
Executive Decision Capital Budget Monitoring Outturn 2025/26

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 17 July 2026

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Claire Gavagan
- Author contact details: claire.gavagan@leicester.gov.uk
- Report version number: 1

1. Summary

- 1.1 The purpose of this report is to present the position of the capital programme for 2025/26 as at the end of March 2026.
- 1.2 This is the fourth capital monitoring report of the financial year, presenting the outturn position to this committee.
- 1.3 As reported in the previous year's monitoring reports, progressing capital projects continues to be difficult. New pressures in schemes, where possible, 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.
- 1.4 The Council continues to monitor the impact of inflationary pressures and global economic uncertainty, including the ongoing conflict in the Middle East, on the delivery of its capital programme. Further updates will be provided as any impacts become clearer.

2. Recommended actions/decision

- 2.1 The Executive is
 - Recommended to note the following:
 - Total spend of £133.2m for the year.
 - The progress in delivery of major projects, as shown at Appendix A.
 - The progress on spending against work programmes, as shown at Appendix B, and approve the carry-forward of resources into 2026/27 for schemes where spend has slipped (£28m).
 - The provisions that remain unspent as shown at Appendix C and approve these to be carried forward (£2.5m).

- That across a number of schemes, £540k has been saved following completion of schemes below budget. Of this, £185k will go back to corporate resources and will be available for future capital programmes.
- The prudential indicators presented in Appendix F.
- The Director of Finance has used their delegation as per the budget strategy 2026/27, to make the most prudent capital financing decisions to support the approach of reducing future borrowing costs to support the budget strategy.
- Approve the following additions to the programme:
 - £595k for the purchase of laptops, to be funded from the cost of technology reserve, see Appendix A, CRS, para 2.1.
 - £250k for essential building maintenance at the Record Office for Leicestershire, Leicester and Rutland (ROLLR), financed by prudential borrowing, see Appendix A, TCII, para 2.1.
 - £541k to the Corporate Estate work programme, to be financed from earmarked reserves set aside to support capital maintenance and reinvestment in the Haymarket Shopping Centre, see Appendix B, para 3.14.
 - £224k to the Council Housing Insulation work programme, financed from HRA reserves, see Appendix B, para 3.24.

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 2025/26 Capital programme was initially approved by Council on 19 February 2025. It has subsequently been amended (including through the 2024/25 outturn report). The 2026/27 Capital Programme has not yet been incorporated.

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 2025/26 capital programme budget and the spend as at the end of March, is shown below:

	2025/26 Budget £'000	2025/26 Spend £'000
Projects	92,948	27,127
Work Programmes	92,675	64,744
Provisions	2,454	0
Schemes Substantially Complete	46,258	41,360
Total Immediate Starts	234,336	133,231
Policy Provisions	15,187	0
Total Capital Programme	249,522	133,231

4.4 A summary of the total approved 2025/26 capital programme budget and the resources that are funding them is shown below:

	£000s					
	Projects	Work Programmes	Provisions	Substantially Complete	Policy Provisions	Total
HRA - Budget	1,633	40,767	835	1,324	750	45,309
GF - Budget	91,315	51,910	1,619	44,932	14,437	204,213
Total	92,948	92,677	2,454	46,256	15,187	249,522
Ringfenced - HRA	-	2,461	-	650	750	3,861
Unringfenced - HRA	1,633	38,306	835	674	-	41,448
Total HRA	1,633	40,767	835	1,324	750	45,309
Ringfenced - GF	38,272	4,842	-	4,910	10	48,034
Unringfenced - GF	53,043	47,068	1,619	40,022	14,427	156,179
Total GF	91,315	51,910	1,619	44,932	14,437	204,213

4.5 The following changes have occurred to the capital programme since period 9 2025/26. These movements are included in the table at 4.3 above:

	Budget £000
Decisions since P9 2025/26	
Council Housing – Various (2026/27 HRA Budget)	1,338
Regeneration at Midland St/Southampton St	300
<u>Decisions in the Period 9 Monitoring</u>	
Leicester Urban Natural Flood Management	621
Savings Declared	(372)
Directors Decisions	
Theatre Maintenance	214
Public Realm Works	167
School Capital Maintenance 26/27	163
Other	197
Net Movements	2,628

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 As part of the budget strategy set for 2025/26 there was a requirement to generate £60m of asset sales that could be used if a capitalisation directive was required. The Council has a significant programme to generate these capital receipts. To the end of the fourth quarter of 2025/26, the Council has realised £9.9m of General Fund capital receipts.

4.8.2 Over the same period “Right to Buy” receipts from sales of council housing have amounted to £25.3m. The number of sales has continued to increase throughout the year. The Council is still working through the influx of applications which resulted from changes to the Right to Buy scheme in November 2024. Applications have since dropped by around 40% compared to historic levels, which is a smaller reduction than anticipated, although many applications will not result in a sale of the property. The Council has seen high levels of completed sales in 2025/26 and this is expected to continue throughout 2026/27. The changes to scheme eligibility will likely reduce sales thereafter as the number of applications reduces further and people opt to discontinue the process when the reduced level of discount becomes apparent. Government announcements in April 2026 indicate further reforms, including extending the period before which a tenant becomes eligible as well as the discount rules which will further reduce applications and sales in the long-term.

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 deals entirely with financial matters, the implications of which are contained within the report.

Signed: Claire Gavagan – Assistant Director of Finance

Dated: 8 May 2026

5.2 Legal implications

There are no adverse legal implications arising in respect of this report. The monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003 which this report seeks to do.

Signed: Kevin Carter, Head of Law - Commercial, Property & Planning

Dated: 8 May 2026

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 present the position of the capital programme for 2025/26 as at the end of March 2026.

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: 5 May 2026

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.

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: Phil Ball

Dated: 6 May 2026

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:

- General Fund Capital Programme 2025/26 and HRA Budget (including Capital Programme) approved by Council on 19 February 2025.
- Capital Outturn 2024/25 presented at OSC on 9 July 2025.
- 2025/26 Capital Monitoring P3 Report presented to OSC on 24 September 2025.
- 2025/26 Capital Monitoring P6 Report presented to OSC on 3 December 2025.
- 2025/26 Capital Monitoring P9 Report presented to OSC on 26 March 2026.

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?

No.

PROJECTS

1. Summary

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

Department / Division	Remaining Budget £000	2025/26 Spend £000	Forecast (Under) / Overspend £000
Corporate Resources	1,000	185	0
Adult Social Care	0	0	0
Planning, Development & Transportation	46,816	16,115	0
Tourism, Culture & Inward Investment	16,334	5,660	1,900
Neighbourhood & Environmental Services	8,568	1,813	0
Estates & Building Services	4,780	323	0
Housing General Fund	3,794	82	0
Children's Services	10,023	2,853	0
Housing Revenue Account	1,633	96	0
Total	92,948	27,127	1,900

- 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 to be on time, within budget, 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)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P12
CRS	Finance System Replacement	1,000	185	0	Apr-27	Apr-27	Green	Green
CDN (PDT)	Local Transport Schemes	14,177	6,274	0	Mar-24	Dec-27	Green	Green
CDN (PDT)	LCC Bus Improvements	8,493	7,997	0	Apr-27	Apr-26	Green	Blue
CDN (PDT)	Waterside Strategic Regeneration Area	2,371	427	0	Mar-23	Mar-27	Amber	Green
CDN (PDT)	Leicester Railway Station - Levelling up	14,230	444	0	Mar-24	TBC	Red	Red
CDN (PDT)	Leicester Urban Natural Flood Management	681	160	0	Mar-27	Mar-27	Green	Green
CDN (PDT)	Heritage Development Trust	134	17	0	Mar-25	Jun-27	Amber	Green
CDN (PDT)	Restoring the Soar	562	201	0	Jul-26	Dec-26	Green	Amber
CDN (PDT)	Strategic Sites	4,934	388	0	Mar-28	Mar-28	Green	Green
CDN (PDT)	Connecting St Margarets	798	207	0	Mar-26	Jul-27	Amber	Amber
CDN (PDT)	3 Darker Street	136	0	0	Jun-26	Jun-26	N/A	Green
CDN (PDT)	Regeneration at Midland St/Southampton St	300	0	0	May-28	May-28	N/A	Green
CDN (TCI)	Leicester Market Redevelopment	7,725	2,997	1,900	Dec-21	Dec-26	Green	Amber
CDN (TCI)	12-20 Cank St Link	2,594	174	0	Jan-25	Mar-27	Green	Amber
CDN (TCI)	Leicester Museum and Art Gallery Phase	5,037	2,214	0	Mar-22	Mar-27	Green	Amber
CDN (TCI)	King Richard III Café	551	0	0	Feb-27	Feb-27	Green	Green
CDN (TCI)	Workspace Fit-Out Project	427	275	0	Jun-26	Aug-26	Green	Green
Total		64,150	21,960	1,900				

Dept/ Division	Project	Remaining Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P12
CDN (NES)	Library Self Access Rollout	473	63	0	Sep-24	Dec-26	Purple	Green
CDN (NES)	Neighbourhood Services Transformation	2,000	0	0	Mar-27	Mar-28	Purple	Green
CDN (NES)	Multi Use Games Areas (MUGAs)	4,844	1,543	0	Mar-25	Mar-27	Amber	Green
CDN (NES)	Pest & Dogs Depot Relocations	48	0	0	Mar-25	Jun-26	Amber	Green
CDN (NES)	Leisure Centre Improvements	1,072	161	0	Dec-25	TBC	Purple	Purple
CDN (NES)	Green Libraries Project	130	46	0	Mar-25	Sep-26	Amber	Amber
CDN (EBS)	Estate Shops	266	52	0	Mar-22	Dec-26	Green	Green
CDN (EBS)	St Nicholas Wall	362	14	0	Sep-24	Oct-27	Amber	Amber
CDN (EBS)	Boston Road	1,431	217	0	Jul-25	Sep-26	Green	Green
CDN (EBS)	Gilroes Cemetery	719	40	0	Sep-25	Jul-26	Amber	Green
CDN (EBS)	Energy Smart Initiatives	2,002	0	0	Jun-26	Dec-26	Green	Amber
CDN (HGF)	Leycroft Road Depot	3,794	82	0	Dec-26	Jan-28	Green	Amber
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	6,272	2,076	0	Jan-24	TBC	Purple	Purple
SCE (ECS)	S106 School Places (Slater/ Wolsey House)	847	7	0	Sep-26	Apr-27	Green	Amber
SCE (ECS)	Pindar Nursery	825	11	0	Mar-23	TBC	Purple	Purple
SCE (ECS)	Education System Re-tender	1,486	524	0	Mar-26	Mar-27	Green	Green
SCE (ECS)	Early Years - Two Year Olds	593	235	0	Mar-26	Mar-27	Amber	Green
Total (excluding HRA)		91,315	27,031	1,900				
CDN (HRA)	St Matthews Residential Property Concrete Works	1,633	96	0	Mar-24	Mar-27	Green	Amber
Total HRA		1,633	96	0				
Total (including HRA)		92,948	27,127	1,900				

Capital Programme Project Monitoring 2025/26 Outturn

Corporate Resources

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Finance System Replacement	1,000	0	Apr-27	Apr-27	G
Total	1,000	0			

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

1.1. This report recommends the addition of £595k to the capital programme for laptops to support hybrid working. This will be funded from the cost of technology earmarked reserve.

Capital Programme Project Monitoring 2025/26 Outturn

Planning, Development & Transportation

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Local Transport Schemes	14,177	0	Mar-24	Dec-27	G
LCC Bus Improvements	8,493	0	Apr-27	Apr-26	B
Waterside Strategic Regeneration Area	2,371	0	Mar-23	Mar-27	G
Leicester Railway Station - Levelling up	14,230	0	Mar-24	TBC	R
Leicester Urban Natural Flood Management	681	0	Mar-27	Mar-27	G
Heritage Development Trust	134	0	Mar-25	Jun-27	G
Restoring the Soar	562	0	Jul-26	Dec-26	A
Strategic Sites	4,934	0	Mar-28	Mar-28	G
Connecting St Margarets	798	0	Mar-26	Jul-27	A
3 Darker Street	136	0	Jun-26	Jun-26	G
Regeneration at Midland St/Southampton St	300	0	May-28	May-28	G
Total	46,816	0			

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

2.1. LCC Bus Improvements – Funding was distributed by April 2026 with the new electric buses expected to enter service from April 2027, supporting the transition to a zero-emission network.

2.2. Leicester Railway Station – Levelling Up - The project has been delayed beyond its original completion date, with procurement now expected to commence in Summer 2026. This is a very large and complex scheme and an updated forecast completion date will be provided once more information is known. The scheme is also expected to require additional funding

and although an exact amount is not yet finalised, the Council is working with external partners to secure potential funding.

- 2.3. Restoring the Soar** - The project timetable has been extended to December 2026 following agreement with the National Lottery Heritage Fund to allow the project team to develop a more comprehensive programme.
- 2.4. Connecting St Margarets** – The Department for Transport has confirmed its intention to progress the scheme, with design work scheduled to be completed by July 2027. A decision will be sought in due course to add the Department for Transport funding to the capital programme to enable delivery of the scheme.

Capital Programme Project Monitoring 2025/26 Outturn

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
Leicester Market Redevelopment	7,725	1,900	Dec-21	Dec 26	A
12-20 Cank St Link	2,594	0	Jan-25	Mar-27	A
Leicester Museum and Art Gallery	5,037	0	Mar-22	Mar-27	A
King Richard III Café	551	0	Feb-27	Feb-27	G
Workspace Fit-Out Project	427	0	Jun-26	Aug-26	G
Total	16,334	1,900			

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

2.1. This report recommends the addition of £250k for the Council's contribution to essential maintenance at the Record Office for Leicestershire, Leicester and Rutland (ROLLR). This will be funded by prudential borrowing.

2.2. Leicester Market Redevelopment – Significant archaeological fundings have resulted in an extended delivery programme and additional costs associated with the markets public realm scheme. Resulting in a forecast overspend of £1.9m, for which additional funding will be requested in a separate decision report.

2.3. 12-20 Cank St Link – Delivery of the scheme has been delayed due to unforeseen ground conditions and structural building issues. These unforeseen issues are being assessed and the projected completion date is provisionally March 2027.

2.4. Leicester Museum and Art Gallery – The completion date reflects the inclusion of Phase 5 works, representing an approved scope increase of £411k funded by the National Lottery Heritage Fund. The revised programme reflects this additional scope rather than any delay to delivery, with the project progressing in line with the expanded scheme.

Capital Programme Project Monitoring 2025/26 Outturn

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	473	0	Sep-24	Dec-26	G
Neighbourhood Services Transformation	2,000	0	Mar-27	Mar-28	G
Multi Use Games Areas (MUGAs)	4,844	0	Mar-25	Mar-27	G
Pest & Dogs Depot Relocations	48	0	Mar-25	Jun-26	G
Leisure Centre Improvements	1,072	0	Dec-25	TBC	P
Green Libraries Project	130	0	Mar-25	Sep-26	A
Total	8,568	0			

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

2.1. Leisure Centres Improvements – This scheme is paused while the leisure centre review is undertaken.

2.2. Green Libraries Project – Whilst building heating management systems have been successfully upgraded, increased IT security requirements have been identified for remote controls. Completion has been delayed to enable a revised solution, extending the completion date to September 2026.

Capital Programme Project Monitoring 2025/26 Outturn
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	266	0	Mar-22	Dec-26	G
St Nicholas Wall	362	0	Sep-24	Oct-27	A
Boston Road	1,431	0	Jul-25	Sep-26	G
Gilroes Cemetery	719	0	Sep-25	Jul-26	G
Energy Smart Initiatives	2,002	0	Jun-26	Dec-26	A
Total	4,780	0			

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

2.1. St Nicholas Wall – The works have required consent from the relevant statutory bodies and have taken significantly longer than expected which have resulted in a delay to forecast the completion.

2.2. Energy Smart Initiatives - The project has been delayed due to higher than anticipated costs, requiring a review of the scheme's scope. As a result, the completion date has been extended to December 2026.

Capital Programme Project Monitoring 2025/26 Outturn

Housing General Fund

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Leycroft Road Depot	3,794	0	Dec-26	Jan-28	A
Total	3,794	0			

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

- 2.1. Leycroft Road Depot** – Delays to project delivery have primarily arisen from contractor delays in completion of structural surveys and the associated design for the refurbishment works.

Capital Programme Project Monitoring 2025/26 Outturn

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)	6,272	0	Jan-24	TBC	P
S106 School Places (Slater/ Wolsey House)	847	0	Sep-26	Apr-27	A
Pindar Nursery	825	0	Mar-23	TBC	P
Education System Re-tender	1,486	0	Mar-26	Mar-27	G
Early Years - Two Year Olds	593	0	Mar-26	Mar-27	G
Total	10,023	0			

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

2.1. Additional SEND Places (including Primary Pupil Referral Unit) – This scheme remains on hold whilst the total number of SEND places required in the city is confirmed alongside the context of national SEND reforms.

2.2. S106 School Places (Slater/ Wolsey House) – Programme delays have arisen from ongoing design development at Wolsey House, while works at Slater remain scheduled for completion in August 2026 as previously reported.

2.3. Pindar Nursery – This scheme remains on hold whilst the requirements for the refurbished building is reviewed.

Capital Programme Project Monitoring 2025/26 Outturn

Housing (HRA)

1. Projects Summary

Project Name	Remaining Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
St Matthews Residential Property Concrete Works	1,633	0	Mar-24	Mar-27	A
Total	1,633	0			

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

2.1. St Matthews Residential Property Concrete Works – This project has been delayed due to the prioritisation of staffing resource towards other key works at the St Matthews Centre.

WORK PROGRAMMES**1. Summary**

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

Department / Division	Approved to spend in 25/26 £000	2025/26 Spend £000	Slippage £000	Over/(under) Spend £000
City Development & Neighbourhoods	1,786	184	1,602	0
Planning, Development & Transportation	13,037	8,746	4,292	0
Tourism, Culture & Inward Investment	1,112	570	542	0
Neighbourhood & Environmental Services	966	295	671	0
Estates & Building Services	6,206	3,073	3,098	(35)
Housing General Fund	11,435	3,559	7,755	(121)
Children's Services	17,117	8,852	8,265	0
Adult Social Care	250	61	189	0
Total (excluding HRA)	51,909	25,340	26,414	(156)
Housing Revenue Account	40,766	39,404	1,587	224
Total (including HRA)	92,675	64,744	28,001	68

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2025/26 Spend £000	Slippage £000	Over/ (under) Spend £000
Feasibility Studies	CDN	1,786	184	1,602	0
Transport Improvement Works	CDN (PDT)	4,764	2,698	2,066	0
Bus Engine Retrofitting	CDN (PDT)	376	0	376	0
Highways Maintenance	CDN (PDT)	5,965	5,027	938	0
Flood Strategy	CDN (PDT)	412	412	0	0
Festival Decorations	CDN (PDT)	55	50	5	0
Local Environmental Works	CDN (PDT)	400	369	31	0
Architectural & Feature Lighting (Grant)	CDN (PDT)	30	0	30	0
Front Wall Enveloping	CDN (PDT)	582	28	554	0
Secure Cycle Parking (TCF Funded)	CDN (PDT)	338	56	282	0
Street Nameplates City Branding Programme	CDN (PDT)	24	24	0	0
Historic Building Grant Fund	CDN (PDT)	91	82	9	0
Heritage Interpretation Panels	CDN (TCI)	370	256	114	0
Local Shopping Centres Reopening & Improvement Programme Grants	CDN (TCI)	494	215	279	0
Community Asset Transfer	CDN (TCI)	150	0	150	0
Theatre Maintenance	CDN (TCI)	99	99	0	0
Grounds Maintenance Equipment	CDN (NES)	150	116	34	0
Evington Park Depot Staff Welfare Facilities	CDN (NES)	140	124	16	0
Street Cleaning Equipment	CDN (NES)	445	0	445	0
Public Toilet Automatic Locking	CDN (NES)	176	0	176	0
Trees and Woodland Stump Grinder	CDN (NES)	55	55	0	0
Corporate Estate	CDN (EBS)	2,283	576	1,707	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	3,438	2,047	1,391	0
Green Homes	CDN (EBS)	485	450	0	(35)
Private Sector Disabled Facilities Grant	CDN (HGF)	2,775	2,183	592	0
Repayable Home Repair Loans	CDN (HGF)	121	0	0	(121)
Vehicle Fleet Replacement Programme	CDN (HGF)	8,323	1,160	7,163	0
Action Homeless' Supported Living Scheme	CDN (HGF)	216	216	0	0
School Capital Maintenance (CCIP works)	SCE (ECS)	15,862	8,052	7,810	0
School Capital Maintenance (TMBs and other)	SCE (ECS)	800	800	0	0
Foster Care Capital Contribution Scheme	SCE (ECS)	395	0	395	0
High Needs Assistive Technology	SCE (ECS)	60	0	60	0
Extra Care Feasibility	ASC	250	61	189	0
Total (excluding HRA)		51,909	25,340	26,414	(156)

Work Programme	Dept/ Division	Approved £000	2025/26 Spend £000	Slippage £000	Over/ (under) Spend £000
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,658	1,722	936	0
Council Housing - Boiler Replacements	CDN (HRA)	2,301	2,301	0	0
Council Housing - Rewiring	CDN (HRA)	1,618	1,618	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,436	1,436	0	0
Council Housing - Insulation Works	CDN (HRA)	200	424	0	224
Council Housing - External Property Works	CDN (HRA)	1,942	1,942	0	0
Council Housing - Fire and Safety Works	CDN (HRA)	839	839	0	0
Council Housing - Community & Environmental Works	CDN (HRA)	1,527	900	627	0
Affordable Housing - Acquisitions	CDN (HRA)	18,093	18,093	0	0
Public Realm Works	CDN (HRA)	432	408	24	0
New House Build Council Housing	CDN (HRA)	9,721	9,721	0	0
Total HRA		40,766	39,404	1,587	224
Total (including HRA)		92,675	64,744	28,001	68

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** – The feasibility programme includes multiple schemes, with budget expected to slip into next year due to a mix of factors, including contractor withdrawal and staffing gaps. There has also been a focus on in-year delivery, reducing feasibility activity this year.
- 3.3 **Transport Improvement Works** – All funds have been allocated and approved as part of the 2025/26 budget. The delivery of some projects will need to be over the summer months and hence some slippage into 2026/27 has occurred. Additional slippage since period 9 is due to design works taking longer than expected on larger schemes.
- 3.4 **Bus Engine Retrofitting** – Delivery of this programme is currently paused pending a ministerial decision to allow the reallocation of funding to alternative delivery objectives. As a result, no expenditure has been incurred in 2025/26 and the budget will slip into 2026/27.
- 3.5 **Highways Maintenance** – The resurfacing programme was delivered as planned. However, delays occurred elsewhere in the programme, arising from the requirement to procure contractors and the rephasing of signal improvement works into April, due to the need to coordinate with other planned works and reduce disruption on the highway network. Furthermore, footway works on Melton Road (Phases 1 and 2) and Narborough Road have now been completed as part of another scheme, releasing funding for additional road resurfacing in 2026/27.
- 3.6 **Architectural & Feature Lighting** - There are several projects in the pipeline, and we continue to work with third parties to progress these through to delivery.
- 3.7 **Front Wall Enveloping** - Staffing capacity constraints have impacted delivery in 2025/26. These have now been addressed, with the Welford Road scheme programmed for Summer 2026 and further schemes progressing through procurement.
- 3.8 **Secure Cycle Parking (TCF Funded)** – Some schemes were expected to be completed before the end of the financial year. However, there have been unexpected delays regarding access control and CCTV. These have now been resolved and delivery will be progressed in 2026/27.

- 3.9 **Heritage Interpretation Panels** – It is proposed this budget will be carried forward to support delivery of the extended programme in 2026/27 and 2027/28. This reflects the continuation of project delivery rather than a delay in current-year activity.
- 3.10 **Local Shopping Centres Reopening & Improvement Programme** – Slippage within this programme is primarily due to neighbourhood improvement works now being scheduled for delivery in May 2026. In addition, a small number of shopfront grant payments have not yet been processed, and as a result, expenditure will slip into 2026/27.
- 3.11 **Community Asset Transfer** – An extension to the UKSPF funding deadline has enabled delivery to continue into 2026/27, with the remaining budget expected to be spent by September 2026.
- 3.12 **Street Cleaning Equipment** – There have been delays in delivery of the equipment, which have extended manufacturing and lead-in times. As a result, completion is now expected in the next financial year.
- 3.13 **Public Toilet Automatic Locking** – Slippage within this programme is due to delays in the tender process, with works now scheduled to commence in April 2026.
- 3.14 **Corporate Estate** – Slippage within the Corporate Estate programme is due to dependencies on Hard FM project delivery and delays which have arisen from issues identified during surveys. As a result, elements of the programme will be delivered in 2026/27. The £1.7m slippage includes the Haymarket centre of £968k with the remainder relating to the wider Corporate Estate programme. This report also requests that £541k be added to this work programme for the ongoing capital maintenance of the Haymarket Shopping Centre, financed from the capital fund linked to the decision in the revenue report in this agenda pack.
- 3.15 **Property & Operational Estate Capital Maintenance Programme** – Supply issues have led to delays in progressing decarbonisation works, resulting in slippage. In addition, the prioritisation of urgent works at the Curve has reduced the capacity to procure and secure consents for other, weather-dependent schemes. As a result, these works will be reprogrammed for delivery in 2026/27.
- 3.16 **Private Sector Disabled Facilities Grant** – Additional grant was awarded to the Council at the end of 2024/25 and whilst efforts have been made to increase contractor capacity, this is taking longer than hoped. Whilst significant work has been undertaken to utilise this funding, cancellations of works by residents continues to be high, and this has contributed to a major part of the slippage.

- 3.17 **Repayable Home Repair Loans** – No expenditure has been incurred in 2025/26. Capacity has been prioritised towards delivery of Disabled Facilities Grants with no repayable home loans having been completed this year. Given the limited interest in this scheme, the budget will not be carried forward into 2026/27.
- 3.18 **Vehicle Fleet Replacement Programme** – In line with what was reported at Period 9, slippage within this programme is due to market-related factors impacting the procurement of vehicles, resulting in delays to delivery. As a result, the remaining budget will slip into 2026/27.
- 3.19 **School Capital Maintenance (CCIP works)** - Access constraints at schools have impacted delivery of larger schemes. In addition, delays to decarbonisation works have arisen as the programme has moved into a more complex phase. As a result, expenditure will slip into 2026/27.
- 3.20 **Foster Care Capital Contribution Scheme** –There have been delays in securing the necessary legal consents and planning approvals for schemes. Delivery will progress once approvals are in place, with expenditure slipping into 2026/27.
- 3.21 **High Needs Assistive Technology** – The scheme was introduced in the final month of the financial year (March 2026) and has not progressed sufficiently to incur significant expenditure in-year. As a result, £60k will be spent in 2026/27
- 3.22 **Extra Care Feasibility** – Slippage within this programme is due to delays in the procurement of consultants. Procurement has now been completed, and the budget is expected to be spent by Summer 2026.
- 3.23 **Council Housing - New Kitchens and Bathrooms** - There has been limited contractor capacity to upgrade kitchens and bathrooms during the year, and this has been prioritised towards acquisitions being used for temporary accommodation. A new contract is in place which will facilitate recovery during 2026/27.
- 3.24 **Council Housing – Insulation Works** - An overspend has arisen largely as a consequence of Awaab's Law, and the need to respond within prescribed timescales, which will be funded from HRA reserves and the decision is included as part of this report.
- 3.25 **Council Housing - Community & Environmental Works** - Procurement for the works required under the communal flat improvement project is under way; this work will take place in 2026/27 resulting in slippage of £200k. A further £180k slippage arises from the reallocation of budget underspends and minor delays to communal and environmental works. Slippage of

£250k relates to match funding for the installation of units as part of the Heat Network Efficiency Scheme (HNES) to improve district heating efficiency.

PROVISIONS**1. Summary**

1.1 As stated in the cover report, provisions are sums of money set aside in case they are needed.

1.2 The sums below are for the 2025/26 financial year.

Provision	Dept/ Division	Approved £000	2025/26 Spend £000	Remaining Budget £000
Aikman Avenue District Heating	CDN (EBS)	195	0	195
Aikman Avenue District Heating	CDN (HRA)	455	0	455
St Paul's Church	CDN (PDT)	400	0	400
District Heating Metering	CDN (HGF)	1,024	0	1,024
District Heating Metering	CDN (HRA)	380	0	380
Total		2,454	0	2,454

1.3 Since the previous monitoring report, there have been no transfers out of provisions.

PROJECTS SUBSTANTIALLY COMPLETE

1. Summary

- 1.1 As at the end of the quarter three in 2025/26, the following schemes were nearing completion. The budgets are largely the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

Project	Dept/ Division	Approved £000	2025/26 Spend £000	Over/(Under) Spend £000
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	12	12	0
High Streets Heritage Action Zones	CDN (PDT)	206	59	(147)
Pioneer Park - Levelling Up	CDN (PDT)	867	487	0
Air Quality Action Plan	CDN (PDT)	1	0	(1)
St George's Churchyard	CDN (PDT)	180	109	(71)
Southgates Underpass Lighting	CDN (PDT)	55	58	3
Land South of Phoenix	CDN (PDT)	416	336	0
DEFRA Flood Grant Awards	CDN (PDT)	85	63	(22)
Gresham Business Workspace	CDN (TCI)	10	10	0
Pilot House - Levelling Up	CDN (TCI)	2,201	2,176	0
Climate Change Retail Scheme	CDN (TCI)	17	0	(17)
Jewry Wall Museum Improvements	CDN (TCI)	1,754	1,621	0
PV Panels at Evington Leisure Centre	CDN (NES)	91	0	(91)
Study Zones	CDN (NES)	56	43	(13)
St Margaret's Pastures Skate Park	CDN (NES)	295	289	(6)
Saffron Lane Athletics Stadium S106 Improvements	CDN (NES)	27	0	0
Franklyn Fields Public Open Space	CDN (NES)	58	58	0
Depot Relocation	CDN (NES)	149	167	18
SuDS in Schools	CDN (EBS)	136	122	(14)
Haymarket Theatre - Internal Completion Works	CDN (EBS)	19	14	(5)
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	0
Leisure Centre Air Handling Units	CDN (EBS)	14	0	(14)
The Curve Remedial Works	CDN (EBS)	1,613	1,573	0
Replacement Cladding Phoenix Square	CDN (EBS)	2,077	1,557	0
Expansion of Oaklands Special School	SCE (ECS)	154	159	4
Overdale Infant and Juniors School Expansion	SCE (ECS)	45	45	0
Family Hubs	SCE (ECS)	102	102	0
S106 Additional School Places	SCE (ECS)	366	113	0
Winstanley Contact Centre	SCE (ECS)	10	10	0
Expansion of Children's Homes	SCE (ECS)	940	890	0
Beaumont Leys School – Bulge Works - Café and Canopy	SCE (ECS)	110	101	(9)
St Johns/Glebelands Bulge Capacity	SCE (ECS)	640	603	0
Supported Living Access Works	ASC	62	63	1
Housing Acquisitions - SAP	CDN (HGF)	32,075	29,707	0
Bridlespur Way Refurbishment	CDN (HRA)	1,104	598	0
Dawn Centre Reconfiguration	CDN (HRA)	220	220	0
Total		46,258	41,360	(384)

POLICY PROVISIONS**1. Summary**

1.1. As at the end of 2025/26, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CDN (TCII)	Tourism & Culture	10
CDN (NES)	Library Investment	0
CDN (EBS)	Growing Spaces	301
CDN (Various)	Match Funding	3,000
CDN (Various)	People & Neighbourhoods	392
SCE (ECS)	New School Places	1,813
SCE (ASC)	Extra Care Schemes	5,686
Other	Black Lives Matter	435
All	Programme Contingency	2,800
Total (excluding HRA)		14,437
CDN (HRA)	Other HRA Schemes	750
Total HRA		750
Total (including HRA)		15,187

1.2. Since the previous monitoring report, there has been the following release of monies from Policy Provisions:

- £1m from the Library Investment policy provision for works on buildings to be utilised as multi-service centres.

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.

	2025/26 Authorised Limit £m*	2025/26 Operational Boundary £m*	Debt at 31/03/26 £m	Complied?
Borrowing	650	550	242	Yes
PFI and Finance Leases	500	450	79	Yes
Total debt	1,150	1,000	321	

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:

	Upper Limit £m	Lower Limit £m	31/03/26 Actual £m	Complied?
Under 12 months	50	Nil	22	Yes
12 months and within 24 months	100	Nil	52	Yes
24 months and within 5 years	150	Nil	22	Yes
5 years and within 10 years	200	Nil	11	Yes
10 years and within 25 years	250	Nil	19	Yes
25 years and over	300	Nil	116	Yes

3. Short-term Treasury Management Investments

The Council is allowed to utilise a broad range of investment instruments but in practice things are kept straight forward concentrating on other Local Authorities & similar bodies, UK Registered Banks and Money Market Funds (MMF). As of 31 March 2026, the council held £82m in short-term investments including £62m in MMFs which allow the Council instant access for liquidity purposes.

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 31 March 2026 was £5m which includes £5m in property funds, the limit was therefore complied with.

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 comply with this requirement.

As reported in the Three-Year Capital Programme 2026/27 report, the authority will fund £90m of previously approved capital expenditure from reserves instead of borrowing, and therefore reduce the ongoing revenue borrowing costs incurred.

The Director of Finance has used their delegation as per the budget strategy 2026/27, to make the most prudent capital financing decisions to support the approach of reducing future borrowing costs to support the budget strategy.

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.