



# **London Borough of Brent**

## **Draft Capital Strategy 2006-2011**

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# **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 help ensure the most cost effective use is made of existing assets and new capital investment.

## **1.2 Links to other strategies and plans**

To achieve these objectives the Capital Strategy looks across the council, and over a number of years, to draw together from other strategies and plans a whole range of information. These include:

- The Community Strategy
- The Local Development Framework
- The Corporate Strategy
- External Strategies – Mayor of London & Health
- Individual service strategies which depend on capital resources for their delivery, including:
  - Children and Young Peoples plan;
  - Early Years Development plan;
  - Education Development plan;
  - Adults strategy
  - The supporting people strategy;
  - Brent Housing Partnership five year business plan;
  - The private sector housing and the affordable housing strategy;
  - Local (transport) implementation plan;
  - A strategy for sport and physical activity in Brent;
  - The regeneration strategy;
  - Crime and Disorder reduction Strategy;
  - The office accommodation strategy;
  - Annual Libraries plan;
  - The customer services strategy.

- Asset management plans/surveys which set out condition, suitability, and sufficiency of assets and include:
  - The corporate property asset plan;
  - The education asset management plan;
  - The HRA stock conditions survey ;
  - The private sector housing stock conditions survey ;
  - The highways and pavements annual conditions survey.
  - Libraries and Customer Services 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;
  - The capital programme 2006/07 to 2009/10 which sets out currently programmed spending, and implications of unsupported borrowing on the council's revenue budget;
  - The treasury management strategy sets out the council's approach to borrowing to fund capital investments;
  - 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.

### **1.3 The council's corporate objectives and priorities**

The council's vision for the borough is expressed within the Corporate Strategy. The council's leadership changed in May 2006 and the new administration has developed a new Corporate Strategy for 2006-10 which reflects its objectives and priorities. This strategy has been up-dated concurrently with the new Corporate Strategy to ensure that the objectives and priorities within the new Corporate Strategy are reflected within it. The four year rolling capital programme will be used to allocate resources to individual capital schemes based on these objectives and priorities, and the specific asset requirements identified within this strategy.

In 2003 the Council adopted the Equalities Standard for Local Government (ESLG) and during the 2005/06 financial year achieved level 2. The standard has been developed by the Employer's Organisation for Local Government and is a tool to mainstream gender, race and disability into council policy and practice at all levels, with the option to extend the framework to cover anti-discrimination policies for age sexuality, class and religious beliefs. There are five levels of achievement as follows:

1. Establishing a comprehensive Equalities Policy
2. Setting equalities objectives and targets
3. Setting up monitoring systems
4. Measuring progress against targets
5. Achieving and reviewing outcomes

As part of the process in the achievement of Level 2, Impact Needs Requirement Assessments (INRAs) were completed on the Capital Programme and the recommendations arising have been incorporated within this Capital Strategy.

Each level of the ESLG is an essential foundation for the next, and the Council is now working towards achievement of Level 3.

#### **1.4 Capital strategy development process**

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 1. 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 Director of Finance and Corporate Resources, Deputy Director of Finance and Corporate Resources, Director of Housing and Community Care, Assistant Director (Policy and Regulation – Environment), Children and Families System and Support Manager, Deputy Borough Solicitor, Assistant Director for Regeneration, Head of Planning Policy and Projects, Head of Property and Asset Management, Head of Financial Management and the Capital Accountant in F&CR. The Terms of Reference for this group are attached at Appendix 2.
- The Corporate Assets Project Board – This group is chaired by the Director of Finance and Corporate Resources, reporting to CMT, and comprises representatives of all departments dealing with issues relating to the development of the Council's Corporate Asset Plan and other asset management strategies.
- The council's Corporate Management Team - All service area chief officers and the Chief Executive.
- The Executive and the Council.

#### **1.5 The 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 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 at Appendix 3 illustrates the council's strategic planning framework, which is included within the Service Planning Guidance: 2007 – 2008 and 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 service/topic specific strategies element which feeds into both the budget and service/topic specific action plans which include the Capital Programme.

## **2. Review of the 2005 Strategy**

### **2.1 Achievements**

This section of the strategy details the levels of capital investment achieved in 2005/06, its funding and the principal outcomes achieved from the investment.

### **2.2 Capital investment in 2005/06**

Table 1 below shows the investment in the principal council programmes during 2005/06:

**Table 1 Investment**

	<b>2005/06 £m</b>
Council housing	38.638
Schools	11.417
Office & other operational buildings	1.031
Transport for London schemes	8.116
Highways, pavements and parks	8.745
Leisure and Cultural Schemes	5.738
Environmental Initiatives	1.664
Housing Renovation grants	5.403
Housing Association grants	3.969
Regeneration activity	17.578
Other	11.794
<b>Total Investment</b>	<b>114.123</b>

Table 1 excludes investment funded through Private Finance Initiative arrangements including, for example, the new Willesden Leisure Centre.

## 2.3 Funding for 2005/06

Table 2 sets out the principal sources of funding for the investment.

**Table 2 Funding**

	<b>2005/06 £m</b>
<b><i>Council funding:</i></b>	
Borrowing – supported by government approvals	40.213
Borrowing – using prudential framework	11.648
Right to Buy capital receipts	1.915
Other capital receipts	0.896
Capital Funding Account	6.894
HRA revenue contributions	4.522
Other revenue contributions	4.914
<b><i>Government grants:</i></b>	
Supported Capital Expenditure (Capital)	2.579
Devolved capital for schools	2.164
Disabled facilities grant	1.071
Other government grants	4.038
<b><i>Other:</i></b>	
Transport for London funding for transportation programme	8.116
London Development Agency/Single Regeneration Budget/ Government Office for London	18.208
Other External Grants/Contributions	4.329
Section 106 funding	2.616
<b>Total funding</b>	<b>114.123</b>

## 2.4 Key outcomes associated with the investment

Table 3 below sets out the key outcomes associated with the investment in 2005/06 and provides comparison and comment on the performance against that reported in the previous version of the Capital Strategy from 2002 to 2005:

<b>Desired Outcome</b>	<b>Performance in 2005/06</b>	<b>Performance from 2002 to 2005</b>	<b>Comment on Performance in 2005/06</b>
<u><i>Council Housing:</i></u>			
Reduction in number of non-decent homes within the borough	Down from 2,725 at April 2005 to 1,184 at March 2006.	Down from 6,106 at April 2002 to 2,725 at March 2005	Performance demonstrates ongoing reductions at a level in line with the average achievement from 2002 to 2005
Increased energy rating on council housing properties	SAP rating up from 65.9 at April 2005 to 66.7 at March 2006.	SAP rating up from 49 at March 2002 to 65.9 at March 2005	Performance demonstrates ongoing increases in the energy ratings.
<u><i>Condition of Buildings:</i></u>			
Reduction in level of Priority 1 repairs required across the borough's schools	Priority 1 (urgent) repairs down from £3.1m at April 2005 to £1.8m at March 2006.	Priority 1 (urgent) repairs from £4.1m at April 2002 to £3.1m at March 2005	Performance demonstrates ongoing reductions in the level of Priority 1 repairs at a level greater than the average achievement from 2002 to 2005 reflecting the greater levels of focus and investment in this area.
Reduction in level of backlog for overall repairs required across the borough's schools	Backlog of overall required repairs down from £20.02m at April 2005 to £17.1m at March 2006.	Backlog of overall required repairs down from £26.9m at April 2002 to £20.2m at March 2005	Performance demonstrates ongoing reductions in the level of backlog repairs at a level slightly above the average achievement from 2002 to 2005.
Reduction in level of Priority 1 repairs required across other council buildings	Priority 1 (urgent) repairs down from £4.83m at April 2005 to £4.33m at March 2006.	Priority 1 (urgent) repairs up from £0.7m at April 2002 to £4.83m at March 2005	Performance demonstrates achievement of reductions in the level of Priority 1 reversing the trend of increases in previous years and reflecting the greater levels of focus and investment in this area.
Reduction in level of backlog for overall repairs required across other council buildings	Backlog of overall required repairs down from £15.8m at April 2005 to £15.27m at March 2006.	Backlog of overall required repairs up from £13.5m at April 2002 to £15.8m at March 2005	Performance demonstrates achievement of reductions in the level of backlog repairs reversing the trend of increases in previous years and reflecting the greater levels of focus and investment in this area.
<u><i>Suitability of Buildings:</i></u>			
Increase in percentage of all council buildings	Up from 77% at April 2005 to 80% March 2006.	Up from 40% at 1 <sup>st</sup> April 2002 to 77%	Performance demonstrates ongoing increases in the



with disabled access		at 31 March 2005	number of council buildings with disabled access representing a rate appropriate post initial investment to meet DDA legislation requirements in previous years.
<u>Transport:</u>			
Reduction in the number of fatalities or serious injuries on the borough's roads demonstrating improved road safety	Reduction in numbers killed or seriously injured from 191 in 2003 (2004/05) to 155 in 2004 (2005/06) and is continuing towards achieving the 2010 target of 146.	Reduction in numbers killed or serious injured from 182 in 2002 to 155 in 2004 and is well on the way to achieving the 2010 target of 146.	Performance demonstrates ongoing progression towards achieving the 2010 target.
Increased provision of dropped kerbs to controlled pedestrian crossings across the borough demonstrating improved accessibility	During 2005/06 the council has maintained its 100% position that all pedestrian crossings in the Borough have dropped kerbs.	Following a 3 year investment programme all controlled pedestrian crossings in the Borough have dropped kerbs.	Performance demonstrates maintenance of 100% position on key outcome.
<u>Highways, pavements and bridges:</u>			
Levels of carriageway resurfacing completed	From April 2005 to March 2006 12.63km of resurfacing has been undertaken.	From April 2002 to March 2005 18.26km of resurfacing has been undertaken.	Performance demonstrates ongoing provision at a level above the average achievement from 2002 to 2005
Levels of principal road resurfacing completed	From April 2005 to March 2006 8.6km of resurfacing has been undertaken.	From April 2002 to March 2005 24km of resurfacing has been undertaken.	Performance demonstrates ongoing provision at a level in line with the average achievement from 2002 to 2005
Levels of pavement upgrades completed	From April 2005 to March 2006 11.8km of replacement has been undertaken.	From April 2002 to March 2005 24.54km of replacement has been undertaken.	Performance demonstrates ongoing provision at a level above the average achievement
Number of Bridges on which weight restrictions have been removed.	One major road network bridge has had weight restrictions removed.	6 major road network bridges have had weight restrictions removed.	Performance demonstrates ongoing action on major road network bridges

Level of Street Lighting replacements	From April 2005 to March 2006 75 streetlights have been replaced.	Under the PFI scheme 20,000 street lights will be replaced.	Performance continues to meet need requirements.
<u>Private Sector Housing:</u>			
Levels of Disabled Facilities Grants awarded	156 homes were made accessible between April 2005 and March 2006 as a result of award of disabled facilities grants.	357 homes made accessible between April 2002 and March 2005 as a result of award of disabled facilities grants	Performance demonstrates ongoing awards of grants at a level slightly above the average achievement from 2002 to 2005.
Levels of Private Sector Renewal grants awarded	125 empty homes have been brought back into use between April 2005 and March 2006, through empty property grants. 165 properties have been brought up to decency standard between April 2005 and March 2006.	1700 empty homes brought back into use between April 2002 and March 2005 in total of which 433 were through empty property grants. 120 properties brought up to decency standard between April 2004 and March 2005	Performance demonstrates ongoing awards of grants at a level in line with achievement from 2002 to 2005.
<u>Housing Association Grants:</u>			
Levels of nominations for homeless families	53 nominations have been made to housing association properties between April 2005 and March 2006 as a result of grants by the council to housing associations.	204 nominations to housing association properties between April 2002 and March 2005 as a result of grants by the council to housing associations	Performance demonstrates ongoing nominations at a level below the average achievement from 2002 to 2005.

### 3. 2006 – 2011 Investment Needs & Priorities

#### 3.1 Current investment needs

There are significant investment needs across the borough which primarily arise out of the following three areas:

1. The condition of the council's existing assets
2. The need to meet increasing demand in the borough, 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 existing assets either on an annual basis (corporate property portfolio, highways and pavements, and council housing) or on the basis of a rolling programme (schools).

The results of the conditions surveys are shown in Table 4 below. This shows that total spending of £m 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 periodic replacement routine.

**Table 4 Condition of council assets**

	Value of assets at 31 March 2006  £m	Backlog of repairs at 31 March 2006  £m	Urgent repairs required in next 18 months £m
Council housing			
Schools	272.9	18.51	2.98
Non schools property portfolio	104.7	15.24	4.30
Highways and pavements			
<b>Total</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 ;
- 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 2006-2011**

<b>Need</b>	<b>Assessment of likely demand</b>	<b>Estimated cost – 2006/11 £m</b>
Additional secondary places	420 additional places between September 2006 and September 2011, based on demographics to 2014 that will require prior investment.	75.000
Additional primary places	270 additional places between September 2006 and September 2011, based on demographics to 2014 that will require prior investment	27.000
Additional affordable housing units (on top of those provided through Housing Corporation and S106 funding)	351 additional units through housing association nomination rights	14.845
Disabled facilities adaptations	792 completed over the next five years	12.672
<b>Total</b>		<b>129.517</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.

In the past the council has also identified needs as part of its own strategy development. The current private sector housing strategy depends on spending at current levels (around £4.5m per annum) to deliver its targeted outputs over the five year time period. 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 review of the Day Care Service is likely to recommend changes to service provision which will impact on accommodation needs. 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 requires that the council's priorities for future investment are reviewed to ensure its assets are fit for purpose.

The neighbourhood agenda is likely to require changes to the pattern of service provision over the next five years, with consequent impact on location and use of assets.

All of these issues will require revisions to the capital strategy and hence capital programme. At this stage though it is not possible to fully quantify funding required for suitability works. This will be addressed through annual up-dates of the 4 year rolling capital programme.

### **3.5 Investment priorities**

Priorities within the capital strategy are based on the priorities within the Corporate Strategy. The capital strategy in turn forms the basis for developing a four year rolling capital programme. In taking forward the capital strategy, the council will aim to maximise resources from sources other than borrowing, including rationalisation of the current asset portfolio, applications for government and other national funding, use of private finance, and developer contributions as part of planning agreements.

Appendix 4 provides an outline of the council's investment priorities for 2006 – 2010 based on the headline outcomes within the Corporate Strategy.

## **4. 2006 – 2011 Funding Sources & Strategy**

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

The council uses a variety of funding sources to fund its capital investment over the period of the strategy. This section of the strategy sets out how the council aims to maximise funding 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 policy is to:

1. Borrow up to the limit that government says it will provide support for – Supported Capital Expenditure (Revenue) (SCE(R)).
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.

The table below shows the estimated cost of borrowing from the introduction of prudential regime in 2004/05 through to planned borrowing for the 2009/10 capital programme.

	<b>2006/07 £'000</b>	<b>2007/08 £'000</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>
<b>2004/05</b> Unsupported borrowing £8.010m (excluding all self funded expenditure)	841	841	841	841
<b>2005/06</b> Unsupported borrowing £12.046m (excluding all self funded expenditure)	1,277	1,265	1,265	1,265
<b>2006/07</b> Unsupported borrowing £12.317m (excluding all self funded expenditure)	419	1,306	1,293	1,293
<b>2007/08</b> Unsupported borrowing £12.312m (excluding all self funded expenditure)	0	419	1,305	1,293
<b>2008/09</b> Unsupported borrowing £8.892m (excluding all self funded expenditure)	0	0	302	943
<b>2009/10</b> Unsupported borrowing £8.369m (excluding all self funded expenditure)	0	0	0	285
<b>Cumulative total</b>	<b>2,537</b>	<b>3,830</b>	<b>5,007</b>	<b>5,919</b>
<b>Impact on Band D Council Tax – using 2006/07 council tax base of 94,047</b>	<b>£26.98</b>	<b>£40.72</b>	<b>£53.24</b>	<b>£62.94</b>

The general level of unsupported borrowing over the period of this strategy will be determined as part of the overall consideration of spending priorities and resources when constructing the Medium Term Financial Strategy and the 4 year Capital Programme. In addition the council will carry on using its prudential borrowing powers to support spend to save schemes and to continue the schools loan scheme which allows schools to borrow to undertake capital projects.

#### **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 affordable housing or regeneration schemes. In practice, the amount of qualifying spending within the council's capital programme has been sufficient – and is likely to be sufficient in the foreseeable future – to enable the council to fully use other capital receipts.

The current projected level of usable right-to-buy and other receipts within the 2006/07 to 2009/10 capital programme is as follows:

	<b>2006/07 £m</b>	<b>2007/08 £m</b>	<b>2008/09 £m</b>	<b>2009/10 £m</b>
Right to Buy	1.750	1.750	1.750	1.750
General Fund	4.766	2.200	2.200	2.200
<b>Total</b>	<b>6.516</b>	<b>3.950</b>	<b>3.950</b>	<b>3.950</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 (Appendix 9) 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 2006/07 to 2009/10 capital programme reflects this.

It remains the policy to actively identify assets that are surplus to requirements and to support investment proposals which generate additional knock on capital receipts

#### **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 including those from the European Community and the Lottery Fund.

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 will vigorously continue to attract Section 106 funding from developers for funding improvements to the borough's assets. In addition, the council will use Section 106 agreements to secure additional social housing in the borough.

The council needs to ensure that all Section 106 agreements are within the legislative framework and that the money is spent in accordance with the provisions of each agreement. It is also important that the council ensures that Section 106 agreements are tied in, as far as they can be, with the achievement of the priorities included in the corporate strategy.

The Planning Service is represented on the Capital Board and this ensures planners are aware of priorities within this strategy when negotiating Section 106 agreements. Links to the Corporate Strategy will also be included in future 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**

Increasingly the effective delivery of the capital strategy will become reliant on building a range of strong partnerships, with both other public service providers and the private sector. Over time this should realise efficiency savings both in relation to the provision of new capital assets and the use of existing capital assets.

There are increasing drives towards the joint provision of services between a range of different disciplines, bringing together customers, facilities and staff. Examples might include social care and health facilities, schools and sports facilities, libraries and young people facilities. From a capital programme perspective this provides an opportunity to examine how the council might best use partnership and joint venture arrangements to secure new and improved assets or facilities.

There are also opportunities to use the council's Regeneration Strategy and Local Development Framework to secure new and improved capital assets in areas of the borough where the need for services is often most acute. By adopting a more proactive approach to bringing forward the physical regeneration of a number of key growth areas, involving a clear and corporate vision about what needs to be achieved in each area, the council will be in a strong position to secure new capital assets and facilities. This will require the council to think creatively about how best to use its existing assets within a regeneration area to help bring forward schemes that generate enough value to provide new and improved assets and facilities through the use of section 106 funding.

The council has been successful in previous years at using partnership 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 reaching final agreement on a PFI contract which will help address its temporary accommodation needs and replace existing unfit residential accommodation for people with learning difficulties.



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.

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

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

The council will continue to pursue partnership funding as a key resource to funding improvements to its assets and will continue to provide capital investment contributions to support large scale external investment.

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

### **5.1 The 2006/07 to 2009/10 capital programme**

The existing 2006/07 to 2009/10 capital programme was agreed as a part of the 2006/07 budget setting process at Full Council on 6<sup>th</sup> March 2006 and up-dated by the Executive in light of the 2005/06 draft outturn at its meeting on 17<sup>th</sup> July 2006 and in light of further information at the Executive on 13<sup>th</sup> November 2006. A copy of the existing capital programme is included as Appendix 5 to this strategy.

### **5.2 Process for developing 2007/08 to 2010/11 capital programme**

This revised strategy together with the new 2006 to 2010 Corporate Strategy, the subsequent up-dating of a number of service and other strategies, the revised corporate asset plan, and 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 2007/08 to 2009/10), and for future years.

This review is in the process of being carried out and it is proposed to report the recommended revised programme as part of the overall budget report to Full Council in March 2007.

The Capital Board is leading this review, with input from services. A full review is being carried out of existing schemes within the programme, together with any new requirements identified as a result of the development of the new corporate strategy, revised service and other strategies, plus the revised corporate property asset plan.

The aim of the review is to identify, in the light of the key strategic themes and associated priorities within the new Corporate Strategy, spending requirements that meet the conditions, sufficiency and suitability needs set out in section 3 above in a phased way, taking account of the resources available to fund them. The review will also identify a further 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. The council recognises the importance of consultation and uses a wide range of methods to consult on capital projects.

## **6. Maximising value for money**

### **6.1 General Responsibilities.**

All officers have responsibility under Contract Standing Order 104(b) to ensure that; "Tenders for all contracts (except works contracts where lowest price was pre-determined to be the appropriate criteria) shall be evaluated and awarded on the basis of the most economically advantageous offer to the council."

In addition, the Capital Board has responsibility to:

- Put in place a framework which ensures all service areas are aware of what needs to be done to maximise efficiency in the:
  - procurement and delivery of capital projects;
  - management and use of council assets;
- Develop performance measures which will allow efficiency in procurement and delivery of capital projects and management and use of council assets to be assessed;
- Monitor delivery of efficiency against these measures;
- Ensure consistent application of high quality and efficient project delivery and asset use by review of corporate standards and effective development of staff involved in the process.

### **6.2 Managing the programme**

The respective roles and responsibilities with regard to the capital programme are set out in Appendix 1.

The Capital Board has responsibility for developing the overall four year rolling programme in line with priorities set by members. In doing so it assesses schemes against criteria set out in Appendix 6 with the aim of ensuring links to priorities with the Corporate Strategy, emphasis on measurable outcomes linked into these priorities, and a rigorous approach to risk management.

Delivery and monitoring of individual schemes is the responsibility of individual service area and this is complemented by higher level monitoring at the Capital Board with the support of the Finance and Corporate Resources Department. Where necessary, responsible managers are invited to provide updates and answer perceived problems with programme delivery.

A number of performance indicators, detailed below, are used to monitor the capital programme. These are subject to on-going development and will be linked into the council's new performance management system, PerformancePlus.

<b>Performance Indicator</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>
Levels of slippage	£6.146m	£6.179m	£18.412m <sup>1</sup>
Percentage of grant and supported borrowing allocations allocated and used in the time allowed	100%	100%	100%
Programme balanced without the need for unplanned revenue contributions	Yes	Yes	Yes

### 6.3 Procurement

Procurement within the council is controlled through Contract Standing Orders with specific guidance provided by the Contract Procurement and Management Guidelines. 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 Capital Board plan to carry out a review of the arrangements to ensure they are working effectively.

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<sup>1</sup> The increased level of slippage in 2005/06 was primarily due to three major items: £7.2m for land compensation budget for the Estate and Stadium access corridor roads; £1m for the contribution to the South Kilburn redevelopment; and £3.5m for works to HRA dwellings. The remaining £6.7m relates to a range of projects and is broadly comparable with previous years' levels of slippage.

## **6.4 Managing individual schemes**

Three phases of monitoring will be applied to individual schemes:

**6.4.1 The project appraisal process to ensure all options have been considered and costs and risks have been identified.** Project appraisal criteria are as attached at Appendix 7. The Capital Board is putting in place a proposal which requires responsible managers to sign off schemes and so indicate that the appraisal criteria have been considered.

**6.4.2 Project monitoring during the construction period.** 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.

**6.4.3 Post project appraisal, to learn from experience.** 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. Responsibility for this rests with service areas, who are required to complete a pro-forma evaluation sheet, which is set out at Appendix 8.

## **6.5 Output Monitoring**

A range of output/outcomes are detailed in paragraph 2.4. These standard indicators are useful to consider and will continue to be produced. However, the capital board will be extending the requirement for output measures to cover individual schemes.

The council has strengthened its performance monitoring and reporting in recent years and is continuing to do so through a new Service Development Plan framework and the introduction of the PerformancePlus system. More needs to be done however to align financial, activity and performance monitoring information and the Finance and Corporate Resources Department and Policy and Regeneration Unit are currently developing an approach to bring these elements of monitoring together. A key part of this work will be strengthening the monitoring and reporting of outputs/outcomes from capital schemes.

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Appendix 9	Property disposals policy

## 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>
Corporate Assets Project Board	<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 as part of co-ordination of services' asset planning</li> </ul>	<ul style="list-style-type: none"> <li>- Recommend projects for inclusion in the capital programme as part of co-ordination of services' asset planning.</li> </ul>
<b>Capital Board</b>  The purpose of the Board is: To consider all issues relating to the use of, and investment in, council assets To consider all matters affecting the management of the capital programme To make recommendations as appropriate to the Executive	<ul style="list-style-type: none"> <li>- Oversee development and on-going review of the strategy in line with:</li> <li>- priorities and outcomes set out in the corporate strategy and service strategies;</li> <li>- assessed condition, suitability, and sufficiency of existing assets as set out in asset management plans; and</li> <li>- resource availability, linked in with the council's 30 year business plan and medium term financial plan;</li> <li>- Ensure the strategy reflects the on-going development of partnership working with other local public service providers;</li> <li>- Ensure maximum links between the capital strategy and the regeneration of the Borough.</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>- Produce a four year rolling capital programme, up-dated on an annual basis for consideration by members as part of the revenue and capital budget process;</li> <li>- Ensure the spending priorities and planned outcomes within the capital programme are consistent with the priorities set out in the capital strategy;</li> <li>- Ensure all programmes and schemes within the capital programme have been subject to option appraisal and have been prioritised in accordance with the agreed prioritisation matrix;</li> <li>- Monitor delivery of the capital programme including:</li> <li>- Delivery of major schemes;</li> <li>- Achievement of planned outcomes;</li> <li>- Maintenance of spending within agreed</li> </ul>

	<ul style="list-style-type: none"> <li>- Ensure performance against outcome targets is monitored and reported to the Executive, Performance and Finance Select and the Local Strategic Partnership Executive..</li> <li>-</li> </ul>		<ul style="list-style-type: none"> <li>levels;</li> <li>- Achievement of income targets, covering capital receipts, section 106 funding, grant funding and other sources of external funding;</li> <li>- Recommend amendments to the agreed programme within year to reflect:</li> <li>- changes in spending profiles over the four year programme;</li> <li>- changes in priority;</li> <li>- spend-to-save opportunities;</li> <li>- Consider all Executive and other committee reports associated with expenditure on, and disposal of, assets</li> <li>-</li> </ul>
Corporate Management Team	- Consider and recommend.	- Consider the investment plan.	- Consider minutes of Capital Board.
Executive/Council	- Approve Capital Strategy.	- Approve investment plan.	<ul style="list-style-type: none"> <li>- Agree new projects.</li> <li>- Agree capital programme within the budget and monitoring framework.</li> </ul>



## Appendix 2

### Terms of Reference for the Capital Board

The Board is a sub-group of Strategic Finance Group.

The membership of the Board shall comprise the Director of Finance and Corporate Resources, Deputy Director of Finance and Corporate Resources, Director of Housing and Community Care, Assistant Director (Policy and Regulation – Environment), Children and Families System and Support Manager, Deputy Borough Solicitor, Assistant Director for Regeneration, Head of Planning Policy and Projects, Head of Property and Asset Management, Head of Financial Management and the Capital Accountant in F&CR.

The purpose of the Board is:

- to consider all issues relating to the use of, and investment in, council assets;
- to consider all matters affecting the management of the capital programme;
- to make recommendations as appropriate to the Executive.

Specifically this will include:

#### **In respect of the capital strategy:**

- Oversee development and on-going review of the strategy in line with:
  - priorities and outcomes set out in the corporate strategy and service strategies;
  - assessed condition, suitability, and sufficiency of existing assets as set out in asset management plans; and
  - resource availability, linked in with the council's 30 year business plan and medium term financial plan;
- Ensure the strategy reflects the on-going development of partnership working with other local public service providers;
- Ensure maximum links between the capital strategy and the regeneration of the Borough.
- Ensure performance against outcome targets is monitored and reported to the Executive, Performance and Finance Select and the Local Strategic Partnership Executive..

#### **In respect of the capital programme:**

- Produce a four year rolling capital programme, up-dated on an annual basis for consideration by members as part of the revenue and capital budget process;
- Ensure the spending priorities and planned outcomes within the capital programme are consistent with the priorities set out in the capital strategy;
- Ensure all programmes and schemes within the capital programme have been subject to option appraisal and have been prioritised in accordance with the agreed prioritisation matrix;
- Monitor delivery of the capital programme including:
  - Delivery of major schemes;
  - Achievement of planned outcomes;
  - Maintenance of spending within agreed levels;
  - Achievement of income targets, covering capital receipts, section 106 funding, grant funding and other sources of external funding;
- Recommend amendments to the agreed programme within year to reflect:

- changes in spending profiles over the four year programme;
- changes in priority;
- spend-to-save opportunities;
- Consider all Executive and other committee reports associated with expenditure on, and disposal of, assets

**In respect of the council's assets:**

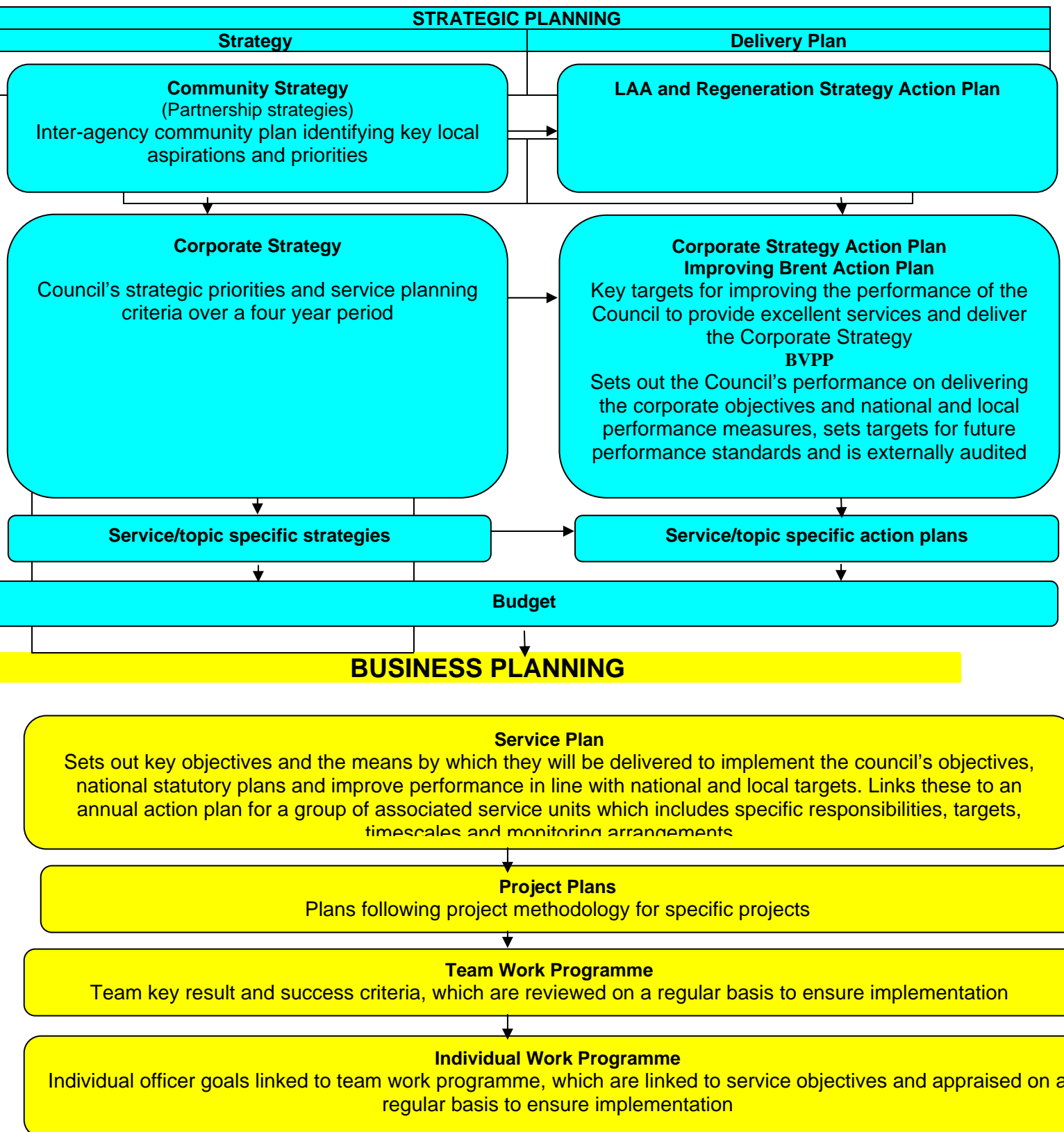
- Ensure asset management plans exist for all classes of assets held by the council;
- Ensure these asset management plans are consistent with the capital strategy;
- Ensure the council's assets are used to maximise regeneration opportunities;
- Ensure that major regeneration programmes contribute to improving the council's asset base.
- Consider proposed asset acquisitions; and
- Consider proposed asset disposals.

**In respect of value for money:**

- Put in place a framework which ensures all service areas are aware of what needs to be done to maximise efficiency in the:
  - procurement and delivery of capital projects;
  - management and use of council assets;
- Develop performance measures which will allow efficiency in procurement and delivery of capital projects and management and use of council assets to be assessed;
- Monitor delivery of efficiency against these measures;
- Ensure consistent application of high quality and efficient project delivery and asset use by review of corporate standards and effective development of staff involved in the process.

## Appendix 3

### The council's strategic planning framework





Appendix 4

**Corporate Strategy – delivering priorities**

**A Great Place to Live**

**A Safe Place**

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Improving the quality and safety of the local environment through an integrated package of measures which tackle and reduce environmental crime and improve consumer protection.	<ul style="list-style-type: none"> <li>Alley gating schemes to a further 1800 properties.</li> </ul>	Funding required for the provision of new gates. There is no provision in the capital programme for an expansion of the scheme and will need to be considered as part of the budget setting process. Possible contributions from residents and businesses.	Not available at this point.	2006-2011
Maximise the effectiveness of existing CCTV installations and develop criteria for the future extension of its use through partnership where possible	<ul style="list-style-type: none"> <li>Define the criteria for new CCTV installation.</li> <li>99% of all existing CCTV cameras to be fully operational.</li> </ul>	Possible funding required for the provision of new CCTV. This will need to be considered as part of the budget setting process. Possible contributions/links from businesses and regeneration programmes.	Not available at this point.	2006-2011
Continue to reduce casualties caused by road traffic accidents.	Reduction in the number of people injured and killed as a result of traffic accidents.	New traffic calming measures to be funded. The current programme is funded by TfL at around £1m pa. Possible increase in TfL funding.	A current investment programme exists.	2006-2011



## **A Clean Place**

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Improve street cleaning through a new waste management contract to start in April 2007 to provide the borough with a service that meets resident's and Members expectations for service and value for money	<ul style="list-style-type: none"> <li>• Secure the best quality contract for Brent at the most competitive price.</li> <li>• Achieve a street cleanliness score of 19% by 2009 and assess the cost implications of achieving 15% by 2010.</li> </ul>	Contract options could require Brent to fund specific capital works or acquire assets. This would be cheaper than if provided by the contractor. Contract bids are currently being evaluated.	No specific funding requirements have been identified at this stage	2007/08
Develop a programme to provide access to more public toilet facilities.	<ul style="list-style-type: none"> <li>• Provide at least 2 public toilets in town centres and 18 new toilets across the borough in shopping parades and parks by 2010.</li> </ul>	The provision of new toilets across the Borough. There is no budget allocation in the capital programme for new toilets, this will need to be considered as part of the budget setting process. Possible contributions from businesses advertising, links to regeneration programme, spend to save and S106 in specific areas.	No specific funding requirements have been identified at this stage	2006-2011
Develop a prioritised programme of road and pavement repairs taking into account the need to promote road safety and	<ul style="list-style-type: none"> <li>• A reduction in pavement trip hazards and insurance claims.</li> <li>• Improvements in</li> </ul>	Increased spending on road and pavement capital maintenance. The current budget is £3m pa with some contributory works being undertaken as part of wider regeneration investment and S106 contributions.	A current investment programme exists.	2006-2011



green travel options.	<p>the quality of roads and pavements in town centres.</p> <ul style="list-style-type: none"> <li>• More cost effective use of our resources available for highways maintenance.</li> </ul>	<p>A planned capital investment programme could possibly be funded by savings in the same revenue budgets.</p> <p>In addition the council receives around £2m pa of TfL grant to provide for Principal road renewal and bridge strengthening. It is expected that this level of funding will continue to be provided in future years.</p>		
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## **A Green Place**

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Improve waste recycling performance to achieve our local and national targets for increased recycling of waste.	<ul style="list-style-type: none"> <li>30% of waste reused or recycled by 2010.</li> <li>100% schools and colleges with facilities to recycle their waste.</li> <li>Set up a second refuse and recycling centre in the North of the borough.</li> <li>Set up a green waste composting site in the borough.</li> </ul>	<p>The provision of new recycling centre in the north of the Borough. There is no budget allocation in the capital programme for a site and will need to be considered as part of the budget setting process.</p> <p>Waste performance grant is available to provide for agreed recycling initiatives. LBB have access to £317k in 2007/08 and possible grant funding opportunities will be available in later years.</p>	No specific funding requirements have been identified at this stage	2006-2011
Review and develop a clear transport policy within the context of the Mayors Transport strategy for London that promotes real choice for residents and others travelling within the borough	<p>Report the findings of public consultation on draft parking policy</p> <p>Review the provision of residents and other parking permits</p> <p>Achieve targets on lowering emissions</p>	The council currently receives around £1.5m of TfL grant to provide for cycling lanes, bus stop accessibility, bus priority, travel awareness and safer routes to schools. It is expected that this level of funding will continue to be provided in future years.	A current investment programme exists.	2006-2011
Make Brent Council an exemplar of environmental practice and performance on sustainability issues	<ul style="list-style-type: none"> <li>20% reduction in carbon emissions by 2010.</li> <li>Recycling facilities in place in all offices by April 2008.</li> <li>Implement the Council's travel plan.</li> </ul>	<p>Specific works to buildings or equipment acquisition may be needed.</p> <p>No specific budget exists for this but some works may be covered in the asset management plan allocation.</p>	No specific funding requirements have been identified at this stage	2006-2011



Maintaining the quality of parks and open spaces and upgrading the current range of facilities available within them	<ul style="list-style-type: none"> <li>• Develop 6 district parks by 2010.</li> <li>• Obtain green flag status for 10 parks and open spaces by 2010.</li> <li>• Meet agreed standards for the provision of playground and youth facilities in Brent's parks and open spaces.</li> <li>• Improve pitch drainage and changing accommodation on all sports pitches by 2010.</li> <li>• Re-furbish the Welsh Harp Environmental Educational centre by 2010</li> <li>• and encourage at least 3,500 schoolchildren a year to visit the centre.</li> </ul>	<p>Works required to parks and park buildings.</p> <p>An ongoing £700k pa investment programme for parks and for the delivery of the sports strategy is included in the programme. Much of the works could be phased over the period to match available investment. However, some additional investment may be required.</p>	A current investment programme exists.	2006-2011
Develop a programme of green activities – such as tree planting, developing pocket parks and other open spaces.	<ul style="list-style-type: none"> <li>• Plant 2010 new trees in the borough by 2010.</li> <li>• A consistent approach to tree planting and removal that balances the need to minimise subsidence claims while encouraging the replanting of broad leaf, native and suitable species.</li> <li>• Easy access for all Brent residents to open spaces and parks.</li> </ul>	The purchase of 2010 new trees. There is no budget allocation in the capital programme for a site and will need to be considered as part of the budget setting process.	No specific funding requirements have been identified at this stage	2006-2011





### A Lively Place

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Modernising the provision of library services in Brent along side the development of an integrated approach to customer services across the borough.	<ul style="list-style-type: none"> <li>• Increase the number of visitors to libraries to the national average per 1,000 population.</li> <li>• Increase the percentage of people satisfied with our Library services to 77%.</li> <li>• Increase the percentage of people who find the item they want to 94%.</li> </ul>	Works to buildings or purchase of new equipment. Some works could be included in the backlog repairs programme for which funding has been provided. However there is no allocation for specific works or equipment, will need to be considered as part of the budget setting process.	No specific funding requirements have been identified at this stage	2006-2011
Securing the best possible range of retail, leisure, housing and employment opportunities within the redevelopment of Wembley.	<ul style="list-style-type: none"> <li>• Creation of a mixed leisure based employment development within the Wembley regeneration area.</li> <li>• A creative workspace development to be under construction by 2010.</li> </ul>	Ensuring targeted development and use through the planning process. Specific S106 agreements could be negotiated which provide the council with funding opportunities	No specific funding requirements have been identified at this stage	2006-2011
Creating a broader retail offer within the boroughs high streets and town centres.	<ul style="list-style-type: none"> <li>• An increase in the retail floor space, turnover, visitor numbers and profitability of Wembley and Kilburn retail sectors.</li> <li>• A Town Centre Strategy for Brent agreed by the end of 2006 and delivery of its action plan.</li> <li>• Reduce illegal trading in the borough.</li> <li>• Sign-up 500 local traders to the 'Good Traders' scheme by 2010.</li> </ul>	Ensuring targeted development and use through the planning process. Specific S106 agreements could be negotiated which provide the council with funding opportunities	No specific funding requirements have been identified at this stage	2006-2011



<p>Increase sports opportunities and participation across the borough.</p>	<ul style="list-style-type: none"> <li>• A 4% increase in the number of adults taking part in sports and physical exercise for 30 minutes on three occasions per week by 2009.</li> <li>• To increase the number of visits by young people to council owned sports facilities from 33,800 in 2007 to 40,920 in 2009.</li> <li>• Increase the percentage of 5-16 year olds in schools sports partnerships engaged in 2 hrs a week minimum PE and schools sport to 86% in 2009.</li> <li>• 90% of actions within the Sports and Parks strategy to be delivered by 2009.</li> </ul>	<p>Works and equipment to sports centres. A new sports centre management contract has been negotiated which requires some investment by the council. An ongoing £700k pa investment programme for parks and for the delivery of the sports strategy is included in the programme. Works will need to be phased to match available investment.</p>	<p>A current investment programme exists.</p>	<p>2006-2011</p>
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## A Borough of Opportunity

### Local Employment and Enterprise

Our Priorities for 2006-2010	What we will deliver	Programme Requirements & Status	Cost / Funding Requirements	Timescale
Ensure the delivery of the South Kilburn NDC programme for the long-term sustainable regeneration of the area and local communities	<ul style="list-style-type: none"> <li>• South Kilburn NDC delivery plan targets achieved.</li> <li>• All necessary Funding is in place April 07.</li> <li>• Successful Ballot achieved by November 2006.</li> <li>• Granville homes start on site May 2006, completion February 2008.</li> <li>• 3<sup>rd</sup> Phase renovations commence July 2006.</li> <li>• Outline planning proposals and detailed phase 1 proposals submitted by December 2006.</li> <li>• 800 local residents into jobs by 2010.</li> </ul>	Currently £1m pa is included in the programme for South Kilburn. Gap funding may be required for the new homes investment programme.	A current investment programme exists although this is unlikely to be sufficient	2006-2011
Through our planning, development and regulatory activities create the conditions for the local economy to thrive.	<ul style="list-style-type: none"> <li>• Currently developing a set of indicators for this as part of the Economic Development Strategy work.</li> </ul>	The Economic Development Strategy could require some level of council capital investment, perhaps as forward funding or grants to businesses	No specific funding requirements have been identified at this stage	2006-2011
Maintain a conducive policy environment for local development which brings maximum	<i>Further comment</i>	•	•	•



social and economic opportunities into the borough.				
Secure the maximum local benefits for local business and residents from the 2012 London Olympic Games.	<i>Further comment</i>	•	•	•



### **Health and Well-being**

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Produce a partnership Health Strategy for the borough which reduces the health inequalities experienced within Brent and supports general improvement in standards of public health for all communities.	<ul style="list-style-type: none"> <li>Partnership health Strategy agreed March 07.</li> <li>Actions implemented from April 07 onwards.</li> <li>Increase life expectancy – especially in deprived neighbourhoods.</li> <li>Decrease in numbers with/deaths from diabetes, Coronary Heart Disease. Detailed targets to be agreed with the PCT and partners and included in the Health Strategy.</li> </ul>	The Partnership Health Strategy may require some level of council capital investment.	No specific funding requirements have been identified at this stage	2006-2011
Develop the provision of adult social care services to enhance peoples' quality of life and enable greater choice and flexibility in the type of care received.	<p>From baseline figures on 05/06:</p> <ul style="list-style-type: none"> <li>Increase the number of people helped to live at home.</li> <li>Reduce numbers of people admitted to residential or nursing care.</li> <li>Increase number of people receiving Direct Payments.</li> <li>Implement action plan arising from day services modernisation programme.</li> </ul>	The changes to the type & levels of care provided may lead to more focussed care in our homes. This may lead to adaption works. The PFI will provide some flexibility in the provision of care.	No specific funding requirements have been identified at this stage	2006-2011



## An Inclusive Community

### Settled Homes

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Ensure an appropriate supply of new housing (market and affordable) is created in the borough within the context of regional and sub-regional housing policy.	<ul style="list-style-type: none"> <li>Level of investment for new build properties for west London is at minimum maintained at current proportion when compared with rest of London.</li> <li>Local Development Framework supports appropriate mix.</li> <li>Nomination and allocation arrangements agreed by Dec 06.</li> <li>Level of investment for new build properties for west London is at minimum maintained at current proportion when compared with rest of London.</li> </ul>	<p>New homes required. An ongoing investment of £3m is included in the programme for the provision of new units.</p> <p>Regeneration grant is also providing new homes in specific areas of the borough.</p>	A current investment programme exists.	2006-2011
Achieve our targets for reducing the use of temporary accommodation for homeless families.	<ul style="list-style-type: none"> <li>Settled homes proposal and related targets agreed by government by Dec 06.</li> <li>Meet government and local annual targets for TA reduction.</li> <li>See targets above re: affordable housing supply.</li> </ul>	New homes required. An ongoing investment of £3m is included in the programme for the provision of new units.	A current investment programme exists.	2006-2011
Provide an appropriate level of support and regulation to private landlords to create a sustainable private	<ul style="list-style-type: none"> <li>Meet annual targets for HMO Licensing as set out in Housing and Community Care SDP.</li> <li>Meet annual targets for empty homes as set out in Housing and Community Care SDP</li> <li>Forum meets quarterly.</li> <li>Meet the PSA target to increase the % of</li> </ul>	An ongoing investment of £5m is included in the programme for the provision of private sector renewal support grant and disabled facilities grant. The DFG element is partially funded by government grant.	A current investment programme exists.	2006-2011



rented housing sector.	vulnerable households in decent homes in the private sector.			
Agree a future strategy and priorities for the management of the Council's housing stock by Brent Housing Partnership (ALMO).	<ul style="list-style-type: none"> <li>To review BHP/HRA business plan post SK transfer by April 07.</li> <li>Meet government Decent Homes target by April 2007 and agree ongoing maintenance programme.</li> <li>To respond to government proposals re future of ALMO's by Sept 06.</li> </ul>	A large investment programme is currently included in the HRA programme. This is funded by ALMO and regeneration grant and rent income.	A current investment programme exists.	2006-2011

### **Early Excellence**

*(There are a range of detailed targets provided by Children's and Families that we are currently condensing into a suitable format)*



### **Civic Leadership**

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Implement the plans for the creation of a new state-of-the-art Civic Centre in Wembley which will bring together council and other key public services in a community focused facility at the heart of the borough.	<ul style="list-style-type: none"> <li>○ Subject to Member decision</li> </ul>	New civic centre to be built. There is no allocation for such a development but a majority of the funding could be provided by saving in the costs of the admin building portfolio and new capital receipts. Proposals will need to be considered as part of the budget setting process.	No specific funding requirements have been identified at this stage.	2006-2011
Agree and implement an appropriate neighbourhood working structure supported by ward Members and local communities.	<ul style="list-style-type: none"> <li>• A neighbourhood working programme which supports Members in their representative role and facilitates greater resident input to local decision-making by April 2007</li> </ul>	Possible small pots of capital to be spent locally. There is no allocation for specific works or equipment so it will need to be considered as part of the budget setting process.	No specific funding requirements have been identified at this stage.	2006-2011





### Help When You Need It

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Develop an integrated strategy to address the full range of older peoples needs including care services, leisure activities, inclusion and choice.	<ul style="list-style-type: none"> <li>• Launch Better Government for Older People – October 06.</li> <li>• Corporate Older People's strategy agreed – March 07.</li> <li>• Implement action plan from OP strategy.</li> <li>• Increased life expectancy of Older People.</li> <li>• Improved perception of well-being among older people.</li> <li>• Implementation of Older Persons housing strategy.</li> </ul>	The older peoples strategy could require some level of council capital investment. Any changes to the type & levels of care provided may lead to more focussed care in our homes. This may lead to adaption works. The PFI will provide some flexibility in the provision of care.	No specific funding requirements have been identified at this stage	2006-2011
Review the current structure for providing customer services to enable more choice, flexibility and efficiency in the way in which people contact the council. This will include maximising the use of modern ICT systems and recognising the differing communication needs	<ul style="list-style-type: none"> <li>• Introduce the corporate Client Index during 2007/8.</li> <li>• Replace the corporate CRM system during 2007/8.</li> <li>• Connect to the Government Gateway by December 2006.</li> <li>• Website redesign to be implemented by Dec 2007.</li> <li>• Together with OSS to review Access Channel Strategy by December 2007.</li> <li>• Council network to connect with main partner agencies 2007/8.</li> </ul>	<p>Possible investment in new IT equipment. There is no allocation for specific equipment so it will need to be considered as part of the budget setting process.</p> <p>Specific grant of £175k is being used to improve management information in 2007/08.</p>	No specific funding requirements have been identified at this stage	2006-2011



of all individuals.				
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### **Building Our Capacity**

<b>Our Priorities for 2006-2010</b>	<b>What we will deliver</b>	<b>Programme Requirements &amp; Status</b>	<b>Cost / Funding Requirements</b>	<b>Timescale</b>
Create a People Centre to deliver improvements in the efficiency and effectiveness of personnel related transactions.	<ul style="list-style-type: none"> <li>Greater efficiency in the administration of HR transactions covering payroll, recruitment, collection of HR data and monitoring of training.</li> </ul>	Possible need to provide for office moves and the acquisition of specific software. There is no allocation for these items so it will need to be considered as part of the budget setting process.	No specific funding requirements have been identified at this stage	2006-2011
Ensure that we are providing a safe and healthy working environment for all staff and visitors to Council buildings.	<ul style="list-style-type: none"> <li>Publish new standards for a safer and more healthy working environment according to priorities in Corporate action plan e.g. working at height, home working, fire safety, control of asbestos.</li> <li>Disseminate information via Asset Project Board and sub-groups.</li> <li>Assist service managers to publish local health and safety arrangements to improve information to employees – target dates to be locally agreed.</li> </ul>	<p>Health &amp; safety works to buildings.</p> <p>An ongoing £180k pa investment programme for DDA works and surveys is included in the programme. Much of the works could be phased over the period to match available investment. The £1.3mpa budget for priority one works will also cover health &amp; safety works.</p>	A current investment programme exists.	2006-2011
Review our property and asset portfolio to ensure the sustainability of our asset management strategy to support the	<ul style="list-style-type: none"> <li>Update and develop the corporate asset plan deliver a sustainable property portfolio that supports the delivery of services and provides value for money.</li> <li>Reduce the level of category 1 (essential</li> </ul>	There is a £1.3m pa investment programme for priority one works. Works could be phased over the period to match available investment.	A current investment programme exists.	2006-2011



effective delivery of council services.	repairs).			
Maintain effective stewardship of our resources to achieve value for money, transparency in decision-making and increased outcomes from our expenditure.	<ul style="list-style-type: none"> <li>• Achieve Level 4 on CPA Use of Resources judgement by 2008, including a Level 4 on the value for money element of the judgement.</li> <li>• Maintain council tax below the median for London boroughs.</li> <li>• Maintain balances at a minimum of £7m.</li> <li>• Deliver the LAA value for money savings by the end of 2007/08.</li> </ul>	Level 4 would necessitate some investment in the current financial systems. A £425k budget exists in the current programme to provide for improved software and hardware needs.	A current investment programme exists.	2006-2011

<b>CAPITAL PROGRAMME 2006/07 TO 2009/10</b>				
<b>General Fund</b>				
<b>Programme Details</b>	<b>2006/07 Forecast Outturn £000</b>	<b>2007/08 Capital Programme £000</b>	<b>2008/09 Capital Programme £000</b>	<b>2009/10 Capital Programme £000</b>
<b>RESOURCES: GENERAL FUND</b>				
<b>Capital Grants and other contributions</b>				
Government Grant - SCE (C)	(3,076)	(2,555)	(2,600)	(2,640)
Devolved Formula Capital	(5,266)	(3,458)	(3,460)	(3,460)
Other External Grant	(21,075)	(12,760)	(7,781)	(6,501)
Capital Receipts in Year:				
- Right to Buy Properties	(1,750)	(1,750)	(1,750)	(1,750)
- Corporate Property Disposals	(4,071)	(2,000)	(2,000)	(2,000)
- Other Receipts	(695)	(200)	(200)	(200)
Capital Funding Account	(2,105)	0	0	0
S106 Funding	(5,199)	(1,888)	0	0
<b>Borrowing</b>				
Supported Borrowing - SCE (R)	(7,866)	(8,125)	(8,410)	(8,700)
Unsupported Borrowing	(12,257)	(12,312)	(8,892)	(8,369)
Unsupported Borrowing (Self Funded Schemes)	(150)	0	0	0
<b>Total Resources</b>	<b>(63,510)</b>	<b>(45,048)</b>	<b>(35,093)</b>	<b>(33,620)</b>
<b>EXPENDITURE: GENERAL FUND</b>				
<b>Children &amp; Families</b>				
School Schemes	18,468	17,018	11,003	9,630
Non - School Schemes	548	0	0	0
Ringfenced Grant Notifications	282	331	0	0
Childrens Centre Sure Start Grant	2,161	2,020	0	0
LEA Controlled Voluntary Aided Programme	1,095	1,191	0	0
Devolved Formula Capital	5,266	3,458	3,460	3,460
<b>Total Children &amp; Families</b>	<b>27,820</b>	<b>24,018</b>	<b>14,463</b>	<b>13,090</b>
<b>Environment &amp; Culture</b>				
TfL Grant Funded Schemes	5,963	5,501	5,501	5,501
Waste Performance and Efficiency Grant	302	317	0	0
Estate Access Corridor	2,105	0	0	0
Stadium Access Corridor	5,108	0	0	0
Leisure & Sports Schemes	405	0	0	0
Environmental Initiative Schemes	478	0	0	0
Highways Schemes	3,374	2,888	2,900	3,000
Parks & Cemeteries Schemes	1,082	450	700	700
Library Schemes	576	0	0	0
<b>Total Environment &amp; Culture</b>	<b>19,393</b>	<b>9,156</b>	<b>9,101</b>	<b>9,201</b>

<b>Housing &amp; Community Care: Adults</b>				
Adult Personnal Social Services Schemes	544	0	0	0
Ringfenced Grant Notifications	175	0	0	0
<b>Total Housing &amp; Community Care: Adults</b>	<b>719</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing and Community Care: Housing</b>				
PSRSG and DFG council	6,340	5,300	5,300	5,300
New Units	2,969	2,969	2,969	2,969
Customer Services Schemes	54	0	0	0
<b>Total Housing &amp; Community Care: Housing</b>	<b>9,363</b>	<b>8,269</b>	<b>8,269</b>	<b>8,269</b>
<b>Corporate</b>				
ICT Schemes	723	425	0	0
Property Schemes	3,652	1,930	2,260	2,060
South Kilburn - Councils Contribution	2,000	1,000	1,000	1,000
Self Funded Schemes	150	0	0	0
<b>Total Corporate</b>	<b>6,525</b>	<b>3,355</b>	<b>3,260</b>	<b>3,060</b>
<b>Total Service Expenditure</b>	<b>63,820</b>	<b>44,798</b>	<b>35,093</b>	<b>33,620</b>
<b>Surplus carried forward</b>	<b>310</b>	<b>(250)</b>	<b>0</b>	<b>0</b>
<b>Deficit to be funded</b>	<b>310</b>	<b>(250)</b>	<b>0</b>	<b>0</b>

Programme Details	2006/07 Forecast Outturn £000	2007/08 Capital Programme £000	2008/09 Capital Programme £000	2009/10 Capital Programme £000
<b>RESOURCES: HOUSING REVENUE ACCOUNT</b>				
<b>Supported Borrowing</b>				
RHB Allocation - SCE (R)	(6,500)	(6,500)	(6,500)	(6,500)
ALMO Round 4	(3,455)	0	0	0
<b>Unsupported Borrowing</b>	0	(11,900)	0	0
<b>Total Resources</b>	<b>(9,955)</b>	<b>(18,400)</b>	<b>(6,500)</b>	<b>(6,500)</b>
<b>EXPENDITURE: HOUSING REVENUE ACCOUNT</b>				
<b>Housing Revenue Account</b>				
ALMO	9,955	6,500	6,500	6,500
South Kilburn Regeneration	0	11,900	0	0
<b>Total Expenditure</b>	<b>9,955</b>	<b>18,400</b>	<b>6,500</b>	<b>6,500</b>
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Programme Details	2006/07 Forecast Outturn  £000	2007/08  Capital Programme £000	2008/09  Capital Programme £000	2009/10  Capital Programme £000
<b>RESOURCES</b>				
General Fund	(63,510)	(45,048)	(35,093)	(33,620)
Housing Revenue Account	(9,955)	(18,400)	(6,500)	(6,500)
<b>Total Resources</b>	<b>(73,465)</b>	<b>(63,448)</b>	<b>(41,593)</b>	<b>(40,120)</b>
<b>EXPENDITURE:</b>				
General Fund	63,820	44,798	35,093	33,620
Housing Revenue Account	9,955	18,400	6,500	6,500
<b>Total Expenditure</b>	<b>73,775</b>	<b>63,198</b>	<b>41,593</b>	<b>40,120</b>
<b>Surplus carried forward</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deficit (to be funded)</b>	<b>310</b>	<b>(250)</b>	<b>0</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.

Form compilers must refer to Explanatory and Guidance Notes before completing this form.

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	
	How will the Proposal meet the following criteria? Please tick those applicable		Total Score	Max Score
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.			2
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 an assessment of equality needs impacts been completed?			1
4.8	Has there been any consultation? If yes, please state groups and outcome.			1
Total Score				10



## 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.
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Full Name	please type here.....	Telephone No.	
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## 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>▪ A clear documented assessment of equality needs impacts of the project must be completed in order to ensure that there is no potential adverse impact around race/gender/disability/faith/sexual orientation/age/health etc from proposed implementation.</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.</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>

Issue	Coverage
<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>

LONDON BOROUGH OF BRENT Post Contract Evaluation	
Project Title	
Project Manager	
Number of Bidders	
Original budget to commit to invest (weeks)	
Actual duration of project (weeks)	
Actual completion period v expected period	
Variation between contract price and estimate	
Variation between actual cost and contract price	
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?	
Was there any adverse impact to equality needs?	
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/tenants/occupiers/sponsors	
Lessons learnt report	
Recommendations for future projects	
How many variation orders issues?	
Fees as a percentage of cost	
Person completing evaluation	
Date	

## **London Borough of Brent - Disposals Standards**

### **1. Introduction**

- 1.1. The purpose of this document is to set out the Council's general disposals policies and practices:
  - a. for the guidance of the Council, elected Members, officers, the public and other parties with whom the Council may work from time to time; and
  - b. to ensure prudent policies, practices and processes are evidenced at all times in the fulfilment of the Council's fiduciary duties.
- 1.2. These standards were agreed by the Capital Board in December 2004 and formed part of the Budget report to Full Council in February 2005.

### **2. Fiduciary Duties - Power to Dispose**

- 2.1. Members have a duty to act in the best interest of Council taxpayers when making decisions on behalf of the Council ("fiduciary duty"). This means in relation to property disposals that they must maximise the value of the asset and ensure that there are sound financial or other reasons for disposing of a property at a given price.
- 2.2. In addition, Members also need to consider what impact the disposal will have on the delivery of services to the Council taxpayers.
- 2.3. The same consideration applies where officers are exercising delegated powers to dispose of property on behalf of the Council.

### **3. General Powers to Dispose**

- 3.1. Under the Local Government Act 1972, local authorities are given powers to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease, and the granting of easements. The essential condition for exercising this power is that a disposal must be for the best consideration reasonably obtainable, except in special circumstances.
- 3.2. Best consideration is usually demonstrated by appropriate extensive marketing of the property and acceptance of the best price or by disposal by auction or tender, as most appropriate to the circumstances. Benefits in kind are not normally taken into consideration when determining best consideration unless they have a commercial value.
- 3.3. Best consideration may take into account any term or condition:



- a) which the Council is obliged to impose (eg as a matter of statute); or
- b) which runs with the land.

Where the Council imposes other terms or conditions, they may be regarded as “voluntary conditions” and this may devalue the property so that best consideration is not achievable and in these circumstances it may be necessary to obtain the consent of the Secretary of State.

### 3.4. Short Tenancies

By sections 123(7) and 127(5) of the 1972 Act, a short tenancy is a tenancy which is granted for seven years or less, or the assignment of a term which has not more than seven years to run. Disposals by way of a short tenancy need not be at best consideration.

### 3.5. General Disposal Consent (England) 2003

Under the General Disposal Consent (England) 2003, a local authority may dispose of land at less than best consideration where:

- a. the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area:
  - i. the promotion or improvement of economic well-being; and / or
  - ii. the promotion or improvement of social well-being; and / or
  - iii. the promotion or improvement of environmental well-being; and
- b. the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

"Unrestricted value" means the best price reasonably obtainable for the property on terms that are intended to maximise the consideration, assessed in accordance with the procedures set out in the Technical Appendix to the General Disposal Consent.

### 3.6. The Secretary of State has stated, in the context of the General Disposal Consent (England) 2003):

*“It is Government policy that local authorities and other public bodies should dispose of surplus land wherever possible. Generally it is expected that land should be sold for the best consideration reasonably obtainable. However, it is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Authorities should clearly not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action. The Consent has been issued to give local authorities autonomy to carry out their statutory duties and functions, and to*

*fulfil such other objectives as they consider to be necessary or desirable. However, when disposing of land at an undervalue, authorities must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people.”*

- 3.7. In deciding whether to dispose at an undervalue in reliance of the General Consent, in order to ensure the fiduciary duty is observed, the decision maker (whether this is the Executive or an officer exercising delegated powers) will be required to consider a written report explaining the reasons why and how the report author considers that the requirements of the General Consents will be met, the value of the property and the reasons why the Council would want to dispose of the property at an undervalue, given the Council's Fiduciary Duties.

3.8. Other Consents and Statutory Requirements

Other consents that may, on occasion, be relevant may include consent of the Secretary of State under sections:

- 25(1) of the Local Government Act 1988 – consent when giving financial assistance;
- 133(1) of the Housing Act 1988 – consent for certain subsequent disposals;
- 32(2) or 43(1) of the Housing Act 1985 – consent for disposal of housing properties.

- 3.9. It may also be necessary to comply with other statutory provisions e.g. S123 (2A) Local Government Act 1972 which provides that where the land consists of or forms part of open space the proposed disposal must be advertised in a newspaper circulating in the area of the property for two consecutive weeks and consider any objections received prior to the disposal.

- 3.10. S123(2A) Advertisements should be made if at possible prior to consideration of the disposal by the Executive or officer and the responses received should be considered when the decision maker is considering the disposal.

- 3.11. Where this is not possible and the Executive is considering the disposal, authority to publish a S123(2A) notice and consider any objections received can be delegated to an appropriate officer. The delegation should be worded to ensure that the officer is obliged to refer any substantive objections back to the Executive.

- 3.12. If an officer is making the disposal decision then that officer must consider any objection received following the advertisement.

- 3.13. It may also be necessary to comply with other statutory provisions e.g S123 (2A) Local Government Act 1972 which provides that where the land consists of or forms part of open space the proposed disposal must be advertised in a newspaper circulating in the area of the property for two consecutive weeks and consider any objections received prior to the disposal

### 3.14. Application for Specific Consent for Disposal

For disposals at an undervalue not falling within the terms of the general consent, there are provisions for the Council to apply to the Secretary of State for specific consent. Such applications are required to provide certain minimum information and are subject to a high level of scrutiny.

For example, it is important to note that best consideration falls to be considered at the time the transaction is effected. Thus the grant of an option to purchase needs to provide for market value to be paid as assessed at the time the option is exercised. In any other instance, it would be necessary to follow the special consent procedure.

## 4. General Policy

4.1. In order to maximise the Council's efficiency and effectiveness in the use of its financial and property assets, the Council's general policy as regards disposals shall be:

- a) that priority shall be given to the disposal of surplus assets in the interests of maximising the generation of corporate capital receipts to contribute to the maximisation of the Council's capital resources available for re-investment on a prioritised basis through the capital programme;
- b) to dispose of land at the best consideration reasonably obtainable and only exceptionally to consider disposals at undervalue;
- c) notwithstanding paragraph (a) above, Service Areas may take over the use of surplus property from another Service Area ("transfer") if the requirements in Schedule of Requirements for the Transfer of Property Between Service Areas below are met.

### Schedule of Requirements for the Transfer of Property Between Service Areas

1	<p>The Service Area demonstrates :</p> <ul style="list-style-type: none"><li>(a) that the transfer is a high priority and in accordance with the Council's and receiving service's strategic plans;</li><li>(b) such transfer can be provided for within the receiving service's capital and / or revenue budgets;</li><li>(c) that through option appraisal the proposed transfer is best value for money to meet that Service Areas objectives.</li></ul>
2	<p>The Service Area agrees:</p> <ul style="list-style-type: none"><li>i. to assume all running and other costs associated with the property immediately upon cessation of the original use or the date of approval of the transfer, whichever shall be the later; and</li><li>ii. to its capital programme being reduced by a sum equivalent to</li></ul>

	either the capital receipt that would have been generated had the property been disposed of on the open market or, if a lower sum, the opportunity cost to the service for the acquisition of the asset. The Manager of Corporate Property Services to determine the relevant sums.
3	The proposed transfer has been considered by the Capital Board prior to consideration by the Executive, which shall be responsible for approving such transfers and will approve relevant budgetary issues (where applicable).

## 5. Disposals at an Undervalue

- 5.1. In order to ensure the Council's fiduciary duties are performed in the disposal of surplus property where a disposal at undervalue is proposed, the disposal shall be subject to the approval of the Executive on the basis of a written report.
- 5.2. This report shall record the terms of the General Disposal Consent, outline the disposal proposed, report the extent of the undervalue and set out the justification in terms consistent with the General Disposal Consent or otherwise seek approval for an application to be made to the Secretary of State for Specific Consent.

## 6. Disposals of School Caretakers' Houses

- 6.1. The Children and Families Service Area should monitor the school caretakers' houses and flats in the Council's ownership to ensure:
  - a) the houses and flats are being occupied by a caretaker providing, inter alia, a security and caretaking service for the school.
  - b) The caretaker occupies the premises on a service tenancy in a form approved by Brent Legal and Democratic Services
  - c) The houses and flats are being properly maintained
- 6.2. Should the Children and Families Service Area, in consultation with a school, decide that a caretaker's house or flat is no longer required by the school for its original purpose or an appropriate, alternative operational school use and it is unlikely to be required again in the foreseeable future for caretaker's accommodation, then the Director of Education may declare the property surplus to requirements and inform the Manager, Corporate Property Services who will take charge of the disposal process.
- 6.3. The method of disposal and choice of purchaser will be considered on a case by case basis but will depend on:

- a) whether a sale or lease of the caretaker's house or flat is likely to jeopardise the security of the school; and
- b) whether the sale or lease provides the Council with the most beneficial result taking into consideration financial and service related issues.

6.4. Houses and flats outside the cartilage of a school or with own access to a public road

An outright sale or lease to a private purchaser or to a Registered Social Landlord (RSL) may be considered or the property may be transferred to Housing subject to the requirements in the Schedule of Requirements for the Transfer of Property between Service Areas being met (see paragraph 4.1).

6.5. Houses and flats within the cartilage of a school and where a separate access cannot be provided

An outright sale will not normally be appropriate and the Council should retain long term ownership and control of the property. Short or medium term lets in consultation with Housing or an RSL may be considered provided that long term tenancy rights are not granted.

6.6. Incentives to Release Property

As a general rule the Council does not permit a Service Area to retain part of a capital receipt from a disposal of a property formerly in that Service Area's management. This is because a) the Council owns the property, not the Service Area, and b) capital generated from disposals is allocated centrally as part of the budget process.

- 6.7. Officers may recommend to the Executive an exception to the general rule in respect of school caretaker's houses and flats. Where a capital receipt is being generated officers may recommend that the Children and Families Service Area may retain up to 30% of the net receipt (after disposal costs are deducted) for spending on improvements to the fabric of the school or additions to it. The actual amount recommended for retention will depend on all the factors considered by officers to be relevant including the condition of the school and its needs as recorded in the school's asset management plan. The final arbiter in the percentage amount to be retained will be the Executive.

6.8. Internal Transfer of Property Between Service Areas

Where a house or flat is let or transferred to another Council service for use and no capital receipt is generated, the Manager, Corporate Property Services is to assess the notional capital value of the property and, after deducting notional disposal costs, may after considering all the relevant factors including the condition of the school and its needs as recorded in the school's asset management plan recommend to the Executive to permit up to 30 % of

the net value to be awarded as a capital sum for spending on the school as per the rules on disposal. The funding of the capital contribution will be covered from central capital funds.

- 6.9. All such recommendations shall be considered by the Capital Board before being forwarded to the Executive for determination.

## **7. Roles, Responsibilities and Annual Timetable for Key Events**

- 7.1. Authority for all disposals of property must be given by Council's Executive, except in the limited circumstances specified in the Council's Constitution where disposal may be authorised by the Manager, Corporate Property Services or by Service or Corporate Area Directors.
- 7.2. Refer to Part 4 of the Council's Constitution for full details but a summary of the limited circumstances in which the Manager, Corporate Property Services or Service or Corporate Area Directors can authorise disposals if the transaction is for the best consideration reasonably obtainable, and;
- (a) the disposal is by way of lease which does not exceed 7 years less 2 days;
  - (b) if the interest is leasehold, the rental income does not exceed £2,000 per annum or the premium does not exceed £50,000;
  - (c) in the case of the Manager, Corporate Property Services, the value of the interest if freehold does not exceed £50,000. **Please note that Service Area and Corporate Directors may not dispose of freehold interests.**
- 7.3. Authority from the Executive for disposal is to be obtained by requesting the Executive to consider a written report recommending the disposal which includes the reasons why and how the proposed disposal satisfies any applicable consent, the value of the property and the reasons why the Council would want to dispose of the property on the terms proposed given the Council's Fiduciary Duties.
- 7.4. In order to support the general policy set out a paragraph 4 and the process for the disposal of property:
- a) Corporate and Service Area Directors shall:
    - i. annually review their use of property for the purposes of including advance proposals to declare property surplus in their annual service development plans and service asset plans;
    - ii. be responsible for declaring property surplus and for notifying the Manager, Corporate Property Services (normally at least 12 months in advance of it ceasing to be required) as to advance proposals to declare property surplus and / or that property has been declared surplus; and

- iii. meet all running and other necessary costs of upkeep of the premises until the property has been disposed of or transferred or appropriated to another Service Area;
- b) all property disposals shall be led and managed by the Manager, Corporate Property Services, from the point that a property has been declared surplus;
- c) the Manager, Corporate Property Services shall be responsible for
  - i. forecasting, controlling, monitoring and reporting in respect of capital receipts, on the basis of the current year and a minimum of three forward years at any one time;
  - ii. once property has been declared “surplus”, circulating details of the property to all other service areas of the Council that may to use (and such service area shall respond within 4 weeks with sufficient information to enable consideration by the Capital Board); and
- d) the Director of Finance shall be responsible for agreeing with the Manager, Corporate Property Services the level of capital receipts that may reasonably be expected to be generated in any one year and shall liaise with the Manager, Corporate Property Services, regularly during the year for the purposes of budget monitoring;
- e) the Capital Board has no decision making powers but it may:
  - i. support the disposal policies and processes as necessary to ensure capital receipts are maximised and that best value for money is obtained from the Council’s retained property assets;
  - ii. consider and comment on proposed transfer of the use of properties between services areas in accordance with the policy set out above; and
  - iii. considering and commenting on proposed recommendations to the Executive as to:
    - 1. any request by a Service Area to use any part of the capital receipt for the benefit of that service area following a disposal of property; and
    - 2. disposals proposed to be in accordance with the Schedule of Special Categories below, (exempted disposals from public advertisement).

## 8 Disposal Processes

- 8.1 In all cases appropriate authority for the disposal of property must be obtained; see paragraph 5.1 and 5.2 above. Where Executive authority is required, that authority is to be obtained by requesting the Executive to consider a written report recommending the disposal. The report shall include reasons why and

how the disposal satisfies any applicable consent, the value of the property and the reasons why the Council would want to dispose of the property on the terms proposed given the Council's Fiduciary Duties.

8.2 In all cases in order to maximise capital receipts and to evidence appropriate and prudent disposal processes:

- a) the Council shall dispose of property by private treaty, auction or tender as shall be considered, by the Manager, Corporate Property Services, as most likely to obtain the best consideration reasonably obtainable and taking into account general open market practices when disposing of similar properties;
- b) all disposals other than as specified in 8.3 shall be subject to full and proper prior public advertisement;
- c) a certified valuation of each surplus property to be so treated shall be prepared and placed on the relevant file(s) prior to marketing or commencement of negotiations. A copy shall be provided to the Director of Finance and the Borough Solicitor. All valuations shall be carried out in accordance with relevant legislation and with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards in force at the time;
- d) all disposal processes shall be undertaken with regard to Guidance on Good Practice – Disposal of Land – The Commission for Local Administration in England (November 1995 or as updated);
- e) where the Manager, Corporate Property Services, so judges as prudent, he shall be authorised to make application for planning consents for higher value and better uses of property declared surplus;

8.3 In the instances indicated in the Schedule of Special Disposal Categories below there shall be no requirement for advertising if in the opinion of the Manager, Corporate Property Services the justification set out in the table applies. If there is no advertisement the Manager, Corporate Property Services shall ensure compliance with the following actions to ensure due and proper administration:

- a) in respect of item 2 in the Schedule of Special Disposal Categories below, all adjoining owners shall be approached and invited to bid; and
- b) the case file shall be annotated to demonstrate how the special treatment of the particular case links to the general policy justification indicated in the Schedule of Special Disposal Categories below. A copy shall be provided to the Director of Finance and the Borough Solicitor;
- c) the disposal shall not be recommended to the Executive prior to consideration by the Capital Board.



### Schedule of Special Disposal Categories

	<b>Special Categories</b>	<b>Justification</b>
<b>1</b>	Sales or leases to existing occupiers including freehold reversions	Where there are good reasons in the opinion of the Manager, Corporate Property Services, for considering that such a sale is likely to achieve values in excess of open market value
<b>2</b>	Sales or leases to adjoining owners/occupiers or superior landlords	Where there are good reasons in the opinion of the Manager, Corporate Property Services, for considering that such sales are likely to achieve values in excess of open market value
<b>3</b>	Sales to previous owners where land was acquired under a C. P. O.	In accordance with Crichel Down procedures recommended by the Commission for Local Administration in England
<b>4</b>	Exchanges of land	Where there is mutual benefit and the lands exchanged are reasonably comparative in value.
<b>5</b>	Sales to other public bodies, including Registered Social Landlords	The disposal will assist in the provision of priority services to the Borough
<b>6</b>	Property held for employment or other regeneration purposes	The disposal is likely to achieve the Council's employment and regeneration objectives.
<b>7</b>	Sales/leases to properly constituted Community Associations	The disposal will assist with the provision of Community facilities where there is a proven need