

<b>Meeting:</b>	Cabinet
<b>Date:</b>	23 June 2005
<b>Subject:</b>	Capital Investment Outturn 2004-05
<b>Responsible Officer:</b>	Director of Financial & Business Strategy
<b>Contact Officer:</b>	Myfanwy Barrett
<b>Portfolio Holder:</b>	Cllr Sanjay Dighe (Finance and Performance)
<b>Key Decision:</b>	No
<b>Status:</b>	Part 1

## **Section 1: Summary**

### **Decision Required**

The Cabinet is asked to:

- i) note the level of expenditure on approved capital investment plans at the end of 2004-05;
- ii) note the forecast level of expenditure for 2005-06 and future years, and the current resources position.

### **Reason for report**

To inform Cabinet of the expenditure on capital schemes in 2004-2005 and to update the programme for 2005-06 and future years.

### **Benefits**

Reporting capital expenditure is part of the financial management framework.

## Cost of Proposals

Detailed financial information is set out within the report and attached in the appendix.

## Risks

None associated with the decision.

## Implications if recommendations rejected

None.

## Section 2 : Report

### Capital Outturn 2004-05

- 1.1 The Council's capital investment management system provides for close scrutiny of performance in implementing approved investment plans to support regular monitoring reports to the Cabinet.
- 1.2 Total expenditure in 2004-05 was £39.69m against a revised budget of £55.85m. Table 1 shows, by programme area, the actual level of expenditure against the original approved budget for 2004-05 reported to Cabinet at its meeting on 24 June 2004 and the revised capital budget which incorporates new schemes added since February 2005.

<b>Table 1</b>	Budget June 2004 £000	New Schemes / transfers £000	Revised Budget £000	Reductions/ Savings £000	Rephasing £000	2004-05 Outturn £000	Qtr 3 Forecast £000
Bus. Connect	5,809	+1,883	7,692	-891	-2,703	4,098	5,571
Chief Exec's.	0	0	0	0	+63	63	0
People First	7,973	+899	8,872	0	-1,826	7,046	7,258
Urb Lvg-Hsg	10,824	+465	11,289		-2,547	8,742	8,219
Urb Lvg-other	23,438	+3,046	26,484	-805	-7,366	18,313	21,185
Capitalisation	1,131	+300	1,431	0	0	1,431	1,131
Prog Mgmnt	1,100	-1,016	84	-84	0	0	124
<b>Total</b>	<b>50,275</b>	<b>+5,577</b>	<b>55,852</b>	<b>-1,780</b>	<b>-14,379</b>	<b>39,693</b>	<b>43,488</b>

Note: The programme management line includes allocations for Feasibility Studies, Invest to Save schemes, Small Projects and Business Cases, as agreed by Cabinet in February 2004. Throughout the year these provisions have been transferred to specific schemes in the directorate programmes.

## Financing Capital Expenditure 2004-05

1.3 Table 2 sets out how expenditure was financed in 2004-05

<b>Table 2</b>		£000
Total Expenditure		<b>39,693</b>
<b>Funded by</b>		
<i>Borrowing and use of reserved receipts:</i>		
Supported		4,783
Unsupported		9,394
Capital Receipts		10,792
HRA Major Repairs Allowance		3,660
<i>Grants: -</i>		
Transport for London		3,582
Education Standards Fund		2,045
Interactive White Boards (schools)		754
Implementing Electronic Govt		732
Disabled Facilities Grants		377
Due but not yet received		2,619
Other		534
Local Lottery fund		312
Section 106 monies		81
General Fund Revenue Contribution		<u>28</u>
	<b>Total</b>	<b>39,693</b>

### Rephasing

- 1.4 The rephasings refer to the transfer of resources between years to reflect slippage in expenditure and therefore do not release resources for other schemes. Of the rephasing, £8.5m was reported to Cabinet at the end of the 3<sup>rd</sup> quarter.
- 1.5 Adjustments to planned expenditure on approved investment plans in 2004-05 have been reported to Cabinet in the regular performance reports. These are summarised in appendix 1 together with changes that have occurred since the last report to Cabinet.

### Resources

- 1.6 The impact of the 2004-05 outturn together with the schemes approved by Cabinet in February of this year are shown in table 3

**Table 3**

<b>Forecast Capital Expenditure</b>	<b>2005-06</b>	<b>2006-07 &amp; 2007-08</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Business Connections	16,520	17,215	33,735
Chief Executive's	1,637	3,400	5,037
People First	9,270	6,820	16,090
Urban Living - Housing	15,837	27,580	43,417
Urban Living – Other	30,718	32,696	63,414
<b>Sub total</b>	<b>73,982</b>	<b>87,711</b>	<b>161,693</b>
Capitalisation	1,240	1,980	3,220
Programme Management	700	1,400	2,100
<b>Total</b>	<b>75,922</b>	<b>91,091</b>	<b>167,013</b>

Note: The programme management line includes allocations for Feasibility Studies, Invest to Save schemes, Small Projects and Programme Management, as agreed by Cabinet in February 2005.

- 1.7 The programme for 2005-06 is currently being reviewed and any changes will be reported to Cabinet in July. As part of this process deliverability will be considered in the light of the sums carried forward.
- 1.8 Table 4 shows how the programme will be funded over the 3 year period.

<b>Table 4 Capital Investment Plan Funding 2005-06 to 2007-08</b>		<b>£000</b>
Total Capital Expenditure		167,013
<b>Funding</b>		
<b>Borrowing:</b>		
Supported – charges met by Government revenue support		12,640
Unsupported – Prudential Borrowing		112,694
<b>External Funding</b>		
Education Grants		7,264
Transport for London		8,075
Other Capital Grants		2,613
Canons Park (various sources)		1,076
Housing Major Repairs Allowance		10,647
Miscellaneous funds		954
<b>Capital receipts</b>		
In hand		0
Anticipated: Asset sales		7,725
Right to Buy sales		3,325
<b>Total Capital Resources</b>		<b>167,013</b>

## **2. Options Considered**

Not applicable

## **3. Consultation**

Not applicable

## **4. Finance Observations**

This is a report from the Director of Financial and Business Strategy and deals with financial matters throughout.

## **5. Legal Implications**

No legal comments.

## **6. Equalities Impact**

Budget monitoring reviews the resources across the whole Council and these resources contribute to the delivery of the corporate equalities plan, achievement of level 3 of the equalities standard, and implementation of the race equality scheme.

## **Section 3: Supporting Information / Background Documents**

Appendix 1 – Summary of amendments to Capital Budgets 2004-05

## Summary of amendments to Capital Budgets 2004-05

	£000
<b>Business Connections</b>	
<i>New Schemes or increased provisions</i>	
Implementing Electronic Government – Harrow scheme (grant funded)	439.9
Implementing Electronic Govt – Partnership scheme (grant funded)	275.8
Finance System Upgrade	300.0
On-line planning applications	200.0
Process Engineering (from Invest to Save provision)	150.0
New small schemes with values of less than £50k	156.0
Servers – rationalisation	135.4
Storage Area Network	134.6
Increased provisions - each less than £50k	91.1
	<b>1,882.8</b>
<i>Reductions</i>	
Finance System Upgrade	-150.0
LPSA – IT investment	-225.7
System Management Software	-116.0
LPSA – Procurement	-100.0
EAI pilot 1 – middleware	-80.0
EAI – hardware costs	-60.0
Supporting People	-60.0
MS Outlook as e-mail client	-54.5
Reductions - each less than £50k	-44.9
	<b>-891.1</b>
<i>Rephasing</i>	
Civic Centre Network – renew	-478.1
LPSA – IT investment	-309.3
Wide Area Network – corporate sites	-439.8
Works Order Processing	-243.7
On-line planning applications	-187.5
Social Care Core System	-180.6
First Contact IT requirements	-152.0
Servers – rationalisation	-133.0
System Management Software	-112.0
Business Continuity plan	-190.0
Strategic IT Partnership	+215.5
Miscellaneous end of year rephasing (less than £100k)	-492.2
	<b>-2,702.7</b>
<b>Chief Executive's Office</b>	
<i>Rephasing</i>	
Town Centre Environmental Programme	+62.9
<b>People First</b>	
<i>New Schemes or increased provisions</i>	
Primary Schools Interactive Whiteboards (grant funded)	351.2
NOF Whitmore, Canons and Whitefriars (grant funded)	820.1
Elmgrove Soil Treatment Works (supported capital expenditure)	400.0

	£000
Milmans refurbishment – contribution from LIFT	200.0
Improving Information Management (grant funded)	126.0
Mental Health (supported capital expenditure)	114.0
Adult and Community Learning (grant funded)	111.3
Teachers Centre Booking System (from Small Schemes provision)	50.0
Integrated Children's Services (grant funded)	44.0
Rooks Heath 14 –19 agenda (grant funded)	6.9
Sub total	2,223.5
<i>Transfers</i>	
Headstone Manor – transferred to Urban Living:	
Matched funding	-250.0
Restoration	-1,074.3
Sub total	-1,324.3
<i>Rephasing</i>	
Grange F&M access	-996.1
Vaughan Road – relocation of equipment store	-285.0
Haslam House Refurbishment	-260.1
Gayton Road – new tuition services	-170.0
Weald F&M access	-152.0
Skills Centre	-138.6
Kenmore Park F&M	250.0
Miscellaneous net rephasing (each less than £100k)	-74.3
Sub total	-1,826.1
<b>Urban Living – Housing</b>	
<i>New Schemes or increased provisions</i>	
Internal Fees Asset Management	165.0
ITC Housing Management	200.0
Repairs - major works	100.0
	465.0
<i>Rephasing and Advanced Spend</i>	
<i>General Fund schemes</i>	
Affordable Warmth	110.5
Disabled Facilities Grants	-71.5
Empty Property Grants	6.2
Private Sector Renovation Grants	102.9
Sub total - General Fund	148.1
<i>HRA Schemes</i>	
Feasibility Studies	-114.8
Aids and adaptations to houses for the disabled	-49.5
Capitalisation of repairs and other items	-478.9
Rewiring	-348.0
Kitchen and Bathroom replacement	-339.0
Conversions and Extensions	-165.0
Central Heating replacement	-59.7
Window renewal	-15.5
Miscellaneous rephasing (less than £100k)	-1,124.3
Sub total – HRA	-2,694.7
Total Housing	-2,546.6

	£000
<b>Urban Living – Other</b>	
<i>New Schemes or increased provisions</i>	
Estate and Asset Management system	204.3
Feasibility – transfer from programme management provision	300.0
Headstone Manor – transfer from People First programme	1,000.0
Leisure Centre – miscellaneous small schemes	185.0
Lighting Columns – painting programme	160.0
LPSA – project management	214.7
Organic Waste Management (grant funded)	712.0
Stanmore Multi Storey Car Park	120.0
Transport for London Schemes (grant funded)	70.0
Increased provisions / new schemes - each less than £50k	80.3
Sub total	3,046.3
<i>Reductions</i>	
Feasibility Studies	-230.0
Health and Safety Works	-55.0
Sheepcote Road Highway Acquisitions (grant funded)	-250.0
Wealdstone Highway Acquisitions (grant funded)	-150.0
Reductions - each less than £50k	-119.6
Sub total	-804.6
<i>Rephasing</i>	
Wealdstone Offices and Community facilities	-252.1
Canons Park Historic Landscape	-568.4
LPSA – Street Scene	-100.0
LPSA – Transport and Road Safety	-336.0
LPSA – Crime Reduction	-187.1
Organic Waste management	-227.6
Civic Centre Office Space Adaptations	+518.0
Headstone Manor	-644.3
New Harrow Project	-948.0
Land Acquisitions for Highways schemes (grant funded)	-363.8
Leisure Centre – miscellaneous small schemes	-185.0
Local Implementation Plan	-129.3
Parks Infrastructure	-119.1
Planned Building Maintenance	-164.9
Stanmore Multi Storey Car Park	-238.2
Street Lighting Improvements	-104.4
Town Centre Developments	-154.6
Transport for London schemes (grant funded)	-1,850.2
Wealdstone regeneration	-380.8
Whitchurch Lane Lay-bys	-194.3
Miscellaneous rephasing (less than £100k)	-735.1
Sub total	-7,365.2
<b>Capitalisation</b>	
IT Development works	+300.0
<b>Programme Management</b>	
<i>Transfers to Directorate Programmes</i>	



	£000
Small schemes (Cabinet June 2004)	-156.0
Finance System upgrade (ISB)	-300.0
Pest Control Store (small scheme)	-20.0
Process Engineering scheme (ISB)	-130.0
Teachers Centre Booking System (small scheme)	-50.0
Registrars Office (small scheme)	-20.0
Feasibility Studies Budget transferred to Urban Living	-300.0
Estate and Asset Management System (ISB)	-5.2
LPSA Project Management (Business Cases)	-34.7
	-1,015.9