

**2016/17 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES**

<u>Scheme</u>	<u>16/17 Full Year Budget</u>	<u>Second Quarter</u>		<u>16/17 Variance</u>		<u>Comments</u>
		<u>16/17 Budget</u>	<u>16/17 Actual</u>	<u>Budget Vs Actual</u>		
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	
Bridgeman House	309	0	0	0	0	EFDC are hopeful of purchasing space on the second floor of Bridgeman House, currently owned by Essex County Council. Although the space will be in a fit state, extra works including partition walls & electricals works will need to be completed before the officers in Hemnall Street can move in. Currently it is not expected that the purchase of this space will go through in 2016/17.
Epping Forest Museum Extension & Refurbishment	20	0	-35	-35	0	At present there is a negative sum of £35,000 in the table; this represents the 2.5% retention held by the Council during the 12 months defects period following practical completion of the works. However, it is now anticipated that there will be an overspend on this budget by approximately £12,000 by the year end. This is due to the need for additional works required since the museum opened, including works to the gallery's sliding doors, and electrical system, as well as an upgrade to the alarm system to counteract a fire exit door issue. An additional payment was also requested by the architects, although this was reduced after lengthy negotiations. The increased budgetary requirement will be addressed as part of the Capital Review.
CCTV Systems	213	47	30	-17	-36	Work has progressed well on some projects with new systems having been installed at Town Mead depot and Debden Broadway. However, there are a number of delays which have resulted in the current underspend. There is a delay on the schemes at the Longcroft Rise and Upshire shops, pending a decision on the decommissioning of existing systems. The new cameras in Epping High Street and Roundhills are also behind schedule; the latter having long standing privacy and access issues. Consequently both schemes are expected to slip into 2017/18. Furthermore, the programme of installations in car parks across the district has been held up because it was originally designed to be undertaken in conjunction with the Invest to Save LED lighting scheme, as both schemes use the same mounting columns and power supply. However, issues with the LED lighting scheme have delayed CCTV installations. On the other hand, progress has been made on car parks that do not need additional mounting columns or power supply and two car parks are nearing completion (The Pleasance & Basons Hill) and work at Traps Hill is due to commence shortly. All carry forwards will be reported in the Capital Review.
Total Housing Estate Parking	371	0	0	0	0	The off-street parking schemes undertaken on council owned land is jointly funded between the HRA and General Fund. The costs for the General Fund proportion will be allocated at the year-end.
Total	913	47	-5			

**2016/17 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS**

Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance		Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual		
				£'000	%	
Epping Forest Shopping Park	18,276	9,138	449	-8,689	-95	Please see comments on the major schemes schedule.
St Johns Road Development	6,000	3	3	0	0	Approval for the purchase of the land at St John's Road from Essex County Council has now been granted with the expected purchase date being at the end of October. The full budget for the St John's Road Development was increased to £6.75 million after a report was presented and approved by Members. This price no longer includes the transfer of Lindsay House to the County, but instead the Council is looking to sell the property on the open market. This budget currently does not include the cost of stamp duty or capital fees; it is estimated that these costs will amount to approximately £346,000.
Oakwood Hill Depot	703	703	735	32	5	The Oakwood Hill Depot construction has been completed. Due to the need to vacate the Langston Road depot quickly there have been a number of snagging issues, some of which are outside of the original specification. Consequently this scheme is showing a large overspend, and this is expected to rise to over £100,000 once all invoices and additional works have been completed. A report will be submitted to request additional capital allocations once all costs and works have been identified.
Waste Management Equipment	28	0	0	0	0	This budget is in place to fund the acquisition of new bins to properties where bins had previously not been provided, in particular for blocks of flats. There are currently no new blocks identified for 2016/17 and therefore the budget is expected to be carried forward to next year.
Other Schemes	203	42	27	-15	-36	The installation of new pay and display machines in the Council's car parks is nearly complete, with computer links to the banks being the only outstanding works. This is expected to be completed by the end of December and the project overall is expected to come in under budget. The Invest to Save lighting scheme has been delayed. However it is anticipated that trial works at Traps Hill and one other car park (not currently decided) will go ahead in 2016/17 before extending to the rest of the car parks in 2017/18. An additional sum of £25,000 has been supplemented to the ground maintenance scheme to purchase a new mower and trailer from a commuted sum relating to open space land at Tower Road. Expenditure against the original allocation is on target to be spent on new machinery by the end of the financial year. A flood alleviation scheme is being undertaken at Bobbingworth Nature Reserve with the installation of an additional drainage system.
Total	25,210	9,886	1,214			

**2016/17 DIRECTORATE CAPITAL MONITORING -
RESOURCES**

Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance		Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual		
				£'000	%	
Upgrade Of Industrial Units	351	0	0	0	0	A specialist roof contractor has examined the condition of the roofs and has produced a report which confirmed that "apart from a few minor issues, including a few cracked sheets, [the roofs] are performing very well and could be expected to have another 5-10 years serviceable life, at least, without the need for major remedial action". Therefore, major repairs works to the industrial units are not expected to be carried out within the next few years and a report to be considered at Cabinet in November suggests redistributing the saving to other projects within the Council's 5-year Planned Maintenance Capital Programme.
Planned Maintenance Programme	836	145	54	-91	-63	Many of the schemes in the Planned Maintenance Programme relating to the Civic Offices have been delayed awaiting the outcome of the Price Waterhouse Cooper report on possible relocation. However, progress has continued on projects outside of the scope of the report. The 5-year Planned Maintenance Programme is awaiting submission to Cabinet in November.
ICT Projects & Other Equipment	403	188	163	-25	-13	The planned ICT schemes are currently progressing well and are on target to be completed by the end of the financial year. Only the security integration scheme and a fraction of the mobile working scheme have been identified as slippage into 2017/18. The installation of two cash kiosks in the cash hall at the Civic Offices is now complete and they are currently in use. However, some additional development software was required and there is a small overspend on this scheme. On the other hand, an allocation of £80,000 was agreed to be pooled with Colchester and Braintree Councils to purchase a new payroll and HR system and, since this was agreed, it has become apparent that the allocation included some revenue costs and the capital budget will be reduced once the split has been identified.
Customer Service Project	15	0	0	0	0	The centralisation of Civic Office customer contact points into the main reception is now subject to a full feasibility design, as per the Invest to Save report to Cabinet on 3 March 2016. A structural survey is required to assess the main reception's ceiling and walls and a full report will be presented to Members at the a future Cabinet meeting, with a cost estimate of up to £15,000.
Total	1,605	333	217			

**2016/17 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance		Comments	
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
				£'000	%		
New Housing Builds - Phase 1 & 2	10,306	1,226	721	-505		-41	For Phases 1 & 2, please see comments on the major schemes schedule
Other Housebuilding Developments	1,889	175	-2	-177		-101	Planning approval has been obtained for all of the sites making up Phase 3, which will deliver 34 new homes. Tenders have been issued for all of these sites and, once received, will be presented to the Council house-building Cabinet Committee for agreement. Works are expected to commence on site early in the new year. Sites making up Phase 4 & Phase 5 are to be placed on hold pending the outcome of the HRA financial review. Conversions at Marden Close and Faversham Hall were completed in 2015/16, a retention figure is still outstanding.
Barnfield S106 Development	904	639	662	23		4	The Council is purchasing eight affordable rented homes using 1-4-1 receipts in addition to B3 Living purchasing three shared ownership properties, with Linden Homes, at Barnfield, Roydon. Since entering into an agreement work has started on site with completion expected October 2017.
Off Street Properties Purchases	2,555	1,885	1,996	111		6	The Council has now completed the purchase of six open market street properties in Waltham Abbey, which has helped avoid returning any 1-4-1 Right to Buy receipts.
North Weald Depot	3,200	6	5	-1		-14	The Repairs Hub is currently on hold pending a corporate-wide accommodation review later in the year. Until then, the planning approval that has been granted will remain in place for up to 3-years. An alternative temporary repairs depot is currently being explored should the St Johns Road redevelopment progress before the decision on the accommodation review is reached
Heating & Rewire	3,395	1,627	1,218	-409		-25	This category includes gas and electrical heating, mechanical ventilation and heat recovery (MVHR) installation, electrical rewiring, and communal and individual cold water storage tank replacements. Two large gas boiler replacement schemes at Hyde Mead & Norway House have been completed and an increase in expenditure is expected during quarter 3 when the invoices are received. The large schemes for the replacement of the landlords' communal electrical supplies are due to commence in the winter months whilst the electric heating programme for 2016/17 is nearing completion with only a small number of installations outstanding.
Windows , Doors & Roofing	2,670	1,308	944	-364	0	-28	This category includes budgets for front entrance door replacement, PVCu window replacement, flat and tiled roofing along with balcony resurfacing programmes. The installation programme of front entrance doors has been accelerated during quarter 2. Due to the poor performance of the PVCu window installer, the Council has not entered into the second year of the contract for 2016/17. Discussions are underway with the second placed contractor with a view to completing the 2016/17 PVCu window installation programme however, this has caused a substantial delay. The flat roofing programme is nearing completion whilst both the tiled roofing and balcony resurfacing programmes are expected to be accelerated until the end of the year.
Total c/f	24,919	6,866	5,544				

Scheme	16/17	Second Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	24,919	6,866	5,544			
Planned Maintenance	149	47	58	11	23	This category includes Norway House improvements, door entry system installations and energy efficiency works. The door entry scheme cannot start until all leaseholders are notified. The energy efficiency scheme is showing an underspend as works have mostly been top-ups of cavity walls & loft insulation. Norway House improvements are currently ahead of schedule with the budget expected to be spent by the end of the year.
Kitchens & Bathrooms	4,128	2,037	1,189	-848	-42	The planned programmes for the kitchens & bathroom replacements are currently behind schedule mainly due to restricted access or on-hold properties. Expenditure on kitchen replacements is showing a slight underspend whilst the bathroom replacements is showing a much large variance. Plans are in place for accelerating both programmes.
Garages & Environment Works	1,165	292	143	-149	-51	This category includes garages, fencing, off-street parking, estate environmental works, CCTV, external lighting schemes and gas pipework replacement programmes. Works have recommenced at Torrington Drive after the delay in quarter 1 with the completion of the arboriculture works during the second quarter, with the completion of both the hard and soft landscaping works expected in quarter 4. The construction at Paley Gardens is expected to be completed by February 2017. The gas pipe-work replacement programme has progressed well in quarter 2 with only minor gas pipe-work replacement schemes left on the schedule. Once completed there are no other gas pipe-work replacements identified.
Structural Schemes	460	165	197	32	19	A number of schemes are nearing completion and the budget is expected to be fully utilised by the end of the year. The works on the conversion of Leonard Davis House have been postponed and has been recommended that the budget is carried forward into 2017/18.
Disabled Adaptations	430	203	238	35	17	The welfare and heating scheme is currently on schedule with the budget anticipated to be fully spent by the end of the year.
Other Repairs & Maintenance	256	119	95	-24	-20	As expected with the ad-hoc nature of both schemes, there is currently a small underspend showing on this category.
Service Enhancements	386	89	26	-63	-71	The Oakwood Hill enhancement programme is currently on hold due to Essex County Council's involvement in the scheme. A decision will be made on the viability of future mobility scooter schemes as demand has greatly reduced. Currently 280 leaseholder front doors have either been installed or have committed orders raised whilst further leaseholder consultation is planned which will concentrate on replacing all the high-risk wooden front doors in communal areas of flat blocks.
DLO Vehicles	108	0	0	0	0	The order for seven DLO vehicles has been placed with the Ford Motor Company with delivery planned for quarter 3.
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	31,701	9,818	7,490			

**2016/17 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS) AND CAPITAL LOANS**

REFCuS Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance		Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual		
				£'000	%	
Parking & Traffic Schemes	273	8	3	-5	-63	Work on the Loughton Broadway parking review has started and temporary no-waiting restrictions have been put in place in the disabled bays. Although the main works are likely to be undertaken in 2017/18, there will be consultancy and preliminary works this year. Slippage of approximately £213,000 will be requested as part of the Capital Review and reflected in the capital programme whilst an additional £40,000, funded from Section 106 Monies from the EFDC Retail Park, will be requested.
Disabled Facilities Grants	500	250	247	-3	-1	The Council has a legal duty to provide Disabled Facility Grants (DFGs) to all residents who meet the eligibility criteria. Demand for DFGs has been growing over the past 18 months or so with the number of occupational therapist referrals rising since the beginning of 2015/16. Members responded to this by uplifting the allocation in the capital programme by £120,000 to £500,000 for each of the four years from 2015/16 until 2018/19. Since this was agreed, demand has continued to rise and it now thought that expenditure could be as high as £630,000 this year. At the same time, the Council has received a Better Care Fund contribution of £665,000, which means that the additional £120,000 Capital Growth Bid will not be needed to be funded by the Council in 2016/17. The implications of this will be addressed in the Capital Review.
HRA Leaseholders	150	0	0	0	0	These costs relate to capital works on sold council flats, currently shown in the HRA capital programme. They will be identified once the works are complete and reported at the end of the financial year.
Total	923	258	250			

Capital Loan Scheme	16/17 Full Year Budget £'000	First Quarter		16/17 Variance		Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual		
				£'000	%	
Private Sector Housing Loans	271	40	44	4	10	The Council provides discretionary financial assistance to private home owners under the current Repayable Housing Assistance Policy 2015-2017. The introduction of the 'repayable' element for financial assistance had a negative impact upon public interest and stunted the flow of applications. However, with limited alternative options available, interest has returned. As further loans are committed it is estimated that the year end expenditure will be in the region of £80,000 which will be reflected in the capital programme.
Total	271	40	44			

**2016/17 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES**

HOUSE BUILDING PHASE 1										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Apr-14	Jun-15	Oct-14	Aug-17	3,948	-429	3,519	2,590	5,719	63%	929
<p>Work started on phase 1 of the Council's Housebuilding Programme in October 2014 to construct 23 new homes for rent. This included 14 houses and 9 flats on four different sites in Waltham Abbey, after the fifth site was rejected. However, the works did not progress in line with the original contract period, which had a completion date of 13 November 2015. A certificate of non-completion was served on the contractor Broadway Construction Ltd, when liquidated and ascertained damages (LAD's) were deducted from each payment at a rate of around £10,200 per week. These damages were set to reflect the loss of rent for the properties and the cost of employing consultants to continue to manage the contract.</p> <p>On 1 June 2016, with approximately two-thirds of the value of works completed, the Council terminated the contract with Broadway Construction Ltd as they were not regularly and diligently progressing with the works. In September, the Council House-building Cabinet Committee agreed the appointment of P A Finlay & Co Ltd for the recovery phase of the construction works at Phase 1 in the negotiated contract sum of £2,674,335. The anticipated outturn figure has been increased to £5,719,000 to allow for the cost of the recovery works, the additional fees and a contingency sum of £267,400 to allow for any unforeseen works. The variance anticipated shown in the table above represents the rise in costs from the original approved budget for the contract with Broadway Construction Ltd to the new contracted sum with P A Finlay & Co. Works recommenced on site in October 2016 with the two Roundhills sites and most of the Red Cross site due to be completed by February 2017, the Harveyfields site by April 2017 and the two remaining duplex units on the Red Cross site due to complete in August 2017.</p>										
HOUSE BUILDING PHASE 2										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Feb-16	Mar-18	Mar-16	Apr-18	9,110	1,723	10,833	1,336	10,716	-1%	9,497
<p>Phase 2 of the Housebuilding Programme is now progressing, having achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. Tenders were issued to six contractors from the East Thames' approved list and five bids were submitted, with one contractor withdrawing. The five tenders received were opened by the housing portfolio holder in November 2015 in accordance with contract standing orders. Interviews were held in December 2015 with each of the two lowest tenderers to explore any qualifications as part of the evaluation process. The tenders were analysed by Pellings LLP, the employers agent acting on behalf of the Council's development agent East Thames, who recommended that Mullalley & Co Ltd be awarded the contract.</p> <p>Cabinet subsequently approved the award of the contract to Mullalley & Co Ltd in the adjusted tender 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.</p> <p>Mullalley & Co Ltd took possession of the site in March 2016 with work commencing on site in July 2016 having discharged the planning conditions and completing the detailed designs. Although timings did slip by a month, Mullalley & Co Ltd are actively progressing with the works and are currently on target to complete by April 2018.</p>										

2016/17 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES

LANGSTON ROAD RETAIL SHOPPING PARK										
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)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Mar-16	Oct-16	Sep-16	Jun-17	31,161	0	31,161	13,334	31,161	0%	17,827
<p>The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner. The costs allocated for Section 278 Highways Works as well as consultancy and other professional fees.</p> <p>Delays have occurred obtaining a contractor for the main retail park due to the initial open OJEU process failing to attract any bids. Subsequently a restricted process was completed with the winning tender being from McLaughlin and Harvey in the sum of £10,300,000. A letter of intent was issued with start on site of 12th September 2016 and the contract was signed on 26 October 2016.</p> <p>The Section 278 works are progressing but at a pace slower than hoped for due to design clashes between revised drainage and medium pressure gas mains. The project team and contractor together with Essex Highways and the utilities companies are working together to resolve matters in the best way possible. A revised programme will be issued in mid November after which it is hoped that work and programme dates will be much clearer. The Section 278 works were tendered late in 2015 and awarded to Walkers Construction. Due to changes in personnel at Essex County Council, a number of substantial changes have been added to the scheme increasing costs and the contract programme. Walkers have already established a site presence in Chigwell Lane; their new revised contract of 40 weeks has risen to approximately £3,000,000 with an expected date for practical completion scheduled for 19th June 2017.</p> <p>The marketing of the units is continuing and it is hoped to have the agreements for lease and tenant fit out specifications on four of the key lettings completed before Christmas – Aldi, Next, TK Maxx and Smyths Toys. Agreement of outline Heads of Terms has now been agreed with JD Sports and this is moving into solicitors hands.</p>										