



Council

Date: 22<sup>nd</sup> January 2015

---

## Capital Programme 2015/16

---

### 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 2015/16.

#### 2. Summary

- 2.1 Capital expenditure is incurred on works of lasting benefit, and is principally paid for by grant, tenants' rents, 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 3 year capital programmes. However, with the onset of the economic downturn in 2008 and subsequent Government spending cuts, shorter planning horizons have been adopted.
- 2.3 A one year programme is being proposed for 2015/16 which ensures our planning horizon matches the Government's. It is hoped that a multi-year programme can be created in 2016/17 if we have sufficient certainty from the Government.
- 2.4 A number of other external factors are also influencing our capital planning:-
- (a) As described in paragraph 5, the Government is changing the way it supports some aspects of capital investment. This includes the introduction of the Local Growth Fund (LGF), funded partly from resources previously allocated to local authorities for transport improvement. In addition, grant previously paid to local government for

adult social care is now being paid to the Better Care Fund. The impact of these measures is that local discretion is being reduced;

- (b) The ability to generate receipts is greater than it has been for some time. However, pressures on the revenue budget mean the availability of General Fund revenue monies to support the capital programme will severely diminish in the coming years.
- 2.5 In this programme, the opportunity is being taken (whilst it is still possible) to change the basis on which capital resources are managed. Instead of forecasting capital receipts and spending money in anticipation of receiving them, capital receipts will be saved and spent when they are realised. Thus, no capital receipts are being assumed in this programme (other than right to buy receipts, which are predictable). Capital receipts generated will be used to support the forthcoming multi-year programme from 2016/17. In this way, we avoid the risk of having to make mid-year cuts to a future capital programme in the event of a market downturn (given that we will not have the revenue monies to plug the gap).
- 2.6 To maintain a reasonable level of capital spending in 2015/16 without using receipts, a one-off contribution of £6m is being made from revenue. Provision for this has been included in the draft General Fund revenue budget.
- 2.7 The capital programme submitted for approval contains schemes to the value of £50m, and includes HRA schemes which have previously been approved separately. As in 2014/15, the capital programme complements the Economic Action Plan: whilst the focus of the latter is economic regeneration, which inevitably has a bias towards the city centre, the capital programme consists almost entirely of investment in the city's neighbourhoods.
- 2.8 The capital programme is split into 2 parts:-
  - (a) "Immediate starts", being schemes which have authority to commence once the Council has approved the programme. These are fully described in this report;
  - (b) "Policy provisions", where the purpose of the 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.
- 2.9 This report makes proposals for new spending. Some capital expenditure will, however, be incurred in 2015/16 or later years arising from earlier capital approvals; the most significant of these is an estimated £17m to be incurred

on the second phase of building works to create new primary places; and £7m for the development of a new intermediate care facility.

### 3. **Recommendations**

#### 3.1 The Council is asked to:-

- (a) Approve the capital programme described in this report and summarised at Appendix 2, subject to any amendments proposed by the City Mayor;
- (b) 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;
- (c) 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;
- (d) For the purposes of finance procedure rules:
  - Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes (which, for the avoidance of doubt, includes grants for which we are the accountable body);
  - Designate the transport maintenance programme as a programme area, within which the director can reallocate resources to meet operational requirements;
  - Designate the transport improvement programme as a programme area;
  - Designate the following HRA schemes as 3 discrete programme areas: investment in council owned housing, business and technological investment, and environmental improvements.
- (e) 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;
- (f) 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;

- (g) 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.

#### 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 The capital programme contained in this report is almost exclusively focussed on neighbourhood works, including £22m to improve tenants' homes and environments; £10m for investment to support children's services, including new primary school places; £2m for highways maintenance and £2m for disabled facilities grants.
- 4.3 Economic regeneration is a key Council priority, and the capital programme complements the Council's Economic Action Plan. The EAP has been approved in 2 phases. A programme was approved in November, 2012, providing funding of £13.5m for projects in the first phase. Funding of £38m has subsequently been made available for the second phase, which includes the proceeds of a major land sale in 2012/13. Schemes in the EAP have generated substantial external funding: for schemes already approved, £25m of external funding has been generated. A major source of this funding is ERDF grant.
- 4.4 A major policy issue is the need to plan additional school places, which are required because of the rising birth rate. A programme of works to create 2,600 school places was approved on 2<sup>nd</sup> April, 2013 and is currently being delivered. A further £17m provision was approved as part of the 2014/15 capital programme. Additionally, Forest Lodge School is being rebuilt 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) has now opened. Taken together with the current capital programme, it is anticipated that over 5,000 new places will be created when compared to 2013. 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.
- 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. £0.9m

per annum of funding previously received to support this is now being paid to the Better Care Fund, and work is taking place with partners to secure funds for projects which maintain independence (such as assistive technology, and improving access to community facilities for people with profound disabilities); and to contribute to a new dementia residential care home which will be operated by a partner organisation. Notwithstanding the change in Government policy, a sum £1.8m has been retained in the programme for works which support this direction of travel; this sum will be used to complement monies committed by the BCF. Members are reminded that a provision of £8m remains in the current capital programme, principally for the development of a new intermediate care facility.

- 4.6 A 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 £13.5m scheme to redevelop the Haymarket Bus Station is in progress. A key focus of the new capital programme is to facilitate long-term plans to improve access from the north west and north east of the city. The city's overall transport needs also include the development of strategic and local cycle routes, measures to improve the flow of buses, additional 20 mile per hour schemes, and schemes to maintain and improve the condition and efficiency of the roads network. All these objectives are addressed in the proposed capital programme.
- 4.7 A key policy objective is to maintain and improve the standard of tenants' homes, and maintain all our properties at the "decent homes standard".
- 4.8 Investment will be required to support the Council's spending review programme, and any future action required 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, to which £2m was added as part of the 2014/15 budget strategy. Consequently, such schemes are not included in the capital programme. At the time of writing, £3.6m of this £8m is uncommitted.

## 5. **Resources**

- 5.1 The resources available to fund the capital programme consist primarily of Government grant and HRA revenue. Most grant is unringfenced, and the Council can spend it on any purpose it sees fit. HRA revenue can only be used to support HRA schemes.
- 5.2 For control purposes, the Council has split resources into corporate and service resources.

- 5.3 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, the chief exception being revenue monies provided from the Housing Revenue Account.
- 5.4 The rest of this section describes the resources available to the Council. A full schedule of resources is shown at Appendix 1.
- 5.5 As stated in the summary to this report, it is proposed to plan on the basis that any capital receipts received will be used to fund the 2016/17 programme. Receipts received between April 2014 and December 2015 will be set aside for this purpose. This enables us to plan future programmes on the strength of receipts received rather than receipts anticipated, and reduces our exposure to the risk of non-achievement. This is important given that revenue resources will be increasingly constrained, and seeks to avoid putting the Council in a position whereby crisis cuts might need to be made midway through a capital programme as a consequence of economic shocks. The option of finding revenue monies to compensate is unlikely to be available. The new policy may also strengthen our hand when negotiating disposals. Initial receipts from sales of land at Ashton Green, however, will be earmarked for the costs of infrastructure.
- 5.6 The exception to the above is receipts expected from the sale of Council housing, where tenants exercise their right to buy. RTB receipts are now layered, with different layers being available for different purposes. A sum of £0.6m will be available for general purposes. (This is highly predictable, and will arise almost regardless of the actual value of RTB sales in 2015/16). A further tranche is available, but must be used for new affordable housing.
- 5.7 In order to bridge the temporary shortfall in resources arising from applying capital receipts retrospectively rather than prospectively, a revenue contribution of £6m is being made as part of the 2015/16 General Fund revenue budget.
- 5.8 The capital programme includes £26m of works in respect of the Housing Revenue Account. Since recent Government changes to the financing of housing revenue accounts, no grant is made available for these works, which are funded almost entirely from HRA revenue income. Provision of £24m has been made available in the HRA budget for 2015/16.
- 5.9 £15m of Government grant has been included in the resources schedule. The table below shows the grant notified for 2015/16 and compares this with

2014/15 (disregarding one-off sums provided in 2014/15 for free school meals). The subsequent paragraphs provide some commentary:-

	<b>2014/15</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Basic Need	7,338	6,603
Education – Maintenance*	3,659	3,000
Integrated Transport	4,271	2,556
Highways Capital Maintenance	2,136	2,613
Adult Social Care	863	N/A
Disabled Facilities Grant	867	N/A
<b>Total</b>	<b>19,134</b>	<b>14,772</b>

\*The sum shown for 2015/16 is estimated.

5.10 Education grants are provided by the DfE and calculated with reference to (but are not ringfenced to):-

- (a) The need for new school places in areas of growing population (“basic need”);
- (b) Maintenance of existing premises.

5.11 The Council also has an allocation of £6.9m for basic need in 2016/17, which has already been announced.

5.12 The allocation for integrated transport is significantly below that for 2013/14, because the amount available nationally has been topsliced by £200m, and added to the Local Growth Fund. The Local Growth Fund totals £2bn and is allocated to local enterprise partnerships, not local authorities. Money is made available on the basis of competitive bids. Leicester and Leicestershire have been provisionally awarded £77m for schemes due to start in 2015/16, which includes support to two major transport schemes (amounting to £25m over 5 years between them). The sum of £2.6m allocated to the City Council for integrated transport is not wholly available (despite being lower than last year), as £1.4m is required in practice to match fund Local Growth Fund allocations for these two schemes. A further £5m of match funding will be required between 2016/17 and 2019/20.

5.13 In addition to transport schemes, £20m of LGF has provisionally been made available to the City Council for development of the Waterside over 5 years, and money has been made available for development of broadband. Match funding of £5m will be provided from the EAP.

- 5.14 The Council also has an allocation of £2.6m for integrated transport in each of 2016/17 and 2017/18, which has already been announced.
- 5.15 The allocation for highways maintenance is also £2.6m. The amount available in 2014/15 was boosted by £200,000 of one-off additional money. Transport allocations (whether for integrated transport or for maintenance) are not ringfenced; but, as will be seen above, the impact of recent policy changes means large elements are in fact pre-committed.
- 5.16 In previous years, the Government has allocated grant for adult social care, which was not ringfenced. From 2015/16, this money will be paid to the Better Care Fund, and consequent decisions on its allocation will fall to the Health and Wellbeing Board. £0.9m has been allocated in this way. It is understood that the Government proposes to add conditions to the use of the grant, but has not yet done so.
- 5.17 In past years, the Council has spent considerably more on adult social care than has been provided as grant. In order to support the process of transformation, a sum has been set aside for this purpose in 2015/16; it remains to be seen whether any such support can be afforded in future years.
- 5.18 Disabled Facilities Grant is ringfenced, and is provided to support the making of grants to householders in the private sector requiring disabled adaptations. Like the grant for social care, this money is being paid to the Better Care Fund with effect from 2015/16 instead of to housing authorities. Nonetheless, the statutory duty on local authorities to make grant available remains (and it is noted that in two tier areas, this means housing authorities who are not part of Health and Wellbeing Boards). It is understood that HWB's will be required to pass sums received directly to housing authorities, and grant has been included in the programme on that basis.
- 5.19 Additionally, the programme includes £99,000 of funding specifically for DFG's. These reflect estimates of grant applicants' contributions, and repayments arising when properties are disposed of.
- 5.20 A departmental contribution of £77,000 will contribute to the cost of flood defence, and is funded by Local Services Support Grant (the amount of LSSG will be confirmed in February).
- 5.21 The capital programme is also supplemented by up to £1.6m of borrowing to pay for infrastructure at Ashton Green. This will be repaid from the proceeds of future disposals.

## 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 2.
- 6.2 £2.0m is provided for **private sector disabled facilities grants**. These grants fund adaptation work to the homes of disabled people to meet their needs, as identified through a community care assessment. The majority of grants fund showers and/or stair lifts, and money is sufficient to fund around 300 payments (the average grant is some £6,500). Grants are means tested, though the majority of applicants are “passport” to full grant as they receive qualifying benefits or the work is for a child.
- 6.3 £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, which owners are not willing or able to bring back into use. Once purchased, empty homes are sold to purchasers on condition that they are improved and reoccupied. The sale proceeds are generally sufficient to meet the Council’s cost of purchase; the £50,000 funds additional incidental costs. Compulsory purchase is a last resort, and £50,000 would generally be sufficient to cover four transactions.
- 6.4 £50,000 is provided for the **Leicester Energy Efficiency Fund**. This scheme provides 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. Private tenants have no practical way of getting help to install insulation, and they (not the landlords) are responsible for the utility bills. £50,000 will fund around 40 grants, and help maintain this popular scheme.
- 6.5 £0.2m is provided for the **repayable home repair grants scheme**. This provides funding for a programme of discretionary grants to homeowners on low income. Priority is given to adult social care clients who need work to their homes in order to continue to live independently. 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. £200,000 would assist some 25 households. Grants are fully repayable on sale or transfer of ownership, but this is often many years after the initial grant.
- 6.6 Provision of £50,000 is made for **street scene improvements**. This provides funding for a programme of work delivered in conjunction with street wardens, at the request of environmental health officers and others. It is used to tackle “grot spots” where costs cannot be made the responsibility of other parties or owners, and is used to make improvements to alleyways in conjunction with

other action (such as gating). The type of works funded also include repairing walls and fences, re-bedding coping stones, and replacing dislodged bricks. The extent of work will depend on what is needed on individual streets.

6.7 £16.2m is provided for **investment in council owned housing**. This continues a programme of improvement to council housing, and aims to ensure that all homes are in a reasonable state of repair, have reasonably modern facilities, and provide a reasonable degree of thermal comfort (the “decent homes standard”). The need for works is assessed based on the condition and life of the individual components. Of the £16.2m:-

- (a) £6m will be spent on kitchens and bathrooms across the estates. Work on refurbishing kitchens and bathrooms started in 2002, with tenants being given the option of a bathroom or kitchen (most chose a kitchen). The decent homes standard was met in 2010 and the current aim is for all homes to have a new kitchen and bathroom by 2030;
- (b) £4.5m will be spent on 1800 central heating boiler replacements. Investment will target 600 energy inefficient back boilers in the next 3 years;
- (c) £2.6m will be spent on rewiring: investment will ensure that all homes have wiring that is safe and adequate;
- (d) £1.3m will be spent on continuing the programme of refurbishment at Saint Peters Tower block;
- (e) The balance will be spent on other works.

6.8 £0.1m is provided for **business and technological investment** in support of the housing repairs service. This will fund investment in software and hand held devices to enable repair and maintenance jobs to be efficiently allocated to operatives.

6.9 Provision of £5.5m is made for **environmental improvements on housing estates**. This provision includes:-

- (a) £1.2m for environmental improvements on estates such as landscaping, new security measures, pocket parks and fencing across the whole city. The money will be spent following consultation with tenant group representatives and ward councillors;
- (b) £1.2m for disabled adaptations to tenants’ homes (the £2m provision elsewhere in the programme is for works to private homes). This

enables tenants to stay in their homes for longer and to be discharged from hospital sooner than would otherwise have been the case;

- (c) £1.0m for fire safety works;
- (d) £0.6m to tackle the 2,370 “hard to heat” homes that have SAP energy ratings of less than 75;
- (e) £0.3m for balcony repairs to flats on Aikman Avenue;
- (f) Monies for way-lighting replacements, replacement of elevated walkways and renewal of concrete paths.

6.10 Provision of £70,000 is made for **heritage interpretation panels**. 50 heritage interpretation panels have been created in the city centre as part of phase 1 of this scheme. It is planned to provide a further 40 panels, which will include provision based in neighbourhood areas (e.g. historic villages).

6.11 Provision of £2.5m is made for **transport improvement schemes**. Of this, £1.4m is effectively pre-committed to match fund Local Growth Fund contributions to 2 major schemes: The North West Major Transport Scheme is a £19m scheme: £16m will be met by the LGF, and the scheme is due to complete in 2017/18. £0.5m per annum will be required from the Council. The North City Centre Access Scheme is a £14m scheme due to complete in 2019/20, which will require a £0.9m contribution from the Council in 2015/16 and £4m in later years. These schemes are both major transport corridor improvement schemes, which will make substantial improvements to the accessibility of the city centre and to the quality of the public realm. They are both fundamental to the economic success of the city and county; the north west scheme is also essential to support major urban extensions to the north and west of the city.

6.12 It should be noted that, at the time of writing, we await formal confirmation of our LGF allocations

6.13 The balance of the transport improvement programme (£1.1m) will fund a programme of highway and transport improvement schemes such as:-

- (a) Strategic and local neighbourhood cycling routes, with up to £500,000 planned for the next phases of the Welford Road cycleway;
- (b) £50,000 for road signing and lining on gateways to the city;

- (c) £60,000 for performance improvements to the urban traffic control system network;
  - (d) Up to £300,000 to implement 20 mile per hour schemes, bus pinch-points, and road safety schemes;
  - (e) £280,000 for support staffing and project development costs.
- 6.14 Provision of £2.0m is made for the **transport maintenance programme**. This is an annual planned programme of major highway maintenance works and improvements to the city's highway infrastructure; including roads, footways, bridges, street lighting and traffic signals. A detailed programme of works is provided at Appendix 3, which has been prepared following consultation with ward councillors.
- 6.15 Provision of £0.3m is made for **flood defence and watercourse improvements**. Leicester is a national flood risk area, and the proposed programme supports the delivery of our statutory role to manage and reduce flood risk. An outline programme is provided at Appendix 4 to this report.
- 6.16 This part of the programme includes £0.2m for **replacement of Unix servers**. The current Unix database platform hosts the Council's critical business applications, and is now at the end of its life. A new platform is required to support the Council's finance, benefits, local tax, education and planning systems.
- 6.17 £0.4m is provided for **ICT data storage replacement**. The ICT equipment used to store the Council's data is at the end of its life. The equipment was procured in 2008/9, and would usually have a lifespan of 5 years.
- 6.18 £0.1m has been provided to **replace the current ICT firewall**, which protects the Council's data from malicious attack. The current equipment is at the end of its life.

## 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 2.
- 7.2 The programme makes an additional £10m available for **children's services**. It is expected that this funding will be spent on a combination of works to provide new primary places; maintenance of schools and other establishments providing services to children; IT in support of these services

(including a new portal to access information relevant to children with SEN or disabilities, which will meet new statutory responsibilities); and other capital works which complement these developments or which otherwise improve and facilitate services to the city's children. These funds will not be committed until a detailed schedule of works has been submitted to the Executive.

- 7.3 A provision of £1.8m has been set aside for **adult social care transformation**. As stated above, funding for social care capital is now part of the Better Care Fund. This provision will enable the Council to complement any BCF allocations for projects which do not meet the Government's criteria.
- 7.4 Provision of £1.3m is made available for **new Housing Revenue Account schemes**, funded from the HRA. It is envisaged that the funds will be used to support a programme of investment in shops, playground equipment, and IT developments. It may also be used to take advantage of any future match funding opportunities which avail themselves to improve the thermal efficiency of our houses.
- 7.5 £3.0m has been made available for **new affordable housing**, which will be funded from a combination of ringfenced RTB receipts (£2.2m) and HRA revenue (£0.8m). It is planned to fund extra care, conversion of former hostels, and contributions to housing association schemes.
- 7.6 Provision of £0.5m has been made available for **new public toilets**. Provision of £0.4m already exists in the 2014/15 capital programme for works at Evington Park and Watermead Park. This money will enable further provision at Belgrave and Abbey Park. Money will not be released until firm plans have been presented to the Executive.
- 7.7 Provision of £0.5m has been made for **local environmental works**. This is an annual programme which addresses local neighbourhood issues related to residential parking, local safety, cycle-ways, shopping precincts, community lighting and landscaping. Works will directly contribute towards addressing priorities identified through ward member consultations. Additionally, it is proposed to address landscaping issues at key gateways to the city. A programme of works will be submitted to the Executive for approval.
- 7.8 Provision of £50,000 has been made to replace the current **Christmas decorations**. The condition and appearance of the decorations has been subject to criticism in recent years by businesses and members of the public, and it is intended to commence a programme of replacement.
- 7.9 Provision of £1.6m has been made for **Ashton Green infrastructure**. This is an indicative sum, which will be supported by borrowing, to deliver

infrastructure necessary to enable the first housing development parcels to be brought forward as part of a long term plan. The borrowing will be repaid by capital receipts and statutory contributions from sale of land at Ashton Green.

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

## 8. **Equality Assessment (Irene Kszyk)**

- 8.1 People across all protected characteristics will benefit from the improved public good arising from the proposed 2015/16 capital programme. Some of the schemes focus on meeting specific areas of need for a protected characteristic: additional school places for primary school age children (age); disabled adaptations within homes, council as well as private sector (disability); and home repair grants and other future capital works that enable older people to stay in their homes and remain independent as long as possible (age). Other schemes target much larger groups of people (council tenants, car drivers and cyclists) who have a range of protected characteristics reflective of the diverse population within the city. Some schemes are place specific and address environmental issues that also benefit diverse groups of people.

- 8.2 The delivery of the capital programme contributes to the Council fulfilling our Public Sector Equality Duty (PSED). For example, schemes which support people in being able to stay in their homes to continue to lead independent lives and participate in community life help promote equality of opportunity, one of the aims of the PSED. Other schemes such as provision of additional primary school places ensure that this growing population cohort continues to have its educational needs met. Schemes which improve the fabric of the city's environment contribute to overall improvement of quality of life by addressing environmental issues within specific areas. By doing so, the capital programme promotes another PSED aim, fostering good relations between different groups of people by ensuring that no area is disadvantaged compared to other areas.

## 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 & 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;
- a 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 Also, all executive reports require authors to contact the Environment Team for an assessment and statement of the climate change and carbon reduction implications.

9.4 The individual projects that result from the 2015-16 Capital Programme expenditure will therefore each receive an appropriate sustainability assessment through the above. However, provided below is a RAG overview based on currently available information.

	RAG	Comment
<b>Immediate Starts</b>		
Private sector disabled facilities grants		There are no significant negative environmental impacts associated with the proposed adaptation works to the homes of disabled people.
Empty homes acquisition		Bringing homes back into use could result in improvements in energy efficiency through improved insulation, heating and lighting systems.
Leicester Energy Efficiency Fund		The project will improve the energy efficiency of properties rented to private tenants.
Repayable home repair grants		The grants contribute to the provision of "decent homes" for home owners on low incomes.
Street scene improvements		This programme of work improves the environment/street scene in local neighbourhoods.
Investment in council owned housing		The investment will contribute to the provision of "decent homes" and improve the energy efficiency of properties. For example, it will fund 1,800 central heating boiler replacements.
Business and technological investment (HRA)		The investment will result in a more efficient repair and maintenance service.
Environmental improvements		The work will improve the environment/street scene on housing estates, improve the

(housing estates)		energy ratings of homes through energy efficiency measures and way-lighting improvements.
Heritage interpretation panels		There are no significant negative environmental impacts associated with providing interpretation panels.
Transport improvement schemes		The major transport schemes will improve car access to the city centre; however, the overall aim of the local transport plan is to promote more sustainable forms of transport and reduce congestion.  Some of the balance of the transport improvement programme will fund cycle routes, improvements in traffic control and 20 mile per hour schemes.
Transport maintenance programme		A properly maintained highway will help reduce congestion, increase fuel efficiency and reduce emissions.
Flood defence and watercourse improvements		Flood defence and watercourse improvements are necessary to ensure that the City adapts to the increased risk of flooding which is one of the predicted impacts of climate change.
Unix server replacement		The replacement for the existing Unix platform will be more energy efficient.
ICT data storage replacement		The new ICT equipment to store the Council's data will be more energy efficient.
ICT firewall		The new equipment to replace the current ICT firewall will be more energy efficient.
<b>Policy Provisions</b>		
Children's Services capital provision		Potentially the capital maintenance provision could be used to fund new insulation, heating, water and electrical systems. This will improve the energy efficiency of schools.
Adult Social Care Transformation		This funding will be provided to complement the Better Care Fund provision so the likely environmental impact is currently unknown.
Housing Revenue Account – New Schemes		This funding may be used to match fund energy efficiency improvements in housing.
New Affordable Housing		Building work should be done to a high environmental standard.
New public toilet provision		Additional toilet provision will increase energy and water use so efficient technologies should be considered in these projects.
Local		This programme of work will improve the



environmental works		local environment/street scene and possibly provide cycle routes and better, more energy-efficient lighting.
Festive decorations replacement		The replacement Christmas decorations will be more energy efficient.
Ashton Green infrastructure		The Ashton Green development will increase the overall environmental impact of the City; however the infrastructure will include provision for cycle routes, energy efficient street lighting and other initiatives to reduce the environmental impact.
Property maintenance provision		Further detail will be required but the provision should result in environmental improvements to buildings as in previous years.

9.5 In conclusion, none of the provisions in the programme are considered to be particularly detrimental. However, it should 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 many of those projects that have been rated “green” above.

## 10. **Financial Implications (Mark Noble)**

10.1 This report is exclusively concerned with financial matters.

10.2 The revenue implications of the proposed programme as a whole are insignificant. Some savings will accrue from investment in ICT, but this will not be significant as most proposals are for replacement of equipment at the end of its life. There will be revenue costs associated with new toilet blocks, but this will be reduced to the extent that existing facilities are replaced.

10.3 There is only one potential use of borrowing in the programme. Borrowing results in a revenue cost arising from debt and interest repayment. This is the proposal to fund infrastructure works at Ashton Green, which will be repaid from future sales. Spending of £1.6m would cost the Council £9,000 per year in lost interest until such time as receipts are received. It is considered that borrowing is affordable, sustainable and prudent.

## 11. **Legal Implications (Beena Adatia)**

11.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. There will be procurement and legal implications in respect of individual schemes and client officers should take early legal advice. In accordance with the constitution, the capital programme is a matter that requires approval of full Council.

12. **Other Implications**

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	Yes	Street scene improvements can contribute directly to the reduction of anti-social behaviour.
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** (mark.noble@leicester.gov.uk)  
5<sup>th</sup> January 2015

<b>Capital Programme 2015/16 - Resources</b>		<b>Appendix One</b>
	{£000}	{£000}
<b>Receipts</b>		
Council Housing Right to Buy - Generally Available	600	
Council Housing Right to Buy - Ringfenced	2,200	2,800
<b>Revenue Contributions</b>		
From General Fund budget	6,000	
From Housing Revenue Account	23,930	29,930
<b>Capital Grant - Unringfenced</b>		
Basic Need	6,603	
Education Maintenance	3,000	
Integrated Transport Programme	2,556	
Highways Capital Maintenance	2,613	14,772
<b>Capital Grant - Ringfenced</b>		
Disabled Facilities Grant		1,001
<b>Other</b>		
Grant contributions (DFG)	50	
Grant repayments (DFG)	49	
Departmental contributions	77	176
<b>Prudential borrowing (self funding)</b>		
Ashton Green Infrastructure		1,640
<b>TOTAL RESOURCES</b>		<b>50,319</b>
<b>TOTAL EXPENDITURE</b>		<b>50,179</b>
<b>Surplus</b>		<b>140</b>

<b>Capital Programme 2015/16 - Spending</b>				<b>Appendix Two</b>
	<b>15/16</b>	<b>16/17</b>	<b>Total</b>	<b>Responsible</b>
	<i>{£000}</i>	<i>{£000}</i>	<i>{£000}</i>	<b>Director</b>
<b><u>Immediate Starts</u></b>				
Private Sector Disabled Facilities Grants	2,000		2,000	Housing
Empty Homes Acquisition	50		50	Housing
Leicester Energy Efficiency Fund	50		50	Housing
Repayable Home Repair Grants	200		200	Housing
Street Scene Improvements	50		50	Housing
Investment in Council Owned Housing	16,170		16,170	Housing
Business and Technological Investment (HRA)	130		130	Housing
Environmental Improvements (Housing Estates)	5,490		5,490	Housing
Heritage Interpretation Panels	70		70	City Development
Transport Improvement Schemes	2,500		2,500	City Development
Transport Maintenance Programme	2,000		2,000	City Development
Flood Defence and Watercourse Improvements	300		300	City Development
Unix Server Replacement	197		197	IT
ICT Data Storage Replacement	390		390	IT
ICT Firewall	102		102	IT
<b>Sub-Total</b>	<b>29,699</b>	<b>-</b>	<b>29,699</b>	
<b><u>Policy Provisions</u></b>				
Children's Services Capital Provision			10,000	
Adult Social Care Transformation			1,800	
Housing Revenue Account - New Schemes			1,300	
New Affordable Housing			3,040	
New Public Toilet Provision			500	
Local Environmental Works			450	
Festive Decorations Replacement			50	
Ashton Green Infrastructure			1,640	
Property Maintenance Provision			1,700	
<b>Sub-Total</b>			<b>20,480</b>	
<b>TOTAL SPENDING</b>			<b>50,179</b>	

**Appendix Three**

**Transport Maintenance Programme**

<b><u>Description</u></b>	<b><u>Amount £000's</u></b>	<b><u>Notes/Schemes</u></b>
Principal Roads	200	Welford Road and Red Hill Way/Thurcaston Rd Roundabout
Classified Non-Principal Roads	115	Saffron Lane; Coleman Road junction with The Portwey; and Abbey Park Road (reserve scheme)
Unclassified Neighbourhood Roads	150	Greenland Drive and Ravensbridge Drive (including Service Rd)
HRA Carriageway Patching & Resurfacing	80	Loughborough Rd or Raw Dykes Road; and 5 ward priority sites (patching works)
Carriageway Surface Dressing Programme	200	Surface treatment to seal road surfaces following patching works in 2014/15 (approximately 30 streets)
Carriageway Joint Sealing Programme	25	Prevents water ingress and onset of potholes (approximately 8 streets)
Footway Slurry Sealing Programme	35	Footway slurry sealing to sites previously patched in 2014/15
Concrete Carriageway Repairs	75	Reconstruction/replacement of failed and dangerous concrete bays: Pindar Road & Parker Drive (worst bays only)
Road Hump Replacements	50	Reconstruction/replacement of failed block paved road humps and speed cushions: Harrison Road & Imperial Avenue

<u>Description</u>	<u>Amount £000's</u>	<u>Notes/Schemes</u>
Footway Relays and Reconstructions	100	Focus on local neighbourhood priorities, e.g. footways in Stoneygate (Evington Park Road & Holmfield Road which is currently a reserve site for 2014/15)
Strategic Bridge Deck Maintenance & Replacement Works	400	Middleton Street river and canal bridges, or Highway Road bridge
Strategic Bridge Maintenance Feasibility Works	100	Major bridge maintenance scheme feasibility; options appraisals and design linked to Leicester North-West major transport schemes
Bridge Improvement & Maintenance Works	200	Parapet replacements, structural maintenance works & technical assessment review project
Traffic Signal Installations Renewals	150	London Road/Evington Road; Narborough Road/Westcotes Drive; Wakerley Road/Ethel Road; Aylestone Road/Lothair Road; Gipsy Lane/Tomlin Road; Dominion Road/Charnor Road; Hastings Road/Brighton Street
Lighting Column Replacements	40	Replace 50 dangerous columns
Vehicle Activated Signs	10	Ward priorities
Management & Support	70	Strategic asset management development, data analysis and reporting
<b>TOTAL</b>	<b>2,000</b>	

## Appendix Four

### Flood Defence and Watercourse Improvements

<u>Description</u>	<u>Amount £000's</u>
Support to integrated flood risk management strategy with the Environment Agency	40
Surface water flood risk areas and gully replacement programme	50
Highway ponding alleviation e.g. Melton Road junctions	20
Holbrook flood alleviation	30
Gilroes Brook/Bonchurch Street flood alleviation scheme	40
Northfield flood alleviation scheme	30
Local flood risk management strategy implementation, including approval and adoption of Sustainable Drainage Systems (SuDs) for new developments.	30
Community engagement programme – printing costs, display and promotional material	10
Watercourse improvements & repairs – programmed and reactive	50
<b>TOTAL</b>	<b>300</b>