



# London Borough of Brent

## **Capital Strategy 2005-2010**

**August 2005**

Executive  
12 September 2005  
Final version



## C O N T E N T S

	Page
<b>1. Introduction to the capital strategy</b>	
1.1 Its key objectives	1
1.2 Links to other strategies and plans	1
1.3 The council's corporate goals and objectives	2
1.4 Capital strategy development	3
1.5 Reviewing and planning framework	3
<b>2. Delivery of the 2002 strategy</b>	
2.1 Links between the 2002 strategy and this strategy	5
2.2 Spending from 2002 to 2005	5
2.3 Funding from 2002 to 2005	6
2.4 Key outcomes from spending between 2002 and 2005	7
<b>3. Investment needs</b>	
3.1 Current investment needs	8
3.2 Condition requirements	8
3.3 Sufficiency requirements	9
3.4 Suitability requirements	10
<b>4. Funding sources</b>	
4.1 Where the money comes from	10
4.2 Borrowing	10
4.3 Capital receipts	11
4.4 Revenue contributions to capital outlay	12
4.5 Grants	12
4.6 Section 106 funding	13
4.7 Partnership funding	13
<b>5. Reviewing the capital programme</b>	
5.1 The 2005/06 to 2008/09 capital programme	14
5.2 Process for developing the 2006/07 to 2009/10 capital programme	14
5.3 Stakeholder/partnership working and consultation	15
<b>6. Maximising value for money</b>	
6.1 Managing the programme	15
6.2 Procurement	16
6.3 Managing and monitoring individual schemes	16



## 1. An Introduction to the Strategy

### 1.1 Its Key Objectives

The key objectives of Brent's capital strategy are as follows:

- To ensure use of the council's capital assets supports delivery of priorities within the council's corporate strategy;
- To determine the council's priorities for capital investment;
- To identify and seek sustainable funding sources to support capital investment;
- To be a basis for determining the council's rolling four year capital programme;
- To identify opportunities for delivering improvements to the borough infrastructure in partnership with other organisations and agencies;
- To help ensure the most cost effective use is made of existing assets.

### 1.2 Links to other Strategies and Plans

The capital strategy is linked to a variety of other strategies and plans, as follows:

- The 2002-2006 corporate strategy - "Building a better borough" (click [here](#)) - sets out overall long term priorities for the council. A new corporate strategy covering the period 2006-2010 is currently being drafted and the capital strategy will be up-dated in the light of any changes to priorities reflected in the 2006-2010 corporate strategy;
- The local improvement plan for 2005-06 "Improving Brent – Excellent Services for a Diverse Community" - sets out clear and defined objectives for change and improvement in the current year and how each service area will achieve those objectives;
- Individual service development plans set out key improvement priorities for services over the next four years;
- Individual service strategies which depend on capital resources for their delivery include:
  - The school organisation plan 2003-2008 (click [here](#));
  - Brent early years and child care strategy (click [here](#));
  - Adults strategy (Adults and Community care to comment on appropriate document);
  - The supporting people strategy, 2005-2010 (click [here](#))
  - Brent Housing Partnership five year business plan, 2003-2008 (click [here](#));
  - The private sector housing strategy, 2005-2010 (Exec on 14<sup>th</sup> August 2005);
  - Affordable housing strategy, 2002-2006 (click [here](#));
  - Draft local (transport) implementation plan, 2006-2011 (click [here](#));
  - The library strategy (in preparation);



- A strategy for sport and physical activity in Brent, 2004-2009 (click [here](#));
- The regeneration strategy, 2001-2021 (click [here](#));
- The office accommodation strategy (click [here](#)).
- Asset management plans/surveys which set out condition, suitability, and sufficiency of assets include:
  - The corporate property asset plan (click [here](#));
  - The education asset management plan, 2002-2006 (click [here](#));
  - The education capital development - local policy statement 2003 (click [here](#));
  - The HRA stock conditions survey ;
  - The private sector housing stock conditions survey ;
  - The highways and pavements annual conditions survey.
- Financial plans which set out available resources, programmed spending, borrowing strategies, and prudential borrowing indicators. These include:
  - The medium term financial strategy which sets out the likely revenue spending requirements and resource availability over the next four years (click [here](#));
  - The capital programme 2005/06 to 2008/09 which sets out currently programmed spending, and implications of unsupported borrowing on the council's revenue budget (click [here](#));
  - The treasury management strategy sets out the council's approach to borrowing to fund capital investments (click [here](#));
  - The prudential framework which sets out key indicators affecting the council's funding of capital spending, including the proportion of the council's revenue budget which is used to fund the cost of borrowing (click [here](#)).

### 1.3 The Council's Corporate Goals and Objectives

The council's vision for "Building a better borough", the Corporate Strategy for 2002-2006, is expressed as:

*"Brent will be a borough where all its communities enjoy a high quality of life and will be able to fully participate in society. Brent Council will have a reputation for good democratically accountable leadership, strong partnerships and excellent services. Brent will be a borough proud of its diversity, served by an ambitious, progressive and outward looking council. Brent will be a home of choice for its diverse population and businesses."*

There are five key strategic themes:

- supporting children and young people;
- promoting quality of life and the green agenda;



- regeneration and priority neighbourhoods;
- tackling crime and community safety; and
- achieving service excellence.

Clearly defined priorities support each theme, and these are attached at Appendix 1. The council has been working over the past three years to progress each of these priorities and to actively build upon its achievements. All service development plans (SDPs) have been aligned with the corporate strategy and its priorities. It also provided the framework upon which the previous 2002 capital strategy was built.

A corporate strategy for the period 2006-2010 is currently being drafted. Whilst fundamental change to strategic direction is not envisaged, there will be changes to priorities to reflect what has already been achieved, the development of the local area agreement, new national and local policy priorities, and changes in need within the borough. This strategy will be up-dated to reflect changes to strategic themes and priorities in the revised corporate strategy.

#### **1.4 Capital Strategy Development**

The capital strategy has been developed and is reviewed with input from a range of officer and member groups. It is a corporate document that has considered the demands and activities of all services. The respective roles and responsibilities of each of these groups are set out in Appendix 2. The groups are:

- Service Areas - This includes service units, finance teams and service area management teams.
- The Strategic Finance Group - Representatives from all service areas that deal with strategic issues in relation to the Council's budget and financial framework.
- The Capital Board - Comprises the Deputy Leader of the Council, the Director of Finance and Corporate Resources, the Deputy Director of Finance and Corporate Resources, the Director of Housing and Customer Services acting as the service area representative, the Deputy Borough Solicitor, the Head of Financial Management, the Head of Property and Asset Management and a representative of the Planning Service.
- The Council's Corporate Management Team - All service area chief officers and the Chief Executive.
- The Executive and the Council.

#### **1.5 Review and Planning Framework**

The capital strategy sets out a basis for addressing the competing demands of the corporate strategy, individual service strategies, and needs identified in stock conditions surveys given limited council resources. It sets out the gap between aspirations and available resources, options for identifying alternative sources of funding, and a basis for determining priorities given limited resources.

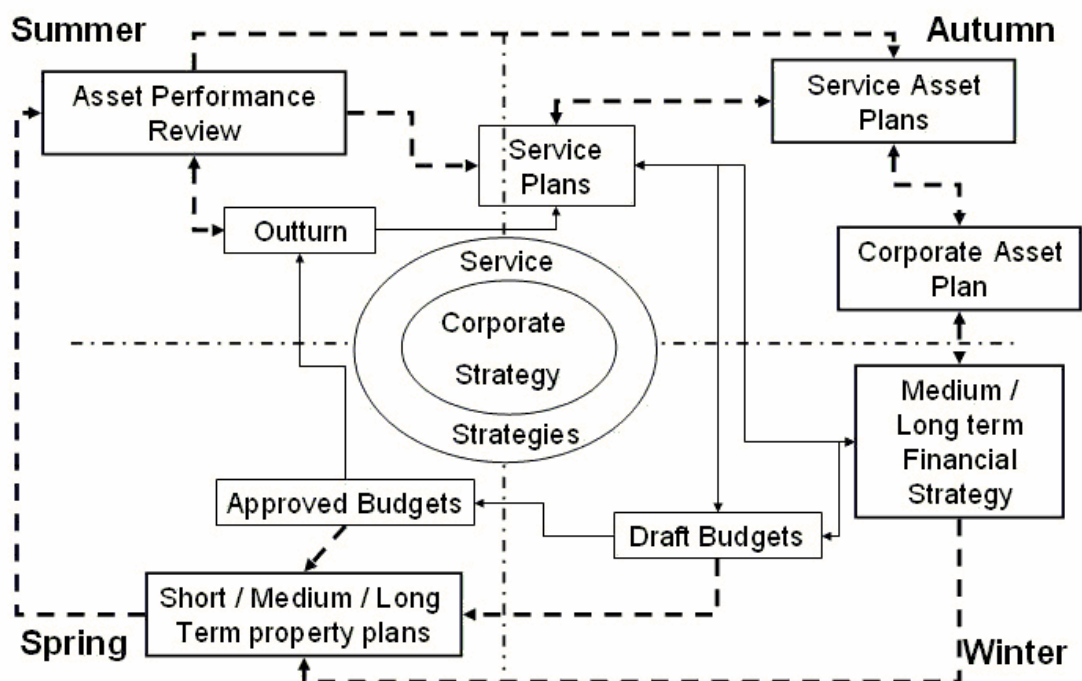


It does not allocate resources. Actual decisions about how resources are allocated to individual priority areas and within these to individual schemes are taken as part of the decision making process on the four year rolling capital programme.

The strategy also evolves. As the corporate strategy, service strategies and the medium term financial strategy develop in response to new policy direction, demands or circumstances, so the capital strategy develops to meet these changes.

The corporate and services strategies also evolve to reflect the capital strategy. The prioritisation process based on the capital strategy and reflected in the four year rolling capital programme will mean that some strategies, or implementation plans, have to be revised to reflect resources available to fund them. In some cases alternative resources (for example, the Children and Families Department - School Loan scheme) can be found to ensure spending and targets in implementation plans can be achieved. In other cases, revisions will be required to resource allocation within strategies and the targets that will be achieved. In most cases, fundamental change to strategies is not required – but timescales over which objectives are achieved may need to be revised.

The diagram below illustrates the council's corporate planning framework which is driven and co-ordinated by the Chief Executive and the Corporate Management Team (CMT), reporting to the Executive. The capital strategy is included within this framework under the medium/long term financial strategy which considers the council's requirements in terms of both capital and revenue.





## 2. Delivery of the 2002 Strategy

### 2.1 Links between the 2002 strategy and the revised strategy

The 2002 strategy formed the basis for development of the capital programme from 2002/03 onwards. This section of the strategy sets out spending between 2002 and 2005, how it was funded and the principal outcomes.

The revised capital strategy has been developed in the light of progress on delivering the 2002 strategy.

### 2.2 Spending from 2002 to 2005

Table 1 below shows spending on the principal council programmes over the past three years:

**Table 1 Capital spending 2002-2005**

	2002/03 £m	2003/04 £m	2004/05 £m	2002/05 £m
Council housing	14.0	23.0	51.9	88.9
Schools	7.3	10.0	11.6	28.9
Other operational buildings	0.9	0.7	1.3	2.9
Office buildings	0.9	0.5	1.8	3.2
Highways, pavements and parks	7.5	11.0	13.5	32.0
Housing Renovation Grants	5.3	5.3	5.9	16.5
Housing Association grants	4.1	4.0	5.0	13.1
Regeneration activity	4.7	5.2	12.6	22.5
Other	9.5	5.4	6.9	21.8
<b>Total spending</b>	<b>54.2</b>	<b>65.1</b>	<b>110.5</b>	<b>229.8</b>

Table 1 shows spending which was part of the council's capital programme. In addition the council entered three Private Finance Initiative deals – one for the new JFS school, one for a new sports centre and one to replace the borough's street lights – which involved investment of £33m, £16m and £8m respectively. The government, together with a private sector sponsor, also invested directly c£27m in the new Capital City Academy in Willesden.



## 2.3 Funding from 2002 to 2005

Table 2 sets out principal sources of funding for the council's capital spending from 2002 to 2005.

**Table 2 Capital funding 2002-2005**

	2002/03 £m	2003/04 £m	2004/05 £m	2002/05 £m
<i>Council funding:</i>				
Borrowing – supported by government approvals	17.6	28.4	37.5	83.5
Borrowing – using prudential framework	N/A	N/A	7.5	7.5
Right to Buy capital receipts	2.7	4.8	5.2	12.7
Other capital receipts	1.1	1.2	4.0	6.3
HRA revenue contributions	5.0	5.6	8.0	18.6
Other revenue contributions	5.6	5.0	8.9	19.5
<i>Government grants:</i>				
Major Repairs Allowance	6.6	3.4	13.5	23.5
Devolved capital for schools	3.4	4.3	7.4	15.1
Disabled facilities grant	1.0	0.9	1.1	3.0
Other government grants	1.1	1.3	1.3	3.7
<i>Other:</i>				
Transport for London funding for transportation programme	4.7	6.3	6.8	17.8
London Development Agency	4.6	3.5	8.9	17.0
Section 106 funding	0.8	0.4	0.4	1.6
<b>Total funding</b>	<b>54.2</b>	<b>65.1</b>	<b>110.5</b>	<b>229.8</b>

The council took a policy decision to make full use of the new prudential borrowing powers introduced under the Local Government Act 2003, based on an assessment of the affordability of the borrowing over the medium to long terms. The 2004/05 to 2007/08 programme included prudential borrowing of £16.259m in 2004/05, £13.077m in 2005/06, £13.134m in 2006/07 and £12.300m in 2007/08. In practice, rephasing of the 2004/05 capital programme meant that only £7.532m was borrowed under the prudential framework in 2004/05.



## 2.4 Key outcomes from spending between 2002 and 2005

Table 3 below sets out the key outcomes from spending on the capital programme over the past three years:

Desired outcome	Performance form 2002 to 2005
<i>Council housing:</i>	
Number of non-decent homes	Down from 6106 at April 2002 to 2725 at March 2005
Energy rating of council properties	SAP rating up from 49 at March 2002 to 65.9 at March 2005
<i>Condition of buildings</i>	
Schools	Priority 1 (urgent) repairs from £4.1m at April 2002 to £3.1m at March 2005
Schools	Backlog of overall required repairs down from £26.9m at April 2002 to £20.2m at March 2005
Other council buildings	Priority 1 (urgent) repairs up from £0.7m at April 2002 to £4.8m at March 2005
Other council buildings	Backlog of overall required repairs up from £13.5m at April 2002 to £15.8m at March 2005
<i>Suitability of buildings</i>	
Percentage of all council buildings with disabled access	Up from 40% at 1 <sup>st</sup> April 2002 to 77% at 31 March 2005
<i>Transport</i>	
Improved road safety	Reduction in numbers killed or serious injured from 190 in 2001 to 155 in 2004 and is well on the way to achieving the 2010 target of 146.
Increasing accessibility	Following a 3 year investment programme all controlled pedestrian crossings in the Borough have dropped kerbs.
<i>Highways, pavements &amp; bridges</i>	
Carriageway resurfacing	From April 2002 to March 2005 14km of resurfacing has been undertaken.
Principal road resurfacing	From April 2002 to March 2005 24km of resurfacing has been undertaken.
Pavement upgrades	From April 2002 to March 2005 17km of replacement has been undertaken.
Bridges	6 major road network bridges have had weight restrictions removed.
Street lighting	20,000 street lights will have been replaced under the PFI



<i>Private sector housing</i>	
Disabled facilities grants	357 homes made accessible between April 2002 and March 2005 as a result of award of disabled facilities grants
Private sector renewal grants	1700 empty homes brought back into use between April 2002 and March 2005 120 properties brought up to decency standard between April 2004 and March 2005
<i>Housing association grants</i>	
Nominations for homeless families	204 nominations to housing association properties between April 2002 and March 2005 as a result of grants by the council to housing associations

### 3. Investment needs

#### 3.1 Current Investment Needs

There are still significant investment needs despite improvements achieved over the period of the previous capital strategy. These arise out of:

1. Condition of the council's existing assets (condition).
2. The need to meet increasing demand in the borough for, for example, school places or accommodation for homeless people (sufficiency).
3. The need to ensure that council assets are fit for purpose, for example, accessibility and ease of use of libraries, office accommodation able to support modern ways of working (suitability).

#### 3.2 Condition requirements

The council carries out surveys of the current condition of its assets. In the past some of these surveys were carried out on an intermittent basis but now all surveys are either carried out on an annual basis (corporate property portfolio, highways and pavements, and council housing) or on a rolling programme (schools).

The results of the conditions surveys are shown in Table 4 below. This shows that total spending of £134.5m would be required to bring all council assets up to a good state of repair. It also shows the amount that needs to be spent on urgent repairs ie over the next 18 months. The table excludes vehicle, furniture, plant & equipment assets as these are subject to routine periodic replacement.



**Table 4 Condition of council assets**

	<b>Value of assets at 31 March 2005</b>	<b>Backlog of repairs at 31 March 2005</b>	<b>Urgent repairs required in next 18 months</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council housing	874.7	81.5	58.4
Schools	272.9	20.2	3.1
Non schools property portfolio	104.7	15.8	7.9
Highways and pavements	102.4	17.0	0.7
<b>Total</b>	<b>1,354.7</b>	<b>134.5</b>	<b>70.1</b>

### 3.3 Sufficiency requirements

Requirements resulting from demographic and other related changes are set out in individual service strategies. The following areas are considered to be the main pressure points over the next five years:

- The demand for school places particularly at secondary level;
- The demand for additional special needs places in the borough;
- The demand for affordable accommodation; and
- The demand for adaptations to private homes to enable people to stay at home.

Table 5 below shows some illustrative estimated need over the next five years.

**Table 5 Sufficiency of council assets – requirements 2005-2010**

<b>Need</b>	<b>Assessment of likely demand</b>	<b>Estimated cost – 2005/10</b>
		<b>£m</b>
Additional secondary places	Equivalent of 10.8 additional Forms of Entry between September 2005 and September 2010	56
Additional primary places	Equivalent of 5 additional Forms of Entry between September 2005 and September 2010	27
Additional affordable housing units (on top of those provided through Housing Corporation and S106 funding)	220 additional units through housing association nomination rights	20
Disabled facilities adaptations	675 over the next five years (assume continue at same rate as at present)	12
<b>Total</b>		<b>115</b>



### **3.4 Suitability requirements**

The suitability requirements reflect the need to develop services to meet changing needs.

In some cases this reflects changing government agendas. These include the early years' strategy, where funding is available for additional early years provision, and secondary schools, where the government has identified funding for Building Schools for the Future. In both these cases, Brent will have difficult issues to address. In the case of early years centres, the funding already given is short of the council's needs. In the case of Building Schools for the Future, the council has been included in Waves 7-9, which means funding will not be available until 2009/2010 at the earliest.

The council has also identified needs as part of its own strategy development. The recently agreed private sector housing strategy depends on spending at current levels (around £4.5m per annum) to deliver its targeted outputs over the next five years. The sports and physical activity strategy has identified shortages in provision in the north of the borough and the draft libraries strategy identifies the need for changes in library provision to meet the needs of the 21<sup>st</sup> century. The office accommodation strategy has also identified changing requirements, both to address existing shortcomings with accommodation but also to ensure staff can work in a modern way through remote working, home working, and hot desking.

The development of the 2006 to 2010 corporate strategy will require that the council's priorities for future investment are reviewed to ensure its assets are fit for purpose. The strategy will need to reflect the development of the neighbourhood agenda and it is likely that as a result of this there will have to be changes to the pattern of service provision over the next five years which will require the council to review location and use of assets.

At this stage it is not possible to fully quantify funding required for suitability works. This depends on the evolving policy agenda and will be reflected in the up-dating of the existing capital programme.

## **4. Funding sources**

### **4.1 Where the money comes from**

Table 2 above shows that the council uses a variety of funding sources to fund its capital programme. This section of the strategy sets out how the council aims to maximise funding for the capital programme over the next five years.

### **4.2 Borrowing**

The council has to decide how much it borrows to fund the capital programme.

The council's current policy is to:

1. Borrow up to the limit that government says it will provide borrowing for – supported capital expenditure (revenue)



2. Carry out additional borrowing using the prudential powers introduced in the 2003 Local Government Act up to a level that is considered affordable. Current levels of borrowing using the prudential powers are based on an assessment of what would be affordable using the council's 30 year financial model (click [here](#)).

The current projected level of borrowing in the 2005/06 to 2008/09 capital programme is as follows:

	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 £m
Amount of unsupported borrowing	13.1	13.1	12.3	3.6
Prudential Regime Financing Charges	1.9	3.3	4.6	5.6
Impact on Band D Council Tax – using 2005/06 council tax base of 92,879	£20.53	£35.20	£49.74	£60.47

There have been various developments since the current policy was agreed which mean that the level of borrowing to fund the programme will have to be reviewed. These include:

1. Changes to the method of financing local government, including the introduction of the dedicated school grant, proposed changes to grant formulae, and use of population projections which are likely to mean Brent will be at the floor level of grant increase for at least the next five years.
2. Proposed changes to the way in which floor grant increases are calculated which will mean that Brent will not receive additional funding for supported capital expenditure.
3. A tightening of national government finances which is likely to result in lower floor level increases in grant than in previous years.

In addition, even without these changes, the medium term financial strategy included in the 2005/06 budget report a projected budget gap from 2006/07 onwards.

As part of the development of the medium term financial strategy for 2006/07 to 2009/10, the overall level of borrowing available to fund the capital programme from 2006/07 onwards is likely to have to be reduced.

The council will carry on using its prudential borrowing powers to support spend to save schemes or where improvements can be funded within service budgets (click [here](#)) and to allow schools to borrow to carry out capital expenditure as part of the schools loan scheme (click [here](#)).

### 4.3 Capital receipts

The council obtains capital receipts to fund its capital programme from sales of right – to-buy properties and sale of other assets. Current rules require 75% of right-to-buy receipts to be pooled. In addition, 50% of other housing receipts have to be pooled unless the council can offset them against regeneration schemes. In practice, the amount of qualifying spending on regeneration schemes within the council's capital

programme has been sufficient – and is likely to be sufficient in the future – to enable the council to fully use other housing capital receipts.

The current projected level of usable right-to-buy and other receipts within the 2005/06 to 2008/09 capital programme is as follows:

	<b>2005/06 £m</b>	<b>2006/07 £m</b>	<b>2007/08 £m</b>	<b>2008/09 £m</b>
Right to Buy	2.5	1.7	1.7	1.7
Other receipts	0.5	1.2	-	-
<b>Total</b>	<b>3.0</b>	<b>2.9</b>	<b>1.7</b>	<b>1.7</b>

The level of right-to-buy receipts is largely outside the council's control. The state of the housing market and the amount of property already disposed of means right-to-buy receipts are likely to remain at a relatively low level for the foreseeable future.

The council has an agreed policy on other capital disposals ([click here](#)) which is aimed at ensuring that surplus assets are released in order to maximise benefits to the council. The council has in the past successfully disposed of a large part of its surplus assets and the level of forecast capital receipts in the 2005/06 to 2008/09 capital programme reflects this.

However, changes to service provision in the future are likely to mean that assets will need to be kept under regular review and, where they have become surplus to requirements, disposed of. In addition, one of the key strategic decisions the council will need to take as it develops its on-going capital programme is its ability to fund the maintenance backlog on current asset holdings and the extent to which this itself drives the need to dispose of assets.

#### **4.4 Revenue contributions to capital outlay**

The council has a capital fund for both the General Fund and HRA that it carries forward to enable it to manage the impact of re-phasing of scheme expenditure between years. In addition, the HRA makes an annual revenue contribution to the HRA capital programme.

In the case of the General Fund, there are no budgeted annual revenue contributions to capital outlay although capitalisation of revenue spending as part of the best value accounting process is funded by equivalent revenue contributions. This is an accounting entry and has no substantive impact on the sources of funding available for the General Fund capital programme.

Given the pressures on the General Fund revenue budget in future years, there are no plans to amend the current approach to use of revenue contributions.

#### **4.5 Grants**

Principal funding sources for grants are central government and the Greater London Authority.



Where grants are determined on a formula basis, the council has limited ability to influence the amount it receives. The council is pro-active however in pursuing grant funding subject to bidding regimes. Examples of previous successes are the ALMO programme and the transport grant received from Transport for London.

The council will continue to pursue opportunities to maximise grant funding.

There are certain areas of the council's spending which are funded primarily by grant. These include early years centres and transportation. Given the overall level of resources available and demands for capital spending, this strategy assumes that capital spending in these areas will continue to be primarily grant funded.

The council also has pressing needs for modernisation of its secondary schools but can expect funding from the Building Schools for the Future programme from 2009/10 onwards. In the light of this, and pressures on resources, this strategy assumes that the council will not bring forward schemes that are likely to be funded from BSF money unless the spending is unavoidable.

#### **4.6 Section 106 funding**

The council has been successful at attracting Section 106 funding from capital developments to fund improvements to the borough's infrastructure. There is currently £10.757m available to spend as a result of Section 106 agreements and a further £25.106m that is still to be triggered once the developments start.

In addition, the council uses Section 106 agreements to secure additional social housing in the borough. Over the period April 2002 to March 2005, 676 affordable housing units were delivered as a result of Section 106 agreements.

The council needs to ensure that all Section 106 agreements are within the legislative framework and that the money is spent in the ways set out in the agreement. It is however important that the council ensures that Section 106 agreements are tied in, as far as they can be, with the achievement of the priorities set out in the corporate strategy. The Planning Service are now represented on the Capital Board and this will ensure planners are aware of priorities when negotiating Section 106 agreements. Links to the Corporate Strategy will also be included in reports for decision to the Planning Committee so that members can be satisfied that individual agreements are meeting priority needs within the borough.

#### **4.7 Partnership funding**

The council has been successful over the period of the previous strategy at using alternative sources of funding to meet its capital needs. The street lighting PFI has led to replacement of the existing street lights and the JFS PFI led to the relocation of the school into the borough. The council has addressed its need to replace the Willesden Leisure Centre by entering a PFI for it, and the council is currently in the process of letting a PFI contract which will help address its temporary accommodation needs and replace existing unfit residential accommodation for people with learning difficulties.





The council also supported and facilitated the development of the Capital City Academy at Willesden and is supporting proposals for a second City Academy in Wembley.

The council has also entered a LIFT programme with the PCT and will use that to progress suitable developments, subject to affordability.

The affordable housing PFI will deliver 450 housing units and 50 social services units over the period March 2007 to March 2010. This is a more effective and cheaper means of funding provision of affordable housing than use of borrowing and this strategy assumes the current level of funding for housing associations through the mainstream capital programme will be reviewed as a result.

## **5. Reviewing the capital programme**

### **5.1 The 2005/06 to 2008/09 capital programme**

The existing 2005/06 to 2008/09 capital programme was agreed as a part of the 2005/06 budget setting process at Full Council on 28<sup>th</sup> February 2005 and up-dated by the Executive in the light of the 2004/05 draft outturn at its meeting on 11<sup>th</sup> July 2005. A copy of the existing capital programme is included as Appendix 3 to this strategy.

### **5.2 Process for developing 2006/07 to 2009/10 capital programme**

The development of the 2006 to 2010 corporate strategy, the up-dating of a number of service strategies, the revised corporate property asset plan, and the revised assumptions about the council's revenue budget prospects mean that a significant review is required of spending included in later years of the existing capital programme (ie from 2006/07 onwards).

It is planned to carry out this review during the autumn – at the same time as revised revenue budget proposals are being considered – and to report on a proposed revised programme as part of the 2006/2010 budget making decision process at Full Council on 6<sup>th</sup> March 2006.

The Capital Board will lead this review, with input from services. The intention is to carry out a full review of all existing schemes within the programme, together with any new requirements identified as a result of the development of the corporate strategy, revised service strategies and the revised corporate property asset plan.

The aim of the review will be to identify spending requirements that meet the conditions, sufficiency and suitability needs set out in section 3 above in a phased way which is commensurate with the resources available to fund them. The review will also identify a set of outcome measures which will be used to monitor achievements over the next five years.





### 5.3 Stakeholders/Partnership Working and Consultation

The council's central consultation team is responsible for developing and implementing the council's corporate consultation strategy and for developing and spreading good practice across the organisation. To facilitate this, a number of consultation mechanisms have been set up by the council and include:

- Five area consultative forums;
- A 2000 strong citizens panel; and
- A range of service user consultative forums.

The council recognises the importance that working in partnership has in enabling it to meet its key priorities. The list of partners currently working with the Council on capital projects is long and diverse. It is the council's intention to build upon these relationships and also to actively explore new ones. It recognises the importance of consultation and uses a wide range of methods to consult on capital projects

## 6. Maximising value for money

### 6.1 Managing the programme

The respective roles and responsibilities with regard to the capital programme are set out in appendix 2. The management at scheme level by service areas is complemented by higher level monitoring at the Capital Board through the Finance and Corporate Resources Department. Where necessary, responsible managers are invited to provide updates and answer perceived problems with programme delivery.

The council will continue to maintain as a minimum these comprehensive and robust procedures for managing and monitoring the capital programme. The development of the programme will continue to be led by the Capital Board who at the same time as reviewing spending in the autumn will review bidding & prioritisation and programme management arrangements. For example, each scheme currently in the capital programme has been assessed against predetermined criteria. These criteria have been reviewed and a new proforma developed, shown at Appendix 4, which enhances further the links with the corporate strategy and the process for outcome measurement and risk management.

The 2002/2005 capital strategy set out some outline performance indicators for the capital programme, the outcomes of which are detailed below:

	2002/03	2003/2004	2004/2005
Levels of slippage	£6.9m	£6.1m	£6.2m
Percentage of grants and SCA's allocated and used in the time allowed	100%	100%	100%
Programme balanced without the need for unplanned revenue contributions	Yes	Yes	Yes



An in year review of these indicators highlighted the need for additional resources to deliver programmes. As a result an on-going budget allocation of £400k was made available to facilitate the delivery of service area programmes.

## 6.2 Procurement

Procurement within the council is controlled through Contract Standing Orders (click [here](#)) with specific guidance provided by the Contract Procurement and Management Guidelines (click [here](#)). The guidelines identify the need for procurement as follows:

“Good procurement is important because it enables you to achieve clarity about what you and, where relevant, the ultimate customer, want/need and to obtain the best contractor/supplier to meet that need. Good procurement should also enable you to achieve the best balance between cost and quality/reliability of provision. In addition, a good procurement process will ensure transparency and probity in contract letting and result in legal compliance with no fear of challenge”.

The good practice guidelines aim to assist officers in achieving good procurement and the benefits that brings. In addition, the guidelines recognise and support the Egan principles aimed at achieving greater outcomes.

The guidelines have been in place since March 2004 and whilst the benefits can not be easily evidenced they have ensured a level of consistency in approach to construction procurement that yields benefits in itself.

Given the fact that the council undertakes a significant amount of capital works each year it is important that capital procurement arrangements remain efficient, effective and economic. Accordingly, the review to be undertaken by the Capital Board will also review the current position on construction procurement.

## 6.3 Monitoring individual schemes

Three phases of monitoring will be applied to individual schemes:

- the project appraisal process to ensure all options have been considered and costs and risks have been identified;
- project monitoring during the construction period;
- post project appraisal. To learn from experience.

### The appraisal process

The 2002/2005 Capital Strategy set out the appraisal criteria as attached at Appendix 5. Following review it was found unnecessary to change these criteria. Although no formal appraisal records are kept the reports to the Executive seeking scheme approval do where necessary tackle any issues that have arisen during the appraisal process. The Capital Board however, will consider a proposal which requires responsible managers to sign off schemes and so indicate that the appraisal criteria have been considered.



## **Project Monitoring**

To support the new approach to the appraisal process the Council is adopting the Prince 2 management methodology as a driver for improved value for money in new investment. Essential key elements of this approach are:

- a focus on business justification;
- a defined organisational structure for the project management team;
- a planned approach;
- an emphasis on dividing projects and programmes into manageable and controllable stages;
- flexibility in approach appropriate to the project or programme in question; and
- provision for formal reporting requirements.

This initiative will be led by the Finance and Corporate Resources Department.

## **Post Project Appraisal**

Post project appraisal provides a method of analysing the success of a project across a broad range of measures including financial cost and time with a view to improving future contract processes. Current responsibility for this rests with service area's, however, following review of this area, changes have been proposed including a new proforma evaluation sheet with enhanced criteria as set out at Appendix 6. For an initial bedding in period this process will be driven by the Finance and Corporate Resources Department.

For further information on this document please contact:

Mark Peart  
Head of Financial Management  
Finance & Corporate Services  
Brent Town Hall  
Forty Lane, Wembley  
Middlesex HA9 9HD  
Tel: 020 8937 1467  
e-mail: [mark.peart@brent.gov.uk](mailto:mark.peart@brent.gov.uk)



## List of Appendices

		Page
Appendix 1	Corporate Strategy 2002-2006 The Council's Priorities	19
Appendix 2	Roles and Responsibilities in Relation to the Capital Strategy, Bidding and Prioritisation and the Capital Programme	22
Appendix 3	Capital programme 2005/06 to 2008/09	23
Appendix 4	Proposed Prioritisation criteria	26
Appendix 5	Appraisal Criteria	31
Appendix 6	Post contract evaluation	33

## Corporate Strategy

### The Five Main Themes and the Council's Goals and Objectives

#### 1. SUPPORTING CHILDREN AND YOUNG PEOPLE

##### The Vision

We will invest in our children and young people to secure their inclusion and achievement, ensuring they have access to the best possible life chances. We aim that all young people by the age of 19 will be in full time education, work or vocational training.

##### Our Priorities:

- Provide children and families in our most deprived communities with access to better health services, support with parenting skills and quality play facilities.
- Ensure that all pre-school children have access to affordable high quality child care services if required and a free early years education place for three year olds.
- Children of all ages and abilities will receive an excellent education to maximise their long-term life chances.
- Brent schools will deliver high quality, professional education services, which recognise the individual needs of all pupils.
- Looked after children will be provided with the best possible standards of care with the maximum opportunity to benefit from a stable and secure home environment. We will support them to achieve their full educational potential and gain access to future employment or training.
- We will work with partners to reduce the involvement of young people in crime.
- We will encourage all young people to continue in education or vocational training post 16 as part of our plans to achieve government targets for further education.
- All young people will be encouraged to play a full role in the life of their local community, through a range of sports, arts and cultural activities.
- We will listen more closely to the views of children and young people and take their specific needs into account when planning Council services.

#### 2. PROMOTING QUALITY OF LIFE AND THE GREEN AGENDA

##### The Vision

We will enhance the quality of life in Brent by creating an attractive, secure and sustainable environment, where all communities have access to varied leisure, cultural and sporting activities and quality affordable housing.

### **Our Priorities:**

- Maximise access to affordable, quality housing for all Brent residents.
- Improve the quality of the local environment with increased investment in pavements, the quality of our streets and parks. We will tackle environmental crimes such as dumped cars, fly tipping and graffiti.
- Improve management of waste and the proportion of waste recycled.
- Reduce the number of people killed or seriously injured on our roads.
- Work to improve the quality of local public transport and reduce congestion.
- Ensure a diverse range of arts, leisure, sport and cultural activities are available to all sections of the community.
- To make sure that older people, disabled people and those with mental health problems are able to take a full and active part in the life of the community.
- Work with our partners in the health sector to reduce the health inequalities experienced by the most vulnerable communities in Brent.
- Work with the voluntary and community sector to improve the quality of life of Brent's most disadvantaged individuals and groups.

## **3. REGENERATION AND PRIORITY NEIGHBOURHOODS**

### **The Vision**

Through the delivery of our Regeneration Strategy, we will ensure that Brent provides a home of choice for its diverse population and businesses.

### **Our Priorities:**

Our key regeneration priorities for the next 20 years are as follows:

- To reduce the gaps between Brent's deprived communities and the rest of London and in particular to focus on the neighbourhoods of South Kilburn, St Raphael's/Brentfield, Roundwood, Church End, Stonebridge and Harlesden;
- To reduce unemployment levels across the Borough to below the London average, concentrating efforts on those people most in need;
- To increase income levels across Brent to above the London average and promote measures to retain this wealth within the London economy;
- To promote a landmark development of regional and national significance at Wembley, creating an identity for the Borough and ensuring substantial local benefit;
- To ensure a consistently high quality of life for all residents of Brent – incorporating the provision of decent homes for all, high quality destinations and facilities, low levels of crime, healthy living and town centres which meet the needs of local people;
- To take positive preventative action in those areas most at risk of falling into decline in the future.

## **4. TACKLING CRIME AND COMMUNITY SAFETY**

### **The Vision**

We will make Brent a safer place for local residents, visitors and businesses by combating crime, reducing the fear of crime and supporting alternative choices for individuals who may be at risk of committing crime.

### **Our Priorities:**

- Reduce the level of crime committed in Brent through implementation of the Brent Crime and Disorder Reduction Strategy.
- By working with local communities, reduce the fear of crime and support measures to improve residents' personal safety.
- Work actively with individuals at risk of offending to provide alternative life choices and increase their access to training and employment.

## **5. ACHIEVING SERVICE EXCELLENCE**

### **The Vision**

Brent Council will be an outward-looking authority that strives to deliver excellent services, which are relevant to the needs and aspirations of local communities and represent value for money.

### **Our Priorities:**

- We will ensure that people can access services in the way that is right for them by providing a range of customer service options including telephone, internet and personal contact.
- Members and staff will be well trained and professional, with an understanding of the diverse needs of the communities in Brent.
- Residents and businesses will be consulted and involved in the decisions affecting their local area and provided with the information they need to contribute to discussions.
- We will plan improvements in services so that they are sustainable over time and we will not allow our ambitions to outstrip our resources.
- We will work with partners at the local, regional and national level to provide creative solutions to the social, economic and environmental needs of the borough.
- We will implement rigorous corporate governance arrangements, designed to protect the public's assets and interests.
- Sound financial management of all the council's assets within a four year financial plan will be at the heart of our service planning, ensuring that the council's resources work to support the expectations and aspirations of the people of Brent.

## Roles and Responsibilities

	<b>Capital Strategy</b>	<b>Bidding and Prioritisation</b>	<b>Capital Programme</b>
Service Areas	<ul style="list-style-type: none"> <li>- Consider issues for the strategy and bring forward to the Capital Board</li> </ul>	<ul style="list-style-type: none"> <li>- Identify projects.</li> <li>- Match investment objectives.</li> <li>- Option appraise.</li> <li>- Prioritise projects and prepare bid.</li> </ul>	<ul style="list-style-type: none"> <li>- Letting of contracts.</li> <li>- Financial monitoring of individual projects.</li> <li>- Evaluation of completed projects.</li> <li>- Managing their programme within the overall budget available.</li> </ul>
Strategic Finance Group	<ul style="list-style-type: none"> <li>- Ensure the revenue implications are properly assessed and included in the Medium Term Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>- Address affordability issues.</li> </ul>	<ul style="list-style-type: none"> <li>- Overall high level monitoring of budgets and PI's.</li> <li>- Consider allocation of resources.</li> </ul>
Capital Board	<ul style="list-style-type: none"> <li>- Oversee preparation of Capital Strategy.</li> <li>- Review the strategy to ensure consistency with the Council's objectives and investment priorities.</li> <li>- Consider and recommend the strategy.</li> </ul>	<ul style="list-style-type: none"> <li>- Receive bids from Service Areas, ensuring compliance with the appraisal process.</li> <li>- Consider alternative funding arrangements for new projects.</li> <li>- Ensure proper funding arrangements are in place and that cross cutting activity has been properly evaluated.</li> <li>- Score projects.</li> <li>- Recommend projects for inclusion in the investment plan.</li> <li>- Regularly review the plan.</li> </ul>	<ul style="list-style-type: none"> <li>- Consider and approve evaluation and appraisal criteria.</li> <li>- Consider and monitor overall use of resources.</li> <li>- High level financial and output monitoring on the capital programme.</li> <li>- Recommend projects for inclusion in the capital programme.</li> <li>- Receive the investment matrix.</li> <li>- Consider all performance indicators and make appropriate recommendations.</li> </ul>
Corporate Management Team	<ul style="list-style-type: none"> <li>- Consider and recommend.</li> </ul>	<ul style="list-style-type: none"> <li>- Consider the investment plan.</li> </ul>	<ul style="list-style-type: none"> <li>- Consider minutes of Capital Board.</li> </ul>
Executive/Council	<ul style="list-style-type: none"> <li>- Approve Capital Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>- Approve investment plan.</li> </ul>	<ul style="list-style-type: none"> <li>- Agree new projects.</li> <li>- Agree capital programme within the budget and monitoring framework.</li> </ul>



## FORECAST CAPITAL PROGRAMME 2005/06 TO 2008/09

## General Fund

Programme Details	2005/06 Capital Prog. £000	2005/06 Revised Capital Prog. £000	2005/06 Capital Forecast £000	2006/07 Capital Prog. £000	2007/08 Capital Prog. £000	2008/09 Capital Prog. £000
<b>RESOURCES:</b>						
<b>Supported Borrowing - General Fund:</b>						
Central Government - SCE (R)	(5,825)	(6,310)	(6,310)	(9,876)	(10,145)	(10,500)
Central Government - SCE (C)	(2,401)	(3,135)	(3,135)	(2,520)	(2,555)	(2,560)
Devolved Formula Capital	(2,625)	(2,800)	(2,800)	(3,290)	(3,458)	(3,458)
Environment Grant Income	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Chalkhill Account Reserve (Funding Housing)	0	52	52	0	0	0
Disabled Facilities Grant	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)	(1,270)
Stadium Access Corridor Funding (SRB/LDA/S106)	(7,316)	(7,418)	(7,418)	0	0	0
Capital Receipts in Year - Right to Buy Properties	(2,500)	(2,500)	(2,500)	(1,750)	(1,750)	(1,750)
Former LRB/Ex-GLC Properties	(200)	(200)	(200)	(200)	(200)	(200)
Corporate Property Disposals	(1,700)	(1,700)	(542)	(1,158)	0	0
Capital Funding Account	(300)	(300)	(300)	0	0	0
S106 Funding	(1,401)	(4,527)	(4,527)	0	0	0
Local Authority Social Housing Grant						
Transitional Grant	(200)	(400)	(400)	0	0	0
2004/05 Capital Programme (Surplus)/Deficit Carry Fwd	(6,112)	(15,701)	(15,701)	0	0	0
Revenue Contributions to Capital Outlay	0	0	0	0	0	0
<b>Agreed Unsupported Borrowing - General Fund</b>	<b>(12,927)</b>	<b>(12,927)</b>	<b>(12,927)</b>	<b>(13,134)</b>	<b>(12,300)</b>	<b>(3,639)</b>
<b>Unsupported Borrowing (Self Funded Schemes)</b>	<b>(150)</b>	<b>(150)</b>	<b>(150)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Resources</b>	<b>(49,927)</b>	<b>(64,286)</b>	<b>(63,128)</b>	<b>(38,198)</b>	<b>(36,678)</b>	<b>(28,377)</b>
<b>EXPENDITURE:</b>						
<b>Education, Arts and Libraries:</b>						
Capital Programme	12,951	15,977	15,767	14,166	13,190	3,790
Devolved Formula Capital	2,625	4,140	4,140	3,290	3,458	3,458
<b>Total Educ, Arts and Libs</b>	<b>15,576</b>	<b>20,117</b>	<b>19,907</b>	<b>17,456</b>	<b>16,648</b>	<b>7,248</b>
<b>Environment :</b>						
Grant Funded Schemes	12,316	12,418	12,418	5,000	5,000	5,000
Capital Programme	6,695	10,158	10,158	5,045	4,588	4,600
<b>Total Environment</b>	<b>19,011</b>	<b>22,576</b>	<b>22,576</b>	<b>10,045</b>	<b>9,588</b>	<b>9,600</b>

<b>Social Services:</b>						
Capital Programme	1,156	1,221	1,203	550	950	350
<b>Total Social Services</b>	<b>1,156</b>	<b>1,221</b>	<b>1,203</b>	<b>550</b>	<b>950</b>	<b>350</b>
<b>Housing: General Fund</b>						
PSRSG and DFG council	6,150	6,343	6,343	5,600	5,300	5,300
New Units	3,969	3,969	3,969	3,969	3,969	3,969
Chalkhill Redevelopment	0	52	52	0	0	0
Capital Programme	0	5	5	0	0	0
<b>Total Housing</b>	<b>10,119</b>	<b>10,369</b>	<b>10,369</b>	<b>9,569</b>	<b>9,269</b>	<b>9,269</b>
<b>Corporate Services:</b>						
Capital Programme	1,110	2,696	2,696	755	825	530
Self Funded Schemes	150	150	150	0	0	0
<b>Total Corporate Services</b>	<b>1,260</b>	<b>2,846</b>	<b>2,846</b>	<b>755</b>	<b>825</b>	<b>530</b>
<b>Total Service Expenditure</b>	<b>47,122</b>	<b>57,129</b>	<b>56,901</b>	<b>38,375</b>	<b>37,280</b>	<b>26,997</b>
<b>Central Items:</b>						
Retentions	300	600	600	300	300	300
Provision for Liabilities	0	510	510	0	0	0
Deferred Purchase	659	659	659	0	0	0
Grange Road Acquisition	0	140	140	0	0	0
Surestart	0	42	42	0	0	0
Elm Road Car Park Lease	0	250	250	0	0	0
Property Leases (Slippage)	0	0	0	0	0	0
Estate Access Corridor	766	3,809	3,809	0	0	0
Inspections of Non-Housing Property	80	80	80	80	80	80
South Kilburn - Councils Contribution	1,000	1,000	1,000	1,000	1,000	1,000
<b>Total Central Items</b>	<b>2,805</b>	<b>7,090</b>	<b>7,090</b>	<b>1,380</b>	<b>1,380</b>	<b>1,380</b>
<b>Overall Total Expenditure</b>	<b>49,927</b>	<b>64,219</b>	<b>63,991</b>	<b>39,755</b>	<b>38,660</b>	<b>28,377</b>
<b>Surplus carried forward</b>	<b>0</b>	<b>(67)</b>	<b>863</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deficit (to be funded)</b>	<b>0</b>	<b>(67)</b>	<b>863</b>	<b>1,557</b>	<b>1,982</b>	<b>0</b>

**FORECAST CAPITAL PROGRAMME 2005/06 TO 2008/09**  
**Housing Revenue Account**

Programme Details	2005/06 Capital Prog. £000	2005/06 Revised Capital Prog. £000	2005/06 Capital Forecast £000	2006/07 Capital Prog. £000	2007/08 Capital Prog. £000	2008/09 Capital Prog. £000
<b>RESOURCES</b>						
<b>Supported Borrowing - Housing Revenue Account:</b>						
Central Government - SCE (R)	(6,224)	(6,224)	(6,224)	(16,624)	(6,224)	(6,224)
ALMO Round 2 - Year 3	(11,250)	(8,350)	(8,350)	0	0	0
ALMO Round 2 - Top Up	(8,997)	(8,997)	(8,997)	0	0	0
ALMO Round 4	(14,000)	(14,000)	(14,000)	0	0	0
<b>Unsupported Borrowing - Housing Revenue Account:</b>	0	0	0	0	0	0
<b>Total Resources</b>	<b>(40,471)</b>	<b>(37,571)</b>	<b>(37,571)</b>	<b>(16,624)</b>	<b>(6,224)</b>	<b>(6,224)</b>
<b>EXPENDITURE:</b>						
<b>Housing Revenue Account</b>						
ALMO	40,471	37,571	37,571	16,624	6,224	6,224
South Kilburn Regeneration	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>40,471</b>	<b>37,571</b>	<b>37,571</b>	<b>16,624</b>	<b>6,224</b>	<b>6,224</b>
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FORECAST CAPITAL PROGRAMME 2005/06 TO 2008/09**  
**Summary of Position**

Programme Details	2005/06 Capital Prog. £000	2005/06 Revised Capital Prog. £000	2005/06 Capital Forecast £000	2006/07 Capital Prog. £000	2007/08 Capital Prog. £000	2008/09 Capital Prog. £000
<b>RESOURCES</b>						
General Fund	(49,927)	(64,286)	(63,128)	(38,198)	(36,678)	(28,377)
Housing Revenue Account	(40,471)	(37,571)	(37,571)	(16,624)	(6,224)	(6,224)
<b>Total Resources</b>	<b>(90,398)</b>	<b>(101,857)</b>	<b>(100,699)</b>	<b>(54,822)</b>	<b>(42,902)</b>	<b>(34,601)</b>
<b>EXPENDITURE:</b>						
General Fund	49,927	64,219	63,991	39,755	38,660	28,377
Housing Revenue Account	40,471	37,571	37,571	16,624	6,224	6,224
<b>Total Expenditure</b>	<b>90,398</b>	<b>101,790</b>	<b>101,562</b>	<b>56,379</b>	<b>44,884</b>	<b>34,601</b>
<b>Surplus carried forward</b>	<b>0</b>	<b>(67)</b>	<b>863</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deficit (to be funded)</b>	<b>0</b>	<b>(67)</b>	<b>863</b>	<b>1,557</b>	<b>1,982</b>	<b>0</b>

**Revised Capital Project Prioritisation Proforma**  
**Capital Project Bid Form**

This form must be completed for each capital investment proposal included in the 2006/07 Budget Setting Process.

Box 1 and Box 2 should be completed by Corporate Finance. Form compilers should not fill in these boxes.

Box 1			Box 2	
Score Card	Total Score	Max Score	Recommendations @ February 2006	Tick
Section A - General Information		10	'Approved In Full'	
Section B - Objectives and Strategy		17	'Approved in Part'	
Total Score		27	'Rejected'	

This form is split into three sections: -

- Section A - General Information
- Section B - Objectives and Strategy
- Section C - Resources 'Continuing' and 'New' investment proposals.

Section A - General Information

1.0	General	
1.1	Directorate and Department	
1.2	Business Unit and Business Unit Manager	
1.3	Project Manager (Name)	
1.4	Telephone Number	

2.0	Description Of Investment Proposal
2.1	Project title
2.2	Please provide a brief description of the investment proposal

3.0	Status Of Investment Proposal	Continuing (start in 2005/06)	New (start in 2006/07)
3.1	Is the proposal a 'Continuing' or 'New' investment proposal Please tick as appropriate		
3.2	Start date of project		
3.3	Completion date of project		

4.0	Prioritisation	Please Tick ✓	Points allocated by Corporate Finance	
			Total Score	Max Score
	How will the Proposal meet the following criteria? Please tick those applicable			
4.1	Has a Project Plan been prepared for this proposal? Please state and give evidence.			1
4.2	Has the proposal been contractually committed? Please state and give evidence.			1
4.3	Is there a mandatory/statutory/legal obligation to provide service? Please state and give evidence.			1
4.4	Will the proposal attract external funding of 50% or more? Please state type of external grant and % of grant funding.			2
4.5	Can the proposal be considered as a 'Spend to Save' scheme? If yes, will proposal generate income more than 10% of capital cost? Please state Type of income, and the level of income generated. Please state the 'expected life' of the asset.			3
4.6	If the proposal is bidding for 'Corporate Resources', what alternative funding options have been considered? Please state and give reason why option is not feasible.			1
4.7	Has there been any consultation? If yes, please state groups and outcome.			1
<b>Total Score</b>				<b>10</b>

Section B - Objectives and Strategy

5.0	Links To Five Main Themes of Corporate Strategy (For further detail refer to Corporate Strategy)	Please Tick ✓	Points allocated by Corporate Finance	
	How will the proposal meet each of the five objectives? Please tick those applicable		Total Score	Max Score
5.1	Supporting Children and Young People. Please explain			1
5.2	Promoting Quality of Life and the Green Agenda. Please explain			1
5.3	Regeneration and Priority Neighbourhoods. Please explain			1
5.4	Tackling Crime and Community Safety. Please explain			1
5.5	Achieving Service Excellence. Please explain			1
Total Score				5

6.0	Links Capital Investment Objectives (For further detail refer to 2005 Capital Strategy)	Please Tick ✓	Points allocated by Corporate Finance	
	How will the proposal meet the stated objectives? Please tick those applicable		Total Score	Max Score
6.1	Maximise the use of assets in meeting current and future service needs. Please explain			1
6.2	Ensure that existing and new assets are provided and managed in an efficient, cost effective and sustainable manner. Please explain			1
6.3	Initiate opportunities for achieving cost and energy savings in the future. Please explain			1
6.4	Generate an optimum financial return (where related to a non-operational property with commercial elements). Please explain			1
6.5	Promote excellence in education and raise the education achievement of schools. Please explain			1

6.6	Improve quality of life for people living, studying, working in or visiting the Borough by promoting sustainable development. Please explain			1
6.7	Facilitate the growth of the local economy where this does not conflict with other key Council objectives. Please explain			1
6.8	Improve the quality of life and contribute to community facilities for the wider benefit of the Borough. Please explain			1
6.9	Contribute to the development of a transport system for the Borough which is safe, efficient, environmentally acceptable, and accessible and makes full provision for walking and cycling. Please explain			1
6.10	Facilitate the building of new social housing and to improve the quality of the borough's existing housing stock. Please explain			1
6.11	Enable residents (especially those with special needs) to live with as much independence as possible. Please explain			1
6.12	Provide Information Technology Systems and other equipment that support the efficient and effective operation of services, and widen access to those services. Please explain			1
Total Score				12

7.0	Key Milestone(S)		
7.1	Please identify and list key milestones relevant to each financial year. Please list key milestones for each financial year and state how these will be demonstrated. (Success of this will be evaluated for each financial year E.g. Stake-holder agreement signed)		
	Description of key milestone	Financial Year	How will you demonstrate/evidence achievement of the milestone(s)/output?
		2005/06	
		2006/07	
		2007/08	
		2008/09	
		Beyond	

8.0	Delivery Of Intended Outcomes/Targets/Benefits		
8.1	What are the intended outcomes/targets/benefits of the capital investment? Performance measures?		
8.2	Please identify key outcomes/targets/benefits of the investment proposal. (Success towards achieving these outcomes will be evaluated at the end of the year)		
	Key Outcomes/Targets/Benefits	Measure	Timeframe

9.0	Risk Management			
9.1	Please identify all key risk factors that may have a significant impact on the capital investment proposal.			
	Risk Identified Such as risk to :-	Probability of risk occurring (insert either high, or medium, or low risk)	Impact of risk on proposal (insert either high, or medium, or low risk)	How will the risk be mitigated? Who is the delegated / responsible officer for the risk?
9.2	Scheme/Programme			
9.3	Costs Certainty			
9.4	Securing External Funding			
9.5	Achieving Key Milestones			
9.6	Achieving Key Outcomes			
9.7	External Factors			
9.8	Describe any other potential risks associated with the successful delivery of the investment proposal.			
10.0	Further Considerations/Comments			
10.1	Please give any further comments you may have to support your application. (E.g. proposal meets other Council-wide priority / strategy or service plans – to increase CPA rating). Please explain			

Section C - Resources : 'Continuing' And 'New' Investment Proposals

**Is This A 'Continuing' Investment Proposal (Project continuing from 2005/06)?**  
Please indicate or tick ✓ in the correct box     Yes                     No

**Is This A 'New' Investment Proposal (Project to commence in 2006/07 onwards)?**  
Please indicate or tick ✓ in the correct box     Yes                     No

Working papers and supporting documents relating to the figures in this section must be made available on request. These should be kept locally by the service finance departments. Please give a named contact where working papers and supporting documents are retained.

Full Name	please type here.....	Telephone No.	
-----------	-----------------------	---------------	--



## CAPITAL PROJECTS - APPRAISAL REQUIREMENTS

These issues need to be considered for any capital project and should be included, where applicable, in any subsequent report to committee.

Issue	Coverage
<i>Basic Information</i>	<ul style="list-style-type: none"> <li>▪ Name and location of the project.</li> <li>▪ Named accountable manager for the project.</li> <li>▪ The funding required and source.</li> <li>▪ Purposes of the project, i.e., type of works, including target population.</li> <li>▪ A clear justification of the need for the project and how the project contributes to the Service Development Plan needs. i.e. which capital investment objective(s).</li> <li>▪ Other related activity already being undertaken in the area i.e., SRB programmes.</li> <li>▪ Service Area overlaps.</li> <li>▪ Name(s) of partners/organisations.</li> </ul>
<i>Option Appraisal</i>	<ul style="list-style-type: none"> <li>▪ Define objectives.</li> <li>▪ Consider options.</li> <li>▪ Identify, quantify (and where possible) value the costs, benefits and uncertainties of each option.</li> <li>▪ All costs and benefits must be analysed.</li> <li>▪ Taking account of appropriate factors, assess the balance between options and judge the best way forward.</li> </ul>
<i>Project Costs and Funding Arrangements</i>	<ul style="list-style-type: none"> <li>▪ Total project costs broken down into funding source for each financial year including whole life costing.</li> <li>▪ Indicate whether the funding sources are committed or subject to conditions.</li> <li>▪ Indicate source of costing and apply prudent contingencies for cost overruns.</li> </ul>
<i>Outputs and Outcomes</i>	<ul style="list-style-type: none"> <li>▪ Problems addressed by the project.</li> <li>▪ Planned outputs and the time periods over which the benefits (both quantified and non-quantified) will accrue.</li> <li>▪ Milestones (for both quantified and non-quantified benefits).</li> <li>▪ Explanation of how the outputs and outcomes have been calculated.</li> </ul>
<i>Impact on Revenue and Other Service Provision</i>	<ul style="list-style-type: none"> <li>▪ Revenue cost and growth implications.</li> <li>▪ Affect on existing assets.</li> <li>▪ Opportunities for rationalisation of the use of assets.</li> <li>▪ Opportunity for reductions in occupancy costs.</li> </ul>

<b>Issue</b>	<b>Coverage</b>
<i>Implementation Arrangements</i>	<ul style="list-style-type: none"> <li>▪ Partner(s)/organisation(s) involved and their commitment to the project.</li> <li>▪ Roles and responsibilities of each partner.</li> <li>▪ A named manager accountable for implementing the project.</li> <li>▪ Timetable(s) for action.</li> </ul>
<i>Deliverability</i>	<ul style="list-style-type: none"> <li>▪ Partner's/organisation's credibility, track record, and financial viability.</li> <li>▪ Related projects which affect the success of this one.</li> </ul>
<i>Value-for-Money</i>	<ul style="list-style-type: none"> <li>▪ Unit costs of projected outputs.</li> <li>▪ Consider costs against national/local norms, and in relation to other similar projects.</li> </ul>
<i>Risk Assessment</i>	<ul style="list-style-type: none"> <li>▪ Identify and consider each component of risk (e.g. the capacity of an organisation to deliver the project, cost overruns, support from other organisations).</li> <li>▪ Ensure steps have been taken to minimise "down side risk"</li> </ul>
<i>Monitoring Arrangements</i>	<ul style="list-style-type: none"> <li>▪ Who will monitor progression of the project?</li> <li>▪ Who will monitor the outputs of the project?</li> <li>▪ Reporting arrangements (including the frequency).</li> </ul>
<i>Forward Strategy</i>	<ul style="list-style-type: none"> <li>▪ Plans for terminating the project if it is not to continue.</li> <li>▪ Plans for expanding the project.</li> <li>▪ Maintenance arrangements</li> </ul>

<b>LONDON BOROUGH OF BRENT Post Contract Evaluation</b>	
Project Title	
Project Manager	
Original budget to commit to invest (weeks)	
Actual duration of project (weeks)	
Summary of major achievements/benefits	
How valid was the original option appraisal? (Were the right options identified and assessed?)	
How valid was the risk analysis?	
How robust was the affordability analysis?	
What were the unexpected problems/risks	
How effective were the change control procedures?	
Were there any undesirable outcomes? If yes what were they?	
What would have happened in the absence of the project?	
Did the project meet all of the desired outcomes? If not, what was the expectation gap?	
Please provide details of feedback from users/occupiers/sponsors	
Lessons learnt report	
Recommendations for future projects	
How many variation orders issues?	
Fees as a percentage of cost	
Person completing evaluation	
Date	