

2009/10 DIRECTORATE CAPITAL MONITORING -  
CORPORATE SUPPORT SERVICE

ANNEX 10

	09/10	Third Quarter		09/10		<u>Comments</u>
	Full Year	09/10	09/10	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Civic Office Works	238	178	49	-129	-72	The full year budget for capital works at the Civic Offices was revised to £238,000 as part of the Capital Review. This budget relates to the estimated expenditure on 14 schemes in the current financial year. Since the Capital Review, work has continued to progress on most schemes, however, some unavoidable slippage has occurred on some shemes and carry forwards, estimated at £65,000, are considered likely.
Other Planned Maintenance	58	49	0	-49	-100	This includes budgets of £50,000 for the upgrade of the industrial units and £8,000 for the museum roof. With regard to the industrial units, a carry forward of £30,000 to £40,000 is likely to be requested on the basis that it would be more cost effective to delay the works. It will then be possible to carry out more substantial improvements as part of a larger package of works for which a future allocation has been made within the planned maintenance capital programme. With regard to the museum roof, an order has been placed and the work is expected to be completed by the end of the financial year. The £15,000 budget for the flat roof at Waltham Abbey Swimming Pool has been carried forward to 2010/11.
<b>Total</b>	<b>296</b>	<b>227</b>	<b>49</b>			

2009/10 DIRECTORATE CAPITAL MONITORING -  
FINANCE & ICT.

ANNEX 11

	09/10 Full Year Budget £'000	Third Quarter		09/10 Variance Budget v Actual		<u>Comments</u>
		09/10 Budget £'000	09/10 Actual £'000	£'000	%	
		ICT Projects	358	270	270	
Cash-Receipting & Income System	60	45	36	-9	-20	Work on the new Cash Receipting and Income system is progressing well and expenditure is on target for an estimated £60,000 spend this financial year. It is anticipated that the remaining allocation of £30,000 will be spent in 2010/11 with the system going live in the summer.
<b>Total</b>	<b>418</b>	<b>315</b>	<b>306</b>			

	09/10 Full Year Budget	Third Quarter		09/10 Variance Budget v Actual		<u>Comments</u>
		09/10 Budget	09/10 Actual	£'000	%	
	£'000	£'000	£'000			
Leisure Centre Works	243	182	181	-1	-1	A feasibility study is due to be undertaken in respect of works to the sports facilities in Waltham Abbey but this may not proceed until 2010/11. The fitness equipment at Loughton Leisure Centre has been purchased at a small saving to the Council and the outstanding works remaining on this sports centre are due to be finalised this year.
Waste Management Equipment & Vehicles	1,875	1,875	1,739	-136	-7	The new food and garden recycling system was introduced on 7th September 2009 and, although most of the budget has now been committed, it is likely that a small sum will be requested for carry forward to 2010/11.
Bobbingworth Tip	254	139	101	-38	-27	See comments on major schemes schedule.
Car Parking & Traffic Schemes	312	90	84	-6	-7	This budget includes £120,000 for the works at Bakers Lane Car Park which are nearly complete; a small saving is anticipated as the contract came in under estimate. Estimates in respect of current and future commitments for the parking reviews at Buckhurst Hill, Epping and Loughton have been re-assessed and the total estimate has been reduced to £172,000 as part of the Capital Review, the rest being carried forward to 2010/11. There is also a budget of £20,000 for housing estate parking; feasibility work has now commenced but no costs have been incurred to date.
North Weald Airfield	78	19	12	-7	-37	The fire cover vehicle has now been purchased within budget. The contribution for capital improvement works in respect of the market at North Weald Airfield has been revised down to £68,000 following the Capital Review and expenditure is being kept to a minimum to allow as much as possible to be carried forward to next year to help finance the construction of a new toilet block.
Other Environmental works	235	223	187	-36	-16	The grounds maintenance vehicles were purchased by the end of September. Although most of the Safer Cleaner Greener equipment and remaining refuse bins for flats are expected to be purchased before the end of the year, it is thought that there will be a small carry forward. All capital works relating to flood alleviation schemes (£47,000) have been carried forward to 2010/11 following the Capital Review.
<b>Total</b>	<b>2,997</b>	<b>2,528</b>	<b>2,304</b>			

	09/10 Full Year Budget £'000	Third Quarter		09/10 Variance Budget v Actual		<u>Comments</u>
		09/10 Budget £'000	09/10 Actual £'000	£'000	%	
Customer Services Transformation Programme	50	0	0	0	0	At its meeting on 30 April 2009, the Customer Transformation Task and Finish Panel, agreed to undertake a detailed feasibility study to establish the costs of a new customer services/reception area to include innovative use of new technology. This will be financed from the capital allocation on the basis that the works will proceed in the future. The original budget of £2.5 million has now been reduced to £1,337,000 as a result of the following allocations: £261,000 for the Local Taxation & Benefits System; £90,000 for the Cash Receipting & Income System; and £812,000 for the Limes Farm Hall Development. As the total budget for the scheme is now below £2 million, it has been taken off the major schemes schedule.
Children's Play Facilities	204	153	140	-13	-9	The Children's Play Facilities programme is progressing well. The play park at Limes Farm was completed last year and the youth facilities were finished this year. The playground equipment at Hoe Lane, Nazeing is also fully installed and the project at Elizabeth Close, Nazeing was completed in October 2009. The contract for the final scheme at Pancroft Ring, Lambourne has just been awarded to Wicksteeds and we are awaiting confirmation of the start date. Whilst the contractor has confirmed that the work will start before the end of the financial year, there is no guarantee that it will be finished before 31 March 2010. It is likely, therefore, that some of the £74,000 budget for this scheme will require a carry forward. Additional fencing will also be provided to enhance the scheme and the cost of this will be met by the Parish Council.
Ongar Playing Fields	0	0	-10	-10	100	The negative actual spend relates to a capital creditor being overestimated at the end of year 2008/09. This sum will serve to reduce the cost of the feasibility works.
<b>Total</b>	<b>254</b>	<b>153</b>	<b>130</b>			

	09/10	Third Quarter		09/10		<u>Comments</u>
	Full Year	09/10	09/10	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Loughton Broadway Works TCE	1,508	1,131	405	-726	-64	See comments on major schemes schedule.
Planning Capital Works	27	20	-7	-27	-135	The majority of this relates to works funded by Housing and Planning Delivery Grant brought forward from 2008/09. The negative actual spend relates to expenditure charged to last year which has not been paid yet.
<b>Total</b>	<b>1,535</b>	<b>1,151</b>	<b>398</b>			

	09/10 Full Year Budget £'000	Third Quarter		09/10 Variance Budget v Actual		Comments
		09/10 Budget £'000	09/10 Actual £'000	£'000	%	
Contributions to Affordable Housing	155	155	155	0	0	All schemes are now complete.
Disabled Facilities Grants	400	300	267	-33	-11	Expenditure was relatively low in the first six months of the year and, despite picking up in the third quarter, it is still slightly less than predicted. Final expenditure will depend upon work on approved grants being completed within the financial year; it is estimated that the combined value of programmed works and works on site should result in expenditure in the order of £350,000 by the end of March 2010.
Other Private Sector Grants	350	263	208	-55	-21	The Cabinet report in October reassessed anticipated expenditure at £350,000 per year and rephased the contingency sum into future years. However, Discretionary Grant expenditure is behind the third quarter projection, partly due to the introduction of the Herts & Essex Energy Partnership (HEEP) Scheme which has enabled potential applicants to access funding from other sources rather than applying through the normal Discretionary Grant route. It is now estimated that expenditure for the year will be less than £300,000.
Home Ownership Schemes	252	68	34	-34	-50	The budget includes £102,000 for three Home Ownership Grants of £34,000 each. Originally, five Home Ownership Grants were made available in 2008/09; four completed during 2008/09 and one completed in 2009/10. A further five Home Ownership Grants were approved in 2009/10; it is anticipated that two of these grants will complete this financial year and three will complete in 2010/11 in line with the current capital programme. The budget also includes £150,000 of the £350,000 allocation approved in respect of the Open Market Shared Ownership scheme, the balance of £200,000 having been carried forward to 2010/11 as part of the Capital Review. Following a decision by Moat Housing and two other Homebuy agents not to operate an Open Market Shared Ownership Scheme with the Council, discussions are now being held with the Council's five preferred Registered Social Landlords to establish their interest. A report on the outcome of discussions and the future of the proposed scheme will be considered by the Cabinet on 1st February. However, there will be no expenditure this year.
<b>Total</b>	<b>1,157</b>	<b>786</b>	<b>664</b>			

	09/10 Full Year Budget £'000	Third Quarter		09/10 Variance Budget v Actual		Comments
		09/10 Budget £'000	09/10 Actual £'000	£'000	%	
Springfields, Waltham Abbey	1,548	1,161	1,286	125	11	See comments on major schemes schedule.
Heating/Rewiring	1,262	1,090	1,476	386	35	New heating upgrades and boiler replacements are now progressing ahead of target as the comprehensive programme of electrical testing has generated additional heating and boiler upgrades as well as urgent rewires in kitchens. This has increased the volume of work in this category beyond that identified in the last report; a virement of £225,000 was agreed as part of the Capital Review in October and it is anticipated that a further sum in the order of £300,000 will need to be brought forward into 2009/10 from the 2010/11 allocation.
Windows/Roofing / Asbestos / Water Tanks	868	651	746	95	15	Expenditure in this category is generally on target. Although the roofing contracts are ahead of schedule, the anticipated outturn is expected to be in line with the budget. The 2009/10 PVCu budget is being spent on front entrance door replacements and works on windows will resume next financial year. The asbestos programme has now accelerated and an anticipated brought forward sum of approximately £40,000 from 2010/11 is likely. It is estimated that this will be offset by a similar sum to be carried forward on the communal water tank budget.
Other Planned Maintenance	279	209	246	37	18	As part of the Capital Review some of the budgets in this category were carried forward into 2010/11 and some virements were made into other budgets. This reduced the overall budget to £279,000 and it is anticipated that expenditure will be in line with revised allocations. The changes took into account: delays in letting the door entry contract; installation delays in the communal TV upgrade programme; a reduced programme of drainage schemes; and a slightly lower level of energy efficiency works as most properties in the district now benefit from loft and cavity wall insulation and alternative energy efficiency measures are being progressed.
Other Capital Works	4,186	3,140	3,176	36	1	The three year bathroom and kitchen replacement programme commenced in August 2008 and expenditure is expected to be in line with the £2,110,000 budget. Small capital repairs and works on miscellaneous structural schemes are also on target. However, it is anticipated that there will be an underspend in the order of £350,000 over the group as a whole. This is largely due to delays on environmental improvement works to shops for which an estimated carry forward of £230,000 will be necessary. Also, there was a one-off additional sum of £200,000 approved in April for disabled adaptations to help clear the backlog and an increase in the installation programme; although much progress has been made it is likely that a carry forward of around £100,000 will be required. The remaining net underspend of approximately £20,000 is expected on other environmental works.
<b>Total</b>	<b>8,143</b>	<b>6,251</b>	<b>6,930</b>			

BOBBINGWORTH TIP											ANNEX 17
Original Start Date	Original Finish Date	Actual Start Date	Anticipated Finish Date	Original Project Cost	Supplementary Estimates	Approved Budget	Actual Exp To Date	Anticipated Outturn	Variance to Original Cost	Variance to Approved Budget	
				£'000	£'000	£'000	£'000	£'000	%	%	
Jun-06	n/a	Apr-07	Mar-10	2,110	382	2,492	2,339	2,492	18%	0%	
<p>Bobbingworth Tip is a former landfill site owned by the Council which was used for domestic waste between 1961 and 1972. The mixing of ground and rainwater with the waste within the site resulted in the creation of 'leachate' which spread into the surrounding environment. The volumes of leachate generated were greater than the consent under the licence between the Council and Thames Water Limited, and these levels exposed the Council to prosecution by the Environment Agency. The risks to the Council were unacceptable and the Cabinet resolved to address this. When the scheme was originally proposed, a budget of £1,007,000 was allocated within the Capital Programme. However, the preferred design solution developed with the Council's partnering contractor Veolia Environmental Services (formerly Cleanaway), provided for an enhanced and more sustainable scheme. The budget was increased to £2,110,000 at this point to allow for the upgraded scheme and the scheme was due to commence on 1 June 2006.</p> <p>This start date was not achieved primarily due to the need to complete the Section 278 Agreement with the Highways Authority (Essex County Council). When the works were subsequently tendered, costs had increased due to the delay and issues associated with the Section 278 Agreement. The net result was to necessitate additional capital provision being sought in the sum of £270,000. Construction works finally commenced in April 2007 and work progressed well with all major infrastructure works being completed by the end of summer 2007.</p> <p>The final stage was to import topsoil to make the surface safe and provide an amenity site for the public. However, the importation of soil was delayed due to the exceptionally wet summer in 2008. By 2009 it was difficult to procure suitable quality soil due to the slow down in the new-build housing market. These two factors resulted in cost increases. On 1 September 2008, Cabinet approved a supplementary estimate of £112,000 to enable the scheme to be completed to the original enhanced level including additional security. This brought the approved budget to a total of £2,492,000, excluding the £20,000 contribution from Essex County Council for tree planting.</p> <p>The scheme is now essentially complete although there still remains some fencing and security works which Veolia have been tasked to complete by the end of March 2010. The final account and report will be presented to Cabinet on 19 April 2010 and it is thought that the outturn will be within the approved budget allocation.</p>											



**SPRINGFIELDS IMPROVEMENT SCHEME WORKS**

**ANNEX 18**

<b>Original Start Date</b>	<b>Original Finish Date</b>	<b>Actual Start Date</b>	<b>Actual Finish Date</b>	<b>Original Project Cost £'000</b>	<b>Supplementary Estimates £'000</b>	<b>Approved Budget £'000</b>	<b>Actual Exp To Date £'000</b>	<b>Anticipated Outturn £'000</b>	<b>Variance to Original Cost %</b>	<b>Variance to Approved Budget %</b>
Dec-06	Nov-08	Nov-07	Aug-09	4,124	400	4,524	4,262	4,524	10%	0%

On 15 November 2004, Cabinet agreed in principle to undertake a major improvement scheme at Springfields, Waltham Abbey. This estate, which is a typical 1960's construction, was suffering from similar problems to those experienced at the Limes Farm estate. Because of the size and scope of the scheme, it was agreed that the scheme would be undertaken as a capital project and budget of £4 million was set aside within the Capital Programme.

In January 2005 the Council undertook a consultation exercise with residents. A feasibility design was then drawn up by the Council's in-house Design Team, taking into account the results of the residents' consultation exercise as well as the findings of a detailed structural survey and other studies of the blocks. The Council's quantity surveyors prepared a cost plan and a total project budget of £4,124,000 was approved; this included the QS's estimate plus the cost of feasibility works. At this point, the anticipated start on site date was given as the third quarter of 2006 with a 24 month contract period.

The main improvement works included in the project were: a new pitched roof, overcladding, improvements to walkways and balconies, replacement of external doors and some windows, improved undercroft security, new external staircases, new external lighting, new digital tv system, new lateral electrical mains, new refuse enclosures, and other external works. Additional works, such as kitchen/ bathroom renewals, internal wiring and boiler replacement, which are part of the Decent Homes Programme, were not part of the improvement project but are included elsewhere within the Capital Programme.

In order for the works to progress, 8 out of the 9 properties which had previously been sold on long leases under Right To Buy legislation were re-purchased by the Council at a total cost of £686,000; these costs are excluded from the costs given in this schedule.

On 16 July 2007, following the tender exercise, Cabinet awarded the tender to Apollo London Limited who submitted the lowest and most economically advantageous tender. Construction commenced on 5 November 2007 based on a revised 15 month contract period and most of the works progressed very well, including the roofing works. However, a number of problems were encountered. These included the unexpected need to replace French doors and windows to top floor balconies; problems underground with the foundations and drainage systems; the need to re-specify garage doors; and an increase in the amount of structural repairs required.

As a result of these problems, the contract period overran and the constructor put in a claim for an extension of time. On 8 June 2009, Cabinet agreed a supplementary capital estimate of £400,000 to cover the immediate estimated cost overrun, unforeseen works and the cost of additional professional fees as a result of the claim for an extension of time. This took the total project sum approved to £4,524,000.

Practical completion was achieved on 14 August 2009; this represented a 27 week delay. Negotiations are currently in progress on the final account between the constructor and the Council's quantity surveyor. Although it is thought premature to amend the anticipated outturn figure given in the table above, it is now thought likely that there will be an underspend on the project budget. Once the final account has been agreed, a report will be presented to Cabinet early in the next financial year.

**LOUGHTON BROADWAY TOWN CENTRE ENHANCEMENT SCHEME**

**ANNEX 19**

<b>Original Start Date</b>	<b>Original Finish Date</b>	<b>Actual Start Date</b>	<b>Actual Finish Date</b>	<b>Original Project Cost £'000</b>	<b>Supplementary Estimates £'000</b>	<b>Approved Budget £'000</b>	<b>Actual Exp To Date £'000</b>	<b>Anticipated Outturn £'000</b>	<b>Variance to Original Cost %</b>	<b>Variance to Approved Budget %</b>
Aug-06	Dec-06	Aug-06	Jul-09	3,113	518	3,631	2,528	3,036	-2%	-16%

The Loughton Broadway Town Centre Enhancement Scheme was conceived back in the late 1990's following a wide scale public consultation exercise involving the three town centres of Buckhurst Hill, Loughton High Road and the Broadway. In February 2006 the Cabinet gave approval for the Loughton Broadway Regeneration Scheme to be procured through a 'Design and Build' contractual arrangement and the Head of Environmental Services was authorised to negotiate a target contract sum with Gabriel (Contractors) Ltd. After detailed negotiations, the target cost was determined and a budget of £3,113,000 was allocated within the capital programme to cover construction works, external and internal fees of £2,990,000 and pre scheme feasibility costs of £123,000.

The scheme was undertaken in two phases: Phase 1 consisted of works to Burton Road car park, Vere Road car park and CCTV to the whole scheme; and phase 2 consisted of substantive enhancement works to The Broadway itself. The construction of phase 1 took place between August 2006 and December 2006 and the phase 2 construction took place between October 2008 and July 2009.

Throughout the design and scheme delivery, a project team oversaw the process to ensure that costs remain within budget and, where additional works arose, design elements were reconsidered to find compensatory cost savings elsewhere. However, in December 2006 a report was presented to Cabinet which identified a number of very significant compensation events and stated that it was not possible to find enough compensatory savings to fully offset the additional costs. After scaling down the additional works to be undertaken, a supplementary estimate of £62,000 was approved.

Phase 2 of the works was delayed due to the presence of a medium pressure gas main within the central reservation of the Broadway. A revised scheme design, which addressed the difficulties of construction around the gas main, was approved by Cabinet in July 2008 along with the associated supplementary capital estimate and contingency for unforeseen construction risks; a total sum of £456,000 was approved. The total supplementary estimates approved therefore was £518,000 (£62,000 + £456,000). However, a significant saving was achieved on costs of the works because the construction risks associated with the presence of a medium pressure gas main and the reconstruction of the road surface did not materialise. A report was presented to Cabinet on 1 February 2010 giving details of an estimated saving of £595,000 on the project total. This underspend provides an opportunity to further enhance and improve the CCTV systems in the Broadway area; Cabinet approved an allocation of £100,000 from the saving for this purpose.