



Capital Strategy 2010/2015



Epping Forest District Council

Contents

1. Introduction
2. The Council's Medium Term Aims and Priorities
3. Previous Capital Investment Achievements
4. Formulating the Council's Key Capital Priorities – The Corporate Framework
5. The Council's Key Capital Priorities – 2010-2015
6. Key Capital Schemes: 2010- 2015
7. The Council's Capital Programme Forecast: 2010-2015
8. Housing Stock Options Appraisal
9. Working in Partnership
10. Procurement and Use of Private Sector Initiatives
11. Income Generation and Funding the Programme
12. Performance Measurement and Monitoring
13. Rationalisation of Land Holdings

Appendices:

1. Key Strategic Council Documents that Complement and Link with the Capital Strategy
2. Capital Programme 2010/11 to 2014/15 Forecast:
 - (a) Expenditure and Funding Summary
 - (b) Non-Housing Capital Programme
 - (c) Housing Capital Programme
3. Capital Reserves 2010/11 to 2014/2015 Forecast
 - (a) Capital Receipts
 - (b) Major Repairs Reserve
4. Key Partners in Delivering the Capital Strategy

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.

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 were agreed by the Cabinet in February 2010 in preparation for the Council new Corporate Plan 2011-2015. It is anticipated that the Plan will be adopted at the full Council meeting to be held on 15 February 2011. The Corporate Plan is being aligned to the Sustainable Community Strategy and the Core Strategy of the Local Development Framework. 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 the current 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 at Loughton Broadway;

- The installation of new play facilities at five locations within the District, financed by competitively secured funding of £220,000 from the Big Lottery and supported by parish councils and the Council's Housing Revenue Account.
- 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, a new cash receipting system as well as continued involvement with the Capita, Revenues and Benefits, Academy System.
- 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 meet the Government's target of ensuring that all the Council's homes were 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.
- The successful completion of the capital works at the former waste site at Bobbingworth and the commencement of the ongoing routine maintenance phase.
- The successful purchase of six tipper trucks as a more cost effective way of providing vehicles to meet the requirements of the grounds maintenance contract.

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

4.1 The Council's medium term aims and priorities are set out in section 2 above. 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 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.

4.3 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

4.4 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 – 2010-2015

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. Furthermore, an ICT server virtualization project is nearly complete, 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 (1)	Meeting housing need	<i>(MHN)</i>	<ul style="list-style-type: none"> Address key housing need
2 (2)	Improving the Council's housing stock	<i>(ICS)</i>	<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	<i>(IQL)</i>	<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	<i>(PE)</i>	<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	<i>(PED)</i>	<ul style="list-style-type: none"> Encourage sustainable economic development
6 (6)	Regenerating areas in need	<i>(R)</i>	<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	<i>(QPS)</i>	<ul style="list-style-type: none"> Develop services, staff and the working environment
8 (8)	Improving private sector housing stock	<i>(IPS)</i>	<ul style="list-style-type: none"> Address key housing need

5.3 The Key Capital Priorities remain unchanged from last year pending consideration by Members.

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 a third of their current levels by 31 March 2015 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: 2010- 2015

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 has undertaken or will undertake the following *committed* capital projects between 2010-2015; some of these figures include slippage from 2009/10 :

- Continue to renovate and improve the Council's housing stock, through the capital investment of £5,986,000 for committed schemes in 2010/11 (ICS/IQL) (*)
- Invest £385,000 in information communications technology in 2010/11, including the capital costs of installing the Gazeteer, the Enterprise Agreement, the second phase of the Information at Work programme and completing the installation of the new cash receipting and income system (QPS).
- Invest £375,000 over the next year in developing affordable housing in the District in partnership with Estuary Housing Association (MHN/R/PE)
- Invest £186,000 in six Home Ownership Grants in 2010/11 (MHN)
- Install a CCTV system in the town centre at The Broadway, Loughton at a cost of £100,000 in 2010/11 (PED)
- Invest £1,062,000 in the development of Limes Farm Hall over the next two years ; a contribution of £260,000 has been secured from Essex County Council towards this scheme (IQL)
- Invest £800,000 at Loughton Leisure Centre in 2010/11 to make structural alterations which will generate revenue savings (IQL)
- Invest £527,000 in providing an all weather Astroturf pitch at Waltham Abbey over the next two years (IQL)
- Invest £42,000 in undertaking a feasibility scheme for future sports facilities at Waltham Abbey in 2010/11(IQL)
- Complete the purchase of remaining equipment for the new waste management service at a cost of £147,000 (PE)
- Invest £109,000 and £83,000 in fitness equipment at Ongar Leisure Centre and Epping Sports Centre respectively in 2011/12 (IQL)

- Provide £400,000 for private sector disabled facilities grants and £427,000 (*) for adaptations to Council properties in 2010/11 (IQL)
- Provide £350,000 for other private sector housing grants in 2010/11 (IPS)
- Provide £210,000 for improvements to HRA shopping areas in 2010/11 (PED)(R) (*)
- Invest £147,000 in parking and traffic associated management schemes and £26,000 in housing estate off street parking schemes throughout the District in 2009/10 (* £13,000 of the latter to be funded from HRA) (PE)
- Invest in a new toilet block at North Weald Airfield in 2010/11, at a cost of £155,000 from external funding, to provide facilities for major outdoor events, including the Saturday and Bank Holiday markets (PED)
- Invest £74,000 in 2010/11 to complete the programme of providing Children's Play Schemes financed by Big Lottery Funding, parish councils and the HRA (IQL) (*)
- Invest £87,000 in 2010/11 to finance the replacement of grounds maintenance plant and equipment to ensure an effective and efficient services (PE)
- Invest £669,000 in capital works at the civic offices as part of the improvements programme in 2010/11 (all key priorities)
- Provide £435,000 to assist home owners in the open market in 2010/11 to be financed from a contribution from McCarthy and Stone (MHN)
- Invest £212,000 and £152,000 in the purchase of 148 Brooker Road and the car park previously owned by the Black Lion Public House (all key priorities)
- Invest £120,000 in the improvement and enhancement of Bakers Lane Car Park, Epping in 2009/10 (PE)
- Spend £199,000 to fund other small capital items

6.3 The Council will undertake the following *proposed* capital projects, ranked in priority order, between 2011-2015:

- (1) Continue to renovate/improve the Council's housing stock, through the capital investment of £24,075,000 between 2011/12 and 2014/15 (ICS/IQL) (*)
- (2) Provide for the final four Home Ownership Grants under the extended scheme at a total cost of £112,000 within the 2011/12 Housing General Fund Capital Programme (MHN)
- (3) Continue to invest annual sums of around £50,000 per year in Housing DLO vehicles and £30,000 in grounds maintenance plant from 2011/12 (ICS) (*) and (PE)
- (4) Continue to provide £400,000 per annum for private sector disabled facilities grants and £400,000 (*) per annum for adaptations to Council properties (IQL)
- (5) Construct off street parking schemes on housing estates at a cost of £2,410,000 between 2011/12 and 2013/14 (*£1,231,000 from HRA funds), (IQL)
- (6) Invest £1,000,000 in the potential purchase of seven replacement refuse vehicles in 2011/12 (PE)

- (7) Complete the three parking reviews currently in progress and associated traffic management schemes within a total budget of £400,000 in 2011/12 and 2012/13 (IQL)
- (8) Invest £116,000 in improvements to HRA shopping areas in 2011/12 and £100,000 per year thereafter (PED) (R) (*)
- (9) Continue annual improvements to the infrastructure at North Weald Market , at a cost of £88,000 in 2011/12 and £63,000 per annum thereafter, using external funding (PED)
- (10) Invest £438,000 in General IT capital projects in 2011/12 (QPS)
- (11) Provide an annual sum of £350,000 for private sector housing grants from 2011/12 onwards (IPS)
- (12) Invest £573,000, £313,000 and £83,000 in capital works within the planned building improvements programme at the civic offices (all key priorities), industrial units (PED) and leisure centres (IQL) respectively between 2011/12 and 2013/14
- (13) Invest £208,000 in the installation of Solar Energy Panels at the civic offices in 2014/15 or when appropriate, in accordance with structural surveys and the technology available (all key priorities)
- (14) Invest £165,000 in regeneration schemes in Waltham Abbey from a ring fenced capital receipt (PED) (R).
- (15) Invest £47,000 in capital works and equipment to address local drainage issues (PE).
- (16) Invest £378,000 in 2011/12, if necessary, 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 the Council to be in the order of £28,000 on resale of the property (PED/MHN)
- (17) Invest in the development of Langston Road Depot, and provide funding for the re-provision of services at Oakwood Hill, Langston Road and Merlin Road, North Weald, as part of the Asset Management Co-ordination Group programme. It is anticipated that costs will be significant although no provision currently exists within the capital programme for these projects (PED)(R).

6.4 In addition to the above capital projects, the five year capital programme includes a General Capital Contingency of £173,000.

7. The Council's Capital Programme Forecast: 2010-2015

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 £48,117,000 between 2010/11 and 2014/15, and is summarised below. The detailed Capital Programme is reproduced at Appendix 2 (a – c).

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000	£000	£000
General Fund	4,786	6,431	2,370	1,221	1,163	15,971
HRA	6,636	6,973	6,875	5,831	5,831	32,146
Total	11,491	13,404	9,245	7,052	6,994	48,117

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. This target was successfully completed by March 2010 and it is proposed that the position will be reviewed.

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 redevelop Limes Farm Hall and improve facilities particularly for children, young people and families.
- 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 works closely with its partner Sports and Leisure Management Ltd (SLM) to improve leisure facilities in the District.
- 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.
- The Portfolio Holder for Environment has begun a consultation on the establishment of a Local Liaison Group to assist with the ongoing management of the Bobbingworth Tip site.

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.
- The Herts and Essex Energy Partnership (HEEP) Project has been established as a two year (2009/10 - 2010/11) partnership between Climate Energy and fifteen authorities in the London Commuter Belt Sub-Region to provide energy efficiency measures to private sector homes. The partnership made a successful bid for £6.6m government funding.

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. The appendix shows that, based on current expenditure and projected receipts, usable capital receipts will be reduced to £9,176,000 by 31 March 2015 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 HRA Capital Expenditure Charged to Revenue in the years 2011/12 to 2014/15 has been adjusted in line with the latest versions of the five and thirty year HRA business plan, which were amended to take into account the transfer of non-housing assets from the HRA to the General Fund.

11.5 The Five Year Capital Programme 2010-2015 will be funded as follows, subject to required annual variations to reflect actual funding availability:

	<u>£'000</u>
Grants	3,158
Charged to Revenue	10,032
Capital Receipts	13,034
Major Repairs Allow.	<u>21,893</u>
Total	<u>48,117</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 The Asset Management Co-ordination Group is currently reviewing the Council's depot facilities and other land holdings 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.

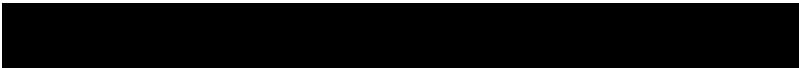
13.2 In respect of Langston Road Depot it is anticipated that a planning application will be made with Polofind Ltd, the owners of the adjoining T11 site, for a retail park (c.90,000 sq feet floor space). Work is progressing on relocating existing services from Langston Road depot to a new depot at Oakwood Hill and a temporary depot at North Weald.

13.3 Pyrles Lane Nursery will become vacant after the completion of the new Oakwood Hill Depot and proposals for residential development are being progressed towards the planning application stage.

13.4 Proposals are being progressed with Essex County Council for the St John's Road sites and alternative options will be put to public consultation in 2011.

13.5 Discussions are ongoing with Stobart Properties Ltd for the redevelopment of their Sainsbury's site at Torrington Drive and the adjoining BP petrol station. It is anticipated that a planning application will be made in 2011.

13.6 It is anticipated that there will be significant resource implications from the above changes and capital allocations will be sought once all options have been appraised and fully costed.



Corporate Plan (2011-2015): The Council's aims and medium term priorities, agreed in February 2010, will be set out in the new Corporate Plan, together with more detailed strategies for meeting the Council's priorities and outcomes. It is expected to be adopted in February 2011.

Sustainable Community Strategy: Produced by the Local Strategic Partnership and adopted on 25 October 2010, it sets out the Council's long term vision and objectives for the Epping Forest District.

Asset Management Plan (2007-2012): Adopted in July 2007, it sets out how the Council will manage its assets during this period.

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 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 currently in progress to collate the evidence base that will inform the District's Local Development Framework (LDF). An Issues and Options consultation is due to take place in the summer of 2011 with a view to adopting the new Core Planning Strategy in the spring of 2014.

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.