



Finance and Performance Management Cabinet Committee Thursday, 26th June, 2014

You are invited to attend the next meeting of **Finance and Performance Management Cabinet Committee**, which will be held at:

**Committee Room 1, Civic Offices, High Street, Epping
on Thursday, 26th June, 2014
at 6.30 pm .**

**Glen Chipp
Chief Executive**

**Democratic Services
Officer**

Rebecca Perrin, The Office of the Chief Executive
Tel: 01992 564532 Email:
democraticservices@eppingforestdc.gov.uk

Members:

Councillors Ms S Stavrou (Chairman), A Lion, J Philip, D Stallan and C Whitbread

PLEASE NOTE THE START TIME OF THIS MEETING

BUSINESS

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

(Director of Governance) To declare interests in any item on this agenda.

3. MINUTES

To confirm the minutes of the last meeting of the Committee held on 20 March 2014 (previously circulated).

4. KEY PERFORMANCE INDICATORS 2013/14 - OUTTURN (Pages 5 - 10)

(Director of Governance) To consider the attached report (FPM-001-2014/15)

5. PROVISIONAL CAPITAL OUTTURN 2013/14 (Pages 11 - 20)

(Director of Resources) To consider the attached report (FPM-002-2014/15).

6. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

7. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement: Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the

report is based; and

- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

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**Report to: Finance and Performance
Management Cabinet Committee**

**Report Reference: FPM-001-2014/15
Date of Meeting: 26 June 2014**

Portfolio: Finance and Technology (Councillor S. Stavrou)

Subject: Key Performance Indicators 2013/14 - Outturn

Officer contact for further information: S. Tautz (01992 564180)

Democratic Services Officer: R. Perrin (01992 564470)

Recommendations/Decisions Required:

That the Committee review outturn performance in relation to the key performance indicators for 2013/14.

Executive Summary:

1. Pursuant to the Local Government Act 1999, the Council is required to make arrangements to secure continuous improvement in the way in which its functions and services are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. As part of its approach to the continuous improvement duty, a range of Key Performance Indicators (KPI) relevant to the authority's services and key objectives are adopted each year. Performance against the KPIs is reviewed on a quarterly basis, and has previously been an inspection theme in external judgements of the Council's overall progress.

Reasons for Proposed Decision:

3. The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better services and outcomes delivered..
4. A number of KPIs are used as performance measures for the authority's key objectives. It is important that relevant performance management processes are in place to review and monitor performance against key objectives and indicators, to ensure their continued achievability and relevance, and to identify and implement appropriate corrective action in areas of slippage or under-performance.

Other Options for Action:

5. No other options are appropriate in this respect. Failure to review and monitor KPI performance and to identify corrective action where necessary could have negative implications for judgements made about the Council's progress, and might mean that

opportunities for improvement were lost. The Council has previously agreed arrangements for reviewing performance against the KPIs.

Report:

Key Performance Indicators 2013/14

6. A range of Key Performance Indicators (KPI) for 2013/14 was adopted in March 2013. The KPIs are important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district, that are the focus of the key objectives.
7. Three-monthly progress in respect all of the KPIs is reviewed by Management Board and the Finance and Performance Management Scrutiny Panel at the conclusion of each quarter. No indicators are subject to scrutiny at year-end only, as end of year reporting is not made until each June (three months into the next year), and does not therefore allow for corrective action to be identified or implemented during the year in question.
8. Improvement plans are produced for all of the KPIs each year, setting out action to be taken to achieve target performance, and to reflect changes in service delivery. In view of the corporate importance of the KPIs, the improvement plans for 2013/14 were agreed by Management Board and were subject to ongoing review between the relevant service director and portfolio holder over the course of the year.
9. The provisional outturn position with regard to the achievement of target performance for the KPIs for 2013/14 was as follows:
 - (a) 28 (80%) indicators achieved the cumulative performance target for the year; and
 - (b) 7 (20%) indicators did not achieve performance target for the year, although 2 of these KPI performed within the agreed tolerance for the indicator.
10. A summary KPI outturn report for 2013/14 is attached for the consideration of the Committee as Appendix 1 to this agenda. Detailed performance reports in respect of each of the KPIs will be considered by the Finance and Performance Management Scrutiny Panel at its meeting on 16 July 2014.
11. The 'amber' performance status used in the KPI report identifies those indicators that missed the agreed target for the year, but where outturn performance was within an agreed tolerance or range. The KPI tolerances were agreed by Management Board when targets for the KPIs were set in February 2013, or were subsequently confirmed with the appropriate service directors.
12. The Committee is requested to note outturn performance in relation to the KPIs for 2013/14. Any matters raised by the Committee in respect of KPI performance for the year, will be reported to the Scrutiny Panel.

Resource Implications:

Resource requirements for actions to achieve specific KPI performance for 2013/14 will have been identified by the responsible service director/chief officer and reflected in the budget for the year.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2013/14 will have been identified by the responsible service director/chief officer.

Safer, Cleaner, Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific KPI performance for 2013/14 will have been identified by the responsible service director/chief officer.

Consultation Undertaken:

The performance information set out in this report has been submitted by each appropriate service director. Individual outturn KPI performance for 2013/14 has been reviewed by Management Board (11 June 2014) and will be considered by the Finance and Performance Management Scrutiny Panel on 16 July 2014. .

Background Papers:

Fourth-quarter KPI submissions held by the Performance Improvement Unit. KPI calculations and supporting documentation held by respective service directorates

Impact Assessments:

Risk Management

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance for 2013/14 will have been identified by the responsible service director/chief officer.

Equality:

There are no equality implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2013/14 will have been identified by the responsible service director/chief officer.

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Overall summary of KPIs achieving target



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Communities Directorate



Governance Directorate



Neighbourhoods Directorate



Resources Directorate



Headlines - Reflecting on our performance

Headlines - Reflecting on our performance

Q4 End of Year 2013/14 KPI Performance Summary

A total of 28 out of 35 KPIs have achieved their target representing a 80% success rate.

Of the 7 indicators which have been reported as missing their target, 2 were marginal fails and performed within the agreed 'amber' tolerance. Both of these indicators have moved into an 'Amber' position from a 'failing' position in the last quarter of the year.

Two 'Failing' indicators have moved into that position in the last quarter from a previous position of 'Achieving' at Q3. One indicator has moved the other way to an 'Achieving' position from a previous position of 'Failing' in Q3.

Indicators		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Tgt	Actual		Tgt	Actual		Tgt	Actual		Tgt	Actual	
Communities Quarterly KPIs													
KPI 40	(Housing rent) (%)	96.00%	93.27%	■	96.00%	95.77%	■	96.00%	96.45%	■	96.00%	97.60%	■
KPI 41	(Void re-lets) (days)	33	40	■	33	44	■	33	41	■	33	37	■
KPI 45	(Tenant satisfaction) (%)	98.00%	99.00%	■	98.00%	99.61%	■	98.00%	100.00%	■	98.00%	99.00%	■
KPI 47	(Temp. accommodation) (no.)	70	57	■	70	60	■	70	51	■	70	53	■
KPI 48	(Non-decent homes) (%)	0.00%	0.00%	■	0.00%	0.00%	■	0.00%	0.00%	■	0.00%	0.00%	■
KPI 49	(Modern Homes Std) (%)	825	905	■	1,650	1,898	■	2,475	2,689	■	3,300	4,076	■
KPI 60	(Emergency repairs) (%)	99%	99%	■	99%	99%	■	99%	99%	■	99%	99%	■
KPI 61	(Responsive repairs) (days)	7.0	6.0	■	7.0	6.4	■	7.0	6.4	■	7.0	7.8	■
KPI 62	(Repair Appointments) (%)	98%	99%	■	98%	98%	■	98%	98%	■	98%	98%	■
Governance Quarterly KPIs													
KPI 04	(Website Satisfaction)	77.0%	75.0%	■	77.0%	78.0%	■	77.0%	78.0%	■	77.0%	69.0%	■
KPI 11	(Commercial rent arrears) (%)	3.00%	4.60%	■	3.00%	4.60%	■	3.00%	3.90%	■	3.00%	3.80%	■
KPI 12	(Commercial premises let) (%)	98.00%	98.31%	■	98.00%	97.97%	■	98.00%	97.97%	■	98.00%	98.31%	■
KPI 51	(Major planning) (%)	70.00%	85.71%	■	70.00%	82.35%	■	70.00%	82.61%	■	70.00%	70.97%	■
KPI 52	(Minor planning) (%)	89.00%	85.51%	■	89.00%	89.66%	■	89.00%	91.04%	■	89.00%	91.97%	■
KPI 53	(Other planning) (%)	94.00%	91.74%	■	94.00%	94.12%	■	94.00%	95.44%	■	94.00%	95.84%	■
KPI 54	(Appeals - officers) (%)	19.00%	25.00%	■	19.00%	19.05%	■	19.00%	18.75%	■	19.00%	18.18%	■
KPI 55	(Appeals - members) (%)	50.00%	66.67%	■	50.00%	66.67%	■	50.00%	75.00%	■	50.00%	62.20%	■
Neighbourhoods Quarterly KPIs													
KPI 20	(Non-recycled waste) (kg)	94	100	■	190	197	■	249	295	■	380	396	■
KPI 21	(Household recycling) (%)	59.01%	59.93%	■	62.90%	61.00%	■	64.80%	60.00%	■	60.00%	59.00%	■
KPI 22	(Litter) (%)	8%	8%	■	8%	6%	■	8%	7%	■	8%	6%	■
KPI 23	(Detritus) (%)	12%	5%	■	12%	7%	■	12%	8%	■	12%	9%	■
KPI 25	(Neighbourhood issues) (%)	95.00%	96.76%	■	95.00%	97.23%	■	95.00%	96.66%	■	95.00%	98.00%	■
KPI 26	(Fly-tip investigations) (%)	90%	92%	■	90%	93%	■	90%	94%	■	90%	95%	■
KPI 27a	(Fly-tip: contract) (%)	90%	85%	■	90%	93%	■	90%	93%	■	90%	93%	■
KPI 27b	(Fly-tip: non-contract) (%)	90%	92%	■	90%	95%	■	90%	96%	■	90%	96%	■
KPI 28	(Noise investigations) (%)	90%	95%	■	90%	95%	■	90%	96%	■	90%	96%	■
KPI 50	(Increase in homes) (no.)	42	88	■	83	243	■	121	284	■	180	299	■
Resources Quarterly KPIs													
KPI 10	(Sickness absence) (days)	1.66	1.69	■	3.51	3.05	■	5.40	4.83	■	7.25	7.01	■
KPI 30	(Invoice payments) (%)	97%	97%	■	97%	97%	■	97%	97%	■	97%	97%	■
KPI 31	(Council Tax collection) (%)	27.06%	27.20%	■	51.87%	52.27%	■	76.90%	77.55%	■	96.60%	97.62%	■
KPI 32	(NDR Collection) (%)	31.04%	29.80%	■	56.70%	56.19%	■	81.88%	82.66%	■	97.50%	98.09%	■
KPI 33	(New benefit claims) (days)	30.00	26.42	■	30.00	25.59	■	30.00	23.44	■	30.00	23.00	■
KPI 34	(Benefits changes) (days)	10.00	8.53	■	10.00	8.23	■	10.00	8.07	■	6.00	4.58	■
KPI 35	(Benefit fraud) (no.)	75	56	■	150	151	■	225	203	■	300	301	■
KPI 36	(Proven fraud) (%)	30%	43%	■	30%	43%	■	30%	44%	■	30%	48%	■

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-002-2014/15

Date of meeting: 26 June 2014

Portfolio: Finance

Subject: Provisional Capital Outturn 2013/14

Responsible Officer: Teresa Brown (01992-564604)

Democratic Services Officer: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) That the provisional outturn report for 2013/14 be noted;**
- (2) That retrospective approval for the over and underspends in 2013/14 on certain capital schemes as identified in the report is recommended to Cabinet;**
- (3) That approval for the carry forward of unspent capital estimates into 2014/15 relating to schemes on which slippage has occurred is recommended to Cabinet; and**
- (4) That retrospective approval for changes to the funding of the capital programme in 2013/14 is recommended to Cabinet.**

Executive Summary:

This report sets out the Council's capital programme for 2013/14, in terms of expenditure and financing, and compares the provisional outturn figures with the revised estimates. The revised estimates, which were based on the Capital Programme, represent those adopted by the Council in February 2014.

Appendix 1 summarises the Council's overall capital expenditure and funding in 2013/14. Expenditure on Council-owned assets is analysed over the four new directorates within the General Fund and identifies Housing Revenue Account (HRA) capital expenditure separately. Underneath this are the total sums advanced in the form of Capital Loans and the Revenue Expenditure Financed From Capital under Statute (REFCuS).

Information on individual projects or programmes is given on Appendix 2 for the General Fund Capital Programme and Appendix 3 for the HRA Capital Programme, Capital Loans and Revenue Expenditure Financed From Capital under Statute. Overspends and underspends are shown in the third column of each appendix and these are identified as budget overspends, carry forwards or brought forwards on a project-by-project basis in columns four to six. The carry forwards and brought forwards represent changes in the timing and phasing of schemes and the movement of estimates between financial years rather than amendments to total scheme estimates.

An analysis of the funds used to finance the Council's capital expenditure in 2013/14 is also given in Appendix 1, detailing the use of government grants, private funding, capital receipts and revenue contributions to capital outlay. The generation and use of capital receipts and Major Repairs Fund resources in 2013/14 are detailed in Appendix 4.

Reasons for Proposed Decision:

The funding approvals requested are intended to make best use of the Council's capital resources that are available to finance the Capital Programme.

Other Options for Action:

More of the HRA capital expenditure in 2013/14 could have been financed from the application of usable capital receipts. This option was rejected because the Direct Revenue Funding (DRF) level, previously referred to as Revenue Contributions to Capital Outlay (RCCO), suggested in this report is affordable within the HRA, according to current predictions, and greater use of usable capital receipts for HRA purposes would have the effect of reducing scarce capital resources available for the General Fund.

Report:

Capital Expenditure

1. The Council's total investment on capital schemes in 2013/14 was £13,006,000, compared to a revised estimate of £15,610,000. The largest underspends were experienced on General Fund projects, virtually all of which were underspent, as shown in Appendix 2. In particular the purchase of two long leasehold interests in Bridgeman House, Sun Street, Waltham Abbey were delayed and did not take place before 31 March 2014. One lease relates to the first floor of Bridgeman House to provide an extension to the museum, for which Heritage Lottery funding has been secured. The other lease is for the second floor of Bridgeman House consisting of offices, which will provide an investment for the Council and rental income. Purchase of the second floor will also prevent the existing offices being converted into residential flats, which may present problems of security and increased risks such as flooding. The purchase of the leasehold interest in the first floor for the museum has now taken place and negotiations are in hand with regard to the second floor; a carry forward of £1,304,000 is therefore requested to cover the purchases in 2014/15.
2. There was also a significant underspent of £196,000 on the planned maintenance programme within the Resources Directorate. This included a total of thirty schemes last year mainly at the civic offices. The majority of the external works, such as the large-scale replacement of guttering and other rainwater goods and the upgrade of the fire escape stairs, were delayed due to the heavy rainfall experienced in early 2014. In addition much of the energy efficiency and monitoring work could not be undertaken earlier this calendar year due to difficulties in scheduling electrical shut-downs at weekends which did not conflict with other works being undertaken. The planned maintenance programme is on-going and the outstanding works will be completed during 2014/15; it is therefore recommended that this budget be carried forward in full.
3. Expenditure on the Information and Communication Technology (ICT) Programme was £362,000 last year compared to a revised budget of £467,000. The majority of this underspend relates to the upgrade of the new telephony system. Although the system was operational in some areas of the Council last financial year, it had not been fully rolled out by 31 March 2014. Most of the works have now been completed and the system is expected to be fully functional by August 2014. Most other ICT schemes were completed in 2013/14 and were within budget. It is recommended that the underspend be carried forward to 2014/15.
4. Within the Governance Directorate, the budget for new developments was underspent by £173,000. The majority of this underspend relates to the Langston Road redevelopment project. This site has been earmarked for joint development by the Council and Polofind Ltd into a retail park and a sum of £150,000 was set aside to cover the Council's contribution towards the cost of a consultation survey and planning application. These

did not take place in 2013/14 as negotiations were still in progress with all parties involved and a number of proposals are currently under consideration. It is anticipated that the survey and planning application will go ahead in the next few months and a carry forward of the full sum is requested.

5. The largest underspend within the Neighbourhoods Directorate was on the Council's parking schemes. Expenditure was lower than anticipated due to delays on the Buckhurst Hill parking review. This scheme is still in the design and consultation stage and the works are expected to commence in 2014/15. Once complete, work on the Loughton review will follow. On a positive note, the Epping review is now complete and a small saving was made. It is recommended that the full underspend is carried forward until the Buckhurst Hill and Loughton reviews are completed.
6. Smaller underspends were experienced on most of the other General Fund projects and are recommended for carry forward; details of the sums relating to each scheme are given in Appendix 2. There were however two projects with budget overspends. Firstly, there was an overspend of £39,000 on the Waltham Abbey all weather pitch due to problems with the installation of the floodlights; this represents a 7% overspend on the original budget of £527,000. The work was completed at the end of March 2014 and the pitch is now open for use; a progress report will be presented to Cabinet once all costs are finalised. Secondly, additional costs have been identified on the purchase of the lease relating to Torrington Drive due to higher than expected agency fees. In both cases, Members are requested to retrospectively approve additional funding of £39,000 for the Waltham Abbey all weather pitch, pending a report to Cabinet, and £20,000 for the Torrington Drive lease. Carry forward of unspent budgets are also requested in respect of all other projects, pending a thorough review of the Capital Programme when it is updated towards the end of 2014.
7. With regard to capital expenditure on the Council's HRA assets, a total of £10,683,000 was invested compared to a revised estimate of £11,030,000; this represents a 3% underspend. In comparison with 2012/13, however, expenditure is up by 11%. This reflects two changes: the increased investment in council dwellings in order to achieve the higher Modern Homes standards; and the commencement of the Council's new house building programme.
8. Appendix 3 shows how actual costs compared to the budgets allocated for each category of work within the HRA Capital Programme. It shows that the largest underspend in 2013/14 was on roofing works; this was £406,000 lower than expected. Capital work on roofs were delayed last year due to the re-letting of both the tiled roof contract and also the flat roofs replacement and balcony resurfacing contracts. These contacts have now been let but the timing has had an impact on the delivery of planned roof works. Members are requested to approve a carry forward of the full underspend to 2014/15.
9. The second largest area of underspend was on the small capital repairs/voids budget, which was underspent by £175,000. This budget was increased in 2013/14 from the previous year by over £500,000 to reflect increased demand. However, actual costs were not as high as expected. The main reason for this was the increase in the number of kitchen and bathroom replacements being carried out in void properties under the kitchen and bathroom replacement contracts. Appendix 3 shows an overspend of £325,000 on the kitchen and bathroom replacements contracts; this overspend exceeds the underspend on voids by £150,000. In effect, this means that work on void properties have been brought forward and it may mean that these two programmes could be scaled down in the future. However, void expenditure is notoriously difficult to forecast and the situation will be monitored before changes are recommended to future budgets.
10. The variations between actual expenditure and revised estimates are less significant on the other categories of capital work undertaken on existing and new HRA properties;

details of all under and overspends are detailed in Appendix 3. Members are asked to approve the carry forward of the unspent sums identified on those categories where slippage has occurred and retrospectively approve bringing forward allocations in respect of work carried out ahead of schedule as indicated.

11. With regard to the Capital Loans provided by the Council for private housing assistance, a total of £381,000 was advanced compared to an allocation of £514,000. This includes an underspend of £71,000 on the open market shared ownership (OMSO) scheme whereby the Council provides interest-free loans to B3Living to provide properties on a shared ownership basis to Epping Forest residents. The budget allowed for six advances but only five were made in 2013/14, hence the underspend. A carry forward of the full underspend is recommended.
12. Capital loans are also offered on a discretionary basis to provide financial assistance for improving private sector housing stock. These loans are repayable on the sale or transfer of the improved property. Although demand for these loans is growing, uptake in 2013/14 was lower than expected, which resulted in an underspend of £62,000. It is recommended that this amount be carried forward following the upturn in demand.
13. Finally, the Council provides capital funds to finance certain items of revenue expenditure, known as REFCuS. To qualify such expenditure must be of a capital nature but serve to increase the value of assets not owned by the Council. In 2013/14 work undertaken to the paths and car park at Chigwell Road recreation ground within the planned maintenance programme was moved to this budget category along with capital expenditure on leasehold flats, sold under Right to Buy legislation. Most of the spending within this category was in line with budgets but there was an overspend of £70,000 on the HRA Leaseholders budget. This is a difficult area to forecast, largely due to the need to undertake lengthy consultations exercises before works can be carried out. Although the £70,000 has been identified as a budget overspend, all cost were fully recharged to the leaseholders concerned.
14. In summary, Members are requested to approve the budget overspends, carry forwards and brought forwards referred to above on the schemes identified in Appendices 2 and 3. The budget overspends total £59,000 on the General Fund and £70,000 on HRA Revenue Expenditure Financed from Capital under Statute. The total carry forwards requested are £2,266,000 on the General Fund and £793,000 on the HRA Capital Programmes; £133,000 on Capital Loans and £12,000 on REFCuS. Members are also requested to retrospectively approve the brought forwards of £22,000, £446,000 and £3,000 on the General Fund assets, HRA assets and REFCuS respectively.

Funding

15. The funds available to finance the capital programme include Government grants, other public sector grants, private contributions to capital schemes, capital receipts and revenue contributions from the General Fund and HRA. Initially any specific grants and private contributions made for particular projects are used to finance the appropriate projects, taking into account any restrictions with regard to usage and time scales. Other sources of capital finance which carry restrictions are also applied at the earliest opportunity in order to avoid losing potential funds. For example, the element of capital receipts generated from the sale of council houses is available solely for replacement affordable housing (often referred to as 1-4-1 receipts) and must be used within three years of receipt. As a consequence, the maximum sum allowable has been applied to the 2013/14 HRA house building programme in order to reduce the potential risk of handing any funds back to Central Government.
16. Appendix 1 identifies the sources of funding used to finance the 2013/14 capital programme and it compares the actual sums used with the amounts estimated in the revised capital programme. In total £995,000 were used last year compared to

an estimated sum of £1,254,000, representing a reduction of £259,000. This was primarily due to the delay in purchasing the lease of Bridgeman House for the museum for which specific lottery funding has been secured. As the lease was purchased in April 2014, this grant will be matched to the expenditure in this financial year. Conversely, the funding applied from private capital contributions was £226,000 higher than anticipated for two main reasons. Firstly, the value of capital works carried out on Leasehold flats sold under the Right to Buy legislation was £70,000 higher than expected. Secondly, more Section 106 monies from a private developer were used in order to avoid timing penalties. It is also for this reason that the £90,000 grant from the Housing Association Growth Area Fund was not applied in 2013/14. The latter is expected to be used this financial year instead.

17. The generation of capital receipts proved to be higher in 2013/14 than had been anticipated, as shown in Appendix 4. This was largely due to the increased number of council house sales since the rise in the maximum allowable discount from £34,000 to £75,000. Although an increase was expected, a total of 53 properties were sold compared to an estimated 32. In addition to this the Council benefited from further capital receipts from the release of a covenant as well as sales of vehicles and bins. On the other hand, the use of capital receipts to finance expenditure was £1,683,000 lower than estimated reflecting the overall underspend on the General Fund in particular. The impact of the increased receipts and reduced usage is that the year end balance is £4,646,000 higher than projected, standing at £17,462,000 as at 31 March 2014.
18. With regard to the use of revenue contributions to capital outlay, the HRA contribution of £4,200,000 was in line with the revised budget. However, the use of funds from the Major Repairs Reserve was £535,000 lower than estimated reflecting the underspend on HRA capital schemes. Additions to the Major Repairs Reserve, on the other hand, were £828,000 higher than expected due to correcting adjustments made following the Audit of the 2012/13 Accounts. The combined effect of these variations is that the balance on the Reserve was £1,363,000 higher than expected at £11,361,000 as at 31 March 2014.

Resource Implications:

The 2013/14 Provisional Capital Outturn totalled £1,294,000 for General Fund assets which represents underspends of £2,185,000 on the revised budget. This comprises of budget overspends of £59,000, slippage of £2,266,000, and brought forward expenditure of £22,000.

The 2013/14 HRA Provisional Capital Outturn was £10,683,000 which represents an overall underspend of £347,000 on the revised budget. This includes slippage of £793,000 and brought forward expenditure of £446,000.

Provisional Outturn figures on Capital Loans totalled £381,000, which represented slippage of £133,000.

Revenue Expenditure Financed from Capital under Statute (REFCuS) totalled £648,000; this being a budget overspend of £70,000; slippage of £12,000 and brought forward expenditure of £3,000.

Legal and Governance Implications:

The Council's capital accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Local Authority Accounting in the United Kingdom.

Safer, Cleaner and Greener Implications:

The Council's Capital Strategy works to incorporate safer, greener and cleaner design concepts within all capital schemes. The capital programme also supports sustainable initiatives such as the new food and recycling system which was supported by the provision of new vehicles and equipment.

Consultation Undertaken:

Progress on the capital programme is monitored regularly by the Finance and Performance Management Scrutiny Panel and the Finance and Performance Management Cabinet Committee. Service Directors and spending control officers are also consulted throughout the year. In addition, consultation is undertaken with the Tenants and Leaseholders Federation and the Director of Communities on the HRA programme.

Background Papers:

The capital programme approved at Council in February 2014 and working papers filed for External Audit purposes.

Impact Assessments:

Risk Management:

The changes to the proposed funding of the capital expenditure are intended to reduce the financial risks faced by the Council.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process? N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group? N/A

**CAPITAL PROGRAMME
2013/14 ACTUAL (PROVISIONAL)**

	2013/14 Revised £000	2013/14 Actual £000	(Under) / Overspend £000
EXPENDITURE			
Resources	933	616	(317)
Governance	830	45	(785)
Neighbourhoods	798	455	(343)
Communities	918	178	(740)
Total General Fund	3,479	1,294	(2,185)
Total HRA	11,030	10,683	(347)
Total Capital Expenditure on Council Assets	14,509	11,977	(2,532)
Total Capital Loans	514	381	(133)
Total Revenue Expenditure Financed From Capital under Statute	587	648	61
TOTAL CAPITAL PROGRAMME	15,610	13,006	(2,604)
FUNDING			
Government Grant for DFGs	330	333	3
Housing Ass Growth Area Funding	90	0	(90)
Other Government Capital Grants	450	52	(398)
Private Funding	384	610	226
Total Grants	1,254	995	(259)
General Fund	2,805	1,203	(1,602)
HRA	61	102	41
REFCuS & Loans	461	339	(122)
Total Capital Receipts	3,327	1,644	(1,683)
GF - RCCO	150	23	(127)
HRA - RCCO	4,200	4,200	0
HRA - MRR	6,679	6,144	(535)
Total Revenue Contributions	11,029	10,367	(662)
TOTAL	15,610	13,006	(2,604)

**CAPITAL PROGRAMME
2013/14 ACTUAL (PROVISIONAL)**

	2013/14 Revised £000	2013/14 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Resources						
Planned Maintenance Programme	446	250	(196)		(196)	
Solar Energy Panels	20	4	(16)		(16)	
ICT Programme	467	362	(105)		(105)	
Total	933	616	(317)	0	(317)	0
Governance						
Purchase of Bridgeman House, W Abbey	654	0	(654)		(654)	
Purchase of Lease re Torrington Drive	0	42	42	20		22
New Developments	176	3	(173)		(173)	
Total	830	45	(785)	20	(827)	22
Neighbourhoods						
Upgrade of Industrial Units	13	2	(11)		(11)	
Property Management System	35	0	(35)		(35)	
Waste Management Vehicles & Equip't	313	275	(38)		(38)	
Parking Schemes	202	42	(160)		(160)	
Flood Alleviation Schemes	23	0	(23)		(23)	
Grounds Maint Plant & Equipt	39	34	(5)		(5)	
N W Airfield Market Improvements	74	15	(59)		(59)	
Bakers Lane Refurbishment	89	87	(2)		(2)	
Waltham Abbey Swimming Pool Roof	10	0	(10)		(10)	
Total	798	455	(343)	0	(343)	0
Communities						
Museum Property Purchase	650	0	(650)		(650)	
CCTV Systems	95	28	(67)		(67)	
Limes Farm Hall Development	11	5	(6)		(6)	
Waltham Abbey All Weather Pitch	12	51	39	39		
Housing Estate Parking	150	94	(56)		(56)	
Total	918	178	(740)	39	(779)	0
TOTAL GENERAL FUND PROGRAMME	3,479	1,294	(2,185)	59	(2,266)	22

**CAPITAL PROGRAMME
2013/14 ACTUAL (PROVISIONAL)**

	2013/14 Revised £000	2013/14 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Housing Revenue Account						
House Build	148	84	(64)		(64)	
Other Housing Developments	34	31	(3)		(3)	
Acquisition	254	253	(1)		(1)	
Heating/Rewiring/Water Tanks	3,176	3,146	(30)		(30)	
Windows/Doors	1,844	1,808	(36)		(36)	
Roofing	926	520	(406)		(406)	
Other Planned Maintenance	137	131	(6)		(6)	
Structural Schemes	477	520	43			43
Small Capital Repairs/Voids	1,700	1,525	(175)		(175)	
Kitchen & Bathroom Replacements	1,058	1,383	325			325
Garages & Environmental Improvements	419	365	(54)		(54)	
Disabled Adaptations	446	494	48			48
Other Repairs and Maintenance	135	135	0			
Capital Service Enhancements	194	224	30			30
Housing DLO Vehicles	82	64	(18)		(18)	
TOTAL HRA PROGRAMME	11,030	10,683	(347)	0	(793)	446

**CAPITAL LOANS FOR PRIVATE HOUSING ASSISTANCE
2013/14 ACTUAL (PROVISIONAL)**

	2013/14 Revised £000	2013/14 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Capital Loans						
Open Market Shared Ownership Scheme	375	304	(71)		(71)	
Private Sector Housing Loans	139	77	(62)		(62)	
TOTAL CAPITAL LOANS	514	381	(133)	0	(133)	0

**REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE
2013/14 ACTUAL (PROVISIONAL)**

	2013/14 Revised £000	2013/14 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
REFCuS						
Waltham Abbey Regeneration Scheme	35	27	(8)		(8)	
Disabled Facilities Grants	330	333	3			3
Other Private Sector Grants	100	96	(4)		(4)	
Planned Maintenance	22	22	0			
HRA Leaseholders	100	170	70	70		
TOTAL REFCuS	587	648	61	70	(12)	3

CAPITAL RECEIPTS
2013/14 ACTUAL (PROVISIONAL)

	2013/14 Revised £000	2013/14 Actual £000	2013/14 Variation £000
Receipts Generation			
Housing Revenue Account	2,927	5,872	2,945
General Fund	0	18	18
Total Receipts	2,927	5,890	2,963
Receipts Analysis			
Usable Receipts	1,102	2,504	1,402
Available for Replacement Homes	1,141	2,702	1,561
Payment to Govt Pool	684	684	0
Total Receipts	2,927	5,890	2,963
Usable Capital Receipt Balances			
Opening Balance	13,900	13,900	0
Usable Receipts Arising	2,243	5,206	2,963
Use of Other Capital Receipts	(3,327)	(1,644)	1,683
Closing Balance	12,816	17,462	4,646

MAJOR REPAIRS RESERVE
2013/14 ACTUAL (PROVISIONAL)

	2013/14 Revised £000	2013/14 Actual £000	2013/14 Variation £000
Opening Balance	9,755	9,755	0
Major Repairs Allowance	6,922	7,750	828
Use of MRR	(6,679)	(6,144)	535
Closing Balance	9,998	11,361	1,363