



Epping Forest District Council

DECISIONS

Committee:	COUNCIL HOUSEBUILDING CABINET COMMITTEE
Date of Meeting:	Wednesday, 10 July 2013
Date of Publication:	29 July 2013
Call-In Expiry:	05 August 2013

This document lists the decisions that have been taken by the Cabinet at its meeting held on Wednesday, 10 July 2013, which require publication in accordance with the Local Government Act 2000. The list specifies those decisions, which are eligible for call-in and the date by which they must be called-in.

Those decisions that are listed as being "recommended to the Council...", or request the Chairman of the Council to waive the call-in, are not eligible for call-in.

The wording used might not necessarily reflect the actual wording that will appear in the minutes, which will take precedence as the minutes are the official record of the meeting.

If you have any queries about the matters referred to in this decision sheet then please contact:

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Call-In Procedure

If you wish to call-in any of the eligible decisions taken at this meeting you should complete the call-in form and return it to Democratic Services before the expiry of five working days following the publication date. You should include reference to the item title. Further background to decisions can be found by viewing the agenda document for this meeting at: www.eppingforestdc.gov.uk/local_democracy

Decision No:

- 1. Declarations of Interest**
- 2. MINUTES**

Decision:

That the minutes of the meeting held on 14 March 2013 be taken as read and signed by the Chairman as a correct record.

3. DEVELOPMENT AGENCY CONTRACT WITH EAST THAMES GROUP

Recommended:

That, if necessary, authority to sign the Development Agent Agreement with East Thames Group be confirmed by a Housing Portfolio Holder delegated decision, subject to further advice from the Council's Legal Department and Democratic Services.

4. AFFORDABLE RENTS POLICY

Decision:

(1) That the Cabinet's previous decision to charge "affordable rents" for Council properties built under the Council's Housebuilding Programme be re-affirmed;

(2) That when such properties are (re)let, the Council's affordable rents be set at a level equivalent to the lowest of:

(a) 80% of market rents for the locality in which the property is situated, as assessed by the Council's Estates and Valuations Division;

(b) the Local Housing Allowance level for the Broad Market Rental Area (BMRA) in which the property is situated; and

(c) a rent cap of £180 per week, irrespective of the size of the property.

(3) That affordable rents be increased annually by the Retail Price Index (as at the preceding September) + 0.5% (or any other maximum increase determined by the Government), until the tenant vacates, when the affordable rent will be re-based in accordance with the Homes and Communities Agency's (HCA's) Affordable Rent Model and the policy at (2) above;

(4) That the Council's rent cap level be reviewed annually by the Council Housebuilding Cabinet Committee; and

(5) That the Director of Housing be authorised to enter into Short Form Agreements with the Homes and Communities Agency for all developments, to enable affordable rents to be charged for the properties built under the Housebuilding Programme, and that the "Provider Representative" named in the Agreements be a senior figure at East Thames Group.

5. FUNDING THE COUNCIL HOUSEBUILDING PROGRAMME

Decision:

(1) That the following sources of funding be utilised, in addition to the loan provisions received from the Public Works Loan Board, to

provide the required subsidies for the Council's Housebuilding Programme:

- (a) capital receipts from additional Right to Buy (RTB) sales, that must be utilised for new housebuilding (in accordance with the Council's agreement with the Department of Communities and Local Government (DCLG));
 - (b) all current and future financial contributions received by the Council from developers to fund affordable housing, through Section 106 Agreements, in lieu of the on-site provision of affordable housing;
 - (c) capital receipts from the sale of HRA land or buildings, where the Cabinet has specifically agreed that they should be used to help fund the Council Housebuilding Programme (including the capital receipts already allocated by the Cabinet to the Housebuilding Programme from the sale of Leader Lodge, North Weald and land at Millfield, High Ongar);
 - (d) any grant received from the Homes and Communities Agency (HCA) in the future, to fund the Housebuilding Programme; and
 - (e) any other external funding sources (e.g. the Harlow Growth Area Fund);
- (2) That the use and provisional level of subsidy required for proposed developments be authorised through the signing-off of their financial appraisals, which shall include details of the estimated level of subsidy required;
- (3) That, once the Cabinet Committee has authorised the use and provisional level of subsidy required for individual developments and/or development packages, the Director of Housing be authorised to allocate funding from the sources listed in (1) above to individual developments and/or development packages – utilising the most appropriate source of funding for the development(s), having regard to the time limits within which they must be utilised - up to and in excess of the provisional level approved by the Cabinet Committee, once tenders to undertake the works have been received from contractors, subject to:
- (a) the amount allocated being no more than 15% of the level provisionally approved by the Cabinet Committee;
 - (b) sufficient funds being available at the time of allocation; and
 - (c) the Cabinet Committee receiving a report to its next meeting on the amount of subsidy allocated, and its source of funding;

(4) That a standard report be received by the Cabinet Committee at each meeting, setting out the current position with regard to funding from the sources listed in (1) above, showing the availability, use and commitments to date; and

(5) That, if the sources of funding listed in (1) above have been exhausted during the course of the Housebuilding Programme, a report be submitted to a future meeting of the Cabinet on the possible sale of some of the potential development sites earmarked for the Programme, with or without planning permission, to generate capital receipts to provide a form of cross-subsidy to continue with the Housebuilding Programme.

6. DEVELOPMENT STRATEGY

Recommended:

(1) That the Development Strategy, formulated by the Council's Development Agent in conjunction with Council Officers, and attached as an Appendix to the report to the Cabinet Committee be adopted with specific attention drawn to the following:

(a) financial appraisals for each phase to be modelled on a 30-year pay-back period with a positive Net Present Value (NPV) over 30-years, using the financial assumptions set out in the appendix to the Strategy;

(b) any financial shortfall to be met with subsidy, the details of which are set out in a separate report on "Funding the Housebuilding Programme" considered by the Cabinet Committee;

(c) the Key Performance Indicators to be used, as previously agreed by the Cabinet;

(d) the feasibility reporting format, consisting of:

- (i) the design proposals (the number and nature of units to be developed);
- (ii) a scheme budget estimate;
- (iii) a procurement plan;
- (iv) a financial appraisal of the site;
- (v) a project time table;
- (vi) a project risk assessment; and
- (vii) a recommendation on how to proceed.

(e) East Thames' existing EU-compliant Framework Agreement to be used for constructing the Council's new homes;

(f) the East Thames Design Guide being adopted to inform the development of each site; and

- (g) the East Thames Employers' Requirements being adopted.

7. PHASE 1 FEASIBILITY REPORTS

Decision:

(1) That the Phase 1 development feasibility studies, consisting of the site of the former Red Cross Hall and three further garage sites in Roundhills, Waltham Abbey together with the garage site at Harveyfields, Waltham Abbey be approved to progress to the detailed planning stage, and if planning permission is received, that invitation of tenders be issued;

(2) That the feasibility study for the conversion of the former sheltered accommodation at Marden Close, Chigwell Row be approved to progress to the detailed planning stage and, if planning permission is received, that invitation of tenders be issued;

(3) That the estimated combined capital investment required to deliver all 25 new affordable rented Council properties in Phase 1, together with the conversion at Marden Close, creating 10 new self contained 1-bed flats for general needs housing with social rents in the sum of £4,442,285 including fees and works, (broken down as £3,948,421 for Phase 1 and £493,864 for Marden Close) be noted;

(4) That an estimated subsidy of £425,000 be set aside for Phase 1 of the developments in order to achieve a pay-back period of 30 years with a positive Net Present Value (NPV);

(5) That the Housing Portfolio Holder be authorised to submit the detailed planning applications for each of the Phase 1 development sites and for Marden Close; and

(6) That provision be made within the Housing Revenue Account Capital Programme to fund the developments in Phase 1 of the Housebuilding Programme and at Marden Close, Chigwell Row.

8. PROCUREMENT OF WORKS CONTRACTOR

Decision:

That the Works Contractors for the Housebuilding Programme be procured using the current and any future East Thames EU-compliant Framework Agreement.

9. RISK REGISTER

Decision:

(1) That the programme-wide Risk Register for the Council Housebuilding Programme be noted; and

(2) That the Risk Register be reviewed by the Cabinet Committee at

least every three months for the first year of the Programme.

