

2012/13 DIRECTORATE CAPITAL MONITORING -  
CORPORATE SUPPORT SERVICE

ANNEX 10

|  | 12/13<br>Full Year<br>Budget<br>£'000 | Third Quarter            |                          | 12/13<br>Variance<br>Budget v Actual |     | <u>Comments</u>   |
|--|---------------------------------------|--------------------------|--------------------------|--------------------------------------|-----|---|
|  |                                       | 12/13<br>Budget<br>£'000 | 12/13<br>Actual<br>£'000 | £'000                                | %   |   |
|  |                                       |                          |                          |                                      |     |   |
| Planned Maintenance Programme - Council Office Works | 288                                   | 203                      | 164                      | -39                                  | -19 | This section covers all projects being undertaken at the Council offices within the Five Year Planned Maintenance Programme, including energy efficiency schemes. Several schemes are now complete at the civic offices including the extension of the CCTV security system, the upgrade of the toilets in the condor building, a new lighting and ceiling system in the ground and first floor condor corridors, new barriers in the car parks, the provision of fall arresting equipment in the Council chamber roof void and externally on the main roof. The new surface on the flat roof over the reception area of the Hemnall Street offices is also complete. In addition, work has commenced on several other schemes, except for the automatic doors, in the programme and these are all expected to be substantially finished by the end of the financial year. Approval to carry forward the budget for the automatic doors was granted at Cabinet on 4th February 2013. Further details on individual projects were given in the Five Year Planned Maintenance Review presented to Cabinet on 22 October 2012. |
| Planned Maintenance Programme - Other Works          | 59                                    | 37                       | 30                       | -7                                   | -19 | This section covers all other capital projects carried out as part of the Council's Planned Maintenance Programme. The new Epping Sports Centre roof is now complete and all expenditure has been processed with the exception of a small amount of staff time which will be recharged at the year-end. The other schemes include resurfacing the yard at Townmead depot; constructing a disabled ramp and carrying out capital repairs to flat roof surfaces at the control tower at North Weald Airfield. Work on all these schemes are expected to be finished by the end of the financial year. Slippage on the environmental improvement works at the shops in Upshire Road, Waltham Abbey was addressed by Cabinet on the 4 February 2013 when approval was given to carry the budget forward into 2013/14.   |
| Other Capital Investments                            | 114                                   | 106                      | 104                      | -2                                   | -2  | The £24,000 allocation for the new vehicle lift has been spent and the lift installed. This has now increased the capacity for MOT testing. Much of the expenditure relating to the Langston Road Development has gone through but works are yet to commence on the Waltham Abbey Swimming Pool which is awaiting a structural survey. All other budgets which were previously included in this section have been carried forward to 2013/14, as approved by Cabinet.   |
| <b>Total</b>   | <b>461</b>                            | <b>346</b>               | <b>298</b>               |                                      |     |   |

2012/13 DIRECTORATE CAPITAL MONITORING -  
FINANCE & ICT

ANNEX 11

|                             | 12/13<br>Full Year<br>Budget | Third Quarter   |                 | 12/13<br>Variance<br>Budget v Actual |    | <u>Comments</u>  |
|-----------------------------|------------------------------|-----------------|-----------------|--------------------------------------|----|--|
|                             |                              | 12/13<br>Budget | 12/13<br>Actual | £'000                                | %  |  |
|                             | £'000                        | £'000           | £'000           | £'000                                |    |  |
| ICT Projects                | 122                          | 102             | 97              | -5                                   | -5 | The budgets for ICT projects have experienced some slippage in the current financial year due to various delays encountered with the schemes. However, work on the project to convert from Groupwise to Outlook was completed earlier this year and the new system represents a big improvement on the old one. Further projects are progressing well including the ESS gazetteer system, desktop upgrades, information at work (phase 4) and the E-Financials upgrade. The other ICT schemes have been carried forward to 2013/14 as approved by Cabinet. |
| Waltham Abbey Payment Kiosk | 25                           | 0               | 0               |                                      |    | The budget for this has been approved and the payment kiosk is expected to be installed before the end of the current financial year.  |
| <b>Total</b>                | <b>147</b>                   | <b>102</b>      | <b>97</b>       |                                      |    |  |

|                                       | 12/13<br>Full Year<br>Budget<br>£'000 | Third Quarter            |                          | 12/13<br>Variance<br>Budget v Actual |     | Comments  |
|---------------------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------------------|-----|---|
|                                       |                                       | 12/13<br>Budget<br>£'000 | 12/13<br>Actual<br>£'000 | £'000                                | %   |   |
|                                       |                                       |                          |                          |                                      |     |   |
| Waste Management Equipment & Vehicles | 803                                   | 40                       | 32                       | -8                                   | 0   | This originally included a budget of £1,070,000 to replace 7 vehicles consisting of 5 freighters and 2 mechanical sweepers. The 5 freighters have now been purchased in January 2013 at a cost of £743,000 and have joined the Council's fleet. Tenders have also been invited for the 2 mechanical sweepers and these are expected to be delivered in 2013/14; a carry forward of £327,000 has been approved. In addition to the vehicles budget, there is an allocation of £60,000 in this year for the provision of new waste and recycling containers, £32,000 of this has been spent so far. |
| Parking Reviews                       | 43                                    | 0                        | -2                       | -2                                   | 0   | Epping parking review is now finished although some works are being carried out to remedy minor snagging issues. Savings are anticipated; any such underspend will be addressed once all outstanding payments are made. A budget allocation of £22,000 has been made for the Buckhurst Hill parking scheme in 2012/13. This is to allow Essex Highways to carry out enabling works on the scheme. Loughton Broadway Parking Review scheme will commence once Buckhurst Hill is completed.   |
| North Weald Airfield                  | 75                                    | 60                       | 56                       | -4                                   | -7  | A schedule of capital improvement works to be carried out at North Weald Airfield were jointly agreed with the market operators at the beginning of the year; this work being fully funded from contributions made by the market operator. However, the rates were re-negotiated during the year and a freeze was placed on capital contributions from Hughmark. As a result, only essential capital works will be carried out for the foreseeable future, the costs of which will be financed from balances. No funding issues are anticipated at this time.                                     |
| Other Environmental works             | 262                                   | 20                       | 16                       | -4                                   | N/A | The majority of this budget relates to works at the Loughton Leisure Centre Changing Village. This work has now been completed, although there are some minor snagging works which are being addressed. One payment of £90,000 is being processed and the Council is receiving the benefit of revenue reduction in management fee to the leisure contractor from January 2013. The other £22,000 budget is for the installation and upgrade of CCTV cameras, most of which has been spent.  |
| Grounds Maintenance Vehicles          | 174                                   | 174                      | 174                      | 0                                    | 0   | All new mowers which replaced previously leased vehicles have now been purchased within the approved budget of £124,000. The remaining budget of £50,000, which was increased from £30,000, represents the on-going vehicle and equipment replacement programme which has been in place for many years. The budget for both the mowers and the replacement programme has now been fully spent for this financial year.  |
| <b>Total</b>                          | <b>1,357</b>                          | <b>294</b>               | <b>276</b>               |                                      |     |   |

|                                 | 12/13      | Third Quarter |            | 12/13           |     | Comments  |
|---------------------------------|------------|---------------|------------|-----------------|-----|---|
|                                 | Full Year  | 12/13         | 12/13      | Variance        |     |   |
|                                 | Budget     | Budget        | Actual     | Budget v Actual |     |   |
|                                 | £'000      | £'000         | £'000      | £'000           | %   |   |
| Limes Farm Hall Development     | 40         | 2             | 1          | -1              | -37 | See comments on the major schemes schedule.   |
| Waltham Abbey All Weather Pitch | 495        | 350           | 309        | -41             | -12 | Construction of the pitch at Waltham Abbey is well underway and the majority of expenditure has gone through. There is a slight delay as further works are dependent on having the correct weather conditions however it is fully expected to be completed in the current financial year.   |
| Waltham Abbey Regeneration      | 65         | 45            | 30         | -15             | -33 | The Regeneration Initiative consists of a number of projects managed and procured by Waltham Abbey Town Council. Two projects were completed in 2011/12 and one more has been completed so far this financial year; this being the renovation of the toilet block at Quaker Lane. The cost of this latest project was £30,000 and the payment was made in July 2012. Further developments have revealed that some elements of the regeneration scheme represent revenue expenditure and thus the capital budget has been reduced to £65,000. This budget includes the completed works on Quaker Lane and further schemes to be completed such as Market Square Gates, Meridian Line, Mosaics and Highbridge Shield. |
| <b>Total</b>                    | <b>600</b> | <b>397</b>    | <b>340</b> |                 |     |   |

|                        | 12/13<br>Full Year<br>Budget<br>£'000 | Third Quarter            |                          | 12/13<br>Variance<br>Budget v Actual |   | <u>Comments</u>   |
|------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------------------|---|---|
|                        |                                       | 12/13<br>Budget<br>£'000 | 12/13<br>Actual<br>£'000 | £'000                                | % |   |
|                        |                                       |                          |                          |                                      |   |   |
| Loughton Broadway CCTV | 82                                    | 82                       | 83                       | 1                                    | 1 | The works for the installation of new CCTV systems and the enhancement of existing systems started in April 2012 and is now complete. |
| <b>Total</b>           | <b>82</b>                             | <b>82</b>                | <b>83</b>                |                                      |   |   |

|                                   | 12/13<br>Full Year<br>Budget | Third Quarter   |                 | 12/13<br>Variance<br>Budget v Actual |     | <u>Comments</u>  |
|-----------------------------------|------------------------------|-----------------|-----------------|--------------------------------------|-----|--|
|                                   |                              | 12/13<br>Budget | 12/13<br>Actual | £'000                                | %   |  |
|                                   | £'000                        | £'000           | £'000           |                                      |     |  |
| Home Ownership Schemes            | 374                          | 187             | 161             | -26                                  | -14 | The Open Market Shared Ownership Scheme, under which the Council provides interest-free loans to B3Living (formerly Broxbourne Housing Association) to enable first time buyers to purchase properties on the open market, currently consists of 2 phases. Phase 1 is almost complete and, due to its success, the implementation of phase 2 has been agreed by the housing portfolio holder and will commence in 2013/14. If this proves to be successful as well, an option of a third phase will be considered in a separate report at a future date.   |
| Disabled Facilities Grants        | 210                          | 158             | 121             | -37                                  | -23 | Expenditure on Disabled Facilities Grants has been low in 2012/13 due to the reduced number of Occupational Therapist (OT) referrals received at the end of 2011/12 and the start of the current financial year. Although ECC has taken some action to address this by prioritising referrals from the District, expenditure will not reach the original levels expected. It was recommended that £100,000 was carried forward into 2013/14 and a more accurate assessment of likely expenditure in 2013/14 has been made. Although action has been taken by ECC to improve the OT situation, the effects of this are not likely to be seen in the short-term and nor is the solution likely to be sustainable long-term. As a result of this, it is not currently anticipated that expenditure will exceed £210,000 in 2012/13. ECC are aware of the Council's concerns and discussions are ongoing about how they will be addressed. |
| Other Private Sector Grants       | 220                          | 170             | 157             | -13                                  | -8  | Take up of the new discretionary grants has been slower than anticipated since the new Housing Assistance Policy was introduced earlier this year and, as a result expenditure has been lower than expected. The budget has been reduced to £220,000 to take this into account. It is hoped that demand will increase in 2013/14 as a result of further promotional activities.  |
| Housing Estate Off Street Parking | 118                          | 100             | 73              | -27                                  | 0   | Off street parking schemes on council housing estates are jointly funded between the General Fund and the HRA. Although work has commenced on the second phase of three parking schemes, expenditure has been low to date and the budget has been reduced within both funds (General Fund and HRA) to reflect the slippage.  |
| <b>Total</b>                      | <b>922</b>                   | <b>615</b>      | <b>512</b>      |                                      |     |  |

|  | 12/13<br>Full Year<br>Budget<br>£'000 | Third Quarter            |                          | 12/13<br>Variance<br>Budget v Actual |     | Comments   |
|--|---------------------------------------|--------------------------|--------------------------|--------------------------------------|-----|--|
|  |                                       | 12/13<br>Budget<br>£'000 | 12/13<br>Actual<br>£'000 | £'000                                | %   |  |
|  |                                       |                          |                          |                                      |     |  |
| Windows/Roofing / Asbestos / Water Tanks | 2,127                                 | 1,486                    | 1,388                    | -98                                  | -7  | Overall, expenditure in this category is slightly lower than expected mainly because expenditure on asbestos removal and roofing work is low. Expenditure on asbestos removal is unpredictable as work is demand led, which is why it is currently £45,000 under budget. Also expenditure on Roofing works is £58,000 lower than expected due to the consistent bad weather recently and the fact much of the construction industry was shut down over the Christmas period. Expenditure is expected to increase in the final quarter, coming in line with budget expectations. On the other hand expenditure on water-tank replacements is higher than expected due to an increase in ad-hoc replacements.  |
| Heating/Rewiring                         | 2,618                                 | 1,975                    | 1,962                    | -13                                  | -1  | Overall expenditure on heating and rewiring is slightly lower than anticipated. The rewiring expenditure is £204,000 lower than expected, due to the unpredictable costs of the rewire element of works carried out during gas heating installations. On the other hand expenditure on gas heating is £148,000 over budget, which is due to an increase in gas heating installations carried out in properties with vertical flue arrangements following the changes in gas safety regulations. Expenditure on heating ventilation systems is under budget although demand for installations is expected to increase in quarter 4.   |
| Housing Developments                     | 38                                    | 19                       | 15                       | -4                                   | -19 | Expenditure to date on the house building scheme is limited to the procurement fees associated with the tender process to appoint a development agent. The development agent is in place and will assist in formulating a house building strategy, feasibility study and submitting a Homes & Communities Agency partnership status application on behalf of the Council.  |
| Service Enhancements                     | 424                                   | 185                      | 180                      | -5                                   | -3  | This budget consists of the capital allocation of service enhancements. The van for the handyperson scheme has been purchased and the smoke detector rewires are progressing well. The Locata system is likely to incur slippage into the next financial year, however the remaining schemes are expected to be completed within the current financial year.   |
| Other Planned Maintenance                | 308                                   | 200                      | 174                      | -25                                  | -13 | This category includes communal TV upgrades, energy efficiency measures, door entry systems, Norway House Improvements and works unit vehicle replacements. Overall, expenditure in this category is slightly lower than expected. Drainage expenditure is £18,000 lower than expected due to a transfer of responsibility to the water authorities, and door entry expenditure is also lower than expected. These budgets were reduced when the Council's budgets were presented to the Cabinet on 4th of February 2013. Conversely expenditure on energy efficiency measures has been higher than expected following completion of the external wall insulation pilot scheme and ad-hoc demand for energy efficiency measures and as a consequence this budget was increased when the Council's budgets were presented to the Cabinet on the 4th of February 2013. |
| <b>Total Planned Maintenance c/f</b>     | <b>5,515</b>                          | <b>3,865</b>             | <b>3,719</b>             |                                      |     |  |

|  | 12/13<br>Full Year<br>Budget<br>£'000 | Third Quarter            |                          | 12/13<br>Variance<br>Budget v Actual |     | Comments   |
|--|---------------------------------------|--------------------------|--------------------------|--------------------------------------|-----|--|
|  |                                       | 12/13<br>Budget<br>£'000 | 12/13<br>Actual<br>£'000 | £'000                                | %   |  |
|  |                                       |                          |                          |                                      |     |  |
| Total Planned Maintenance b/f                      | 5,515                                 | 3,865                    | 3,719                    |                                      |     |  |
| Kitchen Replacements                               | 1,215                                 | 1,200                    | 1,111                    | -89                                  | -7  | Properties requiring kitchen replacements are identified from ongoing stock condition surveys following the Decent Homes Initiative in 2010. The need for planned work has reduced this financial year because there has been an increase in kitchen installations undertaken through the voids process. Furthermore, some replacements have been delayed due to tenant refusals and some kitchens are on-hold following management requests. To compensate, kitchens due for replacement in future years have been brought forward for completion in this financial year. Overall, however, expenditure will be lower than originally expected and £400,000 has been approved for carried forward to 2013/14 to allow for this. The current contract for kitchen replacements is due for renewal in early April 2013 with around 250 kitchen installations planned for 2013/14. |
| Bathroom Replacements                              | 100                                   | 50                       | 41                       | -9                                   | -17 | Bathroom replacements also are identified from ongoing stock condition surveys and the current need for complete bathroom replacements, despite using the Decent Homes Plus criteria, remains very low. This has resulted in a significant reduction in expenditure for this financial year. However, repairs and maintenance of the non-standard bathrooms on the Limes Farm estate are problematic and a programme of upgrades and replacement is planned. Despite this, a significant under-spend was identified and the budget has been reduced, with £300,000 transferred to Small Capital Repairs and a further £100,000 carried forward to 2013/14 which was detailed when the Council's budgets were presented to the Cabinet on the 4th of February 2013.   |
| Council Estate Parking & Other Environmental Works | 287                                   | 515                      | 159                      | -356                                 | -69 | The largest project in this category is the off street parking schemes on Council-owned land. Work has been completed on the second phase of three parking schemes. A report on the outcome of the completed off street parking schemes and future off street parking schemes was presented to Cabinet in December 2012, with recommendations to proceed to the construction phase on two sites and outline design and resident consultation on a further five sites. The work on the second phase of schemes has been completed under-budget and £150,000 was approved for carried forward into 2013/14 by Cabinet on the 4 February 2013.  |
| Void Refurbishments & Other Small Works            | 1,187                                 | 713                      | 888                      | 175                                  | 25  | Void workload is demand-led and predicting the quality and condition of void properties is notoriously difficult. However, following the predicted rise in the volume of void Council properties, a £300,000 budget transfer from bathroom replacements was approved by Cabinet.   |
| Structural & Other Works                           | 718                                   | 515                      | 496                      | -18                                  | -4  | The Council is monitoring a number of properties that are suffering with significant structural movement. As the Council does not insure against subsidence the costs of structural repairs can be high and difficult to predict. Despite this, expenditure is only slightly below budget and it is anticipated that costs will increase in the final quarter and the budget fully spent.  |
| Disabled Adaptations                               | 489                                   | 350                      | 308                      | -42                                  | -12 | Due to the Christmas and New Year construction industry shut down, expenditure on disabled adaptations in Council dwellings reduced during quarter 3. However expenditure is expected to increase when works commence on large disabled adaptations property extensions. The additional allocation for disabled adaptations within the service enhancement budget is expected to be fully spent in the current financial year.   |
| Garages  | 7                                     | 4                        | 1                        | -2                                   | -70 | The budget for garages is expected to be fully utilised within the current financial year.   |
| <b>Total HRA</b>                                   | <b>9,518</b>                          | <b>7,212</b>             | <b>6,723</b>             |                                      |     |  |

| 2012/13 LIMES FARM HALL DEVELOPMENT |                      |                   |                    |                       |                         |                 |                    |                     |                           |                             |  |
|-------------------------------------|----------------------|-------------------|--------------------|-----------------------|-------------------------|-----------------|--------------------|---------------------|---------------------------|-----------------------------|--|
| Original Start Date                 | Original Finish Date | Actual Start Date | Actual Finish Date | Original Project Cost | Supplementary Estimates | Approved Budget | Actual Exp To Date | Anticipated Outturn | Variance to Original Cost | Variance to Approved Budget |  |
|                                     |                      |                   |                    | £'000                 | £'000                   | £'000           | £'000              | £'000               | %                         | %                           |  |
| Mar-11                              | Aug-11               | Apr-11            | Feb-12             | 1,062                 | 40                      | 1,102           | 1,061              | 1,102               | 4%                        | 0%                          |  |

Limes Farm Hall dates back to the 1970s and is located in the centre of the Limes Farm Estate in Chigwell. The Council owns the hall and has managed it since 1 April 2009 following 11 years of management by Chigwell Parish Council. At the time the hall was transferred back to EFDC, it was functional but was in need of significant investment to modernise and improve it both internally and externally. It also required a complete roof replacement. Having consulted with local residents and a range of partners it was agreed that Limes Farm would benefit from the provision of centralised multi-agency services.

Once the consultation exercise was completed, meetings were held on a regular basis with the partners to discuss potential future provision as a multi-agency hub both in terms of delivery at the site and outreach delivery across the estate. This resulted in a firm commitment from West Essex PCT (now known as SEPT - South Essex Partnership Trust) who were keen to transfer their clinic services to the central location from elsewhere on the estate and Essex County Council who were interested in extending their existing Children's Centre activity. It was agreed that the Council's Housing Service would transfer from a converted flat to the new facility and that the Housing Benefits Service would open a new service from Limes Farm to meet external Audit recommendations to improve access. Other partners involved in the development of the plans include the Limes Farm Community Association, Chigwell Parish Council, Limes Farm Infant and Junior Schools, East Potential and the Grange Farm Trust.

Following a development period of several months, a feasibility study was commissioned to produce a range of options and Cabinet agreed on a scheme to refurbish the existing hall and extend to the front and rear, which would double the size of the building. Following the tender process the building contract was awarded to Beardwell Construction in March 2011 and initial project meeting commenced immediately. At the beginning of the construction a delay of three weeks was experienced due to issues with asbestos removal from the site and then further delays were due to issues with steelwork fabrication and the installation of new electrical power cables by UK Power Network. The works were however complete by February 2012 and the Hall opened for business on 20th February.

The new building is of a high level specification and the construction works are seen as good value for money based on the final price of the contract. However, a significant amount of snagging still remains which has been held up due to the Council seeking Counsel's advice in respect of a legal challenge to the project management consultants responsible for the development.

The final account is still subject to negotiations but it is thought that the actual cost of the scheme will be higher than the original project estimate. To date, the Council has accounted for the two outstanding retentions totaling £26,000 due to Beardwell Construction and Norfolk Property Services Group as at 31 March 2012 by way of sundry creditors. Any settlement in excess of this total will represent an overspend on the original project budget. The anticipated outturn figure given in the table above has been updated since the last monitoring report to include a contingency sum of £40,000 approved by Cabinet in October. This sum represents the maximum additional funding anticipated as the Council is hoping that the final account settled will be lower than the final account submitted. Payment arrangements are still under negotiation and the full settlement will not be paid until all outstanding snagging items have been completed satisfactorily. It is anticipated that the final account and report will be presented to Cabinet in April 2013.

With regard to financing the project, a competitive application to the Essex County Council Extended Schools fund was successful which secured a grant of £270,000 towards the project. This grant has been applied in full to the capital works and the Council is financing the shortfall.