

Capital Strategy 2007/2012



INVESTOR IN PEOPLE

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Epping Forest District Council

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1. Introduction

1.1 Epping Forest District Council is committed to providing high quality and improving services to the community and capital investment in the form of large scale one-off projects plays a vital role in achieving this objective. It is essential that a strategic approach is taken, having regard to the Council's aims and priorities, and that the Council's Capital Strategy is formulated in consultation with the community. The capital resources available to fund capital investment must also be taken into account and every effort is made to maximise the generation of income in the form of capital receipts. At the same time, projects must be properly planned, managed and reviewed to ensure that best value is achieved. This Capital Strategy has been produced to accord with the latest guidance on capital accounting arrangements for local government.

1.2 The Council's Capital Strategy has previously been assessed by the Government Office as "Good" (the highest assessment), which means that it no longer needs to be submitted to the Government Office for further assessments. Although not required by Central Government, this Council's Capital Strategy is reviewed and revised annually, to ensure that it continues to be up to date and purposeful.

2. The Council's Medium Term Aims and Priorities

2.1 This Capital Strategy is a key "high level" strategic document that is linked to, and complements, other key corporate and strategic documents produced by the Council and its partners. The documents that influence and are influenced by the Capital Strategy are summarised at Appendix 1 and the Council ensures that the links between these documents are maintained and updated annually.

2.2 The Council has clear aims and priorities for the District, which are embraced in the Council Plan. The latest Council Plan was approved in July 2006 and is linked with a five- year Financial Plan, which sets out the Council's strategic approach, including its approach to delivering its Local Agenda 21 objectives. Detailed annual plans are set out in the Council's Best Value Performance Plan 2007/08, which was adopted in June 2007. These plans must be read in conjunction with this Capital Strategy, since they form the agenda on which this Strategy will deliver.

2.3 The Council's vision and overall strategic aim is to promote a safe, healthy and attractive place in which to live and work through the application of the following medium term priorities:

- (a) By maintaining the special character and advantage of the District, and addressing local environmental issues;
- (b) By addressing key housing need;
- (c) By creating safer communities;
- (d) By addressing leisure need; and
- (e) By encouraging sustainable economic development.

2.4 Beneath the Council's vision and strategic aims lie individual priorities, which are set out in the Council Plan, and are linked to the themes of the Community Strategy. The Capital Strategy works to support and implement these themes which are given below:

- (a) Green and unique;
- (b) Homes and neighbourhoods;
- (c) A safe community;
- (d) Fit for life;
- (f) Economic Prosperity.

2.5 The Local Strategic Partnership (LSP) of the statutory and voluntary agencies that work in the district published the Community Strategy for the Epping Forest District, in April 2004. The latest Council Plan has recognised it, and its aspirations are therefore embraced within the Capital Strategy. The Community Strategy addresses the key challenges facing the District over the next sixteen years, including the likelihood of significant housing growth and its potential impact on the environment, as well as issues such as local health and transport provision. The LSP carried out extensive

consultation with residents and stakeholders to produce the strategy, and will monitor the progress of its constituent agencies in achieving the aims of the Community Strategy.

2.6 The Capital Strategy recognises the importance played by the Asset Management Plan (AMP), co-ordinating and balancing asset requirement and service provision with corporate objectives and economic factors. Epping Forest District Council received a “Good” for its AMP when last assessed in 2003 and, as a consequence, there is no requirement to make further submissions for assessment. Nevertheless, the Council has continued to update the core data and national performance indicators each year, which have been forwarded to the Institute of Public Finance Asset Management Plan Network for comparison with other member authorities, and a new AMP 2007-2012 was adopted by the Council in July 2007.

3. Previous Capital Investment Achievements

3.1 The Council has a good track record of successfully delivering capital schemes, recent examples include:

- The conversion of the old weight room and squash courts to a new fitness suite and movement studio at Ongar Leisure Centre, which has greatly improved the leisure provision at this centre;
- The completion of phases 1 and 2 of the town centre enhancement works in Loughton High Road;
- The completion of phase 1 of the town centre enhancement works at Loughton Broadway
- The smooth transfer of Wickfields, a sheltered housing scheme in Chigwell, to Warden Housing in order for the bed-sit accommodation to be converted into self contained flats
- The successful implementation of new ICT Systems such as the TEN Performance Management system, the technical upgrade of internet security, CAPITA Internet Payment modules, Anite@Work (Electronic Records and Document Management System -ERDMS) in Planning and the Revenues and Benefits system. The implementation of the latter allowed the Docs Online implementation to go ahead;
- An ongoing programme of capital repairs and improvements to the Council's housing stock that enabled the Council to achieve a reduction of a third in the number of non-decent homes between 2000 and 2003, one year earlier than the Government's target, and providing a sound base on which to meet the Government's additional target of ensuring that all the Council's homes are decent by 2010;
- The introduction of a new system of waste management through the investment in wheeled bins and lifting equipment throughout the District to increase the Council's recycling performance;
- An extensive capital programme of Disabled Adaptations for tenants in council accommodation and grants to residents in private housing;
- The resurfacing of two of the Council's car parks at Cottis Lane, Epping and Queen's Road, Buckhurst Hill;
- The completion of an essential health and safety improvement programme on the District's flood alleviation infrastructure.

4. Formulating the Council's Key Capital Priorities – The Corporate Framework

4.1 Section 2 sets out the Council's medium term aims and priorities. Each year, the Council re-assesses its key capital priorities on a corporate basis, having regard to:

- The Council's aims and priorities
- The Council's financial position
- The capital priorities of the Council's key partners
- The Council's ability to influence other partners' plans through the use of its capital resources
- Service Development and Improvement Plans.

4.2 This annual re-assessment is undertaken in a methodical way. In the first instance, the Council's Management Board formulates its draft Capital Strategy, having regard to the above factors and the views of the Council's Service Directors. The draft Strategy is then considered by the Portfolio Holder for Finance and Performance Management and Corporate Support Services, who has lead responsibility for its formulation and delivery, and presents a final draft to the Cabinet. In recognition of its importance, this Capital Strategy is approved each year at a meeting of the full Council.

4.3 It is essential that potential capital schemes that advance the Council's key capital and strategic priorities be prioritised, having regard to the capital resources available. Therefore, project appraisals are undertaken for all capital schemes in excess of £2,000,000 (and appropriate schemes of lesser amounts) that;

- Assess how the project will meet the Council's Strategic Aims
- Provide estimates of expenditure
- Examine appropriate options
- Set out any relevant consultation arrangements
- Identify the most appropriate method of procurement
- Explain the proposed method of project monitoring and review
- Provide an assessment of key risks and their management.

4.4 Capital projects that meet the Council's Aims are then selected and prioritised through detailed discussion and evaluation by the Council's Cabinet, having regard to project appraisals and other relevant information.

Service Development and Improvement Plans

4.5 Under the best value regime, the Council has undertaken comprehensive service reviews of some of its services. Following these reviews, detailed Service Development and Improvement Plans are formulated to ensure continuous improvement in service delivery. A number of these plans include capital schemes, which the Council takes into account when formulating its Capital Strategy.

Revenue Implications

4.6 When appraising potential capital schemes, it is essential that the associated revenue implications be assessed, since these can be an important factor in deciding whether a scheme should be undertaken and, indeed, its relative priority compared with other projects. The project appraisals therefore require the associated revenue implications to be identified. Once identified and approved, the Council's Director of Finance and ICT incorporates the revenue implications within the Council's revenue budget and monitors expenditure accordingly.

5 The Council's Key Capital Priorities – 2007-2012

5.1 The Council has adopted the "Nottingham Declaration" and is thereby committed to managing its internal processes in a way that mitigate and adapt to the potential effects of climate change. Therefore, in considering individual capital items and the programme overall, the Council will give due consideration to the environmental consequences of its intentions in respect to issues such as sustainability, energy and waste management endeavouring at all times to reduce potential effects upon the environment

5.2 Following the process outlined in Section 4 above, the Council has identified the following Key Capital Priorities, which are ranked, as shown below, in order of strategic importance to the District, having regard to the Council's aims and priorities. The abbreviations in italics cross-reference with the key capital schemes in Section 6. The priorities in brackets relate to last year's Capital Strategy:

Priority	Key Capital Priority	Abb	Main Link to Aims & Priorities
1 (1)	Improving the Council's housing stock	(ICS)	<ul style="list-style-type: none"> • Address key housing need • Procure services in the most beneficial and cost effective way
2 (7)	Meeting housing need	(MHN)	<ul style="list-style-type: none"> • Address key housing need
3 (6)	Improving quality of life	(IQL)	<ul style="list-style-type: none"> • Maintain the special character and advantage of the District, and address local environmental issues • Address key housing need • Address leisure need
4 (5)	Protecting the environment	(PE)	<ul style="list-style-type: none"> • Maintain the special character and advantage of the District, and address local environmental issues
5 (3)	Promoting economic development	(PED)	<ul style="list-style-type: none"> • Encourage sustainable economic development
6 (4)	Regenerating areas in need	(R)	<ul style="list-style-type: none"> • Address key housing need • Create safer communities • Encourage sustainable economic development • Co-operate and plan with partners
7 (2)	Delivering quality public services through e-government	(QPS)	<ul style="list-style-type: none"> • Develop services, staff and the working environment
8 (8)	Improving private sector housing stock	(IPS)	<ul style="list-style-type: none"> • Address key housing need

5.3 Members have reprioritised the Key Capital Priorities taking into account the Council's current initiatives including the additional resources now being devoted to meeting housing need through the introduction of the Home Ownership Grants scheme and the adoption of the "Nottingham Declaration" mentioned above which highlights the importance of protecting the environment.

5.4 Due to the amount of capital receipts that are currently being held by the Council, significant levels of income from investment interest are being generated. This is beneficial to the General Fund and Housing Revenue Account, since they provide additional revenue income. However, the use of these capital receipts to fund capital projects will reduce the amount of interest received, with a consequential detrimental effect on Revenue income. Therefore, in addition to the Key Capital Priorities set out above, the Council has also adopted a policy of actively seeking the investment of capital resources in revenue-generating assets, in order to minimise the detrimental effect of capital receipt usage on the Council's Funds.

6. Key Capital Schemes: 2007- 2012

6.1 Having considered various options for capital investment, the Council has formulated its Capital Programme to meet its Key Capital Priorities. The committed and proposed schemes are set out below. The *proposed* schemes are ranked in a priority order, to assist with varying the future programme if future funding is different from anticipated, or if other schemes with higher priority are identified. The abbreviations in brackets cross-reference with Section 5 above. Schemes funded by the Housing Revenue Account are marked (*).

6.2 The Council will undertake the following *committed* capital projects between 2007-2012 including slippage from 2006/07:

- Continue to renovate and improve the Council's housing stock, through the capital investment of £4,825,000 for committed schemes in 2007/08 (ICS/IQL) (*)
- Invest £3,854,000 over the next two years in an extensive improvement scheme at Springfields, Waltham Abbey (ICS/IQL) (*)
- Invest £743,000 in information communications technology in 2007/08, including the capital costs of installing a new revenues and benefits system, completing the installation of a new land charges system, opening a second computer suite at the civic offices and continuing the General IT programme of improvements (QPS).
- Invest £800,000 in the purchase of the refuse collection and street cleansing fleet (PE)
- Invest £1,000,000 in 2006/07 and 2007/08 developing a number of under-utilised and vacant sites within the Council's ownership (e.g. difficult-to-let garage blocks) to increase the amount of affordable housing in the District in partnership with Estuary Housing Association (MHN/R/PE)
- Provide a social housing grant of £735,000 to the London and Quadrant Housing Trust, to fund additional affordable housing within the District (MHN)
- Complete work on phase 1 and progress work on phase 2 of the town centre enhancement scheme at The Broadway, Loughton at a cost of £2,165,000 in 2007/08 and 2008/09((PED)
- Complete the remedial works at Bobbingworth Tip at an estimated cost of £1,681,000 over the next two years (PE)
- Provide £500,000 for private sector disabled facilities grants and £462,000 (*) for adaptations to Council properties in 2007/08 (IQL)
- Invest £200,000 in parking and traffic associated management schemes and £39,000 in housing estate off street parking schemes throughout the District in 2007/08 (* £22,000 of the latter to be funded from HRA) (PE)
- Provide £275,000 for private sector renovation grants in 2007/08 (IPS)
- Provide £162,000 for improvements to HRA shopping areas in 2007/08 (PED)(R) (*)
- Provide contributions of £132,000 towards the cost of Youth Sports Facilities at various locations throughout the District in 2007/08 as the final part of the 3 year programme totalling £300,000 which commenced in 2005/06 (IQL)
- Undertake improvements to the infrastructure at North Weald Airfield in 2007/08, at a cost of £110,000, to facilitate major outdoor events, including the Saturday and Bank Holiday Market (PED)
- Invest £200,000 in essential reinstatement works on Principal Ordinary Watercourse and flood alleviation infrastructures throughout the District over the next two years (PE)
- Invest the Planning Delivery Capital Grant of £65,000, receivable in 2007/08, in the improvement of planning services (PE)

- Invest £51,000 and £53,000 in 2007/08 to finance the replacement of Housing DLO vehicles and grounds maintenance plant and equipment respectively to ensure effective and efficient services in both areas (ICS) (*) and (PE)
- Invest £378,000 to fund a compulsory purchase order of a property in Waltham Abbey to facilitate the re-development of the area with a view to the ultimate net cost to be in the order of £28,000 on resale of the property (PED/MHN)
- Invest £62,000 in capital works at the civic offices as part of the improvements programme in 2007/08 (all key priorities)
- Invest £15,000 in two replacement messenger vehicles in 2007/08 (all key priorities)
- Spend £171,000 on contractual commitments for completed schemes and fund small capital items

6.3 The Council will undertake the following *proposed* capital projects, ranked in priority order, between 2007-2012:

- (1) Continue to renovate/improve the Council's housing stock, through the capital investment of £18,552,000 between 2008/09 and 2011/12 (ICS/IQL) (*)
- (2) Provide £170,000 within the 2008/09 Housing General Fund Capital Programme to pilot a new Home Ownership Grants Scheme (MHN)
- (3) Continue to invest annual sums of up to £50,000 and £25,000 per year in Housing DLO vehicles and grounds maintenance plant from 2008/09 (ICS) (*) and (PE)
- (4) Provide £632,000 in 2008/09 and £500,000 per annum thereafter for private sector disabled facilities grants and annual sums of £410,000 to £450,000 from 2008/09 (*) for adaptations to Council properties (IQL)
- (5) Construct off street parking schemes on housing estates at a cost of £288,000 in 2008/09 (*£161,000 from HRA funds) and £80,000 per annum thereafter, (*£43,000 from HRA funds) (IQL)
- (6) Provide £23,000 towards new changing room facilities for users of the playing pitches at Ongar Leisure Centre (IQL).
- (7) Continue to invest in parking and associated traffic management schemes through a budget of £421,000 in 2008/09 and £200,000 per annum thereafter (IQL)
- (8) Invest £55,000 in improvements to HRA shopping areas in 2008/09 and £120,000 per year from 2009/10 onwards (PED)(R) (*)
- (9) Continue annual improvements to North Weald Market from 2008/09, at an inflation-linked cost of £60,000 per annum (PED)
- (10) Invest an additional one-off sum of £150,000 in 2008/09 for the resurfacing of the Meadow Area at North Weald Market to be funded from a contribution from Rondeau General Merchants Limited (PED)
- (11) Invest £400,000 in General IT capital projects in 2008/09 and an annual sum of £300,000 thereafter (QPS)
- (12) Invest a further sum of £2,239,000 in information communications technology between 2008/09 and 2009/10 to meet the Government's targets for e-government and to implement a Customer Services Transformation Programme (QPS)

(13) Provide an average of £376,000 between 2008/09 and 2011/12 for private sector renovation grants (IPS)

(14) Invest £473,000 in capital works within the civic offices improvements programme between 2008/09 and 2011/12 (all key priorities)

7. The Council's Capital Programme Forecast: 2007-2012

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 £49,660,000 between 2007/08 and 2011/12, and is summarised below. The detailed Capital Programme is reproduced at Appendix 2 (a – c).

	2007/08	2008/09	2009/10	2010/11	2011/12	Total
	£000	£000	£000	£000	£000	£000
General Fund	6,185	6,561	3,453	1,503	1,385	19,087
HRA	6,139	8,865	5,327	5,121	5,121	30,573
Total	12,324	15,426	8,780	6,624	6,506	49,660

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.

9. Working in Partnership

9.1 The Council places great emphasis on the importance of working in partnership with other councils and organisations to meet the objectives and responsibilities of all parties. The Council regards partnerships as an effective way of achieving many of its aims and priorities and delivering service improvements or, in some cases, new services where none currently exists. Partners have three main, and important, roles:

- To provide information, views and feedback on Council proposals as part of the consultation process set out in the Council's Consultation Strategy.
- To provide required services identified and facilitated by the Council, where best value can be obtained through the provision by the partner. This may involve the provision of funding by the Council.
- To work in partnership with the Council to jointly deliver the Council's aims and priorities, where both the Council and the partner provide funding.

9.2 The Council is committed to continuing to identify and secure opportunities for best value through either an external partner undertaking capital projects or jointly funding/undertaking projects in a partnership arrangement. The Council will also consult key partners on appropriate capital projects, in accordance with the Council's Consultation Strategy, to obtain views and feedback on proposals.

Cross-Cutting Themes

9.3 The Council works effectively with its partners and has an excellent record of working in partnership with other organisations to achieve our mutual objectives and to obtain best value. The main partners

with whom the Council works on capital schemes are listed at Appendix 4. Examples of cross-cutting partnership working include:

- Forming Town Centre Partnerships for the six main towns in the District to improve and enhance the town centres and to facilitate economic growth.
- Working with registered social landlords for the provision of new affordable housing.
- Creating and working with Town Centre Focus Groups, comprising local councils, town centre partnerships, traders associations, and voluntary organisations in the design of the town centre enhancement schemes.
- Working with the Primary Care Trust and Parish Council to dispose of Council-owned land in North Weald to provide housing and a health centre.
- Working with Parish Councils to provide improved outdoor youth facilities by means of jointly funded schemes.
- As part of the externalisation of leisure management, the Council's partner Sports and Leisure Management Ltd (SLM) has invested £1,300,000 in improvements to leisure facilities in addition to the Council's contribution of £430,000 in the first year of their contract.
- Undertaking parking and traffic management reviews with Essex County Council.
- Working with the Environment Agency to manage flood risk to the residents of the District by management of main river watercourses and associated flood defence assets.
- As a result of the Licence Agreement with the market operator, Rondeau General Merchants Limited, a sum of £60,000 per annum (subject to Retail Price Index increases) is invested in the infrastructure of North Weald Airfield.

Cross-border working

9.4 In order to meet its aims and priorities and deliver its Capital Strategy effectively, not only must the Council work in partnership with other agencies, it must also work across traditional geographical boundaries. Such cross-border working brings a more cohesive approach to achieving objectives and also benefits from economies of scale and shared expertise. Some of the initiatives relevant to this Capital Strategy are listed below:

- The Council is working in partnership with Uttlesford, Harlow and East Herts District Councils and the Essex Economic Partnership to develop a West Essex and East Herts Economic Strategy.
- A partnership exists with Brentwood BC, Uttlesford DC, the three Primary Care Trusts and Essex Social Care to develop a Young Parent Scheme, whereby young parents from across West Essex can receive support with parenting skills and gain mutual support from each other. By working together, we are endeavoring to meet an important need across all three areas, which would be unviable for each local district to try to meet, because of insufficient need in each individual area. Capital funding is being sought from the Housing Corporation.
- The Council has led the formation of the Herts and Essex Housing Options Consortium, comprising the Council, its five neighbouring local authorities and all the registered social landlords that work in the six districts, to jointly commission a choice based lettings scheme across the whole area. The capital and revenue costs of implementation and operation are being shared amongst all the local authorities; the Consortium successfully bid for £96,000 grant (of which £43,000 is for capital purposes) from the DCLG to assist with these costs.

- The Council is an active member of the Waste Management Advisory Board. The County Council with its district & borough partners is procuring long term waste management and disposal capital infrastructure via (currently) a PFI bid to government.

10. Procurement and Use of Private Sector Initiatives

10.1 The Council generally undertakes capital projects itself, procuring the works through competition. However, opportunities for delivering and procuring capital schemes through the private sector are continually being identified and appraised where appropriate. Particular emphasis is placed on adopting the Egan principles as part of the procurement of large schemes and the Council has already adopted these principles to obtain benefits in the following ways:

- The Council has worked with a number of Registered Social Landlords and has adopted a partnering approach with developers for the procurement and provision of new affordable housing schemes
- A partnering agreement has successfully been adopted for the use of consultants to deliver the Council's increased housing maintenance and improvements programme, since 1 April 2003.
- The Council has also entered into partnering agreements with maintenance contractors to undertake the Council's
 - Kitchen and Bathroom Replacement Programme and Heating Kitchen and Bathroom Replacement Programme
 - Heating Improvement Programme
 - External Repairs and Decorations Programme
 - Servicing and repair of gas appliances in Council properties
 in order to ensure that the Government's "decent home" target is met.
- A partnering contract has been used for the leisure management contract with SLM.
- Bobbingworth former landfill site is being restored to prevent pollution of the local environment, the project is being implemented under a Target Price partnering regime. .
- A fixed term partnering contract has been used for carrying out watercourse maintenance works, the contract is subject to annual renewal based on a performance assessment.
- The waste management contract has within it the requirement to establish a Partnership Board.

10.2 The Council will continue to consider the use of the Private Finance Initiative (PFI) and Public Private Partnerships (PPP) for appropriate capital schemes. It will also continue to adopt, and encourage partners undertaking capital projects to adopt, the principles relating to sustainability and the reduction of construction costs set out in Sir John Egan's Report on "Rethinking Construction" wherever possible.

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 a parcel of Council-owned land at and Merlin Way, North Weald where terms have been agreed with the Epping Forest Primary Care Trust for the sale of a 0.25 hectare site for a new medical centre. Also, outline planning consent has recently

been granted for Class B1 (light industrial) and Class B8 (storage and distribution) development on a 0.38 hectare site. The closing date for freehold offers is 18 January 2008.

- 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 From April 2004, the Government requires 75% of capital receipts from Right to Buy sales and 50% from other HRA capital receipts (i.e. not from Right to Buy sales) to be “pooled” and paid to Central Government. However, as a “debt free” authority, this Council has been eligible for “transitional relief” between 2004/05 and 2006/07. This allowed authorities to retain up to 75% of the receipts that should be pooled in the first year, reducing to 50% and 25% in subsequent years. The transitional arrangements ceased in 2007/08. The total sum of capital receipts retained by the Council through transitional relief between 2004/05 and 2006/07 was £5,845,000, which had to be ring-fenced for housing and improvements to HRA assets. The Council invested £4,725,000 of this funding in its own housing stock, to ensure that all its properties meet the Government’s Decent Home Standard by 2010. A further £120,000 was utilised as funding towards the shortfall of Government funding on the Disabled Facilities Grants and a balance of £1,000,000 remains unapplied which has been earmarked to fund capital contributions towards affordable housing in 2007/08.

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 2007-2012 will be funded as follows, subject to required annual variations to reflect actual funding availability:

	<u>£’000</u>
Grants	3,056
Revenue Contributions	7,562
Capital Receipts	16,431
Major Repairs Allow.	<u>22,611</u>
Total	<u>49,660</u>

12. Performance Measurement and Monitoring

12.1 As part of its performance management to deliver capital schemes, the Council sets appropriate targets. Progress and performance is then monitored, on an ongoing basis, from conception to completion of the project, with a formal review undertaken after completion. There are a number of targets that are applied to all capital schemes, including the following:

- Total actual out-turns for works, fees and other expenditure should amount to no more than 105%, and no less than 95%, of the project estimate formulated on receipt of tenders or confirmation of works costs.

- Works should commence no later than 3 months after the receipt of tenders.
- Final accounts should be approved no later than 9 months after practical completion.

12.2 Once capital projects have been implemented, progress against key milestones, and actual expenditure compared to budget, are monitored on a regular basis. Capital projects are also reviewed to ensure that any problems or difficulties are identified, and action taken to minimise similar problems occurring on other projects. This is undertaken through officer project teams that are established for capital projects, in excess of £2,000,000. Project teams:

- Plan, manage and review projects and ensure effective financial management.
- Monitor expenditure, estimated out-turn, variances to budget, potential claims and overspends, levels of contingencies, and implications of deviations from critical paths.

12.3 On completion of schemes, post-contract evaluation is undertaken using the methodology recommended by the Audit Commission in its “Guidance on Capital Programmes and Construction Projects”.

12.4 Progress monitoring and review is not only undertaken by officers, but also by members at a strategic level. Capital projects are included within Service Business Plans, which are monitored by portfolio holders and the Overview and Scrutiny Committees. Regular monitoring reports are also provided to the appropriate “client” portfolio holder for contracts in excess of £2,000,000, comprising information on progress, identified problems and the latest financial position. Portfolio holders are required to report to the Cabinet on any anticipated overspends in excess of 5%, giving the reasons and any available options for savings. The quarterly monitoring reports submitted to the Finance and Performance Management Scrutiny Panel now also include data on major capital schemes.

13. Depot Rationalisation

13.1 As part of the Council’s overall restructuring programme, the rationalisation of its depots is being investigated and assessed. This includes an investigation into the potential disposal of the remaining land assets at Langston Road; the refurbishment of Town Mead Depot, Waltham Abbey, in conjunction with the Town Council; and an investigation into the future of Epping Town Depot.

13.2 For this rationalisation process to proceed it will be necessary to investigate the options for relocation of the existing depot at Langston Road to an alternative location, such as to land owned by the Council as part of North Weald Airfield and to relocate the grounds maintenance service to an alternative location in Loughton, such as land owned in Oakwood Hill or the existing depot at Town Mead Waltham Abbey.

13.3 Clearly there will be resource implications from the above changes, however until there is greater clarity over which of the alternatives will be pursued it is prudent not to insert estimates at this stage but to adopt the principle that for any such rationalisation to move forward there must be an overall financial benefit to the Council.

**Key Strategic Council Documents that Complement and
link
with the Capital Strategy**

Council Plan (2006-2010): Sets out the Council's aims and medium term priorities, together with more detailed strategies for meeting the aims and priorities

Community Strategy: Produced by the Local Strategic Partnership, sets out a long term Vision and objectives for the Epping Forest District.

Best Value Performance Plan: Reports on performance in the previous year, and sets out the Council's plans for the following year, together with performance targets.

Asset Management Plan: Sets out, annually, how the Council will manage its assets.

Housing Strategy: Sets out the Council's main housing strategies for meeting housing need, new housing provision, associated planning policies, private sector housing, community care, housing benefits and the management and maintenance of the Council's own stock. Separate detailed Housing Service Strategies provide more detailed information in key areas

HRA Business Plan: Produced annually, provides medium and long term financial forecasts for the Housing Revenue Account (HRA), a comprehensive stock valuation broken down into asset groups, option appraisals (where relevant) and an Asset Management Plan for the HRA, incorporating the Council's Repairs and Maintenance Business Plan.

Adopted Local Plan: Sets out the Council's policies for the control of development, makes proposals for the development and use of land, and allocates land for specific purposes. It also influences the infrastructure and economic development of the District to meet the needs of the community.

Transport Strategy: Sets out the Council's local highway and transport policies within the overall context of the County Council's (Highway's Authority's) strategic Transport Plan and bid submission to the ODPM.

Consultation Strategy: Sets out how the Council will consult local residents and other stakeholders on relevant issues relating to the formulation of strategies, setting of targets, delivery of services and review of performance.

Information Technology Strategy: Sets out the Council's strategies, standards and targets for the planning, procurement and management of information technology.

E-Government Statement: Sets out the Council's approach to implementing the delivery of all Council services through electronic means (eg the internet, public access points) by 2006

Feasibility Studies: Produced for individual capital projects to ensure that all options are properly appraised.

Service Strategies/Plans: Provide detailed objectives, policies, targets, financial and human resourcing requirements and performance reviews for individual services.

Crime & Disorder Strategy: Sets out the Council's approach to reducing crime and disorder within the District.