

**Report for: Cabinet**

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<b>Date of Meeting:</b>	16 February 2023
<b>Subject:</b>	Final Capital Programme 2023/24 to 2025/26
<b>Key Decision:</b>	Yes - involves expenditure in excess of £1m
<b>Responsible Officer:</b>	Dawn Calvert - Director of Finance and Assurance
<b>Portfolio Holder:</b>	Councillor David Ashton - Portfolio Holder for Finance and Human Resources
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1 – Proposed Capital Programme 2023/24 to 2025/26 (including new additions at Appendix 2)  Appendix 2 – Additions to the Capital Programme

## **Section 1 – Summary and Recommendations**

This report sets out the proposed Capital proposals for the financial years 2023/24 to 2024/25

### **Recommendations:**

Cabinet is requested to:

1. Note the Capital Programme, as detailed within Appendix 1, and recommend it to Council for approval.

**Reason (for recommendations):** To enable the Council to have an approved Capital Programme for 2023/24 to 2025/26.

## **Section 2 – Report**

### **Capital Programme 2023/24 to 2025/26**

1. This report sets out the Council's proposals for Capital investment over the financial years 2023/24 to 2025/26, which provide for significant investment in the General Fund and Housing Revenue Account (HRA). The focus of this report and the implications relate to the General Fund as the HRA is covered in a separate report elsewhere on this agenda. The HRA Capital Budgets are included in Appendix 1 for completeness.
2. **Development of the Capital Programme**  
Each year as part of the Annual Budget setting process services are requested to put forward proposals for new Capital required for the period of the Medium-Term Financial strategy. These "new proposals" therefore represent an addition to the existing Capital Programme agreed by cabinet and Council in the previous Budget setting year (February 2022). Appendix 2 sets out all new capital proposals being added to the programme over and above that agreed by cabinet in February 2022.
3. The criteria used for the inclusion of new bid remains unchanged from previous years which is for capital to be contained within the following categories:
  - a. Life and Limb/Health and Safety.
  - b. Statutory Requirement/legislation.
  - c. Schemes fully funded by external sources.
  - d. Invest to Save Schemes (the capital expenditure must generate a revenue stream to cover the capital financing costs and make a savings contribution).

### **Cost of the Capital Programme**

4. The Capital Programme can be funded from a variety of funding sources. Where the Capital Programme is funded from capital grants, external partnership funding, Borough Community Infrastructure Levy (BCIL) and revenue funding such as reserves; this will not attract any form of capital financing cost and has no impact on the revenue budget. Schemes funded

from borrowing, will attract a capital financing cost and therefore a direct impact on the revenue budget.

5. Although there are no specific limits to borrowing in order to fund capital expenditure, the Council must be prudent when considering the revenue implications in the context of the overall revenue budget commitments in the medium term, and the Capital Programme must be affordable.
6. Table 1 shows the revised capital financing cost budgets that are factored into the MTFS from 2023/24 to 2025/26 in relation to the Capital Programme that is to be agreed in February 2023 and it shows what proportion of the 2023/24 net revenue budget of £196.3m is made up of Capital Financing costs.

**Table 1 - Capital Financing Costs as % of the Net Revenue Budget for 2023/24 of £196.3m**

	Capital Financing Costs	Capital financing costs as % of 2023/24 Net Budget
	£m	%
2023/24	31.4	16.0%
2024/25	33.3	17.0%
2025/26	33.7	17.2%

7. The capital financing cost of the existing Capital programme 2023/24 to 2025/26 (**to be agreed at Council in February 2023**) is £31.4m in 2023/24 and then increases to £33.7m by 2025/26. These figures include the cost of historic capital programmes.
8. The figures in Table 1, will also include capital financing costs which relate to projects put into the programme to generate enough revenue to cover their capital financing costs and therefore are cost neutral and do not impact on the revenue budget as a direct cost. If these costs were removed from the figures in Table 1, it would reduce the overall percentage figure. However, for prudence the figures are included on the basis that the requirement on borrowing is definite but the requirement to generate revenue is not guaranteed.

**Capital proposals put forward 2023/24 to 2025/26**

9. The total proposed Capital Programme for 2023/24 to 2025/26 is detailed in Appendix 1 and summarised in Table 2 . The additions to the Programme, which are over and above what was in the existing Capital Programme (agreed February 2022) are detailed in appendix 2.

**Table 2 – Total Capital Programme 2023/24 to 2025/26**

Project Title	2023/24			2024/25			2025/26			Total		
	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
Total Resources and Commercial Directorate	2,350	0	2,350	2,050	0	2,050	3,000	0	3,000	7,400	0	7,400
Total Adults	0	0	0	0	0	0	0	0	0	0	0	0
Total Public Health	0	0	0	0	0	0	0	0	0	0	0	0
Total Schools	7,896	7,896	0	9,071	9,071	0	0	0	0	16,968	16,968	0
Total People's Directorate	7,896	7,896	0	9,071	9,071	0	0	0	0	16,968	16,968	0
Total Environment	17,056	5,600	11,456	12,902	2,391	10,511	11,330	2,391	8,939	41,288	10,382	30,906
Total Inclusive Economy, Leisure & Culture	3,562	437	3,125	327	144	183	376	0	376	4,265	581	3,684
Total Regeneration & Development	4,515	1,950	2,565	2,575	1,925	650	2,550	1,900	650	9,640	5,775	3,865
Total Housing General Fund	7,792	1,722	6,070	1,842	1,722	120	1,722	1,722	0	11,355	5,165	6,190
Total Place Directorate	32,925	9,709	23,216	17,646	6,182	11,464	15,978	6,013	9,965	66,548	21,903	44,645
Total General Fund	43,171	17,605	25,566	28,767	15,253	13,514	18,978	6,013	12,965	90,915	38,870	52,045
Total HRA	30,483	13,891	16,591	43,198	26,200	16,998	54,160	16,418	37,742	127,840	56,509	71,331
Total General Fund + HRA	73,653	31,496	42,157	71,965	41,453	30,512	73,137	22,430	50,707	218,755	95,379	123,376

10. The gross value of the General Fund proposed capital programme for 2023/24 to 2025/26 as detailed in Appendix 1 and summarised in Table 2 is **£90.915m**. Of the total cost, **£38.870m** is funded by external sources such as grants as well as internal sources such as the Borough Community Infrastructure Levy (BCIL). This leaves a net cost of **£52.045m**. The net cost figure is the element of the Programme which requires financing from borrowing.

**Change to the original Capital Programme agreed in February 2022**

11. Overall, the net increase in the Programme in relation to new proposals is £14.433m as detailed in Appendix 2 and summarised in Table 3. The total of capital bids across the 3-year period amounts to £29.637m of which £15.204m can be funded from a combination of Borough CIL (BCIL), assumed external grants and reserves, which leaves a net figure £14.433m which would require funding from borrowing.

**Table 3 – New Capital Proposals for 2023/24 to 2025/26**

Project Title	2023/24			2024/25			2025/26			Grand Total		
	Total Project cost	Funding excluding Borrowing	Net project cost funded from Borrowing	Total Project cost	Funding excluding Borrowing	Net project cost funded from Borrowing	Total Project cost	Funding excluding Borrowing	Net project cost funded from Borrowing	Total Project cost	Funding excluding Borrowing	Net project cost funded from Borrowing
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Resources	-	-	-	-	-	-	1,500	-	1,500	1,500	-	1,500
Total Adults	-	-	-	-	-	-	-	-	-	-	-	-
Total Public Health	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools	7,896	7,896	-	-	-	-	-	-	-	7,896	7,896	-
Total People's Directorate	7,896	7,896	-	-	-	-	-	-	-	7,896	7,896	-
Total Environmental Services	-	-	-	-	-	-	11,330	2,391	8,939	11,330	2,391	8,939
Total Inclusive Economy, Leisure & Culture	3,472	517	2,955	216	203	13	1,376	1,000	376	5,064	1,720	3,344
Total Regeneration & Development	300	300	-	275	275	-	1,550	900	650	2,125	1,475	650
Total Housing General Fund	-	-	-	-	-	-	1,722	1,722	-	1,722	1,722	-
Total Place Directorate	3,772	817	2,955	491	478	13	15,978	6,013	9,965	20,241	7,308	12,933
Total General Fund	11,668	8,713	2,955	491	478	13	17,478	6,013	11,465	29,637	15,204	14,433

12. Whilst the request was for services to put forward proposals for 2025/26, (on the basis that there is already an existing approved Capital Programme to 2024/25) there are proposals across 2023/24 and 2024/25 which total a net £2.968m (£2.955m 2023/24 and £13k 2024/25) as follows:

- **Schools** - £7.896m has been added to the capital programme in 2023/24 for SEN and general school improvements, but there is a net nil cost as it is all grant funded and therefore has a nil impact on the revenue budget.
- **Leisure Centre Infrastructure.** £2.968m has been proposed as an addition to the programme (£2.955m in 2023/24 and £13k in 2024/25). This is as a response to condition surveys undertaken at the 3 leisure facilities (Harrow Leisure Centre, Hatch End Swimming Pool, and Bannister Sports Centre) in 2022. The works are either health and safety related or operationally required - a failure to undertake the works will impact the sites' ability to open. This will require council funding and is therefore shown as an increase in borrowing.
- **Biodiversity Net Gains in Harrow** - £575k (£300k in 2023/24 and £275k in 2024/25 - BCIL funded). This is around the strategic use of Council land to facilitate sustainable development, enhance green infrastructure, improve residents' wellbeing and support nature's recover, and investment in the up-front creation of habitat banks, against which developer's statutory biodiversity net gain (BNG)

obligations and local plan Environmental Gain obligations may be set. There is no impact on revenue of this proposal.

- **UK Shared Prosperity Fund (UKSPF) – £720k.** (£517k in 23/24 and £203k in 24/25). This fund is managed by the GLA and provides funding – a mix of capital and revenue - directly to London boroughs to deliver projects under the Communities and Place and Supporting Local Business Themes. As this is grant funded, there is no impact on the revenue budget.

13. Table 4 sets out the changes between the existing Capital Programme (which covers the period 2023/24 to 2024/25) and the proposed programme which extends a further year to 2025/26. The reconciliation below shows that there is a net increase of £14.433m between the 2 Programmes which is the total of the additions in Appendix 2. There has also been some movement between years where some existing capital projects have been realigned between financial years to better reflect when the spend will take place.

**Table 4 - Changes to the Capital Programme between February 2022 and February 2023**

	2023/24			2024/25			2025/26			2023/24 to 2025/26		
	Gross Budget	External Funding	Net Budget	Gross Budget	External Funding	Net Budget	Gross Budget	External Funding	Net Budget	Total Gross Budget	Total External Funding	Total Net Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Original General Fund Capital Programme agreed by Cabinet in February 2022	39,654	18,043	21,611	21,764	5,763	16,001				61,417	23,805	37,612
Total General Fund Capital Programme to agreed by Cabinet in February 2023	43,171	17,605	25,566	28,767	15,253	13,514	18,978	6,013	12,965	90,915	38,870	52,045
<b>Movement between 2022 and 2023 agreed Programmes</b>	<b>3,517</b>	<b>- 438</b>	<b>3,955</b>	<b>7,003</b>	<b>9,490</b>	<b>- 2,487</b>	<b>18,978</b>	<b>6,013</b>	<b>12,965</b>	<b>29,498</b>	<b>15,065</b>	<b>14,433</b>
<u>Analysis of the Movement</u>												
Addition of New bids from Appendix 2	11,588	8,633	2,955	432	419	13	17,478	6,013	11,465	29,498	15,065	14,433
Council Wide Schemes	500	-	500							500	-	500
Realignment of Schools Capital Programme between years (grant funded)	- 9,071	- 9,071	-	9,071	9,071	-				-	-	-
Realignment of Street Lighting Programme	1,000	-	1,000	- 1,000	-	- 1,000				-	-	-
High Street Fund	- 1,500	- 1,000	- 500							- 1,500	- 1,000	- 500
Borough CIL - subject to Business Cases	1,000	1,000	-							1,000	1,000	-
New Council Head Office refit – Flexible Futures				- 500	-	- 500	500	-	500	-	-	-
Network upgrade and Migration of remaining azure applications into SaaS.				- 500	-	- 500	500	-	500	-	-	-
Improvements and refresh of cyber security, rolling device and peripheral refresh of IT equipment (W10/O365 & Sharepoint)				- 500	-	- 500	500	-	500	-	-	-
<b>Total Movement</b>	<b>3,517</b>	<b>- 438</b>	<b>3,955</b>	<b>7,003</b>	<b>9,490</b>	<b>- 2,487</b>	<b>18,978</b>	<b>6,013</b>	<b>12,965</b>	<b>29,498</b>	<b>15,065</b>	<b>14,433</b>

### New Capital proposals and the impact on the Revenue Budget

14. The new Capital proposals at Appendix 2 of £29.637m are funded by borrowing as well as other funding sources such as grants, revenue funding and the Borough Community Infrastructure Levy (BCIL).
15. The projects funded by other sources (excluding borrowing) amount to £15.204m as follows:

	£000	
• Schools Capital Improvements	7,896	Govt grant
• Borough CIL funded projects – subject to business cases	1,000	BCIL
• Flood defence and drainage	500	BCIL
• Green Grid Programme	150	BCIL
• Neighbourhood CIL schemes	500	NCIL
• Biodiversity Net Gains in Harrow	825	BCIL
• Disabled Facilities grants	1,722	*Govt grant
• Transport projects	1,391	*TFL grant
• UK Shared Prosperity Fund (UKSPF)	720	*TFL grant
• Energy emissions reduction measures	500	**S106
<b>Total proposals</b>	<b>15,204</b>	

\*The grant is based on 2022/23 levels and subject to confirmation.

\*\* This is specifically the S106 carbon offset fund

16. The remaining new Capital proposals bids to be funded from borrowing total a net figure of £14.433m as set out in the attached appendix 2 but summarised at high level below:

	£000
<b>Resources IT projects</b>	<b>1,500</b>
<b>Place Directorate</b>	
High Priority works - Corporate sites	650
Parks Infrastructure	350
Civic Amenity site Infrastructure	75
Highways Programme	6000
Street Lighting	2000
CPZ Parking schemes	300
Vehicle Replacement	214
Leisure and Libraries Infrastructure (minor)	150
Leisure Centre Infrastructure (major)	3,134
Harrow Arts Centre & Headstone Manor	60
<b>Place Directorate Total</b>	<b>12,933</b>
<b>Total proposals</b>	<b>14,433</b>

17. The additional capital financing cost associated with the proposed Capital Programme is £1.5m in total. In effect this is the cost of the net increase of £14.433m. As this cost is primarily in relation to 2025/26, the capital financing costs will fall due in 2026/27 which is outside the existing MTFS period. Therefore, £1.5m needs to be factored into the budget for 2026/27 as part of next year's 2024/25 budget process.

**Table 5 – Additional Capital Financing Implications Proposed Capital Programme**

<b>Capital Financing Costs</b>	<b>Annual costs</b>
	<b>£000</b>
MRP	900
Interest	600
Total Capital Financing Costs	1,500

### **Community Infrastructure Levy (CIL) Funding**

18. The Community Infrastructure Levy (CIL) enables the council to raise funds for infrastructure from new development. It is levied on the net increase in floor space arising from new developments and is paid when that development starts. The Community Infrastructure Levy (CIL) is a tool for local authorities to support the development of their area by funding the provision, improvement, replacement, operation or maintenance of infrastructure. However, the focus of CIL is on the delivery of new infrastructure to meet and mitigate the impacts of new development in an area.
19. CIL receipts can be used to fund a wide range of infrastructure including transport, schools, health and social care facilities, libraries, play areas, green spaces and sports facilities. Harrow's list of strategic infrastructure requirements known as a Regulation 123.
20. Of all CIL monies collected, 85% is used to fund strategic borough wide infrastructure projects, which includes a 5% allowance to cover the administrative costs of CIL. The decisions on where to spend CIL at a borough-wide level is determined by the Council. The remaining 15% is allocated to Neighbourhood CIL (NCIL) and must be spent on projects that have taken account of the views of the communities in which the income was generated, and these projects should support the development of the area.
21. In 2017, the principle was adopted by the Major Development Panel (14<sup>th</sup> November 2017) and recommended to Cabinet that the allocation of Borough and Neighbourhood CIL is included as part of the Annual Budget Setting process and included in the Capital Programme report which goes to Cabinet in draft (in December each year) and in February in its final version.
22. In terms of the Neighbourhood element of CIL a review of the process agreed by the Major Development Panel (November 2017) and Cabinet (December 2017) has recently been undertaken. The scope of the review was presented to the Planning Policy Advisory Panel on 3 October 2022 and the outcome of the review is presented to Cabinet as a separate item



on this meeting agenda, including the revised process for identification of projects and arrangements for assessment and approval of these under delegated authority. The revised process is expected to be in place in time for the 2023/24 financial year.

23. The Borough CIL element is used to fund the core Capital programme. Schemes in the Capital Programme that have been funded by BCIL between 2017/18 to 2021/22 are set out in Table 5 and total £14.399m. Of this total, £1.776m of schemes remained outstanding as at 31 March 2022 and this sum has been carried forward as a commitment for 2022/23 and included in Table 8. Therefore, for the period covering 2017/18 to 2021/22, BCIL of £12.623m has been used to fund the Capital Programme.

**Table 6 – Schemes funded from BCIL up to 2021/22**

Financial year	Description	BCIL	17/18 Actual Exp	18/19 Actual Exp	19/20 Actual Exp	20/21 Actual Exp	21/22 Actual Exp	Outstanding commitment
		£	£	£	£	£	£	£
2017/18	Highway projects	4,800,000	4,800,000					0
2018/19	Headstone Manor (Parks for People)	300,000		51,293	233,081	15,626		0
2018/19	Rayners Lane Triangle project	40,000		40,000				0
2018/19	Parks Infrastructure (Playground replacement)	545,000		219,138	325,862			0
2019/20	Parks Infrastructure (Playground replacement)	350,000			227,458	122,542		0
2019/20	Harrow Arts Centre - refurbishment & new build	1,150,000			71,737	841,490	26,978	209,795
2019/20	Sudbury Hill step-free access	50,000						50,000
2019/20	Flood Defence	300,000			300,000			0
2019/20	Highway Drainage	200,000			199,999			1
2019/20	Green Grid	75,000			39,761	35,239		0
2019/20	New Town Centre Library	2,090,000			1,569,662	520,338		0
2020/21	Headstone Manor (Flood alleviation scheme)	500,000				30,574	469,426	0
2020/21	Parks Infrastructure (Playground replacement)	250,000				204,329		45,671
2020/21	Harrow Arts Centre - refurbishment & new build	599,000						599,000
2020/21	Harrow Arts Centre Capital Infrastructure	300,000				266,212	11,201	22,587
2020/21	Flood Defence	300,000				300,000		0
2020/21	Highway Drainage	200,000				149,607	38,067	12,326
2020/21	Green Grid	150,000				150,000		0
2020/21	High Street Fund	250,000				152,733	97,267	0
2021/22	Green Grid	150,000					130,270	19,730
2021/22	Flood Defence and Highway Drainage	500,000					414,953	85,047
2021/22	High Street Fund	1,300,000					568,199	731,801
<b>Total</b>		<b>14,399,000</b>	<b>4,800,000</b>	<b>310,431</b>	<b>2,967,560</b>	<b>2,788,690</b>	<b>1,756,361</b>	<b>1,775,958</b>

24. Table 7 sets out the balance of CIL funding remaining as at 31<sup>st</sup> March 2022, plus CIL received in 2022/23 to 31<sup>st</sup> January 2023, which shows that £10.951m of BCIL and £2.855m of NCIL is currently available to fund projects in Table 8, from 2022/23 onwards. The BCIL funding in 2022/23 is much higher than usual as a result of a large receipt of £5.9m and therefore this level of income cannot be assumed for future years as past trends have been for BCIL income to average around £2m pa.

**Table 7 – CIL Funding available as at 31<sup>st</sup> January 2023**

	BCIL	NCIL	Total
	£'000	£'000	£'000
Balance as at 31.3.2022	4,771	1,812	6,583
2022/23 Receipts (up to 31/01/2023)	6,180	1,043	7,223
<b>Total Balance (up to 31/01/2023)</b>	<b>10,951</b>	<b>2,855</b>	<b>13,806</b>

25. The projects in the Capital Programme covering the period 2022/23 to 2025/26, to be funded from BCIL totals £11.011m as set out in Table 8 which shows the total spend over financial years

**Table 8: Schemes funded from BCIL from 2022/23 to 2025/26**

New capital bids as part of 23/24 Budget process with CIL request:	2022/23	2023/24	2024/25	2025/26	Total
(N.B. Amount shown in the BCIL element only)	£'000	£'000	£'000	£'000	£'000
Flood Defence and Highway Drainage	500	500	500	500	2,000
Green Grid	170	150	150	150	620
Harrow Arts Centre - refurbishment & new build	809				809
Parks Playground replacement	46				46
HAC Capital Infrastructure	22				22
Flood Defence and Highway Drainage	97				97
Harrow High Street Fund	1,832				1,832
Wealdstone Future High Street Fund		1,760			1,760
Biodiversity Net Gains in Harrow		300	275	250	825
BCIL funded projects, subject to business cases		1,000	1,000	1,000	3,000
<b>Total BCIL funding requests</b>	<b>3,476</b>	<b>3,710</b>	<b>1,925</b>	<b>1,900</b>	<b>11,011</b>

26. The total BCIL available as at 31<sup>st</sup> January 2023 amounts to £10.951m as set out in Table 7. The total requirement for BCIL funding to cover the total commitment of the existing capital programme and the new bids is £11.061m as set out in Table 8. This means that only a further £60k of BCIL is needed to fund the full programme as far as 2025/26 and this is very likely to be received in 2022/23.

27. Therefore, by the end of 2022/23 there will be sufficient BCIL funding to fund all the projects included in Table 8. Given that the Council generally receives £2m of BCIL income pa, a further estimated £6m could be received in the 3 years from 2023/24 to 2025/26 which would be available to either fund existing projects in the capital Programme or could be used for future Capital Programme additions. In the case, where schemes currently funded from borrowing could be substituted for BCIL funding instead this would then lead to a reduction in borrowing costs.

28. With any source of capital funding, if the estimated level is not received, then it would be necessary to fund the schemes from other sources or remove them from the Capital Programme. If the alternative source is borrowing, then this will impact upon future year's budgets as it will increase the cost of borrowing and impact the revenue budget.

## 29. Housing Revenue Account (HRA)

The proposed HRA Capital Programme is set out elsewhere on the agenda in more detail but also included in Appendix 1. Any implications from the HRA Capital Programme are funded from the Housing Revenue Account and do not impact upon the General Fund Budget.

### Options considered

30. A number of capital proposals are considered during the budget setting process.

### Legal Implications

31. Under the Financial Regulations paragraph B2 full council is responsible for agreeing the authority's policy framework which are proposed by the Cabinet and this includes the capital programme. Under B41 the Director of Finance is responsible for producing an annual capital strategy for Cabinet to recommend to Council.

### Financial Implications

32. Financial matters are integral to the report. The capital financing costs of all capital investment must be provided for within the revenue budget.

### Procurement Implications

33. There are no procurement implications arising from this report.

### Performance Issues

34. The capital programme proposed represents a significant investment by the Council in infrastructure. This will have an impact on a range of performance indicators across the Council's services.

35. Monitoring of the approved programme is ongoing and is essential for good financial management.

### Risk Management Implications

36. Risks included on corporate or directorate risk register? **Yes/No**

37. Separate risk register in place? **Yes/No**

38. The relevant risks contained in the register are attached/summarised below. **Yes/No/n/a**

39. The following key risks should be taken onto account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Proposals put forward by Directorates are not part of an agreed Corporate Asset Management Plan(s) and therefore it is not possible to confirm that the proposals put forward cover the full estate which could lead to an increase in health and safety risks	Two of the key criteria for including projects in the capital Programme are those projects that are needed to ensure that we continue to invest in our capital assets to ensure the Council meets its requirements for both Life and Limb/Health and Safety requirements and to fulfil the Council's Statutory and	Amber

and additional costs in replacing assets if they deteriorate too much to repair.	legislative duties. However, there is not an overarching plan for this.	
The cost of the Capital programme is not affordable.	The additional capital financing costs (borrowing) of these Capital proposals impacts the Revenue Budget in 2026/27 and will be included in Revenue Budget for 2026/27 as part of next year's budget process when the year of 2026/27 will be included in the MTFS. At this stage it is not possible to provide assurance that the 2026/27 budget will be balanced and hence make the Capital proposals affordable.	Amber
The risk that the required level of BCIL does not materialise.	As the Capital programme is an annual process and the BCIL funding is now included in the report each year to Cabinet, the availability of BCIL to fund the Capital Programme is kept under review. In normal circumstances, should the level of BCIL not be sufficient then either the schemes can be removed from the programme or funded from an alternative source. If that source is borrowing, then the revenue cost of borrowing will need to be included in the revenue budget. However, for 2022/23 due to one large receipt being received, there is already 95% of the BCIL funding available for all schemes proposed across all 3 years, therefore all schemes will be fully funded by the end of 2022/23 -see paragraphs 28 and 29.	Green

### **Equalities implications / Public Sector Equality Duty**

40. One of the aims of the Capital Strategy is to ensure the responsible allocation of funding in line with the Council's priorities and legislative requirements such as equalities legislation. Equalities implications form part of the way that the projects are prioritised. The officer's initial views are that no protected group is adversely affected by the proposals. The projects proposed in the programme may require full Equality Impact Assessments before they commence.
41. Decision makers should have due regard to the public sector equality duty in making their decisions. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as material in the press and letters from residents. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

*A public authority must, in the exercise of its functions, have due regard to the need to:*

*(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

*(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

*(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The relevant protected characteristics are:*

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Race,*
- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil partnership*

#### **42. Council Priorities**

The Council's Final Capital Programme for 2032/24 to 2025/26 has been prepared in line with the Council's priorities:

- A council that puts residents first
- A borough that is clean and safe
- A place where those in need are supported

### **Section 3 - Statutory Officer Clearance**

#### **Statutory Officer: Dawn Calvert**

Signed by the Chief Financial Officer

**Date: 03/02/2023**

#### **Statutory Officer: Caroline Eccles**

Signed on behalf of the Monitoring Officer

**Date: 07/02/2023**

#### **Chief Officer: Dawn Calvert**

Signed on behalf of the Corporate Director

**Date: 07/02/2023**

#### **Head of Procurement: Nimesh Mehta**

Signed by the Head of Procurement

**Date: 07/02/2023**

**Head of Internal Audit: Neale Burns**

Signed on behalf of the Head of Internal Audit

**Date: 07/02/2023**

**Has the Portfolio Holder(s) been consulted? Yes**

### **Mandatory Checks**

*Ward Councillors notified: NO, as it impacts on all Wards*

*EqIA carried out: NO as these capital proposals are in the main rolling programme items which will improve the Council's infrastructure and assets*

*EqIA cleared by: N/A*

### **Section 4 - Contact Details and Background Papers**

**Contact:** Sharon Daniels, Head of Strategic and Technical Finance (Deputy S151), [sharon.daniels@harrow.gov.uk](mailto:sharon.daniels@harrow.gov.uk)

**Background Papers:** None

**Call-in waived by the Chair of Overview and Scrutiny Committee - NO**