

## ***Report to the Council***

**Committee:** Cabinet **Date:** 20 December 2018  
**Subject:** Capital Review 2018/19 – 2022.23  
**Portfolio Holder:** Councillor G Mohindra (Business Support)

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### **Recommending:**

**That the following amendments to the Capital Programme be recommended to Council to approve:**

- (a) supplementary capital estimates of £56,000 for works to investment properties and £23,000 for the Shopping Park letting fees in 2018/19;**
  - (b) the inclusion of a supplementary capital estimate of £140,000 for works to let the units at the Landmark Building in 2018/19 and £70,000 for the installation of a new sub-station at North Weald Airfield, pending Cabinet report submission and approval;**
  - (c) additional allocations of £603,000 relating to the updated five-year planned facility management programme in 2021/22;**
  - (d) the inclusion of Capital allocations of £1,706,000, including recommendation (b), and £323,000 into 2018/19 and 2019/20 respectively as approved by appropriate delegations;**
  - (e) savings and reductions totalling £53,000 in 2018/19 and £10,000 in 2019/20 for General Fund projects as identified in the report;**
  - (f) virements relating to the Accommodation Project, pending approval, of £25,000 in 2018/19 and £400,000 in 2019/20 to be taken from on-hold planned maintenance budgets;**
  - (g) further virements in 2018/19 of £25,000 and £206,000 in 2019/20 within the General Fund and a transfer of a £33,000 potential saving within the car parking schemes;**
  - (h) additional allocations, savings, reductions and virements in respect of the Council's housebuilding programme and other HRA capital schemes as identified in the report; and**
  - (i) carry forwards totalling £2,294,000 and £7,473,000 from 2018/19 to future years for General Fund and HRA capital schemes respectively, as outlined in the report and Resources Implications table.**
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1. At their meeting on 10 December 2018, the Cabinet considered the report setting out the Council's Capital Programme for the five year period 2018/19 to 2022/23. It included the forecast capital investment in Council owned assets; estimates of capital loans to be made for private housing initiatives; and projected levels of revenue

expenditure funded from capital under statute. The Capital Programme has been prepared by updating the programme approved in February 2018, amended for any slippage and re-phasing approved in June 2018, as well as new schemes and allocations proposed by Cabinet since then. The allocations included in 2018/19 and 2019/20 represent proposed sums for capital schemes which the Council is committed to deliver. Allocations given for the years 2020/21 to 2022/23 represent forecast sums as a guide to future capital investment and the schemes to which they relate will require Cabinet approval before going ahead. The projects already approved within the Capital Programme have been reviewed and spending control officers have reassessed estimated final costs and the phasing of expenditure profiles for each scheme as part of the Capital Review. Recommendations have been made to make amendments as appropriate.

### Background

2. The Council's overall programme of capital expenditure was summarised for each new Directorate based on the current management structure implemented by the Council in September 2018. The summary showed forecast investments of £95,432,000 in Council-owned assets over the five-year period under consideration. Details of individual schemes or groups of projects were shown for the General Fund Capital Programme and an analysis of works into specific categories was shown for the Housing Revenue Account (HRA) Capital Programme. Also shown was the Council's forecast to finance capital loans of £690,000 and planned expenditure of £1,032,000 which was classified as revenue expenditure but which could be financed from capital resources, over the five-year period.

3. With regard to funding the Capital Programme, the report set out proposed sources of finance over the five-year period from 2018/19 to 2022/23, based on maximising the funding available to finance each scheme. The report identified estimated external funding from grants and private sources of £480,000, and it proposed that capital receipts of an estimated £18,661,000 and direct revenue funding of an estimated £69,786,000 be applied to finance the Capital Programme over the next five years. It was forecast that borrowing of an estimated £8,227,000 will be necessary to support the Council's investments in new developments within the General Fund. In summary, the balance of capital receipts was expected to increase from zero as at 1 April 2018 to £3,949,000 by 31 March 2023 and the balance on the Major Repairs Fund was expected to decrease from £11,693,000 as at 1 April 2018 to £558,000 by 31 March 2023.

### Conclusion

9. We recommend as set out at the commencement of this report.

## Resource Implications:

The following table lists all sums recommended to be carried forward from 2018/19 to future years; net increases/savings requesting approval within 2018/19; supplementary estimates for 2018/19 and capital estimates for 2019/20 approved by Cabinet since February 2018:

| Capital Project                                | Sum c/f from 2018/19 | Supplementary Allocations for 2018/19 | Capital Estimates for 2019/20 | Net increases/ (savings) 2018/19 | Appendix: Paragraph in Report |
|--|----------------------|---------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| ICT Strategy Implementation                    | 220,000              |                                       |                               | (21,000)                         | 2: 2                          |
| Epping Forest Retail Park                      |                      |                                       |                               | 23,000                           | 2: 4                          |
| Waltham Abbey Swimming Pool Development        |                      | 275,000                               |                               |                                  | 2: 5                          |
| Landmark Building Development                  |                      | 140,000*                              |                               |                                  | 2: 6                          |
| NW Airfield Automated Gate                     |                      | 4,000                                 |                               |                                  | 2: 7                          |
| CCTV Systems                                   | 45,000               | 14,000                                |                               |                                  | 2: 9                          |
| CCTV Car Park Systems                          | 32,000               | 10,000                                | 13,000                        |                                  | 2: 10                         |
| Leisure Centres                                |                      | 211,000                               |                               |                                  | 2: 12-14                      |
| St Johns Development                           |                      | 475,000                               |                               |                                  | 2: 15                         |
| NW Gymnasium Refurbishment                     |                      | 90,000                                | 150,000                       |                                  | 2: 16                         |
| Hillhouse Sec 106 Contribution                 |                      | 7,000                                 |                               |                                  | 2: 17                         |
| Grounds Maintenance Plant & Equipment          | 17,000               |                                       |                               |                                  | 2: 18                         |
| Car Parking Schemes                            | 149,000              |                                       | 160,000                       |                                  | 2: 19                         |
| Transformation Projects                        |                      |                                       |                               | (11,000)                         | 2: 21                         |
| Works on Investment Properties                 | 15,000               | 70,000*                               |                               | 56,000                           | 2: 23                         |
| Active Planned Maintenance                     | 30,000               |                                       |                               | (21,000)                         | 2: 24                         |
| On-hold Planned Maintenance                    | 1,171,000            | (25,000)**                            | (400,000)**                   |                                  | 2: 25                         |
| Accommodation Project                          |                      | 25,000**                              | 400,000**                     |                                  | 2: 27                         |
| Housing Estate Parking (GF)                    | 403,000              |                                       |                               |                                  | 2: 28                         |
| Biffa Recycling Facility Contribution (REFCuS) |                      | 200,000                               |                               |                                  | 5: 48                         |
| Parking Review Schemes (REFCuS)                | 212,000              |                                       |                               |                                  | 5: 49                         |
| Jack Silley Pavilion (REFCuS)                  |                      | 210,000                               |                               |                                  | 5: 50                         |
| <b>Total General Fund Schemes</b>              | <b>2,294,000</b>     | <b>1,706,000</b>                      | <b>323,000</b>                | <b>26,000</b>                    |                               |
|  |                      |                                       |                               |                                  |                               |
| New House Building                             | 6,212,000            |                                       |                               | 480,000                          | 3: 30-36                      |
| Heating, Rewiring and Water Tanks              |                      |                                       |                               | (344,000)                        | 3: 37                         |
| Windows, Doors and Roofing                     | 357,000              |                                       |                               | (59,000)                         | 3: 38                         |
| Other Planned Maintenance                      |                      |                                       |                               | (5,000)                          | 3: 39                         |
| Kitchen and Bathroom Replacements              |                      |                                       |                               | (200,000)                        | 3: 40                         |
| Garages and Environmental Improvements         | 235,000              |                                       |                               |                                  | 3: 41                         |
| Capital Service Enhancements                   | 138,000              |                                       |                               |                                  | 3: 43                         |
| Work on Leasehold Properties                   |                      |                                       |                               | 224,000                          | 3: 45                         |
| Oakwood Hill Depot                             | 531,000              |                                       |                               |                                  | 3: 46                         |
| Private Sector Housing Loans                   |                      |                                       |                               | (97,000)                         | 4: 52                         |
| <b>Total HRA Schemes</b>                       | <b>7,473,000</b>     | <b>0</b>                              | <b>0</b>                      | <b>(1,000)</b>                   |                               |

\*allocations pending approval from Cabinet

\*\* virements pending approval from Cabinet