



Leicester  
City Council

Council

20<sup>th</sup> March 2014

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## Capital Programme 2014/15

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### **Report of the Director of Finance**

#### **1. Purpose**

- 1.1 The purpose of this report is to ask the Council to approve a capital programme for 2014/15.
- 1.2 The Housing Revenue Account capital programme has already been approved, but is restated in this report; additionally the report recommends that the HRA programme is subject to the same rules regarding scheme approvals and variations as the rest of the programme.

#### **2. Summary**

- 2.1 Capital expenditure is incurred on works of lasting benefit and is principally paid for by grant and the proceeds of asset sales (capital receipts). Money can also be borrowed for capital purposes, but the scope for this is limited as borrowing affects the revenue budget.
- 2.2 Traditionally, the Council has approved three year capital programmes. However, with the onset of the economic downturn in 2008 and subsequent Government spending cuts, shorter planning horizons have been adopted. The last programme (approved on 29<sup>th</sup> March, 2012) covered two years; this proposed programme is for one year, with some commitments extending into 2015/16.
- 2.3 Since the 2012/13 to 2013/14 capital programme was set, the City Mayor has approved an Economic Action Plan, which is making significant investment in the regeneration of the city. This capital programme is complementary to the Economic Action Plan, and consists almost entirely of investment in the city's neighbourhoods. A £51m programme is

proposed, including provision for elderly care, schools re-building and neighbourhood improvements. Taken together with the HRA programme, this constitutes new investment of £77m.

2.4 The capital programme is split into two parts:

- (a) “immediate starts”, being schemes which have authority to commence once Council has approved the programme. These are fully described in this report;
- (b) “policy provisions”, where the purpose of funding is defined but money will not be released until specific spending proposals have been approved by the Executive. Clearly, there is less detail about these schemes than there is about immediate starts.

2.5 This report makes proposals for new spending. Some capital expenditure will, however, be incurred in 2014/15 arising from earlier capital programme approvals; the most significant of these is an estimated £15m to be incurred on the first phase of building works to create new primary school places, and the continuation of “Building Schools for the Future” at secondary and special schools across the city.

3. **Recommendations**

3.1 The Council is asked to:

- (a) approve the capital programme described in this report and summarised at Appendix Two, subject to any amendments proposed by the Mayor;
- (b) reallocate the following resources from the previous programme, in order to use them (for the same overall purposes) in the new programme:-
  - New Primary Schools Places (£9.508m)
  - School Maintenance (£6.288m)
  - Adult Care Transformation (£4.231m);
- (c) for those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules and finance procedure rules;
- (d) delegate authority to the City Mayor to determine a plan of spending for each policy provision; and to commit expenditure up to the maximum available;
- (e) agree that any capital receipts arising from the sale of former elderly persons’ homes or (if these become available) day centres be applied for the purposes of the

corporate programme (to offset the significant cost of new investment in adult social care services);

(f) for the purposes of finance procedure rules:

- Determine that service resources shall consist of service revenue contributions; and government grants/third party contributions ringfenced for specific purposes;
- Designate the highways maintenance programme as a programme area within which the director can re-allocate resources to meet operational requirements;
- Designate the following schemes as a single programme area: transport programme management, road safety schemes, local contribution to major transport schemes, improving bus services, transport network improvements and level access at bus stops.

(g) determine that the City Mayor may increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources.

(h) for the avoidance of doubt, determine that the City Mayor may commit funds for the Haymarket Bus Station scheme, funds for which form part of policy provisions;

(i) determine that the City Mayor may reduce or delete any capital programme provision, subject to a maximum of 20% of scheme value for “immediate starts”; and may transfer any “policy provision” to the “immediate starts” category;

(j) delegate to directors, in consultation with the relevant assistant mayor, authority to incur expenditure in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure;

(k) note the Housing Revenue Account capital programme, shown at Appendix Four, which was approved by the Council in February;

(l) agree that the recommendations above shall (where the context permits) apply to the HRA programme, and that the HRA programme shall be divided into immediate starts, policy provisions and programme areas as shown at Appendix Four.

#### 4. **Key Policy Issues**

4.1 The key concern of capital planning is to deliver strategic objectives and meet (as far as is achievable) a level of need which considerably exceeds available resources.

4.2 A key objective of the previous capital programme was regeneration – both of the city centre and neighbourhoods. This continues to be the case. The Economic Action Plan

approved in November, 2012, provided funding of £13.5m for projects in the first phase. Funding of £26m has subsequently been made available for the second phase. Schemes in the EAP have generated substantial external funding, amounting to £22m in 2013. The principal source of this funding is ERDF grant.

- 4.3 The capital programme contained in this report is almost exclusively focussed on neighbourhood works, including £16.8m for new primary school places, £8m for elderly care and £2m for disabled facilities grants. The Housing Revenue Account programme, which was approved by Council in February, includes investment of £25m on tenants' homes and surrounding estates.
- 4.4 A major policy issue is the need to plan additional school places, which are required because of the rising birth rate. This was partially addressed in the previous capital programme, and a programme of works to create 380 reception places was approved on 2<sup>nd</sup> April, 2013 (most of this work will in fact take place in 2014/15). There remains in the current capital programme a policy provision of £9.5m, which will be "topped up" in this programme to create a £17m provision for up to 190 further reception places. Release of this money will be dependent on schemes being approved by the Executive. Additionally, Forest Lodge School will be re-built by the Department for Education under the Priority School Building Programme; additional grant of £3.9m has been received to expand the existing Kestrel Fields Primary School; and a new free school (Falcons Primary) will open in the city. The totality of this investment since 2012/13 is expected to create 700 reception places, equivalent to nearly 5000 primary places in total. The need for new places, however, is kept under continual review as population projections fluctuate. In particular, a time will come when the population bulge reaches secondary age, creating additional demand at this level. The Government has recently announced further funding for 2015/16 and 2016/17.
- 4.5 Investment in adult care is essential to maximise the independence of vulnerable people, to address the historic over reliance on residential care, and to prevent unnecessary admission and re-admission to hospital. The programme provides £1.25m to support a partnership arrangement to build a new extra care facility. £6.7m is to be set aside for the development of purpose built intermediate care facilities, funded partly from a £4.2m provision in the current programme, and partly from new monies.
- 4.6 The key objective of transport planning is to address the accessibility of the city centre to public transport, which is also connected to the rising population. A key project is to extend and develop the Haymarket Bus Station; this report recommends that £3.2m be set aside from the Government's integrated transport grant for 2014/15. Together with funding already set aside for the Economic Action Plan and £3.5m from Government "Pinch Point" funding, it is envisaged that a £13.5m scheme will be submitted for approval.
- 4.7 Investment will be required to support the Council's Spending Review Programme, which is aiming to reduce revenue spending as a consequence of Government grant cuts. A fund of

£6m was set up as part of the 2013/14 budget strategy. Consequently, such schemes are not included in the capital programme.

- 4.8 Additionally, there remains a need to address maintenance requirements for both operational property and the roads/footways network.

## 5. **Resources**

- 5.1 For control purposes, the Council has split resources into corporate and service resources.
- 5.2 Directors have authority to add schemes to the programme, provided they are funded by service resources, up to an amount of £250,000. This provides flexibility for small schemes to be added to the programme without a report to the Executive. In this programme, most resources are designated as corporate resources.
- 5.3 The resources available (or expected) to fund the capital programme consist primarily of government grant. Most grant is unringfenced, and the Council can spend it on any purpose it sees fit. However, some grant comes with an expectation that it will be used for the purposes of the department granting it. (For control purposes, the latter grants are treated as corporate resources).
- 5.4 The rest of this section describes the resources available to the Council. A full schedule of resources is shown at Appendix One.
- 5.5 An estimated £4.5m of uncommitted resources will be carried forward from previous programmes. This has arisen from a review of spending and resources carried out when the 2012/13 outturn was reported.
- 5.6 A sum of £20m of resources committed to the 2013/14 capital programme is now being used to support the 2014/15 programme. This is because the money supported schemes which have now been extended and are shown (in their entirety) in this report.
- 5.7 Capital receipts of £4.4m are assumed to be available to finance the capital programme. Most of this arises from forecast land sales. However, the sum also includes proceeds from the sale of the Council's shares in Leicester BSF Company 2 Ltd; and Leicester BSF Company 1 Ltd. These companies were set up to progress the PFI schemes within BSF, and the Council made an initial investment which has now been realised.

- 5.8 £20.0m of Government grant has been included in the resources schedule. The table below shows the grant notified for 2014/15 and compares this with 2013/14. The subsequent paragraphs provide some commentary:

	<b>2013/14</b>	<b>2014/15</b>
	<i>£000</i>	<i>£000</i>
Education – Basic Need	7,338	7,338
Education – Free School Meals	0	882
Education – Maintenance	4,488	3,659
Integrated Transport	3,037	4,271
Highways Capital Maintenance	2,200	1,936
Additional Transport Maintenance	399	200
Social Care	846	863
Disabled Facilities Grant	847	867
<b>Total</b>	<b>19,155</b>	<b>20,016</b>

- 5.9 Education grants are provided by the DfE and awarded in respect of (but not ringfenced to):
- (a) “Basic Need”, for the provision of new school places;
  - (b) Maintenance of existing premises.
- 5.10 Additionally in 2014/15, £882,000 has been provided for infrastructure required to deliver the Government’s new commitment to free school meals for 5-7 year olds.
- 5.11 A two year allocation amounting to £14.676m has been awarded for Basic Need for 2013/14 and 2014/15, which we have notionally split over 2 years. Additionally, we have received notification of further sums for 2015/16 and 2016/17 of £6.6m and £6.9m respectively.
- 5.12 Allocations for education maintenance have fallen by 18% compared to 2013/14.
- 5.13 Education resources exclude the Building Schools for the Future programme at secondary and special schools. Work has now started at all schools in the programme, and is expected to be complete by 2015/16 (apart from certain IT expenditure). All spending and funding for BSF is included in the 2013/14 capital programme.
- 5.14 Transport resources include resources intended for integrated transport, and highways capital maintenance totalling £6.2m. In addition to the main allocation for maintenance included in the preceding table, one-off funding was announced in the 2012/13 Autumn Statement amounting to £399,000 in 2013/14 and £200,000 in 2014/15. The Government has ringfenced the use of this money (unlike the majority of transport funding). This report proposes that the majority of the Integrated Transport monies are set aside for the Haymarket Bus Station improvements.

- 5.15 From 2015/16, around half the monies for integrated transport (nationally) will be paid through the new Single Local Growth Fund. SLGF monies will be paid to local enterprise partnerships.
- 5.16 The government allocates capital grant for social care, which is not ringfenced. This grant has increased from £846,000 in 2013/14 to £863,000 in 2014/15. From 2015/16, the Government plans to add this allocation to the amount available for the Better Care Fund, the use of which will need to be negotiated with the NHS.
- 5.17 Disabled Facilities Grant is ringfenced and will increase slightly to £867,000. This funding stream will also be included within the Better Care Fund from 2015/16 onwards, but the Government's latest indications suggest that they would expect to see money continue to be spent on disabled adaptations.
- 5.18 In addition to grant, a limited amount of borrowing is proposed to support the capital programme. This consists of £2m for vehicles and parks equipment, which continues the practice of previous years (borrowing being cheaper than leasing). In addition, borrowing of £300,000 has been included towards a dog kennelling scheme (see paragraph 7 below). The cost of borrowing is charged to the relevant service over the economic life of the assets purchased.

## 6. **Proposed Programme – Immediate Starts**

- 6.1 This section of the report describes those schemes which can commence without any further approval. The whole programme is summarised at Appendix Two.
- 6.2 This part of the programme includes £837,000 for enhancements to the new **case management system** (Liquidlogic), which is being implemented in April 2014. The system will support both adults' and children's client records. The enhancements will provide additional functionality in respect of:
- (a) implementing mobile working, which will reduce time taken travelling to bases, thereby enabling professionals to spend more time with clients;
  - (b) improving security systems, to enable data to be shared between systems;
  - (c) supporting integrated payment functions;
  - (d) supporting the assessment of self-funders, which will be required from 2015/16.
- 6.3 £1.7m is provided for **Disabled Facilities Grant**. This enables continuation of a programme to adapt the homes of disabled people, to provide them with access to essential facilities. Provision of disabled facilities grants (DFG) is a legal duty, and (when combined with a further £0.3m which has slipped from 2013/14), £1.7m provides sufficient funding to

deal with approximately 250 cases. All recipients of DFG are low income owner occupiers, or housing association tenants. There is presently a waiting list of slightly over 300 unallocated cases, which is stable. This programme is supported by £867,000 of grant provided by the Government for this purpose – from 2015/16, this grant will be transferred to the new Better Care Fund as discussed above. The implications of this for future spending are currently unclear.

- 6.4 £50,000 is being made available for **compulsory purchase of empty homes**. This enables the Council to purchase properties that have been vacant for more than 18 months, where owners are not willing or able to bring them back into use. Once purchased, empty homes are sold to purchasers on condition that they are improved and re-occupied. The sale proceeds are generally sufficient to meet the Council's cost of purchase: the £50,000 funds additional incidental costs.
- 6.5 £50,000 is provided for the **landlord insulation scheme**: this is a continuation of funding for a programme of discretionary grants to landlords, to improve the energy efficiency of privately let homes. Grants are paid on a 50:50 basis, with a maximum grant amount of £2,000 (average £1,250). Private tenants have no practical way of getting help to install insulation, and they (not the landlords) are responsible for the utility bills.
- 6.6 £100,000 is provided for the **re-payable home repair grants** scheme. This continues funding for a programme of discretionary grants to home owners on low income. Eligible works include those to deal with health hazards, and to improve properties towards the "decent homes" standard applied to the maintenance of council housing. Grants are fully re-payable on sale or transfer of ownership, but this is often many years after the initial grant. Average grants are £5,000 to £6,000 each.
- 6.7 Provision of £50,000 is made for **street scene/environmental improvements**. This provides continuation of funding for a programme of work delivered in conjunction with street wardens, at the request of environmental health officers and others. The money is used to carry out improvements such as repairing walls and fences, re-bedding coping stones, and replacing dislodged bricks. £25,000 has specifically been included to increase the funding required for alleyway improvements. The extent of work will depend on what is needed on individual streets.
- 6.8 A provision of £300,000 has been made for **allotment infrastructure**. Leicester's 2001 allotment strategy initiated an improvement programme, funded by the disposal of identified allotment land. This funding ceased in 2007, and there remains a list of outstanding works which relate to site security, footpaths and roadways within the allotment sites. Rather than continuing to patch roadways, a programme of reconstruction will eventually reduce revenue expenditure.



- 6.9 Provision of £750,000 is made for **plant and equipment in parks**. This is a routine equipment replacement programme, which is funded by prudential borrowing on the grounds that it is cheaper than leasing.
- 6.10 £405,000 is provided for **public convenience improvements**. Of this:
- (a) £210,000 will provide public toilets at Watermead Park;
  - (b) £120,000 will provide for new toilets at Evington Park; currently, the public toilets are located within the house, and are therefore only accessible when the house is open;
  - (c) A further £75,000 makes provision for improvements and essential water hygiene works at a small number of street toilets.
- 6.11 £280,000 is provided for **transport programme management**. This money will fund staff costs, air quality monitoring systems, and traffic surveys relating to developing and managing transport programmes and projects. Monitoring is essential to generate the evidence base for strategic planning, decision making, and preparation of bids for funding. The staff funded by this money manage the capital programme, prepare briefs, commission accident investigations, work with other authorities on core strategies, and help prepare bids for Government funding.
- 6.12 £270,000 is provided for **road safety schemes**, which includes the implementation of priority 20 mile per hour schemes which have identified by ward councillors.
- 6.13 £300,000 is provided as a **local contribution to major transport schemes**. This is an estimated amount, to contribute towards business case development for future major transport schemes including the A6 and A50 corridor projects. A forecast £16m will be included in the new Single Local Growth Fund for major transport schemes, and scheme business cases will need to be prepared before the money can be accessed.
- 6.14 £100,000 is provided to **improve bus services**. The bid is to design and implement minor schemes to remove “pinch points” on the highway network that significantly delay buses, and to prepare designs for larger schemes. Where possible, it would include introducing restrictions on peak time bus lanes to 24 hours per day. Funding for the larger schemes will be from a mixture of sources such as the future Single Local Growth Fund (which will be held by the Leicester and Leicestershire Enterprise Partnership), future Integrated Transport allocations and surplus bus lane enforcement monies. The design work is needed to help secure funds from the future Single Local Growth Fund and have scheme(s) ready to be funded from various sources. Potential future schemes are the A5199 corridor project for possible construction in 2015 to 2017, and the Humberstone Road Quality Bus Corridor for possible construction in 2016 to 2018.

- 6.15 £60,000 is provided for **transport network performance improvements**. This involves on-going development of the urban traffic control system to improve the efficiency of the highway and transport network. Expenditure forms a rolling programme of minor works. It will be spent on new “SCOOT” traffic control systems on the junctions of Queens Road/Victoria Park Road, Queens Road/Clarendon Park Road, Ethel Road/Wakerley Road, and Green Lane Road/Coleman Road; upgraded SCOOT regions on Welford Road and Humberstone Road; new automatic number plate recognition systems on Narborough Road; upgraded communications; and new CCTV on the junction of St. Barnabas Road/Uppingham Road.
- 6.16 It is planned to spend £170,000 on **level access at bus stops**. In total, there are 1665 bus stops in the city, and 171 still require level access to comply with the Disability Discrimination Act (for which the deadline is 2017).
- 6.17 £2m is included for **highways capital maintenance**. This is an annual planned programme of major highway maintenance works and improvements; and includes works to roads, footways, bridges, street lighting and traffic signal installations. A breakdown of the outline programme is shown at Appendix Three. Members are asked to note that the highways maintenance programme is defined as a “programme area” for the purposes of finance procedure rules, which permits the director to reallocate resources to meet operational requirements. In practice, this enables him to reallocate resources during the year to reflect progress on individual works.
- 6.18 £215,000 is provided for **flood defence and watercourse improvements**. Leicester is a national flood risk area, with over 36,000 properties at risk from flooding, and is classed as one of the top five risk areas in England and Wales. We now have a statutory duty to develop and implement a local strategy to manage flood risk. The money will be spent on a continuing programme of hydrological modelling and data collection, scheme feasibility assessment, and design and construction of flood defence projects on an area by area basis. Money is also set aside to match fund grants from the Environment Agency (river projects) and Severn Trent Water Authority (sewer improvements); and for watercourse improvements.
- 6.19 For completeness, Appendix Two includes the cost of the **Housing Revenue Account** programme which has already been approved. Full details are shown at Appendix Four. The HRA programme is almost entirely met from HRA revenue, with the exception of the new build programme which will be funded by borrowing (to be repaid from new rents).

## 7. **Policy Provisions**

- 7.1 This section of the report describes the policy provisions, being those parts of the capital programme for which plans will be developed and approved by the City Mayor. They are included on the spending summary at Appendix Two.
- 7.2 A provision of £8.45m has been set aside for **adult social care**. Whilst the sum is a provision, for subsequent commitment by the City Mayor based on a business case, it has been calculated with reference to the following elements:
- (a) £1.25m for additional extra care provision. This is intended to make a contribution to the cost of new self-contained flats, where care and support can be provided on site, in return for nomination rights. Similar schemes have been entered into already, where service users are nominated to schemes at Danbury Gardens and the Wolsey Building; a further development by ASRA at Abbey Mills is due to open in 2014. The City Council would need to provide land free of charge, and £1.25m would “gap fund” a scheme of approximately 50 to 70 flats (unlocking around £7m of investment in total);
  - (b) £6.7m for intermediate and short term care. This is a high level estimate of the amount required to deliver 60 intermediate care beds, replacing services currently offered in elderly persons’ homes. Intermediate care is a short term intervention, aimed at promoting independence and maintaining an individual in their own home; intervention is normally limited to 6 weeks. The replacement provision would incorporate “household” style units of en-suite bedrooms, community facilities, assessment facilities, an assistive technology suite, exercise room, and dementia friendly gardens. Of the total estimated amount, £4.2m is already available in the current programme (£1.2m of which is funded by the NHS). Additional funding required therefore amounts to £2.5m;
  - (c) £0.5m provides for any capital costs arising from the ASC transformation programme.
- 7.3 The above represents substantial additional investment in adult social care. However, the cost is expected to be offset by the sale of former elderly person’ homes (valued at approximately £1.8m); and former day care centres if these are released once consultation concludes. The receipts, some of which may be received in 2014/15, will contribute to the corporate capital programme but have not currently been anticipated.
- 7.4 £125,000 is provided for **replacement allotment infrastructure**, should this be required to accommodate a new Great Central Railway museum.
- 7.5 £400,000 is provided for **investment in play**. This is envisaged as being the first contribution to an annual rolling programme, which will create new play facilities in the City

(and compensate for services lost due to revenue budget cuts). The money will be released on the basis of a scheme by scheme business case, but it is expected that the first use will be a new water play facility at Abbey Park, utilising the old paddling pool site and surrounds.

- 7.6 £600,000 has been included for a **stray dog kennelling facility**. Local authorities have a statutory duty to seize and kennel stray dogs in their area for up to 7 days, and may then dispose of any that are not claimed by their owners. The Council employs its own dog warden to seize stray dogs, but has traditionally contracted a kennel provider to care for strays and dispose of any unclaimed dogs. In recent years, the Council has found it difficult to procure a suitable local long-term provider and costs have increased significantly. Work is taking place to investigate the provision of our own facility, which may also provide an opportunity to generate income by offering the service to other local authorities and the public. An appropriate site will need to be located. If a facility is provided, it is envisaged that 50% of the cost will be met by prudential borrowing, funded by the department (recognising that the scheme helps avoid future revenue cost). Should this strategy not be adopted, £300,000 will become available for other uses.
- 7.7 A provision of £1.25m has been made for the **vehicle replacement programme**. Like the provision for plant and equipment in parks, this is a routine replacement programme which is funded by borrowing on the basis that this is cheaper than leasing. However, fleet management is currently under review – this sum is therefore included in policy provisions rather than immediate starts, to be released when the review is complete and an optimum fleet size has been established. Should less vehicles be required than present numbers, a saving will be made.
- 7.8 £400,000 is provided for the **local environmental works** programme. This is an annual planned programme which addresses local neighbourhood issues such as residential parking, local safety schemes, pedestrian routes and crossings, shopping precincts, community lighting and lay-bys. A programme is being prepared for Executive approval, based on priorities identified through ward member consultations.
- 7.9 It is proposed that £3.245m is added to the existing policy provision for the **Economic Action Plan**. This is, essentially, a “top slice” of the Government grant allocation for local transport in 2014/15, and will be used to part fund the Haymarket Bus Station improvement scheme if this goes ahead. The remainder of the scheme cost is already available, partly from Government “Pinch Point” funding and partly from money already set aside for the Economic Action Plan. Should the scheme not go ahead, it will be released for other priority transport works.
- 7.10 A provision of £1.7m is provided for a continuing programme of **property maintenance**. This is an annual programme, and has been used in previous years to make significant reductions in asbestos and water hygiene related needs. The emphasis now is primarily on

fire risk reduction works. The money will not be spent until a programme is submitted to the Executive.

- 7.11 The programme adds £7.338m to the existing policy provision for **basic need**. The basic need programme is designed to increase primary school places; taken together with the existing policy provision, £16.8m will be available for the second phase of this programme. A detailed programme of works to provide up to 190 reception places will be submitted to the Executive, and the money will not be released until this is done.
- 7.12 Monies received for **free school meals** have been put into a separate policy provision pending a decision on what works are required to implement the Government's new commitment.
- 7.13 £3.6m is to be added to the existing policy provision for **schools capital maintenance**. When taken together with the current policy provision, £9.9m is now available for this work. The money will not be released until a business case has been approved by the Executive.

## 8. **Equality Assessment**

- 8.1 People across the range of protected characteristics will benefit from the improved public good presented within the 2014/15 Capital Programme. Some proposals will positively benefit specific protected characteristics:
- (a) provision of new intermediate and short term care facilities will benefit elderly (age) and disabled people with targeted support to meet their specific needs;
  - (b) the provision of additional primary school places and proposed investment in play will benefit children (age) in their ongoing development and learning;
  - (c) disabled facilities grants for home adaptations will improve living standards for disabled people in their homes;
  - (d) the ongoing programme of level access bus stops improves access for disabled people using public transport.

## 9. **Sustainability Assessment (Mark Jeffcote, Environment Team)**

- 9.1 There are a number of existing processes in place to assess the sustainability implications of council projects.
- 9.2 The Council's standard project management methodology must be followed by all medium and major projects. The planning stage of the methodology requires a sustainability impact assessment. The Environment Team must be consulted directly on the assessment where the project includes:
- a substantial amount of construction;
  - substantial use of transport;
  - the generation of energy;

- the significant procurement of energy intensive equipment (eg. ICT); and
- a major focus on food, catering or textiles.

9.3 All executive reports require authors to contact the Environment Team for an assessment and statement of the climate change and carbon reduction implications for inclusion in the report.

9.4 The individual projects that result from the 2014-15 capital programme will therefore each receive an appropriate sustainability assessment through the above. However, also provided below is a RAG overview based on currently available information:-

	RAG	Comment
<b>Immediate Starts</b>		
Care management system enhancements		Mobile working should result in more effective trip planning and reduced mileage.
Disabled facilities grants		
Empty homes purchase programme		Housing improvements generally result in improved energy efficiency.
Landlord insulation scheme		The project helps to improve the energy efficiency of properties rented to private tenants.
Repayable home repair grants		The grants contribute to the provision of “decent homes” and help address health hazards for home owners on low incomes.
Street scene environmental improvements		This programme of work improves the environment/street scene in local neighbourhoods.
Allotment infrastructure		Improvements to allotment infrastructure promote local food growing and enhance these green spaces for people and wildlife.
Plant and equipment in parks		The replacement programme should ensure that the plant and equipment purchased has minimal environmental impact during manufacture and operation.
Public convenience improvements		Water and energy conservation technologies should be a consideration in these projects.
Transport programme management		The monitoring proposed (air quality, traffic surveys) is important for the strategic work necessary to deliver a more sustainable transport system.
Road safety schemes		Road safety schemes create a safer environment for walking and cycling and can therefore result in less car use. However, they can also result in reduced fuel efficiency and increased emissions.
Local contribution to major transport schemes		The aim of the local transport plan is to promote more sustainable forms of transport and reduce congestion. However, each scheme should be assessed separately.
Improving bus services		Improvements to the highway network for buses will increase the appeal of the bus as an alternative to the car.
Transport network performance improvements		More efficient operation of the transport network will increase fuel efficiency and reduce emissions.
Level access at bus stops		The provision of level access at bus stops will increase the appeal of the bus as an alternative to the car.
Highways maintenance programme		A properly maintained highway will help reduce congestion, increase fuel efficiency and reduce emissions.

	RAG	Comment
Flood defence and watercourse improvements		Flood defence and watercourse improvements are necessary to ensure that the City adapts to the predicted impacts of climate change.
<b>Policy Provisions</b>		
Adult Social Care		The construction of new buildings will increase energy use and carbon dioxide emissions in the City. The emissions will be partly off-set through the closure of the current provision. Discussions have already commenced to ensure that the buildings are built to high environmental standards.
Replacement allotment infrastructure		The protection of allotment infrastructure is important to promote local food growing and wildlife. The new Great Central Railway museum should be built to high environmental standards.
Investment in Play		The rolling programme should ensure that the new play facilities purchased have minimal environmental impact.
Stray dog kenneling facility		The construction of a new facility will increase energy use and carbon dioxide emissions in the City. The new kennelling facility should be built to high environmental standards to reduce the impact.
Vehicle replacement programme		The vehicle replacement programme ensures that the vehicle fleet contains more fuel efficient, less polluting vehicles.
Local environmental works		This programme of work improves the environment in local neighbourhoods.
Economic Action Plan		Improvements to the Haymarket Bus Station will increase the appeal of the bus as an alternative to the car.
Property maintenance provision		Fire risk reduction works will help reduce the possibility of environmental impact associated with building fire.
Primary school places – Basic need		Increasing the size of the primary school estate will increase energy use and emissions. Primary schools make up one sixth of the council's carbon footprint. Works should be completed to high environmental standards, but also further carbon dioxide emissions reduction initiatives will be needed in primary schools during the operational phase.
Investment in Free School Meals		Providing school meals uses energy and the Council needs to consider its approach from the perspective of the environmental impact.
School capital maintenance		The schools capital maintenance programme will include improvements to insulation, heating and water and electrical systems. This will improve energy efficiency and reduce emissions.

9.5 In conclusion, none of the provisions in the programme are considered to be particularly detrimental. The biggest impact is likely to come through the increase in the primary school estate.

9.6 It should also be noted that it is always possible to identify ways of reducing the sustainability impact of a project when the nature of the project and the delivery are considered in detail. This even applies to those projects that have been rated “green” above.

10. **Overall**

- 10.1 The proposed programme is over-committed by £230,000, which is not a cause for concern.

11. **Financial and Legal Implications (Mark Noble/Beena Adatia)**

- 11.1 This report is exclusively concerned with financial matters. With regard to the recommendations, there are no direct legal implications. There will be legal implications with regard to the individual schemes, and client officers should take early legal advice. In accordance with the Council's constitution, the capital programme requires the approval of the full Council.

- 11.2 The revenue implications of the proposed programme as a whole are insignificant, but members' attention is drawn to the following:

- (a) the proposed water play facility at Abbey Park is expected to result in ongoing revenue costs of £15,000 p.a.;
- (b) the intermediate care facility should help divert people away from long-term residential care or admission into hospital and thus result in revenue savings.

- 11.3 There are only two potential uses of borrowing in the programme. Borrowing results in a revenue cost arising from interest and debt repayment:

- (a) to finance vehicles and equipment, as a cheaper alternative to leasing (the total borrowing costs will be £0.4m per year if the full programmed amount is spent);
- (b) To finance a new dog kennelling facility on a "spend to save" basis, if this goes ahead (the total borrowing costs would be approximately £27,000 per year).

- 11.4 On this basis, it is considered that borrowing is affordable, sustainable and prudent.



12. **Other Implications**

<b>Other Implications</b>		
Equal Opportunities	Yes	Paragraph 8.
Policy	Yes	The capital programme is part of the Council's overall budget and policy framework, and makes a substantial contribution to the delivery of Council policy.
Sustainable and Environmental	Yes	Paragraph 9.
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	A number of schemes will benefit elderly people and those on low income.

Mark Noble  
Head of Financial Strategy  
4<sup>th</sup> March 2014

<b>Capital Programme 2014/15 - Resources</b>			<b><u>APPENDIX ONE</u></b>
	{£000}	{£000}	
<b><u>Resources B/F</u></b>		4,500	
<b><u>Sums already included in the 2013-14 Programme</u></b>			
Education Basic Need existing policy provision	9,508		
Education Maintenance - existing policy provision	6,288		
Social Care - existing policy provision	4,231		
		20,027	
<b><u>Receipts</u></b>			
Land Sales	2,525		
Sale of Shares	1,300		
Council Housing Right to Buy	584		
		4,409	
<b><u>Capital Grant - Unringfenced</u></b>			
Education Basic Need 2014-15	7,338		
Investment in Infant School Meals 2014-15	882		
Education Maintenance 2014-15	3,659		
Integrated Transport	4,271		
Highways Capital Maintenance	1,936		
Social Care	863		
<b><u>Capital Grant - Ringfenced</u></b>			
Disabled Facilities Grant	867		
Transport Maintenance - Additional	200		
		20,016	
<b><u>Prudential borrowing (self funding)</u></b>			
Vehicle and Parks Equipment		2,000	
Dog Kenneling		300	
<b>TOTAL RESOURCES</b>		<b>51,252</b>	
<b>TOTAL EXPENDITURE</b>		<b>51,482</b>	*
<b><i>Shortfall</i></b>		<b>230</b>	
<i>* Note excludes HRA which is self-financed</i>			

<b><u>Capital Programme 2014/15 - Spending</u></b>				<b><u>APPENDIX TWO</u></b>
	<b>14/15</b>	<b>15/16</b>	<b>Total</b>	<b>Responsible Director</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b><u>Immediate Starts</u></b>				
Care Management System enhancements	387	450	837	Adult Social Care, Health & Housing
Disabled Facilities Grants	1,700		1,700	Service Director Housing
Empty homes purchase programme	50		50	Service Director Housing
Landlord insulation scheme	50		50	Service Director Housing
Repayable home repair grants	100		100	Service Director Housing
Street scene environmental improvements	50		50	Service Director Housing
Allotment infrastructure	300		300	City Development & Neighbourhoods
Plant and equipment in Parks	500	250	750	City Development & Neighbourhoods
Public convenience improvements	405		405	City Development & Neighbourhoods
Transport programme management	280		280	City Development & Neighbourhoods
Road Safety Schemes	270		270	City Development & Neighbourhoods
Local contribution to major transport schemes	100	200	300	City Development & Neighbourhoods
Improving bus services	100		100	City Development & Neighbourhoods
Transport Network Performance Improvements	60		60	City Development & Neighbourhoods
Level access at Bus Stops	170		170	City Development & Neighbourhoods
Highways Maintenance Programme	2,000		2,000	City Development & Neighbourhoods
Flood Defence and Watercourse Improvements	215		215	City Development & Neighbourhoods
<b>Total Immediate Starts</b>	<b>6,737</b>	<b>900</b>	<b>7,637</b>	
<b><u>Policy Provisions</u></b>				
Adult Social Care			8,450	
Replacement Allotment Infrastructure			125	
Investment in Play			400	
Stray Dog Kenneling Facility			600	
Local Environmental Works			400	
Vehicle replacement programme			1,250	
Additional provision for the Economic Action Plan			3,245	
Property Maintenance Provision			1,700	
New Primary School Places - Basic Need			16,846	
Investment in Infant Free School Meals			882	
School Capital Maintenance			9,947	
<b>Total Policy Provisions</b>			<b>43,845</b>	
<b>TOTAL SPEND</b>			<b>51,482</b>	
Housing Revenue Account (memo)			25,513	
<b>TOTAL - ALL CAPITAL SCHEMES</b>			<b>76,995</b>	

**Proposed Highways Maintenance Programme**

<b><u>Description</u></b>	<b><u>Cost £000's</u></b>	<b><u>Notes/Schemes</u></b>
Principal Roads	250	New Parks Way £200k; Welford Road £50k
Classified Non-Principal Roads	130	Saffron Lane £60k; Coleman Road £70k
Unclassified Neighbourhood Roads	100	Focus on local neighbourhood priorities, e.g. – Nansen Road; Tamerton Rd; Shakerdale Rd; Stokes Drive; Ibbotston Ave; Tatlow Rd; Birkenshaw Rd
Carriageway Patching & Resurfacing	100	Key Commuter Routes; e.g. Narborough Road (link to bus pinch point under railway bridge); Beaumont Leys Lane; Gipsy Lane junction with Catherine Street; Loughborough Road (Windsor Ave to Portsmouth Road)
Carriageway Surface Dressing Programme	150	Surface treatment to seal road surface following patching works in 2013/14 (approx. 30 streets)
Carriageway Joint Sealing Programme	25	Prevention of water ingress and onset of potholes (approx. 8 streets)
Footway Slurry Sealing Programme	50	Pre-patching and surface treatment to perished macadam footways
Concrete Carriageway Repairs	75	Reconstruction/replacement of failed and dangerous concrete bays: e.g. Halifax Drive; Downing Drive

Road Hump Replacements	50	Reconstruction/replacement of failed block paved road humps and speed cushions: Hillsborough Road (residual works); Arbour Road; Harrison Road.
Footway Relays and Reconstructions	100	Focus on local neighbourhood priorities, e.g. footways in Knighton Ward; Thurncourt Ward; Spinney Hills Ward (St. Matthews)
Strategic Bridge Deck Maintenance & Replacements	500	Middleton Street river and canal bridges, or Highway Road bridge or Bennion Road subway (linked to cycleway scheme). Preparatory design works for Abbey Park Road bridge, etc.
Bridge Improvement & Maintenance Works	200	Parapet replacements, structural maintenance works & technical assessment review project
Traffic Signal Installations Renewals	150	Glenfield Road/Green Ring Way; Glenfrith Way/Grobby Road roundabout; Braunstone Ave/Winchester Road; Welford/York; Gypsy/Harrison; Dysart/Orchardson; Welford Road/Regent Road
Lighting Column Replacements	40	Replace 50 dangerous columns
Vehicle Activated Signs	10	Ward member priorities
Management & Support	70	Strategic asset management development, data analysis and reporting
<b>TOTAL</b>	<b>2,000</b>	

**Approved Housing Revenue Account Programme****2014/15  
£k****1. Immediate Starts****Decent Homes Programme Area:-**

Kitchens & Bathrooms	6,300
Central Heating Boiler Replacements	3,500
Rewiring	2,400
Re-roofing	295
Structural Works/Damp Proof Courses	400
Soffits & Fascia	500
New Central Heating	200
Condensation Initiatives	400
Window & Door replacement	250
Door Entry Systems – upgrades	350
Door Entry Systems – new	100

**Business Investment Programme Area:-**

E Communications for the Repairs Service (Mobile Working)	230
Technological Advancements	100
CCTV renewal	300

**Environmental and Improvement Works Programme Area:-**

St Peter's Tower Block Refurbishment	1,320
Environmental Works/Communal Area Improvements	1,028
Disabled Adaptions	1,400
Supported Housing Improvements	100
LeicesterCare Alarms	10
General Safety Works	520
Fire Risk Works (Communal Works)	400
Exchange Redevelopment	200
Waylighting	150
Elevated Walkways	250
Neighbourhood Transformation	100
Playground Equipment	50
Investment in shops	50
Concrete Paths renewal	100

## **APPENDIX FOUR**

	<b>2014/15</b>
	<b>£k</b>
Braunstone 3-bed to 2-bed conversion	300
Energy initiatives to ensure minimum SAP of 75	500
Loft insulation	150
<u>Other Schemes (not programme areas) :-</u>	
Affordable Housing Programme	2,210
Lower Hastings Street hostel conversion	500
<b>Total Immediate Starts</b>	<hr/> <b>24,663</b> <hr/>
<b>2. <u>Policy Provisions</u></b>	
Additional environmental works	500
Match Funding for ECO (External Wall Insulation)	350
<b>Total Policy Provisions</b>	<hr/> <b>850</b> <hr/>
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<hr/> <b>25,513</b> <hr/>