

2018/19 DIRECTORATE CAPITAL MONITORING -
BUSINESS SUPPORT SERVICES

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
ICT General Schemes	16	8	9	1	13	The ICT schemes have now been split between general ICT schemes and schemes specific to the ICT strategy implementation. The only remaining scheme within this section relates to the upgrade of the Northgate Aspire Mobile Working which will help support the delivery of efficient and effective services including the ability to process live food hygiene reports around the District's restaurants. This scheme has faced minor delays due to supplier issues; however it is expected to be completed by the end of the financial year. The schemes within the ICT strategy, which represent the Council's vision of transformation and home working solutions, have progressed in quarter two but many schemes have faced delays and questions over their viability. With the new release of the Blackberry Good application a certain number of the Council's Android phones became incompatible with the email based application and therefore 30 new handsets were purchased and rolled out to Council staff in this period. The scheme to patch the host servers, which will create more memory and disk space to the current servers has begun, as has the implementation of the portal integration system which will link multiple systems together and allow the public access to them with a single sign-in. The replacement of the current sundry debtors system has been delayed due to the uncertainty surrounding the restructure, whilst the schemes to upgrade the uninterrupted power supply and the procurement of desktop equipment at Oakwood Hill depot to accommodate the Housing Assets team will not now be completed until 2019/20 after the move was delayed. The nature of the current situation with regard to the accommodation review has had huge implications for the rollout of ICT projects previously planned in the ICT Strategy. In order to be prudent and avoid expenditure which in the long term may not be necessary, some projects anticipated to take place during this financial year have been deferred to 2019/20, pending a review. Many of those schemes may still be deemed necessary, but their feasibility will depend on other projects coming to fruition and the details of the accommodation review. In financial terms, it will be recommended that Members approve a carry forward of £139,000 into the next financial year in order to assess whether these projects are still necessary or viable; whilst a further £81,500 will be carried forward due to various delays detailed above.
ICT Strategy Implementation	736	550	268	-282	-51	
Total	752	558	277			

**2018/19 DIRECTORATE CAPITAL MONITORING -
COMMERICAL AND REGULATORY SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Epping Forest Shopping Park	459	459	209	-250	-54	The construction of the Shopping Park was completed in June 2017 and all twelve units are now successfully let. The 2018/19 allocation agreed by Members relates to outstanding costs including letting agent's fees, legal costs for the production of heads of terms, capital payments to tenants and variations in the final account, some of which have already been paid. There have been additional costs to install an attenuation tank close to the units after it was discovered that some of the drains were blocked or had collapsed, in addition to repairs to the roof of the amenity block and other necessary remedial works which will continue to progress throughout the defect period; most of these additional costs are likely to be recovered from the retention. Overall, it is anticipated that the budget will be overspent by about £23,000, mostly due to professional fees, and will be highlighted within the Capital Review.
Landmark Building Development	0	0	24	24	0	The Council entered into a 153-year lease with a private developer, Higgins, to provide a mixed use development of retail and food and drink units on the ground floor with 64 residential units over the six floors above on the former Sir Winston Churchill public house site. The five investment units on the ground floor have now been handed over and the Council are incurring costs to modify the units and let them to potential suitors. Currently, one unit has been let with another being close to signing. Expenditure of £24,000 has related to legal and letting fees, however it is estimated that the costs to let the remaining units, in addition to building separation walls between the units and pillars for the unit entrances, will rise to around £140,000. A report seeking the necessary additional budget will be presented to the next Cabinet meeting.
NW Airfield Automated Gate	12	0	0	0	0	After planning permission was refused for the extension of the North Weald 240 Building to accommodate a vehicle compound, the budget was identified to install an automated gate at the Airfield after safety concerns were expressed. This installation will cost around £16,000, with the deficit in the budget of £3,500 being funded from a Revenue contribution, and will provide a more effective deterrent to trespassing after staff discovered unauthorised access by children; the gate will be in place by the end of the financial year.
Total	471	459	233			

2018/19 DIRECTORATE CAPITAL MONITORING -
COMMUNITY AND PARTNERSHIP SERVICES

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
CCTV Systems	72	8	10	2	25	Progress has been made on three CCTV schemes planned for implementation within the financial year. After facing lengthy delays due to the complexity of the designs, planning permission was granted in August for the replacement and extension of the current nine camera system along Epping High Street which will provide an additional twenty one cameras to previously unseen zones. The invitation to tender is scheduled for November and incorporates a strategy to decrease the current street furniture by amalgamating the CCTV columns with road signs. Although preliminary works will be completed by the end of the year, the commissioning date for this system is likely to slip into the 2019/20 financial year. A supplementary allocation of £14,000 was agreed in October as part of the Leisure Management Contract Finance to install a new CCTV system to cover the Hillhouse Leisure Centre and car parking area. Works along the Hillhouse shopping parade and estate will follow on from the Leisure Centre, which is likely to be completed by the end of October, and are scheduled to be commissioned by the end of the financial year; approximately a third of the CCTV cameras will cover the local housing estate and will be reclaimed from the HRA budget.
Car Park CCTV Systems	46	13	14	1	8	
Total	118	21	24			

2018/19 DIRECTORATE CAPITAL MONITORING -
GOVERNANCE AND MEMBER SERVICES

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Transformation Projects	11	0	0	0	0	A small budget has been set aside for future feasibility works relating to the Council's Accommodation Review. The budget intended has been classified as revenue expenditure and therefore this budget will be removed from the Capital Programme.
Total	11	0	0			

**2018/19 DIRECTORATE CAPITAL MONITORING -
CONTRACT AND TECHNICAL SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Hill House Leisure Centre	4,944	3,708	4,047	339	9	Please see major scheme tab for details on this scheme.
Loughton Leisure Centre	2,484	1,242	1,432	190	15	Please see major scheme tab for details on this scheme.
Epping Sports Centre	164	164	289	125	76	The works to renovate the Epping Sports Centre, including the conversion of two squash courts into a movement studio, the extension of the fitness suite, and the changing room refurbishment is now complete with only minor remedial works now outstanding. The overspend currently being reported is due to the worse-than-expected deterioration of the leisure centre where extra works, outside the original specification of the project, were necessary. This has caused increased costs amounting to £218,000, of which £93,000 has already been agreed by Members to be supplemented from savings at the Ongar Leisure Centre. A Cabinet report from the Leisure and Community Services portfolio has requested approval of the current overspend of £125,000 shown to be taken from savings identified at Loughton Leisure Centre, whilst a supplement of £24,000 has been requested for works relating to a new fire alarm system and replacement flooring in the sports hall and gym area. Places for People have reported that the significant cracks in the walls of the sports hall continues to be a concern with further structural movement and damage likely with heavy winter rainfall.
Hill House Development	130	0	0	0	0	The Council has entered into a Section 106 agreement to provide compensatory facilities as the development of the new Leisure Centre and Independent Living Scheme at Hill House will mean a loss of sports pitches within the area. The preliminary strategy has identified the improvement of pitches at Town Mead as a suitable option meeting statutory requirements and it is hoped that the works will take place in the current financial year.
Other Schemes	229	229	161	-68	-30	The grounds maintenance team have had the delivery of the six new ride-on mowers to replace an ageing fleet that was traded in for £26,500. The remaining budget has been earmarked to purchase a new truck before the end of the financial year at an anticipated cost of £32,000. During the previous financial year, the Flood Alleviation team had an additional budget allocation approved after there was an unexpected failure of the main control unit and pumps at Bobbingworth Tip. The labour and equipment costs relating to the rectification works are expected to be covered by the £19,000 budget in this financial year.
Car Parking Schemes	184	0	15	15	0	Across the District there are twenty Council-owned car parks which are being upgraded to include LED lighting. Last year Cornmill, Darby Drive and Traps Hill were all completed followed by Quakers Lane car park this financial year. However, the scheme has encountered delays in delivering LED lighting to the remaining car parks as no contractor can be found who will both source and supply the LED equipment and carry out the installations. To rectify the situation, a Cabinet report will be submitted by the Safer, Greener and Transport portfolio holder in November requesting further capital investment to appoint a consultant who will see the project through to fruition. Until a decision is made on the bid, no further works are anticipated. At the Oakwood Hill car park, the land owned by EFDC was identified, fenced off and all works completed. The additional bays that were planned on land deemed not to be owned by the Council have not been constructed and therefore the unspent budget of £33,000 will be available for consideration by Members as part of the Capital Review. Two separate planning applications have been submitted to start works to extend the Vere Road car park by a total of forty-one parking bays. The first application to demolish a small enclosed area of the car park and construct eleven bays has been granted, whilst the second application relating to the remaining thirty spaces is still pending. If approved, twenty-two garages will be demolished in order to construct these bays. Within the original specification only the thirty spaces were identified and therefore the works for the additional eleven bays have not been budgeted for; the need for additional resources here is coupled with the increased costs likely to occur if asbestos is found to be present in the garage buildings. It will be recommended within the Capital Review that the savings identified within the Oakwood Hill car park scheme are transferred to cover any additional costs arising at Vere Road.
Total	8,135	5,343	5,944			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING AND PROPERTY SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Town Mead Depot	107	0	-18	-18	0	Town Mead Depot needs to be fully operational by December 2018 to provide staff moving from Pyrles Lane with suitable accommodation. The depot has also been subject to an internal Health and Safety audit which has raised a number of issues which require compliance before the premises can be utilised. The most pressing issues raised from the audit, including fencing, CCTV and drainage works, have already been resolved whilst all remaining issues are being dealt with during the refurbishment of the depot which will commence shortly.
Works on Investment Properties	55	5	21	16	320	The improvement works to the investment property at 16 The Broadway, which included putting a waterproof liquid membrane over the existing felt, was completed early in the financial year, whilst the replacement of gutters and drainage to units at Oakwood Hill will commence later in the year. The remaining budget is a provision for costs where investment properties share common roofing with housing units. It is estimated that the General Fund element of these works will be in region of £81,000 if all planned works progress as anticipated; therefore, members will be asked to supplement the current budget of £25,000 with an additional £56,000 to cover this recharge within the Capital Review.
Active Planned Maintenance	292	70	87	17	24	There are various schemes for planned maintenance taking place this financial year across the Council's assets that do not fall under the Accommodation Review. Within the Civic Offices, new distribution boards have been purchased in addition to a new fire detection and warning system which is being extended to parts of the building which are not currently covered. The Council has also responded to the need for accommodating electric vehicles by installing two charging points in the Civic Office car park. At Homefield House, works to convert the former VAEF location into meeting rooms, training rooms and offices are now finished with the installation of a fire alarm system, rewiring and fibre connections all completed and the property now operational for staff to use. Replacement windows at the North Weald Gatehouse have been installed, the project to re-roof and refurbish chimneys and stacks at Waltham Abbey Museum has progressed well despite presenting challenges relating to asbestos and the listing of the property; it is anticipated the works at the Museum will be commissioned in early November with cost savings identified.
On-Hold Planned Maintenance	1,196	0	0	0	0	Many of the schemes in the planned maintenance programme relating to the Civic Offices have been placed on hold pending the outcome of the Accommodation Review, with expenditure limited to only minor design works. It should be recognised that deferring some of these projects for a long length of time increases the risk of failure. For the purposes of the Capital Review, it will be recommended that all currently on-hold schemes, budgeted at £1,196,000 will be carried forward to 2019/20.
Housing Estate Parking	422	19	19	0	0	The off-street parking schemes undertaken on Council-owned land is jointly funded between the HRA and General Fund. The scheme is currently under review with more information provided within appendix 15(C).
Total	2,072	94	109			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	6	3	-26	-29	-967	<p>The Council took possession of 23 properties across four sites in Waltham Abbey in November 2017; these properties are currently in the defects liability period lasting two years. The £6,000 budget for 2018/19 represents the remaining budget from the anticipated outturn agreed by Members. During the last quarter, the Council received a payment of £66,000 from Broadway Construction's administrators after the company went into liquidation; this income will be used to offset the previously reported increase to the budget of £34,000 after being issued with an interim certificate of the final account from P.A Finlay. Inspections are currently being organised to identify any defects to the properties and consequently further costs may be generated; the Council is expected to receive the final account figure in November once these investigations have taken place. The latest estimate of the final account for the P.A. Finlay contract is £3,614,912.96.</p> <p>Please see major scheme tab for details on this scheme.</p> <p>Please see major scheme tab for details on this scheme.</p> <p>Following the decision made by East Thames to terminate its contract after 4-years as the Council's Development Agent, a new approach was developed to deliver phases 4 to 6 of the house-building programme, which will provide a more efficient service and de-risk some of the aspects of the programme that have so far resulted in additional costs across schemes that are on site. The new approach included building a Framework of Consultants, who have now been selected, with contracts currently close to being signed.</p> <p>Once signed, the schedule of works will proceed on the sites that have current planning approval. The pre-tender works such as site investigations, remediation works and demolitions will begin before the end of quarter 3 with the tenders being sent out once these works have been completed. The start on site date will be determined on receiving suitable tenders, but the Council is expected to commence works by June 2019 with an 18-24 months construction period for these sites. The schemes that have had planning permission rejected previously have been given authority to be resubmitted; with decisions on these sites still pending, works will start at a later date to those approved.</p> <p>The Council is one of a number of councils invited to bid for additional HRA borrowing approvals from the MHCLG to enable the Council to borrow additional money in order to fund its current and/or future Housebuilding Programme; specifically the proposed sites within phase 4 to 6. The Council is expecting to be notified in November as to whether or not the bid was successful.</p> <p>On the 18th May 2018 Linden Homes transferred the possession of eight properties at Barnfields to the Council. This scheme faced delays and failed to meet the initial handover date due to various defects and snagging issues; tenants have now been moved into these properties but are still finding issues which are being dealt with by the EFDC repairs team. Linden Homes' low performance in customer care has led to EDFC looking to take on the defect works and recovering some, but not all, of the costs from the retention held. The final account for this site is expected to be submitted in May 2019, with the current budget for this scheme is showing a slight overspend of £14,000 due to additional works outside the original specification; however, the defect works mentioned will likely increase this budget by a further £15,000.</p> <p>Finally, TSG has been selected as the contractor for the installation of the Norway House Pods project and will proceed with all pre-construction works, including ground and drainage works whilst waiting for the delivery of the pods. The majority of the works and installations will be completed by the end of the financial year; however it is unlikely that all six of the units will be operation this financial year. The installations of the pods will follow the pre-construction works. There is a caveat to the planning permission approved for these pods which means a further application for renewal will need to be submitted for the development after a 10-year period.</p>
Housebuild Phase 2	4,631	2,316	2,277	-39	-2	
Housebuild Phase 3	2,724	1,362	1,031	-331	-24	
Other Housebuilding	5,983	2,992	81	-2,911	-97	
Total c/f	13,344	6,673	3,363			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	13,344	6,673	3,363			
Oakwood Hill Depot Extension	1,075	538	14	-524	-97	The expansion of the depot located at Oakwood Hill to accommodate the Welfare, Works Unit and Grounds Maintenance teams is continuing to progress. The consultants have now completed the concept designs of the Oakwood Hill Depot extension and are now progressing with a cost plan and technical designs for the build. A few variations to the original specification, including a new fence, gates and new electronic barriers, have been adopted within these designs due to multiple break-ins and security issues at the depot. Subject to planning permission being granted the provisional start date for these works will be January 2019. The Council have faced two issues with the planning application that has been submitted for the construction of a new car park to facilitate the increased number of employees at the depot. These issues relate to increased air pollution and increased footfall to the nature reserve in Oakwood where the car park will be located. The application will be submitted to the Plan South planning committee.
Heating & Rewire	2,484	1,242	731	-511	-41	The rewiring scheme is showing the largest underspend of the category due to the Section 20 notices, advising tenants of the work to be carried out, being sent out later than planned. This delay, coupled with the tenders for an additional rewiring contractor, has seen the scheme fall behind. Gas heating is also showing a large variance even though the large schemes at Hemnall House and Parsonage Court have been completed; the remaining sheltered housing heating installations are expected to be completed by the end of the financial year. Two contracts are currently out to tender which will increase the amount of Gas Heating works across the Council's properties in 2019/20 and going forward. The Mechanical Ventilation Heat Recover (MVHR) and communal water tanks schemes are both coming to an end, and therefore showing limited spend in quarter 1. These schemes will be reassessed, with the other underspends in the category, as part of the Capital Review in December.
Windows, Doors & Roofing	2,721	1,361	920	-441	-32	Roofing works to the Council's HRA properties have progressed within the quarter; however the tiled and flat roofing categories are still showing a significant underspend at the half year period. Asbestos was discovered within the tiles at the flat block in the Cobdens, which commenced in September, whilst the Section 20 process is delaying further tiled and flat roofing works. An invitation to tender is currently being advertised for new roofing contractors which should accelerate works. The balcony resurfacing scheme has had a minor delay due to a joint tender with flat roofing currently being prepared for the blocks at Ninefields for later in the year; however the scheme on the whole is currently on target. The housing assets team are also currently working on a tender for a new double glazing contractor which will be reviewed within the December Cabinet; works will continue to be limited until a contractor is in place. The installation of replacement front doors have been postponed after certain doors did not meet the fire or smoke resistance performance in the Building Regulations guidance.
Other Planned Maintenance	140	70	76	6	9	This category includes Norway House improvements, door entry system installations and energy efficiency works. Norway House improvements are ahead schedule with the installation of a new intruder alarm, bathroom improvements and new CCTV equipment (see Garages & Environment Works, appendix 15(C)). The remaining budget is expected to be used to replace a communal bathroom within the facility and install finger guard production units on all the communal doors. Door entry improvements works at Hillhouse and Neal Court have been completed;whilst consultation with leaseholders and tenants in two further blocks at Hornbeam Close and Hilltop Court are still progressing. The energy efficiency scheme will be reassessed as part of the Capital Review with most of the cavity walls installations completed earlier in the programme.
Total c/f	19,764	9,884	5,104			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	19,764	9,884	5,104			
Kitchen & Bathrooms	1,751	876	825	-51	-6	The kitchen & bathroom replacement schemes have progressed well for the first half of the year, however the contract for these repairs expired in September. The housing assets team are currently in the process of tendering for a new contractor, with the possibility of one contract for both bathroom and kitchen replacements being investigated.
Garages & Environment Works	624	277	294	17	6	The off-street parking schemes at Torrington Road and Paley Gardens are now complete providing a combined total of 33 spaces to local residents. However, due to a lack of take up in permits around several street parking sites, the housing assets team will submit a viability report to Cabinet detailing whether any more sites should be identified for parking; until a decision has been made, there will be no further works. The budget for major repairs to garages has seen a decline in recent years due to the Council's garages across the district being identified for potential housebuilding sites. In 2018/19 there has been no spend on any garage repairs as many of the sites are expected to be demolished and converted into development land; some costs relating to reinforcing walls and garage doors to garages not currently identified will be spent within the year. All costs relating to demolishing and securing the sites will continue to be charged to the housebuilding schemes as per the CIPFA guidance. There is an overspend showing on the estate environmental works scheme due to changes of bin requirements which has meant that the Council will need to construct new bin stores and also add ramps to others. The replacement CCTV system at Norway House was completed earlier than anticipated with a significant increase in the number of cameras and equipment utilised at the site, amid security concerns. Designs have been completed and are ready to tender for the replacement system at Limes Farm Red Block, whilst the work planned for the three lifts areas at all the Limes Farm sites cannot proceed until the lifts themselves become operational.
Structual Schemes	2,475	1,238	886	-352	-28	The Council is currently awaiting portfolio holder approval a second contractor to assist with the increased structural works to the Council's housing stock. The Council has seen a rise in expenditure over the past 3 years due to the properties becoming old, problems with trees, subsidence and cracks in plaster and walls becoming an issue. Although the current budget for these works (£1,533,000) seems sufficient, with a 23% buffer showing against the profiled budget, the housing assets and accounts team will continue to monitor the costs throughout the year. The installation of new lifts at Limes Farm and Copperfield are scheduled for practical completion by March 2019.
Disabled Adaptations	487	2,434	165	-2,269	-93	There has been limited spend and a subsequent back log of disabled adaptations due to a combination of staffing capacity and tendering for two new contractors to assist with the increasing volume of disabled adaptations and extensions. The Council has now recruited a Disabled Adaptations Officer whilst the tenders for extensions and bathroom adaptations to Council properties have both been received and are awaiting portfolio holder approval. These delays have caused a reduction in expenditure for the first half of the year however, once the tendering process has been completed, the scheme is likely to be accelerated through the rest of the year.
Other Repairs & Maint	223	112	171	59	53	Feasibility studies were performed on two properties in Waltham Abbey and Loughton which are showing signs of structural movement, whilst a third report has been issued for a property in Waltham Abbey after cracks and structural damage have appeared due to close proximity of trees. There is currently an overspend to the profiled budget for asbestos removal which is linked to the increase in structural repairs and has led to additional costs to remove asbestos when found in Council properties.
Total c/f	25,324	14,821	7,445			

2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	25,324	14,821	7,445			
Service Enhancements	349	175	28	-147	-84	This budget covers the front door replacement programme including leaseholder properties, Oakwood Hill enhancements and mobility scooter stores. The door replacement programme for leaseholders has been suspended for the same reasons as other door replacement schemes in other categories. After consultation with members of the Oakwood Hill Estate Residents' Association (OHERA) it was agreed that the best use of the £400,000 funding (shared by EDFC and ECC) is to repair and resurface the whole footpath on the estate with slurry sealing rather than a full reconstruction on 25% of the estate; some of which are the responsibility of the District Council (un-adopted footpaths) and some the responsibility of the County Council (adopted footpaths). These works were completed in October, however ECC have not yet invoiced the Council. The housing assets team had identified Pelly Court as a potential site for the construction of a new Scooter Store, however the scheme became unviable after consultations with the residents with limited take up of the stores expected.
Replacement Housing Vehicles	68	34	1	-33	-97	Four replacement vans are on order to replace their ageing fleet, and are awaiting a delivery date that is expected to be towards the end of this calendar year. Currently, only modifications to the roofing racks for the housing repair vehicles delivered last year have been expensed.
Work On Hra Leasehold Prop (Cr)	-300	0	0	0	0	This credit budget allows for work undertaken within the above categories on sold Council flats. Once identified an adjustment will be made at the end of the year.
Total	25,441	15,030	7,474			

**2018/19 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS) AND CAPITAL LOANS**

REFCuS Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Parking & Traffic Schemes	272	0	0	0	0	The first phase review, which focused its attention towards twelve roads in Loughton, was completed last year; whilst the second phase will cover the larger Debden area. A meeting was held last year to discuss the designs and potential locations around Debden Station. The consultation and Traffic Road Order (TRO) was conducted by NEPP in October, with an advertising campaign inviting comment within 21 days. The time scales for this project will depend on the quantity and severity of objections to the TRO, each of which requires a personalised response and increases the likelihood of works slipping into the next financial year. Whilst the cost of the first phase was around £50,000, as the Debden review covers a much larger area, it is anticipated that costs will be commensurately larger.
Biffa Recycling Contribution	200	0	0	0	0	
Jack Silley Pavilion	0	0	210	210	0	
Total	472	0	210			

Capital Loan Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
	Private Sector Housing Loans	217	54	33	-21	
Total	217	54	33			

2018/19 DIRECTORATE CAPITAL MONITORING - MAJOR SCHEMES

Hillhouse Leisure Centre										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance to Approved Budget £'000 (E-C)/(Cx100)	Anticipated Outturn Approved Budget Underspent to Date £'000 (C-D)
Jul-17	Nov-18	Jul-17	Nov-18	9,818	0	9,818	8,921	9,966	0.02	897
<p>In December 2014, the Council adopted a new Leisure and Cultural Strategy, which identified future need and the role that the District Council should play in the provision of opportunities for people to lead healthier lives, contribute to community wellbeing and provide social cohesion. At that time, leisure provision by the District Council primarily focused on four Sports/Leisure Centres at Ongar, Epping, Waltham Abbey and Loughton.</p> <p>The Council decided to replace the Waltham Abbey swimming pool, which had exceed its design life. A project team involving representatives from the District Council, Essex County Council and NHS England developed designs for a new community hub, comprising of a new leisure centre, health centre and independent living scheme for the elderly at Hillhouse. Outline planning permission for the whole community hub was granted on 30th November 2016 and in December 2016, Cabinet agreed to award Places for People Leisure Management Ltd preferred bidder status with an approved contract sum of £9,818,000.</p> <p>The facility specification included 80 station gym & work out studios, a 6 lane x 25m main pool and teaching pool and a community room (including a café and pooling viewing area). The contract commencement date was 17th July 2017 with a contract period of 70 weeks. The building works at the new centre is on schedule despite lost days due to severe winter weather, utility supplier issues and multiple changes to the original specifications. The anticipated opening date for the centre remains as 20th November 2018 as it nears completion. The additional works and changes to the specification, including the construction of a steam room and sauna, improvement works in the public realm, electric vehicle charging points, digital marketing screens and enhanced CCTV coverage (see appendix 13), have meant that costs are expected to increase. Whilst part of the costs have been covered by compensatory savings a report was submitted to Cabinet in October outlining the need for an additional £148,000 to supplement the scope changes and other unforeseen expenses; this sum has been included within the anticipated outturn figures in the table above and the budget will be updated in the next Members monitoring report.</p> <p>Responsibility for the old Waltham Abbey Swimming Pool will be handed over to a housing contractor as soon as possible after the new centre has opened to enable demolition. A supplementary estimate of £275,000 was agreed by Members for the demolition of the old Leisure Centre in October, and this scheme will show up in the next quarterly monitoring review.</p>										

Loughton Leisure Centre										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Approved Updates £'000 (B)	Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Jan-18	Aug-18	Jan-18	Aug-18	3,018	0	3,018	1,966	2,947	-0.02	1,052
<p>As part of the new Leisure and Cultural Strategy, improvement works to Epping Sports Centre (ESC), Ongar and Loughton Leisure Centres (LLC) were also approved by Members. Improvement works to the LLC commenced on 19th January 2018 and included developing a brand new two-storey, 150-station gym area; renovating the changing village; demolishing the crèche area "Octagon" building; re-designing the original gym into two studios, and re-designing the reception and customer viewing areas.</p> <p>Works commenced on 12th February 2018 with the demolition of the "Octagon" building. There were initial difficulties with live power cables discovered beneath the 'Octagon' building however, these were resolved without delaying the work. The refurbishment to the changing village started on 23rd April and took approximately 16 weeks to complete. The scope of the work to the changing village included more family changing cubicles, new lockers, better disabled facilities, new LED lighting and a new-and-improved shower area. The replacement of the changing village was phased to minimise disruptions to the centre users and to continue to access the pool facilities. Inevitably this led to an increase in complaints about cleaning but the contractor has revised the cleaning schedules to keep the problem to a minimum.</p> <p>The planned works within the original scope at LLC progressed according to schedule and are expected to ultimately show a saving of £125,000</p> <p>There are however additional costs from works outside the original specification amounting to £53,500, including additional security measures to combat a rise in criminal incidents and an air conditioning upgrade. A report from the Leisure and Community Services portfolio was submitted to Cabinet detailing these costs with a recommendation that the net effect of this (£71,500) is reduced from the current budget at LLC and transferred to cover the additional costs relating to ESC as indicated in appendix 13; this adjustment is reflected in the anticipated outturn sum in the table above.</p> <p>The extension to the front of the centre is largely completed subject to snagging works and final inspections. There are also some outstanding external works to the footpaths and planted areas were completed before the refurbished centre re-opened to the public on the 16th August 2018 with a formal opening ceremony on the 8th September 2018. Actual expenditure incurred to 30 September 2018 was £1,996,000 which includes an outstanding retention of £46,000.</p>										

Phase 2 of the Housebuilding Programme achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. The Contract was awarded to Mullanley & Co Ltd following a competitive tendering exercise in November 2015 ; the contract commencing in March 2016 had a pre-tender forecast figure of £9,110,000 and was adjusted to a sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks.

This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector.

Mullanley & Co Ltd took possession of the site in March 2016 with work commencing in July 2016, having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. As a result of this, additional works were required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement, and other costings, were evaluated by Pellings, the Council's Employers Agents, and an extension of time was granted taking the completion date to 25 June 2018 and the anticipated contract sum to £10,534,355. The extension of time included a loss and expense sum of £680,000 comprising of: £443,000 for the contamination remediation works; and £237,000 for numerous utilities and cable reconnections.

The contractor subsequently forecasted a further 20-week delay onto the contract time with a new proposed finish date of January 2019 and a further increase in the contractor's sum to £10,851,761 for works relating to the service utility costs, offsite work and contaminated material and remediation due to the extent of the works being greater than first expected. This brings the total anticipated expenditure, including fees, to £11,728,000 pending an update of fees as part of the Capital Review.

On the 17th August an equipment failure led to hot tar overheating and catching fire; the fire began on the third floor roof of the four story block of 19 apartments before spreading and was contained in the third and fourth story. The site was still being constructed and none of the units had tenants living in them. The main damage was to the windows and doors of the third and fourth stories, none of the utility installations had any damage to them. There would be no further delay to the 17 town houses and the block of 15 apartments, which should continue to be completed in January 2019. However, the block of 19 apartments with fire damage will fall behind schedule and is likely to be ready for handover in July 2019. The liability of this damage lies with the contractor and the Council are not expecting any further costs relating to this damage.

The costs and dates highlighted in the report reflect the delays to the construction contract and an extension of time that has been granted under the contract. Actual expenditure incurred to 30 September 2018 was £9,923,000, which includes an outstanding retention of £461,000 and a commitment of £241,000.

Housebuilding Phase 3											
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance to Approved Budget	Anticipated Outturn	Approved Budget Underspent to Date
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	
				(A)	(B)	(C)	(D)	(E)	(E-C)/Cx100	(C-D)	
May-17	Sep-19	Apr-18	May-20	7,502	46	7,548	6,016	8,516	12.8%		1,532

Scheme	Original Contract Sum	Anticipated Final Account	Variation %	Start Date	Duration	Initial Estimated Completion Date	Revised Estimate Completion Date
Bluemans End	£753,034	£920,000	22.17%	02/05/2017	36 Weeks	06/03/2018	Completed 26/03/2018
Parklands	£716,757	£766,348	6.92%	18/04/2017	56 Weeks	24/05/2018	Completed 10/10/2018
Springfields & Centre Avenue	£1,408,126	£1,648,183	17.05%	18/04/2017	60 Weeks	21/06/2018	26/11/2018
Stewards Green	£752,340	£852,921	13.37%	22/05/2017	34 Weeks	07/03/2018	26/11/2018
London Road	£235,695	£257,643	9.31%	19/06/2017	36 Weeks	07/03/2018	Completed 07/03/2018
Centre Drive	£300,285	£374,613	24.75%	09/10/2017	36 Weeks	13/06/2018	12/11/2018
Queens Road	£2,320,493	£2,692,776	16.04%	15/10/2018	82 Weeks	11/05/2020	06/07/2020

An agreement has now been put in place regarding the lease needed to divert power cables and reposition the electrical sub-station at the Queens Road site. Since then, the Council received confirmation of asbestos which indicates further delays and costs to the scheme. The garage roofs have been removed in a controlled manner, however further asbestos has been found under the garages after the slabs had been broken up; the debris in the hard core used in the site's foundation has this asbestos present in it and therefore the significant parts of the site have been contaminated. The Council assessed the options available to reinstate the ground and finalise the works at Queens Road which included the possibility of retendering or negotiating an increased contract sum with the contractor. The penalties and costs to retender were deemed too high and therefore a compromised sum was agreed with the current contractor at an additional cost to the Council of £125,000; this figure has been included in the anticipated outturn. The ground work will commence at the end of October whilst the start on site for the construction works will commence on the 7th January with an 82-week construction period.

The site at Stewards Green Road has been completed but has faced delays due to the discovery of asbestos, cross contamination of the original site, and drainage issues. The cost implications for these works are not yet known as the works could be small in nature or may need a complete remediation of the site which could cause considerable delays and costs. The Council will assess options for recovering these costs once the asbestos test results are returned at the end of November. Further internal testing and snagging issues will need to be completed before the units become ready to let. The four properties at Oaklands have been handed over, whilst each of the sites at Centre Avenue, Centre Drive and Springfields have had extensions of time certificate granted for their respective works. The estimated completion dates for all the sites date have been revised to September 2018. Actual expenditure incurred to 30 September 2018 on all sites within Phase 3 was £6,016,000, which includes outstanding retentions of £162,000.