

**Capital Budget 2019/20 – forecast main variances****Children and Family Services**

Net slippage of £1.8m is forecast compared with the updated budget. The main variances are:

	£000
<b>Provision of Additional Primary Places</b>	<b>-2,821</b>
1) Project at Blaby Thistly Meadow is forecast to slip by £1.4m due to planning issues as the site is on a flood plain, the structure will have to be raised up to overcome the problem.	
2) A project at Thurnby Fernvale is forecast to slip by £1.0m, due to issues with ownership of the brook which runs along the site and an easement to Severn Trent which required a full re-design of the scheme which delayed the programme. Also currently experiencing further delays due to the recent weather. The project is now expected to complete during the Summer break in time for the new academic year.	
3) Rothley Primary Phase 1 is forecast to slip by £0.4m due to delay in implementing a minor works contract as well as planning difficulties. In the absence of the Minor Works frameworks the scheme went to a larger contractor from the SCAPE framework which proved to be too costly due to the small scale of the project and made the scheme unviable. The site is constrained and therefore had to be re-designed to make the scheme deliverable within the budget allocation. The re-design and procurement issues have delayed the programme.	
<b>SEND Programme</b>	<b>1,279</b>
In order to deliver the High Needs Recovery Plan and enable lower cost local places to be available to deliver the required revenue saving a number of schemes to create capacity in special needs units and special schools are being accelerated.	
<b>Early Help - Building reconfiguration and refurbishment</b>	<b>-296</b>
Delay due to changes required to the tender framework mid project. All three buildings are out for tender currently and contractors have been visiting the buildings. The work should start by April 2020, based on what is agreed and how the work is rolled out. Length of work is short, expected to be completed within the next six months.	
<b>Other variances</b>	<b>0</b>
<b>TOTAL</b>	<b>-1,838</b>

**Adults & Communities**

Net slippage of £5.4m is forecast compared with the updated budget. The main variances are:

	£000
<b>Records Office Relocation</b>	<b>-2,920</b>
A Partner workshop took place on 6 September 2019 to confirm the detailed working relationship; work is now underway to draft a new legal agreement, which will define revenue contributions for all three partners in the new facility. The Full Business Case has been rewritten due to a number of changes to the design of the new records office. Revised proposals are now being considered. Overall it is still expected that the scheme can be delivered within the original budget, but as a result of the issues mentioned completion dates have been revised and are now expected to be late 2022/23.	
<b>Hamilton Court/Smith Crescent - NWL Development</b>	<b>-2,090</b>
Slippage due to the programme of work required for the development has significantly changed since the capital funding was requested. The project now has a feasibility report, which includes indicative timescales and milestones, that has informed the current position regarding funding requirements across the financial years. Pre-construction works have started in January 2020 with the actual works expected to commence in March 2020. The programme will be delivered within the agreed budget.	
<b>Brookfields Supported Living Scheme (refurbishment)</b>	<b>-300</b>
Underspend forecast based on the agreed contract value.	
<b>Mobile Library Vehicles</b>	<b>-109</b>
The final vehicle is due to be delivered in 2019/20. No further expenditure on mobile library vehicles is anticipated. The surplus is an underspend.	
<b>HART Rostering System</b>	<b>-105</b>
The system tender value was significantly below the estimated value.	
<b>SCIP - Loughborough Ashby Court - Refurbishment</b>	<b>100</b>
Acceleration as some of the refurbishment works will take place this year.	

<b>Other variances</b>	<b>-10</b>
<b>TOTAL</b>	<b>-5,434</b>

### Environment and Transport

Net slippage of £30.8m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>Melton Mowbray Eastern Distributor Road</b>	<b>605</b>
Acceleration due to pre-construction and additional ground investigation works.	
<b>Capital Maintenance - Preventative</b>	<b>464</b>
Overspend due to the demand on pre surface dressing work being higher than anticipated from increasing deterioration of the roads.	
<b>A50 Overbridge Markfield</b>	<b>243</b>
Issues encountered with exposed bridge deck which required extensive repair at each of the three joints. The problems created an unanticipated delay in the works.	
<b>M1 Junction 23 &amp; A512</b>	<b>-9,643</b>
Slippage due to delays in the legal agreement being signed with the developers. There has also been a delay in mobilisation due to issues with access to the site. The agreement has now been signed and construction works have started. Grant funding from DfT will have timings attached to it and so this funding will be used first to ensure conditions are met.	
<b>National Productivity Investment Fund (NPIF) - Hinckley Hub</b>	<b>-4,946</b>
Slippage of budget due to delay in negotiating with land owners and Gas Works which is restricting road works in the area. This has meant that work is now not likely to start until March 2020 and so minimal expenditure is expected this year. Careful monitoring is now required as the funding is time limited and due to expire March 2021. The project will first spend any NPIF and time sensitive money which will help to mitigate	
<b>Waste Transfer Station Development</b>	<b>-4,542</b>
Slippage due to work commencing later than anticipated while identifying a suitable site. A site has now been identified at Bardon and the scheme can now progress. However, due to the delays the project will now mostly fall in 2020/21.	
<b>Melton Depot - Replacement</b>	<b>-3,839</b>
The Winter 2019/20 service is to be provided out of existing depot due to one-year extension of lease being granted. Winter 2020/21 onwards there is currently no prospect of moving to the new depot site until the Melton Distributor Road is completed and contractor has moved out and so short term options are being investigated. Design work will continue on the long term option but this cannot be developed at this time.	
<b>County Council Vehicle Programme</b>	<b>-1,892</b>
Slippage of budget due to a fleet management review which is now complete with actions and outcomes being considered. Whilst the review and the outcomes are considered there is a pause on replacing the fleet.	
<b>Lutterworth East - Road</b>	<b>-1,772</b>
Slippage due to full allocation of budget in this financial year (additional budget agreed mid year) whereas some of the spend will now be in 2020/21 as per the latest forecast.	
<b>Zouch Bridge Replacement</b>	<b>-1,602</b>
Slippage of budget after a review of the programme and a Cabinet report relating to funding. The planned start is now Summer 2020 and so costs during the 19/20 financial year relate to early contractor engagement and design fees.	
<b>Advanced Design</b>	<b>-1,224</b>
Priority given to completing the Major Road Network (A511/A50) bid, with the area strategy to follow once the outcome of the bid is known. Balance of funding not expected to be needed until 2020/21.	
<b>A46 Anstey Lane</b>	<b>-682</b>
Slippage due to time taken to ensure that the best value for money was being received and external funders acceptance of the overall cost of the scheme. Latest forecast based on the contractors programme of works.	
<b>Kibworth Site Redevelopment</b>	<b>-364</b>
Slippage due to progress being slower than planned as dependencies with another project required, a revised delivery timeframe is now in place.	
<b>Croft Office Block Improvements</b>	<b>-364</b>

Underspend due to the project being stopped as savings identified for the scheme to go ahead were not achievable.	
<b>M1 Junction 20a</b>	<b>-300</b>
Slippage due to the project awaiting further briefing from Strategic Growth Board.	
<b>Capital Maintenance - West Lane / Victoria Road</b>	<b>-259</b>
Slippage due to a more robust works cost for the scheme. The retention works will now occur in 20/21.	
<b>Capital Maintenance - Restorative</b>	<b>-243</b>
Slippage in programme due to resources being reallocated to safety critical works due to weather.	
<b>Traffic Counter Renewals and Surveys</b>	<b>-224</b>
Slippage due to trial period for new equipment which if successful will be procured next year.	
<b>Other variances</b>	<b>-222</b>
<b>TOTAL</b>	<b>-30,806</b>

<b>Chief Executives</b>	
Net slippage of £0.6m is forecast compared with the updated budget. The main variances are:	
	<b>£000</b>
<b>Rural Broadband Scheme - Phase 3</b>	<b>-610</b>
Phase 3 contract let for West Leicestershire. East Leicestershire programme to be retendered. Work due to commence in 2020/21.	
<b>Other variances</b>	<b>0</b>
<b>TOTAL</b>	<b>-610</b>

### **Corporate Resources**

Net slippage of £5.5m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>Workplace Strategy - End User Device (PC, laptop)</b>	<b>175</b>
Acceleration of agreed budget for 2020/21 to forward fund work to procure laptops for A&C to support the Target Operating Model initiative.	
<b>Watermead Park Footbridge and Cycleway</b>	<b>-1,979</b>
The scheme is now on hold as one of the landowners on which the bridge will be located is reconsidering their involvement in the project. Conversations are continuing between County Council, Leicester City Council and the land owners on the potential viability of this scheme.	
<b>Snibston &amp; Country Park Future Strategy - Land Remediation works</b>	<b>-1,825</b>
Works to remediate the land have been put on hold, while the site is investigated for potential use by the Social Care Investment Plan (SCIP).	
<b>Snibston &amp; Country Park Future Strategy - Masterplan</b>	<b>-1,101</b>
The anticipated budget has not been spent as originally profiled. The delay was a result of questions from NWLDC around when the play area and heritage trails were to be delivered. Resulting in ongoing negotiations with the District Council. The work will now slip into 2020/21.	
<b>Workplace Strategy (WPS)</b>	<b>-492</b>
Budget was built in for Workplace Strategy related schemes which would derive savings related to CR3. Workplace Strategy Business Case has been approved by CMT and work will now begin to progress the works associated with this scheme. Funding likely to be slipped into 20/21 when roll out of the WPS will be	
<b>ICT - Marval Replacement Programme</b>	<b>-120</b>
Two year programme is due to begin in 2020/21 as other priorities and calls on resources have taken precedence.	
<b>Firewall Replacement</b>	<b>-100</b>
Programme is due to begin in 2020/21 as other priorities and calls on resources have taken precedence.	
<b>Other variances</b>	<b>-14</b>
<b>TOTAL</b>	<b>-5,456</b>

### **Corporate Programme**

Net slippage of £5.3m is forecast compared with the updated budget. The main variances are:

	<b>£000</b>
<b>CAIF - Loughborough University Science &amp; Enterprise Park (LUSEP)</b>	<b>6,755</b>
The scheme was accelerated to enable the tenant to complete possession in July 2020. There are some additional snagging works to be undertaken, including the fit out of the second floor, for which £510k additional budget was agreed by Cabinet (171219) and added to the 20/21 Capital Programme.	
<b>CAIF - Lutterworth East Development (Phase 2)</b>	<b>305</b>
Acceleration of funding in 20/21 MTFS in relation to the initial delivery stage of the project. This includes costs associated with the delivery options appraisal, alongside designing the first phase development platforms, establishing the design code and providing a utilities strategy. A budget of £1.1m is included in 20/21.	
<b>CAIF - Sysonby Farm site preparation</b>	<b>170</b>
Initial site preparation in advance of works in 2020/21. Funding will be accelerated from 20/21.	
<b>CAIF - East of Lutterworth SDA</b>	<b>-9,075</b>
The completion of the purchase of the final two parcels of land associated with this scheme will now complete on 3rd April 2020, which will necessitate the budget to slip into the following financial year.	
<b>CAIF - Airfield Business Park Phase 1</b>	<b>-1,549</b>
Build now complete, subject to snagging. Overall underspend is in part due to procuring a cheaper construction package through the OJEU process alongside some changes to the scheme.	
<b>Energy Strategy</b>	<b>-1,832</b>
Schemes progressing, but often takes significant time for schemes to be approved and progress to operational stage. As such, likely that majority of budget will slip into next financial year, but should be required as a number of schools are in conversation with the LCC Energy team to progress. Slippage also due to a changeover in staff within the Energy team, alongside additional work required to support reducing Carbon emissions which has deflected staff time elsewhere.	
<b>CAIF - Leaders Farm Site Infrastructure</b>	<b>-206</b>
Underspend due to the remaining works at the site, such as topping the road off and some grounds works costing less than anticipated.	
<b>Other variances</b>	<b>132</b>
<b>TOTAL</b>	<b>-5,300</b>

**Capital Programme - Changes in Funding**

Outturn Adjustments - 2018/19	£000
Children & Family Services	1,355
Adults & Communities	569
Environment & Transport	12,659
Corporate Resources	2,310
Corporate Programme	2,110
	<b>19,003</b>

**2019/20 Budget Adjustments**

<u>Children &amp; Family Services</u>	
SEND Initiatives - funded from Section 106 developer contributions	379
Provision of Additional School Places - from Section 106 developer contributions	134
Strategic Capital Maintenance - adjustment following confirmation of 2019/20 amount	11
<u>Adults &amp; Communities</u>	
Ashby Court purchase - funded from Future Development reserve (Cabinet 130919)	1,150
Disabled Facilities Grant - addtl sum following confirmation of 2019/20 allocation.	288
Earmarked capital receipt no longer being received.	-110
Coalville Greenfields purchase - funded from Future Development reserve (Cabinet 130919)	220
Sileby Heathcotes Drive purchase - funded from Future Development reserve (Cabinet 130919)	243
<u>Environment and Transport</u>	
Lutterworth East (road) - funded from Future Development reserve (Cabinet 290319)	1,500
Lutterworth East (road) - funded from Future Development reserve (Cabinet 221019)	3,500
A511/A50 Major Road Network (£1.5m), M1 J20A (£0.5m) - funded from Future Development reserve (Cabinet 290319) - £2m of £6m approved	2,000
Croft-Billesdon Depot Scheme - funded from earmarked capital receipt	200
Hinckley Hub (Hawley Road) - LLEP funding	80
West Lane, Victoria Road - funded from Section 278 developer funding	1,675
Traffic Signals - funded from revenue contribution	129
Barwell Civic Amenity Site - funded from Insurance reserve	10
RHWS General Improvements - funded from contributions unapplied	30
Hinckley Hub (Hawley Road) - transferred from Hinckley Area Approach Scheme	605
Hinckley Area Approach Scheme - transferred to Hinckley Hub (Hawley Road)	-605
Coalville Ashby Rd - transferred from Corporate Resources for highway works	325
Snibston Cycle Link - transferred to Corporate Resources, Snibston Masterplan	-267
Flood Alleviation - funded from Regional Flood Committee	48
Advanced Design - funded from Housing Infrastructure Fund grant	309
<u>Corporate Resources</u>	
Windows 10 and Office 2016 - ICT reserve	130
Country Parks and Forestry - Capital Grants receipts in advance	11
Beacon Hill Café and Investment - Corporate Resources reserve	195
Snibston CP Masterplan - transferred to E&T Coalville Ashby Rd works	-350
Snibston CP Masterplan - transferred from E&T Snibston Cycle Link	267
<u>Corporate Programme</u>	
Coalville Workspace Project - management fee deduction from LLEP grant	-53
Coalville Workspace Project - reduction due to capital receipt not being received	-400
CAIF - East of Lutterworth SDA - additional land purchase, from unallocated Asset Acquisitions	750
CAIF - Asset Acquisitions/new Investments - to East of Lutterworth SDA budget to purchase additional land	-750
<b>Sub Total</b>	<b>11,654</b>
<b>Overall Total</b>	<b>30,657</b>

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