



Capital Strategy 2009/2014



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 established clear aims and priorities for the District, which are set out in the Council Plan 2006-2010. The Plan is currently under review and is being refreshed in line with the Local Strategic Partnership's new Sustainable Community Strategy. Currently the subject of extensive consultation, the Sustainable Community Strategy will replace the Community Strategy as the overarching key strategic plan for the Epping Forest District. As well as the Council Plan being aligned to the Sustainable Community Strategy, the Core Strategy of the Local Development Framework will seek to deliver many of the Sustainable Community Strategy's aspirations. These plans should be read in conjunction with the Capital Strategy, (whilst accepting that they are still in development), since they are instrumental in determining the Council's strategic priorities.

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 The Capital Strategy recognises the importance played by the Asset Management Plan (AMP), coordinating 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 phases 1 and 2 of the town centre enhancement works at Loughton Broadway;
- The successful implementation of new ICT Systems including an ICT Helpdesk, improvements in all aspects of security, further development of the Website, Planning Public Access Module, Anti Social Behaviour module as well as continued involvement with the Capita, Revenues and Benefits, Academy System.
- The successful purchase of the refuse and street cleansing vehicles following the former waste management service provider going into Administration in 2006.
- The introduction of a new system of waste management, including a new food and gardening recycling system, through the investment in wheeled bins, lifting equipment and caddies throughout the District to increase the Council's recycling performance;
- 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;
- An extensive capital programme of Disabled Adaptations for tenants in council accommodation and grants to residents in private housing;
- A programme of private sector Decent Homes Grants has been introduced to enable vulnerable homeowners to either improve their living conditions or bring them fully up to the Decent Homes Standard.
- Near completion of remediation works at the former waste site at Bobbingworth.
- A programme of rehabilitation of the flood alleviation schemes that were constructed by the Council or which were on its land. This has ensured a proactive approach to flood risk management and will reduce the risk of flooding.

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, 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.

Revenue Implications

4.5 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 – 2009-2014

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. ICT are proposing a server virtualization project, which will vastly reduce the number of servers required and should provide significant savings in electricity.

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 (2)	Meeting housing need	(MHN)	<ul style="list-style-type: none"> • Address key housing need
2 (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
3 (3)	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 (4)	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 (5)	Promoting economic development	(PED)	<ul style="list-style-type: none"> • Encourage sustainable economic development
6 (6)	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 (7)	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 The Key Capital Priorities have been re-assessed and re-ranked to reflect Members' recognition of the Council's role in meeting housing need in the District. An initiative to investigate the benefits of establishing a new Local Housing Company is now underway to take on board the new challenges facing housing services. While meeting housing need becomes priority 1, improvement of the Council's own stock moves down to number 2; this recognises the substantial improvements already made towards the Decent Homes initiative which is on target to be achieved in full by the 2010 deadline. At the same time, it reflects the need to continue to invest in Council stock to maintain high standards.

5.4 Due to the amount of capital receipts that are currently being held by the Council, income from investment interest is being generated. This is beneficial to the General Fund and Housing Revenue Account, since they provide additional revenue income. However, it is forecast that capital receipts will fall to half their current levels by 31 March 2014 as they are used to fund capital projects over this period. There is a financial risk involved in reducing the balance of usable capital receipts and this has been recognized in the Council's Corporate Risk Register. The following potential consequences have been identified under risk no 17: loss of interest; loss of cover for contingencies; the financial strategy becoming untenable in the long run; service reductions may be required; and large Council Tax increases may be required. In order to reduce this risk as much as possible, the Council has adopted a policy of actively seeking the investment of capital resources in revenue-generating assets.

6. Key Capital Schemes: 2009- 2014

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 2009-2014 including slippage from 2008/09 :

- Continue to renovate and improve the Council's housing stock, through the capital investment of £6,239,000 for committed schemes in 2009/10 (ICS/IQL) (*)
- Invest £1,548,000 to complete the extensive improvement scheme at Springfields, Waltham Abbey in 2009/10 (ICS/IQL) (*)
- Invest £418,000 in information communications technology in 2009/10, including the capital costs of installing a new cash receipting and income system and continuing the General IT programme of improvements (QPS).
- Invest £155,000 over the next year in 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)
- Invest £102,000 in three Home Ownership Grants of £34,000 each in 2009/10 (MHN)
- Finalise work on phase 2 of the town centre enhancement scheme at The Broadway, Loughton at a cost of £1,508,000 in 2009/10 (PED)
- Finalise the remedial works at Bobbingworth Tip at an estimated cost of £254,000 in 2009/10 (PE)
- Invest £1,875,000 in providing new waste management vehicles and equipment.
- Provide £400,000 for private sector disabled facilities grants and £394,000 (*) for adaptations to Council properties in 2009/10 (IQL)
- Invest £172,000 in parking and traffic associated management schemes and £41,000 in housing estate off street parking schemes throughout the District in 2009/10 (* £21,000 of the latter to be funded from HRA) (PE)
- Provide £350,000 for private sector housing grants in 2009/10 (IPS)
- Provide £280,000 for improvements to HRA shopping areas in 2009/10 (PED)(R) (*)
- Undertake improvements to the infrastructure at North Weald Airfield in 2009/10, at a cost of £68,000, to facilitate major outdoor events, including the Saturday and Bank Holiday Market (PED)
- Invest the Housing & Planning Delivery Capital Grant of £27,000, receivable in 2009/10, in the improvement of planning services (PE)
- Invest £204,000 in 2009/10 to complete the two year programme of providing Children's Play Schemes financed by Big Lottery Funding (IQL)
- Invest £55,000 and £192,000 in 2009/10 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 £238,000 in capital works at the civic offices as part of the improvements programme in 2009/10 (all key priorities)
- Invest £13,000 in Safer, Greener, Cleaner initiatives in 2009/10 (PE)

- Spend £123,000 to fund other small capital items
- Provide £350,000 to assist home owners in the open market over the next two years (MHN)
- Invest £23,000 in capital works to leisure facilities in 2009/10 (IQL)
- Invest £50,000 in upgrading industrial units in 2009/10 (PED)
- Invest £120,000 in the improvement and enhancement of Bakers Lane Car Park, Epping in 2009/10 (PE)
- Invest £150,000 in fitness equipment at Loughton Leisure Centre in 2009/10 (IQL)

6.3 The Council will undertake the following *proposed* capital projects, ranked in priority order, between 2010-2014:

- (1) Continue to renovate/improve the Council's housing stock, through the capital investment of £24,458,000 between 2010/11 and 2013/14 (ICS/IQL) (*)
- (2) Provide for the final three Home Ownership Grants at a total cost of £102,000 within the 2010/11 within the Housing General Fund Capital Programme (MHN)
- (3) Continue to invest annual sums of up to £50,000 per year in Housing DLO vehicles and grounds maintenance plant from 2011/12 (ICS) (*) and (PE)
- (4) Provide £400,000 per annum for private sector disabled facilities grants from 2010/11 onwards (*) for adaptations to Council properties (IQL)
- (5) Construct off street parking schemes on housing estates at a cost of £1,179,000 in 2010/11 (*£607,000 from HRA funds), £1,068,000 in 2011/12 (*£541,000 from HRA funds) and £81,000 per annum thereafter, (*£41,000 from HRA funds) (IQL)
- (6) Invest £1,433,000 in the construction of new playing pitches and changing room facilities at Ongar Leisure Centre in 2010/11, if partial financing can be secured from private sources (IQL).
- (7) Provide improved sports facilities in Waltham Abbey having given consideration to the outcome of a feasibility study currently being undertaken. Although no budget exists in the capital programme at present, this will be considered on completion of the feasibility study.
- (8) Continue to invest in parking and associated traffic management schemes through a budget of £250,000 per annum between 2010/11 and 2011/12 (IQL)
- (9) Invest £165,000 in improvements to HRA shopping areas in 2010/11 and £50,000 per year thereafter and invest £8,000 in capital works on an HRA commercial property in 2010/11 (PED)(R) (*)
- (10) Continue annual improvements to North Weald Market from 2010/11, at a cost of £63,000 per annum (PED)
- (11) Invest £484,000 in General IT capital projects in 2010/11 and an annual sum of £300,000 thereafter (QPS)

- (12) Invest a further sum of £2,149,000 in information communications technology between 2010/11 and 2011/12 to meet the Government's targets for e-government and to implement a Customer Services Transformation Programme (QPS)
- (13) Provide an annual sum of £350,000 for private sector housing grants from 2010/11 onwards (IPS)
- (14) Invest £552,000 in capital works within the civic offices improvements programme in 2010/11 and 2012/13 (all key priorities)
- (15) Invest £378,000 in 2010/11 to fund a compulsory purchase order of a property, if necessary, 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)

6.4 In addition to the above capital projects, a General Capital Contingency of £177,000 exists in the 2010/11 capital programme and a specific contingency for private sector housing grants of £180,000 per year also exists for a three year period from 2010/11 to 2012/13.

7. The Council's Capital Programme Forecast: 2009-2014

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 £52,906,000 between 2009/10 and 2013/14, and is summarised below. The detailed Capital Programme is reproduced at Appendix 2 (a – c).

	2009/10	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000	£000
General Fund	6,657	6,897	2,580	1,353	1,153	18,610
HRA	8,143	6,944	7,011	6,317	5,881	34,296
Total	15,072	13,539	9,591	7,670	7,034	52,906

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:

- Working with Essex County Council to introduce a new food and gardening recycling system, achieved on 7th September 2009, with financial assistance in the form of a £500,000 grant from the County.
- A long-standing commitment to working with the District's six Town Centre Partnerships. This takes the form of officer input as well as operational resource and reflects the Council's commitment to the future vitality and viability of its town centres.
- 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.
- Working with the Big Lottery and Play England to provide a Children's Play Strategy Programme to refurbish existing play areas and provide new play facilities within the District.
- 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, Hughmark Continental Limited, a sum in the region of £62,000 per annum (subject to Retail Price Index increases) is invested in the infrastructure of North Weald Airfield.
- Joint Municipal Waste Management Strategy with the County and district and boroughs.

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 collaboratively with neighboring local authorities in respect of planning and economic development in order to bring forward the Local Development Framework (LDF) and in particular, in establishing the required evidence base.
- 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 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.
- The Council is working on a joint initiative, known as the PLACE Scheme, with other councils in the area including Chelmsford, East Herts, Harlow and Uttlesford in partnership with Pathmeads and Swan Housing Associations. Under the scheme, which is funded by £3,500,000 of government funding, empty properties that are in poor condition are brought back into use to provide short-term accommodation to people in housing need.
- The Council is working jointly with East Herts and Harlow District Councils to produce a Strategic Flood Risk Assessment.
- Joint Municipal Waste Management Strategy with the County and district and boroughs.
- The Council is liaising with Broxbourne Borough Council and is an active Member on the Stakeholder Group with the Lea Valley Regional Park Authority, to maximise the benefits of the Olympic 2012 White Water Canoe Venue.
- The Epping Forest District Safer Communities Partnership has been set up with the Police, Fire, Health and County Council to give people who live and work in Epping Forest an opportunity to consult on future priorities.

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 has been restored to prevent pollution of the local environment, the project having been implemented under a Target Price partnering regime.
- Loughton Broadway Town Centre Enhancement Scheme has been delivered under a partnering form of contract with a Target Price mechanism.
- 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.
- A Waste Management Partnership Board has been established with the Council's service provider, Sita.
- ICT belong to the EOLP (Essex On Line Partnership), the Essex Procurement Hub and the Procurement Agency for Essex, which secures large savings on IT equipment.
- The Council has entered into a contract with a single company for the installation and repair of stairlifts for the Districts' disabled residents through a ground-breaking initiative with other Essex local authorities and the Procurement Agency for Essex. As well as significant cost savings, this has resulted in improved quality of service to residents.

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 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.

- 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 £11,030,000 by 31 March 2014 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 2009-2014 will be funded as follows, subject to required annual variations to reflect actual funding availability:

	<u>£'000</u>
Grants	4,198
Revenue Contributions	6,188
Capital Receipts	14,727
Major Repairs Allow.	<u>27,793</u>
Total	<u>52,906</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. Rationalisation of Landholdings

13.1 One of the Council's Corporate Objectives is to undertake a review of the Council's depot facilities within the District with a view to rationalising existing provision, disposing of site(s) surplus to requirements and re-providing suitable depot facilities for the Waste Management and Grounds Maintenance Services.

13.2 In support of this rationalisation process, outline planning permission for the development of the depot site at Langston Road has been sought and granted for B1 and/or B2 and/or B8 use. Constructive dialogue is ongoing with the Waltham Abbey Town Council to maximise the appropriate use of Town Mead Depot whilst offering a potential relocation option for small-scale Council services.

13.3 The rear (yard) of Epping Town Depot has been earmarked for development as part of a larger proposal. The future use of the site is being considered as part of a service review within the Housing directorate.

13.4 Clearly the economic situation and its impact on property values will affect the optimum time and method of disposal of any surplus site(s).

13.5 Although there will be resource implications from the above changes, 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.

13.6 The Council has been working with a team comprising urban regeneration, transport and property expertise to look at the longer-term future of the Debden Broadway area. The resulting Vision and Development Brief will act as a framework to help influence future development within The Broadway area and will be used as a tool to engage potential private sector development partners. Resulting development is likely to involve the disposal of some of the Council's substantial land holdings in the area, although beyond this, the work clearly recognizes the Council's key role in place shaping and regeneration.

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, to be replaced by the Sustainable Community Strategy.

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.

Combined Local Plan (1998) and Alterations (2006): The adapted Local Plan together with alterations sets out the Council's policies for the control of development, makes proposals for the development 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. Work is in progress to collate the evidence base that will inform the District's Local Development Framework (LDF), which will supersede the Local Plan and explain how the Council will meet the growth requirements set out in the Regional Spatial Strategy.

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.

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.