

2016/17 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Museum Schemes	32	24	-13	-37	20	The uplifted fees agreed for the architects, which were reduced from the original sum quoted, have been paid for additional work undertaken. The 2.5 % retention will be paid before the end of the financial year as a satisfactory 12 months defects inspection has now been completed for work undertaken by the main contractors. Improvements to the gallery's sliding doors, electrical systems, and fire alarm systems was agreed at Cabinet on 1st December 2016.
CCTV Systems	55	41	44	3	3	The budget for Longcroft Rise and Upshire shops has been reallocated after the decision to decommission the systems was made in December and the systems have been removed. As part of the Capital Review the Council have also procured two new re-deployable cameras, whilst the remaining capital allocation in 2016/17 is expected to be spent on a new automatic number plate reader system to be installed in Limes Farm by the end of march.
Car Park CCTV	32	24	24	0	0	The car park CCTV installation programme has been working in conjunction with the "Invest to Save" LED lighting scheme (see Annex 8). Works have progressed well with the car park CCTV schemes, with two of the three schemes proposed in 2016/17 (Bansons Hill and The Pleasance) both completed. Works at Trapps Hill car park have been delayed on two separate occasions due to lighting and power issues on site, although it is still expected to be completed by the year end. An additional site at Lower Queens Road car park has also been added to the planned programme in 2017/18.
Housing Estate Parking	321	8	8	0	0	The off-street parking schemes undertaken on council owned land is jointly funded between the HRA and General Fund. The General Fund proportion of costs will be allocated at year-end. Due to the complications outlined in Annex 10 expenditure is anticipated to be very low and any underspend will be carried forward to 2017/18.
Total	440	97	63			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Epping Forest Shopping Park	11,086	5,957	3,021	-2,936	-49	Please see the major schemes section.
St Johns Road Development	7,096	7,096	6,755	-341	-5	This Council completed the purchase of Essex County Council's interest in the land at St John's Road, Epping, in December 2016. The underspend shown in the table relates to the Stamp Duty, which was paid in January 2017. Preparations are now in hand regarding the subsequent disposal to the preferred developer.
Oakwood Hill Depot	703	703	850	147	21	The new depot at Oakwood Hill has been operational from September 2016. Whilst practical completion has been achieved there has been an ongoing issue in relation to off-site monitoring of the alarm system. A new alarm system has been installed at the depot however, until this system can be fully tested, additional costs for a physical out-of-hours security presence are being incurred. Recovery options from the contractor are being explored. A report will be submitted to Cabinet once all costs have been finalised and retrospective approval will be sought for the overspend. A review is also being undertaken to maximise the occupancy of the building as part of the Council's wider review of accommodation.
N W Airfield Vehicle Compound	12	0	0	0	0	The invest to save scheme is currently awaiting planning permission before works on the compound extension can begin. These works are not expected to start in the current financial year
Car Park Schemes	120	15	3	-12	-80	The installation of the new pay and displays machines in the Council's car parks has now been completed and, as anticipated, the scheme came under budget. The LED lighting and associated electrical works are now being carried out in Traps Hill Car Park Loughton and this is expected to be completed in the current financial year. The subsequent car parks will be improved in 2017/18 in line with the programme schedule. An additional £75,000 in the budget has been allocated from the Invest to Save Fund, for the purchase and set up costs in respect of the ICT infrastructure needed for the delivery of the off-street enforcement operations.
Other Schemes	104	38	38	0	0	The £93,000 Grounds Maintenance Budget includes a supplementary sum of £25,000 from a Section 106 contribution. This money has been used to procure additional machinery required to maintain adopted open space land at Tower Road, Epping. A further mower has been procured to replace an older unit with the remaining capital allocated to procure a replacement ride-on mower also nearing the end of its useful life. Finally, there is an allocation of £11,000 for drainage works at the former landfill site at Bobbingworth Tip; this sum has been fully spent.
Total	19,121	13,809	10,667			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Planned Maintenance	507	380	168	-212	-56	Many of the schemes in the planned maintenance programme relating to the civic offices have been delayed awaiting the outcome of the Accomodation Review. However a new electrical control panel has been installed as has a main mechanical control panel which controls the heating system. The lead valley gutter around the perimeter of the Council Chamber roof has been relined with a coating system whilst the fire alarm system upgrade works and the installation of the LED lighting have been continuing in quarter 3 and are expected to be completed by the end of the financial year. The resurfacing of the rear access yard at Limes Avenue shops in Chigwell has also been completed.
ICT Schemes	277	208	237	29	14	The planned ICT schemes are currently progressing well and are on target to be completed by the end of the financial year. Hardware for the BACS electronic banking system, which enables the Council to use the banks direct debit payment system, has been installed and the scheme to purchase units to replace obsolete thin client devices has also been completed. The licenses for GOOD access have been procured, whilst the customer service prototype is expected to be completed by the end of the financial year. There are slippages into 2017/18 for the gazetteer integration and the planning system integration.
Cash Kiosks	30	30	38	8	27	The project for the Epping Hall Kiosks has been completed. However, the kiosks required additional software to be developed to create seamless integration for a larger number of payment funds into the general ledger compared to the Waltham Abbey kiosk. This caused the increased expenditure above the original budget. The cash kiosk stolen from Waltham Abbey has been replaced after the insurance money was received.
HR/Payroll System	60	45	22	-23	-51	Payroll was transferred from Sage to iTrent and parallel running commenced in October and November to test the system. This was successful and went live in December, consequently Sage is no longer being used. Braintree, Colchester and Epping are now working together to scope and build the Employee/Manager Self Serve, health and safety, recruitment and learning elements of the system. A planned roll out of the system is scheduled to commence by June 2017. In addition to the capital allowance of £60,000, £20,000 has been allocated to the Payroll/HR system's revenue budgets.
Customer Service Project	15	5	4	-1	-20	Consultant engineers and surveyors are currently undertaking cost and feasibility investigations before the project can commence.
Total	889	668	469			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
New Housing Builds Phase 1, 2 & 3	6,309	3,053	1,635	-1,418	-46	For Phases 1 & 2, please see comments on the major schemes schedule. With regards to Phase 3, tenders for eight sites were approved by the Council Housebuilding Cabinet Committee in December 2016, which will deliver 34 new homes.
Phase 4, 5 & 6 and Conversion Works	0	0	207	207	0	There is a moratorium in place on the housebuilding programme, which restricts Phases 4, 5 and 6 to the point that planning approvals are sought. Planning permission has been obtained for all sites making up Phase 4 with the exception of Pyrles Lane Sites A and B. The Council Housebuilding Cabinet Committee have agreed to sell these sites on the open market with any income being used to fund the house-building programme. The conversions at Marden Close and Faversham Hall were completed in 2015/16, and a retention of £22,000 is still outstanding.
Housebuilding Salaries	97	0	0	0	0	Capital salary costs will be allocated to individual housebuilding schemes at the end of the financial year.
Barnfields S106 Development	821	616	664	48	8	The S106 Affordable homes at Barnfield, Roydon are under construction, and Linden Homes are making good progress. The works are on target for completion in October 2017.
Off Street Property Purchases	2,104	2,104	2,104	0	0	The Council has completed the purchase of six open market street properties in Waltham Abbey. All six properties have been let.
North Weald Depot	70	53	11	-42	-79	The Cabinet is to consider its Accommodation Strategy in March 2017. One aspect of that is to construct the Housing Repairs HUB with additional office accommodation to free up space at the Civic Offices. In the mean time, in order to facilitate the St Johns Road Re-development, alternative temporary accommodation is being considered for the Housing Repairs Service at the Control Tower at North Weald Airfield until such time as the Accommodation Strategy is agreed and any resultant facility is constructed.
Heating and Rewire Schemes	3,635	2,726	1,972	-754	-28	Gas heating is currently showing the largest underspend of the category despite the completion of two large gas boiler replacement schemes at Hyde Mead House and Norway House. The installation of MVHR heating systems is a demand-led programme and due to the mild winter weather, properties are not suffering from damp and condensation issues. The electric heating programme is nearing completion and is ahead of schedule with extra installations being completed when properties become available to maximise the external funding. The replacement of the landlords' communal electrical supplies on a large scheme in Birch View is due to re-commence in the last quarter; however an underspend overall is still expected. The communal water-tank replacement programme still faces major delays due to access problems at Hillyfields; these problems are likely to be unresolved and consequently the budget is expected to be heavily underspent.
Windows, Doors and Roofing	2,445	1,834	1,223	-611	-33	The installation programme of 30-minute front entrance fire doors in communal areas and PVCu double-glazed windows are being installed together to accelerate both programmes although the budget is still showing an underspend. The flat roofing programme is nearing completion and currently shows a slight overspend whilst the programme for tiled roofing is underspent at present but the programme has been accelerated which will reduce this variance at the end of the financial year.
Total c/f	15,481	10,386	7,816			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	15,481	10,386	7,816			
Other Planned Maintenance	127	95	63	-32	-34	This category includes Norway House improvements, door entry system installations and energy efficiency works. There has been no significant change in progress for this category since the quarter two report was published.
Kitchen and Bathrooms	3,048	2,286	1,914	-372	-16	The planned programmes for the kitchen and bathroom replacements remain behind schedule due to restricted access. Expenditure on kitchen replacements continue to show an underspend and it is anticipated that the current allocation for kitchen replacements will not be fully spent by the end of the financial year. The acceleration of the bathroom replacement programme during quarter 3 has reduced the variance within the bathroom replacement budget and plans are in place to continue with the accelerated programme.
Garages and Environment Works	658	486	458	-28	-6	The construction of the 8 off-street parking areas in Torrington Drive has experienced complications throughout. Delays in the consultation exercise, the arboriculture health and safety investigation and an ongoing dispute with Essex Highways have resulted in delays on site and a large underspend. This scheme is due to re-commence with the completion of the hard landscaping works expected late in quarter four. Paley Gardens is due to commence before 31st march. The works on the gas pipe-work replacement programme were completed ahead of the schedule during the last quarter. The installation of housing CCTV systems has progressed well in quarter 3 with Pelly Court finished ahead of schedule and works on Limes Farm Yellow Block underway.
Structual Schemes	700	525	325	-200	-38	The planned programme for miscellaneous structural works currently shows an underspend despite a number of structural schemes being completed. A number of other structural projects on the programme are nearing completion which will reduce this variance.
Disabled Adaptations	430	323	299	-24	-7	There has been a continued increase in the waiting list for disabled adaptations with a large number of disabled adaptations being put on hold due to limited resources for the programme. It is anticipated that the budget will be fully spent.
Other Repairs and Maintenance	223	167	171	4	2	This category is currently on schedule, however with the ad-hoc nature of the schemes involved it is difficult to predict whether the budget will be fully spend by the end of the financial year.
Service Enhancments	92	69	38	-31	-45	There has been no progression with the Oakwood Hill enhancement programme or mobility scooter stores from the position reported in the last quarter. Regarding the replacement of front doors programme, about 425 consultation letters have been sent to leaseholders and about 280 front doors have either been installed or committed orders raised.
Replacement Housing Vehicles	108	0	0	0	0	The order for seven DLO vehicles has been placed with the Ford Motor Company with delivery expected by the end of the financial year.
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	20,567	14,337	11,084			

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

REFCuS Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Parking & Traffic Schemes	60	45	3	-42	-93	Work on the Loughton Broadway parking review has started and temporary no-waiting restrictions have been put in place in disabled bays. The designs and maps have already been completed by the North Essex Parking Partnership. These should be advertised shortly and implemented in the new financial year.
Disabled Facilities Grants	630	473	463	-10	-2	Although expenditure on Disabled Facility Grants is slightly below target as at 31 December 2016, is anticipated that the full year outturn may reach £650,000. Any additional expenditure over and above the budget will be requested to be brought forward from 2017/18. This expenditure is fully supported from the Better Care Fund.
Hra Leasehold Prop (Dr)	300	0	0	0	0	This debit 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	990	518	466			

Capital Loan Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	80	60	55	-5	-8	It is anticipated that expenditure will be much higher in the last quarter and that the total outturn for the year may reach £100,000. If it is required, additional funding of up to £20,000 will be requested to brought forward from the allocation of £150,000 agreed for 2017/18.
Total	80	60	55			

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	1,657	11,216	4%	9,176
<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. The Contract was awarded to Mullalley & Co Ltd following a competitive tendering exercise in November 2015 in line with the Council's Contract Standing Orders based on price and quality. Interviews were also undertaken as part of this evaluation, attended by the Housing Portfolio Holder. The contract commenced in March 2016 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. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. At the time of writing, delays of around 14-weeks are likely as a result of this additional work. The additional costs are estimated to be around £500,000 and the anticipated outturn has been updated to take this into account. However, the total cost of the works are currently being reviewed and estimates will be amended as appropriate. The Council has not yet received a claim for an extension of time, so the contract completion date remains at April 2018.</p>										

EPPING FOREST 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	15,906	31,161	0%	15,255
<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>The contract for the main works was signed on 28 October 2016 at an agreed sum of £10,300,000 and the contractor McLaughlin and Harvey commenced works in September 2016. They have made good progress on the construction of the retail units and are on programme with only minor cost variations, largely arising from tenant requirements. The site was cleared and construction of the retaining wall to the rear of the service yard and piling was completed in December 2016. The steel frame has been erected and the work to clad the roof and walls to achieve a water-tight building will be largely finished by the end of February 2017. The car park has had the base coat laid and all services and utility ducting has been provided. At present there are no reported delays or cost overruns on the main contract and it is anticipated that the building will be ready for tenant fit-out by the end of June 2017.</p> <p>The Section 278 road improvement works still represent the largest risk to the project with delays attributable to changing requirements from the Highways Authority. The main variations to the original design and programme have resulted from the restrictions on working in the carriageway, revised drainage requirements and the re-location of the high pressure gas main. These variations will result in further additional costs, although high level meetings are due to take place to negotiate and mitigate the financial impact of the changes while Highways work is now not envisaged to complete until late August 2017.</p> <p>Anchor tenants are largely secured and it is anticipated the agreements for lease and tenant fit-out specifications on five of the tenants will be completed before the end of March 2017. The units not under offer are continuing to be marketed. The Shopping Park is planned to open in September 2017 and the latest development appraisal still indicates a good return from the Council's investment.</p>										