

2012/13 DIRECTORATE CAPITAL MONITORING -
CORPORATE SUPPORT SERVICE

ANNEX 10

	12/13 Full Year Budget £'000	Second Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Planned Maintenance Programme - Council Office Works	334	123	81	-42	-34	This covers all projects being undertaken at the Council offices within the Planned Maintenance Programme, including energy efficiency schemes. Several schemes are now complete at the civic offices including the extension of the CCTV security system, the upgrade of the toilets in the condor building, a new lighting and ceiling system in the condor corridors, new barriers in the car park, and the provision of fall arresting equipment in the roof void. The new surface on the flat roof over the reception area of the Hemnall Street offices is also complete. In addition, work has commenced on several other schemes and all schemes in the programme are expected to be finished by the end of the financial year. Further details on individual projects are given in the Five Year Planned Maintenance Review presented to Cabinet on 22 October 2012.
Planned Maintenance Programme - Other Works	119	17	16	-1	-6	This section covers all other capital projects carried out as part of the Council's Planned Maintenance Programme. The new Epping Sports Centre roof is now complete and all expenditure has been processed with the exception of a small amount of staff time which will be recharged at the year-end. The other schemes include resurfacing the yard at Townmead depot; constructing a disabled ramp and carrying out capital repairs to flat roof surfaces at the control tower at North Weald Airfield; and undertaking environmental improvement works at the shops in Upshire Road, Waltham Abbey. It is anticipated that these schemes will be finished by the end of the financial year.
Other Capital Investments	530	58	60	2	3	The largest budget in this category is £313,000 set aside for the upgrade of the industrial units at Oakwood Hill. However, work will not commence on this scheme until next year and it was agreed to carry forward the full allocation as part of the Capital Review. Other allocations include £24,000 for the new vehicle lift which has been installed to increase the capacity for MoT Testing; £112,000 for new developments including feasibility works on the Langston Road Redevelopment project for which an additional approved sum of £44,000 has now been included; £36,000 for feasibility works on the roof at Waltham Abbey Swimming Pool for which a structural survey has been commissioned at an estimated cost of £10,000 and the remaining £26,000 has been identified as a saving; £35,000 for a new property management system which has not been purchased to date; and £10,000 for solar energy panels which is being carried forward pending further review.
Total	983	198	157			

2012/13 DIRECTORATE CAPITAL MONITORING -
FINANCE & ICT.

ANNEX 11

	12/13 Full Year Budget £'000	Second Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
		ICT Projects	433	83	80	
Total	433	83	80			

	12/13 Full Year Budget £'000	Second Quarter		12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Waste Management Equipment & Vehicles	1,192	61	19	-42	0	This includes an original budget of £1,070,000 to replace 7 vehicles consisting of 5 freighters and 2 sweepers. The 5 freighters are expected to be delivered in January 2013 and the 2 sweepers will be tendered for and delivered by the end of the current financial year. The remaining budget of £122,000 was allocated for the provision of new waste and recycling containers; slippage of £62,000 has been estimated and recommended as a carry forward into 2013/14 as part of the Capital Review.
Bobbingworth Tip	27	0	0	0	0	The Bobbingworth Tip restoration and remediation works at the site are complete and the remaining budget of £27,000 has been transferred to the flood alleviation budget as part of the Capital Review.
Parking Reviews	398	0	-12	-12	0	Epping parking review is now finished and savings are anticipated; any such underspend will be addressed once all outstanding payments are made. The Buckhurst Hill parking scheme, which has a budget of £192,000, is planned to commence before the end of the current financial year with the parking scheme at Loughton to follow. The Capital Review has recommended that, for the two schemes, a total slippage of £355,000 be carried forward in 2013/14.
North Weald Airfield	137	20	15	-5	-25	A schedule of capital improvement works to be carried out at North Weald Airfield has been jointly agreed with the market operators; this work is fully funded from contributions made by the market operators. At present, expenditure is broadly in line with budget expectations, however a small carry forward of £7,000 into 2013/14 was requested in the Capital Review. Additionally, a supplementary capital estimate of £15,000 was requested in the Capital Review for the purchase of a second hand vehicle to use at North Weald to replace the current vehicle. If approved, this will be funded by the Council and will be used to continue effective and efficient operations at North Weald.
Other Environmental works	72	0	-3	-3	N/A	The negative actual expenditure relates to an ongoing sundry creditor. The budget of £72,000 has been set aside for work associated with flood alleviation schemes and plans are currently in hand to purchase a vehicle with specialist equipment. Other capital works relating to flood alleviation have also been assessed and additional financing has been requested by means of a virement from savings on the Bobbingworth Tip project within the Capital Review.
Grounds Maintenance Vehicles	154	139	135	0	0	All new mowers which replaced previously leased vehicles have now been purchased within the approved budget of £124,000. The remaining budget of £30,000 represents the on-going vehicle and equipment replacement programme which has been in place for many years. As part of the Capital Review this element of the budget has been increased by £20,000 to £50,000. The £50,000 includes the original sum of £30,000, plus £3,000 brought forward from 2013/14; £12,000 from the trade-in of an old tractor; and £5,000 from revenue contributions. The full year budget for grounds maintenance vehicles will therefore be increased to a total of £174,000 following the call-in period.
Total	1,980	220	154			

	12/13 Full Year Budget	Second Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget	12/13 Actual	£'000	%	
	£'000	£'000	£'000			
Limes Farm Hall Development	1	1	1	1	69	See comments on the major schemes schedule.
Waltham Abbey All Weather Pitch	495	18	8	-10	-54	Construction of the new astroturf pitch at Waltham Abbey has now begun although is in the initial stages. The site has been fully set up and excavations are nearly complete. The project is on schedule and thus is anticipated to be completed within 16 weeks. Although expenditure is lower than the budget so far, due to the majority of the works commencing in quarter 3, a payment of £71,000 is pending having been approved at the end of October.
Waltham Abbey Regeneration	107	34	30	-4	-11	The Regeneration Initiative consists of a number of projects managed and procured by Waltham Abbey Town Council. Two projects were completed in 2011/12 and one more has been completed so far this financial year; this being the renovation of the toilet block at Quaker Lane. The cost of this latest project was £30,000 and the payment was made in July 2012, which will put expenditure more in line with budget expectations. The remaining schemes are expected to be completed by the end of the financial year.
Total	603	53	39			

	12/13	Second Quarter		12/13		<u>Comments</u>
	Full Year	12/13	12/13	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Loughton Broadway Works TCE	10	0	0	0	0	The work on the Loughton Broadway Town Centre Enhancement Scheme is complete and the 12 month defect period has come to an end.
Loughton Broadway CCTV	97	82	83	1	1	The works for the installation of new CCTV systems and the enhancement of existing systems started in April 2012 and is now complete. It is anticipated that the budget will be underspent by approximately £14,000.
Total	107	82	83			

	12/13 Full Year Budget £'000	Second Quarter		12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Home Ownership Schemes	724	107	107	-0	-0	The Open Market Shared Ownership Scheme, under which the Council provides interest-free loans to B3Living (formerly Broxbourne Housing Association) to enable first time buyers to purchase properties on the open market, currently consists of two phases. Phase one is almost complete and, due to its success, the implementation of phase 2 has been agreed by the housing portfolio holder. However expenditure is unlikely to occur on phase 2 this year and therefore it was recommended in the Capital Review to carry forward £350,000. If this proves to be successful as well, an option of a third phase would be considered in a separate report at a future date.
Contributions to Affordable Housing	372	0	0	0	0	This allocation was brought forward from 2011/12 having originally been allocated to Contributions to Affordable Housing. In the Capital Review it has been recommended to carry forward the full budget of £372,000 into 2014/15 with a view to providing a possible allocation for phase 3 of the Open Market Shared Ownership Scheme, should this be appropriate.
Disabled Facilities Grants	476	238	65	-173	-72	To date, expenditure on Disabled Facility Grants has been low in 2012/13 due to the reduced number of referrals received at the end of 2011/12. Since then, however, referrals have increased as more occupational therapist time has been made available through the introduction of a dedicated work team. This should have a positive impact on referrals for the remainder of the year and thus expenditure is expected to increase. Two large grants, totalling £30,000 each have been approved in the current financial year with another 3 in the pipeline to be approved and completed by 31 March 2013. In addition there are the regular jobs that will be approved and completed within the current financial year. Although expenditure is expected to increase, the full £476,000 is unlikely to be spent. Consequently, a virement of £22,000 has been proposed as part of the Capital Review to assist other private sector grants and a saving of £144,000 has been recommended.
Other Private Sector Grants	387	194	96	-98	-51	The new Housing Assistance policy came into effect from 1 July 2012. The major conditional change is that all discretionary financial assistance is now repayable upon the sale or transfer of property. To date, expenditure has been down but it is expected to increase over the next 2 quarters. Increased publicity and positive communication of the benefits of the assistance is expected to provide a positive outturn by year end. There is also a virement proposed as part of the Capital Review of £22,000 to small works assistance.
Housing Estate Off Street Parking	1,027	129	36	-93	0	Off street parking schemes on council housing estates are jointly funded between the General Fund and the HRA. Although work has commenced on the second phase of three parking schemes, expenditure has been low to date. A report is due to be presented to Cabinet later this year to seek approval for future schemes. In light of this report it has been recommended as part of the Capital Review to move part of the budget into the next two years, moving £419,000 to 2013/14 and £350,000 to 2014/15.
Total	2,986	668	304			

	12/13 Full Year Budget £'000	Second Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
		Windows/Roofing / Asbestos / Water Tanks	2,936	1,378	947	
Heating/Rewiring	2,683	1,342	1,081	-260	-19	Overall, expenditure in this category is slightly lower than expected. The main reason for this is that electrical testing undertaken so far this year has generally resulted in minor electrical capital works being undertaken rather than complete rewires. Expenditure is being monitored and is expected to pick up later on in the year. New heating upgrades are on target and the programme to replace open flued appliances with room sealed boilers is well underway.
Housing Developments	367	0	0	0	0	Capital expenditure on new house building schemes is not anticipated until the development agent commences work in January 2013. The development agent will assist in formulating a house building strategy; carrying out a feasibility study; and submitting a Homes & Communities Agency partnership status application on behalf of the Council. The budget for this was an approximation and a carry forward of £90,000 into 2013/14 has been agreed as part of the Capital Review. The budget for Pyrles Lane was brought forward from 2011/12 for a potential development.
Other Planned Maintenance	616	258	89	-169	-65	This category includes communal TV upgrades, energy efficiency measures, door entry systems, Norway House improvements and Works Unit vehicle replacements. Although, the communal TV upgrade programme has now been completed, the other budgets are underspent. The reduced work on drainage is due to a transfer of responsibility to the water authorities. This has generated a saving of £80,000 which has been suggested in the Capital Review to be vired over to asbestos works. There is likely to be slippage on the budgets for door entry systems and energy efficiency works in 2012/13 and thus carry forwards of £142,000 and £136,000 were suggested in the Capital Review.
Total Planned Maintenance c/f	6,602	2,978	2,117			

	12/13 Full Year Budget £'000	Second Quarter		12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Total Planned Maintenance b/f	6,602	2,978	2,117			
Kitchen Replacements	2,815	808	668	-139	-17	Properties requiring kitchen replacements are identified from ongoing Stock Condition Surveys following the completion of the Decent Homes Initiative in 2010. The volume of planned work for this financial year has been reduced due to kitchen installations undertaken through the voids process, tenant refusals and kitchens that are on-hold pending arrangements to settle outstanding rent arrears. Kitchens due for replacement in future years have been brought forward for completion in this financial year, however, overall expenditure is lower than expected and it has been recommended that £1,200,000 be carried forward into 2013/14. Work on identifying properties for inclusion in future kitchen replacement programmes is currently underway through planned Stock Condition Surveys. It should also be noted that the current contract for Kitchen Replacements will be up for renewal early in 2013.
Bathroom Replacements	1,355	250	27	-223	-89	Bathroom replacements also are identified from ongoing Stock Condition Surveys and the current need for complete bathroom replacements, despite using the Decent Homes Plus criteria, is very low. This has resulted in a significant reduction in expenditure for this financial year, however, repairs and maintenance of the non-standard bathrooms on the Limes Farm estate is problematic and a programme of upgrades and replacement is planned. Despite this, a significant under spend is anticipated and thus it has been recommended that £855,000 be carried forward in the Capital Review to 2013/14.
Council Estate Parking & Other Environmental Works	1,334	667	107	-560	-84	The largest project in this category is the Off Street Parking schemes on council owned land. Work has commenced on the second phase of three parking schemes and, following slight design changes and planning approval, the works are now being completed under-budget it is proposed that to allow for slippage, £436,000 be carried forward into 2013/14 and £364,000 into 2014/15. A report on the outcome of the current schemes and future Off Street Parking schemes is also due to Cabinet in December.
Void Refurbishments & Other Small Works	887	444	587	143	32	Void workload is demand led and predicting the quality and condition of void properties is notoriously difficult. Although expenditure is low at the moment, a rise is expected because a number of affordable housing developments are due to be completed shortly which is likely to result in an increase in void Council properties. The budget will be monitored and any amendments will be addressed via the Capital Strategy.
Structural & Other Works	740	366	280	-86	-24	The Council is monitoring a number of properties that are suffering with significant structural movement. Expenditure is not quite in line with the budget but the Council does not insure for subsidence, it is anticipated that expenditure will pick up against this budget.
Disabled Adaptations	414	207	223	16	8	Although expenditure on disabled adaptations in council dwellings is slightly over the half year budget, it is expected that the budget will not be exceeded in the current financial year as there is an additional allocation for disabled adaptations within the Service Enhancement budget. This allocation is currently held within the Revenue budgets but will be transferred into the capital Budgets for the next monitoring report.
Garages	42	21	1	-20	-95	The budget for garages is expected to be fully utilised within the current financial year.
Total HRA	14,189	5,741	4,010			

2012/13 LIMES FARM HALL DEVELOPMENT

Original Start Date	Original Finish Date	Actual Start Date	Actual Finish Date	Original Project Cost £'000	Supplementary Estimates £'000	Approved Budget £'000	Actual Exp To Date £'000	Anticipated Outturn £'000	Variance to Original Cost %	Variance to Approved Budget %
Mar-11	Aug-11	Apr-11	Feb-12	1,062	0	1,062	1,061	1,062	0%	0%

Limes Farm Hall dates back to the 1970s and is located in the centre of the Limes Farm Estate in Chigwell. The Council owns the hall and has managed it since 1 April 2009 following 11 years of management by Chigwell Parish Council. At the time the hall was transferred back to EFDC, it was functional but was in need of significant investment to modernise and improve it both internally and externally. It also required a complete roof replacement. Having consulted with local residents and a range of partners it was agreed that Limes Farm would benefit from the provision of centralised multi-agency services.

Once the consultation exercise was completed, meetings were held on a regular basis with the partners to discuss potential future provision as a multi-agency hub both in terms of delivery at the site and outreach delivery across the estate. This resulted in a firm commitment from West Essex PCT (now known as SEPT - South Essex Partnership Trust) who were keen to transfer their clinic services to the central location from elsewhere on the estate and Essex County Council who were interested in extending their existing Children's Centre activity. It was agreed that the Council's Housing Service would transfer from a converted flat to the new facility and that the Housing Benefits Service would open a new service from Limes Farm to meet external Audit recommendations to improve access. Other partners involved in the development of the plans include the Limes Farm Community Association, Chigwell Parish Council, Limes Farm Infant and Junior Schools, East Potential and the Grange Farm Trust.

Following a development period of several months, a feasibility study was commissioned to produce a range of options and Cabinet agreed on a scheme to refurbish the existing hall and extend to the front and rear, which would double the size of the building. Following the tender process the building contract was awarded to Beardwell Construction in March 2011 and initial project meeting commenced immediately. At the beginning of the construction a delay of three weeks was experienced due to issues with asbestos removal from the site and then further delays were due to issues with steelwork fabrication and the installation of new electrical power cables by UK Power Network. The works were however complete by February 2012 and the Hall opened for business on 20th February.

The new building is of a high level specification and the construction works are seen as good value for money based on the final price of the contract. However, a significant amount of snagging still remains which has been held up due to the Council seeking Counsel's advice in respect of a legal challenge to the project management consultants responsible for the development.

The final account is still subject to negotiations but it is now thought that the actual cost of the scheme will be higher than the original project estimate. To date, the Council has accounted for the two outstanding retentions totaling £26,000 due to Beardwell Construction and Norfolk Property Services Group as at 31 March 2012 by way of sundry creditors. Any settlement in excess of this total will represent an increase on the anticipated outturn and approved budget figures given in the table above. A contingency sum of £40,000 has been requested within the Capital Review which represents the maximum additional funding required as the Council is hoping that the final account settled will be lower than the final account submitted. This contingency is excluded from the above figures pending approval. Payment arrangements are also under negotiation but the full settlement will not be paid until all outstanding snagging items have been completed satisfactorily. It is anticipated that the final account and report will be presented to Cabinet on 4 February 2013.

With regard to funding, a competitive application to the Essex County Council Extended Schools fund was successful which secured a financial grant of £270,000 towards the project. This grant has been applied in full to the capital works and the Council is financing the shortfall.