

Executive Decision Report

Capital Budget Monitoring – Period 9, 2017/18

Decision to be taken by: City Mayor
Overview Select Committee date: 5th April 2018
Lead director: Alison Greenhill



City Mayor

Useful Information

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1. Summary

- 1.1 The purpose of this report is to show the position of the capital programme for 2017/18 as at the end of Period 9.
- 1.2 This is the third report of the financial year following similar monitoring reports as at Period 4 and Period 6. A final report will be presented at Outturn.

2. Recommendations

2.1 The Executive is recommended to:

- Note total spend of £57.2m for 2017/18.
- Note the progress in delivery of major projects, as shown at Appendix A.
- Note progress on spending work programmes, and forecast slippage of £9.6m, as shown at Appendix B.
- Note that the great majority of provisions remain unspent (Appendix C).
- Approve the deletion of the Friars' Mill extension project from the programme (as described at Appendix A para 3.8) and meet the costs already incurred from within the overall budget for the Waterside project.
- Approve the addition of new £129k Pothole Action Plan funding to the capital programme for Highways Maintenance, as detailed in Appendix B para 3.2 of this report.
- Approve the addition of £2.2m DFT funding to the capital programme for bus retrofitting, as detailed in Appendix B para 3.3 of this report.

The OSC is recommended to:

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

3. Supporting Information including options considered

- 3.1 The 2017/18 Capital Programme was approved by Council on 24th February 2016.
- 3.2 A Capital Programme for 2018/19 to 2019/20 was approved by Council on 30th November 2017. This is **excluded** from this report.
- 3.3 The capital programme is split in the following way:
 - (a) Schemes classified as '**immediate starts**', which require no further approval to commence; and
 - (b) A number of separate '**policy provisions**' which are not released until specific proposals have been approved by the Executive;

Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time and the achievement of milestones. Consequently, there is no attention given to in-year financial slippage;
- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of schemes in previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years;
- (e) **Policy Provisions**, which are sums of money for which there is currently no approval to spend, ie they are awaiting a City Mayor decision. Spending cannot be monitored until such approval has been given.

3.4 Summary of the total approved 2017/18 capital programme as at Period 9:

	£000
Projects	128,223
Work Programmes	69,433
Provisions	1,716
Schemes nearly complete	4,412
Total Immediate Starts	203,784
Policy Provisions	37,295
Total Capital Programme	241,079

3.5 Since Period 6 the total 2017/18 capital programme has increased by £12.9m, as follows:

	£000
Total Capital Programme at Period 6	228,150
12/10/17 decision - Belgrave Gate & Mansfield Street	2,500
22/10/17 decision - EAP Resources to fund Employment Hub	(304)
23/11/17 decision - LGF funding for Pioneer Park	4,500
19/12/17 decision - York House acquisition	5,714
24/11/17 decision - Borrowing for demolition of 15 Horsefair Street	600
Unspent Friar's Mill budget removed from the Capital Programme	(930)
Newarke Street Car Park Improvements	335
Great Central Railway addition - financed by departmental reserves	250
Finance/HR Systems addition - financed from departmental reserves	250
Other	14
Total Capital Programme at Period 9	241,079

- 3.6 The following appendices to this report show progress on each type of scheme:
- Appendix A – Projects
 - Appendix B – Work Programmes
 - Appendix C – Provisions
 - Appendix D – Projects Substantially Complete
 - Appendix E – Policy Provisions
- 3.7 This report only monitors policy provisions to the extent that spending approval has been given, at which point they will be classified as projects, work programmes or provisions.
- 3.8 Capital Receipts
- 3.8.1 At Period 9, the Council has realised £7.3m of General Fund capital receipts. In line with our policies, these are set aside for future capital programmes.
- 3.8.2 Right to Buy receipts this year have so far amounted to £12.2m.

4. Financial, Legal and other Implications

4.1 Financial Implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, 37 4001

4.2 Legal Implications

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

Emma Horton, Head of Law (Commercial, Property and Planning).

4.3 Climate Change and Carbon Reduction Implications

This report is solely concerned with financial issues.

4.4 Equalities Implications

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

4.5 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. Is this a private report

No.

6. Is this a “key decision”?

Yes

7. If a key decision please explain reason

This report recommends an addition to the capital programme of over £1m that has not previously been specifically authorised by Council.

PROJECTS

1. Summary

- 1.1 As stated in the cover report, the focus of monitoring projects is physical delivery, ie whether they are being delivered on time, on budget and to the original specification. This appendix summarises progress on projects. Departmental/Divisional summaries are shown at Appendix F.

Department / Division		Budget 2017-18 to 2019-20 £000	2017/18 Spend to Date £000
CRS	Corporate Resources	1,970	397
ASC	Adult Social Care	6,167	841
CDN (PDT)	Planning, Development & Transportation	69,325	11,078
CDN (TCI)	Tourism, Culture & Inward Investment	11,446	4,704
CDN (NES)	Neighbourhood & Environmental Services	451	240
CDN (EBS)	Estates & Building Services	7,417	6,513
ECS	Children's Services	26,072	8,718
PH	Public Health	328	302
Total (including HRA)		123,176	32,793
CDN (HRA)	Housing Revenue Account	5,047	2,422
Total (including HRA)		128,223	35,215

- 1.2 A list of the individual projects is shown in the table on pages 6-8 of this report. This also summarises the progress of each project. Attention has been given to expected completion dates and any project issues that have arisen.
- 1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing as expected, and whether it is still expected to complete within budget.
- 1.4 The ratings used are:
- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
 - (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a project is classed as amber if some insubstantial slippage or minor overspend is probable.
 - (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
 - (d) **Blue** The project is complete.
 - (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

2. Summary of Individual Projects

Dept/ Division	Project	Total Budget (£000)	2017/18 Spend (£000)	Forecast U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Project RAG Rating	Reason for RAG Rating (if not Green or Blue)	RAG Changed Since P6?
CRS	Electronic Document System Replacement	330	0	50	Apr-18	Sep-19	Purple	Project no longer needed	
CRS	Automatic Call Distribution System Upgrade	300	107	0	Apr-18	Apr-19	Amber	Procurement delays. Tenders received but no appointment yet made.	Y
CRS	Lync Telephony Infrastructure Upgrade	47	0	0	Apr-17	Jul-17	Blue		
CRS	Finance, HR & Payroll System	1,293	290	(293)	Jun-17	2018/19	Amber	Slippage identified. Project plan reviewed, additional resources allocated to project.	
ASC	ICT Investment - Phase 2 - Liquidlogic	1,185	432	0	Jan-19	Mar-19	Green		
ASC	Improvement to Day Care Services at Hastings Road	385	0	0	Apr-16	Jul-18	Green		
ASC	Anchor Centre - new recovery hub	599	400	0	Apr-17	Jan-18	Green		
ASC	Specialist Dementia Care Centre	1,548	9	0	TBC	TBC	Purple	Being reviewed following the government announcement on Housing Cap	
ASC	Extra Care Schemes	2,450	0	0	TBC	TBC	Purple		
CDN (PDT)	Leicester North West Major Transport Scheme	8,928	213	0	Mar-19	Mar-21	Amber	Rephasing of works and preparation of new business case	
CDN (PDT)	North City Centre Access Improvement Scheme	11,432	1,847	0	Feb-20	Nov-19	Green		
CDN (PDT)	Ashton Green Highways Infrastructure (A46/Anstey Lane)	7,900	0	0	May-19	Dec-19	Green		
CDN (PDT)	City Centre Street Improvements	2,297	1,508	0	Apr-19	May-19	Green		
CDN (PDT)	Townscape Heritage Initiative	2,515	1,235	0	Feb-18	Apr-18	Green		
CDN (PDT)	Friars' Mill Phase 2	320	219	0	Aug-17	Aug-18	Purple	New delivery strategies. Transferred to developer for completion	
CDN (PDT)	Waterside Strategic Regeneration Area	25,370	5,568	0	Mar-23	Mar-23	Green		
CDN (PDT)	St George's Churchyard	900	41	0	Aug-18	Dec-18	Amber	Subject to planning permission. To be re-submitted to Committee in March	
CDN (PDT)	Shahista House, 37-45 Rutland Street	150	0	0	Dec-17	Feb-18	Green		
CDN (PDT)	Great Central Street / Vaughan Way	3,050	10	0	Jan-19	Aug-19	Green		
CDN (PDT)	Ashton Green	878	270	0	Mar-18	Apr-18	Green		Y
CDN (PDT)	Pioneer Park	5,000	87	0	Jan-21	Jan-21	Green		
CDN (PDT)	Newarke Street Car Park Improvements	335	0	0	Sep-18	Sep-18	Green		
CDN (PDT)	Great Central Railway Mainline Museum	250	80	0	Oct-18	Oct-18	Purple	Currently on hold following withdrawal of HLF funding	

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold

Dept/ Division	Project	Total Budget (£000)	2017/18 Spend (£000)	Forecast U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Project RAG Rating	Reason for RAG Rating (if not Green or Blue)	RAG Changed Since P6?
CDN (TCI)	Pioneer Park Commercial Workspace (formerly Dock 2)	1,287	9	0	Spring 18	Spring 20	Purple	Tenders received higher than budget	
CDN (TCI)	Jewry Wall Museum Improvements	1,622	479	0	Mar-18	Feb-19	Amber	Walkway design revised	
CDN (TCI)	Leicester Market Redevelopment	4,610	1,516	0	Dec-18	Apr-19	Amber	Contractor for screen now identified. Within budget but awaiting approval.	
CDN (TCI)	Haymarket Theatre	3,427	2,620	0	Dec-17	Mar-18	Green		Y
CDN (TCI)	Abbey Pumping Station	500	80	0	Mar-19	Mar-19	Green		
CDN (NES)	Saffron Hill Cemetery Improvements	301	240	0	Dec-17	Mar-18	Green		
CDN (NES)	Library Management System	150	0	0	Dec-18	Dec-18	Green		
CDN (EBS)	15 New Street	58	20	0	Nov-17	Jul-18	Green		
CDN (EBS)	11-15 Horsefair Street	1,645	1,093	0	Nov-18	Nov-18	Green		
CDN (EBS)	York House acquisition	5,714	5,400	0	Dec-17	Dec-17	Blue		
ECS	Waterside Primary School	2,231	649	0	Aug-19	Sep-19	Amber	Project in danger of slippage	
ECS	Additional Places - Inglehurst Junior	310	25	(12)	Sep-17	Jul-18	Amber	Review following VFM concerns	
ECS	Additional Places - Spinney Hill	231	0	0	TBC	TBC	Red	Being reviewed following planned structural works being found unviable	
ECS	Additional Places - Alderman Richard Hallam	400	59	0	Sep-17	Sep-17	Blue		Y
ECS	Additional Places - Overdale Junior	86	0	0	Aug-16	Aug-16	Blue		
ECS	Additional Places - Marriott	612	20	0	Sep-18	Nov-18	Amber	Revised construction solution being proposed	
ECS	Primary School TMBs	2,346	1,301	0	Oct-17	Apr-18	Green		
ECS	Primary School Internal Reconfigurations	777	35	0	Sep-17	Apr-18	Green		
ECS	Carisbrooke TMB	693	615	0	Oct-17	Apr-18	Green		
ECS	Secondary School Places - PFI schools	2,401	818	0	Aug-19	Oct-19	Amber	Planned completion date later than required	Y
ECS	Secondary School Places - Non-PFI schools	1,099	44	0	Jul-19	Jul-19	Green		
ECS	Secondary School TMBs	11,993	4,617	0	Oct-17	Oct-17	Green		Y
ECS	Fullhurst/Braunstone Skills Centre Expansions	575	276	0	Oct-17	Feb-18	Green		
ECS	Fullhurst / Ellesmere School Expansions	1,725	175	0	Aug-19	Aug-19	Green		Y

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold

Dept/ Division	Project	Total Budget (£000)	2017/18 Spend (£000)	Forecast U/(O)spend (£000)	Original Completion Date	Forecast Completion Date	Project RAG Rating	Reason for RAG Rating (if not Green or Blue)	RAG Changed Since P6?
ECS	Children's Homes - Barnes Heath	105	22	(22)	Sep-17	Sep-17	Green		
ECS	Children's Homes - Dunblane Avenue	96	27	(81)	Oct-17	Feb-18	Amber	Review of service caused delay, but project close to completion	
ECS	Children's Homes - Netherhall	214	17	(62)	Sep-17	Oct-18	Amber	Review of service caused delay, but project is now progressing	Y
ECS	Children's Homes - Tatlow Road	178	18	(42)	Dec-17	Apr-18	Amber	Review of service caused delay, but now recommenced and close to completion	
PH	Humberstone Heights Golf Course - drainage/irrigation	328	302	0	Mar-18	Mar-18	Green		
Total (excluding HRA)		123,176	32,793	(462)					
CDN (HRA)	Conversion of Former Council Hostels	1,988	1,759	0	Jan-18	Jan-18	Blue		Y
CDN (HRA)	St Leonard's Tower Block - Lift	100	0	(95)	Mar-18	Jun-18	Amber	Overspend due to increased scope of project. Will be funded by HRA resources	
CDN (HRA)	Exchange Demolition	112	12	0	Dec-17	Oct-18	Amber	Delay in construction by medical centre owner	
CDN (HRA)	E-Communications (Mobile Working)	402	2	0	Aug-18	Feb-19	Amber	Delay in trialling new devices due to procurement of new supplier	
CDN (HRA)	Northgate Business Systems Phase 2	1,536	225	0	Mar-18	Jun-18	Amber	Impact of delay in mobile working delay	
CDN (HRA)	Tower Block Redevelopment	909	424	0	Sep-18	Jan-19	Amber	Safety works following Grenfell	
Total HRA		5,047	2,422	(95)					
Total (including HRA)		128,223	35,215	(557)					

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold

3. Commentary on Specific Projects

- 3.1 Explanatory commentary for projects that are not currently progressing as planned, or for which issues have been identified is provided below. This has been defined as any scheme that has a RAG Rating other than “green” or “blue”.
- 3.2 **Electronic Document System Replacement** Following a review of document storage capabilities of other systems such as LiquidLogic and SharePoint, it has been decided that investment in a dedicated and costly EDRMS solution is no longer required. However, there are still costs associated with the work carried out to date that will still need to be charged to the project.
- 3.3 **Automatic Call Distribution System Upgrade** This project has been delayed whilst a suitable provider is procured.
- 3.4 **Finance, HR & Payroll Systems** The core HR system has now been implemented with the recruitment system anticipated to be implemented in June 18. The Council is currently reviewing the project plan for the Finance system with the supplier following identification of project slippage and the need to ensure we use the flexibility offered by the system to best effect. Additional resources have been allocated to the project team and additional resource will be needed from the supplier.
- 3.5 **Specialist Dementia Care Centre** This project is on hold, pending the outcome of the government consultation on the future of social housing rents. Early indications are positive for the Council, but the detail is still awaited. An announcement is anticipated by late April 2018.
- 3.6 **Extra Care Schemes** These schemes are on hold, pending the outcome of the government consultation on the future of social housing rents. Early indications are positive for the Council, but the detail is still awaited. An announcement is anticipated by late April 2018.
- 3.7 **Leicester North West Major Transport Project** Staffing shortages, delays with construction drawings and design have hindered the progress of this project, which is causing delays on sites for construction works.
- 3.8 **Friars' Mill Phase 2 (offices)** The project stalled when the Council's main contractor unexpectedly entered administration. Construction works will recommence following agreement with a commercial property developer, who has acquired the partially constructed buildings and will dispose of the units to occupiers following completion. The Council's capital scheme has therefore been brought to an end. The forecast net expenditure of £320k will be transferred to the main Waterside project, which (with the 2016-17 spend of £677k previously expected to be reimbursed from capital receipts), creates an additional pressure which will need to be managed/considered as the wider Waterside scheme progresses. The £930k balance of the offices spending approval and the £2m assumed capital receipts should be removed from the programme.
- 3.9 **St George's Churchyard** The commencement of the public realm improvements is dependent on planning approval being granted. This was taken to the Planning Committee in December 2017 but approval was deferred. It will now be resubmitted in March 2018
- 3.10 **Great Central Railway Mainline Museum** This project is now on hold following the withdrawal of HLF funding in December 2017. GCR are now considering options for an

alternative scheme and further meetings to discuss alternatives will be held with the City and County Councils in due course.

- 3.11 **Pioneer Park Commercial Workspace (formally Dock 2)** As reported at 2016/17 Outturn, tenders received for the project were higher than the budget allowed. This project is no longer proceeding via the original delivery route. The land and the adjoining land owned by the HCA (now Homes England) is subject to acquisition by the Council using LGF funds, this is expected to be completed by the 31st March 2018. A proposal to seek a development partner to develop out new commercial space on both of the vacant Homes England sites is now being considered. This will potentially enable the Council to retain some business space which could function as move-on space for Dock. The land available will enable the development partner to build additional business space for sale or lease.
- 3.12 **Jewry Wall Museum Improvements** This project is expected to complete later than originally expected due to a technical review of the Stage 4 Walkway Design concluding that the current proposals were inadequate. Further works are also required to investigate archaeology and utilities infrastructure that will be impacted by the structure.
- 3.13 **Leicester Market Redevelopment** A contractor for the new screen behind the Corn Exchange has now been identified. A contract will be awarded once all necessary agreements are in place.
- 3.14 **Waterside Primary School** The project remains on the critical path and as such the procurement route is continuing to be reviewed and confirmed. This is following a market testing with the original procurement strategy that increased the level of risk to the programme. This places an 'Amber' status on the project.
- 3.15 **Additional School Places – Inglehurst Junior School** Value for money concerns regarding submitted costs have been identified. The project was therefore reviewed and re-programmed to allow for a formal competitive tender process, resulting in a revised programme as per the current forecast programme. Due to the need for additional spaces from Sept 17, the school was asked to accommodate the additional children in another location within the school until the new classroom is completed. The present project is now progressing in line with the new programme.
- 3.16 **Additional School Places – Spinney Hill Primary School** A feasibility study was previously executed outlining that the current specification would not prove financially viable due to the amount of structural works required and therefore increased costs to the scheme proposal. This scheme is currently on hold and no costs incurred other than a feasibility study having been undertaken. Further plans are being reviewed to identify the next steps to identify a deliverable project. There is presently no risk in terms of providing the pupil places required, however, there is a risk of slippage of financial spend.
- 3.17 **Additional School Places – Marriott Primary School** The scheme has completed the feasibility period and the exact brief is being confirmed with the school. Based on a traditional procurement route and traditional form of construction, the programme is too long and as such, an alternative procurement option and construction solution has been identified.
- 3.18 **Secondary School Places – PFI Schools** The planned practical completion date of October 2019 is after the required date of August 19. However, this will be reviewed after tenders received in March 2018. It is hoped that current forecast can be improved upon. A contingency plan is in place to accommodate children from September 19.

- 3.19 **Children's Homes – Dunblane Avenue** Whilst most works are either complete, or on track for completion, the Ground Floor Office Refurbishment Works are presently on hold pending review of funding remaining across the Children's Homes and Contact Centres Programme. The project is expected to overspend by £81k.
- 3.20 **Children's Homes – Netherhall** Works were delayed pending a full Children's Homes programme review when an anticipated overspend was identified. Works at Netherhall Road were paused to prevent the programme exceeding the budget, with works at Tatlow Road being prioritised. Works have now been authorised to proceed and a design is being appointed to progress the project.
- 3.21 **Children's Homes – Tatlow Road** Works were delayed pending a full programme review due to identification of programme overspend. Works have now recommenced and are on track to the revised programme.
- 3.22 **St Leonard's Lift** The building was originally designed to have two lifts but only one was ever installed, with the location of the second lift being used as communal cupboards. The original lift is now coming to the end of its useful life and the decision has been taken to install a new second lift so that the existing lift can be renewed and the block will have two lifts as originally planned. It is now estimated that the cost for both lifts will be around £195k, exceeding the approved budget by £95k.
- 3.23 **Exchange Demolition** The demolition of the existing parade of shops is dependent on the relocation of the post office currently located there. A decision was taken on 4th August 2017 to dispose of land on Sturdee Road to Invonex Properties Limited in order that an existing Health Centre can be extended to accommodate a new post office. The land transfer was subsequently completed on 13th October 2017. Delays to the construction of the post office will mean that demolition will now not take place until 2018/19.
- 3.24 **E-Communications (Mobile Working)** Procurement of new devices is currently in progress. This has delayed the trialling of new devices. The Mobile Working IT software solution (part of the Northgate project) is also delayed.
- 3.25 **Northgate Business Systems Phase 2** Roll-out of the online offer has been delayed due to the delay of the mobile working project.
- 3.26 **Tower Block Redevelopment** Following the Grenfell Tower fire in London, it was decided to delay the re-occupation of Gordon House to reassure returning tenants that all passive fire safety measures had been completed to the required standard. This delay has subsequently affected the start date for works to Maxfield House.

WORK PROGRAMMES**1. Summary**

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

Department /Division	Approved £000	2017/18 Spend to Date £000	Forecast Slippage £000	Forecast Under/(over) Spend £000
Adult Social Care	248	0	0	0
Planning, Development & Transportation	9,452	4,968	0	0
Tourism, Culture & Inward Investment	130	70	0	0
Neighbourhood & Environmental Services	225	62	0	0
Estates & Building Services	874	397	0	0
Housing General Fund	5,474	785	2,910	0
LLEP	10,110	1,832	0	0
Children's Services	11,730	2,050	5,519	41
Total (excluding HRA)	38,243	10,164	8,429	41
Housing Revenue Account	15,764	9,110	1,137	0
Total (including HRA)	54,007	19,274	9,566	41

2. Summary of Individual Work Programmes

Work Programme	Approved £000	2017/18 Spend to Date £000	Forecast Slippage £000	Forecast Under/(over) Spend £000
Transport Improvement Works	1,458	930	0	0
Air Quality - Walking and Cycling	115	51	0	0
Collaborate Business Project - Business Grants	300	112	0	0
Highways Maintenance	3,527	2,092	0	0
Townscape Heritage Initiative - Business Grants	200	185	0	0
Flood Strategy	247	50	0	0
Festive Decorations	50	49	0	0
Local Environmental Works	378	262	0	0
Legible Leicester	618	225	0	0
Leicester Strategic Flood Risk Management Strategy	1,200	464	0	0
Parking Strategy Development	1,259	501	0	0
Potential Strategic Development Sites Assessment	100	47	0	0
Retail Gateways	50	26	0	0
Heritage Interpretation Panels	80	44	0	0
Parks Plant and Equipment	150	0	0	0
Allotment Infrastructure Phase 2	75	62	0	0
Property Maintenance	874	397	0	0
Private Sector Disabled Facilities Grant	2,130	531	31	0
Repayable Home Repair Loans	300	132	14	0
Leicester Energy Efficiency Fund	50	5	10	0
Street Scene Improvements - Housing Estates	65	43	0	0
Vehicle Fleet Replacement Programme	2,929	74	2,855	0
Local Growth Fund Projects	10,110	1,832	0	0
School Capital Maintenance	8,063	1,756	2,744	41
BSF Schools' Landlord Lifecycle Fund	3,667	294	2,775	0
Dementia Friendly Buildings Initiative	248	0	0	0
Total (excluding HRA)	38,243	10,164	8,429	41
New Kitchens in Council Housing	2,800	2,437	500	0
New Bathrooms in Council Housing	1,200	429	200	0
Council Housing - Boiler Replacements	3,500	2,284	0	0
Council Housing - Rewiring	2,200	976	450	0
Disabled Adaptations & Improvements	1,300	773	50	0
Council Housing - External Property Works	1,077	649	105	0
Community & Environmental Works - Housing Estates	1,554	850	(68)	0
Council Housing - Fire and Safety Works	1,150	654	(100)	0
Council Housing - Insulation Works	983	58	0	0
Total HRA	15,764	9,110	1,137	0
Total (including HRA)	54,007	19,274	9,566	41

3. Commentary on Specific Work Programmes

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For Period 9 monitoring, this has been defined as any scheme where material slippage is forecast.
- 3.2 **Highways Maintenance** The Department for Transport has recently announced increased funding for the Pothole Action Fund and awarded Leicester an additional £129k for 2017/18. It is proposed that this is added to this year's capital programme for use the Council's LEAN Pothole Patching Repairs Programme to address bad winter impact on roads in wards.
- 3.3 **DFT Funded Bus Retrofitting Programme** £2.2m has been awarded by the Department for Transport for the period 2017-19 towards retrofitting engines in 109 buses in the city fleet (operated by First, Arriva, Centrebus and Kinch) to achieve Emissions Euro Standard 6. This will assist in meeting EU air quality targets as part of the Council's Air Quality Action Plan. Approval is sought to add this to the capital programme as a new work programme.
- 3.4 **Vehicle Fleet Replacement Programme** Work continues in developing a detailed vehicle replacement plan that will promote the most cost effective management of the Council's vehicle fleet. The timescales for the completion of this will result in expenditure after April, requiring £2.9m to be re-profiled into 2018/19. £350k of this money will be spent on fitting axle load indicators to 3.5-tonne and other specialist vehicles to ensure compliance with vehicle load restrictions. A procurement exercise aimed at minimising the unit cost of the mechanism will be carried out.
- 3.5 **School Capital Maintenance & BSF Landlord Lifecycle Fund** Some school maintenance budgets have been rescheduled for 2018/19 following a prioritisation exercise. This includes £1.2m for the recently approved school kitchens strategy which will be spent in 2018/19.
- 3.6 **Council Housing - New Kitchens and Bathrooms** The Grenfell Tower fire has resulted in delays to the tower block redevelopment as the reoccupation of Gordon House was delayed to enable returning residents to be properly assured about fire safety measures. £500k of the planned expenditure on new kitchens and £200k on new bathrooms within tower blocks will need to be re-profiled as a result.
- 3.7 **Council Housing – Rewiring** Re-wiring is demand-led and will underspend by £450k during the year; this will be used to fund additional investment in cost effective waylighting, which delivers on-going revenue savings and bringing forward re-roofing work.
- 3.8 **Council Housing - External Property Works** By undertaking work on a greater number of properties, expenditure on re-roofing can be brought forward from 2018/19, being funded from the reduction in re-wiring.
- 3.9 **Community & Environmental Works - Housing Estates** Housing Estates expenditure on waylighting can be brought forward from 2018/19 and funded from underspends in the Council Housing Rewiring programme.
- 3.10 **Fire & Safety Works** £100k of expenditure on the installation of additional intruder alarms has been brought forward from 2018/19. Revenue income is received from tenants through increased rent to cover this cost.

PROVISIONS**1. Summary**

- 1.1 As stated in the cover report, provisions are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem.
- 1.2 As at the end of Period 9, the following budgets for capital provisions were unspent.

Provision	Approved £000	2017/18 Spend to Date £000	2017/18 Commit- ments £000	2017/18 Total £000	Remaining Budget £000
Local Investment Fund Support	187	0	20	20	167
New School Places - General Contingency	1,083	179	50	229	854
Adventure Playgrounds & Youth Centres	25	0	5	5	20
Early Years - Two Year Olds - PVI providers	321	97	35	132	189
Empty Homes Purchase	50	246	(246)	0	50
Total	1,666	522	(136)	386	1,280

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

- 1.1 As at the end of Period 9, the following schemes were still in progress and nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

Project	Approved £000	2017/18 Spend to Date £000	Forecast Slippage £000	Forecast Under/(over) Spend £000
Street Lighting Replacement Programme	166	41	0	0
Haymarket Bus Station	236	233	0	0
Friars' Mill Phase 1	220	37	0	0
Mill Lane Pedestrianisation (DMU funded)	70	149	0	0
Carron Building	18	0	0	0
Victoria Park Centenary Walk Phase 2	154	154	0	0
Installation of Defibrillators on Parks	25	10	0	0
New Walk Museum Works	414	370	0	0
LED Lighting	142	71	0	0
New School Places	605	234	0	0
Targeted Basic Need - Kestrels' Field	269	80	0	0
Children's Service's Contact Centre	13	0	0	0
Schools (Residual BSF Programme)	1,793	625	0	0
Meynell's Gorse	65	57	0	0
Total (excluding HRA)	4,190	2,061	0	0
Affordable Housing Programme 2013-17	164	115	0	0
Total HRA	164	115	0	0
Total (including HRA)	4,354	2,176	0	0

POLICY PROVISIONS**1. Summary**

1.1 As at Period 9, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CDN (EBS)	Property Maintenance	1,652
CDN (EBS)	Braunstone Hall*	141
CDN (PDT)	Economic Action Plan	2,792
CDN (PDT)	Air Quality Action Plan	740
CDN (PDT)	Parking Strategy Development	700
CDN (PDT)	Local Environmental Works	400
ECS	Children's Services	21,916
ASC	Extra Care Schemes	6,700
Total (excluding HRA)		35,041
CDN (HRA)	New Affordable Housing	1,954
CDN (HRA)	Other HRA Schemes	300
Total HRA		2,254
Total (including HRA)		37,295

1.2 Money for new school places has been periodically released during the year, as plans are developed and approved. Decisions taken include:

- £12,758k released on 30/5/17 for temporary modular buildings and secondary school expansions.
- £777k released on 23/6/17 for primary school expansions.
- A further £4,834k released on 3/7/17 for temporary modular buildings and secondary school expansions.
- £739k released 11-14/7/17 for ICT needs for secondary school expansions.
- £3,383k released on 6/9/17 for the design phase of secondary school expansions.
- £2,231k released on 25/9/17 and 18/1/18 for the new Waterside Primary School.

1.3 Other releases from policy provisions up to Period 9 (now reflected in the tables above) include:

- £300k released from the Saffron Hill Cemetery policy provision on 23/5/17 for cemetery extension works.
- £150k released from the Library Management System policy provision on 12/7/17.
- £1,748k released from the Property Maintenance policy provision on 1/9/17 to undertake capital maintenance works on the Council's corporate property portfolio.
- £300k released from the Local Environment Works policy provision on 10/11/17.
- £700k released from the Parking Strategy Development policy provision on 17/11/17.

1.4 Since Period 9, £15,778k has been released from the Children's Services policy provision for Fullhurst Secondary School expansion. This has not yet been reflected in the table above.

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Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department	Resources
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Electronic Document Management System	330	April 18	Sept 19	P	We are delivering functionality through existing Line of Business applications and SharePoint and will not therefore replace the existing EDRMS platform. There remain costs associated with the project but these are expected to be less than originally anticipated,
Automatic Call Distributor (ACD) system.	300	April 18	April 19	A	Procurement delays
Lync telephony Infrastructure upgrade	47	April 17	July 17	B	Complete
Finance, HR & Payroll System HR /Finance	1,293	June 17	April 19	A	Delays in the delivery of the HR system and internal decisions.
Total	1,970				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department (or Division in CDN)	Adult Social Care
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
ICT Investment – Phase 2 (Liquidlogic Enhancements)	1,185	January 2019	March 2019	G	
Improvements to day care services at Hastings Road	385	April 2016	July 2018	G	
Anchor Centre – new recovery hub	599	April 2017	January 2018	G	Complete. Invoices to be processed, and retention payment
Special Dementia Care Centre	1,548			P	Being reviewed following the government announcement on Housing Cap
Extra Care – Two Schemes	2,450			P	Being reviewed following the government announcement on Housing Cap
Total	6,167				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department (or Division in CDN)	Planning, Development & Transportation
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Leicester North West Transport Scheme	8,928	March 2019	March 2021	A	Rephasing of works and preparation of new business case.
North City Centre Access	11,432	Feb 2020	November 2019	G	
Ashton Green Highways Infrastructure	7,900	May 2019	December 2019	G	
City Centre Street Improvements	2,297	April 2019	May 2019	G	
Townscape Heritage Initiative	2,515	Feb 2018	April 2018	G	
Friars Mill Phase 2	320	Aug 2017	August 2018	P	New delivery strategies. Transferred to developer for completion.
Waterside	25,370	March 2023	March 2023	G	
St George's Churchyard	900	August 2018	December 2018	A	Subject to planning approval March Planning committee
Shahista House	150	December 2017	February 2018	G	
Vaughan Way/ Great Central Street	3,050	January 2019	August 2019	G	
Ashton Green	878	March 2018	April 2018	G	
Pioneer Park	5,000	January 2021	January 2021	G	
Newarke Street Car Park Improvements	335	September 2018	September 2018	G	
GCR Mainline Museum	250	October 2018	October 2018	P	Project on hold following withdrawal of HLF funding
Total	69,325				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

CDN - Division	Tourism, Culture and Inward Investment
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Pioneer Park Commercial Workspace (Formerly Dock2)	1,287	Spring 18	Spring 20	P	On Hold.
Jewry Wall Museum Improvement	1,622	March 2018	Feb 2019	A	Walkway design revised
Leicester Market Redevelopment	4,610	Dec 2018	April 2019	A	Contractor for screen identified Contract to be awarded once agreement with JDW is obtained
Haymarket Theatre	3,426	Dec 2017	March 2018	G	
Abbey Pumping Station	500	March 2019	March 2019	G	
Total	11,445				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department (or Division in CDN)	Neighbourhood and Environmental Services
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Saffron Hill Cemetery Improvements	301	Dec 17	March 18	G	
Library Management System	150	Dec 18	Dec 18	G	
Total	451				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department (or Division in CDN)	Estates and Building Services (EBS)
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
15 New Street	58	Nov 2017	July 2018	G	
11-15 Horsefair Street	1,645	Nov 2018	Nov 2018	G	
York House Acquisition	5,714	Dec 2017	Dec 2017	B	
Total	7,417				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department (or Division in CDN)	Children's Services
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Waterside Primary School	2,231	Aug 19	Sep 19	A	The scheme is on the critical path for opening in August 2019. A project review to de-risk the project is continuing.
Additional Places - Inglehurst Junior	310	Sep 17	Jul 18	A	The project was originally to be procured via framework to meet the required timescales. However there were value for money concerns with the submitted costs. Project was therefore reviewed and re-programmed to allow for a formal competitive tender process, resulting in a revised programme.
Additional Places - Spinney Hill	231	TBC	TBC	R	The Feasibility Study identified challenges and due to the amount of structural works required the design was considered not to be viable when aligned to the project budget. Further plans are being reviewed to identify the next steps to identify a deliverable project.
Additional Places - Alderman Richard Hallam	400	Sep 17	Sept 17	B	Completed. Budget close-out to be confirmed.
Additional Places - Overdale Junior	86	Aug 16	Aug 16	B	Completed. Budget close-out to be confirmed.
Additional Places - Marriott	612	Sept 18	Nov 18	A	Based on a traditional procurement route and traditional form of construction, the programme is too long and as such, an alternative procurement option and construction solution has been identified and is presently being agreed with the Procurement team. There remains risk to the initial planned completion date.
Primary School TMBs	2,346	Oct 17	Apr 18	G	
Primary School Internal Reconfiguration	777	Sep 17	Apr 18	G	

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Carisbrooke TMBs	693	Oct 17	Apr 18	G	
Secondary School Places – PFI Schools	2,401	Aug 19	Oct 19	A	The planned practical completion date will be reviewed after tenders received in March 2018. It is hoped that current forecast can be improved upon. A contingency plan is in place to accommodate children from Sept 19.
Secondary School Places – Non-PFI Schools	1,099	Jul 19	Jul 19	G	
Secondary School TMBs	11,993	Oct 17	Oct 17	G	
Secondary Expansions – Fullhurst / Braunstone Skills Centre)	575	Oct 17	Feb 18	G	Phase 1 works were completed on programme and now Phase 2 works are planned for completion in Feb 18.
Secondary Expansions – Fullhurst / Ellesmere)	1,725	Aug 19	Aug 19	G	
Children’s Homes – Barnes Heath	105	Sep 17	Sep 17	G	
Children’s Homes – Dunblane Avenue	96	Oct 17	Feb 18	A	Works are either complete, or on track for completion. The Ground Floor Office Refurbishment Works were recently paused pending review of funding remaining across the Children’s Homes and Contact Centres Programme, which has caused slippage to the programme.
Children’s Homes – Netherhall	214	Sep 17	Oct 18	A	Works were delayed pending a full programme review due to identification of programme overspend. A review of the full CHMP programme has been undertaken due to anticipated overspend on the programme as a whole. Works at Netherhall Road were paused to prevent the programme exceeding the budget; works have now been approved to progress at Netherhall Road.
Children’s Homes – Tatlow Road	178	Dec 17	Apr 18	A	Works were delayed pending a full programme review due to identification of programme overspend. Works have recommended and are on track to the revised programme.
Total	26,072				

Capital Programme Project Monitoring 2017/18

Departmental Summary

1. General

Department (or Division in CDN)	Public Health
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Humberstone Heights Golf Course Investment	328	March 18	March 18	G	
Total	328				

Capital Programme Project Monitoring 2017/18

Divisional Summary – Housing

1. General

Department (or Division in CDN)	Housing
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2. Projects

Project Name	Approval 17/18 to 19/20 (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)	Give reasons if not green
Conversion of Former Council Hostels	1,988	Jan 18	Jan 18	B	
St Leonard's Tower Block - Lift	100	Mar 18	June 18	A	Indications that cost may exceed approval (by up to £95k) depending on procurement. Will be funded within HRA resources if required.
Exchange Demolition	112	Dec 17	Oct 18	A	Delay in construction undertaken by medical centre owners.
E-Communications (Mobile Working)	402	Aug 18	Feb 19	A	Delay in trialling new devices until corporate procurement of new IT hardware supplier.
Northgate Business Systems Phase 2	1,536	March 18	June 18	A	Decision to procure Mobile Working solution has delayed roll out which impacts online offer.
Tower Block Redevelopment	909	Sept 18	Jan 19	A	Slight delay in reoccupation of Gordon House following Grenfell Fire has knock on effect to Maxfield House works
Total	5,047				