

LB Haringey – Capital Strategy 2006 – 2011

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1 Introduction, Aims & Objectives of the Strategy

- 1.1 The Capital Strategy ('the Strategy') sets out strategic guidance on the Council's approach to capital investment. It provides clear objectives, priorities which are informed by overall Corporate and service objectives, as set out in the authority's corporate documents such as Community Strategy, Corporate Plan, Medium Term Financial Strategy, Corporate Asset Management Plan, Unitary Development Plan, Business Unit Plans and the agenda of the wider Haringey community as well as sub-regional and central government agendas.
- 1.2 The Strategy does not seek to be a detailed tool, rather it provides the policy framework around which day-to-day operational work of asset management planning can take place. It will seek to:
- Be the prime tool for forward capital investment planning and providing strategic direction
 - Ensure that the implications of investment or lack of investment in assets can be discussed and an appropriate procedure is in place for useful option appraisal

- Ensure that assets that the Council owns are used efficiently and effectively
- Show how investment in capital resources will contribute to achievement of service objectives

2 Timescale, Review and Update

- 2.1 The Strategy covers the 5 year period 2006/07 -2010/11 but will be reviewed annually to ensure it is kept fit for purpose. It is envisaged that the overall content and strategic thrust of the document will not radically change year on year, but it must respond to key policy or legislative changes whether internal or external which will need to be incorporated.

3 Financial Context (& Link to Medium Term Financial Strategy)

3.1 Medium Term Financial Strategy

The Council prepares a three-year budget, (which will change to a 4 year plan from next year), which is updated annually and forms the Medium Term Financial Strategy (MTFS). Budgeting over an extended period allows us to anticipate forthcoming opportunities, commitments and risks identified during business planning process as well as allowing us to move resources to address our priorities.

The MTFS is integral to the Council's overall business planning process and is developed with reference to a wide variety of policies and strategies, of which the capital strategy is a key one. The MTFS includes clear financial information about spending plans, debt levels and balance sheet asset values which set the context for this Strategy.

3.2 Asset Base

- 3.2.1 The majority of the estate has remained stable over the period covered by the last capital strategy however council dwellings and garages have continued to reduce as a direct consequence of on-going right to buy sales and administrative buildings have reduced in a planned way as a direct consequence of the accommodation strategy.

The current value of the fixed asset base including intangible assets such as software is £1.442bn; £1.075bn of which is housing assets and £0.368bn is other assets.

3.3 Sources of Funding for Capital Investment

- 3.3.1 The current approved capital programme for 2006/07 – 2008/09 is attached as Annexe A and provides full details of funding per scheme and by Directorate. Budgets are agreed for the year ahead with indicative funding shown for the following 2 years. Haringey is committed to working towards the production of 5 year capital budgets

which will better reflect the timeframes of much capital investment and will improve planning for future investment.

3.3.2 A summary of key funding streams by value and percentage is shown below, highlighting our dependency on external funding to support future investment. It also shows the impact on our capital programme of expected investment to fund the Building Schools for the Future programme and achieving Decent Home Standards included from 2007/08.

	2006/07 Budget		2007/08 Budget		2008/09 Budget		Total	
	£'000	%	£'000	%	£'000	%	£'000	%
Public / Private Sector Grants and Contributions	43,916	42%	99,760	56%	92,773	60%	236,449	54%
Central Government Supported Borrowing	39,394	37%	65,493	37%	54,355	35%	159,242	36%
LBH Funding	21,875	21%	12,257	7%	6,928	4%	41,060	9%
Total	105,185	100%	177,510	100%	154,056	100%	436,751	100%

3.3.3 Within the wider strategic context and issues set out in Section 6, it is possible that general central government support will begin to contract over the period of this strategy and that greater use may need to be made of other means, including unsupported borrowing, partnership working to lever in additional funds and challenge of the current use and requirement for existing assets to assess whether increased capital receipts can be generated from disposals.

3.4 Capital Receipts

3.4.1 Capital receipts available for re-investment in our capital programme have been achieving approximately £12m per annum over the past few years. Property Services monitor expected receipts from sale of general fund excess assets on a regular basis and currently assume reducing levels.

3.4.2 The following table provides details of realised receipts (including the non-pooled element of housing right to buy) since 2004/05 and estimated receipts to 2008/09.

Capital Receipts				
Actual		Estimates		
2004/05	2005/06	2006/07	2007/08	2008/09
£'000	£'000	£'000	£'000	£'000
10,000	10,500	11,838	7,000	6,000

3.5 Estimated Current Need and Investment Shortfall

3.5.1 Current estimated capital investment need over the 5 year period of this strategy is £757m with anticipated available resources of £642m. This leaves a shortfall of £116m. This strategy looks at ways of dealing with this shortfall and some of the detailed actions are discussed later in Section 9.

4 Corporate Strategies and Policy

4.1 Strategic Vision

Haringey and its partners work to clear and challenging strategies based on the needs and expectations of local communities, striking a balance between national and local priorities. The Community Strategy is at the heart of this and the challenging agenda is encapsulated in the corporate vision:

‘To improve the quality of life for everyone in the borough – putting people first, being bold in dealing with issues for the benefit of all.’

The Council’s corporate priorities that underpin the vision are:

- Achieving excellent services
- Building safer and stronger communities
- Better Haringey
- Raising educational achievement
- Putting people first

Work is underway to develop a new Community Strategy in partnership with the local community. This will include local residents, local businesses, other public sector bodies such as the police, PCT and CONEL and voluntary sector groups.

It is expected that there will be a comprehensive consultation process attached to this work and a new document is not expected to be completed until April 2007. This strategy will be reviewed and updated as appropriate once published to incorporate any revisions.

4.1.2 Community Strategy and Corporate Plan

It is through these documents that clear lead is given to future direction and decisions on both revenue and capital investments. The

Community Strategy is a visionary document on what Haringey & its partners aspire to achieve over the longer term. It will consider the wider agendas of central and regional government such as increasing emphasis on local government as a 'place shaper' and conduit for neighbourhood empowerment as well as current debate over London governance and the interaction between the GLA and London boroughs.

The Council's **Corporate Plan** sits below the Community Strategy. Focusing clearly on the agreed priorities of the Strategy it provides medium term direction for Haringey's strategic and business planning at all levels (Corporate, through Directorate, Business Unit, teams to individuals) and clearly sets out targeted actions linked to improved performance and agreed outcomes within the constraints of limited resources. Any investment decision will be made based on how that spend will deliver sustainable improvements to service delivery in line with Haringey's agreed priorities and demonstrate value for money against cost, performance and perception measures. A revised Corporate Plan covering the period 2007-2010 will be produced for April 2007 in line with the Community Strategy timetable.

4.2 Local Plans and Policies

4.2.1 The **Community Strategy** and **Corporate Plan** are the prime strategic documents which provide an 'umbrella' for the council's strategic and business planning at every level. All other strategies and policy documents are linked to the two documents above. Section 9 of this Capital Strategy sets out how past and future capital investment has and will be used to achieve those agreed objectives. Other documents having particular impact on capital strategy and direction are outlined briefly below:

- the **Corporate Asset Management Plan (AMP)** which the Department for Communities and Local Government (DCLG) defines as 'the systematic preparation of plans to optimise the utilisation of assets in terms of service benefits and financial return'. The Corporate AMP is closely aligned to this Strategy which gives it strategic context around which to develop day to day plans. This in turn is influenced by other strategies or AMPs listed below:
- Haringey's Local Implementation Plan (LIP) which sets out local transport plans and programmes and how these contribute to achieving the priorities within the Mayor's transport strategy
- Highway Asset Management Plan
- Parks Asset Improvement Programme
- Residential Care Strategy
- Accommodation Strategy
- Homes for Haringey Asset Management Strategy
- Children's Service Asset Management Plan

4.2.2 Other key documents informing the medium to long term capital strategy are the Council's **Unitary Development Plan (UDP)** which is the Council's statutory plan relating to the development and use of land and buildings for the whole borough and provides strategic planning guidance. This impacts particularly on key sites development, regeneration and sustainability agenda and our Safer and Stronger Communities objective.

4.2.3 **Business Plans & Pre-Business Plan Reviews (PBPR's)**

The Council has a well developed framework of corporate planning set around the business planning process which sets out how the stated objectives of each business unit will support the achievement of corporate priorities, what additional resources they require to achieve these and how they intend to re-shape service delivery to produce efficiencies and demonstrate value for money.

Some of the issues considered are changes to statutory requirements, financial and legal constraints, effects of internal policy decisions and consultation with key stakeholders or partners. Following on from this analysis, each business unit highlights future resource requirements (revenue and capital) and the implications for their service objectives and outcomes.

To ensure that this corporate planning is effective and consistent, all bids for future investment are consolidated and reviewed in relation to the Council's overall aims and objectives. This strategy provides the framework for **capital investment** decision making (see section 7).

4.2.4 **Service/Efficiency Reviews and Scrutiny Reviews**

Both of these focus on specific areas of service provision and seek to challenge existing processes, highlight areas for improvement and propose alternatives which aim to contribute to achieving the Council's key objectives and deliver value for money. Capital investment proposals form part of the budget scrutiny process.

5 **Partnership Working**

5.1 The Council recognises that many of Haringey's problems and challenges cannot adequately be addressed by itself in isolation. For this reason high priority is given to working in partnership with other agencies both within Haringey's borders and in the wider London Community to bring about positive outcomes for residents and ensure that efforts are co-ordinated to ensure most efficient and effective use is made of available resources.

Some of the key partnerships that impact on and influence this strategy are discussed below.

5.1.1 **The Haringey Strategic Partnership (HSP)** – was created in April 2002 and aims to improve services for Haringey residents by joining up Haringey stakeholders such as the Metropolitan Police, Primary Care Trust, Local Businesses, CONEL, Middlesex University, Job Centre Plus as well as voluntary and community partnership groups HAVCO and HarCEN. The development of a Local Area Agreement (LAA) to begin in April 2007 will pull together a number of currently ring-fenced grants into a ‘pool’ which will be allocated to local priorities as agreed by the HSP. Some of this will be capital funding and will help meet the HSP priorities set out in the Community Strategy.

5.1.2 **The GLA** – the Mayor of London has developed the **London Plan** a spatial development strategy for Greater London. It is foremost a statutory planning framework to guide London’s development over the coming decades but provides an integrated framework for all the strategies developed since the GLA was created and seeks to develop a coherent vision for London’s future based on a practical response to the challenges facing London: accommodating population and economic growth in a sustainable way, ensuring benefits are shared as widely as possible and limiting adverse environmental impacts

Partnership is a key theme of the London Plan. London boroughs, business, voluntary and community sectors need to work in partnership to realise the vision of London as an exemplary sustainable world city.

The Mayor has responsibility for strategic planning, while the London boroughs are responsible for local planning and implementation. In tandem they prepare Sub-Regional Development Frameworks, which allow a more focused and manageable approach to setting and achieving targets to support overarching objectives. Haringey is part of the North London sub-region. Key priorities for this area are to identify new job and housing opportunities. The London Plan proposes that North London could accommodate 47,000 additional homes (6,800 within Haringey) and generate 26,000 new jobs by 2016. The GLA influences strategic regeneration and development in boroughs via the London Development Agency that provides funding towards agreed objectives.

5.1.3 **North London Strategic Alliance & the Upper Lee Valley Partnership** – the former brings together Haringey, Barnet, Enfield and Waltham Forest to develop solutions to social, economic and regeneration issues within the wider area. The latter creates an integrated approach to economic development via European and London Development Agency funded programmes. The key objectives are employment, business development and infrastructure investment on identified strategic sites.

5.1.4 **New Deal for Communities (NDC)** - is in the Bridge Neighbourhood in Tottenham and will attract £50m over it’s 10 year lifetime (2001/02 – 2010/11). Haringey is the accountable body, although annual programmes are agreed via the NDC board with approval by GoL. It is

estimated that £27m of capital investment will have been channelled into regenerating this area of Haringey by the end of the programme.

6 Wider Strategic Context

As explained in Section 3 above, the Strategy will be reviewed annually to ensure it remains up to date. This section sets out some of the forthcoming issues which may impact on the future direction of this document and comments on the effect of recent changes on this current capital strategy.

6.1 Forthcoming Issues

6.1.1 Comprehensive Spending Reviews (CSR)– Central Government spending reviews set firm and fixed three-year Departmental Expenditure Limits and, through Public Service Agreements (PSA), define the key improvements that the public can expect from these resources.

Successive Spending Reviews since 1997 have targeted significant increases in resources for the Government's priorities, matched by far-reaching reforms, and have set ambitious PSA targets for improvements in key public services: in education, health, transport and criminal justice.

Central Government are beginning work on the **CSR07**. A decade on from the first CSR, the 2007 CSR will represent a long-term and fundamental review of government expenditure. It will cover departmental allocations for 2008-09, 2009-10 and 2010-11, with allocations for 2007-08 held to the agreed figures already announced in the previous budget settlement. Key facets of the review that are likely to impact on Haringey's future Capital Strategy are:

- zero-based approach to capital budgeting (recognising that past expenditure does not provide a good indication of future needs)
- a more strategic approach to asset management and investment decisions, ensuring the UK is equipped with the infrastructure needed to support both public service delivery and the productivity and flexibility of the wider economy. There has been huge capital investment in recent years (capital spending has risen by 690% in real terms since 1997) and central government are now keen to take stock of what this investment has achieved (in terms of condition of asset stock and addressing backlogs) and assess if we are maximising value for money from the expanded asset base
- Local authorities to input into a national asset register
- Local authorities to decompose capital budgets to approximate 'steady state' baseline (the amount of capital expenditure required to maintain existing asset base)

The best assessment at this stage is that local authorities will see a reduction in capital investment support by central government departments over the period covered by this strategy.

6.1.2 Lyons Review - the scope of the review is extensive and is not due to report until the end of 2006. Areas of the review which impact on capital strategy are:

- Review of asset management practices including removing barriers to asset disposal (£30billion asset disposal target by 2010).

In practice, this agenda suggests central government is moving towards using the efficiency agenda to ensure full and efficient use is made of current assets with incentives to dispose of inefficient or excess assets. This fits well with the proposed CSR07 agenda of 'taking stock' of existing assets rather than increasing asset base.

6.2 Recent Changes

6.2.1 Prudential Code – an estimated £900m of prudential borrowing (also known as unsupported borrowing) was taken up by approximately 37% of local authorities in 2004/05. A further 13% planned to make use of this funding over the the 3 year period 2005/06 – 2007/08. The key message from this analysis is that it is seen as a useful additional tool in helping authorities to deliver their capital programmes.

Haringey's policy on using the new prudential borrowing powers has been to restrict it to schemes where there is no impact on council tax or housing rent levels and schemes such as 'invest to save' proposals or where option appraisal showed that it was more economic to buy via unsupported borrowing than lease. Refurbishment of council leisure centres and refreshing the council's IT infrastructure to support efficiencies and service delivery are the only examples of use of this power in Haringey to date. The challenge in the likely tightening of central government funding for capital projects will be to make full use of these powers in the achievement of corporate priorities whilst ensuring borrowing is prudent, affordable and sustainable.

6.2.2 Gershon Efficiencies - largely seen as revenue led, capital efficiencies within set guidelines can count towards our overall target of 2.5% of the 2004/05 baseline. Furthermore the efficiency agenda should be used to drive forward an ethos of value for money and efficiency in stewardship of public funds across all service areas, including capital expenditure. A key priority for Haringey in 2005/06 was to undertake a strategic review of construction with the aim of improving outcomes of construction projects and addressing whole life costing. The Council now has framework agreements in place for all types of construction and design work, which will enable us to work with agreed business partners who clearly understand our objectives and priorities and have signed up to supporting our achievement of value for money in future construction projects.

7 Framework for Setting the Capital Investment Programme

7.1 Allocation of Capital Investment Resources

7.1.1 Within the context of limited capital resources, the Council sets out clear principles to guide the allocation of future capital investment resources and state which forms of investment can be considered. The current approved capital resource allocation strategy, originally approved in July 2001, is attached as Annexe B.

7.2 Prioritisation of Capital Investment Projects

7.2.1 Working within the above principles surrounding funding capital investment, the authority has taken a view on the methodology for prioritising available corporate resources to proposed projects.

7.2.2 Haringey has developed a standard capital appraisal/application form which is circulated as part of the business planning process. Business units complete a form for all proposed capital projects within their service area which are then assessed and scored against the agreed weighted criteria to ensure consistency in investment decision making and allow confidence that selected projects are those which have greatest synergy with key Council priorities.

7.2.3 Essentially prioritisation factors within the proforma are driven by how the proposed scheme can contribute to the achievement of one or more key priorities whilst taking into consideration on-going commitments, legislative requirements, leverage in of additional resources, sustainability and deliverability issues and assessment of the whole life costing of the proposed investment.

7.2.4 The appraisal/application form is reviewed annually to ensure it remains up to date and fit for purpose. The current form is appended as Annexe C.

8 Managing, Monitoring and Performance Measurement

8.1 Managing and Monitoring the Capital Programme

8.1.1 The annual capital programme is agreed by Council in February each year and with indicative budgets for the following 2 years. Agreed budgets are then loaded onto SAP and profiled; this provides the key monitoring tool for spend throughout the year.

8.1.1 Monitoring of the capital programme is undertaken via the monthly budget monitoring process, which takes an integrated approach to both revenue and capital expenditure. It is through this process that likely over and under spends on capital projects are raised, discussed and decisions made on appropriate action to manage the situation.

- 8.1.2 Any in year additions to the capital programme are agreed via the virement process, as set out in the Council's Constitution. These are generally additional grants or contributions from outside bodies.
- 8.1.3 In 2004 the Council introduced a Project Management Framework which provides guidance and templates to support best practice in project development, scoping, management and closure of all types of scheme. Use of this framework should avoid some of the common causes of project failure (unclear objectives; poor planning, control and communication; resistance from staff and poor estimation of time or budget). It will also ensure there is a common approach to project management across the Council.

Following a report by the Audit Commission in 2005, new and more stringent project management arrangements have been introduced for the largest projects with more prescriptive budget reporting arrangements, a requirement for external challenge and new project assurance arrangements involving regular review by Internal Audit. The programme board structure has also been revised to reflect new arrangements. The project management highlight report is reported to the Council's Management Board and then to Executive on a monthly basis.

8.2 Performance Measurement

- 8.2.1 While the project management framework includes post completion assessment, the Council has implemented an annual self assessment review of the capital programme to provide Chief Officers with an analysis of the achievements and outputs of agreed capital investment both for completing and interim/on-going projects. This follows current good practice and will provide management information to inform future capital strategy and decision making and ensure that lessons are learnt and shared. It also links investment decision making to tangible improvements to performance and service delivery.
- 8.2.2 The annual assessment aims to review:
- Original budget vs. actual and explanation/understanding of variance
 - Comparison of actual outputs against planned outputs
 - Impact of investment on achievement of corporate objectives ie. improved performance indicators; improved condition; reduced insurance claims
 - Key learning points to inform future capital investment and project management
- 8.2.3 The current self-assessment template is appended as Annexe D.

8.3 Risk Management

8.3.1 Risk management is firmly embedded both in Haringey's business planning and its project management frameworks and prior to taking decisions on proposed capital investment risk is assessed in the following ways:

- Risk of not investing in proposed scheme eg. additional running costs; failure to meet statutory or legal obligations; inability to demonstrate value for money in overall financial management and strategy
- Deliverability of proposed projects eg. failure to lever in additional funding; capacity to manage the project within budget and timescale is not sufficient; original assumptions are flawed
- Ability to achieve stated objectives and tangible outcomes

8.3.2 Risk mitigation is achieved by:

- All capital investment proposals are required to have completed a risk assessment prior to submission. This includes a list of identified risks, probability of occurrence, impact on overall project if occurs and mitigating actions
- The approved project management framework provides clear guidance on managing projects and is designed to ensure risk is assessed and managed as far a possible
- The programme management structure for major projects provides additional challenge and scrutiny to larger projects

9 Achieving Corporate Priorities through Capital Investment – Past and Future Strategies

As stated in Section 1, this document seeks to provide the policy framework and direction for future capital investment in the context of limited resources and the need to provide value for money whilst maximising use of capital investment to achieve corporate and service objectives.

Sections 9.1 and 9.2 discuss the progress Haringey has made in addressing investment need and shortfall identified in the last Strategy while Section 9.3 picks up the investment shortfall identified in Section 3.6 and outlines proposals to manage this over the next 5 years and beyond.

9.1 Key Initiatives from the Previous Capital Strategy

The previous Capital Strategy highlighted initiatives in development to address investment shortfall at the time of approximately £183m in Council owned assets. These are listed below along with progress to date.

- 9.1.1 Creation of an **Arms Length Management Organisation** to address the backlog of investment in Council Housing. Homes for Haringey was created in April 2006 and aims to secure £228m central government funding to bring the existing Council stock up to Decent Homes Standard by the target date of 2010. This external funding is dependant on achieving a two star standard in the audit commission inspection in early 2007.
- 9.1.2 **Leisure externalisation** – despite protracted negotiations with external providers, a partnership failed to develop and Haringey opted to use Prudential Borrowing to source funding required to bring leisure centres to a suitable standard.
- 9.1.3 **Waste Management Externalisation** has been achieved through partnership with Accord.
- 9.1.4 **Residential Strategy** is now in it's final year. We have invested £5m in refurbishing older peoples' homes.
- 9.1.5 **Accommodation Strategy** – to move background, admin and technical staff into the Wood Green Centre Hub. This strategy sought to generate savings in running costs but also increase efficiencies in work practices and service delivery. This programme is well underway with the purchase of River Park House and will continue over the medium term.
- 9.2 **Other Capital Investment that has supported achievement of Corporate Priorities since the last Strategy**
- 9.2.1 **Achieving Excellent Services**
Customer Services – we have opened 4 customer service centres and developed our call centre supported by a Customer Relationship Management (CRM) system to support our objective of achieving 80% of all customer contact via Customer Services and 80% of all contacts are completed first time.

Embracing the **e-government** agenda by providing IT solutions to enhance services offered and support Haringey's on-going efficiency and SMART working agenda. Recent examples include electronic submission of planning applications; development of the e-payments service which has collected £3m since it was introduced and redevelopment of Haringey's website and intranet.

Complete '**refresh**' of the council's IT infrastructure to support on-going efficiency and improved processes.

9.2.2 Raising Educational Achievement

Building Schools for the Future Programme – which should lever in £165m of improvements and investment in secondary schools over 5 years.

£5.3m allocated for **120 extra primary school places** in the west of the borough; 10 early years children's centres to be established by 2006 and 18 by 2008.

£3m earmarked investment in a young people's Duke of Edinburgh award centre and **borough-wide youth centre**

9.2.3 Building Safer & Stronger Communities

1800 new **street lights** installed across the borough

£900k provided over 2005/06 & 2006/07 to improve Finsbury Park and Lordship Recreation Ground partly driven by perceived view within the community that these **open spaces** were unsafe.

£200k provided in 2005/06 to support **local road safety** improvement schemes.

9.2.4 Better Haringey

Creation of a new refuse and **recycling centre** in the west of the borough

£1.6m invested in 2005/06 in improvements to parks and open spaces resulting in increased user satisfaction with our **parks and open spaces** of 4% between 2004/05 and 2005/06.

£4m invested in 2005/6 in a range of **environmental renewal** on our estates – including improvements to lighting, door entry systems, waste and recycling facilities, landscape and outdoor play facilities.

Over £4m investment in **road resurfacing** between 2005/06 – 2007/08.

9.2.5 Putting People First

£5.5M LDA resources into **regeneration activity** in the Upper Lee Valley and the sub-region plus £1.8m for the regeneration of Tottenham High Road and key sites.

The 2004/06 Registered Social Landlord (RSL) development programme has provided 936 **new homes** for affordable renting and low cost home ownership. Our programme for 2006/08 will deliver 1,200 new homes.

Between 2001/02 and 2005/06 we have received £5.7m of NRF and £15.5m of SRB capital grant which has been invested to support **regeneration and economic development** strategies across the borough. In 2005/06 NDC funds were secured to develop a new Children's Centre (Plevna / Triangle) in Seven Sisters.

9.3 Key Initiatives for this Strategy 2006 – 2011

9.3.1 As stated in Section 3.5 investment in council assets of approximately £757m has been identified as a requirement over the next 5 years, with an anticipated shortfall in investment resource of £116m. Annexe E captures the current estimate of investment shortfall over the period of the Strategy across the 5 key objectives.

9.3.2 Some decisions have already been taken on how to address part of the need whilst some still needs to be addressed. Key issues are outlined below by key objective.

9.3.3 Achieving Excellent Services

Implementation of the **Corporate Management of Buildings** which by introducing a tenant-landlord relationship will clearly shift responsibility for asset management and maintenance from front line services to Property Services. This will allow front line services to concentrate on their core business while Property Services will add value to future investments by developing consistent standards for building and management use, cost effective and compliant buildings and a co-ordinated and prioritised programme of repair and maintenance. Recent condition surveys suggests additional investment will be required to manage a build up of backlog maintenance of approximately £3.5m but with a centralised planned approach, more effective use of investment will be achieved and added value can be generated through centralised procurement strategies.

On-going **Office Accommodation Strategy** – to ensure office portfolio is fit for purpose, supports modern working methods and provides efficient use of existing accommodation. This is a self financing project where disposal proceeds and running cost savings are ploughed back improving suitability, efficiency and effectiveness of our office accommodation estate.

9.3.4 Building Safer and Stronger Communities

Portfolio Reviews – of both **Community Buildings** and **Commercial Portfolios** are planned to ensure that assets are deployed and managed to best effect in line with Council's overall objectives and that surplus properties are released for alternative investment or use. This will also highlight outstanding health and safety liabilities the Council may have which will have to be managed in a planned way. This also fits well with the expected future Government proposals of rationalising existing asset base and extracting maximum value from previous investment (see Section 6.1).

9.3.5 **Better Haringey**

Comprehensive assessment of **Highways network including car parks**. Work is underway to appoint an external consultant to determine exact investment required to deliver upper quartile thresholds and improve the Highways AMP. The report and resultant gap analysis is due in early 2007. Consideration is being given to use of prudential borrowing to provide investment – possibly via reduced insurance premia or claims payouts and a reduction to annual reactive maintenance costs. Current estimates identify an investment gap of between £18m & £39m over the next 11 years.

Work is also underway to provide a more detailed assessment of the condition of our **open spaces**, to inform a longer term investment needs and priorities. Current estimates suggest a gap of around £8m over the next 5 years. The Council and its partners are currently piloting 'Groundwork' led activity, with the aim of establishing a longer term formal agreement, with a view to improving resident led environmental regeneration and attracting additional external investment.

9.3.6 **Putting People First**

Outcome of **Housing Needs Survey (April 2006)** which should identify estimates of future housing need, particularly for those unable to buy nor rent without the assistance of housing benefit. This will be informed by London wide considerations of need via The London Plan but currently Haringey is expected to provide 6800 new homes by 2016.

Bringing council housing stock to **Decent Homes Standard** by the target date of 2010. The creation of Homes for Haringey has allowed us access to the additional funding required to meet the target, assuming we obtain 2 star inspection rating.

All available housing grant will be directed towards the decent homes standard over the next 5 years, which means that **Housing Estate Environmental Improvements** work will not be funded and alternative sources will have to be sought, possibly through neighbourhood and regeneration partnership working.

Demand for **aids and adaptations** to both private and public sector housing stock is expected to remain fairly constant whilst previously available funding has reduced considerably contributing to the forecast funding shortfall over the next 5 years.

9.3.7 **Raising Educational Achievement**

Development of a strategy to address estimated backlog condition repair of £32.m across Haringey's **primary school estate** and professional review of existing **children's centres** and children's homes for suitability and condition neither of which are likely to attract

DfES capital funding but which are likely to need substantial capital investment over the medium term.

Whilst we have attracted considerable funding for our secondary and special schools via the **Building Schools for the Future** programme, sums currently expected do not match our assessment of need and there is an on-going shortfall of £45m.

9.4 Addressing Funding Shortfall

The strategies currently in place will not resolve all of the highlighted funding shortfall. The following are key initiatives that the Council needs to pursue in order to maximise its resource and ensure the gap is reduced:

- Maximise the potential of prudential borrowing
- Learn from other authorities' and solutions they have found in delivering services in alternative ways
- Ensure S106 investment is maximised and targeted at known investment need
- Challenge existing and proposed policy to ensure that all investment decisions offer sustainable solutions and can not be met by other means
- Challenge existing service provision and seek alternative means of providing it, particularly in terms of buildings used. Creative use of existing assets may enhance user satisfaction and suitability whilst enabling us to release surplus and unsuitable assets
- Ensure that proposed capital investment clearly addresses identified investment need
- Consider setting aside some resources to match fund external funding thus leveraging in additional funding