

Report to the Cabinet

Report reference: C-015-2017/18
Date of meeting: 5 September 2017



**Epping Forest
District Council**

Portfolio: Housing

Subject: Relocation of Housing Repairs and Housing Assets to Oakwood Hill Depot

Responsible Officer: Paul Pledger (01992 564248)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations:

- (1) That the Housing Repairs Service and the Housing Assets Team be relocated to the Oakwood Hill Depot, Loughton to co-locate with the existing Fleet Operations and Grounds Maintenance Services at an estimated cost for the works (excluding fees) of around £755,000 funded from the Housing Revenue Account (HRA);
- (2) That the Capital costs of re-location be funded from the existing £3.2m budget for the provision of the Repairs and Maintenance Hub;
- (3) That, once assessed by PwC as part of the Stage 2 Accommodation Review, the fit-out costs of the open plan area, based on an agile working environment, be also funded from the existing capital budget provision;
- (4) That the remaining existing capital budget provision be deleted from the Capital Programme, to realise a capital saving;
- (5) That a separate report be considered by the Housing Portfolio Holder on the appointment of a Multi-discipline Consultancy Service to oversee the detailed design, procurement process and contract management, with any fees being funded from the existing capital budget provision;
- (6) That the Council's CountryCare Service and the Nursery Service no longer be relocated to the Oakwood Hill Depot as previously planned and that an alternative venue be sought elsewhere in the district for these services;
- (7) That a Planning Application be submitted for the required off-site parking for staff and visitors during working hours;
- (8) That the off-site parking be made available to residents of the Oakwood Hill Estate and visitors to the Roding Valley Nature Reserve free of charge outside office hours; and
- (9) That the Director of Neighbourhoods submits a report to a future Cabinet meeting on the most appropriate future use for the Council's land at Blenheim Way, North Weald.

Executive Summary:

The Cabinet has previously agreed to relocate the Housing Repairs Service and the Housing Assets Team to a new purpose-build hub at Blenheim Way, North Weald at an estimated cost of around £3.2m. However, it was subsequently identified that subject to some alterations to the building along with the provision of off-site staff parking, the Oakwood Hill Depot could be used to accommodate Housing Repairs Service and the Housing Assets Team, co-located with the Grounds Maintenance and Fleet Operations Services. This report sets out the works and budgets that will be needed to enable this to happen and shows that the costs of achieving the co-location would be around £755,000 (inclusive of a contingency sum, but excluding fees and office fit-out costs for agile working).

Reasons for Proposed Decision:

The decision that was reached by the Cabinet in December 2015 was to construct a new Repairs and Maintenance Hub at a cost of around £3.2m at Blenheim Way, North Weald. This report provides an alternative approach to co-locating the Housing Repairs Service and Housing Assets Team within an existing Council asset at the Oakwood Hill Depot, at far lower cost, and saving the need to construct the new hub building.

Other Options for Action:

The main alternative options appear to be:

- (i) To revert to the original decision to construct a Repairs and Maintenance Hub at Blenheim Way, North Weald at a cost of around £3.2m in line with the Planning Approval already granted.
- (ii) To retain the fourth Service Bay for future business expansion by Fleet Operations and MOT Service and to construct a stand-alone Repairs Store elsewhere on the site, at an estimated additional cost of around £450,000.
- (iii) To keep the Housing Repairs Service at the Epping Depot, thus saving the Council having to spend any money on relocation costs. However, this would prevent, or at the very least significantly harm, the future redevelopment opportunity on the St John's School redevelopment site and be contrary to the Council's previous decision. This option would allow for the Council's CountyCare Service and Nursery Service to relocate to the Oakwood Hill Depot as previously planned.

Report

Background

1. At its meeting in December 2015, the Cabinet agreed to progress with the feasibility study of providing a new Repairs and Maintenance Hub on a site at Blenheim Way, North Weald up to the point of obtaining Planning Permission. The Cabinet also agreed to create a budget of £3.2m within the HRA Capital Programme for the future construction programme, and that the Director of Resources be authorised to determine the most appropriate form of capital funding and, if further borrowing is required, the most appropriate PWLB loan to secure and to then obtain the loan.

2. In the intervening period while Planning Permission was being sought (which was subsequently received), through the Council's Accommodation Review, an opportunity arose whereby the newly completed Depot facility at Oakwood Hill, built to accommodate the Grounds Maintenance Service and the Council's Fleet Operation Service and MOT facility,

may be considered as an alternative location for the Housing Repairs Service and the Housing Assets Team to relocate to, subject to a number of required alterations being undertaken.

3. A Project Team was formed of Officers from each of the Service Areas to work out how such a move could be achieved safely within such a restricted site. Taking the accommodation requirements previously identified for the Repairs and Maintenance Hub, the Project Team explored a number of different options, including some which made use of one of the vehicle service bays as a materials stores for the Housing Repairs Service and others that retained all of the vehicle service bays and constructing a purpose-built materials store elsewhere on the site. Each option was carefully analysed to identify advantages, disadvantages and risks, with each option costed by Stace LLP (the consultants for the original construction) based on their extensive knowledge of the site and its construction detailing.

4. Each option however required that, for safe movement around the site, only Council fleet vehicles and machinery could be permitted to access the Depot site, along with private vehicles attending the MOT facility. For each option, it was a pre-requisite for health and safety reasons that all staff vehicles would have to be parked at an off-site location nearby, with staff having to walk the last part of the journey to work. This off-site parking is explored in more detail later in the report.

Preferred Layout Option

5. The preferred option that is considered by the various Service areas and Management Board to best meet the Council's requirements in terms of the least risk and disruption, measured alongside the greatest operational efficiencies, has proved to be the lowest-cost option of the six detailed options explored by the Project Team. The preferred option comprises the following key required alterations being made (See Appendix 1a and 1b for schematic layout drawings):

- (a) The fourth Service Bay, previously identified for use by the CountryCare Team, be allocated for a secure materials store for the Housing Repairs Service;
- (b) A mezzanine floor structure be constructed over the materials store to create a storage and operations area for the MOT and Fleet Operations Team;
- (c) The existing compressor equipment be relocated to the new mezzanine area, allowing the room that currently houses the equipment be altered to provide a ground floor office for office-based staff to serve members of the public booking services and MOT's without the need to go upstairs – which brings a number of operational and customer advantages;
- (d) The three separate rooms currently used by the Fleet Operations Team at first floor be altered to a more adaptable space i.e. to be opened up to provide the required meeting/training room, which can be flexibly used to provide smaller break-out space;
- (e) The open plan office space, currently sub-divided into two separate spaces, be opened up into one larger open-planned space to facilitate all the office-based staff in an agile working space to be designed by PwC in line with the Council's emerging Accommodation Strategy;
- (f) An off-site staff parking area would need to be created to accommodate staff cars and to free-up space to allow the safe movement by the public using the MOT

facility and for the staff and fleet vehicles, machinery and equipment. Without this, it would not be possible to relocate the Housing Repairs & Maintenance Services to the Oakwood Hill Depot.

6. The overall budget estimate to facilitate the relocation of the Housing Repairs Service and Housing Assets Team to Oakwood Hill Depot based on the option described above is £755,000 including a contingency sum, plus fees, which are yet to be determined. This also excludes all fit-out costs to the office area as these cannot be determined until the PwC feasibility study has been concluded and the costs assessed.

7. With a budget requirement of around £755,000 plus fees, which are yet to be determined and fit out costs associated with the PwC Accommodation Review, it is recommended that this be met from the Housing Revenue Account (HRA) Capital Programme.

8. The Housing Repairs Service currently occupy Epping depot, the net book value of which is £129,100 in its existing use after depreciation. The site though forms part of the major redevelopment scheme at St John's Road which when sold together with the remaining land held by the Council is expected to realise around £6.4m. Bearing in mind that the depot comprises around 17.25% of the total land held, its potential value as development land is estimated at around £1.1m. Also when you compare the cost of relocating the Housing Repairs Service and Housing Assets team to North Weald of £3.2m, against the cost of the scheme now proposed and the fact that the Council can either sell the Blenheim Way site (with the benefit of planning permission) and receive a capital receipt, or develop the site itself as a commercial venture and receive rental income there is a very significant financial benefit to the Council of the pursuing the Oakwood Hill option.

9. The Oakwood Hill Depot was originally designed and built to only accommodate the Council's Grounds Maintenance Service, MOT and Fleet Operations, CountryCare and the Nursery Team. To date, only the Grounds Maintenance Service and the MOT and Fleet Operations team have relocated to the Depot, to enable the Langston Road Retail Park to be built. Should the Housing Repairs Service and the Housing Assets Team relocate to the Oakwood Hill Depot as well, all indications are that it is CountryCare and the Nursery Team will not be able to also relocate there. However, an alternative option at Townmead Depot has been identified and Members have previously agreed to fund the cost of relocation from any capital receipt for the sale of Pyrles Lane Nursery.

10. One significant proposed change to the service currently being provided by the Housing Repairs Service that Members should note is the cessation of the provision of an in-house joinery workshop facility. If this facility was to be set up at the Oakwood Hill Depot, space would need to be identified and made available for a new stand-alone building to be built, which would not only have a capital cost, but would also need planning permission, adding an additional 8-12 week lead-in period to the programme. Therefore, in order to achieve the Cabinet's objective of successfully co-locating all the services together, a detailed review of the costs and benefits of provide an in-house joinery workshop has been undertaken, and compared against the same service being provided through local private commercial joinery workshops. The cost comparison demonstrated that the same service could be sourced externally for a slightly cheaper cost, although the delivery times were slightly longer. It is therefore proposed that no joinery workshop be provided at Oakwood Hill, and that the service be sourced from local providers in future.

11. The Council will need to appoint a multi-disciplinary consultancy service to lead on the detailed design and project management of the alterations need at the Oakwood Hill Depot to enable the Housing Repairs Service and the Housing Assets teams to relocate. A separate report will be considered by the Housing Portfolio Holder on the appointment as

soon as the necessary procurement exercise has been completed. It is recommended that any fees also be funded from the existing Capital budget.

Off-Site Staff Parking

12. Currently, the Oakwood Hill Depot is laid out to accommodate public parking associated with the MOT facility, fleet parking for Grounds Maintenance vehicles and some staff car-parking. However, due to the increased operational intensity at the Depot and a significant increase in the number of staff to be located there as a result of the co-location, and following a study being undertaken of the Grounds Maintenance vehicle movements at peak operating times and anticipating the Housing Repairs vehicle movements, in order to maintain a safe working environment it will not be possible for any staff car parking to be provided on site.

13. Following the recent introduction of parking restrictions along Oakwood Hill, there is now only limited off-street parking available to businesses based at the Oakwood Hill Industrial Estate. This has had the effect of increasing the amount of car parking on the residential Oakwood Hill Estate, exacerbated by commuter parking, to the point that it is starting to cause parking difficulties for residents. It will therefore be necessary to provide an area of off-site parking for staff vehicles.

14. The total number of staff that will be working at the Depot following the co-location will be 122. A detailed assessment has been made of the minimum staff parking required, bearing in mind that some staff will be working away from the office during the day. This assessment has established that 75 parking spaces will be required.

15. An area of land suitable for providing off-site staff parking has been identified on the Council's adjacent Oakwood Hill Housing Estate. However, this will be subject to planning permission. A location plan for the proposed parking area can be found at Appendix 2.

16. The site itself is not within, but is adjacent to, the Roding Valley Nature Reserve. As part of the feasibility study, the Assistant Director (Development Management) has been consulted on the location of the proposed off-site parking, and has no objections at this stage and supports the development proposals for the site. CCTV and security lighting will be required. Whilst the design is still at its feasibility stage, subject to the Cabinet agreeing to the recommendations above, a detailed design will need to be developed and planning permission sought. Therefore, it is recommended that a Planning Application be submitted for the off-site parking provision.

17. In view of commuter parking and the local parking restrictions that are in place, it will be necessary to introduce a controlled parking zone restricting use to Council staff vehicles during normal working hours. However, outside of these hours, it is proposed that the parking area be made available to residents and visitors using the Nature Reserve free of charge

Site Management

18. With three very separate service functions all sharing the depot building, it will be necessary to draw up and maintain a strict safe working environment strategy for the safety of staff and visitors on the site. This will include managing the operation of the site, security and facility management of the building. Currently this is being undertaken by the Fleet Operations Manager. However, the responsibilities would be outside the scope of that job function, especially once a much larger and diverse operation is being managed on the site.

Therefore consideration will need to be given to some form of additional responsibility payment for one of the service managers to adopt this responsibility.

Resource Implications:

A budget requirement of around £755,000 plus fees and fit out costs associated with the PWC Accommodation Review and including a contingency sum, which is to be met from the Housing Revenue Account (HRA).

Legal and Governance Implications:

Health and Safety at Work Act sets obligations on the Council to provide a safe working environment for staff and visitors.

Safer, Cleaner and Greener Implications:

By providing off-site staff parking, it would create a safer working environment at the Oakwood Hill Depot.

Using an existing Depot facility, is a safer, cleaner and greener alternative to building a new hub facility in North Weald; more so, since the largest concentration of Council properties is in the South of the District, which would reduce travelling time and fuel usage for the Repairs Service fleet.

Consultation Undertaken:

Senior staff within the four service areas (Housing Repairs, Housing Assets, Ground Maintenance and Fleet Operations) have been consulted and support the proposals.

The Assistant Director (Development Management) has been consulted on the Planning issues, who has no objections at this stage and supports the development proposals for the site.

Background Papers:

The costed options report produced by Stace LLP including advantages, disadvantages and risks

Risk Management:

The risks associated with each of the options considered as part of the feasibility study are contained in the options report produced by Stace LLP. Risks associated with the safe working environment for staff and visitors have led to the preferred option set out in the recommendations and the body of the report.

The Council would be exposed to a significant risk if Planning Permission is not granted for the off-site parking as all staff based at Oakwood Hill would have no other alternatives for parking their vehicles. The risk would be such that the Housing Repairs Service and the

Housing Assets teams could not relocate to the Oakwood Hill Depot, which in turn could jeopardise the St John's School redevelopment.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 3 to the report.