

## LONDON BOROUGH OF HARROW

<b>Meeting:</b>	Cabinet
<b>Date:</b>	15 July 2003
<b>Subject:</b>	Capital Investment Monitoring 2003-04
<b>Key Decision:</b>	No
<b>Responsible Chief Officer:</b>	Interim Director of Finance
<b>Relevant Portfolio Holder:</b>	Finance and Human Resources and Performance Management
<b>Status:</b>	Part 1
<b>Ward:</b>	Various
<b>Enclosures:</b>	Appendix: Capital Investment Plan 2003-04 to 2006-07

### 1. Summary

- 1.1 This report sets out changes to the Council's Capital Investment Plan and gives a forecast of Capital Expenditure for 2003-04 and future years.

### 2. Recommendations

The Cabinet is asked to:

- i) approve the addition to the capital investment plan of the schemes itemised in paragraph 6.7, totalling £6.201 million for which additional funding is available;
- ii) note the forecast level of expenditure for 2003-04 and future years and the funding position as set out in paragraph 6.12.

#### **Reason**

To keep the Cabinet informed of new capital schemes and progress in the implementation of the Council's Capital Investment Plan.

### **3. Consultation with Ward Councillors**

3.1 Not applicable

### **4. Policy Context (including Relevant Previous Decisions)**

4.1 The Cabinet receives regular reports on the monitoring of the Capital Investment Plan together with updates on available capital funding. The most recent report was that on the out turn for 2002-03 submitted on 17 June 2003.

### **5. Relevance to Corporate Priorities**

5.1 The decisions on the detailed capital programme provide for the capital schemes within the resources available to meet the Council's corporate priorities as reflected in the Council's capital Investment Strategy.

### **6. Background Information**

6.1 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.

6.2. At the meeting of the Cabinet on 12 November 2002 the Chief Executive explained that the format of the monitoring report on the Capital Investment Plan to Cabinet was still under development and that the type of information contained was likely to change. Members of the Cabinet discussed their role in monitoring and allocation of capital expenditure and agreed that this should be referred to the Budget Review Working Group (BRWG) for consideration.

6.3 The previous report was mainly an exception report setting out requests to the approved Capital Investment Plan for new schemes, rephrasing and changes in spend. It did not provide detail on expenditure on the other schemes or any management information to enable members to monitor progress.

#### **Revised Format**

6.4 The Budget Review Working Group agreed that the report continues to be prepared on an exception basis, but that a detailed schedule is attached on the total programme. Details are to be given for all the major schemes but where a scheme forms part of an annual programme it is reported at a higher level, for example Cycle Route Network schemes. Financial and management and performance information will be provided to the same level of detail.

6.5. Two schedules were proposed and agreed by the BRWG.

Part 1 Financial Information – this is attached as appendix 1

Part 2 Management and Performance Information

6.6 Part 2 is still being developed but is intended to enable the measurement of physical performance and to identify any issues that could delay service delivery and to determine how effectively the development was undertaken. It should also provide

detail to evaluate the capital project delivery performance measures included in the Council Asset Management Plan.

% age of projects where outturn falls within +/- 5% of estimated outturn

% age of projects falling within +/-5% of estimated timescales.

It is proposed to include the management information for the new schemes immediately and to collect the information for existing schemes for inclusion when the schemes are reviewed.

## 6.7 New Schemes

Since the Capital Investment Plan was last reported there have been a number of announcements of additional funding including specific grants and Supplementary Credit Approvals (SCAs) totalling £6.201 million. The new schemes to be added to the investment plan funded from these sources are outlined below.

### Corporate

The following schemes have been agreed by the Office of the Deputy Prime Minister as part of the Local Public Service Agreement between the Council and central government. These schemes are financed by way of an Unsupported Credit Approval, an approval that attracts no additional revenue support. The revenue impact of this approval has been allowed for in the revenue budget.

	£000
Increasing educational attainment for Key Stages 2-3 Mobile 'learning' unit, purchase of on-line curriculum materials, ICT links for the Los Angeles project	175
Reducing school truancies - Electronic registration system.	110
Drug misuse and treatment - Equipping Premises	30
Crime Reduction -Smartcard system in schools, Facial recognition system	210
Recycling at Civic Amenity Site - Construction of recycling facilities at Civic Amenity site	90
Transport and Road Safety - Implementation of Local Safety Scheme measures	380
Street Scene - Hardware and servers for GIS system, messaging technology and other equipment for mobile teams	120
Procurement - Implementation of e-procurement including necessary hardware and software	350
IT Investment in GIS - which will enable improved geographical analysis and targeting. Improved infrastructure to support mobile working and give greater resilience to systems. The development of protocols and systems to improve information sharing with key partners. The development of interfaces and access channels to CRM to allow seamless access to these improvements	1,035

## Education

Additional grants have been received from the Learning and Skills Council to finance schemes in the Adult and Community Learning sector. These are £64,018 for minor works and £142,602 for works in connection with the Disability Discrimination Act.

## Environment

The following schemes have received grant funding from Transport for London (TfL) as part of the annual bidding process.

	£000
Principal Roads Maintenance	1,179.0
Bridge Strengthening	340.0
Local Safety Schemes	237.0
20 MPH Zones	179.0
Bus Priority Network	156.0
London Cycle Network	102.0
Cycling Schemes	20.0
Streets for People	85.0
Highway Interchanges	70.0
Local Area Accessibility	60.0
Bus Stop Accessibility	144.0
Safer Routes to Schools	274.0
Regeneration and Access corridors	700.0
Controlled Parking Zones	127.5
Green Travel	54.0
West London Transport Strategy	<u>275.0</u>
Total	3,372.5

## Social Services

Supplementary credit approvals have been received for two schemes. The first, for £100,000 for Mental Health 2003-04 is to be used as required on the establishment and reconfiguration of mental health teams. This is likely to be spent on works undertaken by the Harrow Unified Mental Health Service. The second of £22,000 is for investigations into ground conditions in relation to contaminated land.

## 6.9 Reductions

The provision for the New Harrow Project has been reduced by £490,000 to £710,000. Proposals for the revised provision are reported elsewhere on the agenda in the report on the New Harrow Project.

Also in the Environment programme the allocation of £350,000 from TfL for Highway Bridge Strengthening could not be fully spent in 2002-03, this was previously reported to Cabinet as a rephasing. However, this was not allowed under TfL regulations and the grant could not be claimed. The schemes concerned were deferred into 2003-04 and a revised allocation of £340,000 has been received from TfL.

6.10 Following the adjustments detailed above, the programme levels for 2003-04 and future years are shown in Table 1, together with the total for expenditure to the end of June 2003.

<b>Table 1</b>				
<b>Capital Expenditure - year to date and forecast</b>				
	Expenditure at 30 June 2003 £000	Forecast 2003-04 £000	Forecast Future Years £000	Total Plan £000
Corporate	182	6,324	-	6,324
Education	403	5,167	250	5,417
Environment	1,851	12,828	779	13,607
Housing	950	12,999	-	12,999
Social Services	<u>203</u>	<u>899</u>	<u>-</u>	<u>899</u>
Sub total	3,589	38,217	1,029	39,246
Capitalisation	<u>-</u>	<u>1,914</u>	<u>-</u>	<u>1,914</u>
<b>Total</b>	<b>3,589</b>	<b>40,131</b>	<b>1,029</b>	<b>41,160</b>

6.11 Table 2 shows that anticipated resources are sufficient to fund the proposed capital programme, although this is dependent on capital receipts being realised.

**Table 2****Capital Investment Plan Funding Position**

	£000
<b>Total Capital Expenditure</b>	<b>41,160</b>

**FUNDING****Borrowing approvals:**

Basic Credit Approval	4,694
Supplementary Credit Approvals	4,286

**Other Funds**

New Deal for Schools	1,577
Other Capital Grants	8,131
National Lottery	1,951
Housing RCCO / MRA	9,046
General Fund Revenue Contributions	100
Miscellaneous funds	798

**Capital receipts**

In hand	8,452
Anticipated:	
Asset sales	3,467
Right to Buy sales	1,176

<b>Total Capital Resources</b>	<b>43,678</b>
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**7. Consultation**

7.1 None required

**8. Finance Observations**

8.1 This is a report from the Interim Director of Finance and deals with financial matters throughout.

**9. Legal Observations**

9.1 None

**10. Conclusion**

10.1 Approval for additional schemes totalling £6.201 million in 2003-04 is being requested, which are all to be funded from grants or additional SCAs. It does not affect the bids for unallocated resources set out elsewhere on the Agenda.

**11. Background papers**

11.1 None

**12. Author**

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