

2016/17 DIRECTORATE CAPITAL MONITORING -  
COMMUNITIES

ANNEX 7

	16/17	First Quarter		16/17		<u>Comments</u>
	Full Year	16/17	16/17	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Epping Forest District Museum Project	20	5	-35	-40	0	The build phase of the project was completed to the agreed timescale and handed back to EFDC in December 2015. The Museum was successfully opened to the public in March 2016. The contracted works are now in the 12 months defects period and a 2.5% retention is held by EFDC shown as a negative sum of £35,000 in the table. Final associated capital works are currently being agreed.
2nd Floor Bridgeman Hse W Abbey	309	0	0	0	0	There is currently no movement on the purchase of the Second Floor Bridgeman House, due to issues with the current occupants. However, the council has recently received confirmation that purchase & relocation is still expecting to go ahead.
CCTV Systems	207	52	6	-46	-88	A contractor has been appointed for the installation of CCTV systems in two Ongar car parks in Basons way and The Pleasance. However other CCTV installations have been put on hold until lighting works on the other car parks are completed. There are also delays on the schemes at Longcroft Rise & Upshire shops pending a decision on whether or not to decommission the existing systems. The transfer of equipment from Langston Road to Oakwood Hill Depot & the installation of the North Weald Shopping Parade system are both complete with Town Mead extension also expected to be completed in quarter 2. The Limes Farm Automatic Number Plate Reader is expected to go out to tender in the autumn, whilst the re-deployable equipment and Epping High Street are set to be reviewed in September and early 2017 respectively.
Housing Estate Parking	371	0	0	0	0	The off-street parking schemes undertaken on council owned land, jointly funded between the HRA and General Fund, have been temporarily suspended at Torrington Drive due to the contractor having a health & safety incident.
<b>Total</b>	<b>907</b>	<b>57</b>	<b>-29</b>			

2016/17 DIRECTORATE CAPITAL MONITORING -  
NEIGHBOURHOODS

ANNEX 8

	16/17 Full Year Budget £'000	First Quarter		16/17 Variance Budget v Actual		<u>Comments</u>
		16/17 Budget £'000	16/17 Actual £'000	£'000	%	
		Epping Forest Shopping Park	18,276	4,569	56	
St John's Road Epping Development	6,000	0	0	0	0	A report, dated 21 July, has been submitted and agreed with revised financial consideration for the purchase of the school site at St. Johns Road; these figures will be amended in the next capital review. Contract documentation has been agreed between EFDC and Frontier Estates and is now with Essex County Council for approval. The agreement is subject to final approval by the Secretary of State but once granted the contracts will be exchanged in September.
Oakwood Hill Depot	703	422	425	3	1	The building contract at Oakwood Hill was subject to numerous delays with practical completion of the site now programmed for 24th August. The MOT centre is already open and the offices are being utilised by Fleet Operations; The main workforce were relocated to the depot by the week ended 28th August.
Waste Management Equipment	28	7	0	-7	-100	This budget is in place to fund the acquisition of new bins to properties where bins had previously not been provided, in particular for blocks of flats.
Other Schemes	203	16	7	-8	-53	Foundation works are on-going with regard to the new chip and pin software being installed on the pay and display machines in the Council's car parks. Links between the machines and the banks are expected to start in late August, with the software to be installed by the end of quarter 3. In respect of flood alleviation works, the installation of a new sustainable drainage system and replacement works to existing soakaway systems at Bobbingworth Nature Reserve which will prevent flooding of the site & protect existing equipment are to be started in September. Finally, for grounds maintenance equipment, the procurement of a replacement mower will occur in quarter 2.
<b>Total</b>	<b>25,210</b>	<b>5,014</b>	<b>488</b>			

2016/17 DIRECTORATE CAPITAL MONITORING -  
RESOURCES

ANNEX 9

	16/17 Full Year Budget £'000	First Quarter		16/17 Variance Budget v Actual		<u>Comments</u>
		16/17 Budget £'000	16/17 Actual £'000	£'000	%	
Planned Maintenance Programme	836	209	23	-186	-89	Many of the schemes in the planned maintenance programme relating to the Civic Offices have been delayed for the 1st quarter, awaiting the outcome of the Price Waterhouse Cooper report. This being said, the new electrical bypass control panel, to allow power separation to both buildings and the computer suite in the Civic Offices is complete; the new heating control panel at the Civic Offices is currently being fabricated; and the programmes for the upgrade to the fire alarm system is underway. The fire escape upgrade at the Control Tower, North Weald Airfield is also complete.
Upgrade of Industrial Units	351	0	0	0	0	In October 2013 Stace were instructed to undertake an appraisal of the industrial units at Oakwood Hill Industrial Estate. They reviewed a typical lease to assess current repairing obligations and future liabilities within the terms of the lease. It was established that it is the landlord's obligation to ensure that all exterior additions are undertaken to a rentable standard and it is the tenant's responsibility to maintain skylights. There have been long-standing issues with the ability to recover the costs of major works to the roof needed to achieve current building regulation standards. A specialist roof contractor has examined the condition of the roofs and provide a report which confirmed that <i>"apart from a few minor issues, including a few cracked sheets, [the roofs] are performing very well and could be expected to have another 5-10 years serviceable life, at least, without the need for major remedial action"</i> . Therefore, major repairs works to the industrial units are not expected to be carried out within the next few years.
ICT Projects & Other Equipment	403	101	92	-9	-9	The ICT planned schemes are progressing well, with the document management rollout, security enhancements & client licenses all completed in quarter 1. It is expected that this progress is going to continue in quarter 2, with the budget projected to be fully spent by the end of the year. The Human Resources (HR)/Payroll system implementation plan commenced in June and throughout July system workshops and training have taken place which were attended by appropriate staff from ICT, Finance and HR. Work has begun on gathering data for migration and information for system blue prints and also on the system build. Payroll is the first element to go live which will take place in December 2016. The Epping cash kiosks have been installed; however EDFC are currently disputing an invoice due to faulty software. The kiosks will be live in mid-September.
<b>Total</b>	<b>1,590</b>	<b>310</b>	<b>115</b>			

	16/17 Full Year Budget £'000	First Quarter		16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	£'000	%	
New Housing Builds - Phase 1 & 2	10,306	2,577	78	-2,499	-97	For Phases 1 & 2, please see comments on the major schemes schedule.
Housing Developments	1,889	472	-19	-491	0	With regard to phase 3, specifications, designs and contract documents have been prepared for all seven contracts that make thirty-four new homes. Tenders will be sought in August, with works starting on site around November 2016 & completion expected in April 2018. For phase 4, the Council has now achieved planning approval on seven sites, which will deliver twenty homes. However, four other sites have seen their planning applications refused with two sites being revised for resubmission & the other two sites being referred back to the house-build Cabinet Committee. All sites making up Phase 5, which centres on Buckhurst Hill and Ongar, have been submitted for planning consent. The negative actual figures represent creditors relating to the reversals of the retentions on Marden Close & Faversham Hall from 2015/16.
Barnfield S106 Development	904	226	606	380	168	The Council has entered into an agreement with Linden Homes, who are the property developer for the S106 site at Barnfield, Roydon. This is a joint approach whereby the Council is purchasing eight affordable rented homes using 1-4-1 receipts and B3 Living is purchasing three shared ownership properties. Completion is due around April 2018
Off Street Properties Purchases	2,055	514	293	-221	-43	The Cabinet Committee has been monitoring the 1-4-1 expenditure, which identified the need to purchase properties from the open market to avoid returning these receipts back to the Government. It was agreed that six properties would be purchased in the Waltham Abbey area on or near to existing Council estates. These are predominantly 2 or 3-bed houses. One purchase was made in quarter 1, with all six properties expected to complete by the end of August 2016.
North Weald Depot	3,200	0	5	5	0	The Council has secured planning permission for the provision of a new repairs and maintenance hub in North Weald. However, Cabinet has deferred the decision to proceed with the construction phase until both the contract has been signed on the St. Johns Road Development, and Members have had a chance to consider the ongoing accommodation review currently being undertaken by consultants Price Waterhouse Cooper.
Heating/Rewiring /Water Tanks	3,395	813	479	-334	-41	This category includes gas and electrical heating, mechanical ventilation and heat recovery (MVHR) installation, electrical rewiring, and communal and individual cold water storage tank replacements. Gas heating is currently showing the biggest variance of the category; however this is expected to be back on track in quarter 2 with the completion of two large schemes at Hyde Mead & Norway House. The communal water tanks scheme has faced major delays due to access problems at Hillyfields; these problems are likely to be unresolved in 2016/17, consequently the budget is expected to be heavily underspent. Electrical heating is currently ahead of schedule and it is likely there will be an overspend at the end of the year.
Windows/Doors/Roofing	2,670	654	386	-268	-41	This category includes budgets for front entrance door replacement, PVCu window replacement, tiled roofing and balcony resurfacing programmes. The front doors scheme has made slower than expected progress in quarter 1. However, with £80,000 of committed costs in quarter 2, the programme is expected to accelerate back on target. The double glazing scheme is currently showing the biggest variance in this category. A new tender will go out in quarter 3, with the leaseholders already being notified of the works planned for this year; an accelerated programme in quarter 3 & quarter 4 is expected. The flat roof schemes are more of a priority than the tiled roofs in quarter 1 & quarter 2 due to weather constraints in the winter months; this is reflected in the variances of both schemes.
Other Planned Maintenance	149	24	33	9	38	This category includes Norway House improvements, door entry system installations and energy efficiency works. The budget for door entry has been moved to quarter 3 as works cannot start until all leaseholders are notified. The energy efficiency scheme is currently struggling due to previous year's works on this scheme meaning that work in 2016/17 has mostly been top-ups of cavity walls & loft insulation rather than full works. The budget had previously been reduced due to lack of grant funding. Norway House improvements are currently ahead of schedule with the budget expected to be spent by the end of the year.
<b>Total c/f</b>	<b>24,568</b>	<b>5,280</b>	<b>1,861</b>			

2016/17 DIRECTORATE CAPITAL MONITORING -  
HOUSING REVENUE ACCOUNT

ANNEX 10

	16/17 Full Year Budget £'000	First Quarter		16/17 Variance Budget v Actual		<u>Comments</u>
		16/17 Budget £'000	16/17 Actual £'000	£'000	%	
Total b/f	24,568	5,280	1,861			
Kitchen Replacements	2,190	538	259	-279	-52	Kitchen and bathroom replacements are mostly undertaken as part of planned programmes of work but some are carried out on an ad-hoc basis while properties are void. The planned programmes for the kitchens & bathroom replacements are currently behind schedule mainly due to restricted access or on-hold properties. Although plans are in place for both programmes to be accelerated, it is anticipated that the current allocations will not be fully spent by the end of the year. Reallocations between budgets will be considered as part of the Capital Review.
Bathroom Replacements	1,938	481	252	-229	-48	
Structural & Other Works	460	90	45	-45	-50	
Council Estate Parking, Garages & Other Environmental Works	1,243	303	67	-236	-78	
Disabled Adaptations	430	101	126	25	25	The welfare & heating scheme is currently on schedule & the budget is anticipated to be fully spent by the end of the year.
Other Repairs and Maintenance	256	60	41	-19	-32	As expected with the ad-hoc nature of both schemes, there is currently a small underspend showing on this category.
Capital Service Enhancements	432	56	10	-46	-82	This category includes the leaseholder front door replacement programme, Oakwood Hill Estate enhancement programme, mobility scooter stores, online rents system & repairs maintenance system. The Oakwood Hill enhancement programme is currently on hold due to Essex County Council's involvement in the scheme. Similarly the mobility scooter stores scheme is also on hold until quarter 3 when a decision will be made on the viability of the scheme. Letters have been sent to leaseholders regarding the replacement of front doors; there are less than expected leaseholders who are willing to take up this programme. At present, there are committed work orders currently on-going, which will complete all the high-risk wooden front doors, after which the focus will move to the installation of plastic front doors.
Housing DLO Vehicles	108	0	0	0	0	It is expected that the prices for the procurement of eight DLO vans will be agreed in late August with a delivery date of mid to late December. The rest of the budget will be spent on fitting extras onto these vans to improve vision during winter months.
Work On Hra Leasehold Prop (Cr)	-300	0	0	N/A	N/A	This credit budget allows for work undertaken within the above categories on sold council flats. Once identified, an adjustment will be made at the end of the year.
<b>Total</b>	<b>31,325</b>	<b>6,909</b>	<b>2,661</b>			

2016/17 DIRECTORATE CAPITAL MONITORING -  
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS)  
AND CAPITAL LOANS

ANNEX 11

REFCuS	16/17 Full Year Budget £'000	First Quarter		16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	£'000	%	
		£'000	£'000			
Disabled Facilities Grants	500	125	143	18	14	The Council has a legal duty to provide DFGs to all residents who meet the eligibility criteria. The number of occupational therapists' referrals that initiate DFGs is inconsistent and although it appeared to have flattened off in 2014/15, it rose again in 2015/16. As a result of this it is anticipated that DFG expenditure in 2016/17 will be £630k. As a result of the increased demand in 2015/16 Members agreed to increase the allocation in the capital programme by £120k, from £380k to £500k, for each of the four years from 2015/16 until 2018/19. This agreement was given on the expectation that the government would support this expenditure with a contribution of £363k from the Better Care Fund (BCF), being the amount contributed in 2015/16. The BCF contribution towards DFGs in EFDC in 2016/17 is in fact £665k which means that the additional £120k Capital Growth Bid will not be needed to be funded by the Council in 2016/17.
Parking Schemes	273	68	3	-65	-96	In early August a meeting between the Members of the group and NEPP was arranged to discuss the parking review schemes. Drawings are now being developed for the agreed schemes. No start time has been currently agreed, however it is expected that the start time will be in quarter 3.
HRA Leaseholders	150	0	0	N/A	N/A	These costs relate to capital works on sold council flats, currently shown in the HRA capital programme. They will be identified once the works are complete and reported at the end of the financial year.
<b>Total</b>	<b>923</b>	<b>193</b>	<b>146</b>			

CAPITAL LOANS	16/17 Full Year Budget £'000	First Quarter		16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	£'000	%	
		£'000	£'000			
Private Sector Housing Loans	271	68	138	70	104	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. It is anticipated that some money paid out in previous years will be re-couped this year as applicants move on and properties are sold. At this point in the year the budget allocated is expected to be spent.
<b>Total</b>	<b>271</b>	<b>68</b>	<b>138</b>			

## MAJOR CAPITAL SCHEMES

## HOUSE BUILDING PHASE 1

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	% ((E-C)/Cx100)	£'000 (C-D)
Apr-14	Jun-15	Oct-14	Jul-17	3,948	-429	3,519	2,587	TBA	TBA	932

Work started on phase 1 of the Council's Housebuilding Programme in October 2014 to construct 23 new homes for rent. This included 14 houses and 9 flats on four different sites in Waltham Abbey, after the fifth site was rejected. However, the works did not progress in line with the original contract period, which had a completion date of 13 November 2015. A certificate of non-completion was served on the contractor Broadway Construction Ltd, when liquidated and ascertained damages (LAD's) were deducted from each payment at a rate of around £10,200 per week. These damages were set to reflect the loss of rent for the properties and the cost of employing consultants to continue to manage the contract.

On 1 June 2016, with approximately 60% of the value of works completed, the Council terminated the contract with Broadway Construction Ltd as they were not regularly and diligently progressing with the works. As a result, the Council has secured the site and completed an inventory of works still to be completed, which is now being used to negotiate with an alternative contractor to complete the works. It is anticipated works will recommence on site in September 2016 with the two Roundhills sites and most of the Red Cross site completed by February 2017, the Harveyfields site ready by April 2017 and the two remaining duplex units on the Red Cross site completing in July 2017.

## HOUSE BUILDING PHASE 2

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	% ((E-C)/Cx100)	£'000 (C-D)
Feb-16	Mar-18	Mar-16	Apr-18	10,833	0	10,833	696	10,833	0%	10,137

Phase 2 of the Housebuilding Programme is now progressing, having achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. Tenders were issued to six contractors from the East Thames' approved list and five bids were submitted, with one contractor withdrawing. The five tenders received were opened by the housing portfolio holder in November 2015 in accordance with contract standing orders. Interviews were held in December 2015 with each of the two lowest tenderers to explore any qualifications as part of the evaluation process. The tenders were analysed by Pellings LLP, the employers agent acting on behalf of the Council's development agent East Thames, who recommended that Mullalley & Co Ltd be awarded the contract.

Cabinet subsequently approved the award of the contract to Mullalley & Co Ltd in the adjusted tender sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks. This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector.

It was originally anticipated that Mullalley & Co Ltd would take possession of the site in February 2016 with work commencing on site around June 2016 once the planning conditions were discharged and the detailed designs prepared and approved. Although timings have slipped a little, Mullalley & Co Ltd took possession of the Burton Road site in March 2016 and are actively progressing with the detailed design before they commence the build stage in August 2016.

## MAJOR CAPITAL SCHEMES

EPPING FOREST SHOPPING PARK											
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Latest Proposed Finish Date	Original Tender	Pre-Forecast	Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget %	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)		£'000 (C)	£'000 (D)	£'000 (E)	((E-C)/Cx100)	£'000 (C-D)
Mar-16	Oct-16	Sep-16	Jun-17	31,161	0		31,161	12,941	31,161	0%	18,220
<p>The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner. The costs allocated for S278 Highways Works as well as consultancy &amp; other professional fees.</p> <p>Delays have occurred obtaining a contractor for the main retail park due to the initial open OJEU process failing to attract any bids. Subsequently a restricted process was completed with the winning tender being from McLaughlin and Harvey in the sum of £10,300,000. A letter of intent has been issued with start on site confirmed as 12<sup>th</sup> September 2016. The contract is due to be signed in late August with a contract period of 37 weeks plus the Christmas break.</p> <p>The Section 278 works were tendered late in 2015 and awarded to Walkers Construction. Due to changes in personnel at ECC, a number of substantial changes have been added to the scheme increasing costs and the contract programme. With numerous technical issues originally outstanding and ECC having the final say on proceedings, progress has been extremely slow and it is now anticipated that final technical approval should be achieved no later than 5<sup>th</sup> September 2016. Walkers have already established a site presence in Chigwell Lane; their new revised contract of 40 weeks has risen to approximately £3,000,000.</p> <p>The marketing of the units has been progressing over the last year with the anchor tenants already having reached agreement. These being Next, Aldi, Smyths Toys, Mothercare, TJX (UK) Ltd and Hobbycraft, who account for in excess of 50% of the total sales area of the Retail Park. Once construction begins marketing will focus on the remaining generally smaller units which are anticipated to achieve higher rents than originally forecast. The current project plan anticipates a shell completion with ready for tenant fit in May/June 2017, and the opening of the park is expected to take place in September 2017.</p>											