

# Supplementary Committee Agenda



**Epping Forest  
District Council**

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## ***Council Housebuilding Cabinet Committee Tuesday, 4th February, 2014***

**Place:** Council Chamber, Civic Offices, High Street, Epping

**Time:** 6.30 pm

**Democratic Services:** Jackie Leither 01992 564756  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

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### **6. PHASE 2 FEASIBILITY REPORT (Pages 3 - 6)**

(The Director of Housing) The Director of Housing has been having lengthy discussions with the development representative for the Bishop of Barking about the possibility of some of the land in Burton Road being conveyed to the Church - to provide a small Church with associated community facilities - in return for the provision of Church land elsewhere in Loughton to the Council for the development of affordable housing.

The Director of Housing has only recently been advised that, following further discussions between the Anglican Parish of Loughton and the Methodist Church in Loughton (which has a Local Ecumenical Partnership), the Partnership has been unable to agree amongst its membership to such a proposal. Therefore, this proposal is no longer being pursued.

Since the site that was subject to these discussions is in Burton Road, and adjacent to the Phase 2 proposal being considered at this evening's meeting, East Thames were asked to consider a feasibility study to extend the development site to incorporate this additional piece of land.

In accordance with Section 100B (4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council's Procedure Rules contained in the Constitution, the Chairman of the Cabinet Committee has agreed to this additional information being considered at this meeting.

Attached is a layout plan, which shows 6 additional 2-bed houses; a feasibility study costing sheet and an overall summary of costs for all 31 new Council properties as a whole.

### **9. FINANCIAL REPORTS (Pages 7 - 14)**

(The Director of Housing) Updated Appendix attached.

**Council Housebuilding Cabinet Committee**  
**4 February 2014**



TOTALS  
 Site Area 0.118 Ha  
 6 x 2 Bed Houses @ 76 sqm  
 12 Parking Spaces



Car Park



23 Garages + Parking

Architecture & Planning ■ Building Surveying ■ Project Management ■  
 Cost Consulting ■ Real Estate ■ Civil Consultation

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PROJECT: EFDC House Building Programme  
 DATE: JAN 2014  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]

TITLE: Existing and Proposed Plans  
 Burton Road Additional Site Area

REF: P2-24

Rev	Date	Description
-	-	-

**Pellings**

East Thames HA  
 Existing and Proposed Plans  
 Burton Road Additional Site Area

Rev	Date	Description
-	-	-

**PRELIMINARY**

NOTES:  
 Report all discrepancies, errors and omissions  
 Verify all dimensions on site before commencing any work or  
 preparing shop drawings.  
 All materials, components and workmanship are to comply with  
 all the relevant British Standards, Codes of Practice, and  
 specifications. Manufacturers' recommendations may from time to  
 time shall apply.  
 For all specialist work, see relevant drawings.  
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**Site P2-24 , Burton Road Additional Site - Epping Forest**  
**Indicative Estimate of Cost**  
**for East Thames HA**

**Pellings**

30 January 2014

	m2	ft2
Gross Internal floor area		
Affordable Flat Units	0	0
Allowance for communal space @ 20%	0	0
Affordable House Units	456	4,908
<b>TOTAL GIA</b>	<b>456</b>	<b>4,908</b>

Item	Element	Qty Unit	Rate £/unit	Total £
<b>1.0 Demolition</b>				
1.1	Demolition	270 m <sup>2</sup>	50	13,500
2.2	Site clearance	1,180 m <sup>2</sup>	10	11,800
1.2	Allowance for removal of asbestos	23 No	800	18,400
	<b>Sub-total</b>		<b>say</b>	<b>40,000</b>
<b>2.0 Affordable Flat units (xx nr. units)</b>				
2.1	Flats Private areas	0 m <sup>2</sup>	1,350	0
2.2	Flats communal areas (20% allowed)	0 m <sup>2</sup>	900	0
	<b>Sub-total</b>		<b>say</b>	<b>0</b>
<b>3.0 Affordable House units (03 nr. units)</b>				
3.1	House areas	456 m <sup>2</sup>	1,250	570,000
	<b>Sub-total</b>		<b>say</b>	<b>570,000</b>
<b>4.0 Abnormals / E/o and External Works</b>				
4.1	Private gardens (incl. fencing)	485 m <sup>2</sup>	40	19,000
4.2	Communal Gardens	129 m <sup>2</sup>	30	4,000
4.3	Access road, parking and turning	113 m <sup>2</sup>	65	7,000
4.4	Pedestrian paving	43 m <sup>2</sup>	50	2,000
4.5	Cross over / highways adaptions	9 item	400	4,000
4.6	Allowance for contaminated ground	0 item		Excl.
4.7	Boundary treatment (fencing/walls)	81 m	160	13,000
4.8	Allowance for achieving CfSh Level 3	6 nr	4,500	27,000
	<b>Sub-total</b>		<b>say</b>	<b>80,000</b>
		<b>£/m2</b>	<b>£/ft2</b>	
	<b>INDICATIVE CONSTRUCTION COST</b>			<b>690,000</b>
	CONTINGENCY @ 5%			30,000
	CONTRACTORS DESIGN FEES @ 8%			57,600
	PRELIMS AND OVERHEADS AT 15%			103,500
	<b>TOTAL INDICATIVE CONSTRUCTION COST</b>	<b>1,932</b>	<b>180</b>	<b>881,100</b>

**Clarifications and Assumptions**

Estimate based on Pellings Feasibility drawing 612.023/P2-24 and standard ETG specifications

GIA is approximate due to early stage of design

Costs are based on a Q3 2014 start on site

Costs are based on a Single Stage Competitive D&B procurement route

Costs are based on a Contractor 'best programme' contract period

All units assumed to achieve Code for sustainable Homes Level 3

It is assumed that a traditional construction (concrete strip foundations, brick/block walls, timber floor structure, sloped tiled roofs) will be used

Contractors design fees are based upon appointment with planning consent under JCT D&B contract

Assumed no Party Wall or Rights of Lights issues

**Exclusions**

Clients professional fees (including statutory fees)

VAT

Hazardous material removal

Excludes any off-site works

Provision of loose fittings and furnishings

Costs of compliance of any conditions imposed by TFL or other statutory bodies

Costs of Section 106, S108, S278 Agreement(s) or Community Infrastructure Levy charges

7.0 Financial Information – Consolidated Package 2

7.1 Summary:-

Package 2 achieves the financial target of loan repayment in Year 30 with a subsidy of £1,271,000. Total Scheme Costs are £5.1 million, of which the Total Build Cost budget is £4.4 million.

The Burton Road scheme provides a positive Net Present Value (NPV) of £1,771,958 over the appraisal period of 30 years.

7.2	Financial Measure	Value
7.3	Loan Repayment	In Year 29
7.4	Internal Rate of Return	5.59%
7.5	Net Present Value	£1,771,958
7.6	Total Scheme Cost	£5,118,164
7.7	Acquisition	£0
7.8	Works Cost	£4,465,938
7.9	Total on costs	£652,226
7.10	Total Loan Requirement	£3,847,164
7.11	First year surplus	£37,874
7.12	Subsidy	£1,271,000

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## Summary of Subsidy Use and Budget Monitoring Schedule - Council Housebuilding Programme

As at 3-Feb-2014

### ACTUAL Allocations and Spending

Status	Totals				Phase 1				Phase 2				Phase 3			
					Budget		£3,383,288		Budget		£3,677,487		Budget		£2,941,990	
	RTB	S106	Other	Total	Max RTB Receipts	£1,014,986	Max RTB Receipts	£1,103,246	Max RTB Receipts	£882,597	RTB	S106	Other	Total		
Received & Spent	£20,606	£0	£0	<b>£20,606</b>	£20,606	£0		<b>£20,606</b>							<b>£0</b>	
Received & Available to Spend	£2,238,057	£669,196	£87,000	<b>£2,994,253</b>	£994,380	£656,511	£87,000	<b>£1,737,891</b>	£1,103,246				<b>£1,103,246</b>	£140,431		<b>£140,431</b>
Received and unallocated	£0	£0	£0	<b>£0</b>	£0	£0	£0	<b>£0</b>	£0	£0	£0	£0	<b>£0</b>	£0	£0	<b>£0</b>
Agreed - Not Yet Received		£1,818,000	£90,000	<b>£1,908,000</b>	£0	£0	£90,000	<b>£90,000</b>	£0	£0	£0	£0	<b>£0</b>	£0	£0	<b>£0</b>
<b>Totals</b>	<b>£2,258,663</b>	<b>£2,487,196</b>	<b>£177,000</b>	<b>£4,922,859</b>	<b>£1,014,986</b>	<b>£656,511</b>	<b>£177,000</b>	<b>£1,848,497</b>	<b>£1,103,246</b>	<b>£0</b>	<b>£0</b>	<b>£1,103,246</b>	<b>£140,431</b>	<b>£0</b>	<b>£0</b>	<b>£140,431</b>

### NOTIONAL Allocations and Spending on Assessed Subsidies

Phase	Feasibility Stage	Tender Stage	Final Account	LATEST
1	£425,000			<b>£512,000</b>
2				
3				
4				
5				
6				
<b>Totals</b>	<b>£425,000</b>	<b>£0</b>	<b>£0</b>	<b>£512,000</b>

Notional Subsidy Available for future Phases (i.e already received)  
(after deducting notional amounts already applied to Phases shown)

**£2,502,859**

### Capital Budget Monitoring

Phase	Orig. Start Date	Orig End Date	Actual Start Date	Actual End Date	Original Project Cost	Supp. Estimates	Approved Budget	Actual Exp. To date	Anticipated Out-turn	Variance (Original)	Variance (Budget)
1	Apr-14	Jun-14	TBA	TBA	£3,948,421	-£565,133	£3,383,288	£67,316	£3,383,288	-£565,133	£0
2											
3											
4											
5											
6											

#### Actions

- (1) P. Pledger to complete allocations and spends when money is available to allocate or has been spent
- (2) P. Pledger to update Notional Allocations and Spending when different stages are reached
- (3) P. Pledger to keep Capital Budget Monitoring Schedule up to date

Officer responsibility for inputs Auto / Paul Pledger

Officer responsibility for allocations Paul Pledger

#### Notes

- (1) Use of funding for individual phases needs to be input manually
- (2) Funding from RTBs and S106 Contributions should be allocated first - in that order
- (3) The "Notional" section keeps track of **required** subsidies - as assessed by the Financial Appraisal.
- (4) The "Notional Section" should be updated with the required subsidies on completion of the three stages listed
- (5) The "Notional Section" also calculates the notional amount of subsidy available for future phases

## RTB Receipts - Housebuilding Programme

As at 3-Feb-2014

### Total 1-4-1 Receipts Received

Year	Quarter	Amount Received	Spend by Date
2012/13	1	£40,461	30-Jun-15
	2	£34,941	30-Sep-15
	3	-£21,135	31-Dec-15
	4	£185,840	31-Mar-16
<b>Total</b>		<b>£240,107</b>	
2013/14	1	£647,798	30-Jun-16
	2	£168,825	30-Sep-16
	3	£1,201,933	31-Dec-16
	4		31-Mar-17
<b>Total</b>		<b>£2,018,556</b>	
2014/15	1		30-Jun-17
	2		30-Sep-17
	3		31-Dec-16
	4		31-Mar-17
<b>Total</b>		<b>£0</b>	
<b>GRAND TOTAL</b>		<b>£2,258,663</b>	

### Allocated to Programme

Year	Quarter	Amount Allocated	Spend by Date	Phase Allocated to
2012/13	1	£40,461	30-Jun-15	1
	2	£34,941	30-Sep-15	1
	3	-£21,135	31-Dec-15	1
	4	£185,840	31-Mar-16	1
<b>Total</b>		<b>£240,107</b>		
2013/14	1	£647,798	30-Jun-16	1
	2	£168,825	30-Sep-16	1 & 2
	3	£1,201,933	31-Dec-16	2 & 3
	4	£0	31-Mar-17	
<b>Total</b>		<b>£2,018,556</b>		
2014/15	1	£0	30-Jun-17	
	2	£0	30-Sep-17	
	3	£0	31-Dec-16	
	4	£0	31-Mar-17	
<b>Total</b>		<b>£0</b>		
<b>GRAND TOTAL</b>		<b>£2,258,663</b>		

### Available to Spend (Cum.)

Year	Quarter	Cum. Amount Available	Spend by Date
2012/13	1	£40,461	30-Jun-15
	2	£75,402	30-Sep-15
	3	£54,266	31-Dec-15
	4	£240,107	31-Mar-16
2013/14	1	£887,905	30-Jun-16
	2	£1,056,730	30-Sep-16
	3	£2,238,057	31-Dec-16
	4	£2,238,057	31-Mar-17
2014/15	1	£2,238,057	30-Jun-17
	2	£2,238,057	30-Sep-17
	3	£2,238,057	31-Dec-16
	4	£2,238,057	31-Mar-17

### Spent on Programme

Year	Quarter	Amount Spent	Date Spent	Phase Spent on
2012/13	1	£0	N/A	N/A
	2	£0	N/A	N/A
	3	£0	N/A	N/A
	4	£0	N/A	N/A
<b>Total</b>		<b>£0</b>		
2013/14	1	£0	N/A	N/A
	2	£0	N/A	N/A
	3	£20,606	N/A	1
	4			
<b>Total</b>		<b>£20,606</b>		
2014/15	1			
	2			
	3			
	4			
<b>Total</b>		<b>£0</b>		
<b>GRAND TOTAL</b>		<b>£20,606</b>		

#### Actions

- (1) S. Alford to input "Receipts Received" at end of each Quarter
- (2) P. Pledger to allocate receipts to Phase (under "Allocated") by referring to Appendix 5 to ensure use allocation does not exceed estimated 30% of costs for Phase
- (3) PP to record RTB amounts spent and Phase by referring to Appendix 6

Officer responsibility for inputs

Simon Alford

Officer responsibility for allocations

Paul Pledger

## Schedule of S106 Financial Contributions for Affordable Housing (Relating to agreements since 1998)

As at 3-Feb-2014

### Received and Spent on Housebuilding Programme

Site	P/P No	Prior to Receipt			After Receipt			Allocated Use	Comments
		Date Agreed	Amount Reqd	Trigger	Amount Recd	Date Recd	Use by Date		
			£0		£0				

### Received and Allocated to Housebuilding Programme

Site	P/P No	Prior to Receipt			After Receipt			Allocated Use	Comments
		Date Agreed	Amount Reqd	Trigger	Amount Recd	Date Recd	Use by Date		
BPI Poly Site, Brook Rd, Buckhurst Hill	EPF/0446/10	28.7.10 - Cttee 30.9.10 - S106	£100,000	On completion of 4th residential unit	£101,270	3.1.12	None	Phase 1	Budget Code 157207790
Ongar Station, Ongar (McCarthy & Stone)	EPF/0457/10	7.2.11 28.2.11	£450,000	50% prior to commencement of development 50% on/within 14 days of practical completion	£225,000 £241,926	10.1.12 30.4.13	None	Phase 1	Includes interest of £16926
Bald Hind Pub, Chigwell	EPF/0409/11	18.5.11 - Cttee 14.10.11 - S106	£100,000	Prior to commencement	£101,000	10.7.12	Within 10 years of 1st occ.	Phase 1	If paid late, to be increased by RPI Paid on Code: 990409991X031
			£650,000		£669,196				

### Received and Available for Housebuilding Programme

Site	P/P No	Prior to Receipt			After Receipt			Comments
		Date Agreed	Amount Reqd	Trigger	Amount Recd	Date Recd	Use by Date	
Interest (2011/12)			£5,525		TBA			
Interest (2012/13)			TBA		TBA			
			£5,525		£0			

### Required by S106 Agreements - Not yet received

Site	P/P No	Prior to Receipt			After Receipt			Comments
		Date Agreed	Amount Reqd	Trigger	Amount Recd	Date Recd	Use by Date	
Grange Farm	EPF/2190/05	20.12.06	£280,000	On the sale or occupation (whichever sooner) of the 20th home.	£0		None	
High House Farm, Stapleford Road	EPF/1374/06	14.9.07	£100,000	Prior to occupation	£0		Within 5 years of receipt	Planning condition - Not a S106 Agreement. To be increased/decreased by RPI between 14.9.07 & payment date.
Millrite Engineering, Stanford Rivers	EPF/1008/11	14.9.11 - Cttee 15.11.11	£74,000	50% prior to commencement of development Other 50% within 12 mths of commencement	£0 £0		10 years from the 2nd receipt	
Threshers, Hastingwood	EPF/739/10	5.4.11 & 14.8.13 DDCC 29.9.11 & 18.9.13 S106	£100,000	Prior to commencement	£0		None	Revised application approved 14/8/13 - with same contribution
Woolston Manor, Chigwell	EPF/2664/10	6.12.11 - U/U 12.1.12 - Appeal	£813,000	Prior to occupation of the 7th property - amount index-linked for the period between 1st occupation and date payment received	£0		None	Planning permission granted on appeal. A Unilateral Undertaking was presented to the Planning Inspector at the Appeal.
Nine Ashes Farm,	EPF/2543/11	20.3.13 - S106 20.3.13 - Cttee	£21,000	On sale or occupation of the first property	£0		3.1.22 (can extend if committed)	
Green Man PH, Broomstickhall Rd, W/A		5.6.13 - Cttee 12.7.13 - S106	£430,000	On Practical Completion	£0		Within 7 years of receipt	
			1,818,000		£0			

#### Actions

- (1) A. Hall to add new S106 Agreements to "Not Yet Received" when signed
- (2) A. Hall to move entry from "Not Yet Received" to "Available" when money received
- (3) P. Pledger to move entry from "Available" to "Allocated" (+ Phase - referring to Appx 1)
- (4) P. Pledger to move entry from "Allocated" to "Spent" (referring to Appendix 6)

Officer responsibility for inputs  
Officer responsibility for allocations

Alan Hall

Paul Pledger

## Other Funding for Housebuilding Programme

As at 3-Feb-2014

## Received and Spent

Site / Funding Source	Amount	Details	Amount Recd	Date Recd	Phase Spent on	Date Spent
	£0					

## Received and Allocated

Site / Funding Source	Amount	Details	Amount Recd	Date Recd	Phase 1 Allocated to
Millfield, High Ongar (Actual)	£87,000	Cabinet agreed use for EFDC Housebuilding Programme - 30.1.12	£17,000 £70,000	28.3.12 Apr-12	Phase 1
	£87,000				

## Received and Available

Site / Funding Source	Amount	Details	Amount Recd	Date Recd
	£0			

## Agreed for Use - Not Yet Received

Site / Funding Source	Amount	Details	Phase Allocated to
Leader Lodge, North Weald	To be determined	Cabinet agreed use for EFDC Housebuilding Programme - 30.1.12	
Harlow Growth Area Fund - Red X Hall	£90,000	Delivery Plan requires use by April 2014	Phase 1
	£90,000		

## Actions

- (1) A. Hall to input "Agreed for Use" when agreed by Cabinet or Portfolio Holder
- (2) A. Hall to move entry from "Agreed" to "Available" when receipt received
- (3) P. Pledger to move entry from "Available" to "Allocated" (referring to Appendix 1)
- (4) P. Pledger to move entry from "Allocated" to "Spent" (referring to Appendix 6)

Officer responsibility for inputs

Alan Hall

Officer responsibility for allocations

Paul Pledger

## Housebuilding Programme Cashflow Summary

As at 3-Feb-2014

	2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Year 7 2020/21	Totals	30% (1-4-1 Usage)
Phase 1	£147,600	£2,419,062	£816,627						<b>£3,383,288</b>	1,014,986
Phase 2		£160,435	£2,629,415	£887,638					<b>£3,677,487</b>	1,103,246
Phase 3			£128,348	£2,103,532	£710,110				<b>£2,941,990</b>	882,597
Phase 4				£128,348	£2,103,532	£710,110			<b>£2,941,990</b>	882,597
Phase 5					£123,644	£2,103,532	£693,081		<b>£2,920,257</b>	876,077
Phase 6						£128,348	£2,103,532	£710,110	<b>£2,941,990</b>	882,597
<b>Totals</b>	<b>£147,600</b>	<b>£2,579,497</b>	<b>£3,574,389</b>	<b>£3,119,517</b>	<b>£2,937,285</b>	<b>£2,941,990</b>	<b>£2,796,613</b>	<b>£710,110</b>	<b>£18,807,002</b>	<b>5,642,101</b>

**Actions**

(1) PP to update when ETG updates Cashflow based on Feasibility Forecasts and Tender Prices

Officer responsibility for inputs

Paul Pledger

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## Housebuilding Payment Schedule

As at 3-Feb-2014

Claim No.	Invoice No.	Invoice Date	Phases Charged	Works	Fees	Other	Works	Total	1-2-1 RTB Receipts Usage		
									30% Fees/Works	Quarter	Year
1	RIDV/83	3.10.13	1		£18,331			£18,331	£5,499	N/A	N/A
2	RIDV/100	05.12.13	1		£38,975			£38,975	£11,693	N/A	N/A
3	Planning Fees	05.12.13	1			£10,010		£10,010	£3,003	3	2013/14
4	Surveys	23.01.14	1			£1,370		£1,370	£411	3	2013/14
5								£0	£0	3	2013/14
6								£0	£0		
7								£0	£0		
8								£0	£0		
9								£0	£0		
<b>Totals</b>					£0	£57,306	£11,380	£0	£68,686	£20,606	

Payments account for **Capital Expenditure Only** and EXCLUDES feasibility costs, abortive costs (if any) legal fees and internal salary charges.

### 1-4-1 RTB Receipts Usage

Spent to Date	£20,606
Available to Spend	£2,238,057

### Actions

- (1) ETG to split invoice detail into phases and type
- (2) P. Pledger to input detail from invoices received
- (3) P. Pledger to allocate 1-4-1 RTB Receipts Usage

Officer responsibility for inputs  
Officer responsibility for RTB usage

Paul Pledger

Paul Pledger

## Marden Close & Faversham Hall Conversion Scheme

As at 3-Feb-2014

### Annual Cashflow Summary

	2013/14	2014/15	2015/16	Totals
<b>Fees</b>	£33,580	£24,783	£0	<b>£58,363</b>
<b>Works</b>	£0	£605,200	£0	<b>£605,200</b>
<b>Totals</b>	<b>£33,580</b>	<b>£629,983</b>	<b>£0</b>	<b>£663,563</b>

Excludes Revenue costs, inc. feasibility costs, legal costs, internal salaries and abortive fees (if any)

### Payment Schedule

Claim No.	Invoice No.	Invoice Date	Works	Fees	Other	Total
1	RIDV/100	Dec-13		£5,079		£5,079
2	Planning	Dec-13			£4,620	£4,620
3						£0
4						£0
5						£0
<b>Totals</b>			<b>£0</b>	<b>£5,079</b>	<b>£4,620</b>	<b>£9,699</b>

### Capital Budget Monitoring

Orig. Start Date	Orig End Date	Actual Start Date	Actual End Date	Original Project Cost	Supp. Estimates	Approved Budget	Actual Exp. To date	Anticipated Out-turn	Variance (Original)	Variance (Budget)
Feb-14	Dec-14	TBA	TBA	£493,864	£0	£664,938	£9,699	£664,938	£171,074	£0

#### Actions

- (1) PP to update Cashflow when ETG updates Cashflow
- (2) P. Pledger to input payments from invoices received
- (3) P. Pledger to keep Capital Budget Monitoring Schedule up to date

Officer responsibility for inputs

Paul Pledger

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