



Capital Budget Monitoring – Period 3, 2016/17

Decision to be taken by: City Mayor

Executive meeting date: 25th August 2016

Overview Select Committee date: 15th September 2016

Lead director: Alison Greenhill

Useful information

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1. Summary

The purpose of this report is to show the position of the capital programme for 2016/17 at the end of Period 3.

This is the first report of the financial year. Further quarterly reports and an outturn report will be presented as the year progresses.

2. Recommendations

The Executive is recommended to:

- Note the level of expenditure of £16.1m at Period 3;
- Note the current level of spend (13%) of the £121.9m approved programme, and note that £7.5m of the approved programme has now been re-profiled to future years. Re-profiling occurs when it is sensible to delay commencement of a scheme and reasons for this are detailed in the commentary on individual schemes in Appendices B-F;
- Note that across a number of schemes, £119k has been declared as savings following completion of projects within budget.
- Approve an increase of £240k to the value of the Victoria Park Centenary Walk Phase 2 scheme, from £1.86m to £2.10m, funded by external sources including s106 contributions as detailed in Appendix E, Para 4.2.
- Approve the release of £125k from policy provisions for the replacement of allotment infrastructure (Appendix E, Para 5.6).
- Approve the virement within the HRA of £400k budget from Investment in Council Housing to Environmental and Communal Works (Appendix E, Para 7.2.1).

The OSC is recommended to:

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

3. Report/Supporting information including options considered:

The 2016/17 Capital Programme was approved by Council on 24th February 2016.

The appendices B, C, D, E & F attached to this report provide further detail for each Strategic Director's area of responsibility.

The approved programme included:

- Schemes classified as 'immediate starts', which required no further approval to commence; and
- A number of separate 'policy provisions' which would not be released until specific proposals have been approved by the executive.

This report only monitors policy provisions to the extent that spending approval has been given.

4. Financial, legal and other implications

4.1 Financial & Legal Implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, 37 4001

4.2 Climate Change and Carbon Reduction Implications

This report is solely concerned with financial issues.

4.3 Equalities Implications

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

4.4 Other Implications

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

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

5. Background information and other papers:

Capital Budget 2016/17 presented to Council on 24th February 2016

2016/17 HRA Budget Setting Report, which incorporates the 2016/17 HRA capital programme, presented to Council on 24th February 2016

Capital Outturn 2015/16 presented to Overview Select Committee on 22nd June 2016

6. Summary of appendices:

Appendix A - Period 3 Financial Position of Capital Programme 2016/17

Appendix B - Summary of Adult Social Care projects

Appendix C - Summary of Health Improvement & Wellbeing projects

Appendix D - Summary of Children's Services projects

Appendix E - Summary of City Development and Neighbourhoods projects

Appendix F - Summary of Corporate Resources projects

7. Is this a private report

No

8. Is this a "key decision"?

No

9. If a key decision please explain reason

N/A

APPENDIX A

| Strategic Director | Division | Approved Programme 2016/17 | Spend to Period 3 | Re-profiling into 2016/17 | Year End Slippage | Year End Savings / (overspends) | Percentage of Spend * |
|-----------------------------------|---|----------------------------|-------------------|---------------------------|-------------------|---------------------------------|-----------------------|
| | | £000 | £000 | £000 | £000 | £000 | % |
| Adult Social Care | Adult Social Care | 6,346.0 | 175.0 | 4,678.0 | - | - | 3% |
| Health Improvement & Wellbeing | Sports | 450.0 | 26.0 | - | 60.0 | - | 6% |
| Children's Services | Schools | 17,066.0 | 992.0 | - | - | - | 6% |
| | Schools (BSF) | 5,000.0 | 1,551.0 | - | - | - | 31% |
| | Children's Social Care and Safeguarding | 534.0 | 83.0 | - | 19.0 | - | 16% |
| | Young People's Services | 678.0 | 43.0 | 232.0 | - | - | 6% |
| City Development & Neighbourhoods | Planning, Transportation and Economic Development | 21,248.0 | 5,018.0 | - | - | 19.0 | 24% |
| | Culture & Neighbourhood Services | 2,400.0 | 237.0 | - | - | - | 10% |
| | Neighbourhood & Environmental Services | 2,475.0 | 217.0 | - | - | 100.0 | 9% |
| | Estates and Building Services Division | 5,864.0 | 3,294.0 | - | - | - | 56% |
| | Vehicle Replacement Programme | 380.0 | 208.0 | - | - | - | 55% |
| | Housing General Fund | 2,721.0 | 69.0 | - | - | - | 3% |
| | Housing Revenue Account (HRA) | 23,522.0 | 2,936.0 | 2,636.0 | - | - | 12% |
| | LLEP (accountable body) | 32,426.0 | 1,260.0 | - | - | - | 4% |
| Corporate Resources | Financial Services | 695.0 | - | - | - | - | 0% |
| | Information Services | 51.0 | - | - | - | - | 0% |
| | TOTAL | 121,856.0 | 16,109.0 | 7,546.0 | 79.0 | 119.0 | 13% |

Percentage is based on approved programme minus any savings.

*

Adult Social Care Projects

1. Summary

- 1.1. The projects comprising the Adult Social Care capital programme have spent £0.2m at the end of Period 3. This equates to 3% of the approved programme of £6.8m.

2. Adult Social Care

- 2.1. The table below summarises the £6.8m approved capital programme for Adult Social Care.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|------------------|---------------|-------------------|------------------|----------------|------------|
| ICT Investment - Phase 2 | 867.0 | 175.0 | - | - | - | 20% |
| Social Inclusion | 201.0 | - | - | - | - | 0% |
| Improvement to Day Care Services at Hasting Road | 430.0 | - | 430.0 | - | - | 0% |
| Anchor Centre | 600.0 | - | - | - | - | 0% |
| Special Dementia Care Centre | 1,798.0 | - | 1,798.0 | - | - | 0% |
| Extra Care | 2,450.0 | - | 2,450.0 | - | - | 0% |
| Total | 6,346.0 | 175.0 | 4,678.0 | - | - | 3% |

- 2.2. **ICT investment.** This scheme consists of further enhancements to the Liquid Logic social Care IT system. The enhancements include mobile working for social workers, an on-line market place to enable budget holders and self-funders to purchase goods and services, improvements in data sharing with the NHS, training and other system improvements.
- 2.3. **Social Inclusion.** This covers a range of projects to provide access for disabled people to universal services, including community centres, libraries, leisure centres and other public services. Works include the adaptation of toilet facilities and the provision of specialised equipment. Schemes at Abbey Park, Age UK, Haymarket Bus Station and The Emerald Centre were completed in 2015/16. The Council capital programme of £201k is funding two toilet facility schemes at Aylestone and Leicester Leys Leisure centres to complete in 2016/17. In addition to these a further scheme is being proposed to add a toilet facility at the Outdoor Pursuits Centre which will be funded separately using the Disabled Facilities Grant. These schemes will commence during September.
- 2.4. **Hastings Road.** This scheme will improve Hastings Road Day Centre by utilising and expanding the use of the building, to accommodate more teams and provide a resource hub for service users. A feasibility study is currently in progress to determine the best use of the building.
- 2.5. **Anchor Centre.** An Executive decision has been taken to develop a new recovery hub at the Abbey Street premises. The scheme is now led by Public Health with an estimated cost of £600k. £330k of this will be funded from the capital programme and the balance of £270k will be from a Public Health England grant specifically to part fund these type of facilities. Works are scheduled to commence October 2016.
- 2.6. **Specialist Dementia Care Scheme.** Spending has been brought forward from the 15/16 Capital Programme to support the development of a specialist Dementia Care scheme in partnership

with an external organisation. Currently plans are on hold pending further consideration of service needs

- 2.7. **Extra Care** provides self-contained flats where service users can live independently but have care and support provided on-site rather than having to live in traditional residential homes. There is a shortage of this type of accommodation in the city and this policy provision has been set aside to part fund schemes to address this. This funding will be complemented by money set aside from the portion of housing capital receipts which can only be spent on affordable housing or must otherwise be returned to the Government.

In 2014 the Council procured a partner, Ashley House Independent Living consortia, to develop two such Extra Care Housing schemes in the city costing approximately £10m each and providing 157 flats in total. The two sites are at Hamelin Road in Braunstone and Tilling Road in Beaumont Leys. These sites would be run by a Registered Social Landlord and the Council has nomination rights for the flats in perpetuity.

In November 2015 the then Chancellor announced a cap to local housing allowance payments for Extra Care and other supported living housing schemes. This has put at risk the viability of new and existing schemes because the Housing Benefit paid to the tenant would then not cover the cost of the supported living accommodation. The schemes will become unviable unless the cap is revised.

There has been a considerable amount of lobbying with government to reverse these plans and an announcement is now expected from the new Department of Work and Pensions minister in the autumn. The Assistant Mayor has written to the minister. The Council and the developer have put the two schemes on hold until the decision from the Government. As a result of the delay there will be additional construction costs for these schemes.

3. **Policy Provisions**

- 3.1. At the end of Period 3 there was one policy provision for Adult Social Care.

| Service Area | | Amount £000 |
|-------------------|--------------------|----------------|
| Adult Social Care | Extra Care Schemes | 6,700.0 |
| Total | | 6,700.0 |

Health Improvement & Wellbeing

1. Summary

- 1.1. The Health Improvement capital programme consists of one project which has spent £26k at the end of Period 3. This equates to 6% of the approved budget of £450k.

2. Sports

- 2.1. The table below summarises the £450k approved capital programme for Sports.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|------------------|---------------|-------------------|------------------|----------------|------------|
| Humberstone Heights Golf Course Investment | 450.0 | 26.0 | - | 60.0 | - | 6% |
| Total | 450.0 | 26.0 | - | 60.0 | - | 6% |

- 2.2. **Humberstone Heights Golf Course Investment.** This scheme was approved in November 2015 and will improve the quality of facilities and the overall financial sustainability of the golf course. Works include new drainage, irrigation, footpath and pond repairs, new signage and rebranding and enhancements to the Academy course. There is small amount of slippage forecast which relates to contingencies within the contract sum.

Children's Services Projects

1. Summary

- 1.1. The projects comprising the Children's Services capital programme have spent £2.7m at the end of Period 3. This equates to 18% of their approved capital programme of £15.2m.
- 1.2. The Children's Services capital programme is reported, for monitoring purposes, in three distinct sections, schools (£8.9m), the Building Schools for the Future programme (£5.0m) and non-schools (£1.2m).

2. Schools

- 2.1. The table below summarises the £8.9m approved capital programme for the Children's Services Schools Programme and the related expenditure.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|---------------------------------------|------------------|---------------|-------------------|------------------|----------------|------------|
| Basic Need Works | 7,282.0 | 549.0 | - | - | - | 8% |
| Targeted Basic Need - Kestrels' Field | 1,403.0 | 333.0 | - | - | - | 24% |
| School Capital Maintenance | 8,381.0 | 110.0 | - | - | - | 1% |
| Total | 17,066.0 | 992.0 | - | - | - | 6% |

- 2.2. **Basic Need Works.** A further £3.7m of Basic Need funding for primary school places was approved for release in April 2016 to address the lack of capacity mainly within the central areas of the City. £2.6m of this funding is forecast to be spent on schemes in the 2016/17 financial year which, in addition to the existing programmes of £4.7m means the total 2016/17 approved spend on Basic Need schemes is £7.3m.

The new programme covers approximately 15 schemes including conversion of non-teaching spaces into classrooms, refurbishment and conversion of former ICT rooms into classrooms together with the use of temporary modular buildings. In total these works will create up to 1,200 additional places. Some of the larger schemes in 2016/17 include Alderman Richard Hallam Primary (£0.45m), Fosse Primary (£0.32m) and Inglehurst Junior (£0.25m).

The existing programme includes works at Wolsey House and rectification at Eyres Monsell (both of which are expected to complete by the end of December) together with a number of smaller schemes which will complete this year.

- 2.3. **Targeted Basic Need - Kestrels' Field Primary School.** This scheme will create an additional 60 reception places. It is a £6.9m scheme funded through a combination of £3.9m from the Department of Education and £3.0m from the Council. The first phase of the works was completed at the end of November 2015. The second phase of the works, to reconfigure the existing Primary School site to become the new infant block, will be completed by September 2016.
- 2.4. **School Capital Maintenance.** The current budget includes £264k to cover existing schemes including boiler and roofing works. A separate report (Children's Capital Maintenance Report 2016/17) has been approved to release £8.1m from the Capital Maintenance policy provision.

This is to address high priority works (both health & safety and urgent works) across the Children's Services capital portfolio.

3. **Building Schools For The Future (BSF)**

- 3.1. The BSF programme is now substantially complete with only some final retention payments, claims and work on a new dining hall at Fullhurst Community College of circa £600k remaining outstanding. Actual expenditure of £1.6m has been incurred in 2016/17 to date and this is funded from an earmarked reserve that has been specifically set-aside for this purpose. It should be noted that a further report will be submitted outlining the proposal for the planned programme of works for the BSF Retained Estate.

4. **Non-Schools**

- 4.1. The table below summarises the £1.2m approved capital programme for Children's Services directly controlled projects.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|------------------|---------------|-------------------|------------------|----------------|------------|
| Children's Homes and Contact Centre Refurbishments | 508.0 | 82.0 | - | 19.0 | - | 16% |
| Adventure Playgrounds & Youth Centres | 26.0 | 1.0 | - | - | - | 4% |
| Early Years - Two Year Old Entitlement | 347.0 | - | 232.0 | - | - | 0% |
| Liquid Logic (Phase 2) | 331.0 | 43.0 | - | - | - | 13% |
| Total | 1,212.0 | 126.0 | 232.0 | 19.0 | - | 10% |

- 4.2. **Children's Homes and Contact Centre Refurbishments.** The budget is being spent on:

4.2.1. The St Andrew's Family Contact Centre scheme which will improve space and facilities for parents and children whilst also providing space for training and other meetings.

4.2.2. Children's homes, which will be refurbished and improved, with works to be carried out at Barnes Heath, Dunblane Avenue, Netherhall and Tatlow Road.

- 4.3. The **Adventure Playgrounds & Youth Centres** scheme is a provision to cover refurbishments and small capital maintenance works.

- 4.4. The **Early Years Two Year Old Entitlement** scheme provides resources to private, voluntary and independent providers to enable them to expand their provision to accommodate and provide the two year old free entitlement and enable the Council to meet its statutory obligations. There remains a need to develop new places for eligible 2 year olds in specific areas of the city and the remaining £347k capital funding continues to support this area of work in the areas of greatest need. Works will be carried out over the next two years, hence £232k has been reprofiled into 2017/18.

- 4.5. **Liquid Logic** is the main system supporting Children's social care services. The scheme will provide enhancements to the system including the integration of an online portal to communicate with children and families, improved communication and payment mechanisms for foster carers, case management for early help cases, together with delivering recommendations from the 2015 system health check.

5. Policy Provisions

- 5.1. There are three policy provisions for Children's Services projects.

| Service Area | | Amount £000 |
|--------------|---|-----------------|
| Schools | Basic Needs (New Primary School Places) | 1,197.0 |
| | Schools Capital Maintenance | 4,877.0 |
| | Children's Services * | 41,484.0 |
| Total | | 47,558.0 |

* This policy provision covers spend for 3 years up to 2018-19.

- 5.2. Since Period 3, £8,117k of the Capital Maintenance policy provision has been released to address high priority works across the Children's Services capital portfolio. This amount has been added to the School Capital Maintenance budget

City Development and Neighbourhoods' Projects**1. Summary**

- 1.1 The projects comprising the City Development and Neighbourhoods' capital programme have spent £13.2m at the end of Period 3. This equates to 15% of their approved capital programme of £91m.
- 1.2 Excluding the Leicester & Leicestershire Enterprise Partnership (LLEP) grants programme (which is managed by the LLEP) and savings, this equates to 20% of the approved programme.
- 1.3 The City Development and Neighbourhoods programme is split into eight distinct areas, as shown in the following table:

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|--------------------------|-----------------------|---------------------------|--------------------------|------------------------|--------------------|
| Planning, Transportation and Economic Development | 21,248.0 | 5,018.0 | - | - | 19.0 | 24% |
| Tourism, Culture and Inward Investment | 2,400.0 | 237.0 | - | - | - | 10% |
| Neighbourhood & Environmental Services | 2,475.0 | 217.0 | - | - | 100.0 | 9% |
| Estates and Building Services | 5,864.0 | 3,294.0 | - | - | - | 56% |
| Vehicle Replacement Programme | 380.0 | 208.0 | - | - | - | 55% |
| Housing General Fund | 2,721.0 | 69.0 | - | - | - | 3% |
| Housing Revenue Account (HRA) | 23,522.0 | 2,936.0 | 2,636.0 | - | - | 12% |
| Total (Excluding LLEP) | 58,610.0 | 11,979.0 | 2,636.0 | - | 119.0 | 20% |
| Leicester & Leicestershire Enterprise Partnership (LLEP) | 32,426.0 | 1,260.0 | - | - | - | 4% |
| Total (Including LLEP) | 91,036.0 | 13,239.0 | 2,636.0 | - | 119.0 | 15% |

2. Planning, Transportation and Economic Development

2.1 The table below summarises the current approved projects relating to Planning, Transportation and Economic Development.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|------------------|----------------|-------------------|------------------|----------------|------------|
| Transport Improvement Works | 1,616.0 | 543.0 | - | - | - | 34% |
| North City Centre Access Improvement Scheme | 1,338.0 | 135.0 | - | - | - | 10% |
| Leicester North West Major Transport Scheme (A50 Corridor) | 2,000.0 | 109.0 | - | - | - | 5% |
| Legible Leicester | 79.0 | 27.0 | - | - | - | 34% |
| Air Quality - Walking and Cycling | 39.0 | 9.0 | - | - | - | 23% |
| Haymarket Bus Station | 779.0 | 376.0 | - | - | - | 48% |
| Highways Maintenance | 2,860.0 | 681.0 | - | - | - | 24% |
| Street Lighting Replacement | 800.0 | 69.0 | - | - | - | 9% |
| Local Environmental Works | 217.0 | 29.0 | - | - | - | 13% |
| Flood Strategy | 300.0 | 11.0 | - | - | - | 4% |
| Christmas Decorations Replacement | 59.0 | 5.0 | - | - | - | 8% |
| City Centre Street Improvements | 2,650.0 | 340.0 | - | - | - | 13% |
| Townscape Heritage Initiative | 250.0 | 135.0 | - | - | - | 54% |
| Friars' Mill | 377.0 | 33.0 | - | - | - | 9% |
| Friars' Mill Offices | 1,250.0 | 114.0 | - | - | - | 9% |
| Waterside Strategic Regeneration Area | 4,000.0 | 1,613.0 | - | - | - | 40% |
| Leicester Strategic Flood Risk Management Strategy | 1,250.0 | 253.0 | - | - | - | 20% |
| St George's Church Yard | 21.0 | 10.0 | - | - | - | 48% |
| 15 New Street | 40.0 | 5.0 | - | - | - | 13% |
| Architectural and Feature Lighting | 129.0 | 83.0 | - | - | - | 64% |
| Dock 2 | 150.0 | 36.0 | - | - | - | 24% |
| Retail Gateways | 100.0 | 21.0 | - | - | - | 21% |
| Broadband Business Vouchers | 340.0 | 262.0 | - | - | - | 77% |
| Ashton Green | 500.0 | 119.0 | - | - | - | 24% |
| 68-70 Humberstone Gate | 10.0 | - | - | - | - | 0% |
| 37-45 Rutland Street (Shahista House) | 75.0 | - | - | - | - | 0% |
| Residents Parking Schemes | 19.0 | - | - | - | 19.0 | 0% |
| Total | 21,248.0 | 5,018.0 | - | - | 19.0 | 24% |

2.2 **Transport Improvement Works** include:

2.2.1 The New College Cycling Track is programmed to start on site in the autumn, subject to tender costs being within budget. Significant contributions are expected from partners.

2.2.2 The level access bus stop programme is close to completion

2.2.3 Construction of the cycleway and new crossings on Welford Road between Newarke Street and Lancaster Walk started in January 2016 and was substantially completed by the first week of July.

- 2.2.4 The 20mph schemes programme for 2016/17 includes areas around Bloomfield Road, Downing Drive, Merrydale School, Keyham Lane, Fosse Primary School, Whitehall Primary School, Charnor Road, Fairfax Road, Northfields, The Avenues and Knighton Fields Road. Consultations are complete for the Bloomfield Road and Merrydale Schools areas with scheme construction expected over the winter. Other schemes are being consulted on and works are expected to complete this year with the exception of Downing Drive, The Avenues & Knighton Fields Road West which are expected to take place during the summer of 2017.
- 2.2.5 Local Transport Plan (LTP) Management and Monitoring provides funding for staff costs and traffic surveys for preparing bids and monitoring performance of the various strategies of the LTP.
- 2.3 **North City Centre Access Improvement Scheme.** This scheme is helping to connect the city centre with existing and proposed communities at Belgrave and Abbey Meadows, together with new development sites at Belgrave Circle and the Community Sports Arena on Charter Street. Design work is progressing on Belgrave Gate North and South. Options for the Golden Mile are out to consultation until August. Construction of a new bridge crossing the Grand Union Canal from Charter Street to Abbey Park is expected to start early in 2017.
- 2.4 **Leicester North West Major Transport Scheme (A50 corridor).** Construction of phase 1 started on site in July 2015 and was substantially completed as planned at the beginning of July 2016. Design work on Phase 2 of the scheme is in progress with consultation planned for the Autumn/Winter. The scheme is largely funded through the Local Growth Fund and is promoted jointly with Leicestershire County Council.
- 2.5 **Legible Leicester.** Design and development work for the city centre signs and information panels is well advanced and installation is programmed for winter 2016/17.
- 2.6 **Air Quality – Walking and Cycling.** The DEFRA funded pathfinding programme aims to increase walking and cycling by developing route information on the “Choose How You Move” website.
- 2.7 **Haymarket Bus Station.** The new bus station opened in May, resulting in significantly improved bus service quality. There are 23 bus stands, compared with the previous 12, and a new Shopmobility facility. The Charles Street/Belgrave Gate junction has been remodelled to improve efficiency and pedestrian safety, together with extensive public realm improvements. The improvements have acted as a catalyst for investment by the bus companies in 72 brand new buses to the Euro 6 standard.
- 2.8 **Highways Maintenance.** The emphasis of the current programme is targeted at asphalt carriageway maintenance works where the deterioration in road surfaces is most evident. Monies have also been allocated to address dangerous concrete roads and failed road humps, undertake footway schemes, renew traffic signals and undergo significant bridge maintenance schemes.
- 2.8.1 **Principal and Primary Roads.** The A563 carriageway between the A50 Groby Road and Glenfield Road islands has been resurfaced in conjunction with the Leicester North West A50 improvement scheme, together with works to the traffic islands. Completion straddled the 2015/16 financial year-end and full payment of over £400k has now been made. Resurfacing of Welford Road between Marlborough Street and Regent Road has been completed. A further section between Palmerston Way and Highgate Drive was resurfaced in early August, at an estimated cost of £158k. Resurfacing at the Red Hill Way/Thurcaston Road Island took place in July, at a predicted cost of £131k.

- 2.8.2 **Generic Treatment.** The programme includes surface dressing, joint sealing and concrete carriageway repairs. Some 22 streets across different communities will benefit from surface dressing over the summer, when traffic flows are lighter. Locations include Ellesmere Road and Waltham Avenue in Braunstone; Tuxford Road, Hamilton; Nicklaus Road, Rushey Mead; and Asplin Road, Broughton Road, Sheridan Street and Cavendish Road, Aylestone.
- 2.8.3 **Footways.** Sites to be addressed include Bryngarth Crescent, St. Saviours Walk and Astill Lodge footpath, at a combined cost of £70k. These are currently at design stage.
- 2.8.4 **Bridge Maintenance.** A total programme costing £700k has been planned. This includes bridge improvement and maintenance works totalling £200k such as Rayner Road bridge parapet upgrades and resurfacing (£90k). Also strategic bridge deck, maintenance and replacements including Highways Road bridge, programmed to take place between January and March 2017 at a total cost of £215k. During the same time period, Friday Street underpass retaining wall repairs are planned at a cost of £120k.
- 2.8.5 **Traffic Signals Renewals.** A number of sites have been completed, including Welford Road/ Regent Road, Catherine Street/ Dysart Way and West Bridge/ St. Nicholas Circle. Other sites due to be renewed include Main Street (Evington) and Ethel Road/ Goodwood Road.
- 2.9 **Street Lighting Replacement Programme.** This is now substantially complete, with city centre LED units ordered and programmed to be installed in the autumn.
- 2.10 **Local Environmental Works.** Funds totalling £217k were brought forward from the 2015/16 allocation to achieve optimum scheduling of the works and allow for further design and consultation. These schemes include the new pelican crossing on Glenfield Road, a new pedestrian refuge on Welford Road and a one-way system for Bradbourne Road. The decision to release £200k funding for this year's programme to fund works across the City was taken in July 2016 and will be added into the Period 6 monitoring report.
- 2.11 **Flood Strategy.** A comprehensive programme totalling £300k includes several feasibility studies worth a total of £100k, to address locations which have been identified as being at particular risk of flooding, including Northfields, Eggington Street, Oakland Road and Redhill Way. An ongoing programme of gulley replacements worth £50k is planned in areas at risk of flooding such as Knighton Road and Evington Drive. Other measures include watercourse improvements and repairs at a cost of £50k.
- 2.12 **Christmas Decorations Replacement.** This is the second year of a three-year refurbishment programme. Replacement decorations for Market Street and High Street have been ordered and further locations to benefit include Town Hall Square and the Clock Tower.
- 2.13 **City Centre Street Improvements.** This involves pedestrian and cyclist improvements to key city centre streets. Rutland Street was substantially completed in April. Belvoir Street commenced in July at the Granby Street junction and is on programme to complete in November. Mill Lane public realm works started in July and are programmed to complete in December, being funded entirely by De Montfort University.
- 2.14 **Townscape Heritage Initiative.** This is part-funded by a grant of £1.1m from the Heritage Lottery Fund and will facilitate an overall programme of improvements valued at over £2m including third party investment. The overall project is progressing as planned. More grant applications

for premises improvement have been received and approved, with the works expected to begin later this year.

- 2.15 **Friars' Mill.** Approximately half of the space is let and the enquiry pipeline is strong. Negotiations on the contractor's final account have commenced and delayed repair works to the river wall will begin soon, which is likely to absorb much of the remaining project funding.
- 2.16 **Friars' Mill Offices.** This project is funded from Waterside Local Growth Fund monies and involves the construction of two new office buildings in the grounds of the existing Friars' Mill development. These will be sold or leased.
- 2.17 **Waterside Strategic Regeneration Area.** The main items of expenditure from this budget at this stage of the scheme are land acquisitions and development fees, with significant further land acquisitions expected. Very good progress continues to be made.
- 2.18 **Leicester Strategic Flood Risk Management Strategy.** This is a programme of projects delivered by the Council, the Environment Agency and Canal and River Trust. Good progress is now being made as the programme is established and projects developed in 2015/16 are now incurring expenditure.
- 2.19 **St George's Church Yard.** The project consists of planned improvements to the churchyard, including repairs and public realm works. It is subject to further consultation and is likely to go on-site in winter 2016/17, following approval of the scheme details and the associated funding.
- 2.20 **15 New Street.** This involves the demolition of the property and associated works to improve access from the rear of the Greyfriars complex, which should be complete by December.
- 2.21 **Architectural & Feature Lighting.** This project is largely complete and properties which have benefitted include Blunts Shoes and the Turkey Café on Granby Street, Café Bruxelles on High Street and St. Nicholas Church. A further phase is under consideration.
- 2.22 **Dock 2.** The project will provide grow-on workspace for hi-tech businesses at Leicester's Pioneer Park. Planning consent is being sought, design development is progressing and a construction contractor is being procured. Implementation will be dependent upon agreement of the detailed design and confirmation of the funding package.
- 2.23 **Retail Gateways.** The programme is designed to support independent shop owners in the main gateway and regeneration areas. Areas which have been supported include the Golden Mile, the West End (Narborough Road, Braunstone Gate/ Hinckley Road) and Leicester Market.
- 2.24 **Broadband Business Vouchers.** This is funded by Broadband Delivery UK (BDUK) as part of their national programme. Grants of up to £5k are available to SMEs in Leicester and Leicestershire to improve their broadband connectivity. Almost 500 SMEs have been supported in this way.
- 2.25 **Ashton Green.** Work on the Beaumont Leys Lane cycleway improvements was completed in June and further works for Leicester Road are anticipated to start on site later in the year. The first house builder has recently completed the legal agreements and will start on site later in 2016. Other potential development opportunities to release capital receipts are in the pipeline.
- 2.26 **68-70 Humberstone Gate East.** Funds are set aside to support the development of new workspace for creative industries at 68-70 Humberstone Gate East. This is part of the ongoing work to encourage the development of empty buildings throughout the Cultural Quarter.

- 2.27 **37-45 Rutland Street (Shahista House).** This is a grant to support a developer proposal to generate the Grade II listed building for a mix of retail and residential apartments, which has recently been approved
- 2.28 **Residents' Parking Schemes.** These are complete, with any new schemes now part of the Local Environmental Works and Parking Strategy programmes. The budget brought forward from the 2015-16 programme is therefore not required.

3. Tourism, Culture & Inward Investment

- 3.1 The table below summarises the current approved projects for Tourism, Culture and Inward Investment.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|---|------------------|---------------|-------------------|------------------|----------------|------------|
| Replacement of Auditorium Seating at De Montfort Hall | 400.0 | 96.0 | - | - | - | 24% |
| Leicester Market Redevelopment | 2,000.0 | 141.0 | - | - | - | 7% |
| Total | 2,400.0 | 237.0 | - | - | - | 10% |

- 3.2 **Replacement of Auditorium Seating at De Montfort Hall.** The seats were installed in 1994 as part of the auditorium redevelopment, with an expected lifespan of 15 years. They are now 22 years old and have given excellent service. Replacement is planned for later this year. 25% of the contractor costs were paid on order placement.
- 3.3 **Leicester Market Redevelopment.** Work is underway to construct the new public square on the site of the former indoor market hall. The bulk of the new square will be complete by Christmas, though highway works to Market Place North and Hotel Street will not complete until the end of the last quarter. A planning submission for the new screen structure to the rear of the Corn Exchange is anticipated in the near future. Costs incurred during this period are being covered by the Local Growth Fund allocation.

4. Neighbourhood and Environmental Services

- 4.1 The table below summarises the current approved projects for Neighbourhood and Environmental Services.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|------------------|---------------|-------------------|------------------|----------------|------------|
| Victoria Park Centenary Walk Phase 2 | 1,500.0 | 9.0 | - | - | - | 1% |
| Victoria Park Gates | 250.0 | 22.0 | - | - | - | 9% |
| Parks Plant and Equipment | 150.0 | - | - | - | - | 0% |
| Public Conveniences - Abbey Park and Bel | 355.0 | 186.0 | - | - | 100.0 | 73% |
| Waste Recycling Centre Enhancements | 120.0 | - | - | - | - | 0% |
| Allotment Infrastructure Phase 2 | 100.0 | - | - | - | - | 0% |
| Total | 2,475.0 | 217.0 | - | - | 100.0 | 9% |

- 4.2 **Victoria Park Centenary Walk Phase 2.** Works on site commenced in May. The first phase of the works will see half of the new car park construction and improvements to the existing tennis courts. The second phase is due to commence shortly and will see the remainder of the car park

works completed along with other landscaping (including tree planting). Overall completion is expected around the turn of the year. Since the start of the scheme, the Lawn Tennis Association has awarded funding for new lighting tennis court lighting, unforeseen ground conditions have required significantly more sub-base material than was expected and additional s106 contributions have been identified. Hence approval is sought to increase the scheme approval by £240k from £1.86m to £2.10m, funded by external and s106 contributions.

- 4.3 **Victoria Park Gates.** The Peace Walk gates have been taken away for repair by a specialist contractor and the stone piers on Peace Walk have been cleaned. The London Road lodge gates will then be removed for repair, followed by cleaning of the gate piers. All works are expected to be completed over the summer. Associated activities on the parks are progressing well, such as guided walks, family fun days and community archaeology sessions.
- 4.4 **Parks – Plant & Equipment.** The £150k parks, plant and equipment capital budget is to purchase replacement items of grounds maintenance equipment with an initial purchase value of over £5k per item. Full spend is anticipated by February 2017, following an end of season assessment of requirements.
- 4.5 **Public Conveniences – Abbey & Belgrave.** The new build toilet block at Belgrave Road opened in May and the refurbishment works at Abbey Grounds are also complete.
- 4.6 **Waste Recycling Centre enhancements.** A range of enhancements are planned to the new Waste and Recycling Centre at Gypsum Close. This includes steel works on the castellations to prevent householders and traders from using the bins while they are being changed, and to prevent users from climbing onto the walls; two new roll packers to replace compactors; and enhanced signage and lighting. These improvements are required for health and safety reasons, and to improve the efficient use of the bins. The procurement exercise for the new containers has now been completed and the compaction equipment is expected to be procured by December.
- 4.7 **Allotment Infrastructure Phase 2.** This is the first year of a three year programme of Allotment Infrastructure improvements, the need for which was identified by 2014 site audits. All scheduled work is on time and on budget and to date security improvements have been carried out at Bonney Road and Meredith Road; path and roadway repairs have been undertaken at Harrison Road; an improved car park has been constructed at Gorse Hill, part of which will be leased to an adjacent business. Further work for this financial year includes improvements for disabled access and security works at Paget Street; road and pathway improvements at Uppingham Road; and security improvements at Wakerley Road.

5. Estates and Building Services

5.1 The table below summarises the current approved projects for Estates and Building Services.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--|------------------|----------------|-------------------|------------------|----------------|------------|
| City Centre Office Accommodation | 1,019.0 | 674.0 | - | - | - | 66% |
| Loan to Leicestershire County Cricket Club | 1,000.0 | 1,000.0 | - | - | - | 100% |
| 20-40 New Walk | 3,070.0 | 1,616.0 | - | - | - | 53% |
| 6-8 St Martins | 10.0 | - | - | - | - | 0% |
| Haymarket Theatre | 86.0 | - | - | - | - | 0% |
| Leicester North Railway Museum | 64.0 | - | - | - | - | 0% |
| Saffron Hill Cemetery Improvements | 75.0 | - | - | - | - | 0% |
| Braunstone Hall | 540.0 | 4.0 | - | - | - | 1% |
| Total | 5,864.0 | 3,294.0 | - | - | - | 56% |

- 5.2 The City Centre Office Accommodation project supports the relocation of social workers and support staff from Greyfriars to Halford House, which has progressed smoothly. Different teams who were previously separated in small offices can physically work closer together, and facilities for partners and families who have been invited in for meetings will be much improved.
- 5.3 A loan of £1m has been made to Leicestershire County Cricket Club to assist them in developing the ground to increase income generation. This is expected to be repaid by the English Cricket Board in 2018/19.
- 5.4 IBM has been attracted to Leicester as a major inward investor. The Council has undertaken improvement works to a Council owned property at 20-40 New Walk, for lease to IBM as their new city home. Works commenced on site in December 2015 and are nearly complete.
- 5.5 The feasibility funding for the Haymarket Theatre is to support the development of alternative uses, and has supported a proposal that could see it re-open as a space for live performance in 2017.
- 5.6 The Great Central Railway in partnership with the National Railway Museum, the Heritage Lottery Fund and the Council plans to deliver a £15m railway museum at the Leicester North Station. The Council has financially supported the scheme design and the acquisition of allotment plots to release land, which is anticipated to be completed this year. Approval is therefore sought to release the £125k Policy Provision for replacement allotment infrastructure.
- 5.7 Saffron Hill Cemetery works will start in January and are expected to be completed in spring 2017.
- 5.8 Payments as agreed are being made towards repair and improvements to support bringing Braunstone Hall back into use as a hotel and conference venue.

6. Vehicle Replacement Programme

- 6.1 The Vehicle Replacement Programme is the replacement of vehicles in City Council fleet, which in 2016-17 includes the delivery of 15 ultra-low emission vehicles and associated charging points.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|-------------------------------|------------------|---------------|-------------------|------------------|----------------|------------|
| Vehicle Replacement Programme | 380.0 | 208.0 | | | | 55% |
| Total | 380.0 | 208.0 | - | - | - | 55% |

7. Housing Services

- 7.1 The table below summarizes the £26.2m approved capital programme for Housing Services and the related expenditure.

| Programme Area | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|----------------------------------|------------------|----------------|-------------------|------------------|----------------|------------|
| Investment in Council Housing | 14,771.0 | 2,074.0 | 602.0 | - | - | 14% |
| Business Investment | 2,195.0 | 69.0 | 880.0 | - | - | 3% |
| Environmental and Communal Works | 6,104.0 | 540.0 | 1,154.0 | - | - | 9% |
| Affordable Housing | 452.0 | 253.0 | - | - | - | 56% |
| Total HRA | 23,522.0 | 2,936.0 | 2,636.0 | - | - | 12% |
| Housing General Fund | 2,721.0 | 69.0 | | - | - | 3% |
| Total Housing | 26,243.0 | 3,005.0 | 2,636.0 | - | - | 11% |

- 7.2 The forecast for the HRA capital programme of £23.5m is a net underspend of £2.6m, which it is proposed to re-profile into 2017/18. Virement of £0.4m between schemes is also proposed. By the end of period 3, some £2.9m had been spent and a further £1.1m of work was completed but not yet invoiced.

- 7.2.1 Electrical Rewires & Upgrades (£2.5m) is forecast to spend £0.4m less than budget. In recent years additional budget has been allocated to help reduce the backlog of work. A more recent review of the work programme shows that the full budget is not required this year. It is requested that £0.4m is vired to increase the fire safety budget to help reduce the backlog of fire safety work in flats.
- 7.2.2 The current phase of the Tower Block Redevelopment (£1.3m) started later than expected due to a delay reoccupying Clipstone House, which in turn has delayed work commencing on Gordon House. The redevelopment is expected to complete with Maxfield House in 2017 and hence re-profiling of £0.6m into 2017/18 is required.
- 7.2.3 Work on phase 2 of the new Housing IT system, Northgate, (£1.4m) was delayed whilst fixes for phase 1 which went live in January were completed. Preparatory work for the channel shift and self-service implementation began in June. Re-profiling of £0.4m is required into 2017/18.

- 7.2.4 Mobile Working (£0.4m) is now expected to run into 2017/18. The new structure for the repairs service and the tenancy management service will commence from November 2016, when roll out of tablet devices to the voids repair service and tenancy management officers is expected to begin. Re-profiling of £0.2m into 2017/18 is required.
- 7.2.5 CCTV Renewal (£0.3m) is to upgrade the housing cameras from analogue to digital as part of a citywide review of CCTV operations, which is due to report in the autumn. Hence spend is unlikely to occur this financial year and re-profiling of the £0.3m to 2017/18 is required.
- 7.2.6 External Wall Insulation (£1.2m) is unlikely to find an external match funder this year, although new opportunities could arise in the future. The £1.2m budget is therefore profiled into next year.
- 7.3 The forecast for the Housing General Fund capital programme (£2.7m) is that it will fully spend the budget this year.

8. Leicester & Leicestershire Enterprise Partnership

- 8.1 The table below summarises the current approved projects relating to the Leicester & Leicestershire Enterprise Partnership, for which the Council is the accountable body.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--------------------------------------|--------------------------|-----------------------|---------------------------|--------------------------|------------------------|--------------------|
| Growing Places Fund | 56.0 | 56.0 | - | - | - | 100% |
| MIRA Technology Park Enterprise Zone | 530.0 | 530.0 | - | - | - | 100% |
| Local Growth Fund Projects | 31,840.0 | 674.0 | - | - | - | 2% |
| Total | 32,426.0 | 1,260.0 | - | - | - | 4% |

- 8.2 The Growing Places Fund (GPF) is a revolving fund which advances loan funding for new development across city and county areas. The payment of £56k is the balance outstanding from the last round of approvals.
- 8.3 £530k is the final payment to MIRA Ltd in respect of the MIRA Technology Park Enterprise Zone. It will pay for employment and skills support, business development personnel and marketing including key improvements to the website, and was paid in May. This will be funded by present and future business rates uplift within the Zone.
- 8.4 The 2016/17 allocation for Local Growth Fund (LGF) is £31.84m, covering city and county schemes. City Council led projects include the North City Centre Access Improvement Programme, Strategic Flood Risk Management, the Waterside Strategic Regeneration Area, Connecting Leicester and DOCK 2. These sums are also reflected in the PTED Division table and narrative above. Some £21m is allocated for projects led by external partners, including the North Warwickshire and Hinckley College new skills training centre at the MIRA Technology Park, the Leicester College Skills and Innovation village, the highways access to the new Lubbesthorpe development near J21 of the M1-J21 and accelerated broadband.

9. **Policy Provisions**

- 9.1 At the end of Period 3 a number of policy provisions for City Development & Neighbourhoods projects still awaited formal approval for allocation to specific schemes.

| Service Area | Project | Amount £000 |
|--|--|-----------------|
| Planning, Transportation and Economic Development | Economic Action Plan Phase 2 | 10,837.0 |
| | Ashton Green Infrastructure | 1,640.0 |
| | Parking Strategy Development * | 2,200.0 |
| | Air Quality Action Plan | 1,110.0 |
| | Local Environment Works * | 900.0 |
| | Heritage Interpretation Panels - Phase 3 * | 135.0 |
| Local Services & Enforcement | Replacement of Library Management System * | 150.0 |
| | Replacement Allotment Infrastructure | 125.0 |
| | Defibrillator Installations for City Parks * | 65.0 |
| Property Services | Property Maintenance * | 5,100.0 |
| Housing Revenue Account | New Affordable Housing | 2,654.0 |
| | New HRA Schemes | 300.0 |
| Total | | 25,216.0 |

*These policy provisions cover up to three years.

- 9.2 Since Period 3, £200k of the Local Environment Works policy provision has been released via an executive decision.

Corporate Resources Projects

1. Summary

- 1.1. The projects comprising the Corporate Resources capital programme had spent none of their approved capital programme of £0.7m up to Period 3.
- 1.2. The following table shows the split of the capital programme by division:

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|----------------------|------------------|---------------|-------------------|------------------|----------------|------------|
| Financial Services | 695.0 | - | - | - | - | 0% |
| Information Services | 51.0 | - | - | - | - | 0% |
| Total | 746.0 | - | - | - | - | 0% |

2. Financial Services

- 2.1. New corporate Finance and HR/Payroll systems are required due to current contracts approaching expiry. A full OJEU tender process has been carried out and the new suppliers selected. The Leicester based company Safe Computing Limited will deliver the HR/Payroll solution, whilst accounting software company TechnologyOne will supply the finance system. Work leading to implementation in 2017 is now underway, and £390k has been spent since Period 3.

3. Information Services

- 3.1. The table below summarises the £0.1m approved capital programme for Information Services.

| Project | Approved £000 | Spend £000 | Profiling £000 | Slippage £000 | Saving £000 | % Spent |
|--------------------------------------|------------------|---------------|-------------------|------------------|----------------|------------|
| ICT Firewall | 21.0 | - | - | - | - | 0% |
| Lync Telephony Infrastructure System | 30.0 | - | - | - | - | 0% |
| Total | 51.0 | - | - | - | - | 0% |

- 3.2. The Firewall improvements are complete.
- 3.3. It is anticipated that £30k will be spent this year on the first phase of upgrading the Council's Lync telephony system infrastructure, with further major expenditure anticipated in 2017/18.