
Executive Decision Capital Budget Monitoring April-December 2025/26

Overview Select Committee

Decision to be taken by: City Mayor

Decision to be taken on: 16th March 2026

Lead director: Amy Oliver, Director of Finance

Useful information

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

1. Summary

- 1.1 The purpose of this report is to present the position of the capital programme for 2025/26 as at the end of December 2025.
- 1.2 This is the third capital monitoring report of the financial year. There will be an outturn report presented to this committee, reporting on the capital programme.
- 1.3 As reported in the previous year's monitoring reports, progressing capital projects continues to be difficult. New pressures in schemes, where possible, will be managed within project contingencies and revised scope of works while maintaining the desired project outcomes. When this is not possible it is reported in the monitoring report and decisions are taken as required.

2. Recommended actions/decision

- 2.1 The Executive is
 - Recommended to note the following:
 - Total spend of £87.4m for the year to date.
 - The progress in delivery of major projects, as shown at Appendix A.
 - The progress on spending against work programmes, as shown at Appendix B.
 - The provisions that remain unspent as shown at Appendix C.
 - That across a number of schemes, £94k has been saved following completion of schemes below budget. Of this, none was funded by corporate resources.
 - The prudential indicators presented in Appendix F.

- Approve the following reductions to the programmes:
 - £72k for Action Homeless Supported Living Scheme to reflect a reduction in the overall scheme costs. The grant received in excess of scheme costs will be repaid to MHCLG (Appendix B, para 3.18)
 - £300k for Public Realm Works within the HRA which has been identified as revenue expenditure. This report seeks approval to reduce the capital budget by this amount and to transfer this to revenue budgets (Appendix B, para 3.26)
- Approve the following transfers to the programme:
 - £556k from the Expansion of Oaklands Special School substantially complete scheme to the Additional SEND Places (including Pupil Referral Units) project (see Page 23, Para 2.1)
- Approve the following additions to the programme:
 - £621k for Leicester Urban Natural Flood Management, financed from government grant funding through the Environment Agency. (Page 16, Para 2.3)

The OSC is recommended to consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/A

4. Background

4.1 The 2025/26 Capital programme was initially approved by Council on 19 February 2025. It has subsequently been amended (including through the 2024/25 outturn report).

The capital programme is split in the following way:

- (a) Schemes classified as '**immediate starts**', which require no further approval to commence; and
- (b) A number of separate '**policy provisions**' which are not released until specific proposals have been approved by the Executive.

4.2 Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time and the achievement of milestones. Consequently, financial slippage is not in itself an issue on these projects;
- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years.

4.3 A summary of the total approved 2025/26 capital programme budget and the spend as at the end of September, is shown below:

	2025/26 Budget £'000	2025/26 Spend £'000
Projects	124,111	37,468
Work Programmes	81,777	40,100
Provisions	2,454	0
Schemes Substantially Complete	12,901	9,874
Total Immediate Starts	221,243	87,442
Policy Provisions	16,187	0
Total Capital Programme	237,430	87,442

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

	£000s					
	Projects	Work Programmes	Provisions	Substantially Complete	Policy Provisions	Total
HRA - Budget	2,737	29,864	835	220	750	34,406
GF - Budget	121,374	51,913	1,619	12,681	15,437	203,024
Total	124,111	81,777	2,454	12,901	16,187	237,430
Ringfenced - HRA	650	2,315	-	-	750	3,715
Unringfenced - HRA	2,087	27,549	835	220	-	30,691

Total HRA	2,737	29,864	835	220	750	34,406
Ringfenced - GF	37,321	4,853	-	4,811	10	46,995
Unringfenced - GF	84,053	47,060	1,619	7,870	15,427	156,029
Total GF	121,374	51,913	1,619	12,681	15,437	203,024

4.5 The following changes have occurred to the capital programme since period 6 2025/26. These movements are included in the table at 4.3 above:

	Budget £000
Decisions since P6 2025/26	
Bus Service Improvements	8,485
<u>Decisions in the Period 6 Monitoring</u>	
Green Homes	485
Corporate Estate (profiled into FY 2026-27)	1,036
Workspace Fit Out	427
Savings Declared	(211)
Directors Decisions	
Public Realm Works	(167)
Expansion of Children's Homes (Hillview)	200
Other	198
Net Movements	10,453

4.6 The following appendices to this report show progress on each type of scheme:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions
- Appendix F – Prudential Indicators

4.7 This report only monitors policy provisions to the extent that spending approval has been given, at which point they will be classified as projects, work programmes or provisions.

4.8 Capital Receipts

4.8.1 As part of the budget strategy set for 2025/26 there was a requirement to generate £60m of asset sales that could be used if a capitalisation directive

was required. The Council has a significant programme to generate these capital receipts. To the end of the third quarter of 2025/26, the Council has realised £6.5m of General Fund capital receipts.

4.8.2 Over the same period “Right to Buy” receipts from sales of council housing have amounted to £17.6m. The number of sales has continued to increase throughout the first 3 quarters of the year. The Council is still working through the influx of applications which resulted from changes to the Right to Buy scheme in November 2024. Applications have since dropped by around 50% compared to historic levels, which is a smaller reduction than anticipated. Although many applications will not result in a sale of the property, the Council is likely to see high levels of completed sales in the remainder of 2025/26 and throughout 2026/27. The changes to scheme eligibility will likely reduce sales thereafter as the number of applications reduces further and people opt to discontinue the process when the reduced level of discount becomes apparent. Assumptions relating to the on-going impact of the change in government policy are included in the 2026/27 budget report approved at Council in February 2026.

4.9 Prudential Indicators

This report also presents prudential indicators, in accordance with the CIPFA code.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

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

Signed: Claire Gavagan – Assistant Director of Finance

Dated: 18 February 2026

5.2 Legal implications

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

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

Dated: 17 February 2026

5.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

People from across all protected characteristics should benefit from the improved public good arising from the capital programme. The purpose of this report is to present the position of the capital programme for 2025/26 as at the end of December 2025.

At this time, there are no further equality implications as these will have already been identified for the proposals agreed and submitted.

There may be future projects, arising from the report and its recommendations, which would benefit from further consideration of the equalities implications and possibly a full equality impact assessment in certain circumstances. Whether an Equalities Impact Assessment is required will be dependent upon how work develops and whether the changes are likely to have a disproportionate impact on any protected group; this is usually the case where there are significant changes or a reduction in provision.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 17 February 2026

5.4 Climate Emergency implications

Following the council's declaration of a climate emergency and ambition to reach net zero carbon emissions for the council and the city, the council has a key role to play in addressing carbon emissions relating to the delivery of its services. This includes through its delivery of capital projects, as projects involving buildings and infrastructure often present significant opportunities for achieving carbon savings or climate adaptations and are an area where the council has a high level of control.

It is important that the climate implications and opportunities of all projects and work programmes are considered on a project-by-project basis, both during the development phase and when decisions are made.

Signed: Phil Ball

Dated: 16 February 2026

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

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

6. Background information and other papers:

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

7. Summary of appendices:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions
- Appendix F – Prudential Indicators

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No.

9. Is this a “key decision”? If so, why?

No.

PROJECTS

1. Summary

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

Department / Division	Approved Budget £000	2025/26 Spend £000	Forecast (Under) / Overspend £000
Corporate Resources	1,000	103	0
Adult Social Care	62	0	0
Planning, Development & Transportation	46,147	5,005	0
Tourism, Culture & Inward Investment	16,332	3,002	0
Neighbourhood & Environmental Services	7,716	1,139	0
Estates & Building Services	4,780	154	0
Housing General Fund	35,869	25,561	0
Children's Services	9,467	2,094	0
Housing Revenue Account	2,738	410	0
Total	124,111	37,468	0

- 1.2 A list of the individual projects is shown in the table below. This also summarises the progress of each project. Attention is drawn to expected completion dates and any project issues that have arisen.
- 1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing to the latest approved delivery and cost plan as expected, and whether it is still expected to complete within budget.
- 1.4 The ratings used are:
- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
 - (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist, and close attention will be required to ensure these risks

do not materialise into major issues threatening delivery. Alternatively, a project is classed as amber if some insubstantial slippage or minor overspend is probable.

- (c) **Red** Successful delivery of the project 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 substantially complete.
- (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

2. Summary of Individual Projects

Dept/ Division	Project	Approved Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P9
CRS	Finance System Replacement	1,000	103	0	Apr-27	Apr-27	Green	Green
CDN (PDT)	Local Transport Schemes	14,199	3,661	0	Mar-24	Dec 27	Green	Green
CDN (PDT)	LCC Bus Improvements	8,493	0	0	Apr-27	Apr-27	N/A	Green
CDN (PDT)	Waterside Strategic Regeneration Area	2,371	415	0	Mar-23	Mar-27	Green	Amber
CDN (PDT)	Leicester Railway Station - Levelling up	14,230	311	0	Mar-24	TBC	Red	Red
CDN (PDT)	Land South of Phoenix	281	33	0	Jun-25	Mar-26	Green	Blue
CDN (PDT)	Leicester Urban Natural Flood Management	60	60	0	Mar-27	Mar-27	Green	Green
CDN (PDT)	Heritage Development Trust	134	1	0	Mar-25	Jun-27	Amber	Amber
CDN (PDT)	Restoring the Soar	562	92	0	Jul-26	Jul-26	Green	Green
CDN (PDT)	Strategic Sites	4,934	245	0	Mar-28	Mar-28	Green	Green
CDN (PDT)	Connecting St Margarets	798	134	0	Mar-26	Mar-26	Green	Amber
CDN (PDT)	DEFRA Flood Grant Awards	85	53	0	-	Mar-26	N/A	Blue
CDN (TCI)	Leicester Market Redevelopment	7,725	2,114	0	Dec-21	Dec-26	Green	Green
CDN (TCI)	12-20 Cank St Link	2,594	150	0	Jan-25	Oct-26	Green	Green
CDN (TCI)	Leicester Museum and Art Gallery Phase 1	5,037	738	0	Mar-22	Jun-26	Green	Green
CDN (TCI)	King Richard III Café	551	0	0	Feb-27	Feb-27	Green	Green
CDN (TCI)	Workspace Fit-Out Project	425	0	0	Jun-26	Aug-26	N/A	Green
Total		63,479	8,110	0				

Dept/ Division	Project	Approved Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P9
CDN (NES)	Library Self Access Rollout	473	44	0	Sep-24	TBC	Purple	Purple
CDN (NES)	Neighbourhood Services Transformation	1,000	0	0	Mar-27	TBC	Green	Purple
CDN (NES)	Multi Use Games Areas (MUGAs)	4,844	951	0	Mar-25	Mar-27	Amber	Amber
CDN (NES)	Depot Relocation	149	125	0	Mar-25	Mar-26	Green	Blue
CDN (NES)	Pest & Dogs Depot Relocations	48	0	0	Mar-25	Jun-26	Green	Amber
CDN (NES)	Leisure Centre Improvements	1,072	0	0	Dec-25	Mar-27	Purple	Purple
CDN (NES)	Green Libraries Project	130	19	0	Mar-25	Jun-26	Amber	Amber
CDN (EBS)	Estate Shops	266	4	0	Mar-22	Dec-26	Green	Green
CDN (EBS)	St Nicholas Wall	362	11	0	Sep-24	Oct-26	Green	Amber
CDN (EBS)	Boston Road	1,431	138	0	Jul-25	Sep-26	Green	Green
CDN (EBS)	Gilroes Cemetery	719	1	0	Sep-25	Jul-26	Green	Amber
CDN (EBS)	Energy Smart Initiatives	2,002	0	0	Jun-26	Jun-26	Green	Green
CDN (HGF)	86 Leycroft Road Depot	3,794	43	0	Dec-26	Sep-27	Green	Green
CDN (HGF)	Housing Acquisitions - SAP	32,075	25,518	0	Aug-25	Mar-26	Green	Blue
SCE (ASC)	Supported Living Access Works	62	0	0	Feb-26	Feb-26	N/A	Blue
SCE (ECS)	Additional SEND Places (including Pupil Referral Units)	5,716	1,580	0	Jan-24	TBC	Green	Purple
SCE (ECS)	S106 School Places (Slater/ Wolsey House)	847	6	0	Sep-26	Sep-26	Green	Green
SCE (ECS)	Pindar Nursery	825	0	0	Mar-23	TBC	Purple	Purple
SCE (ECS)	Education System Re-tender	1,486	458	0	Mar-26	Mar-27	Green	Green
SCE (ECS)	Early Years - Two Year Olds	593	50	0	Mar-26	Mar-27	Green	Amber
Total (excluding HRA)		121,373	37,058	0				

Dept/ Division	Project	Approved Budget (£000)	2025/26 Spend (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ P9
CDN (HRA)	Dawn Centre Reconfiguration	1,104	314	0	May-23	Jun-26	Amber	Blue
CDN (HRA)	St Matthews Residential Property Concrete Works	1,633	96	0	Mar-24	Oct-26	Amber	Green
Total HRA		2,738	410	0				
Total (including HRA)		124,111	37,468	0				

Capital Programme Project Monitoring 2025/26 P9

Corporate Resources

1. Projects Summary

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

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

Capital Programme Project Monitoring 2025/26 P9

Planning, Development & Transportation

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Local Transport Schemes	14,199	0	Mar-24	Dec-27	G
LCC Bus Improvements	8,493	0	Apr-27	Apr-27	G
Waterside Strategic Regeneration Area	2,371	0	Mar-23	Mar-27	A
Leicester Railway Station - Levelling up	14,230	0	Mar-24	TBC	R
Land South of Phoenix	281	0	Jun-25	Mar-26	B
Leicester Urban Natural Flood Management	60	0	Mar-27	Mar-27	G
Heritage Development Trust	134	0	Mar-25	Jun-27	A
Restoring the Soar	562	0	Jul-26	Jul-26	G
Strategic Sites	4,934	0	Mar-28	Mar-28	G
Connecting St Margarets	798	0	Mar-26	Mar-26	A
DEFRA Flood Grant Awards	85	0	N/A	Mar-26	B
Total	46,147	0			

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

2.1. Waterside Strategic Regeneration Area – The development completion has been delayed by the length of time the developer has taken to submit a planning application for changes to the public open space. There are no financial implications for the Council.

2.2. Leicester Railway Station – Levelling Up - This is a very large and complex contract. The contracting approach has been carefully reviewed, and we have undertaken detailed soft market testing with the construction sector. This has confirmed that our approach should be

attractive to the market. We anticipate formal relaunch of the main contract to procurement in Spring 2026, with an appointment by Autumn of 2026.

- 2.3. Leicester Urban Natural Flood Management** – The report recommends the addition of £621k for Phase 2 of the Leicester Urban Natural Flood Management, financed from government grant funding through the Environment Agency.
- 2.4. Heritage Development Trust** – The deadline for expenditure of the grant has been extended due to delays in recruitment and programme delivery nationwide. As a result, the project completion date has been revised and extended by six months to allow for effective delivery.
- 2.5. Connecting St Margarets** – The scheme design and delivery programme is in review and an updated completion date for the scheme will be provided once completed.

Capital Programme Project Monitoring 2025/26 P9

Tourism, Culture and Inward Investment

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Leicester Market Redevelopment	7,725	0	Dec-21	Dec-26	G
12-20 Cank St Link	2,594	0	Jan-25	Oct-26	G
Leicester Museum and Art Gallery Phase 1	5,037	0	Mar-22	Jun-26	G
King Richard III Café	551	0	Feb-27	Feb-27	G
Workspace Fit-Out Project	425	0	N/A	Aug-26	G
Total	16,322	0			

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

Capital Programme Project Monitoring 2025/26 P9

Neighbourhood and Environmental Services

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Self Access Rollout	473	0	Sep-24	TBC	P
Neighbourhood Services Transformation	1,000	0	Mar-27	TBC	P
Multi Use Games Areas (MUGAs)	4,844	0	Mar-25	Mar-27	A
Depot Relocation	149	0	Mar-25	Mar-26	B
Pest & Dogs Depot Relocations	48	0	Mar-25	Jun-26	A
Leisure Centre Improvements	1,072	0	Dec-25	Mar-27	P
Green Libraries Project	130	0	Mar-25	Jun-26	A
Total	7,716	0			

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

2.1. Library Self Access Rollout – The timing and roll out of library self-access will be dependent on the future Executive Decision on libraries and community centres.

2.2. Neighbourhood Services Transformation – This scheme is paused and will be dependent on the future Executive Decision on libraries and community centres

2.3. Multi Use Gaming Areas (MUGAs) – All works are progressing as planned. The inclusion of Play zone sites into the project extends the completion date to March 2027.

2.4. Pest & Dogs Depot Relocations – It is anticipated that a contractor will have been appointed by February. Given the likely timescales to undertake the work a completion date of June is now being forecast.

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

2.6. Green Libraries Project – A delay has arisen due to additional work being required on the IT interface for heating system upgrades. There is no impact on project cost.

Capital Programme Project Monitoring 2025/26 P9
Estates and Building Services

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Estate Shops	266	0	Mar-22	Dec-26	G
St Nicholas Wall	362	0	Sep-24	Oct-26	A
Boston Road	1,431	0	Jul-25	Sep-26	G
Gilroes Cemetery	719	0	Sep-25	Jul-26	A
Energy Smart Initiatives	2,002	0	Jun-26	Jun-26	G
Total	4,780	0			

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

2.1. St Nicholas Wall – It is taking significantly longer than anticipated to acquire third party agreements, and this is leading to project delays.

2.2. Gilroes Cemetery - The commencement of work onsite has been delayed to avoid the increased service demand over the winter months.

Capital Programme Project Monitoring 2025/26 P9

Housing General Fund

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
86 Leycroft Road Depot	3,794	0	Dec-26	Sep-27	G
Housing Acquisitions - SAP	32,075	0	Aug-25	Mar-26	B
Total	35,869	0			

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

Capital Programme Project Monitoring 2025/26 P9

Adult Social Care

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Supported Living Access Works	62	0	Feb-26	Feb-26	B
Total	62	0			

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

Capital Programme Project Monitoring 2025/26 P9

Children's Services

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Additional SEND Places (including Primary Pupil Referral Unit)	5,716	0	Jan-24	TBC	P
S106 School Places (Slater/ Wolsey House)	847	0	Sep-26	Sep-26	G
Pindar Nursery	825	0	Mar-23	TBC	P
Education System Re-tender	1,486	0	Mar-26	Mar-27	G
Early Years - Two Year Olds	593	0	Mar-26	Mar-27	A
Total	9,467	0			

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

2.1. Additional SEND Places (including Primary Pupil Referral Unit) – This scheme is on hold whilst the total number of SEND places required in the city is confirmed. This report recommends that £556k is transferred from the Expansion of Oaklands Special School substantially complete scheme to increase the amount of capital funding available once the review is completed.

2.2. Pindar Nursery – This is still on hold whilst the requirements are reviewed.

2.3. Early Years – Two Year Olds – The completion date has been extended by the DfE from March 2026 to March 2027, to provide additional time for nurseries to carry out works and create more places.

Capital Programme Project Monitoring 2025/26 P9

Housing (HRA)

1. Projects Summary

Project Name	Approved Budget (£000)	Over / (Under) Spend (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Dawn Centre Reconfiguration	1,104	0	May-23	Jun-26	B
St Matthews Concrete Works	1,633	0	Mar-24	Oct-26	G
Total	2,738	0			

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

WORK PROGRAMMES**1. Summary**

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

Department / Division	Approved to spend in 25/26 £000	2025/26 Spend £000	Slippage £000	Over/(under) Spend £000
City Development & Neighbourhoods	1,921	107	1,552	0
Planning, Development & Transportation	13,037	5,608	1,718	0
Tourism, Culture & Inward Investment	1,013	292	434	0
Neighbourhood & Environmental Services	966	25	621	0
Estates & Building Services	6,206	1,321	2,204	0
Housing General Fund	11,507	2,352	7,659	(72)
Children's Services	17,013	5,461	5,958	0
Adult Social Care	250	3	247	0
Total (excluding HRA)	51,913	15,169	20,393	(72)
Housing Revenue Account	29,864	24,931	1,127	17
Total (including HRA)	81,777	40,100	21,520	(55)

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2025/26 Spend £000	Slippage £000	Over/ (under) Spend £000
Feasibility Studies	CDN	1,921	107	1,552	0
Transport Improvement Works	CDN (PDT)	4,764	1,989	600	0
Bus Engine Retrofitting	CDN (PDT)	376	0	376	0
Highways Maintenance	CDN (PDT)	6,091	2,995	0	0
Flood Strategy	CDN (PDT)	286	141	0	0
Festival Decorations	CDN (PDT)	55	7	0	0
Local Environmental Works	CDN (PDT)	400	400	0	0
Architectural & Feature Lighting (Grant)	CDN (PDT)	30	0	30	0
Front Wall Enveloping	CDN (PDT)	582	0	567	0
Secure Cycle Parking (TCF Funded)	CDN (PDT)	338	3	145	0
Street Nameplates City Branding Programme	CDN (PDT)	24	24	0	0
Historic Building Grant Fund	CDN (PDT)	91	49	0	0
Heritage Interpretation Panels	CDN (TCI)	370	98	70	0
Local Shopping Centres Reopening & Improvement Programme Grants	CDN (TCI)	494	194	244	0
Community Asset Transfer	CDN (TCI)	150	0	120	0
Grounds Maintenance Equipment	CDN (NES)	150	0	0	0
Evington Park Depot Staff Welfare Facilities	CDN (NES)	140	25	0	0
Street Cleaning Equipment	CDN (NES)	445	0	445	0
Public Toilet Automatic Locking	CDN (NES)	176	0	176	0
Trees and Woodland Stump Grinder	CDN (NES)	55	0	0	0
Corporate Estate	CDN (EBS)	2,283	186	1,686	0
Property & Operational Estate Capital Maintenance Programme	CDN (EBS)	3,438	1,113	518	0
Green Homes	CDN (EBS)	485	22	0	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,775	1,394	575	0
Repayable Home Repair Loans	CDN (HGF)	121	0	121	0
Vehicle Fleet Replacement Programme	CDN (HGF)	8,323	815	6,963	0
Action Homeless' Supported Living Scheme	CDN (HGF)	288	143	0	(72)
School Capital Maintenance (CCIP works)	SCE (ECS)	15,862	4,971	5,753	0
School Capital Maintenance (TMBs and other)	SCE (ECS)	756	490	0	0
Foster Care Capital Contribution Scheme	SCE (ECS)	395	0	205	0
Extra Care Feasibility	ASC	250	3	247	0
Total (excluding HRA)		51,913	15,169	20,393	(72)

Work Programme	Dept/ Division	Approved £000	2025/26 Spend £000	Slippage £000	Over/ (under) Spend £000
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	2,658	1,562	700	0
Council Housing - Boiler Replacements	CDN (HRA)	2,000	1,476	0	0
Council Housing - Rewiring	CDN (HRA)	1,610	1,127	0	0
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,200	838	0	0
Council Housing - Insulation Works	CDN (HRA)	200	205	0	50
Council Housing - External Property Works	CDN (HRA)	1,158	1,306	0	267
Council Housing - Fire and Safety Works	CDN (HRA)	600	400	0	0
Council Housing - Community & Environmental Works	CDN (HRA)	1,757	296	400	0
Affordable Housing - Acquisitions	CDN (HRA)	11,367	11,292	0	0
Public Realm Works	CDN (HRA)	565	237	27	(300)
New House Build Council Housing	CDN (HRA)	6,750	6,192	0	0
Total HRA		29,864	24,931	1,127	17
Total (including HRA)		81,777	40,100	21,520	(55)

3. Commentary on Specific Work Programmes

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast.
- 3.2 **Feasibility Studies** – The feasibility programme includes multiple schemes, with budget expected to slip into next year due to a mix of factors, including contractor withdrawal and staffing gaps. There has also been a focus on in-year delivery, reducing feasibility activity this year.
- 3.3 **Transport Improvement Works** – All funds allocated and approved as part of the 2025/26 budget will be allocated to projects by April. The delivery of some projects will need to be over the summer months and hence some slippage into 2026/27 will occur.
- 3.4 **Bus Engine Retrofitting** – A ministerial decision is awaited to permit the reallocation of this funding for alternative delivery objectives, but this is not anticipated by the end of the financial year.
- 3.5 **Architectural & Feature Lighting** - There are several projects in the pipeline, and we continue to work with third parties to progress these through to delivery.
- 3.6 **Front Wall Enveloping** - Due to staffing shortages the programme of work to front walls on Welford Road will now take place in 2026/27. A project manager has now been appointed to oversee this work.
- 3.7 **Secure Cycle Parking (TCF Funded)** – Procurement has concluded, and a contractor appointed. Whilst some sites will complete by the end of March, some are likely to slip into the beginning of 26/27.
- 3.8 **Heritage Interpretation Panels** – There is confidence that the current phase will be delivered by the end of March, with the slippage shown here to be used for ongoing project management costs in 2026/27.
- 3.9 **Local Shopping Centres Reopening & Improvement Programme** – Works are underway for the shop front grants and neighbourhood improvements. The assessment of a further two areas for neighbourhood improvements is expected to slip into the next financial year.

- 3.10 **Community Asset Transfer** – An extension to the deadline for spending the UKSPF grant has allowed time to continue this work into 26/27.
- 3.11 **Street Cleaning Equipment** –The time-lag between ordering and delivery of the equipment means that this scheme will not complete until next financial year.
- 3.12 **Public Toilet Automatic Locking** – Procurement delays in tender process, new planned start date 01/04/26
- 3.13 **Corporate Estate** – All projects spend is fully committed. Delivery is reliant on Hard FM project completion. Various delivery issues have arisen in survey stage which has delayed delivery in some projects. £1,686k slippage includes Haymarket balance (£923k) and Corporate Estate programme balance (£763k).
- 3.14 **Property & Operational Estate Capital Maintenance Programme** – Prioritisation of the urgent work at the Curve has meant that there has been insufficient time to procure and get consents for £0.5m of other works that are weather dependent; these will now be programmed for the first quarter of 2026/27.
- 3.15 **Private Sector Disabled Facilities Grant** – Additional grant was awarded to the Council at the end of 2024/25 and whilst efforts have been made to increase contractor capacity, this is taking longer than hoped. Whilst significant work has been undertaken to utilise this funding, cancellations of works by residents continues to be high, and this has contributed to a major part of the slippage.
- 3.16 **Repayable Home Repair Loans** - To release capacity to maximise delivery of Disabled Facilities Grants, no repayable home loans will be completed this year.
- 3.17 **Vehicle Fleet Replacement Programme** - Due to the lead times associated with the procurement of vehicles, £6,963k of the current budget has been forecasted to slip into 2026/27.
- 3.18 **Action Homeless' Supported Living Scheme** – The report is recommended to approve a reduction to the Action Homeless Supported Living Scheme of £72k to reflect a reduction in the overall scheme costs. The grant received in excess of scheme costs will be repaid to MHCLG.
- 3.19 **School Capital Maintenance (CCIP works)** - Slippage on the programme is due to schools' access issues to carry out the larger schemes.

- 3.20 **Foster Care Capital Contribution Scheme** – Four projects in progress, total value circa £190k. Slippage of £205k, retained for projects being evaluated, but finance agreements expected to be completed next year.
- 3.21 **Extra Care Feasibility** - Procurement of consultants completed and budget is on track to be spent as per the agreed 6-8 month programme. Completion due Summer 2027.
- 3.22 **Council Housing - New Kitchens and Bathrooms** - There is limited contractor capacity to complete upgrades to kitchens and bathrooms with resource being prioritised to the General Fund property acquisitions programme to identify temporary accommodation for homeless households, resulting in slippage of £700k.
- 3.23 **Council Housing – Insulation Works** - This programme is expected to overspend by £50k due to an increased demand for top ups of loft insulation, partly a result of Awaab’s Law.
- 3.24 **Council Housing - External Property Works** - Works for the roofing replacement programme have been prioritised to mitigate the need for expensive temporary repairs, which has enabled progress to be made into next year's programme. The 2026/27 budget will fund the overspend.
- 3.25 **Council Housing - Community & Environmental Works** - The work required under the communal flat improvement project has been identified and procurement for the works is under way. This won't take place this year, resulting in £200k slippage into 2026/27. A further £80k slippage arises from the reallocation of budget underspends on projects to new schemes; consultation is taking place with tenants in shaping proposals for its use. Slippage of £200k relates to match funding for the installation of units as part of the Heat Network Efficiency Scheme (HNES) to improve district heating efficiency.
- 3.26 **Public Realm Works** – £300k of the remaining budget on this project has been identified for revenue expenditure. This report seeks approval to reduce the capital budget by this amount and to transfer this to revenue budgets.

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 Normally provisions are there if needed. The sums below are for the 2025/26 financial year.

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

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

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

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

Project	Dept/ Division	Approved £000	2025/26 Spend £000	Over/(Under) Spend £000
City-wide Parkmap TRO review, signs and lines upgrades	CDN (PDT)	12	12	0
High Streets Heritage Action Zones	CDN (PDT)	211	54	0
Pioneer Park - Levelling Up	CDN (PDT)	867	437	0
Air Quality Action Plan	CDN (PDT)	1	0	0
St George's Churchyard	CDN (PDT)	180	108	0
Southgates Underpass Lighting	CDN (PDT)	55	55	0
Gresham Business Workspace	CDN (TCI)	10	10	0
Pilot House - Levelling Up	CDN (TCI)	2,201	1,952	0
Climate Change Retail Scheme	CDN (TCI)	17	0	(17)
Jewry Wall Museum Improvements	CDN (TCI)	1,754	1,620	0
PV Panels at Evington Leisure Centre	CDN (NES)	91	0	(91)
Study Zones	CDN (NES)	56	43	(13)
St Margaret's Pastures Skate Park	CDN (NES)	295	279	0
Saffron Lane Athletics Stadium S106 Improvements	CDN (NES)	27	0	0
Franklyn Fields Public Open Space	CDN (NES)	31	58	27
SuDS in Schools	CDN (EBS)	136	7	0
Haymarket Theatre - Internal Completion Works	CDN (EBS)	19	0	0
Leycroft Road Energy Reduction Works	CDN (EBS)	88	0	0
Leisure Centre Air Handling Units	CDN (EBS)	14	0	0
The Curve Remedial Works	CDN (EBS)	1,613	1,563	0
Replacement Cladding Phoenix Square	CDN (EBS)	2,077	1,555	0
Expansion of Oaklands Special School	SCE (ECS)	710	154	0
Overdale Infant and Juniors School Expansion	SCE (ECS)	45	45	0
Family Hubs	SCE (ECS)	102	71	0
S106 Additional School Places	SCE (ECS)	366	0	0
Winstanley Contact Centre	SCE (ECS)	10	10	0
Expansion of Children's Homes	SCE (ECS)	940	882	0
Beaumont Leys School – Bulge Works - Café and Canopy	SCE (ECS)	110	0	0
St Johns/Glebelands Bulge Capacity	SCE (ECS)	640	570	0
Bridlespur Way Refurbishment	CDN (HRA)	220	389	0
Total		12,901	9,874	(94)

POLICY PROVISIONS**1. Summary**

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

Department/ Division	Policy Provision	Amount £000
CDN (TCII)	Tourism & Culture	10
CDN (NES)	Library Investment	1,000
CDN (EBS)	Growing Spaces	301
CDN (Various)	Match Funding	3,000
CDN (Various)	People & Neighbourhoods	392
SCE (ECS)	New School Places	1,813
SCE (ASC)	Extra Care Schemes	5,686
Other	Black Lives Matter	435
All	Programme Contingency	2,800
Total (excluding HRA)		15,437
CDN (HRA)	Other HRA Schemes	750
Total HRA		750
Total (including HRA)		16,187

1.2. Since the previous monitoring report, there has been no release of monies from Policy Provisions.

Prudential Indicators

Summary

Under the requirements of the Prudential Code for Capital Finance in Local Authorities, the full Council sets prudential indicators for the authority at the beginning of each year as part of the Treasury Management Strategy and Capital Strategy. This appendix reports on compliance during the year.

1. Debt and the Authorised Limit and Operational Boundary

The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2025/26 Authorised Limit £m*	2025/26 Operational Boundary £m*	Debt at 31/12/25 £m	Complied?
Borrowing	650	550	232	Yes
PFI and Finance Leases	500	450	80	Yes
Total debt	1,150	1,000	302	

2. Maturity Structure of Borrowing

This indicator is set to control the Authority’s exposure to refinancing risk (i.e. not having to repay too much and then borrow again at the same time). The upper and lower limits on the maturity of all borrowing were:

	Upper Limit £m	Lower Limit £m	31/12/25 Actual £m	Complied?
Under 12 months	50	Nil	18	Yes
12 months and within 24 months	100	Nil	33	Yes
24 months and within 5 years	150	Nil	20	Yes
5 years and within 10 years	200	Nil	15	Yes
10 years and within 25 years	250	Nil	24	Yes
25 years and over	300	Nil	122	Yes

3. Short-term Treasury Management Investments

The Council is allowed to utilise a broad range of investment instruments but in practice things are kept straight forward concentrating on other Local Authorities & similar bodies, UK Registered Banks and Money Market Funds (MMF). As of 31 December 2025, the council held £83m in short-term investments including £63m in MMFs which allow the Council instant access for liquidity purposes.

4. Long-term Treasury Management Investments

The Council has a limit of £50m for long-term investments. The total sum of such investments held by the Council as of 31 December 2025 was £10m which includes £5m in property funds, the limit was therefore complied with.

5. Gross Debt and the Capital Finance Requirement (CFR)

The underlying need to borrow for capital purposes is called the Capital Financing Requirement (CFR).

Statutory guidance is that debt should remain below the capital finance requirement, except in the short term. The authority has complied and expects to continue to comply with this requirement.

6. Liability Benchmark

The Liability Benchmark forecasts the underlying need to borrow for capital purposes over the next 50 years, to make sure it remains within the CFR. Our forecasts suggest we will comply with this requirement.