

## MUNICIPAL YEAR 2014/15 REPORT NO. 17

### MEETING TITLE AND DATE:

Cabinet 23rd July 2014

### REPORT OF:

Director of Finance, Resources &  
Customer Services

### Contact:

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AGENDA - PART	1	ITEM: 8
SUBJECT – Capital Outturn 2013/14		
Cabinet Member consulted: Councillor Andrew Stafford		

### 1. EXECUTIVE SUMMARY.

- 1.1 The purpose of this report is to inform Members of the capital investment undertaken in 2013/14, and the way in which it has been funded. The report also includes the outturn position for the Prudential Indicators.
- 1.2 The report shows that in 2013/14 the Council's capital expenditure amounted to £108.3m compared with the latest programme of £121.2m. The resulting favourable variance of £12.9m is comprised of £4.6m Housing projects and £8.3 of General Fund projects. This is mainly due to re-profiling of schemes where the resources will be carried forward to 2014/15.
- 1.3 Details of the service achievements and an analysis of the variations are contained in the report and Appendix 1.

### 2. RECOMMENDATIONS.

- 2.1 That the achievements and improved outcomes resulting from the Council's investments in capital projects are noted.
- 2.2 That the funding of the Council's capital expenditure as set out in this report be agreed (paragraph 5.3).
- 2.3 That the outturn for the Council's prudential indicators be noted (section 6).

### 3. BACKGROUND

- 3.1 The Council's Capital Programme for 2013/14 to 2015/16 was agreed by Council on February 2013. The Capital Programme has been monitored on a quarterly basis and quarterly reports have been considered by Cabinet in September 2013, November 2013 and March 2014. This outturn report represents the 4th quarterly monitoring report for 2013/14 and a summary for the year.

## **4. PRINCIPAL ACHIEVEMENTS AND OUTCOMES**

**4.1** Overall the Council spent some £108.3m on capital projects in 2013/14 compared with the latest programme of £121.2m. The principal achievements resulting from capital investment in 2013/14 are summarised below.

### **4.2 SCHOOLS AND CHILDREN'S SERVICES**

In 2013/14 the main priority was again to ensure sufficient accommodation was planned and/or secured to meet the continuing and further increasing demand for primary school places. During the financial year new permanent accommodation was created for an additional 150 reception places (five forms of entry). A further 90 reception places (three forms of entry) have been provided in existing or temporary accommodation pending the commencement of works on permanent buildings that will support the full expansion. Ultimately as construction works proceed in future years the expansion works funded in 2013/14 will provide permanent accommodation in local authority schools for an extra 2,100 primary pupils across all year groups.

As in 2012/13 a very significant proportion of the capital funding had to be prioritised for basic need projects with new Department for Education funding, such as the Targeted Basic Need grant, being used to reduce the call on general resources and the Council's borrowing requirements. The consequence was that very few resources were available for new non basic need projects such as schools condition works.

The principal achievements were as follows:

- Phase 1 of the Primary Expansion Plan is now advanced with construction activity in progress at a number of schools. Phase 2 is underway with the identification of sites and the design works underway.
- The purchase of a site and the design of a new Pupil Referral Unit to replace the Secondary Tuition Centre in 2014.
- Adaptations to buildings and the purchase of equipment to increase short break opportunities for disabled children through a capital grant of £434k secured by the Council.
- Completion of pre Primary Expansion Programme school expansion schemes at Capel Manor Primary School and St Matthew's Edmonton Annex.
- Works to create a new nursery on the Rosemary Avenue site in September 2013 together with the design of a new Art and Music Block at Enfield County Lower School for completion in September 2014.

### **4.3 REGENERATION, LEISURE AND CULTURE**

#### **Neighbourhood Regeneration**

##### **Ponders End**

###### **○ The Electric Quarter**

Work progressed on delivery of the Electric Quarter, with the demolition of the former Police Station, completed in December 2013.

The Council is in the process of acquiring land and property interests required for the scheme with agreement reached on the purchase of 188 and 198 High Street. Heads of Terms for land forming part of the former Middlesex University Campus has been agreed, subject to call-in and will be concluded in 2014/15.

The Council's approved Delivery Partner, Lovell is in the process of preparing detailed planning application for the whole scheme and it is anticipated that a revised planning application will be submitted autumn 2014.

- **Ponders End South Street**

Phased public realm works to promote safety and improve access to the east of South Street were completed, including implementation of speed tables and a cycle refuge. Future phases will focus on raising the quality of station square and improving access at the station. This will complement the Alma Estate Regeneration Programme

- **Ponders End Waterfront**

Initial works to clear the waterways ahead of Phase 1 implementation were completed. The project will provide a new nature reserve, canoe facilities and community growing space.

- **Outer London Fund 2**

Outer London Fund 2 is concentrated on improvements to town centres along the A1010 corridor, specifically Ponders End, Enfield Highway and Enfield Wash. In addition to partially supporting land assembly for the Electric Quarter, work is underway to refurbish the Enfield Business Centre to encourage greater uptake of services aimed at business start-ups and complete two gateway public realm projects.

- **New Southgate**

Delivery of projects identified in the New Southgate Master plan continues with physical improvements to three open spaces along the High Road. In addition to the works to the High Road Open Space completed in June 2013, Grove Road Open Space (Locally known as - The Bombie) has recently undergone a makeover, with new pathways, seating and a natural play area for young children. Additional works to improve the public realm along the High Road along the parade of shops began in January 2014 and are nearing completion.

- **Meridian Water**

Since the adoption of the Meridian Water master plan in July 2013 Meridian Water continues to progress well and is now seen as a front runner for GLA Housing Zone Status, with land assembly progressing well.

Angel Gardens has progressed well with detailed designs nearing completion and site works due to commence in the next six months.

Key infrastructure improvements are being developed with specialist consultants and the primary school is due to open in September 2015

○ **Edmonton Green**

A Master plan for Edmonton Green is in preparation. Projects in development include 'Greening the Green' and detailed feasibility to commercially redevelop the railway arches as part of this project, in conjunction with the mini Holland (Cycle Enfield) delivery programme. The total project depends on funding from partners i.e. network rail and GLA, hence slippage into 2014-15.

○ **Market Gardening**

With the finalisation of the agreement with the GLA, a three acre food growing project was delivered at Forty Hall Farm. A vegetable box scheme, Enfield Veg Company, was launched in November 2013, and has a customer base of 30 customers presently, with plans to expand to 120 customers by 2015. Capital funding will support the creation of new community food growing spaces by providing infrastructure and materials over the next 15 months.

### **Heritage & Design**

○ **The Crescent**

The repair and enhancement of this prominent listed Georgian terrace in Edmonton is well advanced. The Council led works to the private properties have been substantially completed. A total of twenty three freeholder / long leaseholders in thirteen properties have benefitted from the Council's investment in the regeneration of the area through these grant aided works. The project has provided each of these properties with:

- A new dwarf boundary wall topped with railings and gate, in most cases with intercom access control;
- Railings dividing the front gardens;
- Topsoil and turf to front garden and paths where these were needed;
- Repair and redecoration of front façade;
- Hard standing at rear for bins and cars, with lockable bollards;
- Timber fence and gate to rear garden; and
- Restoration of lost architectural features where needed.

Bounces Lane at the rear has been upgraded and refuse storage and collection now takes place from the rear removing the need for bin stores at front of the building.

The remaining 12 properties are owned by Newlon Housing Trust which is currently completing works to the front gardens of each property. Newlon is also developing the specification of works and preparation of a programme for the complimentary restoration and

enhancement works of its properties, ready to start on site in the summer 2014.

Outline designs are in preparation for the enhancement of the Monmouth Road Open space, to be implemented once the contractor's compound has been removed. Work is underway, in partnership with Newlon, on a project exit strategy that looks at how the improvements can be protected and further enhanced through more integrated management arrangements for the terrace.

- **Broomfield House.**

The Council has been supporting and facilitating the Broomfield House Trust and Friends of Broomfield Park in a community led proposal for the restoration of Broomfield House as a heritage and learning centre, through a Heritage Lottery Fund bid. The vision is that the restoration of Broomfield House is Phase One of a larger project. Phase Two will comprise a further bid to the HLF under the Parks for People Programme.

Last year the Council's bid to the HLF (for £4,175,000) was rejected by the HLF Board of Trustees. Trustees were concerned about the scale of the restoration required; the level of grant requested and long term viability. Since this time, the Council has been continuing to support the Trust and Friends in evolving their proposals, in an attempt to address the HLF's concerns and pave the way for a future more successful proposal. Representatives of the Council have recently met with the Trust / Friends, a professional fundraiser, the HLF and English Heritage to take this forward.

## **Leisure & Culture**

- **On-going Capital investment in Leisure Centres**

The Leisure Centre Capital Development programme is reaching its conclusion with the last facility Edmonton Leisure Centre finished in December 2013. We are hopeful that the retentions for Southgate and Albany will be settled during 2014 -15 but will not release this yet as we are of the opinion that the contactors still have some snagging issues to finish to the Council satisfaction. The retention for Edmonton will be released in December 2014. Otherwise we believe we have completed the Leisure Centre programme as proposed in the original report

## **Library and Museum Service**

- **Palmers Green Library**

Although the major refurbishment on the library will not begin until August 2014, work has already been undertaken to split the services between Southgate Town Hall and Palmers Green Library, following the sale of the Town Hall for residential development. The annexe has already been demolished, including the existing Children's Library and work has started on the redevelopment of the Town Hall site. This has

meant some works to the main library to ensure that it remains fit for purpose until it closes for the major works to take place.

- **Enfield Town Library**

Enfield Town Library re-opened in March 2010 after major refurbishment and extension. The building has been well received by the public, and also won a London Planning Award. Carbon reduction and ecology were important design considerations and it has been officially graded 'Excellent' for sustainability.

The design of the heating and cooling system is however very complex; it has components extracting energy from both under the ground in front of the building, and from the air at roof level, plus a supplementary gas boiler. Balancing the hydraulic water flows within the system, and resolving issues with the controlling software, could not be completed within the initial 12 months contractual Defects Liability Period. It has taken a series of investigations and modifications to the heating and cooling system over a further two years to address these issues, and it was deemed to be working fully as intended in September last year.

#### **4.4 ENVIRONMENT AND STREET SCENE**

The delivery of the Environment Department Capital Programme is broadly in-line with agreed timescales and objectives.

##### **Highway Services**

The planned maintenance of Carriageways and Footways was undertaken in accordance with the principles set out in the Highway Maintenance Plan. The planned maintenance priorities ensure the most cost effective treatment at the right time for whole life asset management and improved customer satisfaction. Planned interventions lead to savings in the long term by treating deteriorations early. Enfield's road network has generally not deteriorated due to sustained capital investments, but it still had a number of carriageways which were life expired and in need of treatment. Therefore until such backlog can be treated, the principle of worst first forms a significant element of the Council's scheme prioritisation.

As per the principles set out in the Highway Maintenance Plan, Enfield Council resurfaced or reconstructed 18.13km of Carriageways, which included the use of recycled road materials on 5.3km saving approximately 450 tonnes of CO<sub>2</sub>; thereby reducing air pollution, which contributes towards an improvement in public health. In addition Enfield Council resurfaced or reconstructed 5.6km of Principal Roads, which are funded from the Local Implementation Plan (TFL).

The Footway Replacement Capital Programme was used to renew 13km of footways, bring them back to a reasonable standard across the Borough.

In 2013/2014 the Council planted a total of 411 new highway trees by removing deteriorating tree stock and replacing with young healthy trees. If maintained on an annual basis, this will provide a constant stock of healthy, well maintained trees on the borough's highways, resulting in reduced maintenance costs and reduced potential claims against the borough and also reducing air pollution, which contributes towards improvement in public health.

Enfield Council also implemented improvements to the drainage systems in The Ridgeway, Whitewebbs Lane, Mollison Avenue and Meridian Way and

implemented Street Scene improvement schemes at Library Green Enfield and enhanced the Turkey Street Station Gateway and the Holmesdale Gateway.

The introduction of trimming and dimming technology throughout the Borough; together with a centralised monitoring system enables the PFI service provider to provide flexibility on the brightness level and operating times of streetlights. This will achieve long term savings in energy usage and reduction in costs. To date 95% of the programme is complete and fully operational and the remaining 5% is anticipated to be completed in early 2014/2015.

### **Traffic & Transportation**

The Council submitted its Local Implementation Plan Annual Progress Report to the Mayor of London via Transport for London. The report set out a range of schemes to help delivery of both the Mayor's Transport Strategy and the Council's own priorities, including extending the Greenway network and a range of road safety initiatives, which were formulated following consultation with both the public and key stakeholders.

The Local Implementation Programme directly contributes to the Council's priorities, for example the bus stop accessibility programme will help enable people with impaired mobility to access the bus network and promoting cycling will help provide residents with a cost effective and healthy alternative to public transport and car use.

As per the agreed Local Implementation Plan; Enfield Council spent £4,140k Capital and £968k Revenue (Total £5,108; TFL funded) on the delivery of a range of traffic improvement and safety schemes, including 3km of Greenways, 15 20mph schemes serving 20 schools, 4 CPZ schemes, Bus Route Improvements, Bus Stop Accessibility, Bus Route Improvements, Road Safety Measures, Smart Travel (Cycling and Driving Initiatives), Station Access and other Traffic and Transport Initiatives.

The programme of works or measures set out above represent vital investment in the improvement and renewal of the transport infrastructure, particularly supporting regeneration and environmental enhancements with clear beneficial impact on climate change, improved public health, particularly those that seek to promote active travel and reduce harmful emissions.

### **Environmental Protection**

The Council's Alleygating programme is successful in tackling fly tipping, other opportunistic crime, rear entry burglary and antisocial behaviour. The gating schemes demonstrate Enfield's commitment to dealing with crime and antisocial behaviour in a highly practical and visual way. In 2013/14 Enfield Council installed 68 Alleygates, which will enhance community safety and provide a cleaner and safer environment for Enfield residents, by reducing crime or fear of crime, fly tipping and other antisocial behaviours.

The Council's Graffiti Action Team since its formation has significantly reduced the amount of graffiti on Enfield's streets and public open spaces. Street washing makes a huge difference to levels of cleanliness for residents and businesses. However the equipment used by the team was over eight years old, which was leading to increased breakdown and hence the need for replacement of the machinery. As a result the Graffiti Action Team has successfully acquired Graffiti & Street Washing Equipment, which will have a

positive impact on the street washing programme and enable the team to lessen the current environmental impact they are having with the outdated equipment.

### **Community Safety**

The Enfield Public Safety Centre office is owned and managed by Enfield Council. Currently the centre is responsible for monitoring all council owned community safety cameras in public places including those on housing estates, internal building CCTV cameras for other Enfield Council's Services. The centre also carries out traffic enforcement on behalf of Transport for London helping to reduce congestion, keep bus lanes open and enforces local breaches in parking and traffic legislation. The centre also supports the Metropolitan Police and an officer is based on site full time to collect & analyse any vital evidence footage, as well as responding to new incidents.

The CCTV Camera Replacement Programme and the three year CCTV expansion programme (12-13 to 14-15) are progressing to plan and on budget. CCTV cameras were installed or replaced at various locations; enabling increased coverage of Enfield and providing essential assistance to the Metropolitan Police for incident management and evidence production. The public safety cameras have a positive impact on improving safety, deterring criminals and reducing anti-social behaviour.

The Council has placed thirty six new street cameras around the borough to cover flood defence monitoring, traffic enforcement near schools to deter dangerous parking practices as well as the critical addition of new community safety cameras. In addition, CCTV which is already established at town centres has been efficiently linked with the EPSC system to provide more seamless coverage and reduce the opportunity for crime.

The CCTV system is recognised as one of the best in London and the service is working in partnerships to increase income generation by providing services for other clients. The service has incorporated resilience measures to enable them to increase the range of services provided in the future and will continue to work with industrial and commercial areas in order to support regeneration proposals for the borough.

### **Replacement of Wheeled Bins**

The full implementation of the borough wide wheeled bin project took place in 2012/13, which resulted in further waste diversion savings, improved recycling performance and residents satisfaction. To date about 250,000 Wheeled Bins have been rolled out across the borough and 1050 Wheeled Bins (0.42%) of the rolled out bins have been replaced in 13/14 for various operational reasons.

Enfield Council's bid to the Department for Communities and Local Government (DCLG) weekly collection fund was successful in securing £2.4m; to support current and new waste and recycling services. This will enable the Council to invest on new vehicles and waste containers to enhance recycling in estates in the next two to three years. The DCLG grant was carried forward to 2014/15; as the project commenced late due to the timing of the award of the funding/grant. Progress of the project deliverables is on track.



## **Parks**

Forty Hall Park Landscaping Project: Heritage Lottery Fund (HLF) awarded Enfield Council a grant of £1.8m, to restore the grounds of Forty Hall to its 17th & 18th century splendour. The landscaping works will, as part of the Project, improve the visitor facilities at the Park and restore century historic features. Work commenced in January 2014 and it is estimated the landscaping works will be completed by January 2015.

The council also obtained S106 funding for the construction of Aldersbrook Avenue Recreation (Play Equipment) and a Town Park Water Feature. Aldersbrook Recreation Ground project is currently in the planning stage following a consultation exercise earlier this year and is planned to be completed in 2014/15. The Town Park boating lake rejuvenation project is also underway and contractors are already on site.

In 2012 a grave reuse pilot utilising vaulted graves and mausoleums was undertaken at Edmonton Cemetery. Following the success of the pilot approval was given to extend the trial to ensure the most effective use of the available burial space within the Borough and maximise income opportunities. Construction of the mausoleum & burial chamber interment facility in Edmonton Cemetery is progressing as per the agreed plan.

The Council has successfully completed the drainage and Landscaping works at Whitewebbs Golf Course, with the works completed in October 2013 and are operating effectively.

In addition due to a need of urgent investment in grounds maintenance equipment, the Parks Operation Team completed a successful acquisition of a Mobile Elevated Working Platform Equipment.

## **Vehicle Replacement Programme**

A review of the Parks service and resources was carried out in 2011 which included an examination of arrangements for the provision and maintenance of Parks vehicles and equipment identified, amongst other things, the need for urgent investment in grounds maintenance equipment, vehicles and machinery. As a result; a procurement exercise was facilitated and the following equipment were acquired, 3 Ride on Mowers, 1 Rotary Front line Mower, 1 Flail head Mower, 2 Fine Cut Pedestrian Mowers, 1 Rotary Pedestrian Mower and other hand held Parks Grounds Maintenance Machinery and Equipment.

In addition; Street cleansing Services successfully completed the purchase of two Green Applied Street Sweepers. This will enable the Council to deliver cleaner streets including local footpaths.

## **Depot Relocation**

Corporate Management Board, on November 29th 2011, approved a Report of the Director of Environment to acquire a new depot for the existing Depot functions. Approval was given to enter into an Agreement for long term lease for the preferred site (Morson Road Depot).

The move to the new Depot was completed as per the agreed timetable and the Depot became fully operational in early July 2013. The actual expenditure includes the decommissioning costs of the former Depots and the redevelopment of Bury Lodge Depot. The Move was successfully completed

for all services and Carterhatch and Advent Way cleared and handed over to landlords and Bury Street West Depot works has also been completed.

### **Parking**

Palace Gardens is a 543 space Car Park which has been a Pay and Display car park since 1992. The Council relocated some Parking Bays and successfully introduced an Automatic Number Plate Recognition (ANPR) technology in the Palace Gardens multi-storey car park. ANPR uses new camera technology to record all vehicle registrations as they enter and leave the car park.

### **Building Improvements Capital Programme**

The Councils Repair and Maintenance fund aims to ensure corporate buildings and their surroundings are fit for purpose. Properties are maintained via three main work streams, reactive, planned and maintenance plus other improvement works. The 2013/14 Building Improvements have been delivered within the agreed framework, by carrying out the following works; refurbishment, remedial works, tree works, mechanical, electrical, structural, health & safety repairs, Parks resurfacing works have been undertaken across various Council dwellings and Day Centres. Pressure on the programme continues as it is asked to cover a wide remit including at present non HRA dwellings.

Due to intermittent leaks arising from the plant room on the 11th floor, the 10th floor was vacated as a precaution and essential repairs work; necessary to address the leaks to ensure suitable and safe accommodation were carried out. The refurbishment was successfully delivered, plus new main boilers and heat exchanger have been installed as part of the plant room works. These will add to the energy savings being realised through the REFIT programme. In addition B block north meeting rooms were completed and the replacement of hot water supplies is progressing to plan.

### **Disability Access Programme (DDA)**

Local Authorities have a duty under the Equalities Act 2010 to make reasonable adjustments to their buildings to eliminate discrimination. In compliance with the Act; approval has been given to undertake access improvement works at Wheatsheaf Hall, Park Avenue Mental Health Resource Centre and Minchenden Oak Garden. The individual projects will be delivered within the timescales agreed with users.

### **The REFIT Programme**

The REFIT programme has been developed and promoted by the Mayor of London and the Greater London Authority (GLA) in order to assist public bodies in London to reduce energy consumption. The project aims to deliver energy savings through the installation of various Energy Conservation Measures.

Due to the current cost of energy and the likelihood of further increases in the future, Enfield Council undertook energy efficiency measures to its corporate buildings and schools; the project was partly funded by an interest free loan from Salix, which funded the Schools costs of the energy conservation measures, as it stands 95% of the works have been completed, which include the replacement of the Civic Centre Chiller and energy conservation measures across various schools, Civic Centre and the Millfield Theatre.

## **4.5 CORPORATE**

### Corporate Property

Southgate Town Hall and Library Refurbishment Programme (Phase 1): Separation of services from Southgate Town Hall and the demolition of the western annexe have been completed. The library re-opened on the 3rd February to provide a fully operational service until 26th July 2014, when the Phase 2 - Major Refurbishment to the Library will commence.

## **4.6 HEALTH AND ADULT SOCIAL CARE**

### **Health & Adult Social Care**

#### Replace New Options Day Centre for Learning Difficulties clients

A demolition contractor was appointed in May 2013 and the demolition of the College Farm buildings was completed in August 2013. Although construction on site was due to commence in October 2013, it was delayed as the contractor required a longer mobilisation period than anticipated. A topping out ceremony was held in March 2014, attended by the Chair of the Friends of the Park (for Albany Park), Cabinet Member for Adult Services and Care, Leader of the Council and representatives from the service. This was a successful event that showcased the progress made with this development and was featured in the local press as a good news story. The project is progressing and should be completed during the second half of 2014/15, so planning for the transition is underway and service users and their carers are fully engaged in this process.

#### Reprovision of Adult Social Care facilities on the Elizabeth House site

The Council, in a Cabinet report in July 2013, agreed to borrow to fund the building of the new Nursing Care home known as the Reprovision Project. The best way to procure an experienced builder of care homes was considered and the IESI framework was agreed and signed up to. Currently we are in the second stage of the process to select one experienced firm to build this home. We have engaged architects to design the building and pre-planning applications have been made. The onsite build should begin in autumn 2014. A tender for the service provision will take place during the building process.

#### Ordnance Unity Centre

Following demolition at the site of the former Ordnance Road Library, the frame of the new building has been completed and the windows and internal partitions are in place. A temporary library was opened prior to demolition to ensure continued service provision. A Topping Out ceremony was held in March 2014 attended by a number of Cabinet Members and Ward Councillors. This was a successful event that showcased the progress made and was featured on the front page in the local press. Internal works are underway, and completion is anticipated during the second half of 2014/15.

## 4.7 HOUSING: NON-HRA

### Community Housing Programme

Private Sector Housing made a total of 195 Disabled Facilities Grants (DFG) adaptations in 2013/14 of which 158 were for completed works, totalling £1,691m. These Grants are to adapt privately owned property so that Enfield service users are able to remain safely and independently in their own homes.

Private Sector Housing completed 72 Discretionary Grants (for Small Works Assistance, Decent Homes Grants and Safe Homes Grants) to private residents. This has helped those that are elderly, vulnerable or on benefits to carry out necessary repairs to their properties which otherwise would leave them living in property that would not meet the Decent Homes Standard.

Under funding from the North London Sub Region, Private Sector Housing have been able to offer additional Decent Homes Grants to Enfield residents where there is a vulnerable person living in a privately owned property and have a Category 1 Hazards (this is serious defects under the Health and Housing Rating System). This project was for £750,000 over a two year period and so far we have completed, 34 CAT 1 Hazards grants, 159 Decent Homes grants with approximately further 12 in the system (awaiting either to be assessed/approved/completed) with the remaining £37,500 still to be paid.

### Affordable Housing Programme – 2013/14

In November 2013, the Development Team completed the acquisition of a 3 bed house i.e. 171 South Street. Contractors Moyglen were appointed in April to carry out extensive refurbishment works. The works are now underway and will be completed by July 2014 in time to support the Alma decant programme.

In January 2014 following acquisition of 2 flats and the freehold, the Development & Estate Renewal team completed the refurbishment of 2 x 1 bed flats 167/167a South Street to support the Alma decant programme. The properties, which were available for let to Alma tenants who require a double decant, are being charged at council rents but let on a licence to enable them to be used for the duration of the estate renewal project.

## 4.8 HOUSING- HRA

In 2013/14 the budget for HRA Works to Stock was £48.524m. The actual expenditure was as follows; £33.320m was spent on works to improve Enfield's Housing Stock, £0.461m was used to fund Grants To Vacate (enabling tenants to move, freeing up properties to be re-let) and £0.079m was spent on Community Halls, giving a total spend of £33.860m.

The resource balance of £16.466m was fully committed in 2013/14 and will be spent in 2014/15. The Decent Homes grant allocation of £12m was fully utilised.

The expenditure for works to stock in 2013/14 included:

- £21.759m (including £12.000m of GLA Decent Homes Grant) was spent on making 1,337 properties decent. This delivered 592 kitchens, 535 bathrooms, 117 central heating systems, 1,210 windows, 1,065 doors, 524 rewires and 1,188 roofs;

- £11.560m was spent on Landlord Obligation Works, including £1.517m on the Lifts Replacement Programme, £1.525m on Adaptations, £0.266m on Fire Precautions, £0.989m on Water Safety works, £0.921m on Estate Improvements, £0.196m on Security (for the fitting of door entry systems and related works), £0.610m on Environmental Improvements and £1.849m on the Alma Road Heating Riser replacement.

Enfield Homes received its ALMO two-star status from the Housing & Communities Agency (HCA) in 2009/10, and was awarded an initial £64m for the first three years of its Decent Homes Programme. A further allocation of grant funding amounting to £44.606m has been awarded for the period 2012/13 to 2014/15.

Responsibility for the Decent Homes is now with the Greater London Authority (GLA), with Decent Homes funding having become a grant since 2012/13, paid quarterly in arrears, against an agreed profile of quarterly targets for expenditure and homes made decent

Actual funding for the Decent Homes Programme received so far is as follows:

1. 2009/10 - £14.5m HCA Approval
2. 2010/11 - £34.0m HCA Approval
3. 2011/12 - £14.0m HCA Approval
4. 2012/13 - £18.0m GLA Decent Homes Grant Allocation
5. 2013/14 - £12.0m GLA Decent Homes Grant Allocation

The total Decent Homes funding received to 31 March 2014 is £92.5m. The funding for 2014/15 has been confirmed as £14.606m, subject to performance.

## 5. FINANCIAL OVERVIEW

- 5.1 Table 1 below summarises changes to the Approved Programme Quarter 3 for external funding and re-profiling which do not impact on the use of general resources.

<b>TABLE 1</b>	<b>£'000</b>
<b>Capital Programme Quarter 3</b>	<b>112,763</b>
TFL Schemes	(82)
Highways	23
Alleygating	25
Parks	(12)
Vehicle replacement	32
Building improvement schemes	(65)
Southgate Town Hall / Library	715
Housing Improvement Grants	(82)
Schools	184
HRA	7,742
<b>Quarter 4 Programme</b>	<b>121,243</b>

- 5.2 Table 2 shows the capital expenditure incurred in 2013/14 compared to the updated programme. The re-profiling of original capital budgets throughout the year will impact on the 2014/15 total budget:

**TABLE 2  
Capital Expenditure  
2013/14**

	<b>Q4 2013/14 Budget</b>	<b>2013/14 Outturn</b>	<b>Variance</b>	<b>Re- profiling</b>	<b>(Under) / overspend</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>General Fund</b>					
Schools & Children's Services	26,974	25,742	(1,232)	(1,232)	0
Environment	22,903	20,904	(1,999)	(911)	(1,088)
Regeneration, Leisure & Culture	5,027	3,300	(1,727)	(1,611)	(116)
Housing, Health & Adult Social Care	4,476	3,517	(959)	(930)	(29)
Corporate	5,259	2,887	(2,372)	(2,369)	(3)
<b>Sub-total</b>	<b>64,639</b>	<b>56,350</b>	<b>(8,289)</b>	<b>(7,053)</b>	<b>(1,236)</b>
Schools Devolved	5,141	5,141	0		0
<b>Total General Fund</b>	<b>69,780</b>	<b>61,491</b>	<b>(8,289)</b>	<b>(7,053)</b>	<b>(1,236)</b>
Housing Revenue Account	51,463	46,803	(4,660)	(4,659)	(1)
<b>Total Capital Expenditure</b>	<b>121,243</b>	<b>108,294</b>	<b>(12,949)</b>	<b>(11,712)</b>	<b>(1,237)</b>

The principal outturn variances by programme are shown in more detail in **Appendix 1**. The Quarter 1 monitor in the new financial year will include details of re-profiling from 2013/14. The latest 2014/15 programme, including reprofiling, will be reviewed as part of the budget process to ensure all schemes are affordable with the Medium Term Financial Plan and meet corporate priorities.

**5.3** The capital spend was financed as set out in the following table:

<b>Source of Funding</b>	<b>£m</b>
Borrowing	16.4
Capital Grants and Contributions	53.3
Capital Receipts	13.0
Direct Revenue Contributions	12.1
Major Repairs Allowance	13.5
<b>Total funding required to finance capital expenditure</b>	<b>108.3</b>

Prudential borrowing is funded from within the overall Council budget under the prudential code framework.

**6. PRUDENTIAL INDICATORS**

**6.1** In setting the budget for 2013/14, the Council also set certain prudential indicators to monitor the affordability and prudence of its capital programme. The outturn position for these indicators is reported below.

**6.2** The table below shows the capital expenditure for the year split between the Housing Revenue Account and General Fund services. The indicator is shown compared with the most recent previously reported position on Quarter 3 report. The reasons for the variations between the original programme and the December monitor have been reported to Cabinet through the year as part of the regular monitoring process. The reasons for the variations to the outturn have been discussed in detail above.

## Prudential Indicators

<b>Capital Expenditure</b>	<b>Prudential Indicator</b>	<b>Outturn 2013/14</b>
	<b>£'000</b>	<b>£'000</b>
General Fund (including Devolved Schools)	69,043	61,491
Housing Revenue Account	43,720	46,803
<b>Total</b>	<b>112,763</b>	<b>108,294</b>

- 6.3 The Capital Financing Requirement reflects the Council's underlying need to borrow to fund its capital programme. It has been necessary to make a number of technical adjustments to the Capital Financing Requirement indicator as a result of PFI assets and associated liabilities now being recognised on the Council's balance sheet. The movement between the outturn and the last reported position is generally as a result of the net re-profiling of capital schemes into future years and the use of additional revenue resources to fund the capital programme.

<b>Capital Financing Requirement</b>	<b>Prudential Indicator</b>	<b>Outturn</b>
	<b>£'000</b>	<b>£'000</b>
General Fund	267,706	264,861
Housing Revenue Account	157,728	157,728
<b>Total</b>	<b>425,434</b>	<b>422,589</b>

- 6.4 The external debt shows the authority's borrowing position compared with the authorised maximum limit and operational limit approved by Council. The authority is well within these limits which provide the scope to take advantage of low cost borrowing opportunities if they arise and are advantageous to the Council.

<b>External Debt 2013/14</b>	<b>Authorised Borrowing Limit</b>	<b>Operational Borrowing Limit</b>	<b>Outturn</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Prudential Indicator	550	400	298.6

Further information is included in the Treasury Management Outturn Report also on this Cabinet meeting agenda.

## 7 REASONS FOR RECOMMENDATIONS

To inform members of the final position on capital expenditure and financing for the year.

## **8 COMMENTS OF THE DIRECTOR OF FINANCE RESOURCES & CUSTOMER SERVICES**

- 8.1 Financial implications:** These are contained in the body of the report.
- 8.2 Legal Implications:** Under the Local Government Act 2003 the Council has a duty to report on its capital expenditure and financing arrangements. This report assists in the discharge of that duty.
- 8.3 Risk management Implications:** The Capital programme is monitored on a quarterly basis to cabinet and any variations are reported when identified. There are risks involved in the delivery of projects on time particularly where large amounts of re-profiling have been identified in the report. These projects will be closely monitored in the new financial year to ensure there is no loss in service delivery.

## **9. EQUALITIES IMPACT IMPLICATIONS**

- 9.1** The Council is committed to Fairness for all to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.
- 9.3** Financial monitoring and reporting is important in ensuring resources are used to deliver equitable services to all members of the community.

## **10. IMPACT ON COUNCIL PRIORITIES**

### **10.1 Fairness for All**

The Capital programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

### **10.2 Growth and Sustainability**

The Capital programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.

### **10.3 Strong Communities**

The Capital programme is designed to address the values set out within the Council's priorities. All projects are considered in the context of these priorities.



London Borough of Enfield Capital Outturn Summary Schedule 2013-14

APPENDIX 1

Department/Scheme	Q4 2013/14 Budget	2013/14 Outturn	Variance	Re-profiling	(Under) / overspend	Reasons for Variance
	£000's	£000's	£000's	£000's	£000's	
<b>ENVIRONMENT</b>						
Transport for London funding:						
2013/14 Corridors, Neighbourhoods and Supporting Measures	2,132	1,029	(1,103)	0	(1,103)	In 2011 the Council made a successful bid to the Department for Transport for £1m of Access for all funding to contribute towards the cost of two lifts at Edmonton Green Station. Details of the scheme were developed in 2012/13 by Network Rail, who is the delivery agent for the scheme, and approval was granted by the Council in March 2013. The total cost of the scheme is estimated to be in the region of £2m, of which £1m has been secured from DFT. The remaining cost is being provided by the Council, utilising funds provided by TFL via its Local Implementation Plan. The TFL funded sum was invoiced and cleared (as per the legal agreement). £1,035,500. But the £1m contribution from DFT will not be coming to Enfield directly (as was anticipated/discussed at the time when the the provision was raised), but instead it will be paid to Network rail directly. The final agreement was as follows: Enfield will ensure/confirm the works are completed according the necessary requirement that satisfies all parties and will communicate this to DFT and the DFT will make the payment to Net Work Rail directly.
2013/14 Principal Road Renewal	1,394	1,392	(2)	0	(2)	
2013/14 Local Transport Funding	100	100	0	0	0	
2013/14 Major Schemes	141	140	(1)	0	(1)	
2013/14 Bus Stop Accessibility	490	480	(10)	0	(10)	
2012/13 Highways & Streetscene	2,933	2,813	(120)	(131)	11	
2013/14 Highways & streetscene	8,389	8,304	(85)	(73)	(12)	
Environmental Protection	327	284	(43)	(43)	0	
Community Safety	704	622	(82)	(77)	(5)	
Waste & Recycling	30	16	(14)	(14)	0	
Parks	514	493	(21)	(55)	34	
Vehicle Replacement Programme	215	215	0	0	0	
Depot	1,312	1,276	(36)	(36)	0	
Parking	174	169	(5)	(5)	(0)	
Building Improvement Programme	2,038	1,861	(177)	(177)	0	Honeysuckle House Lift Upgrade, Civic Centre Fire Alarm Upgrade, John Wilkes House Improvements and Community House Improvement. The following works have been slipped to 14/15 due to the revising of the Building Improvement Programme timetable; for operation reasons and in conjunction with Service users (clients).
Sustainability	1,738	1,670	(68)	(68)	0	
Disability Access Programme	273	41	(232)	(232)	0	Disability Access Programme (DDA): Approval has been given to undertake access improvement works at Wheatsheaf Hall, Park Avenue Mental Health Resource Centre and Minchenden Oak Garden. The individual projects will be delivered within the timescales agreed with users. Only £41k has been spent from the planned budget of £273k, the above projects have commenced on site. The remaining balance of £232k has been slipped to 14/15.
<b>ENVIRONMENT TOTAL EXPENDITURE</b>	<b>22,903</b>	<b>20,904</b>	<b>(1,999)</b>	<b>(911)</b>	<b>(1,088)</b>	

Department/Scheme	Q4 2013/14 Budget	2013/14 Outturn	Variance	Re- profiling	(Under) / overspend	Reasons for Variance
	£000's	£000's	£000's	£000's	£000's	
<b>CORPORATE SCHEMES</b>						
SAP Server Virtualised Server	93	93	0	0	0	
Joint Service Centre	2,700	1,627	(1,073)	(1,073)	0	Delays in disconnection of utilities by the statutory bodies led to later than anticipated demolition works and consequent slippage into 2014/15. The building is due to be completed later in 2014.
Civic Centre	0	0	0	0	0	
Self Pay Kiosks Cashier	12	8	(4)	0	(4)	
Residents Priority Fund	1,739	678	(1,061)	(1,061)	0	
Southgate Town Hall Library	715	480	(235)	(235)	0	This programme anticipates construction work to complete in April/May 2014. The re-profiled sum of £235k is meant for payment of outstanding professional and retention fees respectively, which often happens about one year after the date of completion.
<b>FINANCE, RESOURCES &amp; CUSTOMER SERVICES/CEX TOTAL EXPENDITURE</b>	<b>5,259</b>	<b>2,887</b>	<b>(2,372)</b>	<b>(2,369)</b>	<b>(3)</b>	
<b>HEALTH, HOUSING AND ADULT SOCIAL CARE</b>						
<b>Housing</b>					0	
Disabled Facilities Grant (£1.156m grant funded)	1,556	1,691	135	134	0	£900K of the DFG was slipped into 14/15 at the end of qtr 3 due to a projected underspend. However, the PSH service completed more DFGs than predicted during the last qtr of 13/14.
Sub Regional Housing Grants	176	176	0	0	0	
Housing Assistance Grants	120	200	80	80	0	£689K of the Housing Assistance Grants was given up at the end of qtr 1 due to a projected underspend. However, the PSH service completed more grants than predicted during 13/14.
Affordable Housing	1,286	277	(1,009)	(1,009)	0	This underspend is the affordable housing budget contribution to the purchase of 100 Houses which has been c/fwd to 14/15.
<b>Adult Social Care</b>	0		0	0	0	
Welfare Adaptations	50	19	(31)	0	(31)	
Residential and Social Care Provision - Elizabeth House	180	181	1	1	(0)	
Care First Integration	60	42	(18)	(18)	0	
Fireproof lift at Park Ave (MH clients)	0	0	0	0	0	This scheme has now been incorporated into the Environment DDA Capital Programme.
Replace New Options Day Centre for LD Clients	1,048	931	(117)	(118)	0	Contractor went on site in 2013/14 later than anticipated, so some slippage into 2014/15.
Mental Health and Wellbeing Centre	0		0	0	0	
<b>HEALTH, HOUSING AND ADULT SOCIAL CARE TOTAL EXPENDITURE</b>	<b>4,476</b>	<b>3,517</b>	<b>(959)</b>	<b>(930)</b>	<b>(29)</b>	

Department/Scheme	Q4 2013/14 Budget	2013/14 Outturn	Variance	Re- profiling	(Under) / overspend	Reasons for Variance
	£000's	£000's	£000's	£000's	£000's	
<b>REGENERATION LEISURE &amp; CULTURE</b>						
Regeneration:						
Ponders End	803	468	(335)	(335)	(0)	Enfield business centre £224k slippage - due to protracted negotiation with tenants at the business centre to finalise scheme and internal arrangements. £68k Albany gateway slippage due to delay in legal agreement with Landowner- £15k time team to be reprofile -OLF2 reprofile agreed with GLA for 14/15. £27k South Street/Waterfront slipped to 14/15 to ensure co-ordination with Alma Estate renewal plans.
Electric Quarter	1,402	179	(1,223)	(1,223)	0	Land assembly delayed due to negotiations with the Education Funding Authority (EFA). Initial site purchases completed in May 2014. GLA agreed grant extension with deed of variation to follow.
New Southgate	260	289	29	29	0	
Meridian Water	1,056	1,258	202	202	(0)	Site acquisition £284k - Funds from 14/15 B/FWD for site acquisition (to be completed), due diligence work and identified unknowns that required further investigation work. Rays Rd phase 2 - 12k slippage following delay in planning consent/ discharge of conditions. Angel Road Station and Causeway (70k slippage) - consultants completing design options due May 2014 - programme interdependencies with Network Rail.
Edmonton Projects	15	20	5	5	0	
Shires Estate - REACT Dysons Road	0	0	0	0	0	
Market gardening	20	51	31	31	0	
Enfield Town	0	0	0	0	0	
Angel Edmonton	0	0	0	0	0	
Enfield Business Centre Gateway	0	0	0	0	0	
Edmonton Green Regeneration	54	67	13	0	13	
Regeneration - conservation / design	466	525	59	59	0	
Other heritage regen projects including acquisitions	0	0	0	0	0	
Industrial Estates Regeneration	0	0	0	0	0	
Libraries	87	157	70	0	70	
Leisure	542	143	(399)	(381)	(19)	In dispute with the contractor and no invoices are currently being paid, to be settled next year
Palmers Green Library Refurbishment	0	301	301	301	0	Palmers Green Library works funded from 14/15 resources, work started early. Enfield town Library heating system overspend reported in Q2 - final settlement negotiated but more than expected- Property project
Culture	322	(157)	(479)	(300)	(179)	Forty Hall final bill settled turned out to be less than 12/13 Creditor set up to cover costs. Slippage for car park lighting , retention and CCTV works outstanding
<b>REGENERATION LEISURE &amp; CULTURE TOTAL EXPENDITURE</b>	<b>5,027</b>	<b>3,300</b>	<b>(1,727)</b>	<b>(1,611)</b>	<b>(116)</b>	
<b>SCHOOLS &amp; CHILDREN'S SERVICES</b>						
Schools Access Initiative	0	0	0	0	0	
Target Capital - Special Needs	1,407	1,114	(293)	(261)	(32)	Russet House £0.102m u/s – this is due to outstanding retention payments. Secondary Pupil Referral Unit £0.147m u/s – the scheme has not progressed as quickly as expected during the planning and design phase.
Devolved Schools Capital	0	0	0	0	0	
Childrens Centres	258	10	(248)	(250)	2	There have been delays in the allocation of this grant due to the terms and conditions of the Funding Agreement Letter not being agreed with schools. The funding will be carried forward into 2014/15.

Department/Scheme	Q4 2013/14 Budget	2013/14 Outturn	Variance	Re- profiling	(Under) / overspend	Reasons for Variance
	£000's	£000's	£000's	£000's	£000's	
Targeted Capital - School Meals Programme	97	115	18	2	16	
City Learning Centres	19	12	(7)	(7)	0	
Basic Need - Primary School Places	5,499	4,396	(1,102)	(1,095)	(8)	The programme covers a large number of projects. The reasons for the most significant underspends were as follows : <ul style="list-style-type: none"> <li>• Eversley School (£161k u/s) – There was a dispute with the contractor who has now gone into liquidation therefore payments have been withheld.</li> <li>• Capel Manor School (£106k u/s) – This scheme did slip therefore retention and final account contract payments are outstanding.</li> <li>• Merryhills Primary School (£150k u/s) - Outstanding retention payments pending.</li> <li>• St Matthew's Edmonton Annex (£314k u/s) – There are outstanding retention payments and an outstanding phase of further expansion works.</li> <li>• Enfield County Art Room (£167k u/s) – The tender required approval at the March 2014 Cabinet meeting which delayed the start of the works.</li> </ul> There was no adverse affect on the pupil intake in September 2013 as a result of the project delays referred to above.
Primary Schools	272	282	10	0	10	
Additional Primary Placements September 2012	671	398	(273)	(268)	(5)	
Primary Expansion Plan Phase 1	15,771	17,280	1,508	1,519	(11)	There are a number of reasons for the overall variance on the planned spends for the PEP projects in 2013/14. There are primarily: <ul style="list-style-type: none"> <li>• The forecast spend provided for the capital monitor can only be an estimate until contracts are awarded;</li> <li>• Progress on individual schemes was quicker than expected in the final weeks of 13/14.</li> <li>• The use of the Scape framework results in early activity on site but later formalisation of contract, and therefore costs;</li> <li>• The nature of construction projects is that costs vary once works commence to take account of on-site issues;</li> <li>• Design improvements such as: achieving more flexible internal layouts for teaching spaces; create 'integrated' schools with links between old and new buildings; the number, size and style of windows and doors; and improved finishes or materials to reduce future maintenance resulted in an increase in overall costs and in-year spend; and</li> <li>• Design changes to invest more in improving schools by providing extra spaces or larger spaces resulted in an increase in overall costs and in-year spend.</li> <li>• There is no indication that these schemes will not provide the planned number of primary places in September 2014.</li> </ul>
Primary Expansion Plan Phase 2 - Grange School	836	693	(143)	(143)	0	
Primary Expansion Plan Phase 2 - Garfield School	417	346	(71)	(71)	0	
Primary Expansion Plan Phase 2 (2016/17 includes	466	72	(394)	(394)	0	
Secondary Schools	620	688	68	18	49	There was an overspend reported on the remedial works at Chase Community school.
Schools Condition Funding	132	10	(122)	(100)	(22)	These works have now been delayed until the school summer breaks to ensure safe access and adequate planning and preparation.
Fire Precaution Works	81	8	(73)	(73)	(0)	
Non School Schemes	428	318	(110)	(110)	0	This underspend is mainly due to outstanding retention payments and final accounts on the Cheviots and Craig Park Youth Centre schemes.
<b>SCHOOLS &amp; CHILDREN'S SERVICES TOTAL EXPENDITURE</b>	<b>26,974</b>	<b>25,741</b>	<b>(1,232)</b>	<b>(1,232)</b>	<b>(0)</b>	

Department/Scheme	Q4 2013/14 Budget	2013/14 Outturn	Variance	Re- profiling	(Under) / overspend	Reasons for Variance
	£000's	£000's	£000's	£000's	£000's	
<b>GRAND TOTAL GENERAL FUND PROGRAMME</b>	<b>64,639</b>	<b>56,350</b>	<b>(8,290)</b>	<b>(7,053)</b>	<b>(1,237)</b>	
<b>HOUSING REVENUE ACCOUNT</b>						
Decent Homes	25,289	21,759	(3,529)	(3,529)	(0)	Variance resulting from project delivery times changing due to consultation, approval processes and contract period duration.
General Work	12,651	11,560	(1,091)	(1,091)	(0)	Variance due to redirection of resources assigned to asbestos works and structural repairs, to cover major works overspend for concrete repairs.
Community Halls	80	80	(0)	0	(0)	
Grants to vacate	500	461	(39)	(39)	0	
Estate Renewals	12,943	12,943	(0)	0	(0)	
Asbestos Contingency	0	0	0	0	0	
<b>HOUSING REVENUE ACCOUNT</b>	<b>51,463</b>	<b>46,803</b>	<b>(4,660)</b>	<b>(4,659)</b>	<b>(1)</b>	
<b>SCHOOLS CAPITAL</b>	<b>5,141</b>	<b>5,141</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>GRAND TOTAL CAPITAL PROGRAMME</b>	<b>121,243</b>	<b>108,294</b>	<b>(12,949)</b>	<b>(11,712)</b>	<b>(1,238)</b>	