

2014/15 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES

ANNEX 7

	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Epping Forest District Museum	1,750	875	564	-311	-36	Please see comments on the major schemes schedule.
CCTV Systems	112	56	59	3	5	The CCTV capital programme is on target this year. All works are now completed at Lower Queens Road, Buckhurst Hill and Loughton High Road and the Essex Police Force Control Room has access to images from both Epping High Street and Loughton High Road. In Quarter 3 work will commence on the CCTV refurbishment project at the Limes Farm shops and an operational requirement is being developed in respect of the CCTV system at North Weald Airfield.
Housing Estate Parking	891	445	78	-367	-82	The programme of providing off street parking facilities on Council Estates is ongoing. Phase 4 is now complete, and works on Phase 5 sites are underway with Queens Road almost complete and works to Ladyfields due to start shortly. On other Phase 5 sites the resident consultation on Park Square is underway and Paley Gardens is due for consultation in quarter 3. All these schemes are joint funded between the General Fund and the HRA depending on the split between sold properties and HRA tenanted properties. Carry forwards on both accounts will be reported as part of the Capital Review in December 2014.
Limes Farm Hall Development	6	3	4	1	33	Limes Farm Hall Development is now completed. The budget of £6,000 was carried forward from 2013/14 to allow for the costs of some minor snagging works is expected to be fully spent this financial year.
Waltham Abbey Playing Field	0	0	0	0	0	This scheme was completed last year with the provision of a new floodlit Astro turf pitch and a £39,000 saving was reported in the Capital Outturn Report in May. However, this year remedial works have been required on the pitch due to drainage issues and, because the original contractor has gone into administration, the pitch is not covered by a guarantee. There have also been some security issues and one of the measures being considered to mitigate these issues is the provision of additional security fencing. A report will be submitted to Cabinet in mid December which will outline all these issues and provide estimated costs of the capital works recommended.
Total	2,759	1,379	705			

	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Purchase of Bridgeman House, Waltham Abbey	654	0	0	0	0	This budget has been set aside for the acquisition of the lease of the second floor of Bridgeman House, Waltham Abbey. Negotiations are still taking place with the head lease owners to acquire part if not all of the area. If successful completion is likely to take place in the autumn of 2015 and the budget will be carried forward accordingly.
Purchase of Lease re Torrington Drive	3,462	3,462	3,511	49	1	This project was finalised in April this year. The overspend relates to higher than expected capital fees.
New Developments	173	86	50	-36	-42	This budget has been set aside for new developments within the District. With regard to the Epping Forest Shopping Park at Langston Road, the Council is now looking to finalise the Development Agreement with Polofind and discharge planning conditions. The new depot at Oakwood Hill has received planning approval and a progress report will be presented to Cabinet in late 2014 or early 2015, which will outline budget requirements for the development. It is also anticipated that further investment in consultancy fees may be required to progress some of the new developments and extend the Council's Economic Development Strategy.
Development of the former Winston Churchill Public House Site	75	38	38	0	0	The Council has entered into a 150 year lease with the developer and the Development Agreement has also been entered into. However, a variation to the agreement has been proposed by the developer, which will be put to Members in a Cabinet Report. Planning permission has been granted for the construction of 64 private flats, the Sir Winston Churchill Public House has been demolished and construction works have now commenced. The budget was approved to cover external legal fees.
Property Management System	35	0	0	0	0	Portfolio Holder approval has been granted for the appointment of a new provider for this system, as the initial supplier was unable to satisfy the specific requirements needed for the management of the Council's commercial properties. The order has now been placed and the new system is expected to be installed before the beginning of the next financial year.
Total	4,399	3,586	3,599			

2014/15 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS

ANNEX 9

	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		<u>Comments</u>
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
		Waste Management Equipment	107	54	40	
Parking Schemes	345	43	0	-43	-100	This budget covers the cost of completing the Buckhurst Hill parking review as well as the cost of the Loughton Broadway parking scheme. The formal public consultation for the Buckhurst Hill parking review is in progress and the works are expected to be completed by the end of the financial year. The final scheme in Loughton Broadway will follow once the Buckhurst Hill scheme is completed and an appropriate allocation will be recommended for carry forward as part of the Capital Review.
North Weald Airfield	128	64	0	-64	-100	This budget is fully funded from contributions from the airfield's market operator Hughmark. The full year budget shown will require amendment following further re-negotiations with Hughmark whereby capital contributions have been suspended due to economic circumstances. The Council has agreed to carry out essential work only, which will utilise the unspent balance of £44,000 on the account. Appropriate amendments will be made as part of the Capital Review.
Other Environmental works	222	111	56	-55	-50	This category includes the Council's grounds maintenance vehicle replacement programme, flood alleviation equipment and the pay and display car park scheme. Replacement grounds maintenance vehicles will be ordered in late 2014 or early 2015, once the condition of existing vehicles are assessed at the end of the mowing season. With regard to flood alleviation equipment, the 4x4 vehicle and land drainage equipment has now been purchased. Procurement is underway for the installation of new pay and display machines across all Council owned car parks although there has been no spending on this budget to date.
Total	802	272	96			

	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Planned Maintenance Programme	681	125	85	-40	-32	This budget covers all projects undertaken within the Council's Planned Maintenance Programme, except for those reported on separately in this report. There are thirty three planned projects and the main ones include window replacements in the Civic Office building, the upgrade of electrical & LED lighting works, Disability Discrimination Act (DDA) compliant works and car park resurfacing works at two leisure centres. The window replacement programme at the civic offices has been granted planning permission and phase 1 is due to start in early 2015. This is expected to be completed by the end of the financial year and phase 2 will follow in April 2015. Electrical work and LED lighting works are also on target to complete by 31 March 2015. Works on the DDA compliant projects are ongoing; the side doors are complete; the door to the conference room is complete; the door to the Housing interview room is due to commence imminently; and the work on the main front doors is progressing. However, the resurfacing of the car parks at Epping Sports Centre and Waltham Abbey swimming pool have been put on hold awaiting the outcome of the new Leisure Strategy. The Five year Planned Maintenance Programme has been reviewed recently and slippage of approximately £100,000 has been identified, primarily relating to the two car parking schemes mentioned above; the final carry forward figure will be presented to Cabinet as part of the Capital Review.
Solar Energy Panels	196	20	1	-19	-95	The tenders for roofing works have been received and are being evaluated. Construction works are due to commence later this year following contractor appointment.
Upgrade of Industrial Units	311	0	0	0	0	This project has been delayed as the work is subject to agreement with the tenants occupying the units on the industrial estates and negotiations are still on-going. No works will be carried out in this financial year but some legal expenses are expected to be incurred; a carry forward in the order of £296,000 will be requested within the Capital Review.
W Abbey Swimming Pool Roof	10	0	0	0	0	This project is on hold pending a decision about the future role for local authorities in leisure provision which will be published in the Leisure Strategy. No works are expected to be carried out in this financial year and the £10,000 allocation for initial feasibility works will be recommended for carry forward to 2015/16 as part of the Capital Review.
ICT Projects & Other Equipment	593	195	192	-3	-2	This budget covers all ICT capital projects being undertaken in this financial year, of which there are now 15 planned projects. The additional project relates to the installation of new software to allow integration and other enabling work for the new Waste Management contract; a virement of £23,000 was approved by Cabinet in September from the waste management equipment capital budget to cover this. All the ICT projects are progressing well. The telephony upgrade project is now complete with just minor snagging issues outstanding. The tender for the host servers has been completed and the new servers are due to be delivered on site during November, this will release older hardware to facilitate the progress of the disaster recovery project. The back office integration project has been completed with the purchase of the ESRI GIS mapping system; this has now been installed and Council staff are configuring and developing the use of the application. Phase 1 of the mobile working project has progressed well with more staff now having the technical capability of working outside of the office environment. This budget category has been extended this quarter to include an allocation of £40,000 recently approved for the purchase of an enveloping machine for the Council's reprographics section. An order for this is currently being processed.
Total	1,791	340	278			

	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		<u>Comments</u>
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Housing Developments	3,264	816	5	-811	-99	Housing developments include phases 1 and 2 of the new house building programme as well as the conversion works at Marden Close and Faversham Hall. The actual costs of £5,000 incurred to date relate to phase 1 of the house building programme: please refer to annex 13 (Major Schemes) for more information. Regarding the conversion works at Marden Close and Faversham Hall, work started on site in October 2014 and the project is running to programme and budget. Completion is expected around November 2015. Overall, this budget is significantly underspent and the cashflow has been updated to allow for slippage; recommended carry forwards will be presented within the Capital Review.
Heating/Rewiring /Water Tanks	2,711	1,316	1,279	-37	-3	This category includes gas and electrical heating; mechanical ventilation and heat recovery (MVHR) installation; rewiring; and communal water tank replacements. The overall budget position shows an underspend, primarily on the gas and electric heating budgets. A £150,000 contract for the one-off replacement of two gas heating boilers at Buckhurst Court has reached practical completion with the final payment due early quarter 3. Works on the electrical heating programme have commenced following the appointment of the specialist contractor.
Windows/Doors/Roofing	3,143	1,552	1,043	-509	-33	All the budgets in this category, which include PVCu window replacement, front entrance door replacement and roofing programmes, are currently showing as underspent. An accelerated programme of catch up works for the front entrance door replacement programme is now underway following the appointment of a new specialist contractor. A programme of catch up works has also commenced for flat roofing. Overall, an underspend on this budget category is expected, which will be addressed within the Capital review.
Other Planned Maintenance	824	411	326	-85	-21	This category includes Norway House improvements, door entry system installations and energy efficiency works. All the budgets are showing as underspent with the energy efficiency programme showing the most significant underspend. The Green Deal grant funding for the external wall insulation works has been withdrawn and the external wall insulation programme has been put on hold for the time being. It will re-commence if grant funding becomes available again in the future. The provision of Wi-Fi at Norway House is due to commence in late 2014.
Kitchen Replacements	1,506	753	489	-264	-35	This budget is currently showing an underspend. However, the planned kitchen replacement programme is progressing well and is currently on target. Although there are still properties on hold pending clearance of tenant arrears and other matters, plans are still in place to complete the 2014-15 programme by 31 March 2015.
Bathroom Replacements	1,779	889	805	-84	-9	Overall, the bathroom replacement programme is progressing well and on target with the 2014-15 programme expected to complete on time and within budget.
Void Refurbishments & Other Small Works	1,962	981	841	-140	-14	The volume and cost of capital work on void properties are difficult to predict as the level of expenditure depends on the number of properties becoming void as well as and the quality and condition of the property. When compared with the last financial year there has been an increase in the number of properties going through the void process, partly due to a number of tenants downsizing as a result of the introduction of the benefit cap within the Welfare Reform Act. Also, implementation of the Council's modern homes standard has increased the frequency that capital improvements are carried out, due to the reduced life-cycle of each building element. Despite the current underspend, this budget is expected to be fully spent by the year end as expenditure, based on previous trends, is likely to increase in the next two quarters.
Total c/f	15,189	6,718	4,788			

	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Total b/f	15,189	6,718	4,788			
Structural & Other Works	467	220	147	-73	-33	The Council has a structural repairs programme for major remedial structural works, which is currently on target and progressing to plan. This budget also funds urgent major structural repairs which are ad-hoc in nature, however, in the first six months no urgent major structural repairs have been identified. Expenditure on this budget is due to increase in the next two quarters.
Council Estate Parking, Garages & Other Environmental Works	1,777	877	380	-497	-57	This category includes garages, fencing, off street parking, estate environmental works, cctv installations, external lighting schemes and a gas pipe-work replacement programme. The two largest projects in this category are the off street parking schemes on Council owned land and the gas pipe-work replacement programme, both of which are currently underspent. The off street parking schemes are jointly funded between the HRA and General Fund (please see comments on annex 7). The programme for the replacement of gas pipe-work is a four year project and includes works on 38-blocks of flats on the Ninefields Estate in Waltham Abbey and flats on the Oakwood Hill estate in Loughton. Work on 3-blocks on the Ninefields Estate have been completed and further blocks are planned for 2014-15. These two budgets are expected to be underspent and expenditure will be revised when the Capital Programme is reviewed. The overall position for the other budgets within this category (except for fencing) is also underspent. The temporary hold on works to garage sites is still in place and this position is likely to continue for several years until all feasibilities on the new house building programme are completed. The estate environmental works have commenced and the catch up programme is underway. Recommendations to vire identified underspends will be made as appropriate within the Capital Review.
Disabled Adaptations	402	189	189	0	0	Expenditure is currently on target and it is anticipated that the budget will be fully spent by the end of the financial year.
Other Repairs and Maintenance	221	102	93	-9	-9	This category includes feasibilities, asbestos removal and the contingency budget. The current budget position is showing a small underspend. Asbestos removal works have the largest budget within this category; they are demand led and are roughly on target. The feasibility budget is again demand led and showing an underspend in quarter 2. However, a number of projects have been identified and expenditure on this budget is expected to increase in quarter 3. There have been no calls on the contingency budget to date, but it is prudent to retain this allocation in the budget for emergency capital works.
Capital Service Enhancements	399	199	29	-170	-85	The Capital Service Enhancements budget includes the front entrance fire door replacement programme on leasehold properties, the Oakwood Hill estate enhancement project, the refurbishment of communal kitchens in sheltered schemes, the provision of electric scooter stores at sheltered schemes, a contribution towards the provision of Wi-Fi at Norway House, and the online rents system & repairs maintenance software. The front entrance fire door replacement programme is progressing well and installations are underway. However, progress on the Oakwood Hill estate enhancement project has been limited and the situation is being monitored. The refurbishment of the communal kitchens in sheltered schemes is underway with the completion of all phase 1 schemes expected this financial year. Consultation with the residents of sheltered schemes for the provision of electric scooter stores has been completed and works on two high priority schemes are due to commence shortly.
Housing DLO Vehicles	68	0	0	0	0	An order has recently been raised for the purchase of four new housing maintenance vehicles which are expected to be delivered in early 2015.
Total	18,523	8,305	5,626			

2014/15 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS)
AND CAPITAL LOANS

REFCuS	14/15 Full Year Budget £'000	Second Quarter		14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Disabled Facilities Grants	363	181	194	13	7	The number of occupational therapist referrals that initiate Disabled Facilities Grant (DFG) applications have been growing significantly since March 2013 and the number of referrals forecast for 2014/15 is 200, compared to 163 in 2013/14. As a consequence, it is anticipated that expenditure will exceed the approved budget in 2014/15 by approximately £17,000. This will be addressed as part of the Capital Review, which will recommend the re-profiling of the allocated budget over the following 3 year period in line with medium-term forecasts.
Other Private Sector Housing Grants	4	2	8	6	300	This budget covers private sector housing grants approved under the previous system of non-repayable grants for decent homes, small works and thermal comfort assistance. There is one remaining case, totalling £5,000, which has been held in abeyance due to client hospitalisation and protracted legal consents with a listed building; it is anticipated that the works will be completed by the end of the financial year.
Waltham Abbey Regeneration	8	0	0	0	0	This regeneration initiative started in 2011/12, financed from the £165,000 premium paid by Lidl in respect of 1 Cartersfield, Waltham Abbey. It consists of a number of projects managed by Waltham Abbey Town Council. Most of the projects have now been completed and the remaining projects are small scale schemes and will be included within the revenue budget. The appropriate amendments will be made when the budgets are revised.
HRA Leaseholders	TBA	TBA	TBA	N/A	N/A	These costs relate to capital expenditure on sold Council flats and are currently shown in the HRA capital programme. They are will be identified once the works are complete and reported at the end of the financial year.
Total	375	183	202			

CAPITAL LOANS	14/15 Full Year Budget £'000	First Quarter		14/15 Variance Budget v Actual		Comments
		14/15 Budget £'000	14/15 Actual £'000	£'000	%	
Home Ownership Schemes	593	0	0	0	0	The Open Market Shared Ownership Scheme provides interest-free loans to B3Living (formerly Broxbourne Housing Association) to enable first time buyers to purchase properties on the open market. The scheme is now in its second phase, with 2 out of 6 loans completed and more applications approved in this phase. A maximum purchase price of £250,000 per property is applicable under this scheme and, with the current upward trend in property prices, this has resulted in the uptake on the interest-free loans being lower than expected. It anticipated that 2 more loans will complete this year and the Capital Review will serve to reduce this year's allocation to £120,000 to reflect the reduced activity. The balance will be carried forward to 2015/16 and a number of options on how to make the scheme more attractive are currently being considered. The decision with regards to phase 3 of this scheme will be made when the second phase is completed.
Repayable Private Sector Housing Loans	412	206	18	-188	-91	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock and replaces the old non-repayable grants scheme referred to above. The budget is underspent to date as the uptake for these loans has been low, although uptake is now increasing. Expenditure for the year is likely to be no more than £120,000 and it is likely that a request will be made to carry forward some of the unspent portion into 2015/16.
Total	1,005	206	18			

MAJOR CAPITAL SCHEMES

HOUSE BUILDING - PHASE 1											
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Tender Forecast £'000	Pre-Updates £'000	Latest Forecast £'000	Actual Expenditure To Date £'000	Anticipated Outturn £'000	Variance to Original Cost %	Variance to Approved Budget %	
Apr-14	Jun-15	Oct-14	Oct-15	3,948	-478	3,469	89	TBA	-12%	N/A	
<p>In July 2013, the Cabinet Committee considered and approved the feasibility study for phase 1 of the Council's house-building programme. Planning approval was granted for the construction of 23 new affordable homes at four of the five sites originally considered at Roundhills and Harveyfields in Waltham Abbey. The original pre-tender forecast was revised down from £3,948,000 to £3,383,000 to reflect the reduction from five to four sites at this stage, which was before tenders were submitted.</p> <p>In July 2014 tenders were received and evaluated by Pellings, the Employers Agent acting on behalf of East Thames, the Council's Development Agent. On completion of the evaluation process, a report was presented to Cabinet in August 2014 and the contract was awarded to Broadway Construction Ltd for the tendered sum of £3,245,144. The latest estimate for phase 1 has therefore been amended to £3,469,000 to include tendered construction works plus fees estimated to be around £224,000. Work started on site on 27 October 2014 and the new homes are expected to be completed by the end of October 2015.</p> <p>With regard to phase 2 of the house-building programme, the planning application was submitted on 22 October 2014 after the site was appropriated for planning purposes. This phase will deliver 52 new affordable homes at an estimated cost of around £8,275,000 plus fees of approximately £717,000. This will be part funded from the £500,000 Homes & Communities Agency (HCA) Affordable Housing Grant recently awarded to the Council, subject to the Council achieving Development Partner Status with the HCA.</p>											
EPPING FOREST DISTRICT MUSEUM											
Original Start on Site Date	Original Finish Date	Proposed Start on Site Date	Proposed Finish Date	Original Tender Forecast £'000	Pre-Updates £'000	Latest Forecast £'000	Actual Expenditure To Date £'000	Anticipated Outturn £'000	Variance to Original Cost %	Variance to Approved Budget %	
Feb-14	Jan-15	Jan-15	Oct-15	1,750	0	1,750	564	TBA	0%	N/A	
<p>In November 2012 the Museum Service submitted a bid to the Heritage Lottery Fund for an extension and redevelopment of the Epping Forest District Museum, this was supported by an agreed capital commitment from EFDC of £250,000 towards the purchase of the lease of the 1st floor of the adjoining 37 Sun Street. The bid was successful resulting in an award totalling £1,654,000 in March 2013; £1,500,000 for the capital redevelopment works and £154,000 for the associated engagement programme over a three year period. The project will transform the museum, providing step free access across the site and bringing a large percentage of the reserve collections, currently held at Langston Road depot into the heart of the museum.</p> <p>Delay in acquiring the lease until April 2014, originally estimated to be completed by June 2013, postponed the start of the detailed design work. However, clearance of the Museum building and as much preliminary work as possible was undertaken while waiting for the purchase completion.</p> <p>Since April 2014 the appointed design team have been undertaking further investigations of the buildings and developing the scheme. Tenders for the main contractor of the build phase have been sent out as of 27 October 2014 and appointment is anticipated in December 2014. Revised costings for the building works have been undertaken ahead of the main contractor tender and any additional costings emerging from the purchase and design stage will be met in the first instance from project contingencies and will be the subject of a Cabinet report.</p> <p>The build phase is due to begin on site in January 2015 and be completed by July 2015. This will be followed by the installation of the exhibitions and collections to be completed by October 2015. If these timescales are achieved the Museum will reopen to the public in mid October 2015.</p>											