

Meeting:	Cabinet
Date:	13 December 2007
Subject:	Draft Capital Programme 2008-09 to 2010-11
Key Decision:	Yes
Responsible Officer:	Myfanwy Barrett: Corporate Director of Finance
Portfolio Holder:	David Ashton (Portfolio Holder for Finance and Portfolio Co-ordination)
Exempt:	No
Enclosures:	Appendix 1 – Draft Capital Programme

Section 1: Summary and Recommendations

This report sets out the draft capital programme for 2008-09 to 2010-11 and forms part of the annual budget review process.

Recommendations:

The Cabinet agrees the draft capital programme for 2008-09 to 2010-11.

Reason

To publish the draft capital programme as part of the annual budget review process.

Section 2: Report

Development of the new programme

1. Following advice from consultants on the affordability of future capital investment, indicative planning totals were issued to Directorates to develop the Capital programme for 2008-09 to 2010-11.
2. Consultation with senior managers and Portfolio Holders has taken place during November to build a robust programme.
3. The draft programme for 2008-09 includes:
 - A provision for new projects emerging from the BTP
 - ICT infrastructure projects
 - Social care establishment improvements
 - Replacement of Bessborough Road
 - Education modernisation and improvement
 - General Fund housing projects such as disabled facilities grants and affordable warmth schemes
 - Public Realm improvements
 - Transport and traffic schemes
 - Leisure and Cultural facilities
 - High priority major works to corporate buildings
 - A provision for economic development and regeneration projects
 - Heritage projects
 - The Housing Improvement Programme in line with the stock retention option
5. The value of the general fund programme is £60m for 2008-09, with external funding of £24m and a net cost to the Council of £36m. The Housing programme for 2008-09 is £12.5m.

IT Strategy

6. Work is underway to develop a new IT strategy and this may result in some amendments to the programme in February.

Building Schools for the Future

7. The programme includes the first BSF scheme at Whitmore High School. The phasing of the project is currently under review and any changes will be incorporated in the report to February Cabinet.
8. At November cabinet, Members considered a proposal to contribute an additional £3m to the Whitmore scheme subject to a satisfactory business case. Once the business case is complete, if the scheme is approved, the capital programme and revenue budget will be adjusted accordingly.

Leisure and Cultural services

9. At November cabinet, Members approved a scheme to redevelop leisure facilities in the borough. The scheme is included in the new capital programme.
10. The strategy for achieving an extensive development of Harrow's Leisure and Cultural Services contributes to the new vision and corporate priorities. This programme will make a significant and positive contribution to the Council's revenue budget as well as providing superb brand new facilities for all residents.

Private Finance Initiative (PFI) Schemes

11. The Council has two PFI schemes in development. The first scheme relates to the construction of three neighbourhood resource centres for people with learning disabilities. Financial close is expected early in 2008. The construction of the new centres will take place during 2008-09 through the LIFTco, with handover expected around April 2009. The revenue budget includes provision for fees in the current year and, from 2009-10, the anticipated affordability gap. The capital programme (Adults Services) includes some expenditure on furniture and equipment for the new centres.
12. The second scheme relates to street lighting. This outline business case has been completed and is due to be reviewed by the Treasury in March 2008. The revenue budget includes provision for fees and, from 2010-11, the anticipated affordability gap. If the scheme goes ahead, the capital expenditure on replacing and upgrading the borough's street lighting, will commence in 2010-11 and will be met by the PFI operator.

Capital financing

13. The capital programme is funded from a number of sources. These include:
 - External Funding in the order of £25m, primarily from the DCSF and Transport for London
 - Major Repairs Allowance (Housing Revenue Account)
 - Capital Receipts (expected to be around £30m in 2008-09)
 - Borrowing
14. Total planned general fund borrowing amounts to £5m in 2008-09, £15m in 2009-2010 and £19m in 2010-11. Total planned HRA borrowing amounts to £7m in 2008-09, £5m in 2009-10 and £1m in 2010-11. The capital financing costs associated with this borrowing are reflected in the draft medium term revenue budget for 2008-09 to 2010-11.
15. It should be noted that the capital financing costs are based on a number of assumptions about the level of capital expenditure, level of capital receipts,

timing of any borrowing, interest rates, and use of the minimum revenue provision. The revenue budget reflects the best estimate based on these assumptions.

Financial Implications

16. Financial matters are integral to the report.

Performance Issues

17. There are no direct implications for individual performance indicators. The draft capital programme represents the estimated financial resources required to implement the Council's corporate priorities. Monitoring of the approved programme is ongoing and is essential for good financial management. If the monitoring process is not maintained, the implementation of the capital programme and corporate priorities will be less transparent and less robust, and may impact on performance indicators across directorates.

Section 3: Statutory Officer Clearance

Name: Barry Evans	<input type="checkbox"/>	On behalf of the Chief Finance Officer
Date:		
Name: Jill Travers	<input type="checkbox"/>	On behalf of the Monitoring Officer
Date:		

Section 4: Performance Officer Clearance

Name: Tom Whiting	<input type="checkbox"/>	Divisional Director (Strategy & Improvement)
Date:		

Section 5: Contact details and background papers

Contact: Barry Evans (Group Manager – Corporate Finance) tel: 020-8424-1203

Background Papers:

Report to November 2007 Cabinet: Investment in Leisure and Cultural facilities

DRAFT CAPITAL PROGRAMME 2008-09 to 2010-11

GENERAL FUND	2008-09			2009-10			2010-11		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Gross	External	Net	Gross	External	Net	Gross	External	Net
Corporate Strategy									
Strategic IT Partnership BTP	2,210		2,210			0			0
Provision for new BTP Projects	2,000		2,000	2,000		2,000	2,000		2,000
Sub Total	4,210	0	4,210	2,000	0	2,000	2,000	0	2,000
Corporate Finance									
IT Infrastructure			0	1,000		1,000	1,000		1,000
Desktop Refresh	320		320						
Storage Area Network	60		60						
Computer Room Upgrade	270		270						
Remote Working - improved infrastructure and security	240		240						
Improved password technology	110		110						
Sub Total	1,000	0	1,000	1,000	0	1,000	1,000	0	1,000
Adult Services									
Bedford House - refurbishment			0	300		300	500		500
Bessborough House Replacement	1,400		400	0		0			0
Milmans Community Resource Ctre - ground floor reorganisation	0		0	150		150			0
Neighbourhood resource centre - F&E	0		0	650		650			0
Occupational Therapy Department Adaptations for People with Disabilities	150		150	150		150	200		200
Social Care Sites - minor works	50		50	50		50	50		50
Sub Total	1,600	0	1,600	1,000	0	1,300	250	0	750

	2008-09			2009-10			2010-11		
GENERAL FUND	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Gross	External	Net	Gross	External	Net	Gross	External	Net
Children Services									
ASD provision in schools	800		800	700		700	560		560
Catering in schools	680		680	1,000		1,000	1,800		1,800
Childrens Centre Funding			0			0			0
Education Modernisation & Improvements	1,900	-1,900	0	2,900	-2,900	0	2,900	-2,900	0
High school No 1 - rebuild BSF (draft cashflow)	15,000	-15,000	0	8,494	-8,494	0			0
Future Whitmore - additional facilities for partners	700		700	105		105			0
Rooks Heath High 14/19 Agenda	59	-59	0	0		0			0
School Amalgamation support	200		200	200		200	250		250
Shaftesbury High School - new build	350	-250	100	250		250			0
Skills Centre extension	100		100	0		0			0
Social Care Sites - minor works	50		50	50		50	55		55
Sub total	19,839	-17,209	2,630	13,699	-11,394	2,305	5,565	-2,900	2,665
Housing Services(General Fund)									
Affordable Warmth	150		150	150		150	150		150
Disabled Facilities Grants	838	-503	335	838	-503	335	838	-503	335
Empty Property Grants	100		100	100		100	100		100
Heating Harrow Greener Scheme	150		150	150		150	150		150
Private Sector Housing (Renovation Grants)	900		900	900		900	900		900
Warmfront Top Up Fund	30		30	30		30	30		30
Sub total	2,168	-503	1,665	2,168	-503	1,665	2,168	-503	1,665

	2008-09			2009-10			2010-11		
GENERAL FUND	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Gross	External	Net	Gross	External	Net	Gross	External	Net
Community and Environment									
Corporate Accommodation	756		756	300		300	300		300
Crematorium / cemeteries - enhancements	100		100	0		0	0		0
Disabled Discrimination Act Works to Buildings	50		50	50		50	50		50
Energy Efficiency Works to Corporate Buildings	50		50	50		50	50		50
Heritage projects (Headstone Mnr, West House)	200		200	200		200	200		200
High Priority Major Works Corporate Buildings	1,500		1,500	940		940	940		940
Petts Hill Bridge	284		284	0		0	0		0
Prosperity Action Teams	210		210	210		210	210		210
Public Realm Infrastructure				5,400		5,400	5,400		5,400
- Highways	4,250		4,250						
- Drainage	450		450						
- Street Lighting	650		650						
- Transportation	500		500						
- Parks	100		100						
- Public Conveniences	50		50						
Recycling Schemes	100		100	100		100	100		100
Hatch End - Arts Centre - Music Store	45		45	0		0	0		0
Hatch End (Arts Centre) Site - Modernisation & Security Improvements	35		35	0		0	0		0
Leisure Ctre & Hatch End Pool - Major Repairs	100		100	0		0	0		0
Libraries refurbishment	50		50	50		50	105		105
School Landlord Works (Responsive Repairs)	750		750	750		750	750		750
Transport for London Schemes (estimate)	6,000	-6,000	0	6,000	-6,000	0	6,000	-6,000	0
Sports and Leisure Sites	10,600		10,600	14,850		14,850	9,500		9,500
Strategic Development/Town Centre	3,000		3,000	3,000		3,000	3,000		3,000
Sub total	29,830	-6,000	23,830	31,900	-6,000	25,900	26,605	-6,000	20,605

	2008-09			2009-10			2010-11		
GENERAL FUND	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Gross	External	Net	Gross	External	Net	Gross	External	Net
Capitalisation & Programme Management									
Capitalisation of various items	800		800	250		250	250		250
Programme Management Office	180		180	180		180	180		180
Harrow Heritage Trust Grant	15		15	15		15	15		15
Provision for Small Schemes etc	250		250	250		250	250		250
Sub total	1,245	0	1,245	695	0	695	695	0	695
Total Programme	59,892	-23,712	36,180	52,612	-17,897	34,865	38,533	-9,403	29,380
	2008 - 09			2009 -10			2010 -11		
HOUSING REVENUE ACCOUNT	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Gross	External	Net	Gross	External	Net	Gross	External	Net
Housing Services (HRA)									
HRA Housing Capital Programme	12,000		12,000	10,000		10,000	5,500		5,500
Aids and adaptations to council houses	500		500	500		500	500		500
TOTAL	12,500	0	12,500	10,500	0	10,500	6,000	0	6,000