



# Capital Strategy 2006/2011



INVESTOR IN PEOPLE

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*Epping Forest District Council*

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## 1. Introduction

1.1 The Council is committed to providing high quality and improving services to the community. Capital investment in the form of large scale one-off projects plays a vital role in achieving this objective and it is essential that a strategic approach is taken, having regard to the Council's aims, and formulated in consultation with the community. The Council's Capital Strategy must also take into account capital resources available to fund capital investment and every effort is made to maximise income generation. At the same time, projects must be properly planned, managed and reviewed to ensure that best value is achieved. This Capital Strategy has been produced to accord with the latest guidance on capital accounting arrangements for local government.

1.2 The Council's Capital Strategy has previously been assessed by the Government Office as "Good" (the highest assessment), which means that it no longer needs to be submitted to the Government Office for further assessments. Although not required by Central Government, this Council's Capital Strategy is reviewed and revised annually, to ensure that it continues to be up to date and purposeful.

## 2. The Council's Medium Term Aims and Priorities

2.1 This Capital Strategy is a key "high level" strategic document that is linked to, and complements, other key corporate and strategic documents produced by the Council and its partners. The documents which 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 clear aims and priorities for the District which are embraced in the Council Plan. The latest Council Plan was approved in July 2006 and is linked with a four- year Financial Plan, which sets out the Council's strategic approach, including its approach to delivering its Local Agenda 21 objectives. Detailed annual plans are set out in the Council's annual Best Value Performance Plan 2006/07, which was adopted in June 2006. These plans must be read in conjunction with this Capital Strategy, since they form the agenda on which this Strategy will deliver.

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 address local environmental issues;
- (b) By addressing key housing need;
- (c) By creating safer communities;
- (d) By addressing leisure need; and
- (e) By encourage sustainable economic development.

2.4 In order to deliver its strategic aims and priorities, the Council has developed the following medium term priorities:

### ***To be an organisation that listens and leads, to resolve local issues by:***

- (a) Political leaders giving clear direction
- (b) Communicating with the public about service delivery
- (c) Prioritising objectives and services
- (d) Co-operating and planning with partners

### ***To provide accessible, affordable, improving services by:***

- (a) Identifying and targeting resources: realise capacity and manage performance
- (b) Procuring services in the most beneficial and cost effective way
- (c) Developing services, staff and the working environment

2.5 The Community Strategy for the District, published during 2004 by the Local Strategic Partnership (LSP), has been recognized by the latest Council Plan and its aspirations therefore embraced within the Capital Strategy. The Community Strategy addresses the key challenges facing the District over the next sixteen years, including the likelihood of significant housing growth and its potential impact on the environment, as well as issues such as local health and transport provision. The LSP carried out extensive consultation with residents and stakeholders to produce the strategy, and will monitor the progress of its constituent agencies in achieving the aims of the Community Strategy

2.6 Another important supporting document to the Capital Strategy is the Council's Asset Management Plan (AMP). Epping Forest District Council received a "Good" for its AMP when last assessed in 2003 and, as a consequence, there is no requirement to make further submissions for assessment. Nevertheless, the Council has continued to update the core data and national performance indicators each year, which have been forwarded to the Institute of Public Finance Asset Management Plan Network for comparison with other member authorities, and a new AMP is being prepared in 2006.

### **3. Previous Capital Investment Achievements**

3.1 The Council has a good track record of successfully delivering capital schemes, recent examples include:

- The successful implementation of new ICT Systems such as the Legal Case Management System, Committee Management System and the Planning System;
- The completion of vital security works at North Weald Airfield;
- An ongoing programme of capital repairs and improvements to the Council's housing stock that enabled the Council to achieve a reduction of a third in the number of non-decent homes between 2000 and 2003, one year earlier than the Government's target, and providing a sound base on which to meet the Government's additional target of ensuring that all the Council's homes are decent by 2010
- The construction of a new leisure centre in Loughton, which has greatly improved the leisure provision within the District
- An extensive capital programme of Disabled Adaptations for tenants in council accommodation and grants to residents in private housing
- The smooth transfer of Robert Daniels Court, a sheltered housing scheme in Theydon Bois, to Warden Housing in order for the bed-sit accommodation to be converted into self contained flats
- A major £1.6 million refurbishment of the Council's Homeless Person's Hostel at Norway House, North Weald

### **4. Formulating the Council's Key Capital Priorities – The Corporate Framework**

4.1 Section 2 sets out the Council's Medium Term Aims and Priorities. Each year, the Council re-assesses its key capital priorities on a corporate basis, having regard to:

- The Council's aims and priorities
- The Council's financial position
- The capital priorities of the Council's key partners
- The Council's ability to influence other partners' plans through the use of its capital resources
- Service Development and Improvement Plans, formulated following the outcome of best value reviews

4.2 This annual re-assessment is undertaken in a methodical way. In the first instance, the Council's Management Board formulates its draft Capital Strategy, having regard to the above factors and the views of the Council's Heads of Service. The draft Strategy is then considered by the Portfolio Holder for Finance and Performance Management, who has lead responsibility for its formulation and delivery, and presents a final draft to the Cabinet. In recognition of its importance, this Capital Strategy is approved each year at a meeting of the full Council.

4.3 It is essential that potential capital schemes that advance the Council's key capital and strategic priorities are 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.

4.4 Capital projects that meet the Council's Aims are then selected and prioritised through detailed discussion and evaluation by the Council's Cabinet, having regard to project appraisals and other relevant information.

#### *Best Value Reviews and Service Development and Improvement Plans*

4.5 Under the best value regime, the Council has undertaken comprehensive service reviews of some of its services. Following these reviews, detailed Service Development and Improvement Plans are formulated to ensure continuous improvement in service delivery. A number of these plans include capital schemes, which the Council takes into account when formulating its Capital Strategy. Best value reviews carried out over the last few years that have such implications include:

- Housing Needs and Homelessness (in relation to existing and future hostel accommodation)
- Housing Services (in relation to the repair and maintenance of the Council's housing stock)
- Leisure Management (in relation to the future management of the Council's leisure centres)
- Environmental Control (in relation to waste management and the environmental infrastructure)

#### *Revenue Implications*

4.6 When appraising potential capital schemes, it is essential that the associated revenue implications are 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 Head of Finance incorporates the revenue implications within the Council's revenue budget and monitors expenditure accordingly.

## **5 The Council's Key Capital Priorities – 2006-2011**

5.1 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:

<b>Priority</b>	<b>Key Capital Priority</b>	<b>Abb</b>	<b>Main Link to Aims &amp; Priorities</b>
<b>1 (1)</b>	Improving the Council's housing stock	<i>(ICS)</i>	<ul style="list-style-type: none"> <li>• Address key housing need</li> <li>• Procure services in the most beneficial and cost effective way</li> </ul>
<b>2 (2)</b>	Delivering quality public services through e-government	<i>(QPS)</i>	<ul style="list-style-type: none"> <li>• Develop services, staff and the working environment</li> </ul>
<b>3 (3)</b>	Promoting economic development	<i>(PED)</i>	<ul style="list-style-type: none"> <li>• Encourage sustainable economic development</li> </ul>
<b>4 (4)</b>	Regenerating areas in need	<i>(R)</i>	<ul style="list-style-type: none"> <li>• Address key housing need</li> <li>• Create safer communities</li> <li>• Encourage sustainable economic development</li> <li>• Co-operate and plan with partners</li> </ul>

5 (5)	Protecting the environment	(PE)	<ul style="list-style-type: none"> <li>• Maintain the special character and advantage of the District, and address local environmental issues</li> </ul>
6 (6)	Improving quality of life	(IQL)	<ul style="list-style-type: none"> <li>• Maintain the special character and advantage of the District, and address local environmental issues</li> <li>• Address key housing need</li> <li>• Address leisure need</li> </ul>
7 (7)	Meeting housing need	(MHN)	<ul style="list-style-type: none"> <li>• Address key housing need</li> </ul>
8 (8)	Improving private sector housing stock	(IPS)	<ul style="list-style-type: none"> <li>• Address key housing need</li> </ul>

5.2 Due to the amount of capital receipts that are currently being held by the Council, significant levels of interest are being obtained from their investment. This is beneficial to the Council's General Fund, since they provide additional revenue income. However, the use of these capital receipts to fund capital projects will reduce the amount of interest received, with a consequential detrimental effect on General Fund income. Therefore, in addition to the Key Capital Priorities set out above, the Council has also adopted a policy of actively seeking the investment of capital resources in revenue-generating assets, in order to minimise the detrimental effect of capital receipt usage on the Council's General Fund.

## 6. Key Capital Schemes: 2006- 2011

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 6 above. Schemes funded by the Housing Revenue Account are marked (\*).

6.2 The Council will undertake the following *committed* capital projects between 2006-2011 including slippage from 2005/06:

- Continue to renovate and improve the Council's housing stock, through the capital investment of £5.2 million for committed schemes in 2006/07 (ICS/IQL) (\*)
- Invest £4.6 million over the next three years in an extensive improvement scheme at Springfields, Waltham Abbey (ICS/IQL)
- Transfer ownership and tenants of the Council's sheltered housing scheme at Wickfields, Chigwell, to Home Housing Association by October 2006, at a cost of £790,000, in order to facilitate a £1,670,000 extension and conversion scheme (ICS/IQL) (\*)
- Progress work on Town Centre Enhancement Schemes at The Broadway, Loughton and The High Road, Loughton at a cost of £3,870,000 in 2006/07 and 2007/08((PED)
- Invest £919,000 in information communications technology in 2006/07, including the capital costs of installing an electronic records/ document management system, installing of a new land charges system, completing a second computer suite at the civic offices and starting the Customer Services Transformation Programme using IEG monies (QPS).
- Invest £533,000 to complete the programme to provide equipment for refuse collection in an effort to increase recycling targets over the next two years (PE)
- Invest £1,000,000 in 2006/07 and 2007/08 developing a number of under-utilised and vacant sites within the Council's ownership (e.g. difficult-to-let garage blocks) to increase the amount of affordable housing in the District in partnership with Estuary Housing Association (MHN/R/PE)

- Complete the remedial works at Bobbingworth Tip, which commenced in 2004/05, at an estimated cost of £1,659,000 in 2006/07 (PE)
- Provide £500,000 for private sector disabled facilities grants and £556,000(\*) for adaptations to Council properties in 2006/07 (IQL)
- Make a contribution of £453,000 towards the extension and improvement of Ongar Leisure Centre in partnership with SLM starting in 2006/07 (IQL)
- Invest £456,000 in parking and traffic associated management schemes and £167,000 in housing estate off street parking schemes throughout the District in 2006/07 (\* £97,000 of the latter to be funded from HRA) (PE)
- Provide £509,000 for private sector renovation grants in 2006/07 (IPS)
- Provide £232,000 for improvements to HRA shopping areas in 2006/07 (PED)(R) (\*)
- Provide contributions of £245,000 towards the cost of Youth Sports Facilities at various locations throughout the District between 2006/07 and 2007/08 as part of the 3 year programme totalling £300,000 which commenced in 2005/06 (IQL)
- Undertake improvements to the infrastructure at North Weald Airfield in 2006/07, at a cost of £52,000, to facilitate major outdoor events, including the Saturday and Bank Holiday Market (PED)
- Invest £83,000 in health and safety works on flood alleviation schemes and watercourses throughout the District over a two year period which started in 2005/06 with an estimated spend of £31,000 in 2006/07 (PE)
- Invest the Planning Delivery Capital Grant of £33,000, receivable in 2006/07, in the purchase of a country care vehicle and accommodation works for planning services ((PE)
- Invest £50,000 and £28,000 in 2006/07 to finance the replacement of Housing DLO vehicles and grounds maintenance plant and equipment respectively to ensure an effective and efficient services (ICS) (\*) and (PE)
- Invest £378,000 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 be in the order of £28,000 on resale of the property (PED/MHN)
- Invest £75,000 in the upgrade of Cottis Lane car park in 2006/07 and complete the upgrade of Buckhurst Hill car park for an estimated sum of £34,000 in 2006/07 bringing the total cost of the works to £58,000 (PE)
- Invest £53,000 in the Museum at Waltham Abbey for a redisplay programme in 2006/07 (IQL)
- Spend £162,000 on contractual commitments for completed schemes and fund small capital items

6.3 The Council will undertake the following *proposed* capital projects, ranked in priority order, between 2006-2011:

- (1) Continue to renovate/improve the Council's housing stock, through the capital investment of £16,458,000 between 2007/08 and 2010/11 (ICS/IQL) (\*)

- (2) Continue to invest up to £50,000 and £25,000 per year in Housing DLO vehicles and grounds maintenance plant from 2007/08 (ICS) (\*) and (PE)
- (3) Invest an annual sum of £300,000 from 2007/08 onwards in General IT (QPS)
- (4) Invest a further sum of £2,239,000 in information communications technology between 2007/08 and 2009/10 to meet the Government's targets for e-government and commit to implement the Customer Services Transformation Programme (QPS)
- (5) Invest £120,000 in improvements to HRA shopping areas in 2010/11 (PED)(R) (\*)
- (6) Continue annual improvements to North Weald Market from 2007/08, at a cost of £50,000 per annum (PED)
- (7) Invest £200,000 in essential reinstatement works to be carried out on flood relief infrastructures throughout the District (PE)
- (8) Provide £500,000 per annum for private sector disabled facilities grants from 2007/08 onwards and £395,000 in 2007/08 (\*) for adaptations to Council properties rising to £450,000 by 2010/11(IQL)
- (9) Continue to invest in parking and associated traffic management schemes through a budget of £150,000 in 2007/08 and £200,000 per annum thereafter (IQL)
- (10) Construct off street parking schemes on housing estates from 2007/08, at a cost of £80,000 per annum (\*£43,000 from HRA funds) (IQL)
- (11) Provide social housing grant(s) of £735,000 to one or more of the Council's Preferred RSL Partners to fund additional affordable housing within the District (MHN)
- (12) Provide £620,000 in 2007/08 for private sector renovation grants and continue to provide £200,000 per annum from 2008/09 onwards (IPS)
- (13) Invest £251,000 in capital works within the civic offices improvements programme
- (14) Provide investment of £16,000 for two replacement messenger vehicles in 2007/08.

## 7. The Council's Capital Programme Forecast: 2006-2011

7.1 Having regard to the Council's Strategic Aims, the Council has formulated its four-year Capital Programme Forecast for General Fund and HRA capital projects, which totals £50,793,000 between 2006/07 and 2010/11, and is summarised below. The detailed Capital Programme is reproduced at Appendix 2 (a – c).

	2006/07	2007/08	2009/10	2009/10	2010/11	Total
	£000	£000	£000	£000	£000	£000
<b>General Fund</b>	9,129	6,198	2,259	1,606	1,312	20,502
<b>HRA</b>	7,979	6,194	6,288	4,957	4,871	30,289
<b>Total</b>	<b>17,108</b>	<b>12,392</b>	<b>8,547</b>	<b>6,563</b>	<b>6,183</b>	<b>50,793</b>

## 8. Housing Stock Options Appraisal

8.1 The Council completed a Housing Stock Options Appraisal in November 2002 which identified the options for the future ownership and management of the Council's housing stock and the possible



separation of its strategic and management functions. It was concluded that further consultation should be undertaken with tenants before a decision could be made. Further consultation was undertaken during 2003, which clearly established that the vast majority of tenants were in favour of the Council retaining the stock. Since there was also a good business case for stock retention, the Council's Cabinet selected the stock retention option, and agreed to review the position in at least 5 years time. The Options Appraisal was formally signed off by the Government Office in September 2004.

## **9. Working in Partnership**

9.1 The Council's Aims and Priorities and the proposals within this Capital Strategy will not be achieved by the Council working in isolation. The Council is therefore committed to work in partnership with other councils and organisations to meet objectives that cut across organisations' individual responsibilities. 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 will continue to identify and secure opportunities for best value being obtained 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 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 Marks and Spencer to develop a temporary car park in Loughton for retail use and to secure a contribution towards the Loughton Town Centre Enhancement Scheme
- Working with Sainsburys to meet the cost of a public transport interchange and highways improvements in Loughton as part of a proposed development of a new superstore, as well as a contributing towards the Loughton Town Centre Enhancement Scheme
- Forming Town Centre Partnerships for the six main towns in the District to improve and enhance the town centres and to facilitate economic growth
- Working with registered social landlords for the provision of new affordable housing
- Creating and working with Town Centre Focus Groups, comprising local councils, town centre partnerships, traders associations, and voluntary organisations in the design of the town centre enhancement schemes
- Working with the Primary Care Trust and Parish Council to dispose of Council-owned land in North Weald to provide housing and a health centre
- Working with Parish Councils to provide improved outdoor youth facilities by means of jointly funded schemes
- As part of the externalisation of leisure management, the Council's partner Sports and Leisure Management Ltd (SLM) will invest £1,500,000 in improvements to leisure facilities in addition to the Council's contribution of £453,000 in the next few years

### *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 in partnership with Uttlesford, Harlow and East Herts District Councils and the Essex Economic Partnership to develop a West Essex and East Herts Economic Strategy
- 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 capital and revenue costs of implementation and operation are being shared amongst all the local authorities; the Consortium successfully bid for £96,000 grant (of which £43,000 is for capital purposes) from the DCLG to assist with these costs.

## **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 contract was entered into with Sainsburys to enable phase 1 of the Loughton High Road Town Centre Enhancement to go ahead
- A partnering agreement has successfully been adopted for the use of consultants to deliver the Council's increased 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 propertiesin order to ensure that the Government's "decent home" target is met.
- The Council's new financial management system was installed and implemented under a partnering contract
- A partnering contract has been used for the leisure management contract with SLM

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 two parcels of Council-owned land at Langston Road, Loughton (2.6 acres) and Merlin Way, North Weald (0.8 acres).
- Identify and maximise any opportunities for “windfall” 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 From April 2004, the Government requires 75% of capital receipts from Right to Buy sales and 50% from other HRA capital receipts (i.e. not from Right to Buy sales) to be “pooled”. However, the Council is a “debt free” authority and as such is eligible for “transitional relief”, which allows authorities to retain up to 75% of the receipts that should be pooled in the first year, reducing to 50% and 25% in subsequent years. Retained receipts through transitional relief must be ring-fenced for housing and improvements to HRA assets. The transitional arrangements cease in 2007/08. The amount of capital receipts to be retained by the Council through transitional relief was £3,195,000 in 2004/05, £1,663,000 in 2005/06 and is estimated to be in the order of £722,000 during 2006/07. The Council will utilise the majority of this funding to invest in its own housing stock, to ensure that all its properties meet the Government’s Decent Home Standard by 2010. However, an estimated £1,100,000 of the transitional relief funding will be utilised to fund the contributions towards affordable housing and the shortfall of Government funding on the Disabled Facilities Grants.

11.3 Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, if HRA capital receipts that are not received from Right to Buy Sales are used to finance expenditure on affordable housing or regeneration, there is no requirement for them to be pooled. The Council has therefore agreed that such capital receipts should be used to help fund the required expenditure on repairs and improvements for the Council’s own housing stock.

11.4 The Five Year Capital Programme 2006-2011 will be funded as follows, subject to required annual variations to reflect actual funding availability:

	<b><u>£’000</u></b>
Grants	3,042
Revenue Contributions	7,750
Capital Receipts	18,284
Major Repairs Allow.	<u>21,717</u>
<b>Total</b>	<b><u>50,793</u></b>

## **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.

**Key Strategic Council Documents that Complement and  
link  
with the Capital Strategy**

**Council Plan (2006-2010):** Sets out the Council's aims and medium term priorities, together with more detailed strategies for meeting the aims and priorities

**Community Strategy:** Produced by the Local Strategic Partnership, sets out a long term Vision and objectives for the Epping Forest District.

**Best Value Performance Plan:** Reports on performance in the previous year, and sets out the Council's plans for the following year, together with performance targets.

**Asset Management Plan:** Sets out, annually, how the Council will manage its assets.

**Housing Strategy:** Sets out the Council's main housing strategies for meeting housing need, new housing provision, associated planning policies, private sector housing, community care, housing benefits and the management and maintenance of the Council's own stock. Separate detailed Housing Service Strategies provide more detailed information in key areas

**HRA Business Plan:** Produced annually, provides medium and long term financial forecasts for the Housing Revenue Account (HRA), a comprehensive stock valuation broken down into asset groups, option appraisals (where relevant) and an Asset Management Plan for the HRA, incorporating the Council's Repairs and Maintenance Business Plan.

**Adopted Local Plan:** 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.

**Cultural Strategy:** Provides a strategic approach to the way in which the Council will provide and facilitate leisure activities in order to improve the health and quality of life of residents, and how tourism will be promoted to raise the profile of the District and assist economic development.

**Transport Strategy:** Sets out the Council's local highway and transport policies within the overall context of the County Council's (Highway's Authority's) strategic Transport Plan and bid submission to the ODPM.

**Consultation Strategy:** Sets out how the Council will consult local residents and other stakeholders on relevant issues relating to the formulation of strategies, setting of targets, delivery of services and review of performance.

**Information Technology Strategy:** Sets out the Council's strategies, standards and targets for the planning, procurement and management of information technology.

**E-Government Statement:** Sets out the Council's approach to implementing the delivery of all Council services through electronic means (eg the internet, public access points) by 2006

**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.