

Supplementary Council Agenda



**Epping Forest
District Council**

Council Tuesday, 16th December, 2008

Place: Civic Offices, High Street, Epping
Room: Council Chamber
Time: 7.30 pm
Committee Secretary: Council Secretary: Ian Willett
Tel: 01992 564243 Email: iwillett@eppingforestdc.gov.uk

10. REPORT OF THE CABINET - CAPITAL STRATEGY 2008-13 (Pages 3 - 12)

To consider the attached revised pages 8 and 12 of the Strategy (pages 49 and 53 of the agenda /reports pack) and the revised Appendices 2(a), 2(b), 2(c) and 3(a) (b) following consideration by the Cabinet at its meeting last evening.

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Agenda Item 10

- (9) Invest £120,000 in the improvement and enhancement of Bakers Lane Car Park, Epping in 2009/10 (PE)
- (10) Invest £23,000 in capital works to leisure facilities in 2009/10 (IQL)
- (11) Invest £150,000 in fitness equipment at Loughton Leisure Centre in 2009/10 (IQL)
- (12) Invest £312,000 in improvements to HRA shopping areas in 2009/10 and £120,000 per year thereafter and invest £8,000 in capital works on an HRA commercial property in 2009/10 (PED)(R) (*)
- (13) Continue annual improvements to North Weald Market from 2009/10, at an inflation-linked cost of £61,000 to £63,000 per annum (PED)
- (14) Invest £50,000 in upgrading industrial units in 2009/10 (PED)
- (15) Invest £450,000 in General IT capital projects in 2009/10 and an annual sum of £300,000 thereafter (QPS)
- (16) Invest a further sum of £2,239,000 in information communications technology between 2009/10 and 2010/11 to meet the Government's targets for e-government and to implement a Customer Services Transformation Programme (QPS)
- (17) Invest £90,000 in the purchase and implementation of a cash receipting and income management system in 2009/10 (QPS);
- (18) Provide an annual sum of £350,000 for private sector housing grants from 2009/10 onwards (IPS)
- (19) Invest £672,000 in capital works within the civic offices improvements programme between 2009/10 and 2012/13 (all key priorities)

6.4 In addition to the above capital projects, a General Capital Contingency of £177,000 exists in the 2008/09 capital programme and a specific contingency for private sector housing grants of £310,000 per year also exists for a three year period from 2009/10 to 2011/12.

7. The Council's Capital Programme Forecast: 2008-2013

7.1 Having regard to the Council's Strategic Aims, the Council has formulated its five-year Capital Programme Forecast for General Fund and HRA capital projects, which totals £51,131,000 between 2008/09 and 2012/13, and is summarised below. The detailed Capital Programme is reproduced at Appendix 2 (a – c).

	2008/09	2009/10	2010/11	2010/11	2012/13	Total
	£000	£000	£000	£000	£000	£000
General Fund	4,693	7,812	3,786	2,060	1,470	19,821
HRA	8,207	6,840	5,421	5,421	5,421	31,310
Total	12,900	14,652	9,207	7,481	6,891	51,131

8. Housing Stock Options Appraisal

8.1 The Council's Cabinet selected the stock retention option after the Housing Stock Options Appraisal in November 2002, on the basis that the council would be able to meet the 2010 Decent Homes target. It is proposed to review the position after that date.

11. Income Generation and Funding the Programme

11.1 There are various sources of funding for capital projects, and it is important that opportunities to maximise such funding are taken. In most cases, the ability to undertake capital projects depends on the funding available; however, in some cases, action can be taken to increase funding for key projects. It is essential that the Council accurately forecasts the likely funding to become available over the period of the Five -Year Forecast, and regularly reviews those forecasts, making appropriate adjustments in the Programme. The funding forecast is detailed in Appendix 2(a.) As part of this process the Council will:

- Generate capital receipts from the sale of appropriate parcels of Council-owned land. The sale of the land at Merlin Way, North Weald and Church Hill car park, Loughton, have been put on hold pending an improvement in market conditions. However, the sale of the medical centre at North Weald has been agreed and it is anticipated that this should be finalised in the next financial year.
- Identify and maximise any opportunities for further capital receipts (eg through the release of restrictive covenants) and planning gain, having due regard to the effects on the local community of obtaining such windfalls and planning gains.
- Forecast the amount of usable capital receipts available to the Council over the next five-year period and estimated usage in a planned way as detailed in this Capital Strategy (see Appendix 3(a))
- Plan and monitor the use of the Major Repairs Fund for HRA capital investment (see Appendix 3(b))
- Undertake an assessment, at least quarterly, of the likely level of capital receipts and other income that will be available to fund capital expenditure over the period of the Five -Year Forecast.

11.2 Appendix 3(a) shows the latest forecast of capital receipt generation, their application and hence the likely level of resources available to fund new projects. The figures take into account the pooling arrangements, which were introduced on 1 April 2004, and recognise the end of the transitional relief arrangements that Epping Forest has been entitled to as a debt free authority for the past three years. The appendix shows that, based on current expenditure and projected receipts, usable capital receipts will be reduced to £12,672,000 by 31 March 2013 at the end of the programme period.

11.3 Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, if HRA capital receipts that are not received from Right to Buy Sales are used to finance expenditure on affordable housing or regeneration, there is no requirement for them to be pooled. The Council has therefore agreed that such capital receipts should be used to help fund the required expenditure on repairs and improvements for the Council's own housing stock.

11.4 The Five Year Capital Programme 2008-2013 will be funded as follows, subject to required annual variations to reflect actual funding availability:

	<u>£'000</u>
Grants	4,600
Revenue Contributions	8,227
Capital Receipts	15,471
Major Repairs Allow.	<u>22,833</u>
Total	<u>51,131</u>

**CAPITAL PROGRAMME
2008/09 to 2012/13 FORECAST**

Appendix 2(a)

	2008/09 Original £000	2008/09 Revised £000	2009/10 Forecast £000	2010/11 Forecast £000	2011/12 Forecast £000	2012/13 Forecast £000	5 Year Total £000
EXPENDITURE							
Finance & Performance Management	0	241	90	0	0	0	331
Corporate Support and ICT Services	1,298	678	1,394	2,107	380	300	4,859
Leisure & Young People	230	320	1,898	62	63	63	2,406
Environmental Protection	704	607	0	0	0	0	607
Planning & Economic Development	2,000	872	1,630	0	0	0	2,502
Civil Engineering & Maintenance	700	254	789	557	557	357	2,514
Total Non-Housing	4,932	2,972	5,801	2,726	1,000	720	13,219
Housing GF	2,027	1,721	2,011	1,060	1,060	750	6,602
HRA	8,815	8,153	6,790	5,371	5,371	5,371	31,056
Housing DLO	50	54	50	50	50	50	254
Total Housing	10,892	9,928	8,851	6,481	6,481	6,171	37,912
TOTAL	15,824	12,900	14,652	9,207	7,481	6,891	51,131
FUNDING							
DCLG Grant for DFG	232	289	290	290	290	290	1,449
DCLG Grant for Other Housing Gts	285	204	203	203	203	203	1,016
IEG Grant	0	51	0	0	0	0	51
PDG/HPDG Capital Grant	0	72	0	0	0	0	72
Big Lottery Grant	0	160	60	0	0	0	220
ECC Contributions	0	45	0	0	0	0	45
Private Funding	290	201	1,208	112	113	113	1,747
Total Grants	807	1,022	1,761	605	606	606	4,600
Housing GF (Use of Trans. Relief)	0	500	0	0	0	0	500
Housing GF (Other Capital Receipts)	1,510	728	1,518	567	567	257	3,637
Non Housing (Other Capital Receipts)	4,722	2,493	4,583	2,664	937	657	11,334
Total Capital Receipts	6,232	3,721	6,101	3,231	1,504	914	15,471
HRA - RCCO	1,135	1,135	1,829	1,763	1,750	1,750	8,227
HRA - MRR	7,650	7,022	4,961	3,608	3,621	3,621	22,833
Total Revenue Contributions	8,785	8,157	6,790	5,371	5,371	5,371	31,060
TOTAL	15,824	12,900	14,652	9,207	7,481	6,891	51,131

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CAPITAL PROGRAMME
2008/09 to 2012/13 FORECAST

2008/09 Original £000	2008/09 Revised £000	2009/10 Forecast £000	2010/11 Forecast £000	2011/12 Forecast £000	2012/13 Forecast £000	5 Year Total £000
Finance & Performance Management						
Youth Sports Facilities	0	64	0	0	0	64
Cash-Receipting & Income System	0	0	90	0	0	90
General Capital Contingency	0	177	0	0	0	177
Total	0	241	90	0	0	331
Corporate Support and ICT Services						
Civic Office Works	398	170	444	158	80	852
Planning Service Accommodation Works	0	15	0	0	0	15
General IT	400	285	450	300	300	1,635
Revenues & Benefits System	0	189	0	0	0	189
Land Charges System	0	19	0	0	0	19
Customer Services Trans Prog	500	0	500	1,649	0	2,149
Total	1,298	678	1,394	2,107	380	4,859
Leisure & Young People						
Loughton Leisure Centre	0	58	0	0	0	58
Ongar Leisure Centre : Extension	20	20	1,434	0	0	1,454
W Abbey Sports Provision Feasibility	0	6	0	0	0	6
Fitness Equipment - Loughton LC	0	0	150	0	0	150
Building Improvement Programme	0	0	23	0	0	23
N W Airfield Market Improvements	210	66	231	62	63	485
N W Airfield Fire Cover Vehicle	0	10	0	0	0	10
Children's Play Schemes	0	160	60	0	0	220
Total	230	320	1,898	62	63	2,406
Environmental Protection						
Bobbingworth Tip	681	539	0	0	0	539
Environ. Protection Equipment	0	45	0	0	0	45
Safer Cleaner Greener	23	23	0	0	0	23
Total	704	607	0	0	0	607
Planning & Economic Development						
Loughton Broadway TCE	2,000	800	1,580	0	0	2,380
Upgrade of Industrial Units	0	0	50	0	0	50
PDG/HPDG Capital Schemes	0	72	0	0	0	72
Total	2,000	872	1,630	0	0	2,502
Civil Engineering & Maintenance						
Parking & Traffic Schemes	421	142	200	200	200	742
Housing Estate Car Parking	127	28	439	327	327	1,448
Bakers Lane Car Park	0	0	120	0	0	120
Flood Alleviation Schemes	130	62	0	0	0	62
Grounds Maint Plant & Equipt	22	22	30	30	30	142
Total	700	254	789	557	557	2,514
TOTAL NON-HOUSING PROGRAMME	4,932	2,972	5,801	2,726	1,000	13,219

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**CAPITAL PROGRAMME
2008/09 to 2012/13 FORECAST**

Appendix 2(c)

	2008/09 Original £000	2008/09 Revised £000	2009/10 Forecast £000	2010/11 Forecast £000	2011/12 Forecast £000	2012/13 Forecast £000	5 Year Total £000
Housing General Fund							
Contribution to Affordable Housing							
Estuary H.A.schemes	500	845	155	0	0	0	1,000
The Quarter, Ongar (L&Q)	0	85	0	0	0	0	85
Total Affordable Housing Contributions	500	930	155	0			1,085
Disabled Facilities Grants	632	400	400	400	400	400	2,000
Other Private Sector Grants	375	280	350	350	350	350	1,680
Private Sector Capital Contingency	0	0	310	310	310	0	930
Home Ownership Grants Scheme	170	102	68	0	0	0	170
Open Market Shared Ownership Scheme	350	0	350	0	0	0	350
Alfred Road Drainage Works	0	9	0	0	0	0	9
CPO 8/8A Sun Street, W. Abbey	0	0	378	0	0	0	378
TOTAL HOUSING GENERAL FUND	2,027	1,721	2,011	1,060	1,060	750	6,602
Housing Revenue Account							
Springfields, Waltham Abbey	3,237 *	3,113	0	0	0	0	3,113
Norway House Improvements	50 *	62	50	50	50	50	262
Hemnall House Conversion	0	0	0	0	0	0	0
Communal TV Upgrade	236	243	0	0	0	0	243
Heating/Rewiring	1,070 *	1,070	1,100	1,040	1,040	1,040	5,290
Windows/Roofing/Asbestos/Water Tanks	890 *	810	930	940	940	940	4,560
Other Planned Maintenance	468	382	493	380	380	380	2,015
Total Planned Maintenance	5,951	5,680	2,573	2,410	2,410	2,410	15,483
Structural Schemes	478 *	367	285	635	635	635	2,557
Cyclical Maintenance	15 *	10	23	5	5	5	48
Small Capital Repairs	400 *	417	400	350	350	350	1,867
Cost Reflective Repairs	948 *	1,000	2,067	878	878	878	5,701
Non-Cost Reflective Repairs	438	230	939	628	628	628	3,053
Disabled Adaptations	410	394	430	450	450	450	2,174
Other Repairs and Maintenance	160 *	24	58	0	0	0	82
Feasibilities	15	31	15	15	15	15	91
TOTAL HRA	8,815	8,153	6,790	5,371	5,371	5,371	31,056
Housing DLO Vehicles	50	54	50	50	50	50	254
TOTAL DLO	50	54	50	50	50	50	254
TOTAL HOUSING PROGRAMME	10,892	9,928	8,851	6,481	6,481	6,171	37,912

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CAPITAL RECEIPTS
2008/09 to 2012/13 FORECAST

	2008/09 Original £000	2008/09 Revised £000	2009/10 Forecast £000	2010/11 Forecast £000	2011/12 Forecast £000	2012/13 Forecast £000	5 Year Total £000
Receipts Generation							
Housing Revenue Account	2,900	900	1,080	1,080	1,080	1,080	5,220
General Fund	0	0	0	0	0	0	0
Total Receipts	2,900	900	1,080	1,080	1,080	1,080	5,220
Receipts Analysis							
Usable Receipts	831	227	273	273	273	273	1,319
Payment to Govt Pool	2,069	673	807	807	807	807	3,901
Total Receipts	2,900	900	1,080	1,080	1,080	1,080	5,220
Usable Capital Receipt Balances							
Opening Balance	25,877	26,824	23,330	17,502	14,544	13,313	26,824
Usable Receipts Arising	831	227	273	273	273	273	1,319
Use of Transitional Relief Receipts	0	(500)	0	0	0	0	(500)
Use of Other Capital Receipts	(6,232)	(3,221)	(6,101)	(3,231)	(1,504)	(914)	(14,971)
Closing Balance	20,476	23,330	17,502	14,544	13,313	12,672	12,672

Appendix 3(b)

MAJOR REPAIRS RESERVE
2008/09 to 2012/13 FORECAST

	2008/09 Original £000	2008/09 Revised £000	2009/10 Forecast £000	2010/11 Forecast £000	2011/12 Forecast £000	2012/13 Forecast £000	5 Year Total £000
Opening Balance	3,010	7,290	4,886	4,573	5,638	6,716	7,290
Major Repairs Allowance	4,605	4,618	4,648	4,673	4,699	4,699	23,337
Use of MRR	(4,239)	(7,022)	(4,961)	(3,608)	(3,621)	(3,621)	(22,833)
Closing Balance	3,376	4,886	4,573	5,638	6,716	7,794	7,794

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