A
Green Libraries Project	150	0	Mar-25	Mar-25	G
PV Panels at Evington Leisure Centre	186	0	Mar-25	Mar-25	G
<b>Total</b>	<b>5,507</b>	<b>0</b>			

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

**2.1 Pest & Dogs Depot Relocations** – This original relocation for Pest and Dogs were due to be at Leycroft Road. However, given potential works to Leycroft Road there is a need to review the most appropriate location for this site. Therefore, an updated forecast completion date will be given once these decisions have been approved.

**2.2 Leisure Centre Improvements** – The scope of the current programme is currently under review to utilise the funding in the most efficient way and to maximise income generation and revenue savings.

## Capital Programme Project Monitoring 2024/25 Period 6

### Estates and Building Services

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	477	0	Mar-22	Mar-25	A
Malcolm Arcade Refurbishment	1,311	0	Nov-23	TBC	P
Replacement Cladding Phoenix Square	10,684	0	Dec-24	Sep-25	G
St Nicholas Wall	446	0	Sep-24	Jul-25	A
Aikman Avenue District Heating	195	0	Dec-23	TBC	P
Boston Road	1,516	0	Jul-25	Nov-25	A
SuDS in Schools	50	0	Mar-25	Mar-25	G
<b>Total</b>	<b>14,679</b>	<b>0</b>			

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

**2.1 Estate Shops** – There is a slippage to the forecast completion date as work in other areas within the department has taken priority and this will now complete in March 2025.

**2.2 Malcolm Arcade Refurbishment** – This project is currently being reviewed to determine the best use of available resources.

**2.3 St Nicholas Wall** – There has been a delay to this project due to permissions being required from several statutory bodies to be able to carry out the works required on their land.

**2.4 Aikman Avenue District Heating** – The existing District Heating provider has been taken over. The scope and design of the works are to be agreed with the new provider for sustainability options, after which a forecast completion date will be known.

**2.5 Boston Road** – There is a delay to the forecast completion date to carry out remedial work at the site.

## Capital Programme Project Monitoring 2024/25 Period 6

### Housing General Fund

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Housing Acquisitions - SAP	44,995	0	Aug-25	Aug-25	<b>G</b>
<b>Total</b>	<b>44,995</b>	<b>0</b>			

## Capital Programme Project Monitoring 2024/25 Period 6

### Children's Services

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	7,711	0	Jan-24	Sept-25	<b>R</b>
Pindar Nursery	833	0	Mar-23	TBC	<b>A</b>
Expansion of Children's Homes	1,192	0	May-23	Mar-25	<b>G</b>
Education System Re-tender	2,081	0	Mar-26	Mar-26	<b>G</b>
<b>Total</b>	<b>11,817</b>	<b>0</b>			

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

**2.1 Additional SEND Places** – The approved scheme includes works at Ellesmere, Lansdowne Road and the Armadale Centre (Nether Hall School). The result of feasibility studies has meant that changes to the original schemes are required. The revised schemes will require additional funding compared to the original estimates, noting also the ongoing inflationary pressures in the construction sector. As schemes come forward, this funding can initially be found from within the overall approval; and as the programme progresses, the scope of the schemes will be adjusted where possible to ensure that costs align to the available remaining funding. Should further funding come to be needed, this funding could be found from the uncommitted element of the ring-fenced High Needs Capital grant allocations. Any necessary approvals will be sought as the details and options are developed.

**2.2 Pindar Nursery** – Work on this has been delayed in advance of the outcome of the children's centres review.

## Capital Programme Project Monitoring 2024/25 Period 6

### Housing (HRA)

#### 1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Bridlespur Way Refurbishment	300	0	Mar-23	Mar-25	A
Dawn Centre Reconfiguration	1,461	0	May-23	Mar-25	G
St Matthews Concrete Works	1,500	0	Mar-24	Oct-25	A
Goscote Site Carpark	232	0	Jan-24	Nov-24	G
<b>Total</b>	<b>3,493</b>	<b>0</b>			

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

**2.1 Bridlespur Way Refurbishment** – The delay to this scheme is due to the refurbishment being carried out one flat at a time rather than the whole block in one go. Whilst this will extend the overall time to complete, it will mean that some of the flats can be let sooner, reducing the impact of rent loss and saving the Council money on expensive temporary hotel accommodation.

**2.2 St Matthews Concrete works** – The first phase of the work is expected to complete in March 2025. The remainder of the work will be completed in 2025/26, with the methods and materials used and timescales reached in phase one forming the basis of the work approach for phase two. Phase two of the project is estimated to complete in October 2025 based on current conditions.



**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 24/25 £000</b>	<b>2024/25 Spend £000</b>	<b>Slippage £000</b>	<b>Over/(under) Spend £000</b>
City Development & Neighbourhoods	2,420	95	325	0
Planning, Development & Transportation	12,497	3,637	980	(376)
Tourism, Culture & Inward Investment	968	91	250	0
Neighbourhood & Environmental Services	790	346	60	0
Estates & Building Services	6,695	849	2,515	0
Housing General Fund	13,118	2,458	1,311	0
Children's Services	15,237	1,905	7,124	0
<b>Total (excluding HRA)</b>	<b>51,725</b>	<b>9,381</b>	<b>12,565</b>	<b>(376)</b>
Housing Revenue Account	43,725	18,160	296	150
<b>Total (including HRA)</b>	<b>95,450</b>	<b>27,541</b>	<b>12,861</b>	<b>(226)</b>

## 2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2024/25 Spend £000	Slippage £000	Over/(under) Spend £000
Feasibility Studies	CDN	2,420	95	325	0
Transport Improvement Works	CDN (PDT)	4,628	1,205	0	0
Bus Engine Retrofitting	CDN (PDT)	376	0	0	(376)
Air Quality Action Plan	CDN (PDT)	43	40	0	0
Highways Maintenance	CDN (PDT)	5,045	1,581	500	0
Flood Strategy	CDN (PDT)	300	211	0	0
Festival Decorations	CDN (PDT)	50	0	0	0
Local Environmental Works	CDN (PDT)	400	225	0	0
Legible Leicester	CDN (PDT)	31	4	0	0
Potential Strategic Development Sites Assessment	CDN (PDT)	568	342	0	0
Architectural & Feature Lighting (Grant)	CDN (PDT)	196	0	130	0
Front Wall Enveloping	CDN (PDT)	394	0	350	0
Transforming Cities Work Programmes	CDN (PDT)	339	0	0	0
Conservation Building Grants	CDN (PDT)	82	28	0	0
Street Nameplates City Branding Programme	CDN (PDT)	45	1	0	0
Heritage Interpretation Panels	CDN (TCI)	221	10	0	0
Local Shopping Centres Reopening & Improvement Programme Grants	CDN (TCI)	747	81	250	0
Parks Plant and Equipment	CDN (NES)	368	297	0	0
Parks and Open Spaces	CDN (NES)	188	29	0	0
Franklyn Fields Public Open Space	CDN (NES)	234	20	60	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	6,411	778	2,515	0
Green Homes	CDN (EBS)	142	0	0	0
Depots Refurbishment	CDN (EBS)	142	71	0	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,061	702	0	0
Repayable Home Repair Loans	CDN (HGF)	121	0	111	0
Vehicle Fleet Replacement Programme	CDN (HGF)	10,271	1,756	1,200	0
Action Homeless' Supported Living Scheme	CDN (HGF)	665	0	0	0
School Capital Maintenance	SCE (ECS)	14,944	1,905	7,124	0
Foster Care Capital Contribution Scheme	SCE (ECS)	293	0	0	0
<b>Total (excluding HRA)</b>		<b>51,725</b>	<b>9,381</b>	<b>12,565</b>	<b>(376)</b>
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,800	435	0	0
Council Housing - Boiler Replacements	CDN (HRA)	2,500	838	0	0
Council Housing - Rewiring	CDN (HRA)	1,610	553	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,200	454	0	0
Council Housing - Insulation Works	CDN (HRA)	50	3	0	150
Council Housing - External Property Works	CDN (HRA)	1,008	219	0	0
Council Housing - Fire and Safety Works	CDN (HRA)	822	320	0	0
Community & Environmental Works	CDN (HRA)	1,689	200	296	0
Affordable Housing - Acquisitions	CDN (HRA)	27,583	12,797	0	0
Public Realm Works	CDN (HRA)	1,338	412	0	0
Feasibility Study for Sheltered Housing	CDN (HRA)	112	0	0	0
New House Build Council Housing	CDN (HRA)	1,013	1,929	0	0
<b>Total HRA</b>		<b>43,725</b>	<b>18,160</b>	<b>296</b>	<b>150</b>
<b>Total (including HRA)</b>		<b>95,450</b>	<b>27,541</b>	<b>12,861</b>	<b>(226)</b>

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

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast.
- 3.2 **Feasibility Studies** – There are a number of schemes which are progressing well. However, a few schemes have slipped into the next financial year due to limited resources being available. Also, there has been changes to the scope of some of the initial schemes within this budget.
- 3.3 **Bus Engine Retrofitting** – As previously reported, DFT were undertaking a review to establish the efficiency of these schemes. This review is now complete, and the council is working with DFT to establish whether this funding could be utilised elsewhere or whether the grant will be reclaimed.
- 3.4 **Highways Maintenance** – The council were awarded a grant from DFT for a programme of works related to Traffic Signalling. The schemes related to this grant have been planned and the work is due to be carried out in the 25/26 financial year.
- 3.5 **Architectural & Feature Lighting** – There are several projects in the pipeline for delivery and work is continuing with third parties to progress these. However, there has been low uptake of this grant in previous financial years due to the economic climate.
- 3.6 **Front Wall Enveloping** – There is slippage forecast on this scheme due to complexities in contacting the owners of the properties. During the remainder of this financial year legal agreements will be finalised and a tender process will take place. Construction is programmed for 2025/26.
- 3.7 **Local Shopping Centres Reopening & Improvement Programme Grants** – Significant progress has been made on these schemes this financial year. However, there are some which are still in development and will require a further decision.
- 3.8 **Franklyn Fields Public Open Space** – Works are progressing well on site. Expected completion on site will be early 2025, although there may be some residual soft landscaping and planting works that will require completion in early 2025/26.

- 3.9 **Property and Operational Estate Capital Maintenance** – There is slippage on this scheme due to internal resourcing delays in relation to the Haymarket Shopping Centre façade. The aim is to be in contract before the end of the calendar year with works being complete in the 2025/2026 financial year. The intricacies of the project at Curve has also caused a programme delay adding to the slippage. A decision is being sought in this report to add £204k to this scheme in relation to the Haymarket Shopping Centre. This is money that has been set aside in previous years in order to make improvements to the centre. This money will be added to the budget and then reprofiled immediately into the 2025/2026 financial year.
- 3.10 **Repayable Home Repair Loans** – As previously reported, resources have been focused on the delivery of Disabled Facilities Grants resulting in the scheme slipping into the next financial year.
- 3.11 **Vehicle Fleet Replacement Programme** – Delays in purchases of new vehicles, £1,200k of vehicles ordered but not expected to be delivered this financial year.
- 3.12 **School Capital Maintenance** – The forecasted slippage is due to unforeseen additional works required at two schools, delaying the planned works. Re-piping works are required which we were not able to be complete over the summer holidays, due to contractor capacity. Also, contingencies that were not used have been carried forward to this financial year.
- 3.13 **Council Housing – Insulation Works** – There is currently a £150k overspend forecast due to increased demand for top ups of loft insulation. Revenue underspends have been identified to finance this work.
- 3.14 **Council Housing Communal and Environmental Works (including District Heating)** – The technical team that support the delivery of the district heating capital improvements had previously been redirected to support the installation of heat meters. Work has now resumed on district heating maintenance but due to the resourcing delay, slippage of £296k is forecasted into 2025/26.

**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 Normally provisions are there if needed. The sums below are for the 2024/25 financial year.

<b>Provision</b>	<b>Dept/ Division</b>	<b>Approved £000</b>	<b>2024/25 Spend £000</b>	<b>Remaining Budget £000</b>
Early Years - Two Year Olds	SCE (ECS)	593	0	593
District Heating Metering	CDN (HGF)	1,024	0	1,024
District Heating Metering	CDN (HRA)	1,178	545	633
<b>Total</b>		<b>2,795</b>	<b>545</b>	<b>2,250</b>

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

1.1 As at P6 in the 2024/25 financial year, the following schemes were nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

Project	Dept/ Division	Approved £000	2024/25 Spend £000	Over/(Under) Spend £000
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	14	2	0
High Streets Heritage Action Zones	CDN (PDT)	133	134	1
Land South of Midland Street	CDN (PDT)	21	0	0
Electric Bus Investment	CDN (PDT)	8	0	0
Pioneer Park Commercial Workspace (formerly Dock 2)	CDN (TCI)	44	33	0
Gresham Business Workspace	CDN (TCI)	9	1	0
De Montfort Hall	CDN (TCI)	444	121	0
Ugandan Asians – 50 Year Anniversary Commemoration	CDN (TCI)	154	0	0
Abbey Park Precinct Wall	CDN (NES)	12	14	2
Spinney Hills Park - Levelling Up	CDN (NES)	12	8	(4)
Spinney Hills Park	CDN (NES)	150	0	(14)
African Caribbean Centre Maintenance	CDN (NES)	20	20	0
Study Zones	CDN (NES)	94	1	0
Haymarket House, Car Parks & Lifts	CDN (NES)	107	3	0
Haymarket Bus Station - Toilet Expansion and Refurbishments	CDN (EBS)	48	0	0
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	0
Aylestone Leisure Centre PV Panels	CDN (EBS)	284	19	0
Haymarket Theatre - Internal Completion Works	CDN (EBS)	106	57	0
Phoenix Arts Car Park	CDN (EBS)	46	9	(37)
Changing Places - Disabled Facilities Toilets	CDN (EBS)	192	73	0
Leisure Centre Air Handling Units	CDN (EBS)	31	0	0
Additional Primary School Places	SCE (ECS)	58	23	(35)
Expansion of Oaklands Special School	SCE (ECS)	879	30	0
Overdale Infant and Juniors School Expansion	SCE (ECS)	382	128	0
Tiny Forests in Leicester Schools	SCE (ECS)	3	0	0
Family Hubs	SCE (ECS)	3	0	0
S106 Additional School Places	SCE (ECS)	413	47	0
Children's Homes Refurbishments	SCE (ECS)	406	422	16
Winstanley Contact Centre	SCE (ECS)	263	245	0
<b>Total</b>		<b>4,424</b>	<b>1,390</b>	<b>(71)</b>

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

1.1. As at P6 in the 2024/25 financial year, 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>
CRS	New Ways of Working	1,887
CDN (PDT)	Strategic Acquisitions	2,192
CDN (TCII)	Tourism & Culture	10
CDN (TCII)	Highways, Transport & Infrastructure	200
CDN (NES)	Library Investment	1,000
CDN (EBS)	Growing Spaces	301
CDN (Various)	Match Funding	3,000
CDN (Various)	People & Neighbourhoods	392
SCE (ECS)	New School Places	3,673
SCE (ASC)	Extra Care Schemes	5,936
Other	Black Lives Matter	435
All	Programme Contingency	4,500
<b>Total (excluding HRA)</b>		<b>23,526</b>
CDN (HRA)	Other HRA Schemes	750
<b>Total HRA</b>		<b>750</b>
<b>Total (including HRA)</b>		<b>24,276</b>

1.2. Additions to policy provisions since the 2024/25 P3 report (reflected in the tables above) are listed below:

- £2,510k added to Extra Care Schemes from the Extra Care – Two Schemes project

1.3. New School Places – release of £1m for Brook Mead Academy – A new school has been funded by the DFE, with a £1m council contribution. As detailed on the DFE's Contracts Finder the overall value of the main construction contract is £51.5m. Without the DFE delivering this scheme, this school would have not been affordable for the Council. The works are well underway and expected to complete in Summer 2025.

## Prudential Indicators

### Summary

Under the requirements of the Prudential Code for Capital Finance in Local Authorities, the full Council sets prudential indicators for the authority at the beginning of each year as part of the Treasury Management Strategy and Capital Strategy. This appendix reports on compliance during the year.

#### 1. Debt and the Authorised Limit and Operational Boundary

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

	<b>2024/25 Authorised Limit £m**</b>	<b>2024/25 Operational Boundary £m**</b>	<b>Debt at 30/09/24 £m</b>	<b>Complied?</b>
Borrowing	320	250	174	yes
PFI and Finance Leases	175	145	86*	yes
<b>Total debt</b>	<b>495</b>	<b>395</b>	<b>260</b>	

\* provisional subject to 2023/24 accounts audit

#### 2. Maturity Structure of Borrowing

This indicator is set to control the Authority’s exposure to refinancing risk (i.e. not having to repay too much and then borrow again at the same time). The upper and lower limits on the maturity of all borrowing were:

	<b>Upper Limit £m</b>	<b>Lower Limit £m</b>	<b>30/09/24 Actual £m</b>	<b>Complied?</b>
Under 12 months	50	nil	20	yes
12 months and within 24 months	80	nil	nil	yes
24 months and within 5 years	140	nil	nil	yes
5 years and within 10 years	140	nil	nil	yes

#### 3. Short-term Treasury Management Investments

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



the money back for any immediate spending needs. Further details on the limits can be found in the mid-year Treasury report to Overview Select Committee.

4. Long-term Treasury Management Investments

The Council has a limit of £50m for long-term investments. The total sum of such investments held by the Council as of 30 September 2024 was £5.2m\* which we hold in property funds, the limit was therefore complied with. It should be noted that the Council received 3 repayment of investment instalments up to 30 September 2024 totalling £1.409m following the termination of the fund in April 2024. There has been a further instalment received in November 2024, bringing the total repayments to £1.586m. Further details are available in the mid-year Treasury report to Overview Select Committee.

\*after the three instalments from the Lothbury fund

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

The underlying need to borrow for capital purposes is called the Capital Financing Requirement (CFR).

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

6. Liability Benchmark

The Liability Benchmark forecasts the underlying need to borrow for capital purposes over the next 50 years, to make sure it remains within the CFR. Our forecasts suggest we will comply with this requirement.