

Committee Agenda



**Epping Forest
District Council**

Council Housebuilding Cabinet Committee Wednesday, 10th July, 2013

You are invited to attend the next meeting of **Council Housebuilding Cabinet Committee**, which will be held at:

**Committee Room 1, Civic Offices, High Street, Epping
on Wednesday, 10th July, 2013
at 7.00 pm .**

**Glen Chipp
Chief Executive**

**Democratic Services
Officer**

Jackie Leither 01992 564756
Email: democraticservices@eppingforestdc.gov.uk

Members:

Councillors D Stallan (Chairman), R Bassett, W Breare-Hall, Ms S Stavrou and G Waller

**MEMBERS ARE REQUESTED TO BRING THEIR COPIES TO THIS MEETING OF
THE DESIGN STANDARDS HANDED OUT AT THE LAST MEETING**

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

(Assistant to the Chief Executive) To declare interests in any item on this agenda.

3. MINUTES (Pages 5 - 10)

To confirm the minutes of the last meeting of the Committee held on 14 March 2013.

4. DEVELOPMENT AGENCY CONTRACT WITH EAST THAMES GROUP

The legal contract between Epping Forest District Council and East Thames for development agency services has been finalised and agreed. It is currently in the process of being signed/sealed by both parties and should be completed in advance of the meeting. An oral report on the position will be given at the meeting.

5. AFFORDABLE RENTS POLICY (Pages 11 - 16)

(The Director of Housing) To consider the attached report (CHB-001-2013/14).

6. FUNDING THE COUNCIL HOUSEBUILDING PROGRAMME (Pages 17 - 26)

(The Director of Housing) To consider the attached report (CHB-002-2013/14).

7. DEVELOPMENT STRATEGY (Pages 27 - 84)

(The Director of Housing) To consider the attached report (CHB-003-2013/14).

8. PHASE 1 FEASIBILITY REPORTS (Pages 85 - 242)

(The Director of Housing) To consider the attached report (CHB-004-2013/14).

9. PROCUREMENT OF WORKS CONTRACTOR (Pages 243 - 262)

(The Director of Housing) To consider the attached report (CHB-005-2013/14).

10. RISK REGISTER (Pages 263 - 264)

(The Director of Housing) To consider the attached report (CHB-006-2013/14).

11. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

12. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any

currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Confidential Items Commencement: Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Thursday, 14 March 2013
Committee

Place: Committee Room 1, Civic Offices, **Time:** 7.30 - 10.10 pm
High Street, Epping

Members Present: D Stallan (Chairman), W Breare-Hall, Ms S Stavrou and G Waller

Other Councillors: Ms J Hart

Apologies: Councillor R Bassett

Officers Present: A Hall (Director of Housing), P Pledger (Assistant Director (Property and Resources)), G Lunnun (Assistant Director (Democratic Services)) and J Leither (Democratic Services Assistant)

Also in attendance: Georg Hermann (East Thames Group, Senior Project Manager), Trevor Burns (East Thames Group) and Ian Collins (Pellings LLP)

1. DECLARATIONS OF INTEREST

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

2. INTRODUCTION

The Assistant Director of Housing introduced representatives of East Thames and Pellings to the Committee.

3. TERMS OF REFERENCE

The Committee noted its Terms of Reference. It was pointed out that apart from one matter, the Cabinet had given authority to this Committee to make decisions which would be subject to call-in. The exception was for the Committee to report to Cabinet annually on the Development Strategy for the House Building Programme.

The Chairman emphasised that this was a preliminary meeting at which no substantive decisions would be taken.

4. BACKGROUND TO THE DEVELOPMENT AGENCY PROCUREMENT AND APPOINTMENT

The Director of Housing reported that the Cabinet had agreed to appoint development agents, East Thames to oversee the Housebuilding project.

Members noted that there would be three stages of the development agent's role in respect of the development of individual sites.

(a) **Stage 1 – Initial Feasibility and Financial Appraisal**

EFDC would provide a list of sites to East Thames who would undertake development and financial appraisals for each site and make recommendations to this Cabinet Committee to consider. The sites that the Committee considered viable to develop would progress to Stage 2.

(b) **Stage 2 – Planning**

East Thames would prepare planning applications for each site and submit them to the Planning and Economic Development Directorate. Schemes which were refused would be revised as necessary by East Thames.

(c) **Stage 3 – Post Planning**

East Thames would procure and manage the works on each site; when finished they would hand back the sites with completed properties to EFDC who would own, manage, maintain, let and collect the rents.

The Director of Housing informed the Committee that he had spoken about this project at a number of national conferences and handed out a copy of his presentation for members' background information.

5. **POTENTIAL EFDC DEVELOPMENT SITES**

The Committee received a copy of the report submitted to the Cabinet on 23 July 2012 regarding potential development sites as background information.

Members noted that there was a Primary List of potential garage sites across the district (which would be considered for development first) with over 20% of the garages vacant, five small areas identified as having development potential and one garage site with structural problems. It was also noted that there was a Reserve List comprising of small garage sites (six or less garages) with no current vacancies but having a difficult to let history and other garage sites with more than six garages, a vacancy rate of less than 20% and no waiting list.

6. **HOUSEBUILDING PROGRAMME - STRATEGIC APPROACH**

The Assistant Director of Housing reported that two sites had already been identified as, potentially, being included within the first year of development:

- (i) The site of the former Red Cross building, Roundhills, Waltham Abbey, which had received grant funding for development from the Harlow Growth Area Fund and was supported by the Roundhills Residents Association. It was noted that the site had a large surface water sewer under it; and
- (ii) Marden Close, Chigwell, consisted of 20 vacant bedsits to be converted into 10 one bedroomed flats.

Other sites were also being considered, potentially, for the first year too. Members noted that overall, 60 sites had been identified in the district; East Thames and Pellings would visit all of the sites and feasibility studies would be undertaken on each site. This would identify the programmes of development.

The Assistant Director of Housing reported that full details of proposals for Phase 1 would be reported to the next meeting.

The Committee was advised that a meeting had been held with Planning Officers to discuss what they would expect. It had been identified that the biggest issue would be parking. Where required, garage use studies could be undertaken to see where existing garage tenants lived and if necessary. In any event, existing garage users would be offered an alternative garage rental nearby.

The Assistant Director of Housing reported that parking standards for each site could be specified by the Committee but should be set in line with the Essex Design Guide.

Members noted that Essex County Council's former highways agents, Mouchel, had previously commissioned a survey of garages which found that 78% of garages were used for purposes other than parking. The outcome of this survey formed part of the County Council's Parking Standards.

7. MARDEN CLOSE CONVERSION SCHEME

The Assistant Director of Housing advised the Committee that Marden Close, Chigwell Row consisted of 20 vacant bedsits, which had proven difficult to let to the older generation. He informed the Committee that the Council was the leaseholder, not the freeholder and the Cabinet had resolved to convert the bedsits into 10 one bedroom flats for the remainder of the lease, which was around 45 years.

Members noted that there was another building on the site, Faversham Hall, and the ground floor of Faversham Hall had been offered to Chigwell Parish Council with a 10 year lease.

8. FUNDING THE HOUSEBUILDING PROGRAMME

The Director of Housing reported on the main sources of funding for the Housebuilding programme. Members noted that the primary source would be the budget provision made in the HRA Capital Programme, funded by the loan from the Public Works Loan Board (PWLB). In addition funding would be available as a result of:

- One-for-One Right to Buy Replacements;
- Public Works Loan Board Loans;
- Section 106 contributions;
- Grants from the Homes and Communities Agency; and
- Sales of HRA sites and property.

The Director of Housing advised that each financial appraisal produced by East Thames would specify if a subsidy was required, the amount of the subsidy and the source of funding. Members noted that East Thames would maintain and report to the Committee at each meeting on the overall commitments and amounts remaining from each source.

RESOLVED:

That a report be submitted to the next meeting on the use of the Section 106 contributions.

9. SECURING HCA INVESTMENT PARTNER STATUS FOR EFDC

East Thames reported that they had HCA Investment Partner Status. However, it was also possible for the Council to seek this status which would enable bids to be possibly submitted for funding in the future. Part of the Development Agent's role was to seek Investment Partner status with the HCA.

The Portfolio Holder queried whether the sites would have to be identified when seeking funding.

The Development Agent replied that a bid could be made for an unnamed site, for a number of units, if and when the bid was granted then the sites would have to be named.

RESOLVED:

That consideration be given at the next meeting to the submission of an application for HCA Investment Partner status.

10. DEVELOPMENT AND FINANCIAL APPRAISALS

The Committee were advised that there would be three levels of assessment.

- (a) Feasibility study which would determine what can be physically built on each site;
- (b) Financial viability assessment which would determine if it would be financially viable to build on the site; and
- (c) Investment approval which would be determined by the Committee having regard to the other two levels.

Members considered a proposed format for the financial appraisals and reports to future meetings.

The Committee were advised that the appropriate Ward Members would be invited to attend future meetings when specific sites were under consideration.

RESOLVED:

The proposed format for the financial appraisals and reports be agreed for the first scheme and reviewed thereafter.

11. USE OF EAST THAMES' STANDARD DOCUMENTS FOR HOUSEBUILDING PROGRAMME**(a) Framework Agreements for Works**

Deferred for consideration at the next meeting.

(b) Design Standards

The Committee received an East Thames Design Guide and noted that officers had cross referenced the standards contained therein with those included in the Essex Design Guide which, together with the Essex Parking

Standards, guided the Council as a local planning authority on making decisions about residential developments.

Members stressed the importance of achieving energy efficiency and taking account of the local environment.

RESOLVED:

That a report be submitted to the next meeting to enable the Committee to determine the Council's own Design Standards, based on East Thames'.

12. AFFORDABLE RENTS POLICY

Deferred for consideration at the next meeting.

13. DEVELOPMENT STRATEGY

Deferred for consideration at the next meeting.

14. RISK REGISTER

Ian Collins reported that Pellings would develop both a strategic risk register from the Programme and individual risk management schedules for individual sites. There would be a live document that information could be fed into and Pellings would manage the document so that risks could be assessed early on in the programme.

Members noted that the risk management schedules would operate as:

- Red - Live Risk
- Amber - Dealt with
- Green - Resolved

The contractor would then take over the management of the document and Pellings would monitor the progress.

15. CABINET COMMITTEE MONITORING ARRANGEMENTS

Deferred for consideration at the next meeting.

16. FREQUENCY OF MEETINGS

The Committee was advised that once the preliminary arrangements had been agreed it was anticipated that meetings would be held approximately every other month as and when feasibility studies were received.

RESOLVED:

That the officers would determine the frequency of the meetings in liaison with the Chairman.

17. DATE OF NEXT MEETING

The Committee noted that the date of the next meeting would be dependent on the deadline for the submission of a bid for the Council to obtain HCA Investment Partners Status.

RESOLVED:

That future meetings commence at 7pm.

CHAIRMAN

Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-001-2013/14
Date of meeting: 10 July 2013

**Epping Forest
District Council**

Portfolio: Housing – Cllr David Stallan
Subject: Affordable Rents Policy – Council Housebuilding Programme
Responsible Officer: Alan Hall, Director of Housing (01992 564004)
Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

(1) That the Cabinet’s previous decision that “affordable rents’ should be charged 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 in which the property is situated; and**
- (c) A rent cap of £180;**

(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; and

(4) That the Council’s rent cap level be reviewed annually and set out within the Rents Strategy Chapter of the HRA Business Plan each year.

Executive Summary:

The Cabinet has previously agreed that “affordable rents” should be charged for the properties built under the Council’s Housebuilding Programme, which will be higher than the “social rents” charged for the Council’s existing properties.

It is necessary for the Council to adopt a policy, explaining its approach to how affordable rent levels will be set, within the HCA’s Affordable Rent Model. The maximum affordable rent is 80% of the market rent for the same type of property in the same locality, including service charges.

The report proposes an approach to how the Council should set its affordable rents.

Reasons for Proposed Decision:

It is necessary for the Council to adopt a policy, explaining its approach to how affordable rent levels will be set, within the HCA's Affordable Rent Model.

Other Options for Action:

The other main options are:

(a) The Council could set rents at a lower level than 80% of market rents – but this would have implications for the viability of new developments.

(b) No reference could be made to the LHA level – but this could result in rents not being covered in full for tenants in receipt of housing benefit.

(c) No rent cap is imposed, or a lower or higher rent cap could be adopted. However, if a higher rent cap is adopted, it could have implications for tenants in receipt of housing benefit when Benefit Caps are introduced under the welfare reforms. If a lower rent cap is adopted, it could affect the financial viability of developments.

Background

1. Councils and, until recently, housing associations generally charge “social rents” for their properties. These are set in accordance with a Government formula, based on:

- Property value;
- Average earnings for the county; and
- Property size

2. The Government's Rent Convergence Policy (which has been adopted by the Council), seeks to ensure that (within a 5% tolerance) similar rents are charged for the same type of property in the same location, irrespective of whether the landlord is a council or a housing association.

3. The Government's target date for convergence to be achieved across the country is April 2015. However, the Council's target is to achieve rent convergence by April 2017 – although it should be noted that many of the Council's properties will not reach their target rent by April 2017, because to do so would breach the Government's maximum annual rent increase for individual properties, which is currently RPI + 0.5% + £2 per week. As part of the Government's Comprehensive Spending Review (CSR) announced on 26th June 2013, the Government stated that social rents can be increased by the Consumer Prices Index (CPI) + 1% per annum from April 2015 for at least the following 10 years.

4. To enable the Government to significantly reduce the amount of grant required to develop new affordable housing, the Homes and Communities Agency (HCA – the Government agency that funds and regulates all registered providers of housing, which includes the Council) has said that all new affordable rented homes built by housing associations and councils with grant from the HCA must charge “affordable rents”. Even if HCA grant is not provided, in order to minimise the amount of subsidy required from other sources, most developing housing associations now charge affordable rents for newly-developed affordable rented housing. It should be noted that the formal approval of the HCA must be obtained before a Council or a housing association can charge affordable rents, but this is generally forthcoming.

5. In addition, the HCA expects registered providers who have funding contracts with the HCA to also convert the rents of a proportion of re-lets to vacant properties (usually around 1/3) from social rents to affordable rents when they are re-let, and to use the additional rent to fund its new developments. This is to reduce a developing housing association's reliance on grant from the HCA.

6. Affordable rents are defined by the HCA as being up to 80% of market rents (including service charges). Very generally, social rents are usually around half the level of market rents. Once properties are let, the HCA's Affordable Rent Model states that affordable rents can be increased annually by a maximum of RPI (as at the preceding September) + 0.5%, until the property is vacated. On re-let, the rent has to be re-based in accordance with policy and market rents at that time. Although at the time of the Government's CSR announcement, information and certainty was given about future rent increases for social rents, it made no reference to future rent increases for affordable rents. Further information on this may be provided in advance of the Cabinet Committee meeting, in which case an oral update will be given.

7. The Cabinet has already agreed in principle to charge affordable rents for the Council's Housebuilding Programme. This is for two main reasons:

- (a) To ensure that developments are viable, since they would require significant subsidy if social rents were charged instead of affordable rents; and
- (b) To charge similar rents for similar newly-built affordable rented properties as housing associations are charging for their new developments – i.e. to provide “an even playing field”.

8. However, when charging affordable rents for the Housebuilding Programme, there are some issues that members need to understand, as follows:

- (a) The Council will be charging significantly different (i.e. higher) rents for properties built under its Housebuilding Programme, compared to all the Council's current properties (which are let at social rents);
- (b) It is likely that only applicants either with reasonable incomes or in receipt of housing benefit will be able to afford newly-built properties, let at affordable rents. Working applicants on lower incomes, but who are ineligible for housing benefit, are likely to struggle to pay affordable rent levels, and are therefore more likely not to bid for them through the Choice Based Lettings Scheme, and only bid for existing Council properties let at social rents.
- (c) If an affordable rent is charged at a level that is higher than the “Local Housing Allowance” (LHA) for the “Broad Market Rental Area” (BMRA) in which the property is situated (set by the Rent Officer Service, based on the 30th percentile of market rents in the BMRA), the difference between the rent and the LHA cannot be met from housing benefit. Therefore, if a tenant is in receipt of housing benefit, they have to pay the difference between the LHA and the affordable rent themselves.
- (d) The Government's welfare reforms will result in some affordable rents being unaffordable to those on benefits (i.e. universal credit) if 80% of market rents are charged – mainly larger families in larger properties. For this reason, housing associations and councils who charge affordable rents generally have a rent cap, which limits the maximum rent that can be charged, in order for rents to be

affordable to any tenant in receipt of housing benefit (or universal credit). This is covered in more detail below.

9. Since the Council has determined that affordable rents should be charged for properties built through its Housebuilding Programme, an Affordable Rent Policy needs to be adopted explaining the approach to how Council rents will be set. The Policy needs to be agreed at this meeting, since East Thames, the Council's Development Agent, needs to know the rent levels to input into their financial appraisals for the Council's potential development sites, the first of which are due to be considered at this meeting.

Proposed Affordable Rent Policy

10. The approach that most housing associations take (who have now been operating affordable rents for some time) is to set affordable rents at the lowest of three factors:

- 80% of the market rent for the property;
- The LHA level for the property within the BRMA; or
- A self-imposed rent cap – that avoids any tenants losing money as a result of the introduction of the Government's Benefits Cap under the welfare reforms

11. The rent cap adopted by most housing associations that have one, generally takes account of the Government's new Benefits Cap level (£500 per week for couples and single people with children and £350 per week for single people without children) and tenants' estimated living costs. Rent caps adopted by the Council's Preferred Housing Association Partners vary, between £180 and £225 per week. It is officers' view that, for the Epping Forest District, a rent cap of £180 per week would be appropriate, bearing in mind that an affordable rent at this level would be significantly higher than the social rents charged by the Council for its existing properties.

12. It is worth noting that, for the proposed developments within Package 1 of the Council Housebuilding Programme (reported to the Cabinet Committee as a later agenda item), the proposed Affordable Rent Policy has been applied and that, as a result, it has been necessary for the rents of all the 3-bedroomed houses (10 properties on two sites) to be set at the proposed rent cap of £180 per week.

13. Therefore, it is proposed that the Affordable Rent Policy set out at the commencement of the report be adopted.

Resource Implications:

The Affordable Rent Policy has a direct bearing on the rental income received for new developments, and their financial viability. The higher the rents are set, the greater the income and the less subsidy is required from other sources (e.g. capital receipts from Right to Buy sales, Section 106 contributions etc).

Legal and Governance Implications:

Formal approval from the HCA will be required before affordable rents can be charged, but this is generally forthcoming.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council’s Preferred Housing Association Partners have been consulted on their approach to affordable rents.

East Thames, the Council’s Development Agent, has been consulted on the contents of this report, and their comments have been taken into account.

Background Papers:

None

Impact Assessments:

Risk Management

Since the Affordable Rent Policy has a direct bearing on the rental income received for new developments, the greatest risks are that either new developments become unviable as a result (if rent levels are too low) or too many housing applicants are unable to afford the rents (if they are too high).

These risks are mitigated by the Council being able to learn from the experiences of housing associations, who have been charging affordable rents for some time. The risk of setting rents too high is mitigated by the proposed rent cap, which should avoid any properties being unaffordable to tenants in receipt of housing benefit. It is proposed that the rent cap level is reviewed annually.

Since the Cabinet Committee will consider and sign-off financial appraisals for every proposed development, the financial effects of the Affordable Rent Policy can be monitored. If, over time, a problem is identified, the Cabinet Committee can review its policy.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council’s general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

It should be noted that an Equality Impact Assessment has already been formulated for Housing Strategy and Development.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

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Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-002-2013/14

Date of meeting: 10 July 2013

Portfolio: Housing – Cllr David Stallan

Subject: Funding the Council Housebuilding Programme

Responsible Officer: Alan Hall, Director of Housing (01992 564004)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

- (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 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 (CLG));**
 - (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 Cabinet Committee authorises the use and provisional level of subsidy required for proposed developments, 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 the Cabinet Committee receives a standard report 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 are 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.**

Executive Summary:

Through its Terms of Reference, the Cabinet Committee has delegated authority to use various of sources of funding (detailed in the report) in order to develop individual sites within the Council's Housebuilding Programme. The total potential amount of funding available from these sources to subsidise the proposed developments in order to make them viable is around £3.3m (although some of this funding may not come to fruition), of which around £995,000 is currently available.

The report considers the general approach to be taken to the utilisation of these sources of funding, in order to have sufficient capital resources available to meet the cost of works and fees for the construction of the properties.

Reasons for Proposed Decision:

It is important to identify and quantify the potential sources of funding for the Housebuilding Programme, and to have an agreed approach to their utilisation.

Other Options for Action:

The main options are:

(a) Not to utilise all or any of the identified potential sources of funding, or to only use some of the funding available from various sources – however, this may result in insufficient funding being available to provide the required levels of funding.

(b) Not to authorise the Director of Housing to utilise the most appropriate source of funding for the development(s), and to reserve approval to the Cabinet Committee – however, this could result in delays, which could result in time limits within which the use of the funding must be utilised not being met; furthermore, it is likely that sources of funding for the various developments may subsequently need to be switched, in order to meet all time limits and to ensure the most appropriate utilisation of resources.

(c) Not to authorise the Director of Housing to allocate funding in excess of the provisional level approved by the Cabinet Committee (and reserve the allocation of an excess funding to the Cabinet Committee), or to amend the maximum amount that can be allocated above the level approved by the Cabinet Committee, or to amend the provisos to the authority given – however, if tenders received are higher than expected, it is likely to take some time to arrange a Cabinet Committee meeting to approve any additional required funding, which could delay the commencement on site. It is felt that the proposed maximum level above the authorised amount is reasonable, bearing in mind the proposed caveats to the use of the authority.

(d) Not to agree the submission of a report to a future meeting of the Cabinet, if necessary, on the possible sale of some of the potential development sites earmarked for the Programme in order to fund other developments in the Programme – however, the Cabinet has previously recognised that such an approach may be necessary, and it is suggested that if the other identified sources of funding are exhausted, it would be appropriate for the Cabinet to consider this option.

Introduction

1. As part of its Terms of Reference, the Cabinet Committee has delegated authority to use various of sources of funding to develop individual sites within the Council's Housebuilding Programme. Each proposed development will have a financial appraisal produced by East Thames, the Council's Development Agent, which will be approved by the Cabinet Committee. The financial appraisal will assess the viability of the development and identify the estimated level of capital resources required.

2. In simple terms, a scheme is considered viable if the costs of construction (and land acquisition, although this does not apply to the Housebuilding Programme) can be recouped from the rents that are received over a reasonable number of years, after taking into account the ongoing costs of management, maintenance and the interest payable on the loan used to meet the original construction costs.

3. The approach proposed for the Council's Housebuilding Programme is that the loan costs should be repayable within a period of 30 years, which is a generally-accepted, prudent and common timeframe for affordable housing developments. However, for many of the Council's developments, this will not be possible - for the following reasons:

- Since the rents for affordable rented housing are lower than market rents, the rental income over a 30-year period may not be sufficient to repay the development's loan costs; and
- All of the Council's potential development sites are very small, some only comprising one or two properties. Furthermore, since many of the sites are currently garage sites, a number have relatively long access roads and most require demolition works, which add to the cost. Therefore, the unit costs of construction for the Council's Housebuilding Programme are relatively high.

4. Where the development does not break even within 30 years, one option would be to simply extend the financial appraisal period – i.e. allow the development to take longer to break even. However, this is not considered to be a prudent approach to take to the programme and, in any event, some developments may never break even.

5. To enable developments to break even within a 30-year period, some form of subsidy is often required, to meet some of the construction costs. The need to provide subsidy is quite common for affordable housing developments; subsidies are normally provided either by developers (on large Section 106 sites), or through grant from the Homes and Communities Agency (HCA), for which the Council is not currently eligible.

6. Subsidies for the Council's Programme can come from a number of sources, and this report considers the various funding sources available to the Council, and proposes a strategic approach to the selection and use of these funding sources to ensure that all developments are viable, bearing in mind that the Cabinet has determined that no funding should be provided by the General Fund to subsidise the Housebuilding Programme.

7. Approval has been delegated to the Cabinet Committee, through its Terms of Reference, to use the sources of funding referred to in this report to develop individual sites within the Council's Housebuilding Programme.

Loan provision

8. The primary source of funding for the construction costs will be from the loans the Council has obtained from the Public Works Loans Board. Although most of these loans were required to fund the one-off debt settlement to the Government under the self-financing regime in April 2012, sufficient headroom and capacity has been built into the HRA Financial Plan to fund the majority of the Housebuilding Programme.

Capital receipts from Right to Buy sales – “One-for-One Replacement” Agreement with the CLG

9. When the Government increased the maximum Right to Buy (RTB) discount to £75,000 from April 2012, it agreed that capital receipts from additional sales as a result of the increased discount could be used to fund one new affordable home for every one sold, subject to local authorities entering into a formal agreement with the Department of Communities and Local Government (CLG).

10. The CLG has determined that the definition of “additional RTB sales” is those RTB sales above the number that the CLG assumed for each local authority when it was assessing each council's debt settlement under the HRA self-financing arrangements. For this Council, the numbers of sales assumed by the CLG are as follows (compared to the actual number of sales for previous years):

<u>CLG's Assumed Sales</u>	<u>EFDC Actual Sales</u>
2012/13 - 9	2009/10 - 8
2013/14 - 10	2010/11 - 9
2014/15 - 11	2011/12 - 7

11. Following consideration and approval by the Cabinet, the Council has entered into the required agreement with the CLG. However, there are two important requirements of the agreement to note:

- The “additional RTB capital receipts” must be spent within 3 years of the date of receipt, otherwise they must be returned to the CLG, with interest; and
- No more than 30% of a property's development costs can be met from these receipts.

12. Although there was a small surge of additional RTB applications in April 2012, when the increased RTB discount was introduced, they have now dropped to an average of around 5 per month. In 2012/13, there were 13 RTB sales completed, compared to the CLG's previous estimate of 9 RTB sales. Therefore, there were 4 additional RTB sales applicable under the CLG Agreement; the total amount available to the Housebuilding Programme from these sales (after deducting administration allowances) is around £240,000, an average of £60,000 per sale. In the first two months of the current financial year (April and May), there had already been 12 RTB sales, which is already in excess of the CLG's previous estimate of 10 sales for the whole of 2013/14.

13. Since the receipts must be spent within 3 years, it is suggested that they are generally the first source of subsidy used for the Housebuilding Programme.

Financial contributions from Section 106 Agreements

14. The Council's main planning policy objective for the provision of affordable housing within the District is to ensure developers provide affordable housing on-site when they develop private sites (usually 40% of the total number of properties). However, in exceptional circumstances, it is sometimes agreed that on-site affordable housing would be inappropriate.

15. In such circumstances, the Council expects the developer to provide a financial contribution in lieu of on-site provision, to fund the provision of affordable housing elsewhere in the District. Unless it makes the development unviable, the required financial contribution is equivalent to the amount of subsidy that the developer would have had to provide if the affordable housing was provided on-site, and is secured by a Section 106 Agreement. Often, the Section 106 Agreement includes a requirement that the receipt must be used within a specified period, usually 5–10 years.

16. Currently, the Council has received financial contributions from Section 106 Agreements totalling £668,000 from 3 developments to fund affordable housing, which have not yet been spent or allocated (so that they could be reserved and used for the Council's Housebuilding Programme).

17. In addition, the Council has signed 7 further Section 106 Agreements for developments, which require developers to provide further financial contributions to fund affordable housing totalling around £1.813million, which the Council will receive when/if specific development triggers are activated (e.g. start on site, practical completion).

18. Therefore, potentially, the Council can expect to receive around £2.5million from signed Section 106 Agreements to fund affordable housing within the District, although it should be noted that some of these developments may not come to fruition within the foreseeable future, or even at all. Furthermore, under the Growth and Infrastructure Act 2013, developers can apply to re-negotiate financial contributions required by signed Section 106 Agreements, if they consider that they make the development unviable.

19. In the past, the Council has given financial contributions from such Section 106 Agreements to housing associations to help fund the development of affordable housing. This is because, to date, they have been the only providers of new affordable housing in the District. However, since the Council is now developing new affordable housing itself, and most of the Council's Preferred Housing Association Partners already have access to grant funding from the Homes and Communities Agency - which the Council does not - it is suggested that this source of funding should be used by the Council in order to provide a significant source of funding for its Housebuilding Programme.

Grant from the Homes and Communities Agency (HCA)

20. Grant from the HCA for affordable housing, nationally, has reduced significantly over recent years, but is still available to both housing associations and local authorities and currently averages around £22,000 per property, although the average for rented housing will be higher. There has been some doubt about whether HCA grant would continue to be available beyond 2015, but the Government's Comprehensive Spending Review (CSR) announced on 26 June 2013 committed over £3billion additional capital investment to deliver a further 165,000 new affordable homes over the 3-year period from April 2015 - although the Government has stated that the average grant is expected to reduce to around £18,000 per property.

21. However, under current arrangements, in order to be eligible for HCA grant, providers must both be an Investment Partner of the HCA and have a contract with the HCA (following a bidding process held couple of years ago). At present, the Council meets neither of these requirements, so cannot access HCA grant.

22. However, this is the reason for requiring East Thames, as the Council's Development Agent, to seek HCA Investment Partner on behalf of the Council – which East Thames will do, later in the year. If Investment Partner status is achieved, it will enable the Council to bid for HCA funding in the future, which could be a useful source of funding.

23. However, it should also be noted that, at the Chartered Institute of Housing's Annual Conference the day after the Government's CSR was announced, the Housing Minister told delegates that developing landlords bidding for the HCA funding from 2015 would be expected to enter into "something for something" deals - where they would have to find efficiencies; agree to the rents for an increased number of vacant properties for which social rents had previously been charged to be re-let at affordable rents; and dispose of more vacant properties on the open market; all in order to minimise the amount of HCA grant required. Clearly, this is something about which the Council will need to understand more, carefully consider, and discuss expectations with the HCA, if it is successful in achieving Investment Partner status and considering a bid for HCA funding from 2015.

Other external funding sources

24. Occasionally, there may be opportunities to access other external sources of funding. For example, the Council was successful in securing £160,000 funding from the Harlow Growth Area Fund, through a bidding process. This funding will provide an external subsidy of £90,000 for the proposed development at the former Red Cross Hall site in Roundhills, Waltham Abbey to meet the estimated cost of flood mitigation works. The remaining £70,000 was received by Hastoe Housing Association for its development on former Council-owned land at Millfield, High Ongar (see below), which increased the amount Hastoe was able to pay the Council for the land by the same amount.

Sales of HRA land

25. The Cabinet has already agreed that the capital receipts from the following two sales of HRA land and buildings can be used, in full, to provide a source of funding for the Housebuilding Programme:

Leader Lodge, North Weald (former Homeless Hostel Manager's accommodation) – This is expected to be sold in the near future for the sum of £515,000, plus an overage payment of £85,000 for each additional property built on the site by the developer

Millfield, High Ongar - £87,000 has already been received from Hastoe HA for the purchase of the Council's land at Millfield, High Ongar, for the development of four straw bales houses.

26. Finally, if all of the above forms of subsidy are exhausted, the Council could sell some of its development sites intended for the Housebuilding Programme (either with or without planning permission), and use the capital receipt to cross-subsidise developments on other sites. Such a course of action would have to be agreed by the full Cabinet and, of course, the disadvantage of such an approach, is that the Council would lose sites from its Housebuilding Programme, which should be avoided if possible.

Conclusion and prioritisation of the use of funding sources

27. The Council is in the fortunate position of having a range of funding sources available to provide the required subsidies for its Housebuilding Programme, to supplement the resources available from its PWLB loans. Moreover, the resources available now and potentially in the future are significant, amounting to around £3.32million, as summarised in the table below:

	Available Now (£000s)	Potential Future Funding (£000s)	Total (£000s)
Additional RTB Receipts	240	(U/K)	240 (min)
Section 106 Contributions	668	1,851	2,481
HCA Grant	Nil	(U/K)	(U/K)
HRA Land Sales	87	515 (min)	602 (min)
Totals	995	2,366	3,323

28. Since the Council's initial Housebuilding Programme comprises around 120 homes over 6 years, the currently-identified funding amounts to an average of £27,700 per property. However, it is emphasised that, as explained earlier, some of the financial contributions from signed Section 106 Contributions may well not come to fruition. Although, on the other hand, it should also be noted that there are likely to be further RTB receipts and Section 106 contributions that become available over the next 6 years, that cannot yet be quantified. It is therefore recommended that Section 106 contributions that are negotiated in the future are also allocated and used for the Council Housebuilding Programme for the foreseeable future.

29. It is important to note that some of the funding sources have strict time limits within which they must be used. Generally, capital receipts from additional RTB sales should be utilised first, followed by Section 106 contributions that have time limits. If HCA Grant is obtained in the future, its use will also have timescales within which the grant must be utilised.

30. It will be noted from the agenda item to be considered by the Cabinet Committee later in the meeting, regarding the proposed developments for inclusion within Package (Year) 1, that the estimated required subsidy for the first 25 properties within the proposed Package (Year) 1 is £425,000, which amounts to an average of £17,000 per property. If a similar level of subsidy was required for a similar number of properties in Year 2 (which would total 50 homes over 2 years), it could be funded from the remaining £570,000 that is already available now – although a similar level of subsidy in Year 3 would require some of the expected S106 contributions and land and RTB receipts to have been received.

31. If the average subsidy figure for Package (Year) 1 is applied to the whole initial proposed Housebuilding Programme of 120 new homes, the total subsidy requirement would be £2.04million, which is less than the total amount expected from S106 contributions and land sales, and does not take account of any additional RTB sales receipts (or HCA grant).

32. Each financial appraisal considered by the Cabinet Committee for proposed developments will quantify the estimated amount of subsidy required. Therefore, it is suggested 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 utilise the most appropriate source of funding for the development(s), having regard to the time limits within which they must be utilised.

33. Once developments have received planning permission, they will be brought together into development packages, for which tenders will be invited from contractors to undertake the works. At this stage, it is possible that the lowest tender received is higher than expected, which would require a greater level of subsidy than the level provisionally authorised by the Cabinet Committee. In such circumstances, it is likely to take some time to arrange a Cabinet Committee meeting in order to approve any additional required funding, which could delay the commencement on site.

34. It is therefore proposed that the Director of Housing be authorised to allocate funding to individual developments and/or development packages, by up to 15% more than the provisional level approved by the Cabinet Committee, provided that sufficient funds are available and a

report is submitted to the Cabinet Committee's next meeting on the amount of subsidy allocated, and its source of funding.

35. It is also proposed that the Cabinet Committee receives a standard report at each meeting, setting out the current position with regard to available funding from each of these sources and showing the use and commitments to date.

Resource Implications:

In addition to the resources available to the Housebuilding Programme within the HRA Financial Plan from the loan provisions from the Public Works Loan Board, the total potential amount of funding available from other sources to subsidise developments in order to make them viable is around £3.32m (although some of this funding may not come to fruition), of which around £995,000 is currently available.

Legal and Governance Implications:

The Leader of Council has determined clear Terms of Reference for the Cabinet Committee, which have also been reported to the full Council.

The use of the sources of funding are permitted under the Town and Country Planning Act 1990, the Housing Act 1985 and Local Government and Housing Act 1989.

Safer, Cleaner and Greener Implications:

The availability of the various sources of identified funding ensure that the Council's new properties can be built to a standard that makes them both safe and environmentally friendly.

Consultation Undertaken:

East Thames, the Council's Development Agent, has been consulted on the contents of this report, and their comments have been taken into account.

Background Papers:

None.

Impact Assessments:

Risk Management

The main identified risks are as follows:

(a) Some of the sources of funding available to the Housebuilding Programme (e.g. capital receipts from additional RTB sales and Section 106 contributions) may not be spent within the applicable time limits – This risk will be mitigated through the careful monitoring of the availability and use of the funding sources by both officers and the Cabinet Committee.

(b) The financial appraisals produced for individual developments may be incorrect – This risk is mitigated by the fact that East Thames has extensive experience of developing affordable housing, and uses proprietary software for financial appraisals. The financial appraisals will also be checked by the Housebuilding Project Team, which includes Council Finance Officers.

It should also be noted that Pellings, East Thames' principal building consultants, will also be producing, maintaining and monitoring risk registers for both individual developments and the Housebuilding Programme as a whole, which will be regularly reported to the Cabinet Committee.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

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Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-003-2013/14
Date of meeting: 10 July 2013

**Epping Forest
District Council**

Portfolio: Housing – Cllr David Stallan

Subject: Development Strategy – Council Housebuilding Programme

Responsible Officer: Paul Pledger, Asst. Director of Housing (Property)
(01992 564248)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

(1) That the Development Strategy, formulated by the Council's Development Agent in conjunction with Council Officers, at Appendix 1 of this report be considered, where specific attention is drawn to the following:

(a) Financial appraisals for each phase are 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 is to be met with subsidy, the details of which are set out in a separate report on "Funding the House-Building Programme" elsewhere on the agenda;

(b) The KPIs that are to be used to measure progress, which have previously been agreed by the Cabinet;

(c) The feasibility reporting format, consisting of:

- The design proposals (the number and nature of units to be developed);
- A scheme budget estimate;
- A procurement plan;
- A financial appraisal of the site;
- A project time table;
- A project risk assessment; and
- A recommendation on how to proceed.

(d) The Council will make use of East Thames' existing EU-compliant Framework Agreement for constructing the Council's new homes (See separate report on "Procurement of Works Contractor");

(e) The Council will adopt the East Thames Design Guide to inform the development of each site; and

(f) The Council will adopt the East Thames Employers' Requirements.

2. That the House-building Cabinet Committee recommends to the Cabinet that the Development Strategy, including the use of the supporting East Thames Design Guide and Employers' Requirements, be approved.

Executive Summary:

The Cabinet has previously agreed to develop around 120 new Council properties over a 6-year period and that East Thames undertakes the role of Development Agent to deliver this programme on behalf of the Council. In order to achieve this, a development strategy is required, setting out the approach the Development Agent and the Council will take, including what assumptions will be made, the standards used, the consultation methods that will be adopted, the procurement methods used for construction works and the performance targets used to measure progress, and ultimately the success of the programme.

Reasons for Proposed Decision:

Approval of the Development Strategy remains the responsibility of the Cabinet. However the House-building Cabinet Committee is required to consider and then recommend its approval to the Cabinet.

Other Options for Action:

1. Not to adopt the contents of the Strategy in the format presented and alter any of its statements, targets, standards, procedures or assumptions. However, this could have an effect on the feasibility studies presented elsewhere on the agenda.
2. To adopt alternative Design Standards and Employers' Requirements and develop the Council's own. However, this would be time consuming and ultimately delay the programme, and are unlikely to be much different from East Thames'
3. To procure the construction works independently of the East Thames framework of contractors. However, this would require an EU procurement exercise and all of the time and expense that goes with it, and that would mean a delay in Phase 1 of the Programme.

Background

1. Within the Terms of Reference for the House-Building Cabinet Committee, it states that this Committee will consider and recommend to the Cabinet the Development Strategy for the Council's House-building Programme on an annual basis.
2. As part of their appointment, it was a requirement that East Thames prepare the Development Strategy on behalf of the Council.
3. At its previous meeting on 5 March 2013, the Cabinet Committee was consulted on what it expected to see incorporated in the Strategy including the assumptions that will be made, the standards used, the consultation methods that will be adopted, the procurement methods used for construction works and the performance targets used to measure progress.
4. Particular attention is drawn to the East Thames Design Standards (Hard Copy previously supplied to each Cabinet Committee Member), the Employers' Requirements, the format of the feasibility reports, the financial assumptions used to compute the financial viability reports and the procurement method proposed to appoint the developer for the construction phase of the programme.
5. The Cabinet Committee's attention is also drawn to the proposed format of the financial appraisals for each phase, which is modelled on a 30-year pay-back with a positive Net Present Value (NPV) over 30-years, using the financial assumptions set out in the

Strategy. The background to the use of any subsidy required to meet shortfalls in funding to achieve this is set out in detail in a separate report on funding the House-building Programme elsewhere on the agenda.

6. The Development Strategy is set out at Appendix 1 of this report for consideration in detail and, subject to being satisfied with its contents, the Cabinet Committee is asked to recommend its approval to the Cabinet, together with the use of the supporting Design Standards and Employers' Requirements.

Resource Implications:

Adoption of the Development Strategy triggers a fee payment in the sum of £3,000 to East Thames in accordance with the terms of the Development Agreement. This will be met from the existing budget within the HRA Capital Programme for Council house-building.

Legal and Governance Implications:

Within its Terms of Reference, the House-Building Cabinet Committee is expected to consider and recommend to the Cabinet the Development Strategy for the Council's House-building Programme.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The House-building Cabinet Committee have already been consulted orally at its meeting in March 2013, on its expectations, requirements, the contents and format of the strategy, which have been incorporated in the Strategy as presented.

Background Papers:

East Thames Design Standards and Employers' Requirements

Impact Assessments:

Risk Management

Since the Development Strategy has a direct bearing on the financial viability and delivery of the Council's house-building programme, the greatest risks are that the assumptions prove to be incorrect resulting in each phase being un-viable.

These risks are mitigated by the Council being able to learn from the experience of East Thames, who have been undertaking developments similar to that proposed in the strategy for some time.

Since the Cabinet Committee will consider and sign-off financial appraisals for every proposed development, the financial effects of the Strategy can be monitored. If, over time, a problem is identified, the Cabinet Committee can review its policy.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

It should be noted that an Equality Impact Assessment has already been formulated for Housing Strategy and Development.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A



Development Strategy 2013-2019

Content

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1 Introduction

Epping Forest District Council currently own and manage around 6,500 homes within the District. Presently there are 5,700 applicants on the Council's Housing Register who wish to gain access to affordable homes within the District. The Council currently acts as enabler facilitating Registered Providers (RPs) operating within the District to develop new affordable housing to meet housing need.

In order to directly meet this housing need the Council has agreed to initiate a Council House Building Programme to develop new affordable rented homes. This will be achieved through the use of its own funding and land holdings.

The Council's Development Strategy sets out what the Council wishes to achieve from the House Building Programme, details an overall approach to achieve the aims of the programme and describes a coherent plan to implement these aims.

The House-Building Programme will be delivered by the Council in conjunction with East Thames Group who have been appointed to deliver Development Agency Services for the Council, including all development and project management services and the provision of all professional building services, including: architectural, employer's agency, quantity surveying, cost consulting, Construction Design Management, engineering and surveying, but excluding works construction.

This Development Strategy was approved by the Council's Cabinet in June 2013.

2. Purpose

Through the Council House Building Programme the Council will:-

Meet the Aims of the Corporate Plan

The Council's Corporate Plan 2011-2015 sets out the aims and priorities of the Council for the four-year period and addresses the challenges that the district faces. Its stated aim is "Making our district a great place to live, work, study and do business". The Council House Building Programme shall contribute greatly to this aim and supports the four central themes of that strategy namely safety, sustainability, health and aspiration.

By providing new high quality, sustainable homes in areas that are currently filled with underused garages the Council will meet the needs of the District's residents and revive neighbourhoods by providing an environment within which they can flourish.

Meet Housing Need

The Council House Building Programme will deliver new homes that will directly meet the demand within the District for affordable rented homes. The demand is clearly identified in the Housing Strategy, and this Programme shall help to meet the Council's Housing Strategy 2009-2012 and its vision that "Epping Forest will be a district that has safe, decent and attractive housing that meets the needs of those who want to live in the District."

Build Sustainable, high quality homes and services

The Council House Building Programme will provide high quality and sustainable homes to meet the current and future housing need within the District.

The Council will control the type, tenure, and specification and quality of the new affordable housing provided by the programme.

The programme will expand the Council's stock holding, and the new homes will be owned, managed and maintained by the Council thereby increasing efficiencies within the Housing Directorate, the HRA Business Plan and the Council as a whole.

Create high quality environments and regenerate Communities

The new homes will predominantly be developed on Council-owned difficult to let and under utilised garage sites. These new homes will improve the existing environment, reduce anti-social behaviour and contribute toward the revitalisation of existing communities.

Develop and Maintain a Strong Council

By building new homes on its own land, rather than disposing of it to RP partners within the District at a discount, the Council will maintain control over its assets and the HRA will benefit financially from the generation of a long term income stream. Additionally, the Council will receive the Government's New Homes Bonus (with the "affordable housing premium"), and potentially attract capital grant receipts from the Homes and Communities Agency, whilst increasing efficiencies through improved economies of scale by growing stock in management.

Since the Council is able to utilise Public Works Loan Board (PWLB) loans at extremely preferential rates, compared to the private loans market, and can recover all the VAT paid on development fees, it is in an ideal position to deliver affordable housing within the District at a lower cost than its Preferred Housing Association Partners.

3. Context

Housing Revenue Account Reform

In 2012 the Government introduced legislation to abolish the Housing Revenue Account subsidy system and introduce self-financing for Council Housing.

The Government's policy objectives at that time were:-

- To increase local transparency and abolish the current opaque system under which there is little connection between the level of rent charged and the resources Councils have to spend locally;
- To give Councils financial autonomy and therefore more accountability for the provision of housing services;
- To end decades of complex central control and allow Council housing to be managed and financed locally; and

- To ensure Councils have the incentives to actively manage their housing stock on a long term basis rather than simply react to an uncertain annual funding formula.

Source: Implementing self-financing for council housing, DCLG, 1 February 2011

The Council built its last home in June 1985 and these reforms will provide the Council with a means of delivering new affordable housing within the District and to enable it to build more new affordable homes each year than it currently sells under the Right to Buy.

The Council has agreed that the House Building Programme will be self-funded, without any financial support from the General Fund and financed from the following sources:-

- Capital receipts from additional Right to Buy sales as a result of the Government's decision to increase discounts for tenants purchasing their property under the Right to Buy;
- S106 Agreement contributions from developers in lieu of on-site affordable housing provision;
- Funding from the Homes and Communities Agency (HCA) (where possible);
- Borrowing (if necessary);
- Housing Revenue Account (HRA) surpluses (generated through additional financial capacity provided through loans from the PWLB);
- Any other external sources of funding that may be identified or secured from time to time; and/or
- Cross-subsidy from the sale of other development sites within the House Building Programme on the open market (if necessary).

Using its own assets to meet housing need

The Council has identified a portfolio of garage sites that are designated as 'Difficult to Let'. The Council's research estimates that around 65 of these sites may have development potential. A further 5 non-garage sites have been identified as also having development potential. The Council has agreed that, where developable and viable, these sites will be developed by the Council through the Council House Building Programme to provide new affordable homes.

4. What Will We Deliver?

Quantum of New Homes

The Council's initial review of the sites to be used in the House Building Programme estimates that a maximum of ca.230 new homes could be developed thereon.

Based upon this review the Council has set a target of delivering 20 new homes each year over the next 6 years, or 120 in total.

Affordable Rents

The homes delivered shall be for affordable rent to meet the housing need within the District.

The affordable rents to be charged are set out in the Council's Affordable Rent Policy, adopted by the Council's Housebuilding Cabinet Committee in July 2013, and will be a percentage of the market rent for that property type in the area.

The rent charged shall be the lower of:-

- 80% of market rents for the location; or
- The Local Housing Allowance (LHA) within the Broad Rental Market Area (BRMA) for the type of property; or
- An affordability cap of £180 per week.

The Council has decided to adopt an affordability cap which recognises the Government's Universal Credit regime and the associated Benefits Cap. Under the Benefit Cap, the total amount of benefit for which a family in England & Wales shall be eligible is £500 per week, with single people eligible to a maximum of £350 per week.

Therefore, with mind to the affordability of the homes and the sustainability of residents' tenancies, the Council has used the Homes and Community Agency (HCA) guidance that weekly housing costs should not exceed 45% of net income.

The application of the Council's Affordable Rents Policy will result in a maximum weekly affordable rent of £180 per week (this being 36% of the £500 per week Benefit Cap under Universal Credit).

All Affordable Rents charged by the Council will be gross and inclusive of service charges.

Quality

The Council has a significant role to play in improving its existing housing stock, regenerating neighbourhoods and providing high quality new homes that meet the needs of local households on low to modest incomes. Through the House Building Programme the Council will work to provide well designed and cost effective new homes to meet these aims.

The Council places a great emphasis on providing homes that will last, be cost effective and be valued by residents. As a design direction, the Council has adopted the *East Thames Design Guide*, the *East Thames Employer's Requirements* and the *Essex Housing Design Guide* for the design and construction its new homes. The Council will work with East Thames to ensure that, for each site, the design complements and enhances the local neighbourhood in which the homes are built.

The Council will build a range of typologies, both houses and apartments, that are appropriate to the individual development sites, with a particular focus on creating sustainable family housing where appropriate.

Through carefully considered design and liaison with local communities, the Council will develop schemes of a range of sizes that address local needs.

The Council places an emphasis on the sustainability of its homes, environmental performance and economy of use. Therefore every new home delivered through the

Council House Building Programme will meet at least Level 3 of the Code for Sustainable Homes.

Each new scheme will go through a design critique process that will enable Council staff, residents and other stakeholders to have meaningful input into design evolution.

This co-ordinated approach to developing and designing schemes will ensure that all relevant Council departments are involved in ensuring successful design, handover, completion and management.

The Council will work with the Development Agent to provide a comprehensive brief for each project.

Technical Specification

The Council recognises that the design of the places, spaces and homes built, along with the quality of their construction, are critical for resident satisfaction.

The Council will use East Thames' existing comprehensive performance specification, known as "The East Thames Employer's Requirements" to ensure that all the new homes delivered by this Programme are robust, energy efficient and cost effective to residents and the Council.

Key Performance Indicators

The Council will measure the success of the House Building Programme through the evaluation of key performance indicators relating to the delivery of schemes, cost and sustainability of the schemes. These can be found at Appendix A.

These will be monitored monthly by the Council's officers and East Thames and reported to each meeting of the Council House Building Cabinet Committee.

5. How Will We Deliver?

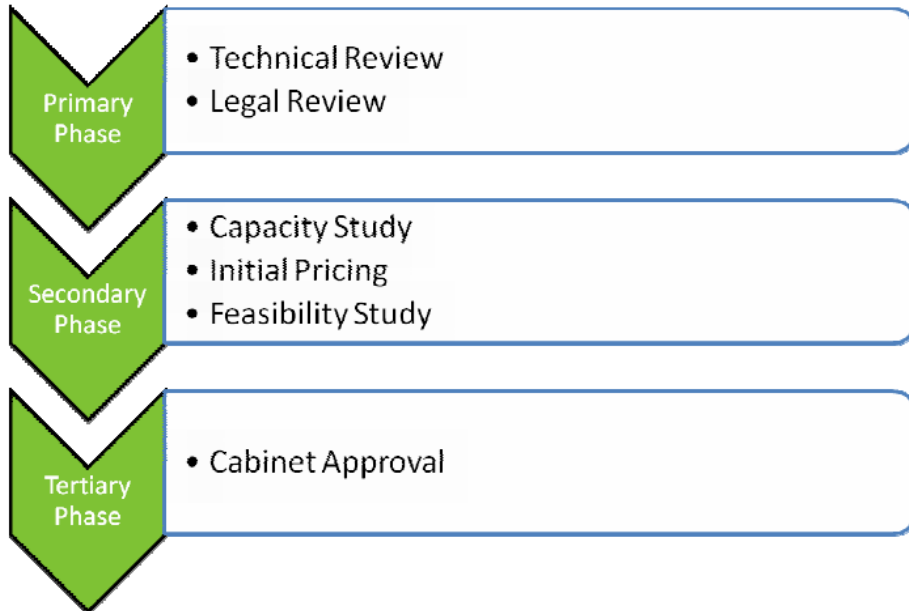
Review of sites

It is proposed that, in order to achieve the best value for the Council, sites will be packaged up, preferably using geographical selection. This will achieve economies of scale for contractors, making them more attractive for contractors and more viable for the Council.

Each of the 65 garage sites potentially available for development will then undergo a systematic review and assessment process during the first two years of the Council House Building Programme, to determine their suitability and viability for development.

The assessment of these sites will be monitored and reported monthly to the Council by the Development Agent in the form of a pipeline report (format attached at Appendix B).

Review of Sites



Primary Phase

Technical review

This will highlight issues that will impact upon or even prevent the development of the site such as planning considerations, rights of way, rights of light, flood risks, servicing etc. Any issues highlighted will inform the design direction, technical specification and cost assumptions used to appraise the viability of the site.

Legal review

This involves investigating the legal title. Once again this will highlight any issues which could prevent or affect the development of the site such as easements, rights of way etc. These will inform the financial appraisal and the physical development proposals.

Secondary Phase

Capacity Study

If, after identifying any physical, legal or technical constraints to development, the sites are considered viable an architectural feasibility study will be conducted to determine the development capacity of the site.

Initial Pricing

The architectural proposals produced will be reviewed, along with the technical information, and priced by the project team and a quantity surveyor.

Financial Appraisal

A financial appraisal will be conducted on each site to determine whether the development is viable against the parameters set within the Council's Economic Assumptions Framework. If the scheme is considered viable (either on a stand alone basis or as part of a wider package of sites) it shall be taken to the Council House Building Cabinet Committee as part of a package of viable sites for approval to proceed.

Any site not considered viable for development as affordable housing shall be assessed by the Council, with the assistance of the Development Agent, for either other development potential or any other alternative use and the outcome of the assessment will be reported to the Council's Cabinet.

Tertiary Phase

Cabinet Committee Approval

The Cabinet Committee will be presented with a comprehensive report detailing the scheme details including:-

- The design proposals (the number and nature of units to be developed);
- A scheme budget estimate;
- A procurement plan;
- A financial appraisal of the site;
- A project time table;
- A project risk assessment; and
- A recommendation on how to proceed.

Once a project or package has been approved by the Cabinet Committee the projects shall be progressed to RIBA Stage D by the Development Agent and submitted for planning approval.

An example of the Cabinet Committee Report can be found at Appendix C.

Appraisal Methodology

The Council will use a loan repayment methodology to determine viability.

The repayment methodology assesses whether the net revenue generated by the project is capable of repaying the capital loan required to develop the project as well as the accrued interest.

The Council will use a set of economic assumptions in the appraisal of each scheme. These assumptions have been derived from various sources, including the Council's HRA Business Plan and the actual cost of maintaining and managing its existing stock. These assumptions are referred to as the 'Economic Assumptions Framework' and are at Appendix D.

The Council will consider a scheme viable when the following parameters, set within the Economic Assumptions Framework, are met:-

- The scheme can repay its loan within 30 years; and
- The scheme produces a positive Net Present Value (NPV) over 30 years.

The Council will also consider the viability of schemes within a package i.e. if an individual scheme within a package does not meet the financial parameters, but when it is included within a package of sites and the overall package meets those parameters, the Council will consider the package to be viable.

Community Liaison

As part of the development appraisal process, the Ward Member(s) for the areas in which developments are proposed will be invited to the meeting of the Cabinet Committee at which the development and financial appraisals will be considered and decisions made about whether or not development of the site should be pursued. This will give an opportunity for Ward Members, as the Council's representatives of the local residents, to give their views on the proposals and to raise any concerns.

For those developments that are pursued, during the preparation of planning applications, the Development Agent, on behalf of the Council, will inform local residents and Ward Members of the forthcoming planning application, providing access to view plans on-line. Residents' Associations will also be consulted where one exists.

During the preparation and construction of each project, the Development Agent and contractor will identify and provide a dedicated point of contact for residents to answer queries, attend any meetings and provide any requested information.

Delivery

Post-Cabinet Committee approval the Development Agent will progress the schemes through the planning process and to handover.

Planning

Upon Cabinet Committee approval the scheme will be progressed to RIBA Stage D by the Development Agent and submitted to the Council's Planning Directorate for approval.

On site

Upon planning approval, packages of sites will be tendered to procure a Design and Build Contractor to develop the detailed design (RIBA Stages E onward) and build out the scheme to completion.

Procurement

The Development Agent will ensure that all procurement is in line with the Council's Contract Standing Orders. The Council's Development Agent, East Thames Group, have procured an EU-compliant Contractors Framework consisting of 12 contractors.

Any council in the South East of England may utilise this Framework, and the Council's Cabinet Committee has agreed that East Thames' Framework should be used for the House Building Programme, and that the Development Agent can call-off contractors from the Framework, and tender each package to every member of the Framework to ensure value for money is achieved.

On site

The scheme will be managed on site by the Development Agent in line with the On Site Management process at Appendix E.

Throughout the construction process the Council's Development Agent will administer the build contract on behalf of the Council, ensuring that the Programme is delivered on time and on budget and to the quality and technical standards specified in the contract.

The Development Agent and the Council will liaise throughout the process to ensure that the scheme is handed over for occupation as programmed and residents can occupy the new homes immediately.

The Development Agent will procure for the Council a detailed core file (the content of which is at Appendix F) providing all necessary technical and legal information on the development, a Health and Safety File and Operation and Maintenance Manual.

The Development Agent will prepare a Resident Handbook for each new property describing how their new home works and who to contact if a problem arises.

Post Completion and Defect Monitoring

Post-completion of the new homes the Development Agent will administer any defects that are identified or reported to the Council during the 12 month defects liability period.

They will ensure that the build contractor deals with all defects according to the requirements of the build contract and ensure that the Final Account is agreed.

After the new homes have been occupied for at least 6 months, the Development Agent will visit residents to find out more about their experiences of living in their new homes – what they like about the design of their home, what could be better and the things they don't like. This feedback will be used to improve future homes in the Council House Building Programme.

Once the Final Account has been agreed the Development Agent will produce a scheme review. This shall incorporate:-

- Resident feedback on the new homes;
- The scheme KPIs;
- The financial performance of the scheme against original approval; and
- The scheme programme against approval.

The outcome of these reviews will be reported to the Council House Building Cabinet Committee at the appropriate time after completion of each phase.

Governance

The Council has established its Council Housebuilding Cabinet Committee, comprising members of its full Cabinet, to oversee the delivery of the Housebuilding Programme. Its Terms of Reference are provided at Appendix G.

The Council House Building Programme will have the following governance structure to ensure accountability, quality control and transparency.

Governance



Risk Management

As part of the governance approach, and a requirement of the Development Agent's appointment, the Development Agent will record and maintain risk registers for both the Housebuilding Programme as a whole for each individual development. These will identify the key risks, the likelihood and impact of them arising and ways for them to be mitigated. East Thames has subcontracted responsibility for preparing and maintaining all the risk registers to its building consultants, Pellings.

The risk registers will periodically be reviewed by the Cabinet Committee.

Programme Monitoring

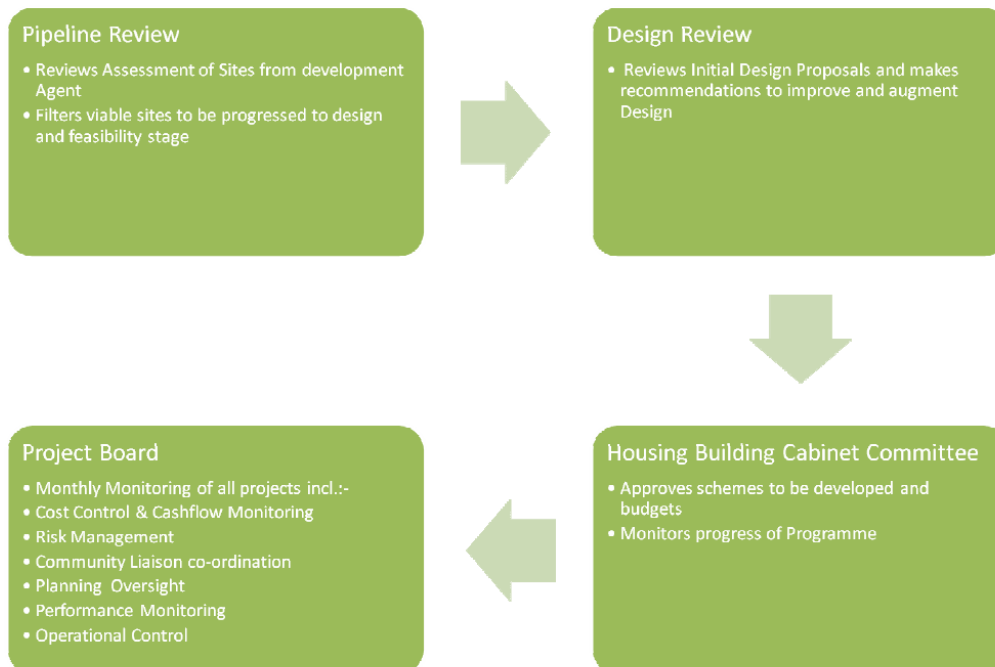
Once scheme approval is granted, monthly meetings will be held where the Development Agent reports to the Council upon progress of the packages and the Development Programme generally.

A Programme & Performance Report will be produced detailing:-

- Development Programme cashflow;
- Contract KPIs;
- Performance against Programme;
- Build Contractor KPIs;
- Key risks;
- Scheme Reviews;
- Any programme variances (cash or time); and
- Performance against HCA targets (should partner status be achieved).

Once each scheme is on site, all data relating to the units in development will be recorded using the Development Agent's project management system and reports will be provided to the Council at the monthly progress meeting (reporting format found at Appendix H).

Programme Control Panels



6.0 When Will We Deliver?

The Council wish to deliver a minimum of 120 new homes over 6 years. A list of the potential sites for the Council House Building Programme is contained at Appendix I. The Council aim to start building the first new homes before the end of the 2013/14 Financial year and deliver the first handovers within 12 months of commencing the programme.

The Council will review all of the sites on the list at Appendix 10 within the first two years of the programme for suitability and viability.

Once assessed the sites will be presented to the Cabinet Committee for approval. A delivery programme will be composed, which will involve concurrent packages of sites, to ensure that the 120 home delivery target is achieved.

Any new sites identified will be approved by the Cabinet Committee before being added to the pipeline.

7.0 Review of the Development Strategy

Although the Development Strategy is intended to cover the whole period of the initial House Building Programme, it will be reviewed annually by the Cabinet Committee, which will recommend any changes to the Cabinet for adoption.

8.0 Appendices

- A. Key Performance Indicators
- B. Pipeline Report
- C. Cabinet “Scheme Approval Report” Format
- D. Economic Assumptions Framework
- E. On Site Management Process
- F. Core File, Appendix V in Employers Requirements
- G. Terms of Reference for Council House Building Cabinet Committee
- H. Programme & Performance Report Format
- I. List of Sites

Schedule 1 KPI's
Key Performance Indicators

Standard	Measures	Target	
Resident satisfaction	Post-handover resident questionnaire	95% satisfaction amongst respondents	
Time	Planning: 1 st pre-application meeting to validation	Variable target based on initial estimate for planning submission	
	Planning: from validation to approval	13 weeks	
	Construction time: (excess time over contract completion date)	108% total days on site compared to contractual days on site	
	Construction time: (excess time over valid extensions granted)	0%	
Construction costs	Predictability	Feasibility to tender	95% - 105% of estimated cost
		Tender to completion	98% - 102% of accepted tender
	Cost per metre ²		For information
	Whole Life costs		Less than 80% of the construction costs
Quality of Design	HCA Housing Quality and Design Standards	100% of units meet standard	
	Lifetime Homes	100% of units meet standard	
	Secure by Design		Achievement of Part 2 for all schemes
			Full certification for schemes with more than 40 units
	Building for Life	Minimum score of 14	
	Code for Sustainable Homes	Level 3 as minimum	
Defects	Resident satisfaction (from post-occupation resident survey)	98% satisfaction amongst respondents	
	Defects at beginning of snagging	Score of 8 or above on scale below	
	Defects at handover	Score of 10 on scale below	
	<i>Defect free</i>	10	
	<i>Some defects with no significant impact on residents/client</i>	8	
	<i>Some defects with impact on residents/client</i>	5/6	
	<i>Major defect with impact on residents/client</i>	3	
	<i>Totally defective</i>	1	
	Defects completed on time	Emergency	100%
		Urgent	85%
Routine (end of defects)		100%	
Site Issues	Health & Safety	Zero reportable	
	Considerate contractors	Small sites < 40 units Minimum score of 32, no less than 4 in each section	
Waste management	Waste generated on site	Maximum of 11 tons per £100k contract value if extenuating circumstances. Target = 6 tons per £100k contract value	
	Waste send to landfill	Up to 6 tons/£100k contract value	
	Waste Management data to be collated and entered onto the WRAP portal to ensure continuous improvement		

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CONFIDENTIAL

**Epping Forest District Council
Investment Report**

Decision Item



**Epping Forest
District Council**

www.eppingforestdc.gov.uk

Report to	Council Housebuilding Cabinet Committee
Agenda item / date	

Subject	Package One
Author	

1.0	Executive Summary
1.1	
2.0	Scheme Description
2.1	The Sites
2.2	Details Number of units, proposed typology etc
2.3	Current Use
2.4	Costs Total Scheme Build budget (m2 rate) On cost budget Any subsidy required Contingent sums allowed
2.5	Design Description of the design direction proposed.

2.6 Procurement
Proposed methodology

3.0 Scheme Status

3.1 What stage is the scheme at?

3.2 Does the scheme have Planning Consent?

3.3 Have the Build Costs been market tested?

4.0 Strategic Fit

4.1 Fit with development strategy and Council policies.

4.2 Fit with external strategies

5.0 Design & Sustainability

5.1 Code level. Any sustainability issues or features to achieve code.

6.0 Internal Client Sign Off

6.1 Finance

6.2 Housing management

6.3 Property Services

6.4 Rents and service charges

6.5 Legal

7.0 Mix of Units

7.1 The site disaggregates as follows:-

Unit type	Beds	Persons	Tenure	Size sqm	Rent p/w	Service costs p/w	No Units
			Affordable Rent		£	£	
			Affordable Rent		£	£	
			Total units				

8.0	Financial Information	
8.1	Comments of the Financial Controller.	
8.2	Financial Measure	Value
8.3	Target IRR	
8.4	Internal Rate of Return	%
8.5	Net Present Value	£
8.6	Cumulative break-even year	
8.7	Cost Value Ratio	
8.8	Total Scheme Cost	£
8.9	Acquisition	£
8.10	Works Cost	£
8.11	Total on costs	£
8.13	Total Loan Requirement	£
8.14	Net Loan per unit	£
8.15	First year surplus/(deficit)	£
	Ten year average	
8.16	Subsidy	£

9.0	Key Risks
9.1	Revenue Risks: Mitigation:
9.2	Capital Risks: Mitigation:
9.3	Reputational Risks: Mitigation:
9.4	Quality Risks: Mitigation:

9.5	Legal: Mitigation:
9.6	Procurement: Mitigation:

Recommendation	The Council Housebuilding Cabinet Committee <i>are being asked to:</i>
Details	<ul style="list-style-type: none"> • Approve, subject to the satisfactory completion of the due diligence process :- • The scheme proposals presented herein; • Submission of planning applications for each scheme; • A total scheme budget of £; • A total build budget of £; • Using the East Thames Contractors Framework to procurement building contractors for these projects.

<p><u>Appendices</u></p> <p>1, Financial appraisal model</p> <p>2, Feasibility reports</p>

Economic Assumptions Framework For Epping Forest District Council

Operating / Revenue Assumptions

Affordable Rent

Affordable Rent Item	Suggested Value
Investment Period	45 years
Rent Increase (above RPI)	+ 0.50 %
Major Repairs Cost per Unit (from year 7)	0.80 % * £1,300 * GIA
Management Cost per Unit	£1,327
Maintenance Cost per Unit	£910
Voids	1%
Bad Debts	1%

Inflation Elements

Inflation Items	Suggested Value
Long-term inflation forecast	2.50 %
Management Costs Inflation	RPI + 1.00 %
Maintenance Costs Inflation	RPI + 1.00 %
Major Repairs Costs Inflation	RPI + 1.50 %

Funding Elements

Funding Items	Suggested Value
Debt Funding: Development Period	3.3%
Debt Funding: Long-term Financing Period	30 years
Debt Funding: Long-term Financing Rate	3.5%
NPV Discount Rate	3.5%

Approval Criteria

Affordable Rent

Approval Criteria	Suggested Value
Internal Rate of Return (IRR)	5%
Net Present Value (NPV)	> £0
Cost-to-Value (C/V Ratio) ***	100 %
Payback year	< 30 years

Appendix D

Notes

Investment Period

This figure is in line with industry assumptions regarding the useful life of a building and the cyclical replacement of its component parts.

Major Repairs Cost per Unit (from year 7)

This is derived from East Thames research into building lifecycles from the Building Defects Insurance (BLP).

Management Cost per Unit

Based on Current Council costs

Maintenance Cost per Unit

Based on Current Council costs

Voids

Based on Current Council Performance

Bad Debts

Based on Current Council Performance

Long-term inflation forecast

Based on current RPI projections

Management Costs Inflation

The margin above inflation reflects the fact that over the long term, these costs such as the cost of staff, tend to rise above inflation.

Maintenance Costs Inflation

The margin above inflation reflects the fact that over the long term, these costs such as the cost of staff and materials, tend to rise above inflation.

Major Repairs Costs Inflation

The margin above inflation reflects the fact that over the long term, these costs such as the cost of staff and materials, tend to rise above inflation.

Debt Funding Costs and NPV discount rate

The debt funding costs reflect the Council's true borrowing costs and NPV discount rate matches these for the for use in calculating the discounted cashflows.

On Site Management Process

1.0 **Purpose of Process**

- 1.1 To clarify the processes throughout the period on site.
- 1.2 To ensure consistency in the work practices of the Development Agent, and ensure that schemes are built to a high standard, are completed on time and within budget, and meet the funding criteria.

2.0 **Definitions**

SOS – Start on site – The contractual start date of the project which does not necessarily mean the contractor physically starts on the site

PC – Practical Completion – The date agreed and certified by the consultant that the works are complete

Contract Completion Date – The date stated in the contract when the works are due to complete

Valuation – An estimate of the measured work carried out by the contractor over a set period of time

Interim Certificate- A certified amount to be paid to the contractor by the client based on a valuation from the consultant

Extension of Time – A period of time assessed by the consultant based on clauses set out in the contract to justify an extension to the contract completion date

LADs - Liquidated and Ascertained Damages – A deduction of monies from the contractor for late completion of the work without a legitimate reason for an extension of time. LADs should be a calculated amount of the loss incurred for late completion and not a penalty

Liquidation – The winding up of affairs for a contractor by ascertaining liabilities and apportioning assets

Determination - The cessation of a building contract under the relevant clauses stated due to liquidation or non performance

3.0 **Processes within the start on site procedure**

3.1 **Start on Site Notice**

Following start on site the senior project manager must send a copy of the

Start on Site Notice to the Epping Forest District Council Housing Development Officer.

3.2 Start on Site Grant Claim

The senior project manager should ensure that any HCA grant is claimed at the earliest opportunity in line with the HCA procedures. A copy of the grant claim i.e. the IMS print screen should be sent to the Epping Forest District Council Housing Development Officer.

3.3 Tender Price Index for Social Housing (TPISH)

Following start on site the senior project manager must ensure that the Tender Price Index for Social Housing (TPISH) form is completed and returned to the Building Cost Information Service (BCIS).

3.4 Sign Boards

3.4.1 The senior project manager must comply with the HCA's signboard requirements for all Social Housing Grant (SHG) funded schemes.

For the full signboard procedure, refer to the Capital Funding Guide.

3.5 Site Meetings

3.5.1 Attendance

The senior project manager must provide a schedule of all site meetings to the Epping Forest District Council Housing Development Officer. The senior project manager must attend all site meetings. Where not possible the senior project manager must ensure that at least one East Thames representative is present and briefed to raise issues if required.

The meetings shall be chaired by the employers agent who will take minutes and these will be distributed to Epping Forest District Council Housing Development Officer.

3.5.2 Role of Group Staff at Site Meetings

The contract is supervised on behalf Epping Forest District Council by a East Thames. No instructions should be given direct to the contractor by East Thames or Epping staff. Such instructions must come through the Employers Agent only.

3.5.3 Contractor's Report

The Contractors are to submit monthly reports at the site meetings. The

report should contain the following :-

- Progress for the previous month
- Delays or acceleration to the programme
- Subcontractors and Suppliers
- Any Information Required
- Weather / Labour returns/ Health and Safety
- Key Performance Indicators required to be collected on a monthly basis

3.6 Client Information

3.6.1 Cost Report

The Employer's Agent is required to submit monthly reports on contract when submitting the valuation of the work to date. This should include the following :-

- Updated cashflow.
- Estimated cashflow forecast and final account
- Agreed variations and changes in programme.

3.7 Financial Processes

3.7.1 Processing of Interim Claims and Certificates

Requests for payment of all invoices will be sent to the Epping Forest District Council via East Thames. The senior project manager will check the costs, and pass to Epping Forest District Council Housing Development Officer to authorise.

3.7.2 Monitoring of Cash Spend

The senior project manager should monitor contractor's invoices to ensure that the pattern of expenditure is approximately consistent with the original cash flow projections for the scheme. If the contractor appears to be invoicing at a significantly faster or slower rate than originally planned this may be an indication of contract difficulties which should be investigated.

3.7.3 Authorisation of Additional Expenditure

There may be circumstances when a variation is necessary which leads to increased works cost. Under no circumstances should a change instruction be given without a price being confirmed by the contractor or the Employers

Agent and the financial effect on the scheme determined.

Any proposed variation must be reported to the Council immediately.

Any variation must be approved in writing by Epping Forest District Council Housing Development Officer.

3.8 Delays in the Project

3.8.1 Authorisation of Extension of Time

The contractor may request an extension of time for delays caused by allowable factors as laid out in the building contract (e.g. exceptionally inclement weather). Any such request must be reported to the Council immediately. Authorisation to issue an extension of time should be given based on the assessment by the Employer's Agent and approved by the Council.

Liquidated and Ascertained Damages (LADs)

3.8.2

If a delay has occurred where an extension of time is not allowable under the contract then it will usually be appropriate to charge a deduction of monies from the contractor for late completion of the work without a legitimate reason for an extension of time. LADs should be a calculated amount of the loss incurred for late completion and not a penalty. The method of calculation for LADs will be laid out in the contract. The Employer's Agent will advise the when and where it is appropriate to charge LADs.

3.9 Contractor Insolvency and Contract Determination

3.9.1 Early Warning Signs

It is not always easy to spot the signs of a contractor getting into financial difficulty but if the senior Project Manager notices any of the early warning signs listed below they should discuss with the Council and the Employers Agent at the earliest opportunity:

- Progress of site slowing down
- Sudden contractor staff changes
- Lack of materials on site
- Persistent market rumours circulating about the contractor
- Contractor adopting a more "contractual" approach than previously
- Contractor requests for early payments or additional funds
- Contractor complaining that they are short of work
- Complaints from sub-contractors, or direct requests for payment from sub-contractors (this is one of the more serious signs)

3.9.2 **Determination**

The financial consequences for the Council of a contractor's liquidation can be serious. A decision to determine or assign a building contract will only be taken at the Council. If a contractor goes into liquidation or receivership, the employment of the contractor may be automatically determined by the conditions of the building contract. It is important to get the scheme back on site with another contractor as soon as possible.

Nevertheless the Council must always take legal advice before determining or assigning any contract and liaise closely with the Employer's Agent. This will be lead by the senior project manager The following paragraphs are not a comprehensive guide, but are intended as a checklist for the senior project manager in the event of a liquidation or determination.

3.9.3 **Site Security**

Should a building contractor go into liquidation the senior project manager must take prompt action to ensure that the site is secured, and if appropriate, that a security firm is engaged. It is common for malicious damage to take place in the first few days after the liquidation of a main contractor, particularly where sub-contractors may have been left unpaid. The senior project manager must liaise with the Council to gain authority to incur reasonable costs in arranging immediate security cover. The amount is to be agreed with the Council.

3.9.4 **Liquidators**

Agreement with the receiver of a contractor in liquidation may be necessary to determine the method by which completion works will be arranged. Early steps should be taken to identify the liquidator. The Senior Project Manager should liaise closely with the Council solicitors, and the contractor's receiver.

3.9.5 **Notifications**

The following must be notified if a contractor goes into liquidation

Epping Forest District Council Housing Development Officer

East Thames Head of Development Services

3.9.6 **Consultants Report**

Immediately after a contract is determined, the Employer's Agent should be asked to check carefully that the partially completed works have been built in accordance with the specification, and should invite the NHBC (or other

appointed) to satisfy themselves on the quality of the work carried out.

3.9.7 Insurance

Contractors insurances may lapse once a liquidation or determination takes place. The senior project manager should ensure that the insurance officer is promptly informed and requested to insure any partially completed buildings.

3.9.8 Contract Payments

Under no circumstances should payments be made pending a full assessment of likely losses. Any contract certificate payments which are being processed should be stopped. The Council should be notified, and any cheques issued which have not yet been sent should be stopped.

3.10 Updating Information

3.10.1 Property Pages on Sequel Update

When the scheme has its name approved by the local authority and the post office, the addresses should be updated on sequel, cross checking the floor areas with IMS to ensure building correct bands.

3.10.2 Variations to original bid on IMS

Variations to grant confirmation may lead to the grant paid back to the HCA e.g. if a waiver is requested or if a standard is not achieved. If there are any variations to the original bid information the SENIOR Project Manager should inform the Council and the Head of Development immediately.

3.10.3 Workflows

It is the project manager's responsibility to ensure that the appropriate workflows have been updated and the relevant information for Sequel for this stage. The internal procedures for Sequel are on the attached link.

<Q:\Development\Applications\SDS Sequel\Internal Procedures\SDS Sequel Development Procedure.doc>

3.11 Service Charges

Service charge information should be completed 6 months before handover and passed to the Epping Forest District Council Housing Development

Officer.

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Core File Requirements	
SCHEME NAME:	Note - if item included, if item is not applicable or comment
Letter from EDFC solicitor confirming clean title	
Confirmation of contractual site possession (with date)	
Evidence that contractor and consultants selection in line with EDFC terms of appointment & procedures	
Where capital subsidy to the scheme from other sources, including public sources, confirmation of the amounts and sources of funding should be retained	
Terms of appointment of consultants	
Copies of the building contract document and final account documentation	
Evidence whole life costs assessed at pre-acquisition stage	
Copies of Housing Quality Indicator assessments	
Evidence that HCA waivers, where applicable, have been agreed for variations for non-compliance with required standards	
Copy of Cabinet approval, and all subsequent re-approvals.	
Completed TPISH (Tender Price Index for Social Housing) return made to BCIS - evidence (email or covering letter) that document sent also kept on file	
An "as built" site plan (not required for street properties)	
List of plot numbers, and corresponding full postal addresses and tenure	
Section 106 Planning Agreement	
Section 106 Agreement – letters or emails from Local Planning Authority confirming that the conditions in the Agreement have been satisfied (copies acceptable)	
Copy of Section 38 Road Adoption Agreement. If not to be adopted note in comment e.g. estate roads to remain private but site abuts adopted road	
Copy of Section 104 Sewer Adoption Agreement. if not to be adopted note in comment e.g. estate sewers to remain private - join adopted main in [x] street.	

SCHEME NAME:	Note - if item included, if item is not applicable or comment
Section 38/ Section 104 – update on expected date of adoption. Enclose letters from appropriate authorities confirming acceptance of works/ start of maintenance period/ adoption. NB If adopted, earlier letters from appropriate authorities are not required.	
If development was in breach of old restrictive covenants on title has any notice of breach been received?	
Copy of Planning Permission (if n/a state why e.g. refurbishment)	
Conditions to planning permission – letters or emails confirming sign off of reserved matters and approval of conditions having been satisfied from Local Planning Authority or explain why sign off not available	
Conservation area consent/listed building consent	
Building Regulation completion certificate	
Confirmation of date of Practical Completion (note is this covered by NHBC certification?)	
Consultant's estimate of final works costs, and where appropriate a separate estimate of the non-works elements, e.g. on costs	
Restrictive Covenant or Defective Title Indemnity Policies	
NHBC/ Zurich/ HAPM documentation. Please note we need final certificates not cover notes. If copies are not available, please obtain confirmation from NHBC/Zurich etc. of policy numbers and that policy is in force.	
Environmental Reports – soil reports, site investigation reports.	
Environmental – final report. Written confirmation from a third party validating that recommendations have been carried out. -NB written confirmation from the local authority that a planning condition to remediate and to validate the remediation will suffice if a validation report is unavailable.	
Build Contract and Consultants Appointments - only required if no NHBC	
Warranty – architect - only required if no NHBC	

SCHEME NAME:	Note - if item included, if item is not applicable or comment
Warranty – main contractor - only required if no NHBC	
Warranty – sub contractor(s) only required if no NHBC	
Deeds of Grant to statutory authorities of rights / easements (e.g. licences/ wayleaves)	
Is the development on a floodplain? If so are there any defences? Any items incorporated into the build? Agreed mediation plan with the Environment Agency?	
Details of rents, including HB eligible service charges	
Any other documentation specifically relating to any interest or restriction on land and /or build	
Confirmation that there are no outstanding matters/disputes with regard to the scheme e.g. boundary disputes, lack of sign off by planning authority.	
Evidence that the 20 Building for Life criteria have been carried out and the scheme achieves the required standard.	
Required sustainability certificates have been achieved and carried out by registered assessor on the basis of the scheme designs as planned and delivered.	
Prepared By	
Name	
Signed	
Dated	
Head of Development (name)	
Signed	
Dated	

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Council Housebuilding Cabinet Committee

TERMS OF REFERENCE AND MEMBERSHIP

Terms of Reference

1. To consider and recommend to the Cabinet the Development Strategy for the Council's Housebuilding Programme on an annual basis.
2. To consider and sign-off development appraisals and financial appraisals produced by the Council's appointed Development Agent for sites previously identified by the Cabinet as having development potential and that could be included within the Council's Housebuilding Programme.
3. To approve the submission of detailed planning applications, and/or if more appropriate outline planning applications, by the Council's appointed Development Agent for sites that the Cabinet Committee considers are suitable for development and viable, having regard to the development appraisals and financial appraisals for the sites.
4. To invite ward members to attend meetings of the Cabinet Committee when potential development sites in their ward are under consideration, and to provide an opportunity for ward members to provide comments on proposed developments, before development appraisals and financial appraisals are signed-off and approvals to submit planning applications are given.
5. To approve the subsequent development of sites considered suitable for development and viable that receive planning permission, subject to the acceptance of a satisfactory tender for the construction works.
6. To approve, and include within financial appraisals, the use of the following sources of funding for the development of individual sites within the Council's Housebuilding Programme:
 - (a) The agreed Housing Capital Programme Budget for the Housebuilding Programme;
 - (b) Capital receipts made available through the Council's Agreement with the Department of Communities and Local Government allowing the use of receipts from additional Right to Buy (RTB) sales as a result of the Government's increase in the maximum RTB Discount to be spent on housebuilding;
 - (c) Financial contributions received from developers for the provision of affordable housing within the District, in lieu of on-site affordable housing provision, in compliance with Section 106 Planning Agreements; and
 - (d) Grant funding received from the Homes and Communities Agency.
7. To approve the submission of the Council's Pre-Qualification Questionnaire to the Homes and Communities Agency (HCA), applying for Investment Partner status with the HCA.
8. To consider and accept tenders received for the construction works on sites included within the Council Housebuilding Programme.
9. To determine whether, in addition to the potential development sites already considered by the Cabinet, sites with development potential within the following categories should be added to either the Housebuilding Programme's Primary List or Reserve List and detailed development appraisals and financial appraisals undertaken by the Council's Development Agent:
 - (a) Other specific garage sites comprising 6 or less garages;
 - (b) Specific garage sites where garage vacancies arise with no waiting list of applicants; and
 - (c) Specific areas of Council-owned land on housing sites considered to be surplus to requirements.

10. To determine whether sites on the Reserve List of potential development sites previously agreed by the Cabinet should be promoted to the Primary List, and detailed development appraisals and financial appraisals undertaken by the Council's Development Agent, due to:
 - (a) There being insufficient numbers of properties that can be viably developed from the Primary List of potential development sites to deliver a Housebuilding Programme of 120 new homes over a six-year period; and/or
 - (b) The Cabinet subsequently deciding to increase the size of the Housebuilding Programme and there being insufficient numbers of properties that can be viably developed to deliver a larger Programme.
11. To monitor and report to the Cabinet on an annual basis:
 - (a) Progress with the Council Housebuilding Programme; and
 - (b) Expenditure on the Housing Capital Programme Budget for the Council Housebuilding Programme, ensuring the use (within the required deadlines) of the capital receipts made available through the Council's Agreement with the Department of Communities and Local Government allowing the use of receipts from additional Right to Buy (RTB) sales as a result of the Government's increase in the maximum RTB Discount to be spent on housebuilding.
12. To oversee the delivery of the Marden Close, Chigwell Row Conversion Scheme scheme, and in particular to:
 - (a) consider the Development and Financial Appraisals;
 - (b) approve the submission of a detailed planning application and approve the scheme being undertaken, subject to the estimated works costs being acceptable;
 - (c) approve the proposed procurement methodology of the works contractor;
 - (d) award the works contract for the conversion scheme, following the receipt of competitive tenders; and
 - (e) agree the capital budget requirement for the Housing Capital Programme;

Membership

Housing Portfolio Holder (Chairman)
Finance and Technology Portfolio Holder
Planning Portfolio Holder
Environment Portfolio Holder
Safer, Greener and Highways Portfolio Holder

Frequency of Meetings

As and when required, as determined by the Housing Portfolio Holder.

Council Housing Building Cabinet Committee Information Report

Report title	Development Programme and Performance Update
Type of report	Information Item
Committee	Council Housing Building Cabinet Committee
Committee Date	
Agenda number	
Author	Andy Gatrell, Head of Development Services, East Thames Group
Author's contact details	andy.gatrell@east-thames.co.uk or 0208 522 2000

1 Recommendations

1.1 Note the contents of this monthly exceptions report and associated appendices.

2.0 Balanced Scorecard (Appendix 1)

2.1 **The balanced scorecard will contain the EFDC Development Agency Contract Key Performance Indicators and performance against same.**

2.2 It shall also contain KPIs for any construction contracts that have been let. These are to be agreed prior to execution of said contracts.

2.3 A verbal update will be given by the officer presenting the report. Targets and performance against targets will be noted.

2.4 Any variance from Target shall be highlighted and an explanation given.

3.0 Development Programme Variance

3.1 This section records total scheme budget expenditure variances over 5%, and out of quarter / year movements, when compared to agreed programmes.

3.3 This section additionally highlights key forthcoming milestones on projects, as appropriate e.g. forthcoming cabinet approvals required, planning application submissions, planning determinations, Contracts to be let, Start on Sites, and Completions.

4.0 Development Programme Cashflow (Appendix 2)

- 4.1 Appendix 2 should be referred to when making decisions regarding approvals. Each *scheme* that is going for Cabinet approval will have its individual net cashflow position listed so that its impact can be seen.
- 4.2 The Cashflow will highlight any variance from predicted spend and variances over 5% shall be explained in the body of the report.
- 5.0 Grant Funding and Internal Subsidy (Appendix 3)**
- 6.1 Any funding awarded or bid for will be reported here and monitored appropriately. It will be listed, along with targets at Appendix 3.
- 6.0 End of Project Financial Summaries & Lessons Learnt**
- 6.1 Scheme reviews and their financial summaries will be appended and a briefly adumbrated in this section along with any key findings. A verbal update may also be presented to the meeting..
- 7.0 Monitoring Against Current Cabinet Approval (Appendix 4)**
- 7.1 This is a monthly standing item.
- 7.2 Appendix 4 will illustrates the current position.
- 8.0 Risk Register (Appendix 5)**
- 8.1 Any significant Programme Risks in the register shall be highlighted in the report along with an explanation as to the cause and a note of any actions taken or suggested to mitigate same.

Appendices

1. Balanced Scorecard.
2. Development Programme Cashflow.
3. Grant Funding and Internal Subsidy Schedule.
4. Monitoring Against Current Cabinet Approval.
5. Risk Register

**Potential Sites for Council Housebuilding Programme
Suitable for Development
Dec-12**

Key		= Less than 20% void garages
		= Between 20% and 30% void garages
		= More than 30% void garages

Garage site	Total Garages	Vacant Garages	% Empty	Location of Entrance to garage site	Development Potential	Ward	ETG comments	Ease of Devt. (1=Easy; 5=Hard)	Max. No. of of Props.
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Primary List

Buckhurst Hill

Bourne House (garages 12 to 36)	25	15	60%	Rear/ side (south) of Bourne House	Development potential. Adjacent to Green Belt. Any development would be subject to overlooking from Bourne House. Are garages being used by the 24no. flats of Bourne House? Removal of these garages would remove all on site parking for Bourne House; Planners would be concerned. Similar site north of Bourne House has been developed into 4no. Flats by Estuary H.A. This development could be replicated. Some off-street parking could be provided within clothes drying area to off-set loss. Possible block of four flats.			3	4
Hornbeam Close (north: garages 1 to 24) (south: garages 25 to 38)	38	9	24%	Rear of and adjacent to flats at Hornbeam Close. Two sites; north 24 garages, south 14 garages.	Development potential: on one or both sites. Both sites North site: possible pair of houses? Maintain RoW through site? South site: possible block of four flats? Maintain rear access to adj. houses. adjacent to Green Belt. Any development would be subject to overlooking from adjacent five storey block of flats. North site may have established RoW running through site. South site would need to retain rear access points from properties fronting Hornbeam Road and RoW serving these areas. Both sites have good access road width. North site; possible three small houses. South site; possible block of four flats.			2	7
Hornbeam House (garages 1 to 22)	22	14	64%	Rear/ side (north) of Hornbeam House.	Development potential. Adjacent to Green Belt. Any development would be subject to overlooking from Hornbeam House. Rear access from properties fronting Hornbeam Road would have to be retained and existing RoW. Access road wide. Possible block of six flats.			3	6
Pentlow Way (garages 1 to 10)	10	4	40%	Adjacent to 23 Pentlow Way	Development potential. Garages and surrounding hard-standing provides parking for adjacent 16no. Existing flats. Electricity sub-station also exists. Development is possible, however, sub-station would need to be re-sited, this would be expensive. Off-street parking would need to be considered, together with allocation/ use of amenity space. Some overlooking issues. Existing			2	4

					clothes drying area could be incorporated. Possible block of four flats.				
Loughton Way (garages 1 to 24)	24	8	33%	Via access road to rear of 142 to 196 Loughton Way	Development potential. Additional 3/ 4 car parking spaces would be lost. General area is not particularly suitable for residential development. However, access could be taken from Blackmore Road and new development could 'turn its back' on access road (apart from off-street parking provision). Overlooking issues from existing flats. Possible two houses.			4	2
Coopersale									
Parklands - Site A 75 - 100	26	8	31%	Coopersale Common: various locations. 12 distinct garage area. (garages 1 to 100 and 110 to 125) Adjacent to 44 Parklands	Development potential: for a number of different sites. Very poor parking. Some have large courtyards at front. Footpaths accessing some of sites. Couple of blocks are formed within built form. Most existing dwellings have rear or side access arrangements: these must be retained. If all areas developed; six houses and eleven bungalows may be possible.			3	3
Parklands - Site B 60 - 68	9	2	22%	Adjacent to 71 Parklands	Ditto			2	2
Parklands - Site C 9 - 122	4	1	25%	Between 52 Parklands and 53 Garnon Mead	Ditto			3	2
Epping									
Centre Avenue (garages 1 to 20)	20	9	45%	Adjacent to 18 Centre Avenue	Development potential. Site is awkward shape; some re-adjustment of boundaries may be prudent. Numerous rear access points from surrounding properties onto forecourt exist. Considerable gradient across site. Development would need to be single storey due to overlooking issues. Possible two bungalows.			4	2
Centre Drive - Site B (garages 1 to 7)	7	1	14%	Adjacent to 24 Western Avenue	Development potential, only if the rear garden of 24 Western Avenue is incorporated within the site area. 24 Western Avenue is currently in Council ownership. Development would need to be single storey due to overlooking issues. Tree root issues. Overhead BT cables. Good highway access. Possible two bungalows.			2	2
Springfield B Block (garages 2 to 16)	16	6	38%	Between 34 and 36 Springfield	Development potential, albeit, slight. Vehicular and pedestrian access from surrounding properties onto forecourt. RoW from southern end of site, through site, also exists. Any development would, presumably, have to retain these access rights. Gradients through and across site. Site narrow. Overlooking issues. Tree root issues. Possible single bungalow only.			4	1
Springfield C Block (garages 1 to 39)	39	8		Between 15 and 17 Springfield	Development potential. Only in the area of garages 1 to 18, remaining garages could continue. Two rear access points				

			21%		from 5 and 7 Springfield. Good highway access. Development could front Springfield with parking to rear. Possible three houses.			3	3
Stewards Green Road (garages 1 to 20)	20	10	50%	Adjacent 52 Stewards Green Road	Development potential: part of site next to no. 52. Good access. Useful adjoining grassed land. One private access (garage to 39 Stewards Green). Electric sub station on site. Possible 4/ 5 houses.			1	5
High Ongar									
Millfield (garages 1 to 12)	12	5	42%	Between 48 and 49 Millfield	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: may need to widen at junction with Millfield. Numbers 39 and 49 have taken vehicular access from forecourt. Refuse servicing may be problematic. Possible two bungalows.			3	2
Loughton									
Bushfields (garages 51 to 70)	20	8	40%	Rear of 82 to 92 Alderton Hall Lane	Development potential. Steep gradients exist within forecourt area. Close proximity to Central Line. Development would need to be single storey due to overlooking issues. Access road narrow: may need to widen at junction with Bushfields: no. 82 Alderton Hall Lane is owned by the Council. No. 131 Chequers Road takes access for a garage from the site's forecourt, no. 86 Alderton Hall Lane takes pedestrian access too. Refuse servicing may be problematic. Possible two bungalows.			3	2
Chester Road (garages 654 to 675)	22	10	45%	Rear of 121 and 125 Chester Road	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with Chester Road. Refuse servicing may be problematic. Number 1 single storey due to overlooking issues. Access road narrow: need to widen at junction with Chester Road. Refuse servicing may be problematic. No. 1 Grosvenor Drive is currently in Council ownership. Possible two bungalows.			3	2
Chequers Road - Site A (garages 146 to 171)	26	17	65%	Between 2 and 12a Chequers Road	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with Chequers Road. Refuse servicing may be problematic. Number 2 Chequers single storey due to overlooking issues. Access road narrow: may need to widen at junction with Chequers Road. No. 2 Chequers Road is freehold, whereas, 12a is currently owned by the Council. Possible two bungalows.			3	2
Chequers Road - Site B (garages 231 to 258)	28	18	64%	Between 75 and 81 Chequers Road	Development potential. Planning Officers previously had problems with loss of garage parking if whole site is developed. Home Group previously assessed that 9no x one bedroomed flats could be provided on whole site. problems with loss of garage parking if whole site is developed. Home Group previously assessed that 9no. x one bedroomed flats could be provided on whole site.			1	9

Etheridge Road (garages 676 to 712)	36	15	42%	Between 72 and 74 Etheridge Road	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: no ability to widen at junction with Etheridge Road. No access potential elsewhere. Development will be limited by access restriction (2.4m max). Refuse servicing may be problematic. Possible three bungalows.			3	3
Hillyfields (garages 13 to 24)	12	8	67%	Between flat blocks 80/98 and 100/112 100/ 112	Development potential, albeit, slight. Development would need to be single storey due to overlooking issues. Possible Possible two bungalows.			3	2
Kirby Close	4	1	25%	Adj. to 20 Kirby Close Could incorporate adjacent bank, access rd and access via Valley Hill	Development potential. Home Group has previously assessed that 4 x 1 bed flats and 4 x 2 bed flats could be provided.			4	8
Ladyfields (garages 332 to 353)	22	8	36%	Opposite 39 to 45 Ladyfields	Development potential. Good highway access; frontage. No major overlooking issues. Noise from railway. Retain trees to front and rear elevations. Possible two large houses. Extend development into adjacent green space?			1	2
Langley Meadow - Site A (Amenity area)	1	1	100%	Adjacent to 21-24 Langley Meadow	Development potential. Some of the land has erroneously been included within the lease of 21 Langley Meadows. 3 Langley Meadows has a right of way over land. 26 Langley Meadows may have a lease - the lease/plan are contradictory.			1	4
Langley Meadow - Site B (Amenity area)	1	1	100%	Adjacent to 25-28 Langley Meadow	Development potential - not yet explored in detail.			1	4
Lower Alderton Hall Lane (garages 440 to 445)	6	2	33%	Opposite 1 to 6 Lower Alderton Hall Lane	Development potential, albeit, slight. Any development would have a major impact on existing parking facilities to the existing eleven surrounding houses. New and existing parking would have to be carefully considered. Retain trees to embankment. Possible two/ three flats.			2	3
Marlescroft Way - Site B (garages 581 to 591)	11	6	55%	Off Marlescroft Way via forecourt	Development potential. Good highway access. Garage structures form lower perpendicular form of flats above, therefore, development would consist of conversion. Possible two flats.			3	2
Pyrles Lane - Site A (garages 1 to 12)	12	6	50%	Rear of flat block 109 to 127	Development potential. Development would need to be single storey due to overlooking issues. Very mature oak tree. Possible two bungalows.			3	2
Pyrles Lane - Site B (garages 82 to 109)	28	6	21%	Rear of 100 to 108 Pyrles Lane	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with Pyrles Lane. Refuse servicing may be problematic. Numbers 108 and 110 Pyrles are freehold. Possible three bungalows.			3	3
Thatchers Close (Unused land)	1	1	100%	Adjacent to 7 Thatchers Close	Development potential. Home Group has previously assessed that 2 flats could be provided			2	2
Whitehills Road (garages 354 to 380)	27	12	44%	Rear of 4 Whitehills	Development potential. Development would very likely need to be single storey due to overlooking issues. Access road narrow: may need to widen at junction with Whitehills Road, however, this may prove difficult due to freehold owner and electricity sub-station on each side of access road. Refuse servicing may be problematic. High level communication cables over site. Trees to site periphery. Possible three bungalows.			3	3

Matching Green									
Colvers (garages 8 to 18)	18	5	28%	Adjacent to 25 Clovers	Development potential, albeit, slight. The site is entirely within the Green Belt. Any development would have to be deemed sustainable. Numerous rear access points from surrounding properties onto forecourt/ access road exist. Electricity sub-station with access onto access road exists. Access road narrow: may need to widen at junction with Clovers. No. 26 Clovers is owned by the Council. Refuse servicing may be problematic. Development would need to be single storey due to overlooking issues. Possible two bungalows.			3	2
Nazeing									
Palmers Grove (garages 1 to 25)	25	7	28%	Rear of 30 to 44 Palmers Grove	Development potential. Access road narrow; may need to widen junction with Palmers Grove: both 44 Palmers Grove and 57 Hoe Lane are in Council ownership. No. 49 Hoe Lane has taken vehicular access from the access road and a large number of other peripheral properties have taken pedestrian access. Electricity sub-station exists with possible RoW issues. Separate RoW to the rear of Hoe Lane properties exists and may have to be retained. Mature trees exist around site periphery. Ownership of land to north-west of site unknown; could be Council owned. Signs of land-grab. Development would very likely need to be single storey due to overlooking issues. Refuse servicing may be problematic. Possible three/ four bungalows.			3	4
Pound Close (garages 1 to 12)	12	5	42%	Between 14 and 15 Pound Close	Development potential. Reasonable access to site, however, existing footpath needs to be retained in order access number 14. In addition, an existing right of way exists through the site that runs from between numbers 35 and 37 St. Leonards Road; this needs to be retained. A large area of land exists south of the garages, this would need to be included to make any development meaningful. Possible three small houses.			2	3
North Weald									
Bluemans End (garages 1 to 16, further 8no. garages demolished)	16	5	31%	Between 16 and 17 Bluemans End	Development potential. Access road narrow: may need to widen. Site appears to be bordered on two sides by watercourses; gate is provided for access (presumably for Environment Agency), RoW may have to be retained. Mature trees bordering two sides of site. Site surrounded by residential gardens, overlooking could be problem, although trees could screen. Possible block of four flats.			2	4
Queens Road (garages 1 to 55)	55	22	40%	Between 17 and 19 Queens Road	Development potential. Access road narrow: need to widen, especially at junction with Queens Road. Both 17 and 19 in Council ownership. 17 gives more opportunity for widening, however, small electricity sub-station would need relocating. Mature trees adjacent to access			3	12

					need to be retained. Block of 8/12 flats could be formed; possibly more if area of land south of garages incorporated into the design.				
Ongar									
Queensway (garages 1 to 38)	38	22	58%	Between 97 and 99 Queensway	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: ability to widen removed due to development. An existing right of way exists through the site that runs from between 39 and 41 St. Peter's Avenue may need to be retained. Numerous adjoining properties have taken access from the forecourt. Refuse servicing may be problematic. Development will be limited by access restriction (2.4m max.). Possible three bungalows.			3	3
St. Peter's Avenue (garages 1 to 30)	30	9	30%	Between 42 and 44 St. Peter's Avenue	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with St. Peter's Avenue, however, may not be possible due to limited gap between existing buildings (alternative: demolish detached dwelling in Moreton Road for new access). Possible eight bungalows.			3	8
Poydon									
Parkfields - Site A (garages 4 to 19)	16	8	50%	Between 2 Parkfields and 52 Hansells Mead	Development potential. Ownership of adjacent areas of land unknown. Development would need to address overlooking issues. Access road through to site very narrow. Some mature hedges and trees to address. Both properties either side of access road are freehold; therefore access road cannot be widened. Refuse servicing may be problematic. Difficult to estimate size of development until ownership of adjacent areas determined; possibly small block of flats?			2	2
Theydon Bois									
Graylands (garages 1 to 6)	6	5	83%	Between 24 and 25 Graylands	Development potential. Thames Water pumping station on site located in awkward position: re-locate? Access road narrow between 24 and 25. Overlooking issues: development may have to be single storey. If pumping station re-sited possible two bungalows (one if not).			3	2
Green Glade (garages 12 to 38)	27	6	22%	Between 59 and 61 Green Glade	Development potential. Access road narrow; may need to widen at junction with Green Glade by encroaching onto existing green verge. Overlooking issues: development may have to be single storey. Numerous vehicular access points from surrounding properties onto forecourt. Possible three bungalows.			3	3
Waltham Abbey									

Beechfield Walk (garages 1 to 23)	23	9	39%	Between 92 and 94 Beechfield Walk	Development potential. Access road narrow; may need to widen at junction. Overlooking issues. Trees to periphery. Site on edge of Green Belt. Access from rear garden of 92 onto site. Due to limited highway frontage a small block of flats may be best suited. Both properties either side of access road are freehold. Possible six flats.		right of way issues	1	6
Bromefield Court (garages 302 to 309)	8	6	75%	Adjacent to 14 Bromefield Court	Development potential. Existing garages enclosed within walled courtyard with other open parking area (7no.). Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small houses (or GP surgery).			3	2
Denny Avenue (garages 8 to 32)	25	14	56%	Between 34 and 35 Denny Avenue	Development potential. Overall site contains 32no. garages, however, eight of these are private (these are located within a single block on the west of the site). Good highway access; access road wide enough for development. Overlooking issues. Public footpath along flank of no. 34 needs to be retained, together with access to private garages. Possible three houses.			2	3
Gant Court (garages 99 to 126)	28	6	21%	4no. separate blocks of garages. One of these forms the ground floor of a block of flats - all off Gant Court	Development potential. However, the natural break in the built form where the garages exist, could be argued as forming the character of the area. If the Planners could be convinced otherwise, three of these areas could be infilled, either with houses or (in an attempt to keep the break in the built form) bungalows. One of these areas has a section of unallocated parking. Each of these three areas sits adjacent to the existing highway. One of these areas could contain two houses or bungalows. The garages forming the ground floor of a block of flats could be converted into flats, however, parking provision would be problematic. Perhaps a mixture between the two could be achieved, ie. two large flats and a central parking area between.			3	2
Harveyfields (garages 1 to 40)	40	16	40%	Adj to 14 Harveyfields. 5no separate sites of garages	Development potential. 5% separate sites of 91 garages all in close proximity. Home Group has previously assessed that 6 X 1 bed flats and 6 X 2 bed flats could be provided on three sites of 40 garages, to enable garage users to relocate to other garages.			2	12
Mallion Court (garages 220 to 256)	37	11	30%	6no. separate blocks (areas) of garages. One of these forms the ground floor of a block of flats - all off Mallion Court.	Development potential. However, the natural break in the built form where the garages exist, could be argued as forming the character of the area. If the Planners could be convinced otherwise, five of these areas could be infilled, either with houses or (in an attempt to keep the break in the built form) bungalows. A couple of these areas have sections of unallocated parking. Each of these five areas sits adjacent to the existing highway. One of these areas could contain two/ three houses or bungalows. The garages forming the ground floor of a block of flats could be converted into flats, however, parking provision would be problematic. Perhaps a mixture between the two could be achieved, ie. two large flats and a central parking area between; or four flats and parking created within the landscape nearby.			2	4

Mason Way (garages 200, 202 and 204)	3	1	33%	Adjacent to 204 Mason Way	Development potential, albeit, slight. It is assumed that the garages were constructed to provide parking to the adjacent bungalows. Planning conditions would be likely to reflect this. Adjacent land in order to develop also falls within adjacent property boundaries (204 Mason and Jessopp Court). Development would be single storey only. Good high way access. Possible single bungalow.			3	1
Pick Hill (garages 1 to 21)	21	17	81%	Opposite Pickhill Farm. Two access points from Pick Hill. Site between rear gardens of 18 Conybury Close and 13 Oxleys Road	Development potential. North half of site falls within Green Belt. Pick Hill and verge (Green Belt area) owned by Corporation of London, however, now dedicated to Highways Authority. Tree Preservation Orders exist for trees within verge area. Two access points through to garages is subject to wayleave agreement. Access points through to garages will have to remain in position; relocation would infringe TPO. Watercourse appears to exist through site. British Telecom cables above site. Overlooking would be problematic if development is two storey. Refuse collection policy along Pick Hill is unknown. Possible three bungalows.			4	3
(Former Red Cross Hall site) - Roundhills - (Garages 279 - 285)	7	4	57%	Land to rear and side of shops - Demolished and fenced off, however x7 garages in situ.	Development potential for 7 new homes. Possibly 4 x 3 bed houses and 3 x 1bed flats. Funding successfully agreed from London-Stansted-Harlow Programme of Development (POD) Partnership Board to assist with cost of development - particularly additional costs of flood mitigation measures (since the site is in a Zone 2 Flood area). The site comprises land previously leased to the Red Cross for the provision of a hall, x7 Council owned garages and associated land. The locality also includes a service road to the small estate-based Roundhill shops. Planning officers have confirmed that, at this stage and subject to public consultation, they have no planning objections in principle to the residential development of the site, subject to the required flood mitigation measures meeting the requirements of the Environment Agency.			3	7
Roundhills - Site 4 (garages 225 to 232)	8	2	25%	Opposite 198 Roundhills	Development potential. Surrounding properties (Fairways) have rear access gates that would need to be retained. Some unallocated parking provision exists within the site. Considerably mature trees exist around the site. Good highway access. Unallocated parking could be provided on the adjacent (eastern) part of the site; these garages, which are currently in a poor state of repair, could be demolished. Possible three/ four houses.			1	4
Roundhills - Site 5 (garages 241 to 249 and 252 to 255)	13	5	38%	Rear of 89 to 95 Roundhills	Development potential. Properties surrounding the site have rear access gates that would need to be retained. Some unallocated parking provision exists within the site. Existing access road could be employed for vehicular access to development. Possible two houses.			2	2
Roundhills - Site 6 (garages 256 to 259 and 272 to 275)	8	2	25%	Between 15 and 17 Greenleas	Development potential. Electricity sub-station within site. RoWs from adjacent areas enter the site and should be retained. Some unallocated parking provision exists Existing access road could be employed for vehicular access to development - but turning may be problematic. Refuse servicing needs investigation. Possible 2 houses.			2	2
Roundhills - Site 7 (garages 176 to 180, 187)	33	11		Between 79 and 81 Roundhills	Development potential. Properties fronting Roundhills (nos. 53 to 79) would need to retain their rear access gates.				

to 208 and 219 to 224)			33%		Other RoWs intersect with site and should be retained. Some unallocated parking provision exists within the site. Existing adjacent properties (original Roundhills) do not have direct access to the highway; access is via footpaths and parking is located away from the dwelling. It is assumed that any new development would not be able to follow this philosophy and that parking would have to be provided. Each of the terraces forming Greenleas and Oakwood could be extended with vehicular access off the existing access road. Refuse servicing would need investigation. A turning head may also prove difficult. Possible six houses.			2	6
Shingle Court (garages 318 to 325)	8	2	25%	Adjacent to 16 Shingle Ct	Development potential. Existing garages enclosed within walled courtyard with other open parking area (7no.). Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small houses (or GP surgery).			3	2
Stoneyshotts (Cross Terrace) (garages 1-3)	3	0	0%	Between Cross Terrace and Honey Lane	Garages suffer from major structural problems - expensive to repair, however are all let at the moment.			2	1
St. Thomas's Close (garages 1 to 12)	12	6	50%	Between 15 and 17 St. Thomas's Close	Development potential. Ownership of large area of land north of the garages in unknown. Six private garages are also sited within the site (under license?). Site is located on a substantial gradient. Rear access from 22 to 32 Princesfield Road through site. Land grab from 22 Princesfield Road? Access road narrow; need to widen at junction with St. Thomas's Close? Number 15 freehold, number 17 currently in Council ownership. Refuse servicing would need investigation. Overlooking could be problematic. Possible five/ six houses.			4	6
Woollard Street (garages 1 to 39)	39	13	33%	Adjacent to 15 Woollard Street	Development potential. Site has recently been adapted in order to provide vehicular rear access to 20 to 26 Greenfield Street and 15 to 25 Woollard Street; this limits any potential development due to the need to retain a vehicular route. Good highway access. Development could front Woollard Street with rear parking provision. Possible five/ six houses.			2	6
Wrangley Court (garages 388 to 394)	7	2	29%	Adjacent to 7 Wrangley Court	Development potential. Existing garages enclosed within partly walled courtyard. Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small small houses (or GP surgery).			3	2
TOTALS	1,095	441	40%	Maximum Potential No. of Properties					212

**Potential Sites for Council Housebuilding Programme
Suitable for Development
Dec-12**

Key

- = Less than 20% void garages
- = Between 20% and 30% void garages
- = More than 30% void garages

Garage site	Total Garages	Vacant Garages	% Empty	Location of Entrance to garage site	Development Potential	Ward	Ease of Devt. (1=Easy; 5=Hard)	Max. No. of of Props.
Reserve List								
Buckhurst Hill								
Thaxted Road (garages 1 to 12)	12	1	8%	Adjacent to 4A Thaxted Road	Development potential. Possible overlooking issues. Possible drainage issues due to low lying site. Access road narrow; compounded by vehicles from adjacent properties (2, 4 and 4A Thaxted) street parking. Has 6 Thaxted land grabbed verge to access road? Vehicular access into 9 Thaxted from garage forecourt. Possible two houses. Possible drainage issues due to low lying site. Access road narrow; compounded by vehicles from adjacent properties (2, 4 and 4A Thaxted) street parking. Has 6 Thaxted land grabbed verge to access road? Vehicular access into 9 Thaxted from garage forecourt. Refuse servicing may be problematic. Possible two houses.		3	2
Epping								
Centre Drive - Site A (garages 1 to 7)	7	1	14%	Adjacent to 24 Western Avenue	Development potential, only if the rear garden of 24 Western Avenue is incorporated within the site area. 24 Western Avenue is currently in Council ownership. Development would need to be single storey due to overlooking issues. Tree root issues. Overhead BT cables. Good highway access. Possible two bungalows.		2	2
Coronation Hill - Site A (garages 1 to17 and 37/ 38)	19	0	0%	Between 51 and 53 Coronation Hill	Development potential. Numerous rear access points from surrounding properties onto forecourt exist. Development would need to be single storey due to overlooking issues.		4	2

					Gradient across site. Possible two bungalows.			
Coronation Hill - Site B (garages 21 to 28)	8	1	13%	Rear of 48 Coronation Hill	Development potential. Development potential depends upon whether the rear garden of no. 34 Coronation Hill (currently in Council ownership is incorporated). Gradient across site. Rear access from no. 34 Coronation Hill onto forecourt. Watercourse may run in culvert under site? Development would need to be single storey due to adjacent bungalows and overlooking. Highway through to site very narrow. Site directly adjacent to Green Belt. Possible single bungalow if only the site used, possible two bungalows if garden of no. 34 Coronation Hill incorporated.		4	2
Loughton								
Marlescroft Way - Site A (garages 573 to 580)	8	1	13%	Off Marlescroft Way via forecourt	Development potential. Good highway access. Need to retain light quality to adjacent properties. Garages attached to stair tower and plant/ store room. Therefore suggest single bungalow only.		3	1
Roydon								
Hansells Mead (garages 1 to 3)	3	0	0%	Adjacent to 2 Hansells Mead	No development potential. However, could be developed if part of adjacent garden from number 2 incorporated. Number 2 is private freehold. Site has good highway access. Possible tree problems. Corner plot. Possible single house.		2	1
Parkfields - Site D (garages 32 to 34)	3	0	0%	Between 15 and 17 Parkfields	Development potential, albeit, slight. Site very small. Good access to highway. Corner plot. Adjacent properties are freehold. Overlooking issues to rear; habitable rooms would need to face highway. Garden to front and sides only. Possible single house or bungalow.		2	1
Parkfields - Site B (garages 20, 21 and 28 to 31)	6	0	0%	Adjacent to 99 Parkfields	Development potential. Site very small. Good access to highway. Overlooking issues. Possible single bungalow.		2	1
Parkfields - Site C (garages 22 to 25)	4	0	0%	Between 88 and 90 Parkfields	No development potential. However, could be developed if land to rear/ side (elec. sub-station) included; sub-station use and land ownership need investigation. Good access to highway. Possible single house.		2	1
Toot Hill								
Barnmead (garages 1 to 7)	7	1		Adjacent to Green Man public house	Development potential, albeit, slight. The site is entirely within the Green Belt. Any development would have to be deemed sustainable. Numerous rear access points from surrounding properties onto forecourt/ access road exist; these are for vehicles (3no. Garages), pedestrians and			

			14%	pasture beyond. These access points appear to rely solely on RoW through this site for egress. Boundary positions would need to be confirmed. Access road narrow; no possibility to widen, no. 1 Barnmead freehold. Refuse servicing may be problematic. Development would need to be single storey due to overlooking issues. Possible two bungalows.		4	2	
Waltham Abbey								
Sudicamps Court (garages 310 to 317)	8	1	13%	Adjacent to 14 Sudicamps Court	Development potential. Existing garages enclosed within walled courtyard with other open parking area (7no.). Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small houses (or GP surgery).		3	2
TOTALS	85	6	7%	Maximum Potential No. of Properties			17	

No Potential of Sites for Council Housebuilding Programme

Unsuitable for Development

01 December 2012

Garage Location	Total on Site	No. Vacant	% Vacant	Location of Site / Entrance	Ward	Reason
Abridge						
Alderwood Drive (garage 56)	1	0	0%			Unsuitable: plot too small
Epping						
Birch View	8	3	38%	Behind Flats		Unsuitable: overlooking from adjacent four storey flats
Meadow Road (garages 1 to 6)	7	1	14%	Adjacent to 5 and 6 Meadow Road		Unsuitable: plots too small
Frampton Road (garage 14)	1	0	0%	Adjacent to 14 Frampton Road		Unsuitable; plot too small
Loughton						
Longcroft Rise (garages 532 to 550 and 562 to 570)	28	11	39%	Opposite flat blocks in Longcroft Rise		Unsuitable: overlooking from adjacent four storey flats
Barrington Road (garage 259)	1	1	100%	Adjacent to 79 Barrington Road		Unsuitable: plot too small and attached to electricity sub-station
Nazeing						
St. Leonards Road (garage 9)	1	1	100%	Adjacent to 2 Hyde Mead		Unsuitable: plot too small
Waltham Abbey						
Hillhouse (garages 257 to 262)	6	2	33%	Rear of shops		Unsuitable: development would interfere with vehicular deliveries to shops
Woodford Bridge						
Hill Top Court (garages 1 to 4)	4	2	50%	Attached, side/ rear of 1 to 12 Hill Top Court		Unsuitable: development would block light of existing dwellings and suffer from overlooking issues

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Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-004-2013/14
Date of meeting: 10 July 2013

Portfolio: Housing – Cllr David Stallan

Subject: Phase 1 Feasibility Report – Council Housebuilding Programme

**Responsible Officer: Paul Pledger, Asst. Director of Housing (Property)
(01992 564248)**

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

(1) That the Phase 1 development feasibilities, 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 considered individually in detail and collectively as a package for works and be approved to progress to detailed planning stage, and if planning permission is received the invitation of tenders;

(2) That in addition to the Phase 1 development sites, the feasibility study for the conversion of the former sheltered accommodation at Marden Close, Chigwell Row be considered in detail and approved to progress to detailed planning stage and if planning permission is received the invitation of tenders;

(3) That it be noted 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 is around £4,442,285 including fees and works, broken down as £3,948,421 for Phase 1 and £493,864 for the Marden Close;

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

(3) 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.

Executive Summary:

Taking account of the Draft Development Strategy, Design Standards and Employers Requirements, East Thames have prepared individual feasibility study reports for the former Red Cross Hall site and 3 further garage sites on Roundhills, Waltham Abbey, a garage site in Harveyfields and the former sheltered accommodation units at Marden Close, Chigwell Row. A financial viability assessment has been undertaken for each site individually and collectively as a package. In total, across all 6 sites the package will deliver 25 affordable Council dwellings and a further 10 x 1-bed flats for social rent at a total estimated cost of around £4,442,285, using £425,000 subsidy to achieve a 30-year pay-back and a positive NPV.

Reasons for Proposed Decision:

It is a requirement that the House-Building Cabinet Committee considers and approves the package of feasibility studies and financial viability reports for each phase of works and for Marden Close, taking account the views of the local Ward Members who represent each site, in order for each phase to progress to planning stage and the invitation of tenders.

Other Options for Action:

1. Not to progress with one or more of the schemes and develop a smaller number of sites
2. To amend the property sizes and types on any or all of the schemes.

Background

1. Attached as individual appendices to this report are 3 separate feasibility studies, which consider redevelopment of former garage and amenity sites in Waltham Abbey, and a feasibility study which considers the conversion of the former Sheltered Accommodation at Marden Close, Chigwell Row. Also attached as an appendix to this report is an Investment Report for the development proposals for Phase 1 of the works. Each of these reports need to be read both individually and collectively as a package. These are as follows:

Appendix 1 – Former Red Cross Hall, Roundhills, Waltham Abbey

Appendix 2 – Roundhills, Waltham Abbey (Sites 4, 5, 6 and 7)

Appendix 3 – Harveyfields, Waltham Abbey

Appendix 4 – Marden Close, Chigwell Row

Appendix 5 – Investment Report, Development Proposals for Phase 1.

2. The Cabinet Committee's attention is drawn to the following outcomes contained within the Investment Report:
 - a. The Total Scheme Costs for Phase one is £3,948,421, in detail £1,037,757 for the former Red Cross site, £1,279,671 for Harveyfields and £1,630,993 for the Roundhills sites. Additional Total Scheme Costs of £493,864 are incurred for the Marden Close scheme.
 - b. Overall, Phase one will deliver 25 affordable rented units, and Marden Close will provide a further 10 units for social rent.
 - c. Phase one achieves the financial target of loan repayment in Year 30 with a subsidy requirement of £425,000.
3. It is recommended that all of the sites included in Phase one, together with the conversion of Marden Close be approved to proceed to detailed planning stage and the invitation of tenders.
4. It is further recommended that the Housing Portfolio Holder submits a detailed planning application for each site.
5. It is recommended that the £425,000 subsidy requirement be allocated to Phase one in order to achieve a 30-year loan repayment period.

Resource Implications:

£4,442,285 from the existing Capital Programme for 2013/14 and 2014/15 inclusive of works and fees, using £425,000 subsidy in line with the Council's Policy on Funding the Council House-Building Programme.

Legal and Governance Implications:

Within its Terms of Reference, the House-Building Cabinet Committee is expected to consider each site and package of works and approve it to progress to detailed planning stage

Safer, Cleaner and Greener Implications:

Each of the sites being considered currently have garage blocks, rented to garage tenants, but not necessarily adjacent to the blocks. A large proportion of these garages are either vacant or not used to park vehicles (Source: ECC Parking Standards) Redeveloping these garage sites will add value to and enhance the local environment and streetscape.

Consultation Undertaken:

East Thames have been consulted.

Background Papers:

None

Impact Assessments:

Risk Management

Within the financial viability assessment, the greatest risks are that the assumptions prove to be incorrect resulting in each phase being un-viable.

These risks are mitigated by the Council being able to either add more subsidy or not to progress the works beyond the planning stage.

In addition, a site specific risk register has been compiled and included within the individual feasibility reports.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

It should be noted that an Equality Impact Assessment has already been formulated for Housing Strategy and Development.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group? N/A

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East Thames Housing / Epping Forest District Council
Housing Delivery Programme

Feasibility Report

Site: Red Cross Hall, EN9 1UT

Ref: IJC/dh/612.023/FR01 Rev. A
Date: April 2013

Contents

1. Introduction and Confirmation of Brief
2. Existing Site and Surroundings
3. Proposals
4. Planning Issues and Risks
5. Impact/Implications of Statutory Services
6. Site Access and Buildability Issues
7. Neighbourly Matters and Party Walls
8. Proposed Procurement Route
9. Impact on Parking
10. Costs
11. Recommendations and Conclusions

Appendices

- A: Development Proposals – Drawing 612.020/SK1A
- B: Site Photographs
- C: Existing Site Plan
- D: Statutory Services Information
- E: Information on Possible Contamination
- F: Cost Build-up

1.0 Introduction and Confirmation of Brief

- 1.1. Pellings LLP are appointed as part of East Thames Group Technical Team in respect of delivery of Development Agent services to Epping Forest District Council for a six year housing delivery programme.
- 1.2. Following initial appraisal by EFDC, 59 sites have been identified as having possible development potential, with a further number of sites in reserve.
- 1.3. Pellings LLP have been instructed to progress feasibility studies to all 59 sites and which will assist in establishing the extent and timing of the overall programme.
- 1.4. Our instructions are in accordance with our fee tender of 13 August 2012, against the previously prepared tender documentation, and email confirmation of 9 April 2013.

2.0 Existing Site and Surroundings

- 2.1. Roundhills is a residential estate comprising a mix of two and three storey houses and flats. Nos. 84-90 to the west are two storey terraced houses and nos. 74-82 to the east is a three storey terrace with shops on the ground floor and residential above.
- 2.2. The site is not located in a Conservation Area and it is not designated for any particular purposes in the Epping Forest District Council Combined Local Plan 1998 and Local Plan Alterations 2006. The site does not comprise any Listed Buildings.
- 2.3. The site is irregular in shape, consisting of a rectangular area of land between nos. 74-82 and nos. 84-90 Roundhills, and a grassed area adjacent to no. 82 Roundhills.
- 2.4. Between nos. 74-82 and 84-90 Roundhills the site is approximately 33m in width and 42m in depth. It consists of a row of single garages (7) at the front of the site, vehicular hardstanding/access through the middle of the site, a grassed area at the rear of the site which previously housed a community hall and a grassed area adjacent to 82 Roundhills.
- 2.5. The rear boundary is defined by a public footpath, the highway forms the front boundary and a footpath at the rear of nos. 84-90 Roundhills forms the western boundary.
- 2.6. On the east side the boundary of the site is formed by the boundary wall/gates of nos. 74-82 Roundhills, the side elevation of no.82 and footpath/road.
- 2.7. The vehicular access through the middle of the site previously served an electricity sub-station located on the western side of the site. It is understood that a right of way to this part of the site needs to be retained.
- 2.8. There are a number of trees on the grassed area at the rear of the site and there is a river (Cobbin's Brook) 6-15m from the rear boundary. The site is located in an area with a medium probability of flooding on the Environment Agency Flood Map.

3.0 Proposals

- 3.1. Read in conjunction with Drawing 612.020/SK1A attached at Appendix A.
- 3.2. The proposal is for the demolition of the existing garages and the erection of four three bedroom houses, two one bedroom flats and a retail unit. Vehicular access and parking spaces will be provided for the new accommodation as will private rear gardens and a landscaped 'buffer' to the river. The four three bedroom houses would be sited in the middle of the site with the existing vehicular access onto Roundhills being modified.
- 3.3. The hardstanding/road across the site will be retained (to provide access to the former sub-station land). The dwellings will be orientated at 90 degrees to Roundhills and a total of 10 parking spaces will be provided. Alongside no. 82 Roundhills a three storey detached building will be erected to provide two one bedroom flats on the upper floors and a shop with a store on the ground floor. Details of design and appearance, access and materials would be submitted with a full planning application.

4.0 Planning Issues and Risks

- 4.1. The adopted Development Plan for Epping Forest District Council is the Combined Local Plan 1998 and Local Plan Alterations 2006.
- 4.2. There are no specific policies which prevent the loss of existing garages although policy ST4 (Road Safety) states that planning permission will only be granted where there will be no adverse effects on the highway, traffic congestion or harm to the character or appearance of the area. It will be necessary to undertake a Parking Survey/Transport Statement to demonstrate that the loss of the garages would not cause any harm to the amenities or safety of the area.
- 4.3. The site is located in the settlement of Waltham Abbey and the proposal would be consistent with policy CP7 which encourages the efficient use of existing built-up areas by the 'recycling of vacant, derelict, degraded and under-used land to accommodate the development' and the 're-use of urban sites, which are no longer appropriate to their existing or proposed use in the foreseeable future, for alternative land uses.'
- 4.4. The proposal would comply with policy H4A which states the need for a range of dwellings, including an appropriate proportion of smaller dwellings, to meet identified housing need on a site-by-site basis.
- 4.5. A mixed development of three bedroom houses, one bed flats and a shop unit would be in keeping with the character and appearance of the area and may comply with Epping Forest's design policies and guidance. There are family houses and flats with shops on the ground floor at adjoining sites and the proposal would not cause any significant harm to the appearance or amenities of the area.
- 4.6. Subject to new planting there may be no loss of significant trees. The Environment Agency has advised that as the site is located in an area with a medium probability of flooding and it will be necessary to pass the Sequential Test and the Exception Test and submit a Flood Risk Assessment to demonstrate compliance.

4.7. A minimum 8 metre buffer zone is requested to the river and sustainable drainage/water efficiency would be required to assist with reducing water discharge.

5.0 **Impact/Implications of Statutory Services**

5.1. We have undertaken statutory services enquiries to the following:

- Southern Gas
- Cable and Wireless
- Virgin Media
- Thames Water
- BT
- National Grid
- Scottish and Southern Energy
- Environment Agency
- UK Power Networks

5.2. Responses received to date are from Thames Water, UK Power Networks and Cable and Wireless.

5.3. UKPN – there is no indication of any primary cables affecting the developable area of the site although it is understood that an easement may be in place for access to former sub-station land.

5.4. Thames Water – there is a main foul sewer crossing the site. Our proposals reflect the position of this service as indicated on drawings, whilst further detailed information will be required to ascertain the exact location prior to taking any designs forward to planning application stage.

5.5. Cable and Wireless – Cable and Wireless have indicated that they have no apparatus on the site.

5.6. It should be noted there are a number of responses to enquiries that, at time of preparation of this report, have not yet been received.

6.0 **Site Access and Buildability Issues**

6.1. The site is accessed from existing site roads and there would not appear to be any particular difficulties for the normal level and size of construction traffic associated with a development of this nature.

6.2. Areas should be available for contractor's site set up and accommodation.

6.3. The site is within a primarily residential area, with also some retail elements nearby and, accordingly, any appointed contractor should use all best endeavours to act in a considerate manner and within normal working hours.

6.4. Further to initial enquiries made to EFDC, some potential contamination issues have been highlighted with use of the domestic garages, and also a former horticultural nursery. Possible contaminants in respect of the former use as a nursery are summarised and indicated within the note produced by EFDC Planning and Economic Development Directorate at Appendix E.

6.5. Possible contaminants in respect of the previous use of the garage site may include asbestos, ash and clinker, hydro-carbons from vehicle maintenance and the like.

6.6. Accordingly, suitable site investigation will need to be undertaken ahead of any proposals to take this site forward and specific recommendations made to deal with any contamination found, whether by capping or removal from site.

7.0 Neighbourly Matters and Party Walls

7.1. As above, the proposed development site is within a primarily residential area and the appointed contractor should act in a considerate manner. It is proposed that restrictions on working hours, noise levels, requirement for resident liaison and similar matters will be included within contract documentation.

7.2. From proposals on Drawing 612.020/SK1A, any Party Wall matters would be limited to the new detached unit adjacent to No 82 Roundhill, with Party Wall awards likely to be required between any freehold and leasehold owners of the flats and the retail units on the ground floor.

7.3. Confirmation of ownership will be required in due course.

7.4. Such Party Wall matters may be undertaken ahead of the build contract by direct appointment by EFDC, or included as a requirement for the contractor to deal with within the build contract. This later approach, however, would carry increased risk to programme and cost.

8.0 Proposed Procurement Route

8.1. It is understood that development works will be procured by way of the East Thames Housing Group existing contractor framework arrangements.

8.2. It is proposed that works shall be procured on a Design and Build basis with the contractors taking forward RIBA Stage D planning consent drawings into detailed design and construction delivery on site.

8.3. Schemes shall be designed to a set of Employer's Requirements to be subsequently confirmed but which substantially shall be formed from existing East Thames Housing Group Design Standards and Employer's Requirement documentation.

8.4. It is proposed that all site preparation works will be included within individual contract packages including any required demolitions, adjustment of statutory services, highways works and boundary maintenance/reinstatement/provision.

8.5. On completion of the feasibility studies for the whole programme, further recommendations will be made in terms of how works are packaged to ensure size of work packages are optimised for ensuring maximum economies for East Thames Housing Group and EFDC.

8.6. It is considered, at this stage, that this may be by way of a mix of different sized contractors dependent upon the numbers and geographical location of individual works packages.

8.7. Works will be administered by Pellings LLP as Employer's Agent acting in accordance with East Thames Housing Group terms of appointment and the overarching requirements of the Development Agency agreement.

9.0 **Impact on Parking**

9.1. The existing arrangement comprises of a terrace of seven garages, with additional informal street parking.

9.2. Proposals are to introduce ten parking spaces to support six new units of accommodation.

9.3. The Council's currently adopted parking standards are contained within Essex County Council's Parking Standards Design and Good Practice Guide – September 2009. These revised standards were adopted by the Council as statutory planning guidance in February 2012.

9.4. Flats and houses have the same parking standard as follows:

- 1 bedroom accommodation – 1 space per dwelling
- 2 bedroom accommodation and above – 2 spaces per dwelling
- Visitor parking – 0.25 spaces per dwelling (rounded up to the nearest whole number)

9.5. Against these standards, the current proposals potentially fall short of visitor parking spaces. The site is within an area where on street parking is available.

9.6. Should the site move forward to planning application stages, it is recommended that travel and transport statements and assessments will be required, at which point parking provision requirements can be defined more accurately.

10.0 **Costs**

10.1. It is considered that a budget of £890,400.00 should be allowed for this scheme, inclusive of contractor design fees, but exclusive of professional fees and VAT. Please refer to Appendix F.

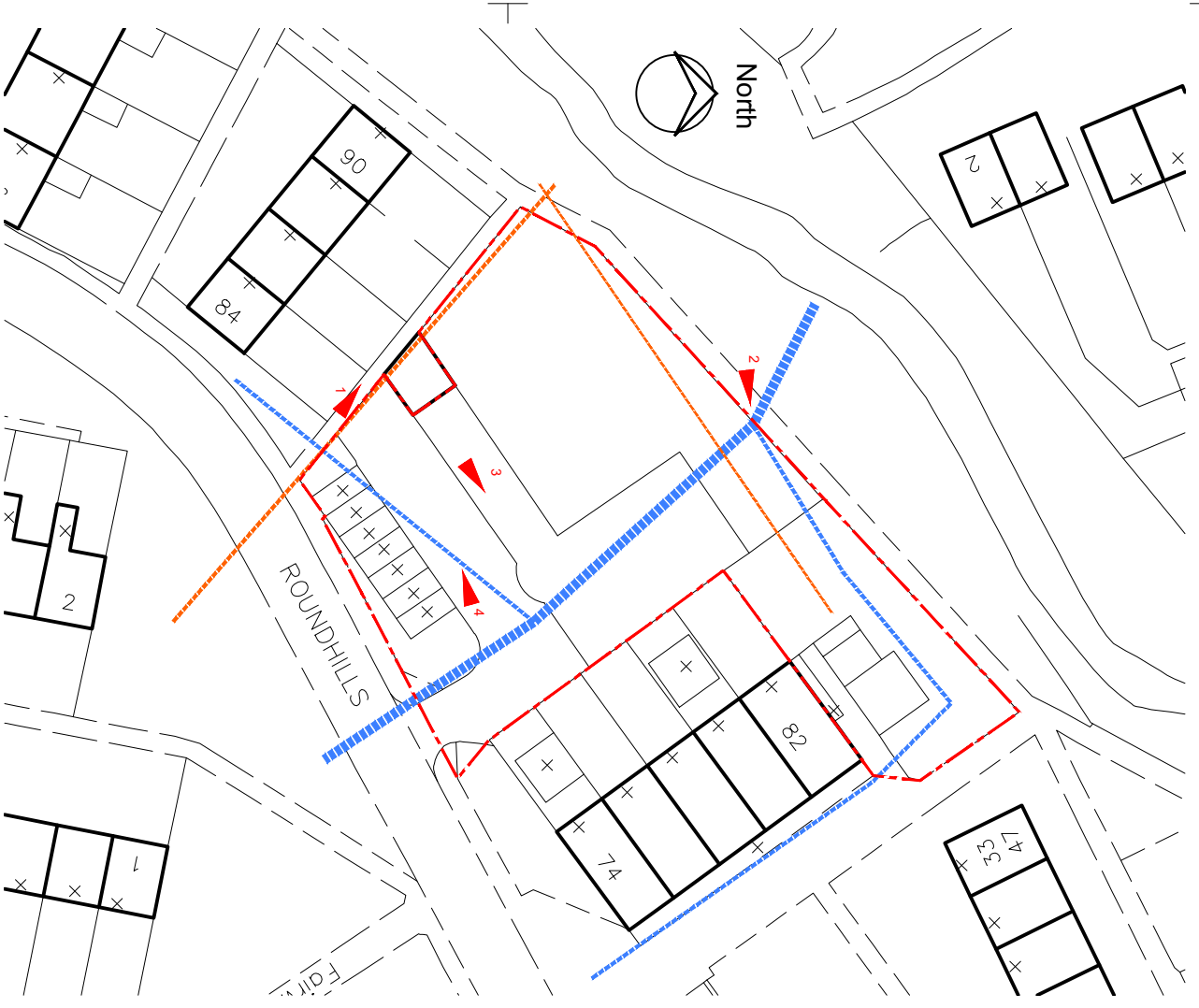
11.0 **Recommendations and Conclusions**

11.1. Subject to an overall lifetime cost appraisal, we conclude that this site appears to have economic development opportunities and we recommend is considered for taking forward to planning application stage, with a view to incorporating into the overall programme.

Signed:  Date: 24th April 2013
Pellings LLP

Appendix A

Development Proposals – Drawing 612.020/SK1A



EXISTING
7 Garages
TOTALS
Site Area 0.491 Ha
2 x 2 Bed Duplex's @ 77 sqm
4 x 3 Bed Houses @ 93 sqm
12 Parking Spaces

Plots 5-6
2 x Duplex

NOTES
Report all discrepancies, errors and omissions
Do not scale from this drawing
Do not use this drawing 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
appropriate manufacturers' recommendations that from time to
time shall apply
For all specialist work, see relevant drawings.

PRELIMINARY

Rev	Date	Description	Name
-	-	-	-



Pellings Ltd
Red Cross Building, Kent BA14 1BY
1 (020) 8469 9114 | f (020) 8513 0019 | e enquiries@pellings.co.uk
www.pellings.co.uk

Architecture & Planning ■ Building Services ■ Project Management
Client: East Thames HA
Site: Red Cross Hall Site
Waltham Abbey

PROJECT: EPDC House Building Programme
DATE: MAR 2013
SCALE: 1:500 @ A3
DRAWN: NP
CHECK: CK
612|020|SK1 | B

Appendix B

Site Photographs

Appendix B - Site Photographs

General views to surrounding residential use

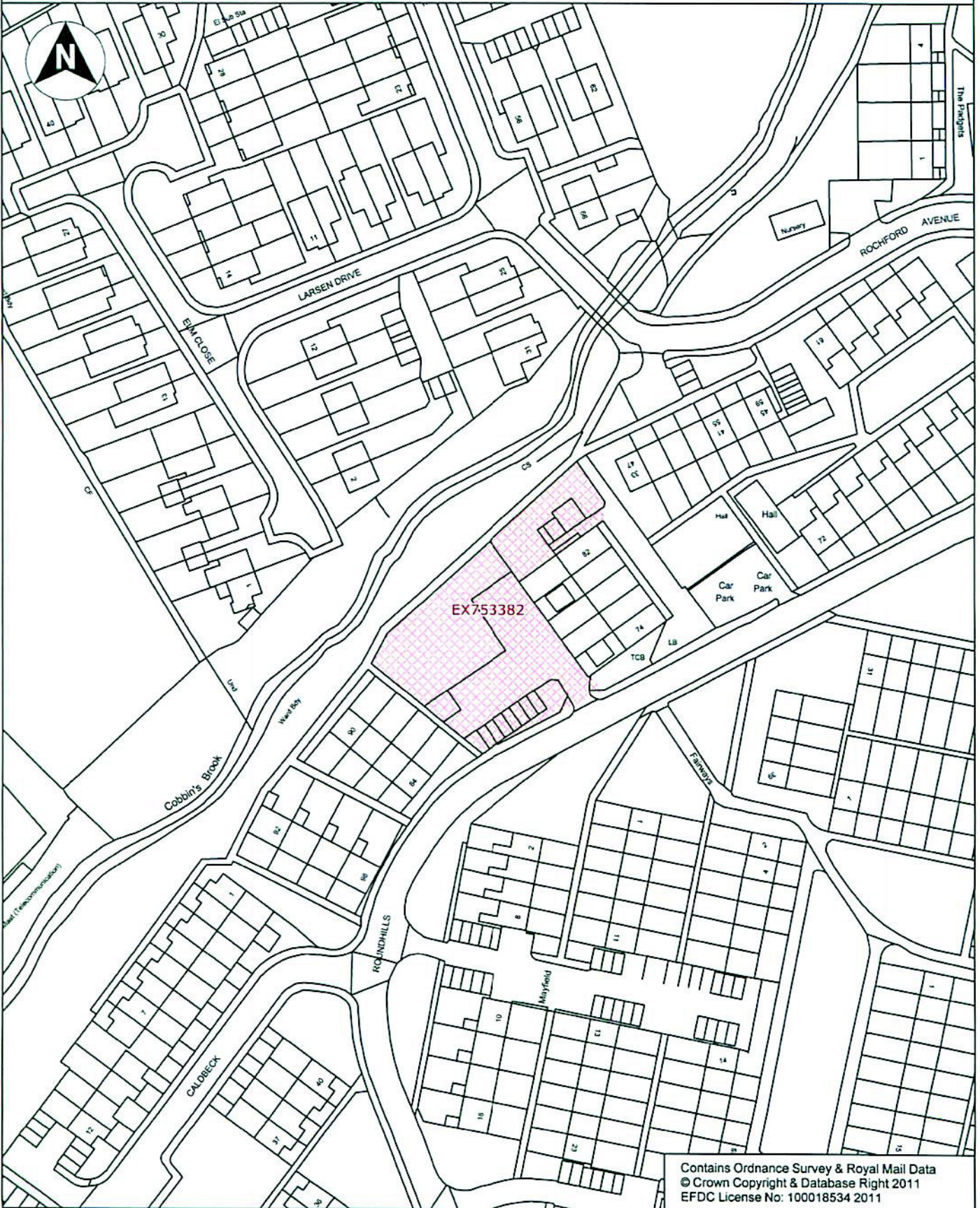


General views to surrounding residential use



Appendix C

Existing Site Plan



Contains Ordnance Survey & Royal Mail Data
 © Crown Copyright & Database Right 2011
 EFDC License No: 100018534 2011

Directorate of Environment & Street Scene Civic Offices High Street Epping, Essex, CM16 4BZ Tel. 01992 564000	Project Potential Site for Council House Building Program Drawing No. 201206014 - X	Content Red Cross Site Roundhills Waltham Abbey	Date 04/07/12 Scale 1:1250 @ A4 Drawn By Robert Irwin
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Appendix D















Statutory Services Information

Thames Water - Sewerage

A4 Landscape

Asset data last updated 25/08/2010

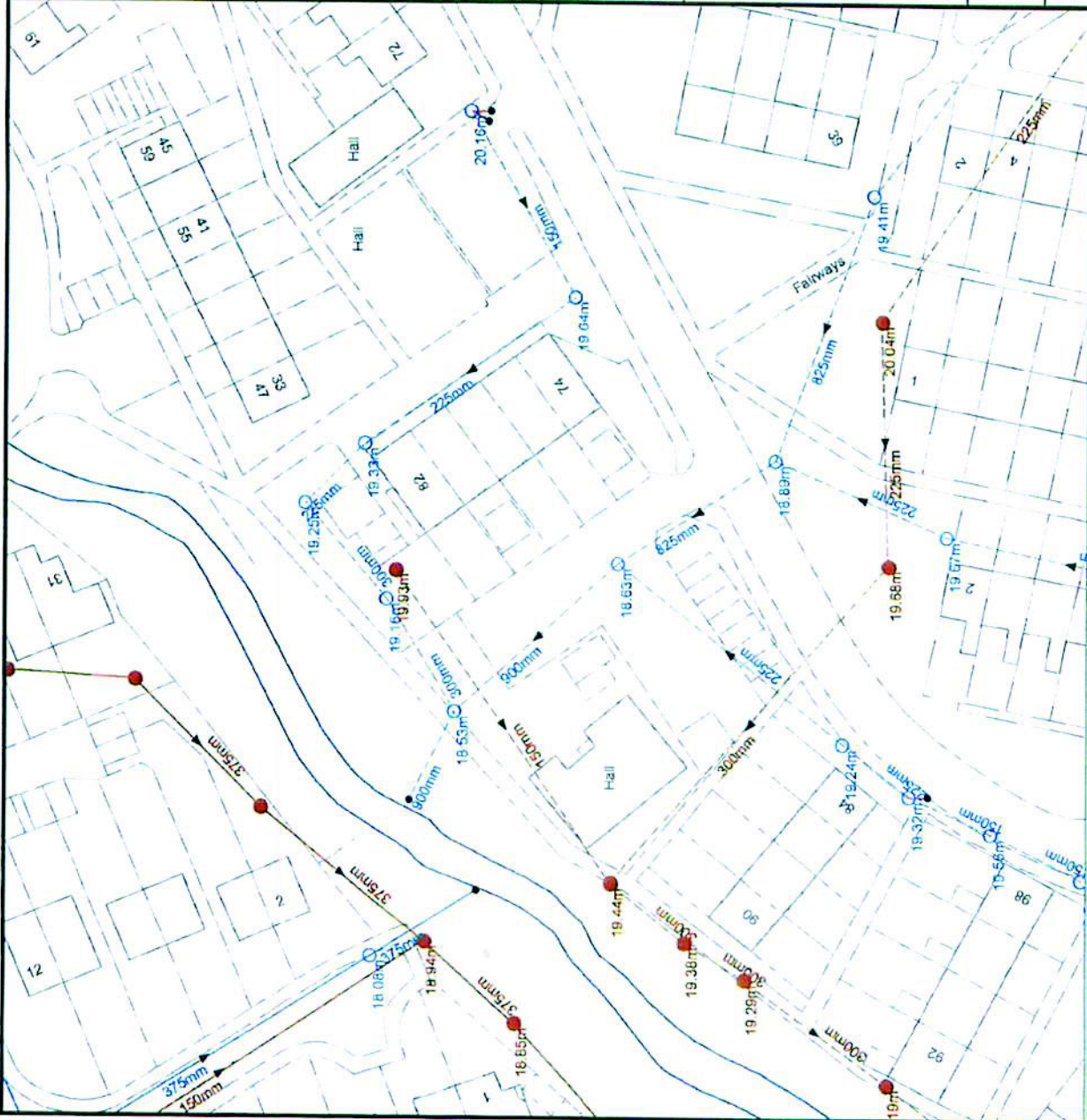
Sewerage Legend

- | | | | |
|---|---|---|--------------------------|
|  | Foul Sewer |  | Foul Manhole |
|  | Surface Sewer |  | Surface Manhole |
|  | Combined Sewer |  | Combined Manhole |
|  | Abandoned Sewer |  | Other Manhole |
|  | Pressure Main |  | Abandoned Manhole |
|  | Private Asset
(Colour dependent on effluent type) |  | End Item |
|  | Proposed Asset
(Colour dependent on effluent type) |  | Probable ex-S24 Property |

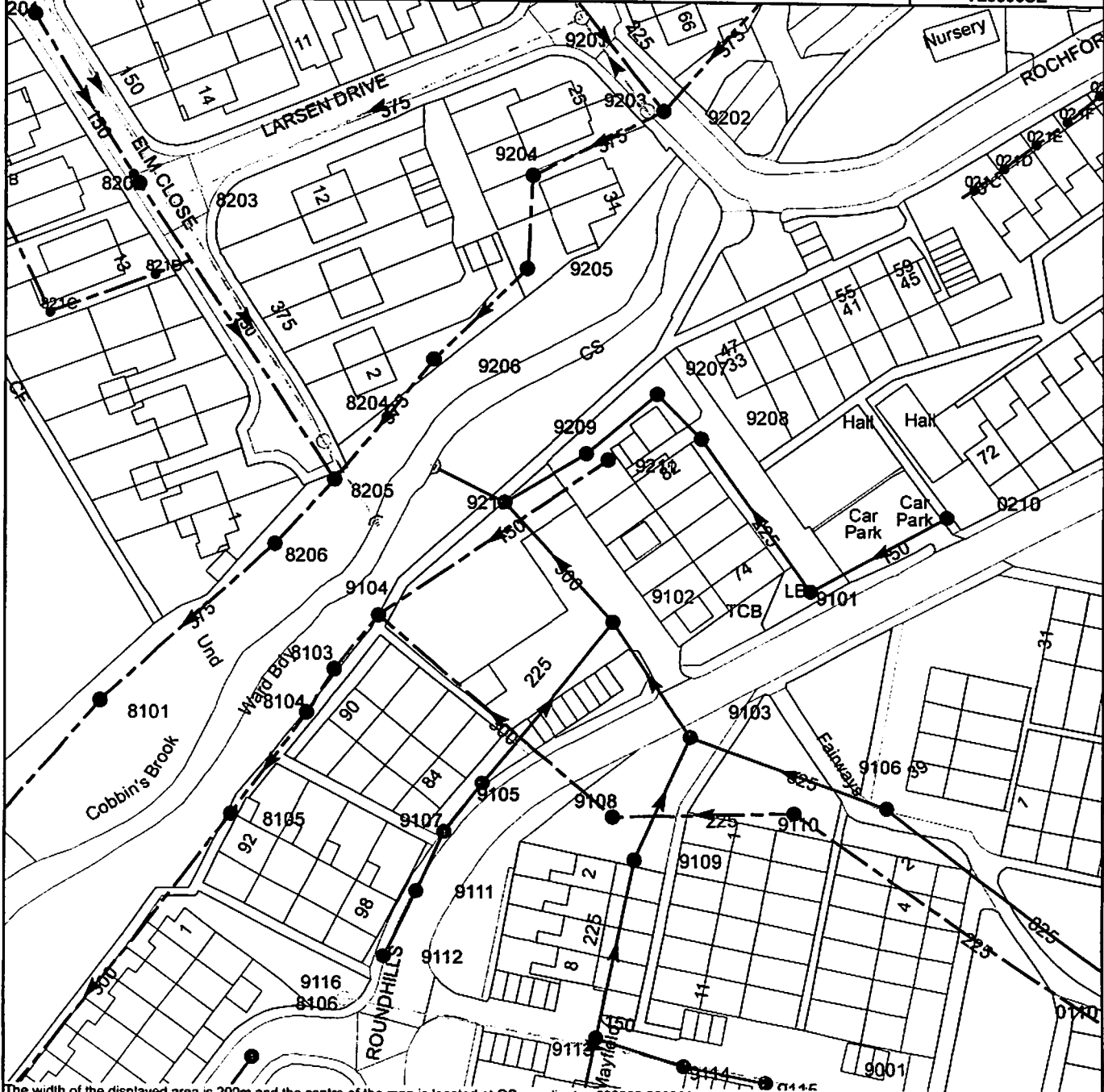
Based on the Ordnance Survey Map with the sanction of the Controller of H.M. Stationary Office License Number:- 100019345. This map is to be used for the purposes of viewing the location of Thames Water plant only. Any other uses of the map data or further copies are not permitted. The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. This information is valid for the date printed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified on site before any works are undertaken.

Map Centre: 538950, 200193

Date: 09 Dec 2010
Scale: 1 : 829

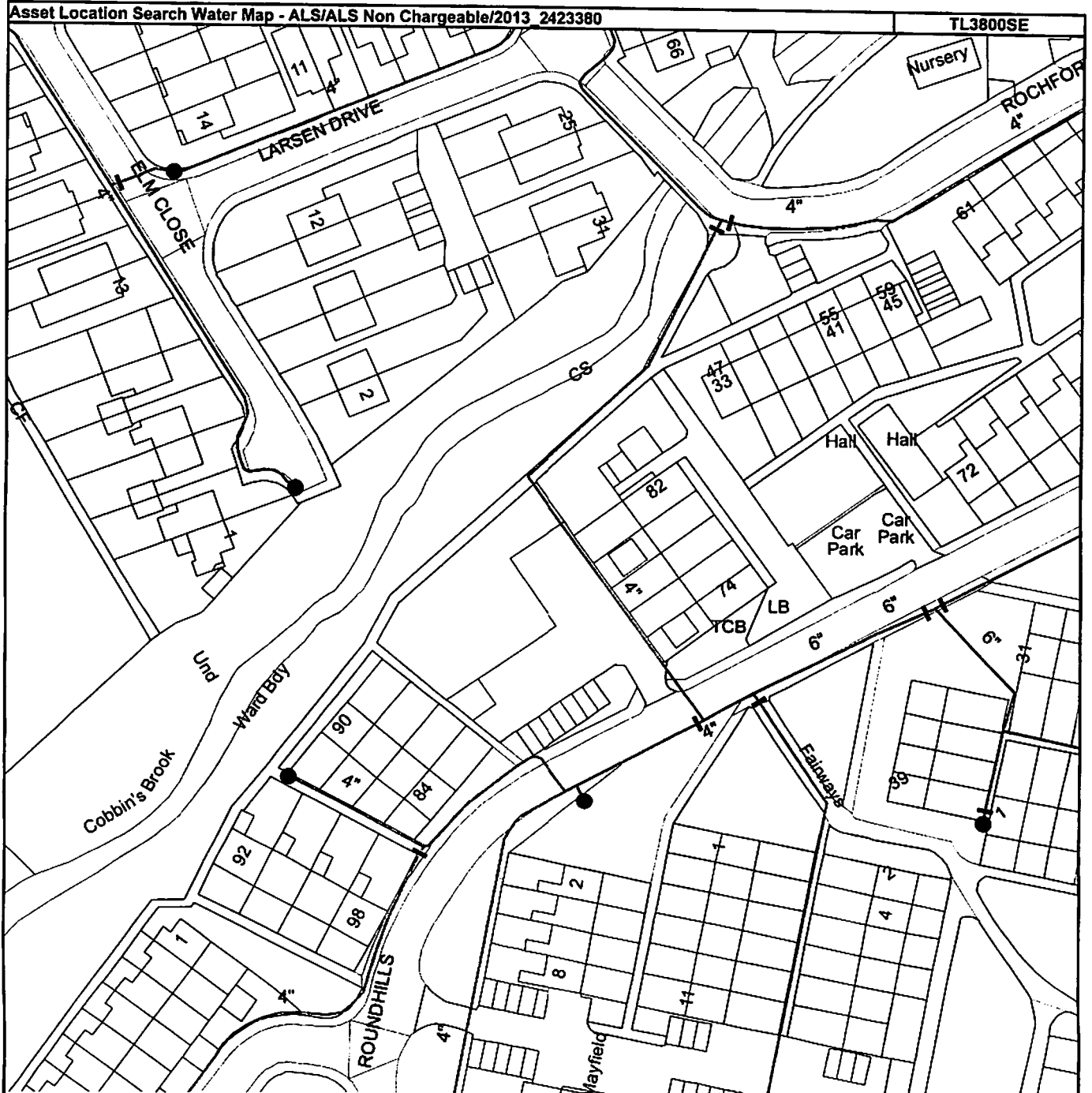


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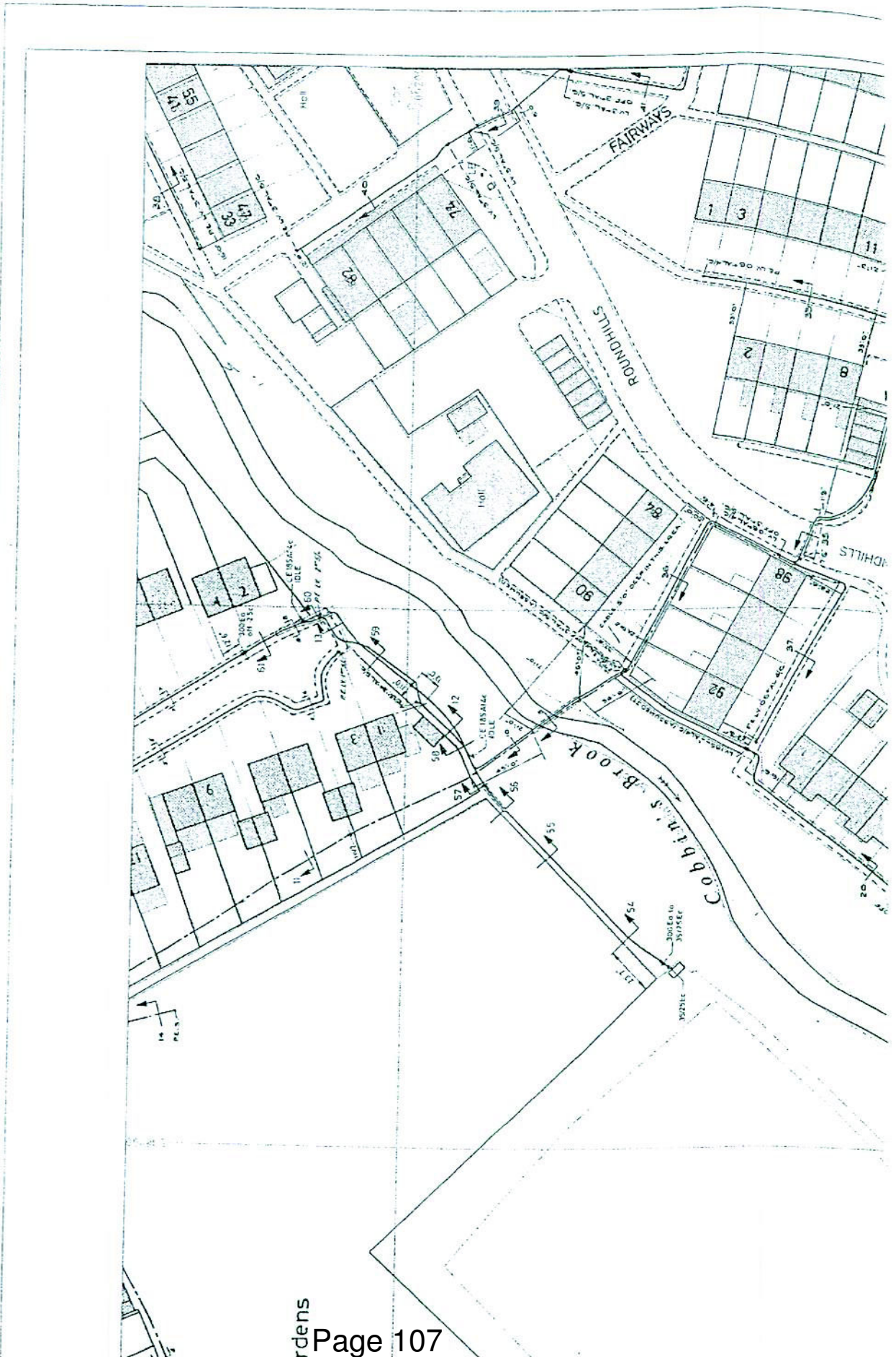
The width of the displayed area is 200m and the centre of the map is located at OS coordinates 538938.200200
The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified and established on site before any works are undertaken.

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The width of the displayed area is 200m and the centre of the map is located at OS coordinates 538938,200200
The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified and established on site before any works are undertaken.
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EXTRACT - UKPN.



From: Bromley General
Sent: 13 March 2013 08:52
To: Adam Greenhalgh
Subject: FW: AG/srs/612.020/L03B; Former Red Cross site, between Nos. 74-82 Roundhills and 84-90 Roundhills, Wlatham Abbey;
Attachments: Scan-to-Me from 10.30.9.247 2013-03-04 095608.pdf

From: Kumar, Krishnaraj [mailto:Krishnaraj.Kumar@atkinglobal.com]
Sent: 13 March 2013 05:14
To: Bromley General
Subject: RE: AG/srs/612.020/L03B; Former Red Cross site, between Nos. 74-82 Roundhills and 84-90 Roundhills, Wlatham Abbey;

Please note - We have created an electronic response for you in reply to your postal enquiry. For ALL future plant enquiry requests please email to osm.enquiries@atkinglobal.com

Please accept this email as confirmation that Cable&Wireless Worldwide **does not** have apparatus within the boundary of your proposed works detailed in the reference/location above.
For all future requests please include a 12-digit grid reference and location details within the body of the actual email.

Many Thanks,

The Plant Enquiry Team

ATKINS (working on behalf of Cable & Wireless Worldwide)



Email: osm.enquiries@atkinglobal.com
 The Hub, 500 Park Avenue, Almondsbury, Bristol, BS32 4RZ
 Tel: +44 (0)1454 662 881 | Fax: +44 (0)1454 66330
Web: www.atkinglobal.com

PLEASE NOTE:

The information given is indicative only. No warranty is made as to its accuracy. This information must not be solely relied upon in the event of excavation or other works carried out in the vicinity of Cable & Wireless Worldwide Ltd, plant. No liability of any kind whatsoever is accepted by C&W, its servants, or agents, for any error or omission in respect of information contained on this information. The actual position of underground services must be verified and established on site before any mechanical plant is used. Authorities and contractors will be held liable for the full cost of repairs to C&W's apparatus and all claims made against them by Third parties as a result of any interference or damage.

From: Alison.Friend@atkinglobal.com [mailto:Alison.Friend@atkinglobal.com]
Sent: 04 March 2013 14:26
To: Friend, Alison
Subject: Scan-to-Me from 10.30.9.247 2013-03-04 095608

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Appendix E

Information on Possible Contamination

**Epping Forest District Council
Planning & Economic Development Directorate**

HORTICULTURAL NURSERIES – Potential Contaminants

The main glasshouse industry within the district developed from the market gardens that supplied London with fruit & vegetables grown on the alluvial soils of the Lea Valley and transported to Covent Garden by horse drawn vehicles. Large glasshouses started to appear around the turn of the last century, growing 'exotic' crops such as grapes & tomatoes and up until 1940 coal & coke were still transported by barge on the Lea Navigation. The glasshouse industry also extends into other parts of the district, mainly along the valleys of the River Stort, River Roding and Cripsey Brook.

Asbestos.

Asbestos insulation may formerly have been used to lag heating pipes in many nurseries where winter or night time heating was employed and asbestos boards may have been used to line the ceiling and walls of boiler houses. Bound asbestos cement sheeting and guttering were also commonly used until recently on packing sheds, chemical rooms and other nursery buildings. It is common for the asbestos from old demolished buildings and heating systems to be found in the hardcore used on access roads and paths and in other made and infilled ground across the site.

Fuels

Coke, coal, wood, rubbish, fuel oil and gas may all have been used on nurseries to heat glasshouses over the years and solid fuels were also used to fuel large soil sterilisers. Initially small boiler houses known as stokeholds, sited every 100' or so along the outside of large glasshouses, were used for heating tender crops. Later these were replaced by a smaller number of larger boiler houses, each serving several glasshouses.

Significant quantities of coal dust and fragments containing metals & PAH may remain in soils in the vicinity of storage & use areas or have leached from these areas and could also present fire hazards. Large quantities of ash & clinker will have been produced from the combustion of these fuels over the years and will normally have been disposed of on site, where it may have been used as a soil "improver", have been used as a base for access roads, paths etc or be present in other made or infilled ground across the site. Depths of up to 4 metres of ash fill have been recorded locally on old nursery sites in the district. Ash may also present a risk from metals and PAHs. Natural gas has begun to replace fuel oil for heating on nurseries since the 1990s, where available, although many nurseries not on mains gas still retain oil fired heating systems, with the potential for oil spillages and leaks.

Industrial Units

It is quite common for small industrial units, car repair & re-spraying workshops, HGV depots etc to operate or to have operated in redundant outbuildings at nursery sites in the district. EFDC Planning Files should always be checked, local enquiries made and reference should be made to the relevant DoE industry profile for information on potential contaminants from these uses.

Metals

As well as the potential for metal contamination from the storage and uses of fuels and ash, elevated concentrations of metals can also arise from the past use, storage and disposal of inorganic pesticides such as lead arsenate, mercurous chloride, triphenyltin and copper sulphate.

Pesticides

Although modern practices now mainly employ biological pest control methods, there is the potential for a wide range of other pesticides to have been stored, mixed, used & disposed of on nurseries over the years.

These may include various types of:

- **insecticides**. eg organochlorines, organophosphates, carbamates, pyrethroids, phenols.
- **herbicides** eg chlorophenoxy compounds, bipyridylum compounds, triazines, thiocarbamates
- **fungicides** eg organometallic compounds, antibiotics, chloroalkylthio compounds, quinones, dithiocarbamates
- **rodenticides** eg fluoracetate compounds, thioureas, anticoagulants),
- **acaricides, molluscicides, nematocides, etc**
- **fumigants** eg hydrocyanic acid, carbon disulphide.

Local enquiries should be made and research carried out concerning the types of pesticides employed, their likely areas of usage and likely environmental fate. Persistent pesticides such as DDT (DDD etc) and lindane have been found present in soils on nurseries within the district decades after their usage has ceased.

Waste Disposal

As well as pesticide disposal areas, crop residues & household wastes may also have been disposed of on site. Most nurseries are not connected to the mains sewer and settled sewage from septic tanks tends to be disposed of by on site discharge to underground strata. Buried organic wastes present potential risks from ground gases and where nurseries are located on Alluvium along river valleys, there may also be additional risks from natural peat beds in this stratum. It is becoming increasingly common for Horticultural Nurseries to use Carbon Dioxide from gas boiler exhausts or tanks of liquified CO₂ to increase carbon dioxide concentrations in glasshouses to up to 1000ppm to enhance crop growth. It may therefore be possible to manage any CO₂ risks identified from ground gases within glasshouses.

Water Supplies

Water supplies on most nurseries arise from private boreholes sunk into the upper chalk aquifer. Previously, shallow wells dug into the gravel aquifer were utilised, however, once large scale gravel extraction commenced in the area around the middle of the last century, due to pollution of this aquifer with leachate from unlined filled pits and septic tank waste and the lowering of the water table through pit dewatering, most of these shallow well supplies were abandoned. Abandoned boreholes into the upper chalk aquifer must be identified and assessed to ensure that pathways for polluted surface water and shallow ground water to the upper chalk aquifer do not exist.

Appendix F

Cost Build-up

Red Cross Hall Garage Site, Waltham Abbey
Indicative Estimate of Cost
for East Thames HA



	m2	ft2
Gross Internal floor area		
Class A1: Retail Unit	48	517
Affordable Flat Units	96	1,033
Allowance for communal space @ 20%	19	207
Affordable House Units	372	4,004
TOTAL GIA	535	5,761

Item	Element	Qty Unit	Rate £/unit	Total £
1.0 Demolition				
1.1	Demolition of existing garages and hardstanding	774 m ²	40	31,000
1.2	Allowance for removal of asbestos	7 nr	300	2,000
	Sub-total		say	30,000
2.0 Class A1 Retail Space (1nr unit)				
2.1	Retail Unit 1	48 m ²	600	29,000
	Sub-total		say	30,000
2.0 Affordable Flat units (2nr units)				
2.1	Flats Private areas	96 m ²	1,400	134,000
2.2	Flats communal areas (20% allowed)	19 m ²	900	17,000
	Sub-total		say	150,000
3.0 Affordable House units (4nr units)				
3.1	House areas	372 m ²	1,250	465,000
	Sub-total		say	470,000
4.0 Abnormals / E/o and External Works				
4.1	Private gardens (incl. fencing)	368 m ²	40	15,000
4.2	Communal Gardens	673 m ²	30	20,000
4.3	Access road, parking and turning	581 m ²	65	38,000
4.4	Pedestrian paving	0 m ²	50	Incl.
4.5	Cross over / highways adaptations	1 item	5,000	5,000
4.6	Allowance for contaminated ground	1 item		Excl.
4.7	Boundary treatment (fencing/walls)	125 m	160	20,000
4.8	Allowance for achieving CfSh Level 3	6 nr	3,000	18,000
	Sub-total		say	120,000
		£/m2	£/ft2	
	INDICATIVE CONSTRUCTION COST	1,495	139	800,000
	CONTINGENCY @ 5%			40,000
	CONTRACTORS DESIGN FEES @ 6%			50,400
	TOTAL INDICATIVE CONSTRUCTION COST	1,664	155	890,400

Clarifications and Assumptions

Estimate based on Pellings Feasibility drawings and standard MHS specifications
 GIA is approximate due to early stage of design
 Costs are based on a Q1 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 4
 Cost include for Preliminaries and OH&P @ 7%
 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

Assumed Class A1 Retail unit is shell only
 Clients professional fees (including statutory fees)
 VAT
 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

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East Thames Group

Appraisal for Rent & Sale

SDS ProVal Version 9.13 Nov-2012

Saved file path: Q:\Development\Applications\Proval\Working Provals\Epping Forest House Building

Scheme Name EFDC - Red Cross site, Roundhills

Date 24 Jun 2013

Address

Funding Year 2013/2014

Another Description

Local Authority Epping Forest

Project/File Ref.

LA Number 361

County Essex

Appraisal by georg.herrmann

Scheme Description

Sketch Drw'g No.

Site Area (acs)

0.00 ha

Seller

Units 6

Appraisal Version 1

Comments

See also Commentary in Rent Summary

A Unit Details

	A	B	C	D	E	F	G	H	TOTALS
Unit Description									
Net Area m ²	93.00	77.00							526.00
Bedrooms	3-bed	2-bed							m ²
Persons	5	4							28
Units	4	2							6
Commercial - y?	n	n							
Flat (not house) -y?	n	y							
Shared Accom. - y?	n	n							
Habitable Rooms	4	3							22
Storeys	2	2							
Value at Jan' 1999									0
Market Sales Value									
Product Type	Affordable Rent	Affordable Rent							
Catalyst Dev. Type	New Build	New Build							
Other Description									
Sales % at Outset									
Res' Sold Equity	0	0	0	0	0	0	0	0	0
Res' Unsold Equity	0	0	0	0	0	0	0	0	0
Initial Commercial Sales	0	0	0	0	0	0	0	0	0

Confirm Gross Floor Area

	Net m ²	Adjust by % and/or by m ²	Gross m ²	Gross ft ²
Residential Floor Area	526.00		526.00	5,661.86
Commercial Floor Area	0.00		0.00	0.00
Total Floor Area	526.00		526.00	5,661.86

Habitable Rooms Summary

Residential Rent	22
Residential Sale	0
Other	0
Total	22

B Acquisition & Works Cost

ACQUISITION	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum information
Use Value from Land Appraisal, y/n?							
		VAT Total	0		0	0	
Acquisition Total			0		0	0	
WORKS	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	
Lump Sum	660,000	660,000			110,000	23,571	
Asbestos removal	Lump Sum	2,000	2,000		333	71	
Demolition	Lump Sum	28,000	28,000		4,667	1,000	3.67%
Abnormals	Lump Sum	120,000	120,000		20,000	4,286	
Contingency + design fees	Lump Sum	91,000	91,000		15,167	3,250	
Use Total from Land Appraisal, y/n?							
		VAT Total	0		0	0	
Works Total	1,713 /m ² nfa	1,713 /m ² gfa	901,000		150,167	32,179	

Acquisition & Works Summary	Total	Average per Unit	Average per Person
Total	1,713 /m ² nfa	1,713 /m ² gfa	901,000
			150,167
			32,179

A&W as % of Market Sales Value

Optimisation

Target % for A&W/Market Sales Value

Acquisition
Works
Dev. Interest
Net Loan

Account Codes

Acquisition Total Entered 0
Market Value, if Different
Land Discount 0

For optimisation of Total Scheme Costs see Section F

F Total Scheme Cost

		% TSC
Acquisition & Works as Section B	901,000	86.8%
Development Fees as Section D	120,541	11.6%
User-defined Interest Cost	16,216	1.6%
Other Costs or Savings(-)		
Other Costs or Savings(-)		
Total Scheme Cost (TSC)	1,037,757	100.0%

TSC as % of Market Sales Value

Optimisation

Target % for TSC/Market Sales Value 90.0%

Alternative Solutions:

Total saving in TSC required	0	0 per unit
or Affordable Acq. Total	0	0 per unit, or per hab. room
or Affordable Wks. Total	0	per unit, or per gross m ²

Optimisation results for Acq. and Wks. assume that development fees & interest remain at 13.2% of TSC

Analysis of RSL Funding

	Per Unit	Per Person	% of TSC
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
RSL Capital Contribution	0		
Net Loan	932,757	155,460	33,313
Total RSL Funding	932,757	155,460	33,313
			89.9%

Analysis of Subsidy & Other Funding

As Prod. Type	0		
Other	105,000	17,500	3,750
Other Sum	0		
Total Other Funding	105,000	17,500	3,750
			10.1%

G Private Finance

Private Finance Requirement at Year 1

		% of TSC	% of MSV
Total Scheme Cost - as Section F	1,037,757	100.0%	0.0%
Development Subsidy - as Section C	105,000	10.1%	0.0%
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment			
Capital Contribution at Year 1			
Net Loan, before Sales (Section J)	932,757	89.9%	0.0%

Apportionment of Net Loan & Long Term Interest Rates

		Loan A	Loan B		
Loan A: % Apportionment		100.00%	0.00%		
Loan Amounts		932,757	0		
		Interest Rate	Interest Rate	Effective Rate %	
		%	%		
Year 1 to	45	3.50%		3.50%	

Loan Repayment Method

Annuity y/n? n Interest Only Method Chosen
Leave blank

Value: Loan Ratios & Affordable Loan Values

Current Market Sales Value	0
NPV of Net Rent Only	954,082
User Specified Value	
Current Market Sales Value:Net Loan %	0.0%
NPV of Net Rent:Net Loan %	102.3%
User Specified Value:Net Loan %	0.0%

Value: Net Loan, Target %

Affordable Loan on NPV Value
Affordable Loan on User Spec. Value

H Inflation

Base Inflation Rate

2.50%

Inflation is applied from Year 2 onwards. Set all periods to Year 45.

Inflation Margins & Periods for Income

			Margin on Base Rate	Effective Inflation Rates
Residential Tenant Rent	Period 1	Year 1 to 45	0.50%	3.00%
				0.00%

Commercial Rent - n/a

Year 1 to	45		
-----------	----	--	--

Ground Rent

Period 1	Year 1 to 45		2.50%
			0.00%

Services (Charges & Costs)

Period 1	Year 1 to 45	0.00%	2.50%
			0.00%

Market Sales Values (Residential) - n/a

Year 1 to	45	0.00%	0.00%
			0.00%

Market Sales Values (Commercial) - n/a

Year 1 to	45		0.00%
			0.00%

Inflation Margins & Periods for Allowances

			Margin on Base Rate	Effective Inflation Rates
Management	Period 1	Year 1 to 45	1.00%	3.50%
				0.00%

Maintenance

Period 1	Year 1 to 45		1.00%	3.50%
				0.00%

Reinstatement

Period 1	Year 1 to 45			2.50%
				0.00%

Another Allowance

Period 1	Year 1 to 45		0.00%	2.50%
				0.00%

Major Repairs

Period 1	Year 1 to 45		1.50%	4.00%
				0.00%

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Affordable Rent	Affordable Rent							Units Available
Commercial									6
Number of Units	4	2							
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
RSL Management	Per Unit Per Annum								Default value for information, Shared Equity 0 Default value for information, Rent 275
Year 1 to 45	1,327	1,327							1,327
Maintenance	Per Unit Per Annum								Default value for information, Rent 691
Year 1 to 45	910	910							910
Product Type	A	B	C	D	E	F	G	H	
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Services Cost	Per Unit Per Annum								0
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								0
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								0
Year 1 to 45									0
Voids & Bad Debts	% of Gross Rents & Service Charges								Default value for information, Shared Equity 0.00% Default value for information, Rent 4.25%
Year 1 to 45	2.00%	2.00%							2.00%

Major Repair Sinking Fund Options

Option 1

% Selection	% User Input	Year 1 to 45	0.80%	on 621,400
	User Input	621,400		

Option 2

Per Unit, Per Annum, Com. Rented Units Only	Year 1 to 45	
---	--------------	--

Option 3

Per Unit, Per Annum, Res. Rented Units Only	Year 1 to 45	
---	--------------	--

Sinking Fund at Year 7 6,290

Defer the Start of the Sinking Fund to Year

7

Memorandum Information

Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Affordable Rent	Affordable Rent							
Units	4	2	0	0	0	0	0	0	
Commercial									
Market Sales Value Available for Sale	0	0	0	0	0	0	0	0	
Sell units at end of Year									
Value for Sale at Yr. 1	0	0	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a.

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	32,646
Managing Agent	0
RSL Management	7,962
Maintenance	5,460
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 2.0%	940
Total Cost at Year 1	47,009

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
	n	159.29	0.00	159.29	692.62
	n	131.88	0.00	131.88	573.46
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Averages	150.15 per week (ex. S.C.)		652.90 per month (ex. S.C.)		
	150.15 per unit per week		652.90 per unit per month		
	89.37 per net m ² (ex. S.C.)		89.37 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated. NB For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Affordable Rent	Affordable Rent							
Commercial									
Target - April 2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	159.29	131.88	0.00	0.00	0.00	0.00	0.00	0.00	47,009
Total Cost Rent p.w.	159.29	131.88	0.00	0.00	0.00	0.00	0.00	0.00	47,009

Commercial Rents n/a

Year 1 to									0
-----------	--	--	--	--	--	--	--	--	---

These Options n/a Set Initial Rent Free Period (months) months
 Rent Review Period, i.e. rent fixed for years

Preferred Yield % on Unsold Equity, n/a

Residential Shared Equity units only								
Unsold Equity Share %								
Cost Rent % of u/s Eq'ty								
Rent p.w at 2.75% Yield								
Local Housing Allowance								

Residential Rents n/a

Year 1 to 45	180.00	165.58							54,848
	275.97	206.98	Market rents	£1200 3 bed, £900 2 bed, rent cap as per EFDC policy £180					

Set all service charges received per week

Year 1 to 45									0
--------------	--	--	--	--	--	--	--	--	---

Set Ground Rents received per annum

Year 1 to 45									0
--------------	--	--	--	--	--	--	--	--	---

Rent Yields as at end of Year	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		53,751	40,329
Compared with Market Value at Year 1	0		
Compared with Total Scheme Cost of	1,037,757	5.18%	3.89%
Compared with Acquisition Cost of	0		

Residential at Start of Year 1

Gross Rent 54,848
 Market Value 0
 Yield

Commercial at Start of Year 1

Gross Rent 0
 Market Value 0
 Yield

Rent Yields as at end of Year		Gross	Net

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a. at Year 1
 NPV of Net Rent less loan interest, divided by Open'g Loan, p.a.
 NPV Period & Discount Rate: 30 years at 3.50%, as defined in Section M

Calculation of Affordable Loan Based on Net Income at Year 1

Total Set Rent	54,848
Service Charges	0
Ground Rents	0
Managing Agent	0
RSL M'ngm't & Maint.	13,422
Services Cost	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids & Bad Debts	1,097
Net Income at Year 1	40,329

	Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Set Residential Rent	9,141	175.19	761.78
Set Commercial Rent	0		

Actual Loan
 Affordable Loan Assuming net income meets Year 1 loan costs
 Difference Equivalent to the capitalised Year 1 net revenue surplus.

M Long Term Cashflow

Loan Repayment Method Interest Only
 Peak Loan Occurs in Year 1 932,757
 Revenue First Exceeds Costs Year 1
 Loan Repaid by Year 30

NPV Calculation Options Net Rent + Cap. Val. - Loan
 NPV Discount Rate 3.50%
 Summarise Cashflow Results to Year 30

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.
 Discounted Cap. Value

	n/a	Per Unit	Per Person
Max. Annual Deficit: Year	n/a		
Capitalised Yr. 1 Net Revenue Surplus	237,904	39,651	8,497
Cum. Surplus at Year 30	59,130	9,855	2,112
NPV Net Rent + Cap. Val. - Loan	21,325	3,554	762
IRR	3.67%		
NPV of Net Rent Only	954,082		
NPV of All Capital Receipts	0		

Interest Total 626,648
 Min. Interest Cover: Year 1 126.02%
 Target Interest Cover % 115.00%
 First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

Year	1	2	3	4	5	6	7	8	9
Opening Loan	932,757	924,431	914,653	903,339	890,402	875,751	859,291	847,313	833,802
Average Interest	32,004	31,694	31,333	30,918	30,445	29,912	29,415	28,979	28,488
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	40,329	41,472	42,647	43,854	45,096	46,372	41,393	42,489	43,613
Closing Loan	924,431	914,653	903,339	890,402	875,751	859,291	847,313	833,802	818,677
Gross Resid'l Rent	54,848	56,494	58,189	59,934	61,732	63,584	65,492	67,457	69,480
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,097	1,130	1,164	1,199	1,235	1,272	1,310	1,349	1,390
s/t	53,751	55,364	57,025	58,736	60,498	62,313	64,182	66,108	68,091
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	7,962	8,241	8,529	8,828	9,137	9,456	9,787	10,130	10,484
Maintenance	5,460	5,651	5,849	6,054	6,265	6,485	6,712	6,947	7,190
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	6,290	6,542	6,803
Net Rent	40,329	41,472	42,647	43,854	45,096	46,372	41,393	42,489	43,613
<i>Net Rent + Rec'ts - Inter't</i>	<i>8,326</i>	<i>9,778</i>	<i>11,314</i>	<i>12,937</i>	<i>14,651</i>	<i>16,460</i>	<i>11,978</i>	<i>13,511</i>	<i>15,125</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	10	11	12	13	14	15	16	17	18
Opening Loan	818,677	801,852	783,239	762,745	740,273	715,724	688,992	659,969	628,541
Average Interest	27,940	27,332	26,662	25,925	25,118	24,238	23,281	22,243	21,121
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	44,765	45,946	47,156	48,396	49,667	50,969	52,304	53,671	55,071
Closing Loan	801,852	783,239	762,745	740,273	715,724	688,992	659,969	628,541	594,591
Gross Resid'l Rent	71,565	73,712	75,923	78,201	80,547	82,963	85,452	88,016	90,656
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,431	1,474	1,518	1,564	1,611	1,659	1,709	1,760	1,813
s/t	70,133	72,237	74,405	76,637	78,936	81,304	83,743	86,255	88,843
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	10,851	11,231	11,624	12,031	12,452	12,888	13,339	13,806	14,289
Maintenance	7,441	7,702	7,971	8,250	8,539	8,838	9,147	9,468	9,799
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	7,076	7,359	7,653	7,959	8,277	8,609	8,953	9,311	9,683
Net Rent	44,765	45,946	47,156	48,396	49,667	50,969	52,304	53,671	55,071
<i>Net Rent + Rec'ts - Inter't</i>	<i>16,825</i>	<i>18,613</i>	<i>20,494</i>	<i>22,472</i>	<i>24,549</i>	<i>26,732</i>	<i>29,023</i>	<i>31,428</i>	<i>33,950</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0

Year	19	20	21	22	23	24	25	26	27
Opening Loan	594,591	557,995	518,624	476,346	431,022	382,507	330,651	275,297	216,283
Average Interest	19,910	18,606	17,204	15,699	14,088	12,364	10,523	8,558	6,465
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	56,506	57,976	59,482	61,024	62,603	64,220	65,876	67,572	69,308
Closing Loan	557,995	518,624	476,346	431,022	382,507	330,651	275,297	216,283	153,440
Gross Resid'l Rent	93,376	96,177	99,062	102,034	105,095	108,248	111,496	114,840	118,286
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,868	1,924	1,981	2,041	2,102	2,165	2,230	2,297	2,366
s/t	91,508	94,254	97,081	99,994	102,993	106,083	109,266	112,544	115,920
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	14,789	15,307	15,843	16,397	16,971	17,565	18,180	18,816	19,475
Maintenance	10,142	10,497	10,864	11,244	11,638	12,045	12,467	12,903	13,355
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	10,071	10,474	10,893	11,328	11,781	12,253	12,743	13,252	13,783
Net Rent	56,506	57,976	59,482	61,024	62,603	64,220	65,876	67,572	69,308
<i>Net Rent + Rec'ts - Inter't</i>	<i>36,596</i>	<i>39,371</i>	<i>42,278</i>	<i>45,324</i>	<i>48,515</i>	<i>51,856</i>	<i>55,354</i>	<i>59,014</i>	<i>62,843</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	28	29	30	31	32	33	34	35	36
Opening Loan	153,440	86,592	15,556	0	0	0	0	0	0
Average Interest	4,237	1,868	81	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	71,085	72,904	15,637	0	0	0	0	0	0
Closing Loan	86,592	15,556	0	0	0	0	0	0	0
Gross Resid'l Rent	121,834	125,489	129,254	133,132	137,126	141,239	145,476	149,841	154,336
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	2,437	2,510	2,585	2,663	2,743	2,825	2,910	2,997	3,087
s/t	119,398	122,979	126,669	130,469	134,383	138,414	142,567	146,844	151,249
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	20,156	20,862	21,592	22,348	23,130	23,939	24,777	25,644	26,542
Maintenance	13,822	14,306	14,807	15,325	15,861	16,417	16,991	17,586	18,201
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	14,334	14,907	15,503	16,124	16,769	17,439	18,137	18,862	19,617
Net Rent	71,085	72,904	74,767	76,673	78,623	80,619	82,662	84,751	86,889
<i>Net Rent + Rec'ts - Inter't</i>	<i>66,848</i>	<i>71,036</i>	<i>74,686</i>	<i>76,673</i>	<i>78,623</i>	<i>80,619</i>	<i>82,662</i>	<i>84,751</i>	<i>86,889</i>
Cashflow	0	0	59,130	76,673	78,623	80,619	82,662	84,751	86,889
Cum. Balance	0	0	59,130	135,803	214,426	295,045	377,706	462,458	549,347
Year	37	38	39	40	41	42	43	44	45
Opening Loan	0	0	0	0	0	0	0	0	0
Average Interest	0	0	0	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	0	0	0	0	0	0	0	0	0
Closing Loan	0	0	0	0	0	0	0	0	0
Gross Resid'l Rent	158,966	163,735	168,647	173,706	178,918	184,285	189,814	195,508	201,373
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	3,179	3,275	3,373	3,474	3,578	3,686	3,796	3,910	4,027
s/t	155,787	160,460	165,274	170,232	175,339	180,600	186,018	191,598	197,346
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	27,471	28,433	29,428	30,458	31,524	32,627	33,769	34,951	36,174
Maintenance	18,838	19,498	20,180	20,887	21,618	22,374	23,157	23,968	24,807
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	20,401	21,218	22,066	22,949	23,867	24,822	25,814	26,847	27,921
Net Rent	89,076	91,313	93,600	95,939	98,331	100,777	103,277	105,833	108,444
<i>Net Rent + Rec'ts - Inter't</i>	<i>89,076</i>	<i>91,313</i>	<i>93,600</i>	<i>95,939</i>	<i>98,331</i>	<i>100,777</i>	<i>103,277</i>	<i>105,833</i>	<i>108,444</i>
Cashflow	89,076	91,313	93,600	95,939	98,331	100,777	103,277	105,833	108,444
Cum. Balance	638,423	729,735	823,335	919,274	1,017,606	1,118,383	1,221,660	1,327,492	1,435,937

East Thames Group

Rent & Sale Appraisal Summary

SDS ProVal Version 9.13 Nov-2012

Scheme Name EFDC - Red Cross site, Roundhills

Date 24 Jun 2013

Address
 Funding Year 2013/2014
 Local Authority Epping Forest
 Scheme Description
 Units 6

Appraisal by georg.herrmann
Seller
 Site Area (acs) 0 ha
 Defaults Validation Check see validation page for details
Appraisal Version 1

Unit Details

	A	B	C	D	E	F	G	H	Total - All Units
Product Type	Affordable Rent	Affordable Rent							
Net Floor Area m ²	93	77							526
Persons	5	4							28
Units	4	2							6
Commercial?	n	n							0
Market Sales Value									
Sales % at Outset									
Yr 1 Resid'tial Rent p.w.	180.00	165.58							54,848
Yr 1 Comm' Rent per m ²									0
Units sold at end Year									

Product Type
 Net Floor Area m²
 Persons
 Units
 Commercial?
 Market Sales Value
 Sales % at Outset
 Yr 1 Resid'tial Rent p.w.
 Yr 1 Comm' Rent per m²
 Units sold at end Year

	I	J	K	L	M	N	O	P
Product Type								
Net Floor Area m ²								
Persons								
Units								
Commercial?								
Market Sales Value								
Sales % at Outset								
Yr 1 Resid'tial Rent p.w.								
Yr 1 Comm' Rent per m ²								
Units sold at end Year								

Acquisition & Works Costs

	Total	Average per Unit	Average per Person	hr - habitable room, ac - acre, ha - hectare	nfa - net floor area, gfa - gross floor area
Acquisition	0	0	0		
Works	901,000	150,167	32,179	1,713 /m ² nfa	1,713 /m ² gfa
Total	901,000	150,167	32,179		

A&W as % of Market Sales Value

Development Subsidy

	Total	Avg'e per Res' Unit	Average per Person	% TSC
Total	105,000	17,500	3,750	10.12%

Other Capital Receipts (not Sales)

Lump Sums: Rec'd in Year 0
 Capitalised Ground Rents, Total 0

	Total	Per Unit	Per Person	% of TSC
RSL Funding				
Receipts from Initial Sales	0			
Advance Rent Income	0			
Loan Adjustment	0			
RSL Capital Contribution	0			
Net Loan	932,757	155,460	33,313	89.9%
Total	932,757	155,460	33,313	89.9%

Total Scheme Costs

Acquisition & Works as Section B 901,000 86.8%
 Development Fees as Section D 120,541 11.6%
 User-defined Interest Cost 16,216 1.6%
 Other Costs 0

	Total	Per Unit	Per Person	% of TSC
Subsidy & Other Funding				
As Prod. Type	0			
Other	105,000	17,500	3,750	10.1%
Other Sum	0			
Total	105,000	17,500	3,750	10.1%

Total Scheme Cost (TSC) 1,037,757

Residential Market Value 0
 Commercial Market Value 0
TSC as % of Market Sales Value

Private Finance

	Total	% of TSC	% of MSV
Total Scheme Cost	1,037,757	100.0%	0.0%
Development Subsidy	105,000	10.1%	0.0%
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
Capital Contribution at Year 1	0		
Net Loan (before sales)	932,757	89.9%	0.0%

Interest Rates	Loan A	Loan B
Loan Amounts	932,757	0
Year 1 to 45	3.50%	

Repayment Method Interest Only

Inflation & Allowances

Base Inflation Rate 2.50%

Year 1 Effective Inflation Rates & Values for Income

	Inflation Rate
Residential Tenant Rent	3.00%
Commercial Rent - n/a	
Ground Rent	2.50%
Services (Charges and Costs)	2.50%
Market Sales Values (Residential) - n/a	0.00%
Market Sales Values (Commercial) - n/a	0.00%

Year 1 Effective Inflation Rates & Values for Allowances

	Inflation Rate	Cost Per Unit, p.a.
Management	3.50%	1,327
Managing Agent	n	0.00%
Maintenance	3.50%	910
Reinstatement	2.50%	0
Another Allowance	2.50%	0
Major Repairs	4.00%	0
Voids	n	2.00%

Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 932,757
 Revenue First Exceeds Costs Year 1
 Loan Repaid by Year 30

Chosen NPV Calculation Net Rent + Cap. Val. - Loan
 NPV Discount Rate 3.50%
 Summarise Cashflow Results to Year 30
 Capital Value of Scheme - Year 1
 Capital Growth Rate p.a.
 Discounted Cap. Value

Max. Annual Deficit: Year n/a
 Capitalised Yr. 1 Net Revenue Surplus 237,904
 Cum. Surplus at Year 30 59,130
 NPV Net Rent + Cap. Val. - Loan 21,325
 IRR 3.67%
 NPV of Net Rent Only 954,082
 NPV of All Capital Receipts 0

	Per Unit	Per Person
	39,651	8,497
	9,855	2,112
	3,554	762

Interest Total 626,648
 Min. Interest Cover: Year 1 126.02%
 Target Interest Cover % 115.00%
 First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

East Thames Housing / Epping Forest District Council
Housing Delivery Programme

Feasibility Report

**Site: Roundhills, Waltham Abbey
Sites 4, 5, 6 and 7, EN9 1TD**

Ref: IJC/dh/612.023/FR04 (rev B)

Date: June 2013

Contents

1. Introduction and Confirmation of Brief
2. Existing Site and Surroundings
3. Proposals
4. Planning Issues and Risks
5. Impact/Implications of Statutory Services
6. Site Access and Buildability Issues
7. Neighbourly Matters and Party Walls
8. Proposed Procurement Route
9. Impact on Parking
10. Costs
11. Recommendations and Conclusions

Appendices

- A: Development Proposals – Drawings 612.020/SK6A and SK7A
- B: Site Photographs
- C: Existing Site Plan (612.020 SK5B)
- D: Statutory Services Information
- E: Information on Possible Contamination
- F: Cost Build-up

1.0 Introduction and Confirmation of Brief

- 1.1. Pellings LLP are appointed as part of East Thames Group Technical Team in respect of delivery of Development Agent services to Epping Forest District Council for a six year housing delivery programme.
- 1.2. Following initial appraisal by EFDC, 59 sites have been identified as having possible development potential, with a further number of sites in reserve.
- 1.3. Pellings LLP have been instructed to progress feasibility studies to all 59 sites and which will assist in establishing the extent and timing of the overall programme.
- 1.4. Our instructions are in accordance with our fee tender of 13 August 2012, against the previously prepared tender documentation, and email confirmation of 9 April 2013.

2.0 Existing Site and Surroundings

- 2.1. Roundhills is a residential estate comprising a mix of two and three storey houses and flats. Two storey houses surround all four of the sites.
- 2.2. The sites are not located in a Conservation Area and they are not designated for any particular purposes in the Epping Forest District Council Combined Local Plan 1998 and Local Plan Alterations 2006. The sites do not lie in Flood Zones on the Environment Agency Flood Map.
- 2.3. The sites consist of garages with associated access and grassed/paved areas in the Roundhills Estate in Waltham Abbey.
- 2.4. Three separate sites have been outlined consisting of :
 - i. **Site 4:** 16 single garages, hard surfaced parking and access (also providing pedestrian access).
 - ii. **Site 5:** 13 single garages, hard surfaced access/turning areas (also providing pedestrian access)
 - iii. **Site 7:** 32 single garages, road and external parking space (also providing pedestrian access).
- 2.5. The sites all adjoin the highway and other boundaries are formed by adjoining housing. There are public footways within a number of the sites and the sites serve to provide pedestrian access within the estate and also from neighbouring houses to the highway.
- 2.6. Site 4 has a wide grass verge adjacent to the highway where there are a number of mature trees.

3.0 **Proposals**

3.1. Read in conjunction with drawings 612.020 SK5A, SK6 and SK7A attached at Appendix A.

3.2. The proposals are :

- Site 4 2 x 3B Houses with 7 parking spaces
- Site 5 2 x 3B Houses with 6 parking spaces
- Site 6 Retention of substation and access thereto, together with provision of 52 parking spaces
- Site 7 6 x 2B Houses with provision of 17 parking spaces.

Provision of 16 parking spaces to support site wide parking provision.

4.0 **Planning Issues and Risks**

Relevant Planning Policies/Considerations

4.1. The adopted Development Plan for Epping Forest District Council is the Combined Local Plan 1998 and Local Plan Alterations 2006.

4.2. There are no specific policies which prevent the loss of existing garages although policy ST4 (Road Safety) states that planning permission will only be granted where there will be no adverse effects on the highway, traffic congestion or harm to the character or appearance of the area. Parking spaces to meet with the Council's standards are proposed for the new dwellings.

4.3. It will be necessary to undertake a Parking Survey and to prepare a Transport Statement to demonstrate that the loss of the garages and proposed development would not cause any parking shortfalls or harm to highway conditions or the amenities of the area.

4.4. The site is located in the settlement of Waltham Abbey and the proposal would be consistent with policy CP7 which encourages the efficient use of existing built-up areas by the 'recycling of vacant, derelict, degraded and under-used land to accommodate the development' and the 're-use of urban sites, which are no longer appropriate to their existing or proposed use in the foreseeable future, for alternative land uses'.

4.5. The proposal would comply with policy H4A which states the need for a range of dwellings, including an appropriate proportion of smaller dwellings, to meet identified housing need on a site-by-site basis.

4.6. The development of small family homes with rear gardens and private and communal parking would be in keeping with the character and appearance of the area and may comply with Epping Forest's design policies and guidance.

4.7. Subject to the retention of the existing trees at Site 4, and the provision of new planting the development would comply with the Council's landscaping policies and given that the sites are not within a flood zone on the EA map there should be no insurmountable flood risk issues.

5.0 Impact/Implications of Statutory Services

5.1. We have undertaken statutory services enquiries to the following:

- Southern Gas
- Cable and Wireless
- Virgin Media
- Thames Water
- BT
- National Grid
- Scottish and Southern Energy
- Environment Agency
- UK Power Networks

5.2. Responses received to date are from Thames Water, National Grid and the Environment Agency.

5.2.1. National Grid: There is an indication that there is a possibility of low or medium gas apparatus in the vicinity. This would require relocation to facilitate development.

5.3. Thames Water: There is apparatus crossing the site. Our proposals reflect the position of these services as indicated on drawings, whilst further detailed information will be required to ascertain the exact location prior to taking any designs forward to planning application stage.

5.4. It should be noted there are a number of responses to enquiries that, at time of preparation of this report, have not yet been received.

6.0 Site Access and Buildability Issues

6.1. The site is accessed from existing site roads and there would not appear to be any particular difficulties for the normal level and size of construction traffic associated with a development of this nature.

6.2. Areas should be available for contractor's site set up and accommodation.

6.3. The site is within a primarily residential area, with also some retail elements nearby and, accordingly, any appointed contractor should use all best endeavours to act in a considerate manner and within normal working hours.

6.4. Further to initial enquiries made to EFDC, some potential contamination issues have been highlighted with use of the domestic garages, and also a former horticultural nursery. Possible contaminants in respect of the former use as a nursery are summarised and indicated within the note produced by EFDC Planning and Economic Development Directorate at Appendix E.

6.5. Possible contaminants in respect of the previous use of the garage site may include asbestos, ash and clinker, hydro-carbons from vehicle maintenance and the like.

6.6. Accordingly, suitable site investigation will need to be undertaken ahead of any proposals to take this site forward and specific recommendations made to deal with any contamination found, whether by capping or removal from site.

7.0 Neighbourly Matters and Party Walls

- 7.1. As above, the proposed development site is within a primarily residential area and the appointed contractor should act in a considerate manner. It is proposed that restrictions on working hours, noise levels, requirement for resident liaison and similar matters will be included within contract documentation.
- 7.2. From proposals on Drawing 612.020/SK6, Party Wall matters will be relevant to development, particularly of Site 7.
- 7.3. Confirmation of ownership will be required in due course.
- 7.4. Such Party Wall matters may be undertaken ahead of the build contract by direct appointment by EFDC, or included as a requirement for the contractor to deal with within the build contract. This later approach, however, would carry increased risk to programme and cost.

8.0 Proposed Procurement Route

- 8.1. It is understood that development works will be procured by way of the East Thames Housing Group existing contractor framework arrangements.
- 8.2. It is proposed that works shall be procured on a Design and Build basis with the contractors taking forward RIBA Stage D planning consent drawings into detailed design and construction delivery on site.
- 8.3. Schemes shall be designed to a set of Employer's Requirements to be subsequently confirmed but which substantially shall be formed from existing East Thames Housing Group Design Standards and Employer's Requirement documentation.
- 8.4. It is proposed that all site preparation works will be included within individual contract packages including any required demolitions, adjustment of statutory services, highways works and boundary maintenance/reinstatement/provision.
- 8.5. On completion of the feasibility studies for the whole programme, further recommendations will be made in terms of how works are packaged to ensure size of work packages are optimised for ensuring maximum economies for East Thames Housing Group and EFDC.
- 8.6. It is considered, at this stage, that this may be by way of a mix of different sized contractors dependent upon the numbers and geographical location of individual works packages.
- 8.7. Works will be administered by Pellings LLP as Employer's Agent acting in accordance with East Thames Housing Group terms of appointment and the overarching requirements of the Development Agency agreement.

9.0 Impact on Parking

- 9.1. The Council's currently adopted parking standards are contained within Essex County Council's Parking Standards Design and Good Practice Guide – September 2009. These revised standards were adopted by the Council as statutory planning guidance in February 2012.

- 9.2. Flats and houses have the same parking standard as follows:
- 1 bedroom accommodation – 1 space per dwelling
 - 2 bedroom accommodation and above – 2 spaces per dwelling
 - Visitor parking – 0.25 spaces per dwelling (rounded up to the nearest whole number)

9.3. Against these standards, the current proposals potentially fall short of visitor parking spaces. The site is within an area where on street parking is available.

9.4. Should the site move forward to planning application stages, it is recommended that travel and transport statements and assessments will be required, at which point parking provision requirements can be defined more accurately.


10.0 **Costs**

10.1. It is considered that a budget of £1,412,000 should be allowed for this scheme, inclusive of contractor design fees, but exclusive of professional fees and VAT. Please refer to Appendix F.

11.0 **Recommendations and Conclusions**

11.1. Subject to an overall lifetime cost appraisal, we conclude that these sites appear to have economic development opportunities and we recommend is considered for taking forward to planning application stage, with a view to incorporating into the overall programme.

Signed:


.....

Pellings LLP

Date:

21st June 2013
.....

Appendix A

Development Proposals

Drawings 612.020/SK5B, SK6A and SK7A



NOTES
 Report all discrepancies, errors and omissions
 Do not scale from this drawing
 Do not use this drawing 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
 appropriate manufacturers' recommendations that from time to
 time shall apply.
 For all specialist work, see relevant drawings.

PRELIMINARY

Rev	Date	Description	Name
-	-	-	-



Pellings LLP
 First Floor, 100, Kent Street, 117Y
 100 Kent Street, 117Y
 Waltham Abbey, Essex, SS11 1YD
 www.pellings.co.uk

Client: East Thames HA
 Existing Roundhills Sites
 Waltham Abbey

Architecture & Planning ■ Building Services ■ Project Management
 Cost Consulting ■ Civil Construction

PROJECT	DATE	SCALE	DRAWN	CHK
EPDC House Building Programme	MAY 2013	1:200 @A3	NP	
612/020/SK5				B



TOTALS
 Site Area 0.218 ha
 6 x 2 Bed Houses @ 77 sqm
 17 Parking Spaces

TOTALS
 Site Area 0.359 ha
 2 x 3 Bed Houses @ 93 sqm
 6 Parking Spaces

PRELIMINARY

NOTES
 Report all discrepancies, errors and omissions
 Do not scale from this drawing
 Do not construct 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 appropriate manufacturers' recommendations that from time to time shall apply.
 For all specialist work, see relevant drawings.
 This drawing and design are copyright of PELLINGS LLP

Rev	Date	Description	Name
-	-	-	-



Pellings LLP East Thames HA
 2nd Floor, 100 Abchurch Lane, London EC4N 3DF
 T: 020 8469 9114 F: 020 8513 0019 e: enquire@pellings.co.uk
 www.pellings.co.uk

Architecture & Planning ■ Building Services ■ Project Management ■
 Cost Consulting ■ Small Construction

PROJECT: EPDC House Building Programme
 DATE: MAY 2013 SCALE: 1:500 @A3 DRAWING NO: 612|020|SK6 A



TOTALS
 Site Area 0.072 Ha
 2 x 3 Bed Houses @ 93 sqm
 7 Parking Spaces

NOTES
 Report all discrepancies, errors and omissions
 Do not scale from this drawing
 Do not use this drawing 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 appropriate manufacturers' recommendations that from time to time shall apply.
 For all specialist work, see relevant drawings.

PRELIMINARY

Rev	Date	Description	Name
-	-	-	-



Pellings LLP
 First Floor, Kent House, 117
 102, 84-86, 91-92, 100-101, 103-104, 106-107, 109-110, 112-113, 115-116, 118-119, 121-122, 124-125, 127-128, 130-131, 133-134, 136-137, 139-140, 142-143, 145-146, 148-149, 151-152, 154-155, 157-158, 160-161, 163-164, 166-167, 169-170, 172-173, 175-176, 178-179, 181-182, 184-185, 187-188, 190-191, 193-194, 195-196, 198-199, 201-202, 204-205, 207-208, 210-211, 213-214, 216-217, 219-220, 222-223, 225-226, 228-229, 231-232, 234-235, 237-238, 240-241, 243-244, 246-247, 249-250, 252-253, 255-256, 258-259, 261-262, 264-265, 267-268, 270-271, 273-274, 276-277, 279-280, 282-283, 285-286, 288-289, 291-292, 294-295, 297-298, 300-301, 303-304, 306-307, 309-310, 312-313, 315-316, 318-319, 321-322, 324-325, 327-328, 330-331, 333-334, 336-337, 339-340, 342-343, 345-346, 348-349, 351-352, 354-355, 357-358, 360-361, 363-364, 366-367, 369-370, 372-373, 375-376, 378-379, 381-382, 384-385, 387-388, 390-391, 393-394, 396-397, 399-400, 402-403, 405-406, 408-409, 411-412, 414-415, 417-418, 420-421, 423-424, 426-427, 429-430, 432-433, 435-436, 438-439, 441-442, 444-445, 447-448, 450-451, 453-454, 456-457, 459-460, 462-463, 465-466, 468-469, 471-472, 474-475, 477-478, 480-481, 483-484, 486-487, 489-490, 492-493, 495-496, 498-499, 501-502, 504-505, 507-508, 510-511, 513-514, 516-517, 519-520, 522-523, 525-526, 528-529, 531-532, 534-535, 537-538, 540-541, 543-544, 546-547, 549-550, 552-553, 555-556, 558-559, 561-562, 564-565, 567-568, 570-571, 573-574, 576-577, 579-580, 582-583, 585-586, 588-589, 591-592, 594-595, 597-598, 600-601, 603-604, 606-607, 609-610, 612-613, 615-616, 618-619, 621-622, 624-625, 627-628, 630-631, 633-634, 636-637, 639-640, 642-643, 645-646, 648-649, 651-652, 654-655, 657-658, 660-661, 663-664, 666-667, 669-670, 672-673, 675-676, 678-679, 681-682, 684-685, 687-688, 690-691, 693-694, 696-697, 699-700, 702-703, 705-706, 708-709, 711-712, 714-715, 717-718, 720-721, 723-724, 726-727, 729-730, 732-733, 735-736, 738-739, 741-742, 744-745, 747-748, 750-751, 753-754, 756-757, 759-760, 762-763, 765-766, 768-769, 771-772, 774-775, 777-778, 780-781, 783-784, 786-787, 789-790, 792-793, 795-796, 798-799, 801-802, 804-805, 807-808, 810-811, 813-814, 816-817, 819-820, 822-823, 825-826, 828-829, 831-832, 834-835, 837-838, 840-841, 843-844, 846-847, 849-850, 852-853, 855-856, 858-859, 861-862, 864-865, 867-868, 870-871, 873-874, 876-877, 879-880, 882-883, 885-886, 888-889, 891-892, 894-895, 897-898, 900-901, 903-904, 906-907, 909-910, 912-913, 915-916, 918-919, 921-922, 924-925, 927-928, 930-931, 933-934, 936-937, 939-940, 942-943, 945-946, 948-949, 951-952, 954-955, 957-958, 960-961, 963-964, 966-967, 969-970, 972-973, 975-976, 978-979, 981-982, 984-985, 987-988, 990-991, 993-994, 996-997, 999-1000

Architecture & Planning ■ Building Services ■ Project Management ■
 Cost Consulting ■ Civil Coordination
 Client: East Thames HA
 Title: Existing and Proposed Roundhills
 Site: Valhain Abbey
 Date: MAY 2013
 Scale: 1:500 @ A3
 Drawn: NP
 Checked: SK7
 Project No: 612|020|SK7 | A

Appendix B

Site Photographs

Appendix B - Site Photographs

General Views to existing garages and surrounding 2 storey housing



Photograph No. 1



Photograph No. 2



Photograph No. 3



Photograph No. 4



Photograph No. 5



Photograph No. 9



Photograph No. 10



Photograph No. 11



Photograph No. 12

Appendix C

Existing Site Plan



Peltings LLP
 Architects & Planners for BRT BRT
 1220 Kings Road London SW3 4LJ
 www.peltings.co.uk

PROJECT: EFDC House Building Programme
 DATE: MAY 2013
 SCALE: 1:500
 DRAWING NO: 612 020 SK5 B

CLIENT: East Thames HA
 SITES: Existing Rounchills Sites
 Waltham Abbey

Peltings

Rev	Date	Description
1	11/05/13	Issue for planning
2	11/05/13	Issue for planning

PRELIMINARY

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 Report all discrepancies, errors and omissions
 Do not take from this drawing
 Verify all dimensions on site before commencing any work or
 preparing shop drawings
 All materials, components and workmanship are to comply with
 all relevant British Standards, Codes of Practice and
 other relevant documents and specifications, together with the
 relevant building regulations and other applicable laws
 For all specialist work, see relevant drawings
 This drawing and design are copyright of PELTINGS LLP

Appendix D

Statutory Services Information

nationalgrid

Adam Greenhalgh
pellings
24 Widmore Road
Bromley
Kent
BR1 1RY

Plant Protection
National Grid
Block 1; Floor 1
Brick Kiln Street
Hinckley
LE10 0NA
E-mail: plantprotection@nationalgrid.com
Telephone: +44 (0)800 698588

National Grid Electricity Emergency Number:
0800 40 40 90*

National Gas Emergency Number:
0800 111 999*

* Available 24 hours, 7 days/week.
Calls may be recorded and monitored.

www.nationalgrid.com

Date: 16/05/2013
Our Ref: NL_TE_Z6_2S_26580
Your Ref: AG/DH/612023/01A - WR022

RE: Proposed Works, EN9 1TD ROUNDHILLS, LONDON

Thank you for your enquiry which was received on 07/05/2013.

Please note this response and any attached map(s) are valid for 28 days.

An assessment has been carried out with respect to National Grid Electricity Transmission plc's and National Grid Gas plc's apparatus. Please note it does not cover the items listed in the section "Your Responsibilities and Obligations", including gas service pipes and related apparatus.

For details of National Grid's network areas please see the National Grid website (<http://www.nationalgrid.com/uk/Gas/Safety/work/>) or the enclosed documentation.

As your works are at a "proposed" stage, any maps and guidance provided are for information only. You must submit a "Scheduled Works" enquiry at the earliest opportunity and failure to do this may lead to disruption to your plans and works. National Grid will endeavour to provide an initial assessment within 10 working days of receipt of a Scheduled Works enquiry and dependent on the outcome of this, further consultation may be required.

In any event, for safety and legal reasons works must not be carried out until a Scheduled Works enquiry has been completed and final response received.

National Grid is a trading name for:
National Grid Electricity Transmission plc
Registered Office: 1-3 Strand, London WC2N 5EH
Registered in England and Wales, No 2366977

National Grid is a trading name for:
National Grid Gas plc
Registered Office: 1-3 Strand, London WC2N 5EH
Registered in England and Wales, No 2006000

Terms and Conditions

All sales are made in accordance with Thames Water Utilities Limited (TWUL) standard terms and conditions unless previously agreed in writing.

1. All goods remain in the property of Thames Water Utilities Ltd until full payment is received.
2. Provision of service will be in accordance with all legal requirements and published TWUL policies.
3. All invoices are strictly due for payment 14 days from due date of the invoice. Any other terms must be accepted/agreed in writing prior to provision of goods or service, or will be held to be invalid.
4. Thames Water does not accept post-dated cheques-any cheques received will be processed for payment on date of receipt.
5. In case of dispute TWUL's terms and conditions shall apply.
6. Penalty interest may be invoked by TWUL in the event of unjustifiable payment delay. Interest charges will be in line with UK Statute Law 'The Late Payment of Commercial Debts (Interest) Act 1998'.
7. Interest will be charged in line with current Court Interest Charges, if legal action is taken.
8. A charge may be made at the discretion of the company for increased administration costs.

A copy of Thames Water's standard terms and conditions are available from the Commercial Billing Team (cashoperations@thameswater.co.uk).

We publish several Codes of Practice including a guaranteed standards scheme. You can obtain copies of these leaflets by calling us on 0845 9200 800.

If you are unhappy with our service you can speak to your original goods or customer service provider. If you are not satisfied with the response, your complaint will be reviewed by the Customer Services Director. You can write to him at: Thames Water Utilities Ltd. PO Box 492, Swindon, SN38 8TU.

If the Goods or Services covered by this invoice falls under the regulation of the 1991 Water Industry Act, and you remain dissatisfied you can refer your complaint to Consumer Council for Water on 0121 345 1000 or write to them at Consumer Council for Water, 1st Floor, Victoria Square House, Victoria Square, Birmingham, B2 4AJ.

Ways to pay your bill

Credit Card	BACS Payment	Telephone Banking	Cheque
Call 0845 070 9148 quoting your invoice number starting CBA or ADS.	Account number 90478703 Sort code 60-00-01 A remittance advice must be sent to: Thames Water Utilities Ltd., PO Box 3189, Slough SL1 4WW. or email ps.billing@thameswater.co.uk	By calling your bank and quoting: Account number 90478703 Sort code 60-00-01 and your invoice number	Made payable to 'Thames Water Utilities Ltd' Write your Thames Water account number on the back. Send to: Thames Water Utilities Ltd., PO Box 3189, Slough SL1 4WW or by DX to 151280 Slough 13

Thames Water Utilities Ltd Registered in England & Wales No. 2366661 Registered Office Clearwater Court, Vastern Rd, Reading, Berks, RG1 8DB.

Your Responsibilities and Obligations

The "Assessment" Section below outlines the detailed requirements that must be followed when planning or undertaking your scheduled activities at this location.

It is your responsibility to ensure that the information you have submitted is accurate and that all relevant documents including links are provided to all persons (either direct labour or contractors) working for you near National Grid's apparatus, e.g. as contained within the Construction (Design and Management) Regulations.

This assessment solely relates to National Grid Electricity Transmission plc (NGET) and National Grid Gas plc (NGG) apparatus. This assessment does NOT include:

- National Grid's legal interest (easements or wayleaves) in the land which restricts activity in proximity to National Grid's assets in private land. You must obtain details of any such restrictions from the landowner in the first instance and if in doubt contact National Grid.
- Gas service pipes and related apparatus
- Recently installed apparatus
- Apparatus owned by other organisations, e.g. other gas distribution operators, local electricity companies, other utilities, etc.

It is YOUR responsibility to take into account whether the items listed above may be present and if they could be affected by your proposed activities. Further "Essential Guidance" in respect of these items can be found on the National Grid Website (<http://www.nationalgrid.com/NR/rdonlyres/6D6525F9-59EB-4825-BA89-DBD7E68882C7/51319/EssentialGuidance.pdf>).

This communication does not constitute any formal agreement or consent for any proposed development work; either generally or with regard to National Grid's easements or wayleaves nor any planning or building regulations applications.

NGG and NGET or their agents, servants or contractors do not accept any liability for any losses arising under or in connection with this information. This limit on liability applies to all and any claims in contract, tort (including negligence), misrepresentation (excluding fraudulent misrepresentation), breach of statutory duty or otherwise. This limit on liability does not exclude or restrict liability where prohibited by the law nor does it supersede the express terms of any related agreements.

If you require further assistance please contact the National Grid Plant Protection team via e-mail ([click here](#)) or via the contact details at the top of this response.

Yours faithfully

National Grid Plant Protection Team

ASSESSMENT

Affected Apparatus

The National Grid apparatus that has been identified as being in the vicinity of your proposed works is:

- Low or Medium pressure (below 2 bar) gas pipes and associated equipment. (As a result it is highly likely that there are gas services and associated apparatus in the vicinity)

Requirements

BEFORE carrying out any work you must:

- Carefully read these requirements including the attached guidance documents and maps showing the location of National Grid apparatus.
- Contact the landowner and ensure any proposed works in private land do not infringe National Grid's legal rights (i.e. easements or wayleaves). If the works are in the road or footpath the relevant local authority should be contacted.
- Ensure that all persons, including direct labour and contractors, working for you on or near National Grid's apparatus follow the requirements of the HSE Guidance Notes HSG47 - 'Avoiding Danger from Underground Services' and GS6 - 'Avoidance of danger from overhead electric power lines'. This guidance can be downloaded free of charge at <http://www.hse.gov.uk>
- In line with the above guidance, verify and establish the actual position of mains, pipes, cables, services and other apparatus on site before any activities are undertaken.

GUIDANCE

Excavating Safely - Avoiding injury when working near gas pipes:
http://www.nationalgrid.com/NR/rdonlyres/2D2EEA97-B213-459C-9A26-18361C6E0B0D/25249/Digsafe_leaflet3e2finalamends061207.pdf

Standard Guidance

Essential Guidance document:

<http://www.nationalgrid.com/NR/rdonlyres/6D6525F9-59EB-4825-BA89-DBD7E68882C7/51319/EssentialGuidance.pdf>

General Guidance document:

<http://www.nationalgrid.com/NR/rdonlyres/55C13C4D-A1AA-4B13-BFDA-1CF59F88B326/51318/GeneralGuidance.pdf>

Excavating Safely in the vicinity of gas pipes guidance (Credit card):

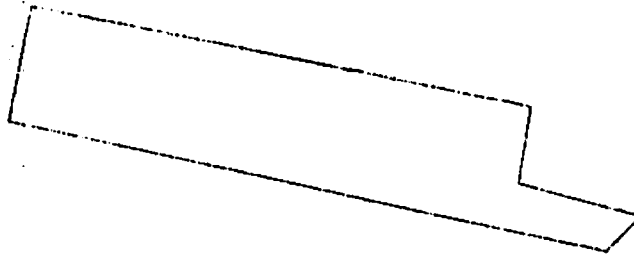
<http://www.nationalgrid.com/NR/rdonlyres/A3D37677-6641-476C-9DDA-E89949052829/44257/ExcavatingSafelyCreditCard.pdf>






Excavating Safely in the vicinity of electricity cables guidance (Credit card):

<http://www.nationalgrid.com/NR/rdonlyres/35DDEC6D-D754-4BA5-AF3C-D607D05A25C2/44858/ExcavatingSafelyCreditCardelectricitycables.pdf>

Copies of all the Guidance Documents can also be downloaded from the National Grid Website:

<http://www.nationalgrid.com/uk/Gas/Safety/work/downloads/>



ID: NL_TE_Z6_2S_26580	View extent: 361m, 196m	National Grid apparatus should not be affected	Map 1 of 1 (GAS)
USER: wayne.ridgeway	LP MAINS _____	<p>This plan shows those pipes owned by National Grid Gas plc in its role as a Licensed Gas Transporter (GT). Gas pipes owned by other GTs, or otherwise privately owned, may be present in this area. Information with regard to such pipes should be obtained from the relevant owners. The information shown on this plan is given without warranty, the accuracy thereof cannot be guaranteed. Service pipes, valves, syphons, stub connections, etc., are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by National Grid Gas plc or their agents, servants or contractors for any error or omission. Safe digging practices, in accordance with HS(G)47, must be used to verify and establish the actual position of mains, pipes, services and other apparatus on site before any mechanical plant is used. It is your responsibility to ensure that this information is provided to all persons (either direct labour or contractors) working for you on or near gas apparatus. The information included on this plan should not be referred to beyond a period of 28 days from the date of issue.</p>	MAPS Plot Server Version 1.7.4
DATE: 16/05/2013	MP MAINS _____		nationalgrid
DATA DATE: 13/05/2013	IP MAINS - - - - -		Requested by: pelling
REF: AG/DH/612023/01A - WR022	LHP MAINS _____		This plan is reproduced from or based on the OS map by National Grid Gas plc, with the sanction of the controller of HM Stationery Office. Crown Copyright Reserved. Ordnance Survey Licence number 100024886
MAP REF: TQ3999	NHP MAINS - - - - -		
CENTRE: 539055, 199990	<p>0m' ----- 25m Approximate scale 1:1250 on A4 Colour Landscape</p>		
<p>Valve  Depth of Cover  Syphon  Diameter Change  Material Change </p>			

ENQUIRY SUMMARY

Received Date

07/05/2013

Your Reference

AG/DH/612023/01A - WR022

Location

Centre Point: 539055, 199990

X Extent: 116

Y Extent: 44

Postcode: EN9 1TD

Location Description: EN9 1TD ROUNDHILLS, LONDON

Map Options

Paper Size: A4

Orientation: LANDSCAPE

Requested Scale: 500

Actual Scale: 1:1250 (GAS)

Real World Extents: 361m x 196m (GAS)

Recipients

pprsteam@uk.ngrid.com

Enquirer Details

Organisation Name: pelling

Contact Name: Adam Greenhalgh

Email Address: bromley@pelling.co.uk

Telephone: 0208 460 9114

Address: 24 Widmore Road, Bromley, Kent, BR1 1RY

Description of Works

SITE DEVELOPMENT PLANNED . PLANS REQUIRED

Enquiry Type

Proposed Works

Activity Type

General Excavation

Work Types

Work Type: Non-invasive Works (existing infrastructure)

creating a better place



Environment
Agency

Adam Greenhalgh
Pellings LLP
24 Widmore Road
Bromley
Kent
BR1 1RY

Our ref: NE/2013/117826/01-L01
Your ref: AG/dh/612.023/01H
Date: 22 May 2013

Dear Adam

Pre-development enquiry for site EX753407 at Roundhills, Waltham Abbey.

Thank you for sending us your enquiry. We appreciate the opportunity to comment on schemes early on so that any issues can be addressed before the planning application stage. We would not expect to be consulted on an application for a residential scheme at this site.

As the site is under a hectare in size and in Flood Zone 1, Epping Forest council are responsible for flood risk at this site. Any development should maximise the use of Sustainable Drainage Systems (SuDS) and achieve a greenfield runoff rate. I have attached our SuDS guidance, which includes the SuDS hierarchy (on page four) for you to use. You should use the hierarchy in a descending order to determine which techniques will be used on site. Any obstacles to the use of the most sustainable technique will have to be fully justified. Infiltration techniques may be difficult to accomplish given that the site is underlain by London Clay. The use of SuDS is supported by Epping Forest Local Plan policy U3B.

Any development will also have to fully incorporate water efficient technology. Techniques such as low flow/aerated taps, dual flush toilets, rainwater harvesting and efficient appliances should be used. You should aim to achieve 105 litres per head per day, equivalent to levels 3/4 of the Code for Sustainable Homes. This can be done at little extra cost and can do a lot to reduce overall demand. Doing this is in line with Epping Forest Local Plan policy CP5.

Please feel free to contact me if you have any questions.

Yours sincerely

Jean-Pascal Becroft
Sustainable Places Planning Advisor

Direct dial 01707 632392
e-mail SPHatfield@environment-agency.gov.uk

Environment Agency, Apollo Court, 2 Bishop Square Business Park, St Albans Road West,
Hatfield, Hertfordshire, AL10 9EX.





The width of the displayed area is 200m and the centre of the map is located at OS coordinates 539078.200049
The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified and established on site before any works are undertaken.
Based on the Ordnance Survey Map with the Sanction of the controller of H.M. Stationery Office, License no. WU293557 Crown Copyright Reserved.



ALS Water Map Key

Water Pipes (Operated & Maintained by Thames Water)

- Distribution Main:** The most common pipe shown on water maps. With few exceptions, domestic connections are only made to distribution mains.
- Trunk Main:** A main carrying water from a source of supply to a treatment plant or reservoir, or from one treatment plant or reservoir to another. Also a main transferring water in bulk to smaller water mains used for supplying individual customers.
- Supply Main:** A supply main indicates that the water main is used as a supply for a single property or group of properties.
- Fire Main:** Where a pipe is used as a fire supply, the word FIRE will be displayed along the pipe.
- Metered Pipe:** A metered main indicates that the pipe in question supplies water for a single property or group of properties and that quantity of water passing through the pipe is metered even though there may be no meter symbol shown.
- Transmission Tunnel:** A very large diameter water pipe. Most tunnels are buried very deep underground. These pipes are not expected to affect the structural integrity of buildings shown on the map provided.
- Proposed Main:** A main that is still in the planning stages or in the process of being laid. More details of the proposed main and its reference number are generally included near the main.

PIPE DIAMETER	DEPTH BELOW GROUND
Blank (250mm (10") plus)	150mm (6")
50mm (2")	100mm (4")
75mm (3")	100mm (4")
100mm (4")	100mm (4")
125mm (5")	100mm (4")
150mm (6")	100mm (4")
200mm (8")	100mm (4")
250mm (10")	100mm (4")
300mm (12")	100mm (4")
350mm (14")	100mm (4")
400mm (16")	100mm (4")
450mm (18")	100mm (4")
500mm (20")	100mm (4")
600mm (24")	100mm (4")
750mm (30")	100mm (4")
900mm (36")	100mm (4")
1050mm (42")	100mm (4")
1200mm (48")	100mm (4")
1350mm (54")	100mm (4")
1500mm (60")	100mm (4")

Valves

- General Purpose Valve
- Air Valve
- Pressure Control Valve
- Customer Valve

Hydrants

- Single Hydrant

Meters

- Meter

End Items

Symbol indicating what happens at the end of a water main.

- Blank Flange
- Capped End
- Emptying Pit
- Undefined End
- Manifold
- Customer Supply
- Fire Supply

Operational Sites

- Booster Station
- Other
- Other (Proposed)
- Pumping Station
- Service Reservoir
- Shaft Inspection
- Treatment Works
- Unknown
- Water Tower

Other Symbols

- Data Logger

Other Water Pipes (Not Operated or Maintained by Thames Water)

- Other Water Company Main:** Occasionally other water company water pipes may overlap the border of our clean water coverage area. These mains are denoted in purple and in most cases have the owner of the pipe displayed along them.
- Private Main:** Indicates that the water main in question is not owned by Thames Water. These mains normally have text associated with them indicating the diameter and owner of the pipe.

Appendix E

Information on Possible Contamination

Ian Collins

From: John Hayes [JHayes@eppingforestdc.gov.uk]
Sent: 04 June 2013 10:23
To: Ian Collins
Cc: Neal Penfold; Adam Greenhalgh; Georg Herrmann (Georg.Herrmann@east-thames.co.uk); Zaeda Gul; Paul Pledger
Subject: FW: EFDC House Building Programme
Attachments: EFDC Horticultural Nurseries.doc

Ian

'Previous correspondence' refers to the email below that was sent out back in March (see below). Neal was included, but yourself and Adam was missed. Sorry.

I believe that all sites on the Primary List have now been commented upon.

Regards,

John

From: Jane Gravelle
Sent: 18 March 2013 15:42
To: John Hayes
Cc: Zaeda Gul; Paul Pledger; npenfold@pellings.co.uk; Georg Herrmann (Georg.Herrmann@east-thames.co.uk)
Subject: RE: EFDC House Building Programme

John

I have had a quick look and all sites have been identified as potentially contaminated from the following uses:

a) Roundhills, Waltham Abbey (the former Red Cross site)

- Former Horticultural Nursery (see attached leaflet)
- Domestic Garages
 - Made Ground (asbestos cement, ash & clinker, tarmac)
 - car repairs/maintenance (hydrocarbons etc)
 - broken asbestos roofing

b) Roundhills (site 4) opposite 198 Roundhills.

- Former Horticultural Nursery (see attached leaflet)
- Domestic Garages
 - Made Ground (asbestos cement, ash & clinker, tarmac)
 - car repairs/maintenance (hydrocarbons etc)
 - broken asbestos roofing

c) Roundhills (site 5) rear of 89-95 Roundhills.

- Former Horticultural Nursery (see attached leaflet)
- Domestic Garages
 - Made Ground (asbestos cement, ash & clinker, tarmac)
 - car repairs/maintenance (hydrocarbons etc)
 - broken asbestos roofing

d) Roundhills (site 6) between 15-17 Greenleas.

- Former Horticultural Nursery (see attached leaflet)
- Domestic Garages
 - Made Ground (asbestos cement, ash & clinker, tarmac)

- car repairs/maintenance (hydrocarbons etc)
- broken asbestos roofing
- Electric Sub Station (Transformer oils & PCBs)

e) Roundhills (site 7) between 79-81 Roundhills

- Former Horticultural Nursery (see attached leaflet)
- Domestic Garages
 - Made Ground (asbestos cement, ash & clinker, tarmac)
 - car repairs/maintenance (hydrocarbons etc)
 - broken asbestos roofing

f) Harveyfields, Waltham Abbey

- All Garage sites located within 250m of gassing landfill site (Townmead) with potential pathways via underlying Taplow Gravel and sewer bedding.
 - Landfill Gases
- All sites former domestic garage use
 - Made Ground (asbestos cement, ash & clinker, tarmac)
 - car repairs/maintenance (hydrocarbons etc)
 - broken asbestos roofing
- All sites potential pesticides in underlying gravel aquifer (migrating from PBI site, elevated concentrations found during investigation of 1 Cartersfield Road)

Additionally:

- Site to rear of 10A-12A Harveyfields:
 - onsite infilled pond
 - offsite former horticultural nursery, engineering works, industrial works with underground tanks to S and E
- Site between 12A and 11 Harveyfields:
 - offsite horticultural nursery, engineering works, industrial works with underground tanks to S
 - offsite electric sub station (transformer oils & PCBs) and Fire/ambulance Station below ground fuel tanks to East.

There could also be other potentially contaminating uses (I would have to check historic planning records etc)

Let me know if you have any queries or require any additional information.

Regards

Jane Gravelle
x4036

From: John Hayes
Sent: 18 March 2013 14:32
To: Jane Gravelle
Cc: Zaeda Gul; Paul Pledger; npenfold@pellings.co.uk; Georg Herrmann (Georg.Herrmann@east-thames.co.uk)
Subject: FW: EFDC House Building Programme

Hi Jane

Further to my email below and our telephone conversation from earlier today, I wish to confirm the following;

1) I recognise that you have commenced the preparation of a contamination schedule. However, I can confirm that there is no desperate hurry to finalise the said schedule.

Appendix F

Cost Build-up

Roundhills Garage Site, Waltham Abbey
Indicative Estimate of Cost
for East Thames HA



Gross Internal floor area	m2	ft2
Affordable Flat Units	0	0
Allowance for communal space @ 20%	0	0
Affordable House Units	834	8,977
TOTAL GIA	834	8,977

Item	Element	Qty Unit	Rate £/unit	Total £
1.0 Demolition				
1.1	Demolition of existing garages	805 m ²	40	32,000
1.2	Allowance for removal of asbestos	61 nr	300	18,000
	Sub-total		say	50,000
2.0 Affordable Flat units (xxnr units)				
2.1	Flats Private areas	0 m ²	1,400	0
2.2	Flats communal areas (20% allowed)	0 m ²	900	0
	Sub-total		say	0
3.0 Affordable House units (10nr units)				
3.1	House areas	834 m ²	1,250	1,043,000
	Sub-total		say	1,040,000
4.0 Abnormals / E/o and External Works				
4.1	Private gardens (incl. fencing)	2,000 m ²	40	80,000
4.2	Communal Gardens	0 m ²	30	Incl.
4.3	Access road, parking and turning	1,100 m ²	65	72,000
4.4	Pedestrian paving	0 m ²	50	Incl.
4.5	Cross over / highways adaptions	1 item	40,000	40,000
4.6	Allowance for contaminated ground	1 item		Excl.
4.7	Boundary treatment (fencing/walls) 4.8	620 m	160	99,000
4.8	Allowance for achieving CfSh Level 4	10 nr	3,000	30,000
	Sub-total		say	182,000
		£/m2	£/ft2	
	INDICATIVE CONSTRUCTION COST	1,525	142	1,272,000
	CONTINGENCY @ 5%			64,000
	CONTRACTORS DESIGN FEES @ 6%			76,000
	TOTAL INDICATIVE CONSTRUCTION COST	1,693	157	1,412,000

Clarifications and Assumptions

Estimate based on Pellings Feasibility drawings and standard specifications
 GIA is approximate due to early stage of design
 Costs are based on a Q1 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 4
 Cost include for Preliminaries and OH&P @ 7%
 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
 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

East Thames Group

Appraisal for Rent & Sale

SDS ProVal Version 9.13 Nov-2012

Saved file path: Q:\Development\Applications\Proval\Working Provals\Epping Forest House Building

Scheme Name EFDC - Roundhills, Waltham Abbe

Date 24 Jun 2013

Address

Funding Year 2013/2014

Another Description

Local Authority Epping Forest

Project/File Ref.

LA Number 361

County Essex

Appraisal by georg.herrmann

Scheme Description

Sketch Drw'g No.

Site Area (acs)

0.00 ha

Seller

Units 10

Appraisal Version 1

Comments

See also Commentary in Rent Summary

A Unit Details

Unit Description	A	B	C	D	E	F	G	H	TOTALS
Net Area m ²	77.00	93.00							834.00
Bedrooms	2-bed	3-bed							m ²
Persons	4	5							44
Units	6	4							10
Commercial - y?	n	n							
Flat (not house) -y?	n	y							
Shared Accom. - y?	n	n							
Habitable Rooms	3	4							34
Storeys	2	2							
Value at Jan' 1999									0
Market Sales Value									
Product Type	Affordable Rent	Affordable Rent							
Catalyst Dev. Type	New Build	New Build							
Other Description									
Sales % at Outset									
Res' Sold Equity	0	0	0	0	0	0	0	0	0
Res' Unsold Equity	0	0	0	0	0	0	0	0	0
Initial Commercial Sales	0	0	0	0	0	0	0	0	0

Confirm Gross Floor Area

	Net m ²	Adjust by % and/or by m ²	Gross m ²	Gross ft ²
Residential Floor Area	834.00	0.00	834.00	8,977.18
Commercial Floor Area	0.00		0.00	0.00
Total Floor Area	834.00		834.00	8,977.18

Habitable Rooms Summary

Residential Rent	34
Residential Sale	0
Other	0
Total	34

B Acquisition & Works Cost

ACQUISITION	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum Information
Use Value from Land Appraisal, y/n?							
		VAT Total	0		0	0	
Acquisition Total			0		0	0	
WORKS	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	3.67%
demolition	Per Gross m ²	1,250	1,042,500		104,250	23,693	
asbestos removal	Lump Sum	32,000	32,000		3,200	727	
Abnormals	Lump Sum	18,000	18,000		1,800	409	
contingency+ design	Lump Sum	182,000	182,000		18,200	4,136	
	Lump Sum	140,000	140,000		14,000	3,182	
Use Total from Land Appraisal, y/n?							
		VAT Total	0		0	0	
Works Total	1,696 /m ² nfa	1,696 /m ² gfa	1,414,500		141,450	32,148	

Acquisition & Works Summary	Total	Average per Unit	Average per Person
Total	1,696 /m ² nfa	1,696 /m ² gfa	1,414,500
			141,450
			32,148

A&W as % of Market Sales Value

Optimisation

Target % for A&W/Market Sales Value

Account Codes

Acquisition
Works
Dev. Interest
Net Loan

Acquisition Total Entered 0
Market Value, If Different
Land Discount 0

For optimisation of Total Scheme Costs see Section F

F Total Scheme Cost

		% TSC		Per Unit	Per Person	% of TSC
Acquisition & Works as Section B	1,414,500	86.7%	Analysis of RSL Funding			
Development Fees as Section D	190,095	11.7%	Receipts from Initial Sales	0		
User-defined Interest Cost	26,398	1.6%	Advance Rent Income	0		
Other Costs or Savings(-)			Loan Adjustment	0		
Other Costs or Savings(-)			RSL Capital Contribution	0		
Total Scheme Cost (TSC)	1,630,993	100.0%	Net Loan	1,490,993	149,099	33,886
			Total RSL Funding	1,490,993	149,099	33,886
						91.4%
			Analysis of Subsidy & Other Funding			
TSC as % of Market Sales Value			As Prod. Type	0		
Optimisation			Other	140,000	14,000	3,182
Target % for TSC/Market Sales Value	90.0%		Other Sum	0		
Alternative Solutions:			Total Other Funding	140,000	14,000	3,182
Total saving in TSC required	0	0 per unit				8.6%
or Affordable Acq. Total	0	0 per unit, or per hab. room				
or Affordable Wks. Total	0	per unit, or per gross m ²				
Optimisation results for Acq. and Wks. assume that development fees & interest remain at 13.3% of TSC						

G Private Finance

Private Finance Requirement at Year 1		% of TSC	% of MSV	Loan Repayment Method
Total Scheme Cost - as Section F	1,630,993	100.0%	0.0%	Annuity y/n? n Interest Only Method Chosen
Development Subsidy - as Section C	140,000	8.6%	0.0%	Leave blank
Receipts from Initial Sales	0			
Advance Rent Income	0			
Loan Adjustment				
Capital Contribution at Year 1				
Net Loan, before Sales (Section J)	1,490,993	91.4%	0.0%	
				Value: Loan Ratios & Affordable Loan Values
				Current Market Sales Value 0
				NPV of Net Rent Only 1,526,142
				User Specified Value
				Current Market Sales Value: Net Loan % 0.0%
				NPV of Net Rent: Net Loan % 102.4%
				User Specified Value: Net Loan % 0.0%
				Value: Net Loan, Target %
				Affordable Loan on NPV Value
				Affordable Loan on User Spec. Value

Apportionment of Net Loan & Long Term Interest Rates					
		Loan A	Loan B		
Loan A: % Apportionment		100.00%	0.00%		
Loan Amounts		1,490,993	0		
		Interest Rate %	Interest Rate %	Effective Rate %	
Year 1 to	45	3.50%		3.50%	

H Inflation

Base Inflation Rate	2.50%	Inflation is applied from Year 2 onwards. Set all periods to Year 45.
Inflation Margins & Periods for Income		
Residential Tenant Rent	Margin on Base Rate	Effective Inflation Rates
Period 1	Year 1 to 45	0.50% 3.00% 0.00%
Commercial Rent - n/a		
Year 1 to 45		
Ground Rent		
Period 1	Year 1 to 45	2.50% 0.00%
Services (Charges & Costs)		
Period 1	Year 1 to 45	0.00% 2.50% 0.00%
Market Sales Values (Residential) - n/a		
Year 1 to 45		0.00% 0.00% 0.00%
Market Sales Values (Commercial) - n/a		
Year 1 to 45		0.00% 0.00% 0.00%
Inflation Margins & Periods for Allowances		
Management	Margin on Base Rate	Effective Inflation Rates
Period 1	Year 1 to 45	1.00% 3.50% 0.00%
Maintenance		
Period 1	Year 1 to 45	1.00% 3.50% 0.00%
Reinstatement		
Period 1	Year 1 to 45	2.50% 0.00% 0.00%
Another Allowance		
Period 1	Year 1 to 45	0.00% 2.50% 0.00%
Major Repairs		
Period 1	Year 1 to 45	1.50% 4.00% 0.00%

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Affordable Rent	Affordable Rent							Units Available 10
Commercial									
Number of Units	6	4							
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
RSL Management	Per Unit Per Annum								Default value for information, Shared Equity 0
Year 1 to 45	1,327	1,327							1,327
Maintenance	Per Unit Per Annum								Default value for information, Rent 691
Year 1 to 45	910	910							910
Product Type	A	B	C	D	E	F	G	H	
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Services Cost	Per Unit Per Annum								
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								
Year 1 to 45									0
Voids & Bad Debts	% of Gross Rents & Service Charges								Default value for information, Shared Equity 0.00%
Year 1 to 45	2.00%	2.00%							4.25%
									2.00%

Major Repair Sinking Fund Options

Option 1

% Selection	% User Input	Year 1 to 45	0.80%	on 1,084,200
	User Input	1,084,200		

Option 2

Per Unit, Per Annum, Com. Rented Units Only	Year 1 to 45		
---	--------------	--	--

Option 3

Per Unit, Per Annum, Res. Rented Units Only	Year 1 to 45		
---	--------------	--	--

Sinking Fund at Year 7 10,975

Defer the Start of the Sinking Fund to Year 7

Memorandum Information

Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Affordable Rent	Affordable Rent							
Units	6	4	0	0	0	0	0	0	
Commercial									
Market Sales Value Available for Sale	0	0	0	0	0	0	0	0	
Sell units at end of Year									
Value for Sale at Yr. 1	0	0	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a.

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	52,185
Managing Agent	0
RSL Management	13,270
Maintenance	9,100
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 2.0%	1,522
Total Cost at Year 1	76,076

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
	n	134.61	0.00	134.61	585.32
	n	162.58	0.00	162.58	706.94
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Averages	145.80 per week (ex. S.C.)		633.97 per month (ex. S.C.)		
	145.80 per unit per week		633.97 per unit per month		
	91.22 per net m ² (ex. S.C.)		91.22 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated. **NB** For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Affordable Rent	Affordable Rent							
Commercial									
Target - April 2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	134.61	162.58	0.00	0.00	0.00	0.00	0.00	0.00	76,076
Total Cost Rent p.w.	134.61	162.58	0.00	0.00	0.00	0.00	0.00	0.00	76,076

Commercial Rents n/a

Year 1 to									0
-----------	--	--	--	--	--	--	--	--	---

These Options n/a Set Initial Rent Free Period (months) months
Rent Review Period, i.e. rent fixed for years

Preferred Yield % on Unsold Equity, n/a

Residential Shared Equity units only

Unsold Equity Share %									
Cost Rent % of u/s Eq'ty									
Rent p.w at 2.75% Yield									
Local Housing Allowance									

Residential Rents n/a

Year 1 to	45	165.58	180.00						89,407
		206.98	275.97	Market rents	£900 2 bed, £1,200 3 bed, rent cap as per EFDC policy £180				

Set all service charges received per week

Year 1 to	45								0
-----------	----	--	--	--	--	--	--	--	---

Set Ground Rents received per annum

Year 1 to	45								0
-----------	----	--	--	--	--	--	--	--	---

Rent Yields as at end of Year	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		87,619	65,249
Compared with Market Value at Year 1	0		
Compared with Total Scheme Cost of	1,630,993	5.37%	4.00%
Compared with Acquisition Cost of	0		

Residential at Start of Year 1

Gross Rent	89,407
Market Value	0
Yield	

Commercial at Start of Year 1

Gross Rent	0
Market Value	0
Yield	

Rent Yields as at end of Year		Gross	Net

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a. at Year 1
NPV of Net Rent less loan interest, divided by Open'g Loan, p.a.
NPV Period & Discount Rate: 30 years at 3.50%, as defined in Section M

Calculation of Affordable Loan Based on Net Income at Year 1

Total Set Rent	89,407
Service Charges	0
Ground Rents	0
Managing Agent	0
RSL M'ngm't & Maint.	22,370
Services Cost	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids & Bad Debts	1,788
Net Income at Year 1	65,249

	Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Set Residential Rent	8,941	171.35	745.06
Set Commercial Rent	0		

Actual Loan
Affordable Loan Assuming net income meets Year 1 loan costs
Difference Equivalent to the capitalised Year 1 net revenue surplus.

M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 1,490,993
 Revenue First Exceeds Costs Year 1
 Loan Repaid by Year 30

NPV Calculation Options Net Rent + Cap. Val. - Loan
 NPV Discount Rate 3.50%
 Summarise Cashflow Results to Year 30

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.
 Discounted Cap. Value

Max. Annual Deficit: Year

Capitalised Yr. 1 Net Revenue Surplus

Cum. Surplus at Year 30

NPV Net Rent + Cap. Val. - Loan

IRR

NPV of Net Rent Only

NPV of All Capital Receipts

	Per Unit	Per Person
Max. Annual Deficit: Year	n/a	
Capitalised Yr. 1 Net Revenue Surplus	402,971	9,158
Cum. Surplus at Year 30	97,411	2,214
NPV Net Rent + Cap. Val. - Loan	35,149	799

3.67%

1,526,142

0

Interest Total 996,382

Min. Interest Cover: Year 1 127.58%

Target Interest Cover % 115.00%

First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

Year	1	2	3	4	5	6	7	8	9
Opening Loan	1,490,993	1,476,889	1,460,416	1,441,439	1,419,817	1,395,402	1,368,039	1,348,717	1,326,954
Average Interest	51,145	50,621	50,015	49,319	48,531	47,643	46,827	46,123	45,333
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	65,249	67,095	68,992	70,942	72,946	75,006	66,148	67,886	69,666
Closing Loan	1,476,889	1,460,416	1,441,439	1,419,817	1,395,402	1,368,039	1,348,717	1,326,954	1,302,621
Gross Resid'l Rent	89,407	92,089	94,852	97,698	100,629	103,647	106,757	109,960	113,258
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,788	1,842	1,897	1,954	2,013	2,073	2,135	2,199	2,265
s/t	87,619	90,248	92,955	95,744	98,616	101,574	104,622	107,760	110,993
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	13,270	13,734	14,215	14,713	15,228	15,761	16,312	16,883	17,474
Maintenance	9,100	9,419	9,748	10,089	10,442	10,808	11,186	11,578	11,983
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	10,975	11,414	11,870
Net Rent	65,249	67,095	68,992	70,942	72,946	75,006	66,148	67,886	69,666
<i>Net Rent + Rec'ts - Inter't</i>	<i>14,104</i>	<i>16,473</i>	<i>18,977</i>	<i>21,622</i>	<i>24,415</i>	<i>27,363</i>	<i>19,322</i>	<i>21,763</i>	<i>24,333</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	10	11	12	13	14	15	16	17	18
Opening Loan	1,302,621	1,275,583	1,245,700	1,212,826	1,176,809	1,137,490	1,094,704	1,048,280	998,038
Average Interest	44,452	43,476	42,399	41,218	39,925	38,516	36,985	35,326	33,532
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	71,490	73,358	75,273	77,234	79,244	81,302	83,409	85,568	87,779
Closing Loan	1,275,583	1,245,700	1,212,826	1,176,809	1,137,490	1,094,704	1,048,280	998,038	943,791
Gross Resid'l Rent	116,656	120,156	123,760	127,473	131,297	135,236	139,293	143,472	147,776
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	2,333	2,403	2,475	2,549	2,626	2,705	2,786	2,869	2,956
s/t	114,323	117,753	121,285	124,924	128,671	132,532	136,508	140,603	144,821
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	18,086	18,719	19,374	20,052	20,754	21,480	22,232	23,010	23,815
Maintenance	12,402	12,836	13,286	13,751	14,232	14,730	15,246	15,779	16,332
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	12,345	12,839	13,353	13,887	14,442	15,020	15,621	16,245	16,895
Net Rent	71,490	73,358	75,273	77,234	79,244	81,302	83,409	85,568	87,779
<i>Net Rent + Rec'ts - Inter't</i>	<i>27,038</i>	<i>29,883</i>	<i>32,874</i>	<i>36,017</i>	<i>39,319</i>	<i>42,786</i>	<i>46,424</i>	<i>50,242</i>	<i>54,247</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0

Year	19	20	21	22	23	24	25	26	27
Opening Loan	943,791	885,346	822,501	755,045	682,760	605,419	522,785	434,611	340,643
Average Interest	31,597	29,515	27,277	24,878	22,308	19,560	16,627	13,498	10,166
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	90,042	92,360	94,733	97,163	99,649	102,195	104,800	107,467	110,195
Closing Loan	885,346	822,501	755,045	682,760	605,419	522,785	434,611	340,643	240,614
Gross Resid'l Rent	152,210	156,776	161,479	166,324	171,313	176,453	181,746	187,199	192,815
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	3,044	3,136	3,230	3,326	3,426	3,529	3,635	3,744	3,856
s/t	149,165	153,640	158,250	162,997	167,887	172,924	178,111	183,455	188,958
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	24,649	25,512	26,404	27,329	28,285	29,275	30,300	31,360	32,458
Maintenance	16,903	17,495	18,107	18,741	19,397	20,076	20,778	21,506	22,258
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	17,571	18,274	19,005	19,765	20,556	21,378	22,233	23,122	24,047
Net Rent	90,042	92,360	94,733	97,163	99,649	102,195	104,800	107,467	110,195
<i>Net Rent + Rec'ts - Inter't</i>	<i>58,445</i>	<i>62,845</i>	<i>67,456</i>	<i>72,285</i>	<i>77,341</i>	<i>82,634</i>	<i>88,174</i>	<i>93,968</i>	<i>100,029</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	28	29	30	31	32	33	34	35	36
Opening Loan	240,614	134,247	21,256	0	0	0	0	0	0
Average Interest	6,620	2,852	98	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	112,987	115,843	21,354	0	0	0	0	0	0
Closing Loan	134,247	21,256	0	0	0	0	0	0	0
Gross Resid'l Rent	198,599	204,557	210,694	217,015	223,525	230,231	237,138	244,252	251,579
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	3,972	4,091	4,214	4,340	4,471	4,605	4,743	4,885	5,032
s/t	194,627	200,466	206,480	212,674	219,055	225,626	232,395	239,367	246,548
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	33,594	34,770	35,987	37,246	38,550	39,899	41,295	42,741	44,237
Maintenance	23,037	23,844	24,678	25,542	26,436	27,361	28,319	29,310	30,336
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	25,009	26,010	27,050	28,132	29,257	30,427	31,645	32,910	34,227
Net Rent	112,987	115,843	118,765	121,754	124,812	127,939	131,136	134,406	137,749
<i>Net Rent + Rec'ts - Inter't</i>	<i>106,367</i>	<i>112,991</i>	<i>118,667</i>	<i>121,754</i>	<i>124,812</i>	<i>127,939</i>	<i>131,136</i>	<i>134,406</i>	<i>137,749</i>
Cashflow	0	0	97,411	121,754	124,812	127,939	131,136	134,406	137,749
Cum. Balance	0	0	97,411	219,165	343,977	471,916	603,052	737,458	875,207
Year	37	38	39	40	41	42	43	44	45
Opening Loan	0	0	0	0	0	0	0	0	0
Average Interest	0	0	0	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	0	0	0	0	0	0	0	0	0
Closing Loan	0	0	0	0	0	0	0	0	0
Gross Resid'l Rent	259,127	266,901	274,908	283,155	291,650	300,399	309,411	318,693	328,254
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	5,183	5,338	5,498	5,663	5,833	6,008	6,188	6,374	6,565
s/t	253,944	261,563	269,409	277,492	285,817	294,391	303,223	312,319	321,689
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	45,785	47,388	49,046	50,763	52,539	54,378	56,281	58,251	60,290
Maintenance	31,397	32,496	33,634	34,811	36,029	37,290	38,595	39,946	41,344
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	35,596	37,020	38,500	40,041	41,642	43,308	45,040	46,842	48,715
Net Rent	141,166	144,659	148,229	151,878	155,606	159,415	163,306	167,280	171,339
<i>Net Rent + Rec'ts - Inter't</i>	<i>141,166</i>	<i>144,659</i>	<i>148,229</i>	<i>151,878</i>	<i>155,606</i>	<i>159,415</i>	<i>163,306</i>	<i>167,280</i>	<i>171,339</i>
Cashflow	141,166	144,659	148,229	151,878	155,606	159,415	163,306	167,280	171,339
Cum. Balance	1,016,372	1,161,032	1,309,261	1,461,138	1,616,744	1,776,159	1,939,464	2,106,744	2,278,084

East Thames Group

Rent & Sale Appraisal Summary

SDS ProVal Version 9.13 Nov-2012

Scheme Name EFDC - Roundhills, Waltham Abbey

Date 24 Jun 2013

Address
 Funding Year 2013/2014
 Local Authority Epping Forest
 Scheme Description
 Units 10

Appraisal by georg.herrmann
Seller
 Site Area (acs) 0 ha
 Defaults Validation Check See validation page for details
Appraisal Version 1

Unit Details

	A	B	C	D	E	F	G	H	Total - All Units
Product Type	Affordable Rent	Affordable Rent							
Net Floor Area m ²	77	93							834
Persons	4	5							44
Units	6	4							10
Commercial?	n	n							0
Market Sales Value									
Sales % at Outset									
Yr 1 Resid'tial Rent p.w.	165.58	180.00							89,407
Yr 1 Comm' Rent per m ²									0
Units sold at end Year									

Product Type
 Net Floor Area m²
 Persons
 Units
 Commercial?
 Market Sales Value
 Sales % at Outset
 Yr 1 Resid'tial Rent p.w.
 Yr 1 Comm' Rent per m²
 Units sold at end Year

I	J	K	L	M	N	O	P

Acquisition & Works Costs

	Total	Average per Unit	Average per Person	hr - habitable room, ac - acre, ha - hectare	nfa - net floor area, gfa - gross floor area
Acquisition	0	0	0		
Works	1,414,500	141,450	32,148	1,696 /m ² nfa	1,696 /m ² gfa
Total	1,414,500	141,450	32,148		

A&W as % of Market Sales Value

Development Subsidy

	Total	Av'ge per Res' Unit	Average per Person	% TSC
Total	140,000	14,000	3,182	8.58%

Other Capital Receipts (not Sales)

Lump Sums: Rec'd In Year 0
 Capitalised Ground Rents, Total 0

RSL Funding	Total	Per Unit	Per Person	% of TSC
Receipts from Initial Sales	0			
Advance Rent Income	0			
Loan Adjustment	0			
RSL Capital Contribution	0			
Net Loan	1,490,993	149,099	33,886	91.4%
Total	1,490,993	149,099	33,886	91.4%

Total Scheme Costs

	Total	% TSC
Acquisition & Works as Section B	1,414,500	86.7%
Development Fees as Section D	190,095	11.7%
User-defined Interest Cost	26,398	1.6%
Other Costs	0	
Total Scheme Cost (TSC)	1,630,993	

Subsidy & Other Funding

	Total	Per Unit	Per Person	% of TSC
As Prod. Type	0			
Other	140,000	14,000	3,182	8.6%
Other Sum	0			
Total	140,000	14,000	3,182	8.6%

Residential Market Value 0
 Commercial Market Value 0
 TSC as % of Market Sales Value

Private Finance

	Total	% of TSC	% of MSV
Total Scheme Cost	1,630,993	100.0%	0.0%
Development Subsidy	140,000	8.6%	0.0%
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
Capital Contribution at Year 1	0		
Net Loan (before sales)	1,490,993	91.4%	0.0%

Interest Rates	Loan A	Loan B
Loan Amounts	1,490,993	0
Year 1 to 45	3.50%	

Repayment Method Interest Only

Inflation & Allowances

Base Inflation Rate 2.50%

Year 1 Effective Inflation Rates & Values for Income

	Inflation Rate
Residential Tenant Rent	3.00%
Commercial Rent - n/a	
Ground Rent	2.50%
Services (Charges and Costs)	2.50%
Market Sales Values (Residential) - n/a	0.00%
Market Sales Values (Commercial) - n/a	0.00%

Year 1 Effective Inflation Rates & Values for Allowances

	Inflation Rate	Cost Per Unit, p.a.
Management	3.50%	1,327
Managing Agent	n/	0,00%
Maintenance	3.50%	910
Reinstatement	2.50%	0
Another Allowance	2.50%	0
Major Repairs	4.00%	0
Void	n/	2,00%

Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 1,490,993
 Revenue First Exceeds Costs Year 1
 Loan Repaid by Year 30

Chosen NPV Calculation Net Rent + Cap. Val. - Loan
 NPV Discount Rate 3,50%
 Summarise Cashflow Results to Year 30
 Capital Value of Scheme - Year 1
 Capital Growth Rate p.a.
 Discounted Cap. Value

	Per Unit	Per Person
Max. Annual Deficit: Year	n/a	
Capitalised Yr. 1 Net Revenue Surplus	402,971	9,158
Cum. Surplus at Year 30	97,411	2,214
NPV Net Rent + Cap. Val. - Loan	35,149	799
IRR	3.67%	
NPV of Net Rent Only	1,526,142	
NPV of All Capital Receipts	0	

Interest Total 996,382
 Min. Interest Cover: Year 1 127.58%
 Target Interest Cover % 115.00%
 First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

East Thames Housing / Epping Forest District Council
Housing Delivery Programme

Feasibility Report

Site: Harveyfields EN9 1HP

Ref: IJC/dh/612.023/FR02 Rev. A
Date: April 2013

Contents

1. Introduction and Confirmation of Brief
2. Existing Site and Surroundings
3. Proposals
4. Planning Issues and Risks
5. Impact/Implications of Statutory Services
6. Site Access and Buildability Issues
7. Neighbourly Matters and Party Walls
8. Proposed Procurement Route
9. Impact on Parking
10. Costs
11. Recommendations and Conclusions

Appendices

- A: Development Proposals – Drawing 612.020/SK4A
- B: Site Photographs
- C: Existing Site Plan
- D: Statutory Services Information
- E: Cost Build-up

1.0 Introduction and Confirmation of Brief

- 1.1. Pellings LLP are appointed as part of East Thames Group Technical Team in respect of delivery of Development Agent services to Epping Forest District Council for a six year housing delivery programme.
- 1.2. Following initial appraisal by EFDC, 59 sites have been identified as having possible development potential, with a further number of sites in reserve.
- 1.3. Pellings LLP have been instructed to progress feasibility studies to all 59 sites and which will assist in establishing the extent and timing of the overall programme.
- 1.4. Our instructions are in accordance with our fee tender of 13 August 2012, against the previously prepared tender documentation, and email confirmation of 9 April 2013.

2.0 Existing Site and Surroundings

- 2.1. The site lies in a residential area comprising two and three storey houses and flats. There are two storey houses with individual gardens on King George Road and there are three storey flats with communal amenity areas on Harveyfields.
- 2.2. The site is not located in a Conservation Area and it is not designated for any particular purposes in the Epping Forest District Council Combined Local Plan 1998 and Local Plan Alterations 2006. The site does not comprise any Listed Buildings. It is not located in a Flood Zone on the Environment Agency Flood Map.
- 2.3. The site is 35m in length and 25m in width and it comprises 40 single garages on hardstanding. The site is adjoined by the highway (Harveyfields on the west and north sides and King George Road on the east side) and the garden of a house on its southern side.
- 2.4. Vehicular access to the site is from Harveyfields to the west, there being bollards on the boundary with King George Road on the eastern side.

3.0 Proposals

- 3.1. Read in conjunction with Drawing 612.020/SK4A attached at Appendix A.
- 3.2. The proposal is for the demolition of the existing garages and the erection of a three storey block of affordable flats. The new building would be sited approximately in the centre of the site with 15 surface level parking spaces and soft landscaped areas also being provided. The car parking spaces would be accessible from Harveyfields (north) and King George Road (west). Details of design and appearance, access and materials would be submitted with a full planning application.

4.0 Planning Issues and Risks

- 4.1. The adopted Development Plan for Epping Forest District Council is the Combined Local Plan 1998 and Local Plan Alterations 2006.

- 4.2. There are no specific policies which prevent the loss of existing garages although policy ST4 (Road Safety) states that planning permission will only be granted where there will be no adverse effects on the highway, traffic congestion or harm to the character or appearance of the area. It will be necessary to undertake a Parking Survey/Transport Statement to demonstrate that the loss of the garages would not cause any harm to the amenities or safety of the area.
- 4.3. The site is located in the settlement of Waltham Abbey and the proposal would be consistent with policy H2 which states the Council's aim to deliver at least 70% of all new housing on previously developed sites. Policy CP7 encourages the efficient use of existing built-up areas by the 'recycling of vacant, derelict, degraded and under-used land to accommodate the development' and the 're-use of urban sites, which are no longer appropriate to their existing or proposed use in the foreseeable future, for alternative land uses.'
- 4.4. The proposal would comply with policy H4A which states the need for a range of dwellings, including an appropriate proportion of smaller dwellings, to meet identified housing need on a site-by-site basis. The need for small dwellings is also identified in the Council's Strategic Housing Market Assessment which calls for the provision of a higher proportion of smaller housing in the delivery of affordable housing in the Borough.
- 4.5. A three storey flatted development could potentially be appropriate and may comply with Epping Forest's design policies and guidance. There are three storey flatted developments in the vicinity and the proposal would not cause any significant harm to the appearance or amenities of the area. No trees would be affected and there would be no increased risk of flooding.

5.0 Impact/Implications of Statutory Services

- 5.1. We have undertaken statutory services enquiries to the following:
- Southern Gas
 - Cable and Wireless
 - Virgin Media
 - Thames Water
 - BT
 - National Grid
 - Scottish and Southern Energy
 - Environment Agency
 - UK Power Networks
- 5.2. Responses received to date are from Thames Water, UK Power Networks and Cable and Wireless.
- 5.3. UKPN – there is no indication of any primary cables affecting the developable area of the site.
- 5.4. Thames Water – there is no indication of any Thames Water apparatus affecting the site.
- 5.5. Cable and Wireless – Cable and Wireless have indicated that they have no apparatus on the site.

5.6. It should be noted there are a number of responses to enquiries that, at time of preparation of this report, have not yet been received.

6.0 Site Access and Buildability Issues

6.1. The site is accessed from existing site roads and there would not appear to be any particular difficulties for the normal level and size of construction traffic associated with a development of this nature.

6.2. Areas should be available for contractor's site set up and accommodation.

6.3. The site is within a primarily residential area and, accordingly, any appointed contractor should use all best endeavours to act in a considerate manner and within normal working hours.

6.4. Further to initial enquiries made to EFDC, some potential contamination issues have been highlighted with previous use of the domestic garages, and also adjacent to a landfill site.

6.5. Possible contaminants in respect of the previous use of the garage site may include asbestos, ash and clinker, hydro-carbons from vehicle maintenance and the like.

6.6. Accordingly, suitable site investigation will need to be undertaken ahead of any proposals to take this site forward and specific recommendations made to deal with any contamination found, whether by capping or removal from site and to deal with any gasses.

7.0 Neighbourly Matters and Party Walls

7.1. As above, the proposed development site is within a primarily residential area and the appointed contractor should act in a considerate manner. It is proposed that restrictions on working hours, noise levels, requirement for resident liaison and similar matters will be included within contract documentation.

7.2. From proposals on Drawing 612.020/SK4A, we do not consider that the Party Wall Act would be invoked.

8.0 Proposed Procurement Route

8.1. It is understood that development works will be procured by way of the East Thames Housing Group existing contractor framework arrangements.

8.2. It is proposed that works shall be procured on a Design and Build basis with the contractors taking forward RIBA Stage D planning consent drawings into detailed design and construction delivery on site.

8.3. Schemes shall be designed to a set of Employer's Requirements to be subsequently confirmed but which substantially shall be formed from existing East Thames Housing Group Design Standards and Employer's Requirement documentation.

8.4. It is proposed that all site preparation works will be included within individual contract packages including any required demolitions, adjustment of statutory services, highways works and boundary maintenance/reinstatement/provision.

- 8.5. On completion of the feasibility studies for the whole programme, further recommendations will be made in terms of how works are packaged to ensure size of work packages are optimised for ensuring maximum economies for East Thames Housing Group and EFDC.
- 8.6. It is considered, at this stage, that this may be by way of a mix of different sized contractors dependent upon the numbers and geographical location of individual works packages.
- 8.7. Works will be administered by Pellings LLP as Employer's Agent acting in accordance with East Thames Housing Group terms of appointment and the overarching requirements of the Development Agency agreement.
- 9.0 **Impact on Parking**
- 9.1. The existing arrangement comprises of 4 terraces of 40 garages (total), with additional informal street parking.
- 9.2. Proposals are to introduce 15 parking spaces to support 9 new units of accommodation.
- 9.3. The Council's currently adopted parking standards are contained within Essex County Council's Parking Standards Design and Good Practice Guide – September 2009. These revised standards were adopted by the Council as statutory planning guidance in February 2012.
- 9.4. Flats and houses have the same parking standard as follows:
- 1 bedroom accommodation – 1 space per dwelling
 - 2 bedroom accommodation and above – 2 spaces per dwelling
 - Visitor parking – 0.25 spaces per dwelling (rounded up to the nearest whole number)
- 9.5. Against these standards, the current proposals potentially fall short of visitor parking spaces. The site is within an area where on street parking is available.
- 9.6. Should the site move forward to planning application stages, it is recommended that travel and transport statements and assessments will be required, at which point parking provision requirements can be defined more accurately.
- 10.0 **Costs**
- 10.1. It is considered that a budget of £1,113,000.00 should be allowed for this scheme, inclusive of contractor design fees, but exclusive of professional fees and VAT. Please refer to build-up at Appendix E.

11.0 **Recommendations and Conclusions**

11.1. Subject to an overall lifetime cost appraisal, we conclude that this site appears to have economic development opportunities and we recommend is considered for taking forward to planning application stage, with a view to incorporating into the overall programme.

Signed:



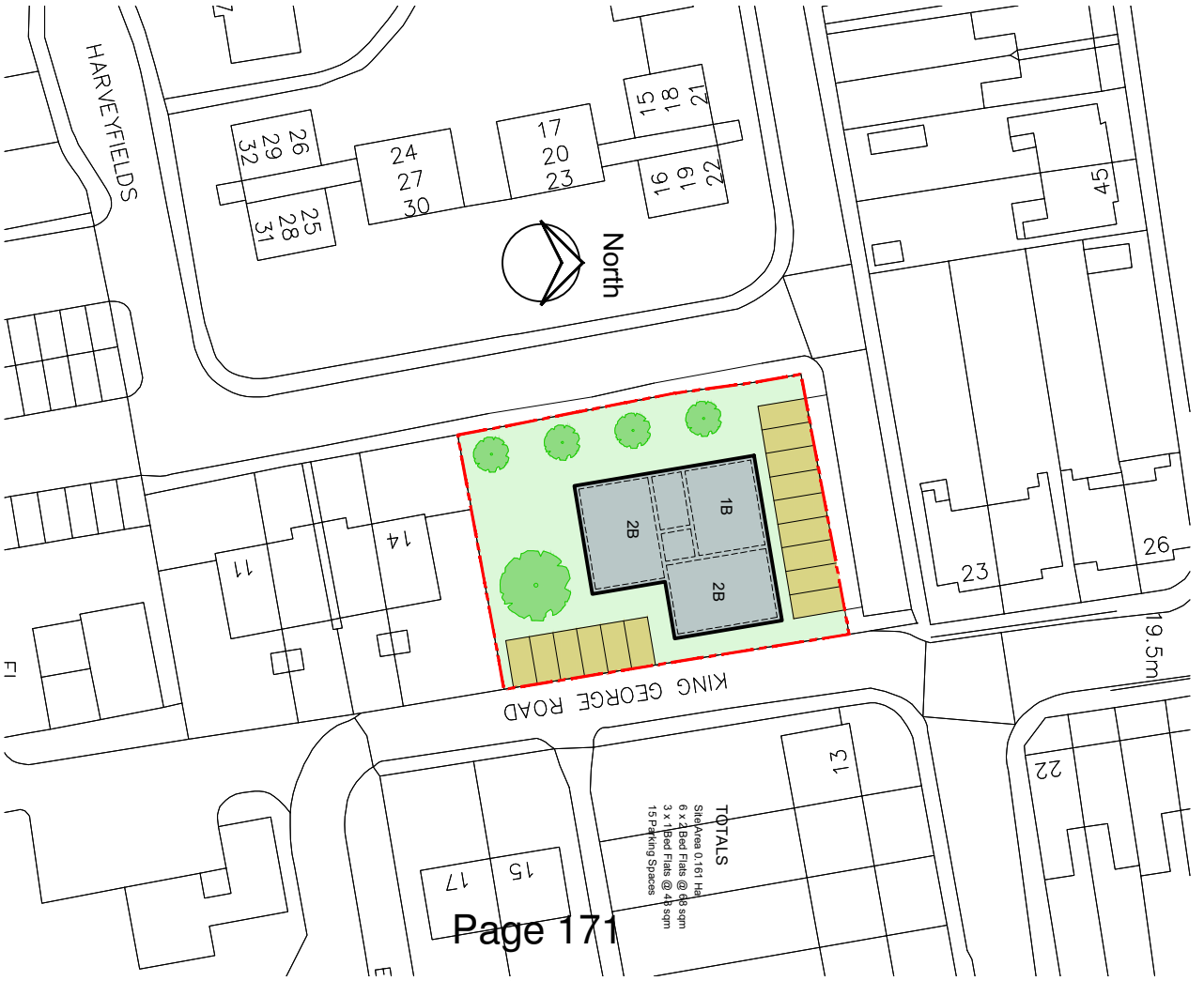
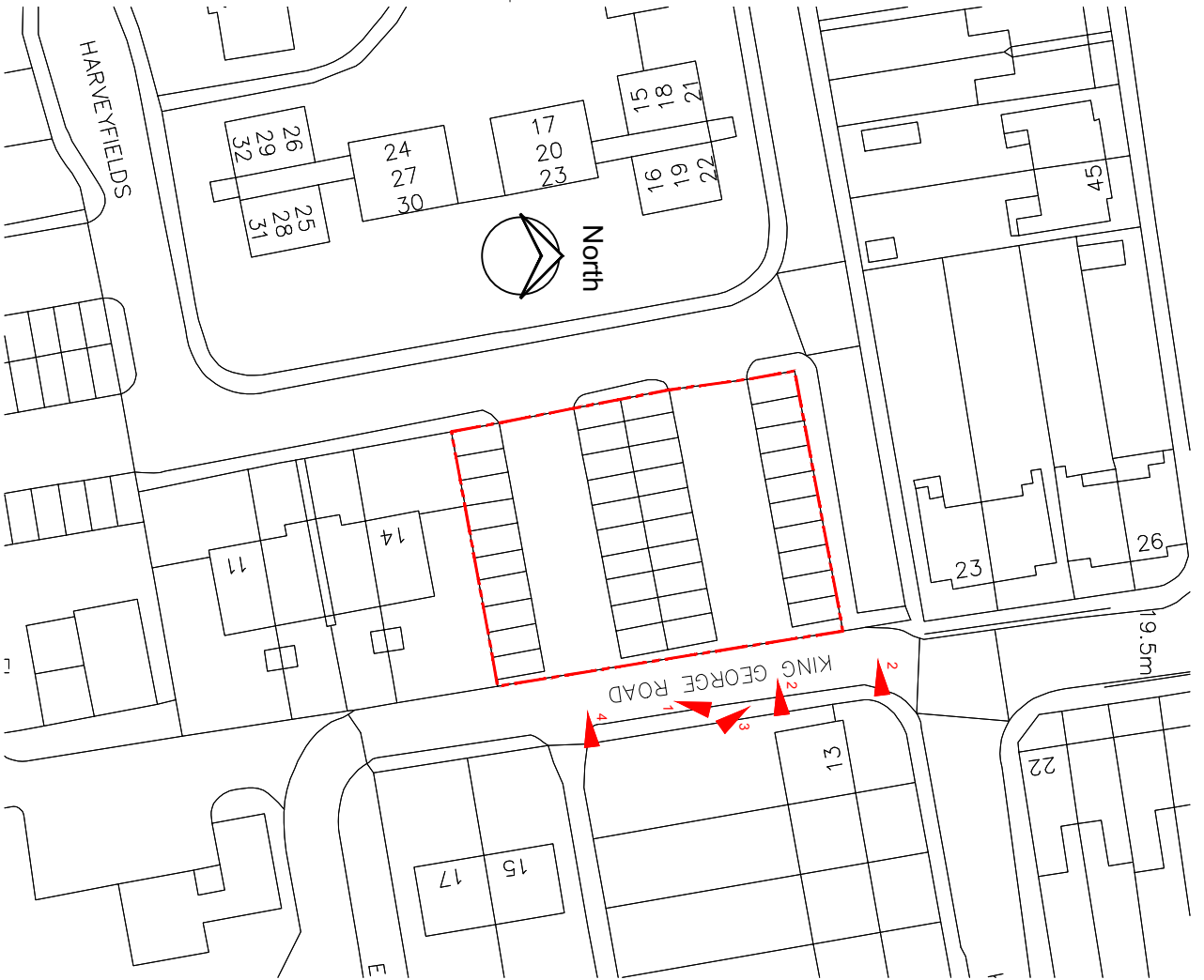
Date:

24th April 2013

Pellings LLP

Appendix A

Development Proposals – Drawing 612.020/SK4A



TOTALS
 Site Area 0.161 Ha
 6 x 4 Bed Flats @ 48 sqm
 3 x 1 Bed Flats @ 48 sqm
 15 Parking Spaces

PRELIMINARY

NOTES
 Report all discrepancies, errors and omissions
 Do not scale from this drawing
 Do not use this drawing 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 appropriate manufacturers' recommendations that from time to time shall apply.
 For all specialist work, see relevant drawings.

Rev	Date	Description
-	-	-

Name



Pellings Ltd
 Post Box 100, Kenilworth, CV35 9EF
 01203 860931 ext 1 (020) 85135 0019
 a.enquiries@pellings.co.uk
 www.pellings.co.uk

Client: East Thames HA
 Title: Harveyfields Site
 Location: Watlington Abbey

Architecture & Planning ■ Building Services ■ Project Management ■
 Cost Consulting ■ Civil Coordination

PROJECT	DATE	SCALE	STATUS	CHK
EPDC House Building Programme	MAR 2013	1:500	@A3	NP
612 020 SK4				A

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Appendix B

Site Photographs

Appendix B - Site Photographs

General views to garages and surrounding residential use



General views to garages and surrounding residential use

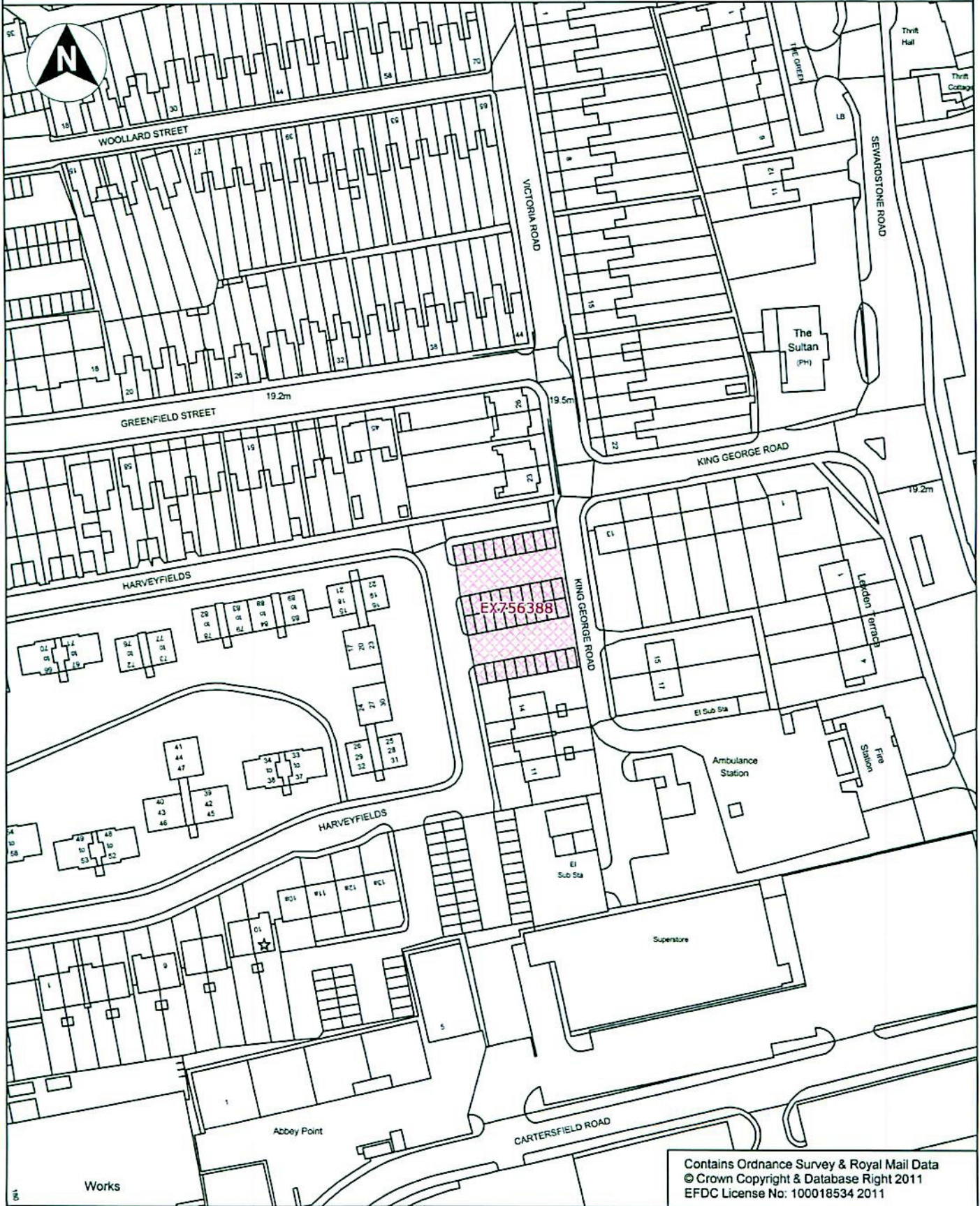


General views to garages and surrounding residential use



Appendix C

Existing Site Plan



Contains Ordnance Survey & Royal Mail Data
 © Crown Copyright & Database Right 2011
 EFDC License No: 100018534 2011

Directorate of Environment & Street Scene Civic Offices High Street Epping, Essex, CM16 4BZ Tel. 01992 564000	Project Potential Site for Council House Building Program Drawing No. 201206014 - T	Content Harveyfields Waltham Abbey	Date 04/07/12 Scale 1:1250 @ A4 Drawn By Robert Irwin
--	---	--	--

Appendix D

Statutory Services Information

From: Bromley General
Sent: 13 March 2013 08:52
To: Adam Greenhalgh
Subject: FW: AG/srs/612.020/L02B; Site of 40 Garages adjacent to No. 14 Harveyfields, Waltham Abbey, EN9 1HN;
Attachments: Scan-to-Me from 10.30.9.247 2013-03-04 095552.pdf

From: Kumar, Krishnaraj [mailto:Krishnaraj.Kumar@atkinsglobal.com]
Sent: 13 March 2013 05:11
To: Bromley General
Subject: RE: AG/srs/612.020/L02B; Site of 40 Garages adjacent to No. 14 Harveyfields, Waltham Abbey, EN9 1HN;

Please note - We have created an electronic response for you in reply to your postal enquiry. For ALL future plant enquiry requests please email to osm.enquiries@atkinsglobal.com

Please accept this email as confirmation that Cable&Wireless Worldwide does not have apparatus within the boundary of your proposed works detailed in the reference/location above.
For all future requests please include a 12-digit grid reference and location details within the body of the actual email.
Many Thanks,

The Plant Enquiry Team
ATKINS (working on behalf of Cable & Wireless Worldwide)



Email: osm.enquiries@atkinsglobal.com
The Hub, 500 Park Avenue, Almondsbury, Bristol, BS32 4RZ
Tel: +44 (0)1454 662 881 | Fax: +44 (0)1454 66330
Web: www.atkinsglobal.com

PLEASE NOTE:

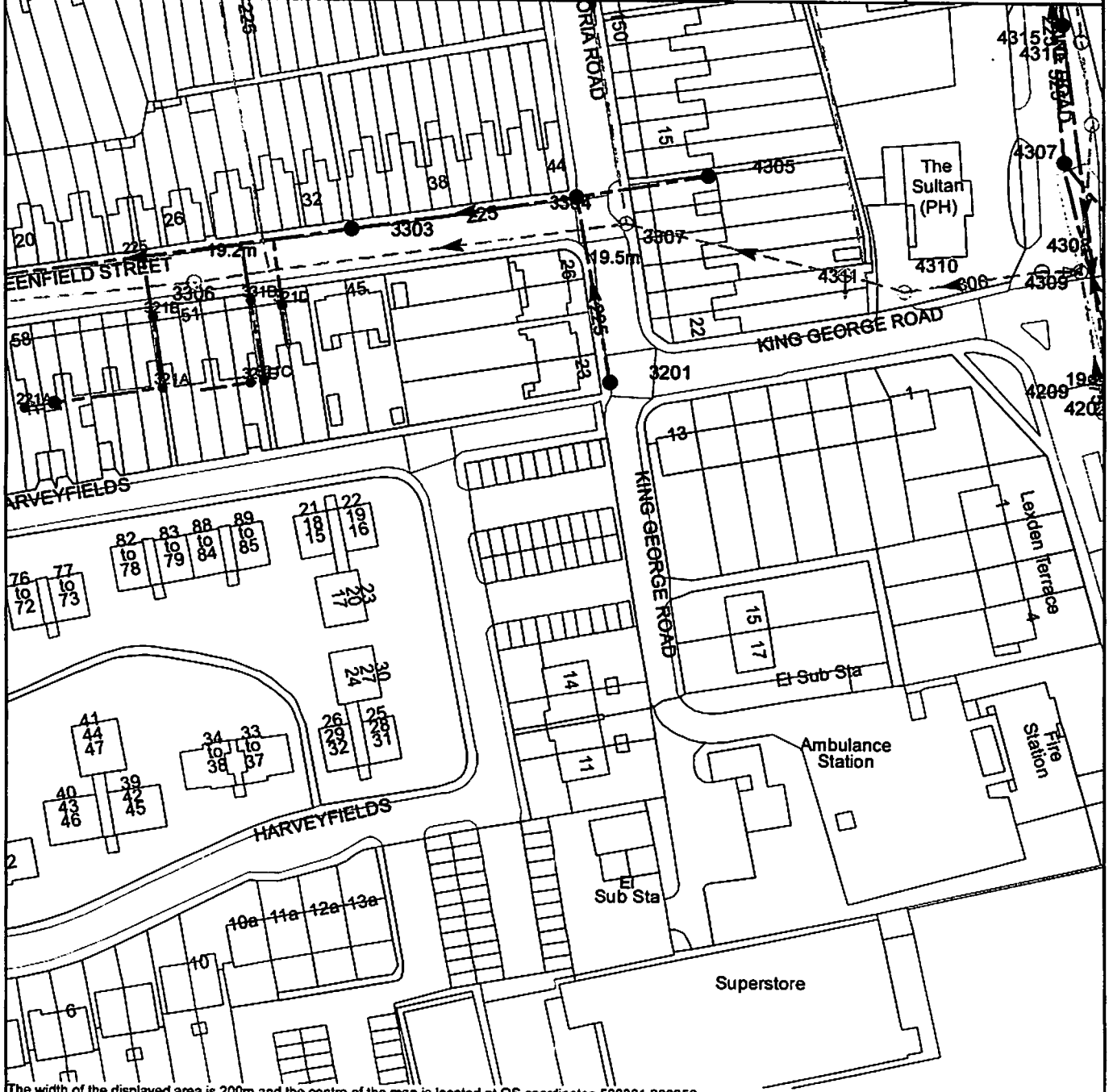
The information given is indicative only. No warranty is made as to its accuracy. This information must not be solely relied upon in the event of excavation or other works carried out in the vicinity of Cable & Wireless Worldwide Ltd, plant. No liability of any kind whatsoever is accepted by C&W, its servants, or agents, for any error or omission in respect of information contained on this information. The actual position of underground services must be verified and established on site before any mechanical plant is used. Authorities and contractors will be held liable for the full cost of repairs to C&W's apparatus and all claims made against them by Third parties as a result of any interference or damage.

From: Alison.Friend@atkinsglobal.com [mailto:Alison.Friend@atkinsglobal.com]
Sent: 04 March 2013 14:26
To: Friend, Alison
Subject: Scan-to-Me from 10.30.9.247 2013-03-04 095552

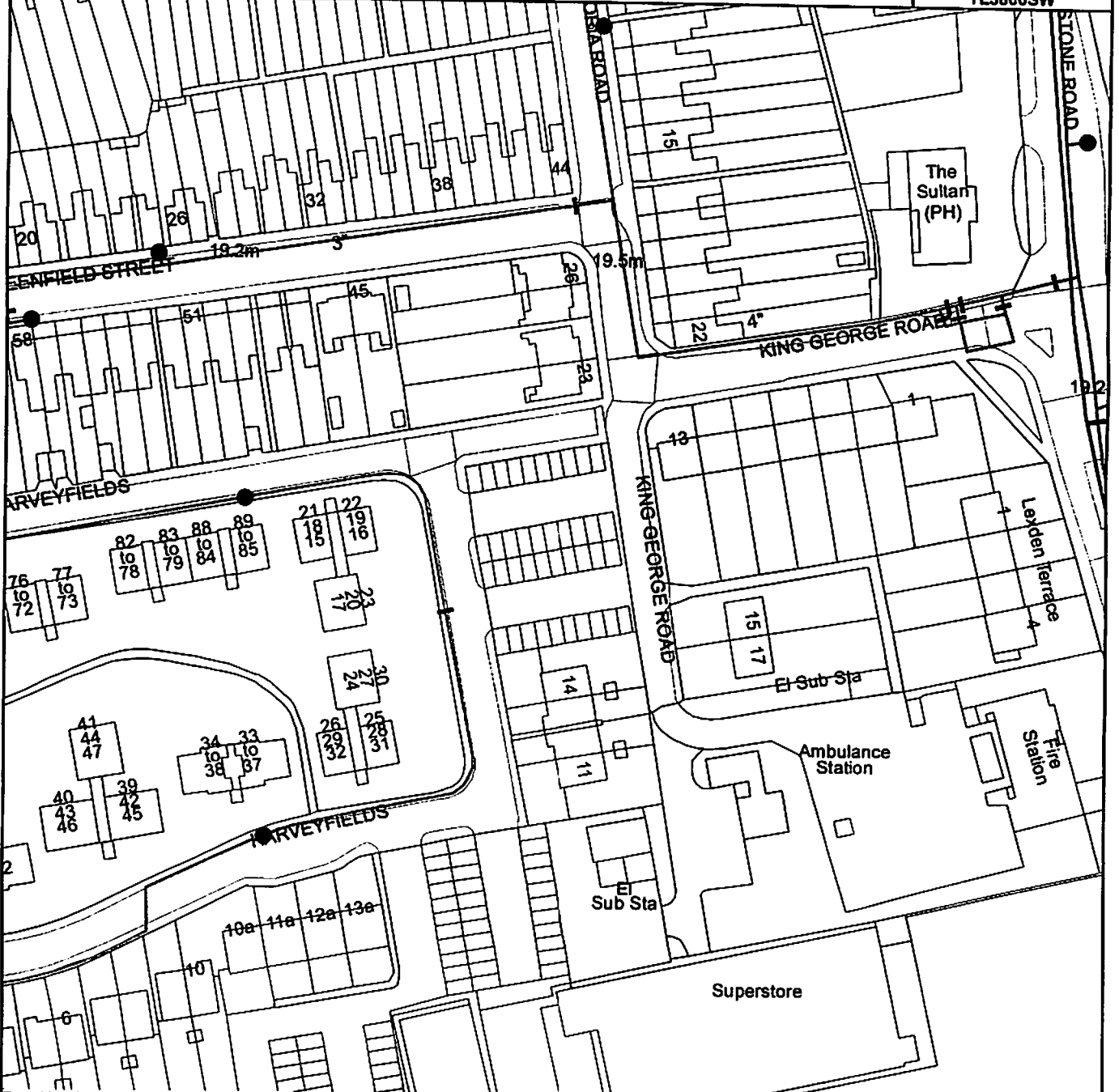
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The ultimate parent company of the Atkins Group is WS Atkins plc. Registered in England No. 1885586. Registered Office Woodcote Grove, Ashley Road, Epsom, Surrey KT18 5BW. A list of wholly owned Atkins Group companies registered in the United Kingdom and locations around the world can be found at <http://www.atkinsglobal.com/site-services/group-company-registration-details>

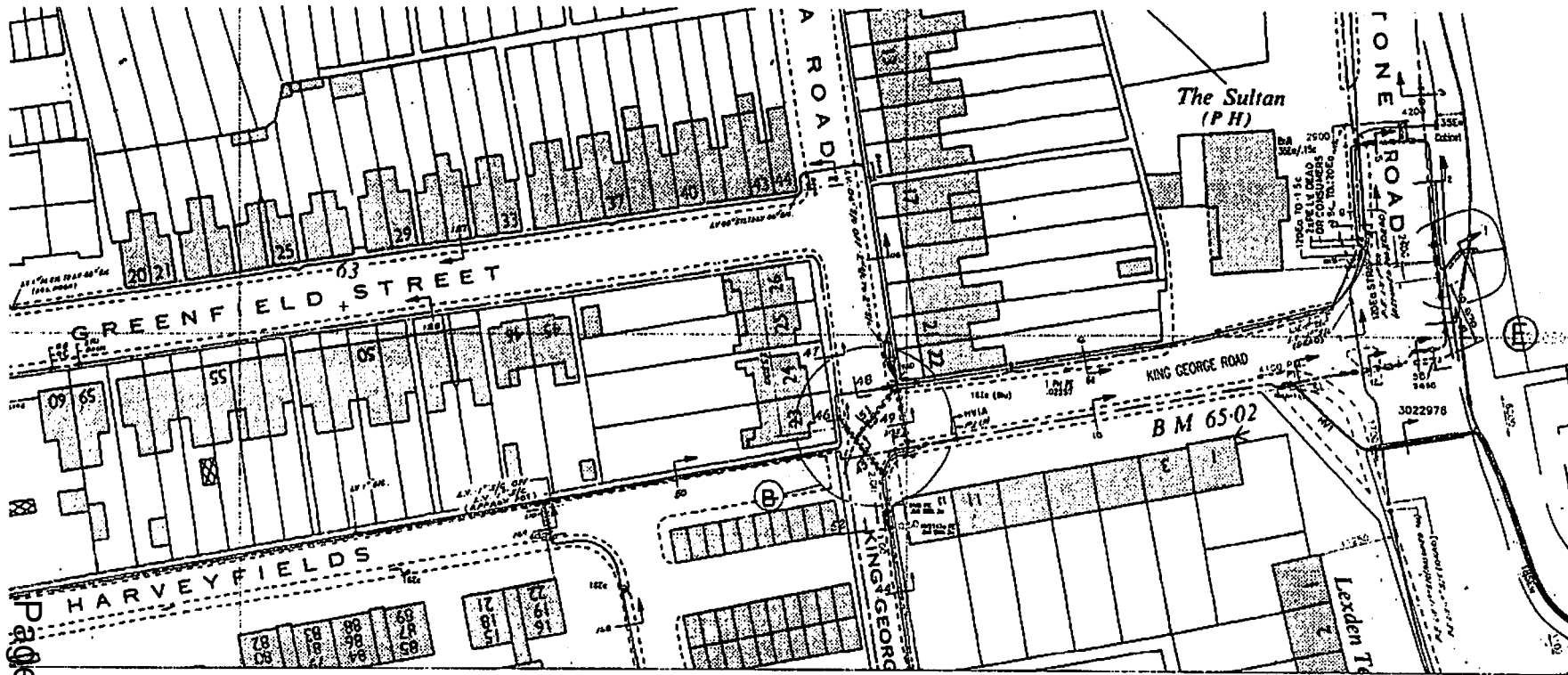
Consider the environment. Please don't print this e-mail unless you really need to.



The width of the displayed area is 200m and the centre of the map is located at OS coordinates 538381,200256
The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified and established on site before any works are undertaken.
Based on the Ordnance Survey Map with the Sanction of the controller of H.M. Stationery Office, License no. WU298557 Crown Copyright Reserved.



The width of the displayed area is 200m and the centre of the map is located at OS coordinates 538381,200256
 The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified and established on site before any works are undertaken.
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Page 183

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2. UK Power Networks does not exclude or limit its liability if it causes the death of any person or causes personal injury to a person where such death or personal injury is caused by its negligence.
3. Subject to paragraph 2 UK Power Networks has no liability to you in contract, in tort (including negligence), for breach of statutory duty or otherwise howsoever for any loss, damage, costs, claims, demands, or expenses that you or any third party may suffer or incur as a result of using the information provided whether for physical damage to property or for any economic loss (including without limitation loss of profit, loss of opportunity, loss of savings, loss of goodwill, loss of business, loss of use) or any special or consequential loss or damage whatsoever.

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ADVICE TO CONTRACTORS ON AVOIDING DANGER FROM BURIED ELECTRICITY CABLES.

- 1) Do have cable drawings with you on site and check them before you start the excavation.
- 2) Do have a cable locator tool on site and use it to help you.
- 3) Mark out the location of electricity cables.
- 4) Do not use a mechanical excavator within 0.5m of electricity cables.
- 5) Use spades and shovels in preference to other tools.
- 6) Never disturb electricity cables and joints or their protective covers.

IF IN DOUBT - ASK! PHONE 0800 056 5866
EMERGENCY - If you damage a cable or line
Phone 0800 780 0780 (24hrs) URGENTLY

These basic safety precautions are explained in detail in the HSE booklet.
HS(G)47 - Avoiding Danger from Underground Services, a copy of which may
be obtained from your supervisor or HMSO.

Please be aware that electric lines belonging to other owners of licensed electricity distribution systems may be present and it is your responsibility to identify their location.

Appendix E

Cost Build-up

Harveyfields Garage Site, Waltham Abbey
Indicative Estimate of Cost
for East Thames HA



Gross Internal floor area	m2	ft2
Affordable Flat Units	552	5,942
Allowance for communal space @ 20%	110	1,188
Affordable House Units		0
TOTAL GIA	662	7,130

Item	Element	Qty Unit	Rate £/unit	Total £
1.0 Demolition				
1.1	Demolition of existing garages	922 m ²	40	37,000
1.2	Allowance for removal of asbestos	40 nr	300	12,000
	Sub-total		say	50,000
2.0 Affordable Flat units (9nr units)				
2.1	Flats Private areas	552 m ²	1,400	773,000
2.2	Flats communal areas (20% allowed)	110 m ²	900	99,000
	Sub-total		say	870,000
3.0 Affordable House units (xxnr units)				
3.1	House areas	0 m ²	1,250	0
	Sub-total		say	0
4.0 Abnormals / E/o and External Works				
4.1	Private gardens (incl. fencing)	0 m ²	40	0
4.2	Communal Gardens	482 m ²	30	14,000
4.3	Access road, parking and turning	178 m ²	65	12,000
4.4	Pedestrian paving	0 m ²	50	Incl.
4.5	Cross over / highways adaptations	1 item	15,000	15,000
4.6	Allowance for contaminated ground	1 item		Excl.
4.7	Boundary treatment (fencing/walls)	60 m	160	10,000
4.8	Allowance for achieving CfSh Level 3	9 nr	3,000	27,000
	Sub-total		say	80,000
INDICATIVE CONSTRUCTION COST		£/m2	£/ft2	
		1,510	140	1,000,000
CONTINGENCY @ 5%				50,000
CONTRACTORS DESIGN FEES @ 6%				63,000
TOTAL INDICATIVE CONSTRUCTION COST		1,680	156	1,113,000

Clarifications and Assumptions

Estimate based on Pellings Feasibility drawings and standard MHS specifications

GIA is approximate due to early stage of design

Costs are based on a Q1 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 4

Cost include for Preliminaries and OH&P @ 7%

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

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

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East Thames Group

Appraisal for Rent & Sale

SDS ProVal Version 9.13 Nov-2012

Saved file path: Q:\Development\Applications\Proval\Working Provals\Epping Forest House Building

Scheme Name EFDC - Harveyfields, Waltham Ab

Date 24 Jun 2013

Address

Funding Year 2013/2014

Another Description

Local Authority Epping Forest

Project/File Ref.

LA Number 361

County Essex

Appraisal by georg.herrmann

Scheme Description

Sketch Drw'g No.

Site Area (acs)

0.00 ha

Seller

Units 9

Appraisal Version 1

Comments

See also Commentary in Rent Summary

A Unit Details

Unit Description	A	B	C	D	E	F	G	H	TOTALS
Net Area m ²	68.00	48.00							552.00
Bedrooms	2-bed	1-bed							m ²
Persons	4	2							30
Units	6	3							9
Commercial - y?	n	n							
Flat (not house) -y?	y	y							
Shared Accom. - y?	n	n							
Habitable Rooms	3	2							24
Storeys	3	3							
Value at Jan' 1999									
Market Sales Value									0
Product Type	Affordable Rent	Affordable Rent							
Catalyst Dev. Type	New Build	New Build							
Other Description									
Sales % at Outset									
Res' Sold Equity	0	0	0	0	0	0	0	0	0
Res' Unsold Equity	0	0	0	0	0	0	0	0	0
Initial Commercial Sales	0	0	0	0	0	0	0	0	0

Confirm Gross Floor Area

	Net m ²	Adjust by % and/or by m ²	Gross m ²	Gross ft ²
Residential Floor Area	552.00	110.00	662.00	7,125.77
Commercial Floor Area	0.00		0.00	0.00
Total Floor Area	552.00		662.00	7,125.77

Habitable Rooms Summary

Residential Rent	24
Residential Sale	0
Other	0
Total	24

B Acquisition & Works Cost

ACQUISITION	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum Information
							1532.71028
							535
Use Value from Land Appraisal, y/n?							
		VAT Total	0		0	0	1314.199396
Acquisition Total			0		0	0	

WORKS	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum Information
demolition	Per Gross m ²	1,314	870,000		96,667	29,000	
asbestos removal	Lump Sum	38,000	38,000		4,222	1,267	
abnormals	Lump Sum	12,000	12,000		1,333	400	
contingency+ design	Lump Sum	80,000	80,000		8,889	2,667	
	Lump Sum	113,000	113,000		12,556	3,767	3.71%
Use Total from Land Appraisal, y/n?							
		VAT Total	0		0	0	
Works Total	2,016 /m ² nfa	1,681 /m ² gfa	1,113,000		123,667	37,100	

Acquisition & Works Summary	Total	Average per Unit	Average per Person
Total	2,016 /m ² nfa	1,681 /m ² gfa	1,113,000
			123,667
			37,100

A&W as % of Market Sales Value

Optimisation

Target % for A&W/Market Sales Value

Acquisition
Works
Dev. Interest
Net Loan

Account Codes

Acquisition Total Entered 0
Market Value, if Different
Land Discount 0

For optimisation of Total Scheme Costs see Section F

F Total Scheme Cost

		% TSC
Acquisition & Works as Section B	1,113,000	87.0%
Development Fees as Section D	148,514	11.6%
User-defined Interest Cost	18,157	1.4%
Other Costs or Savings(-)		
Other Costs or Savings(-)		
Total Scheme Cost (TSC)	1,279,671	100.0%

TSC as % of Market Sales Value

Optimisation

Target % for TSC/Market Sales Value	90.0%
Alternative Solutions:	
Total saving in TSC required	0 0 per unit
or Affordable Acq. Total	0 0 per unit, or per hab. room
or Affordable Wks. Total	0 per unit, or per gross m ²

Optimisation results for Acq. and Wks. assume that development fees & interest remain at 13.0% of TSC

Analysis of RSL Funding

	Per Unit	Per Person	% of TSC
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
RSL Capital Contribution	0		
Net Loan	1,099,671	122,186	36,656 85.9%
Total RSL Funding	1,099,671	122,186	36,656 85.9%

Analysis of Subsidy & Other Funding

As Prod. Type	0		
Other	180,000	20,000	6,000 14.1%
Other Sum	0		
Total Other Funding	180,000	20,000	6,000 14.1%

G Private Finance

Private Finance Requirement at Year 1

		% of TSC	% of MSV
Total Scheme Cost - as Section F	1,279,671	100.0%	0.0%
Development Subsidy - as Section C	180,000	14.1%	0.0%
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment			
Capital Contribution at Year 1			
Net Loan, before Sales (Section J)	1,099,671	85.9%	0.0%

Loan Repayment Method

Annuity y/n?	n	Interest Only Method Chosen
Leave blank		

Value: Loan Ratios & Affordable Loan Values

Current Market Sales Value	0
NPV of Net Rent Only	1,130,372
User Specified Value	<input type="text"/>
Current Market Sales Value:Net Loan %	0.0%
NPV of Net Rent:Net Loan %	102.8%
User Specified Value:Net Loan %	0.0%

Value: Net Loan, Target %

Affordable Loan on NPV Value	<input type="text"/>
Affordable Loan on User Spec. Value	<input type="text"/>

Apportionment of Net Loan & Long Term Interest Rates

		Loan A	Loan B		
Loan A: % Apportionment		100.00%	0.00%		
Loan Amounts		1,099,671	0		
		Interest Rate	Interest Rate	Effective Rate %	
		%	%		
Year 1 to	45	3.50%		3.50%	

H Inflation

Base Inflation Rate

Inflation is applied from Year 2 onwards. Set all periods to Year 45.

Inflation Margins & Periods for Income

			Margin on Base Rate	Effective Inflation Rates
Residential Tenant Rent				
Period 1	Year 1 to	45	0.50%	3.00%
				0.00%

Commercial Rent - n/a

Year 1 to	45		
-----------	----	--	--

Ground Rent

Period 1	Year 1 to	45	2.50%
			0.00%

Services (Charges & Costs)

Period 1	Year 1 to	45	0.00%	2.50%
				0.00%

Market Sales Values (Residential) - n/a

Year 1 to	45	0.00%	0.00%
			0.00%

Market Sales Values (Commercial) - n/a

Year 1 to	45		0.00%
			0.00%

Inflation Margins & Periods for Allowances

			Margin on Base Rate	Effective Inflation Rates
Management				
Period 1	Year 1 to	45	1.00%	3.50%
				0.00%

Maintenance

Period 1	Year 1 to	45	1.00%	3.50%
				0.00%

Reinstatement

Period 1	Year 1 to	45		2.50%
				0.00%

Another Allowance

Period 1	Year 1 to	45	0.00%	2.50%
				0.00%

Major Repairs

Period 1	Year 1 to	45	1.50%	4.00%
				0.00%

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Affordable Rent	Affordable Rent							Units Available: 9
Commercial									
Number of Units	6	3							
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
RSL Management	Per Unit Per Annum								Default value for information, Shared Equity: 0
Year 1 to 45	1,327	1,327							1,327
Maintenance	Per Unit Per Annum								Default value for information, Rent: 691
Year 1 to 45	910	910							910
Product Type	Affordable Rent	Affordable Rent	C	D	E	F	G	H	
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Services Cost	Per Unit Per Annum								
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								
Year 1 to 45									0
Voids & Bad Debts	% of Gross Rents & Service Charges								Default value for information, Shared Equity: 0.00%
Year 1 to 45	2.00%	2.00%							4.25%
									2.00%

Major Repair Sinking Fund Options

Option 1

% Selection	% User Input	Year 1 to 45	0.80%	on 860,600
	User Input	860,600		

Option 2

Per Unit, Per Annum, Com. Rented Units Only	Year 1 to 45	
---	--------------	--

Option 3

Per Unit, Per Annum, Res. Rented Units Only	Year 1 to 45	
---	--------------	--

Sinking Fund at Year 7: 8,711

Defer the Start of the Sinking Fund to Year: 7

Memorandum Information
Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Affordable Rent	Affordable Rent							
Units	6	3	0	0	0	0	0	0	
Commercial									
Market Sales Value Available for Sale	0	0	0	0	0	0	0	0	
Sell units at end of Year									
Value for Sale at Yr. 1	0	0	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a.

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	38,488
Managing Agent	0
RSL Management	11,943
Maintenance	8,190
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 2.0%	1,196
Total Cost at Year 1	59,818

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
	n	141.22	0.00	141.22	614.07
	n	99.69	0.00	99.69	433.46
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Averages	127.38 per week (ex. S.C.)		553.87 per month (ex. S.C.)		
	127.38 per unit per week		553.87 per unit per month		
	108.37 per net m ² (ex. S.C.)		108.37 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated. **NB** For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Affordable Rent	Affordable Rent							
Commercial									
Target - April 2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	141.22	99.69	0.00	0.00	0.00	0.00	0.00	0.00	59,818
Total Cost Rent p.w.	141.22	99.69	0.00	0.00	0.00	0.00	0.00	0.00	59,818

Commercial Rents n/a										
Year 1 to										0

These Options n/a Set Initial Rent Free Period (months) months
 Rent Review Period, i.e. rent fixed for years

Preferred Yield % on Unsold Equity, n/a

Residential Shared Equity units only

Unsold Equity Share %									
Cost Rent % of u/s Eq'ty									
Rent p.w at 2.75% Yield									

Local Housing Allowance

Residential Rents n/a										
Year 1 to	45	165.58	119.59							70,558
		206.98	149.48	Market rents	£900 2 bed, £650 1 bed					

Set all service charges received per week										
Year 1 to	45									0

Set Ground Rents received per annum										
Year 1 to	45									0

Rent Yields as at end of Year	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		69,147	49,014
Compared with Market Value at Year 1	0		
Compared with Total Scheme Cost of	1,279,671	5.40%	3.83%
Compared with Acquisition Cost of	0		

Residential at Start of Year 1

Gross Rent	70,558
Market Value	0
Yield	

Commercial at Start of Year 1

Gross Rent	0
Market Value	0
Yield	

Rent Yields as at end of Year		Gross	Net

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a. at Year 1
 NPV of Net Rent less loan interest, divided by Open'g Loan, p.a.
 NPV Period & Discount Rate: 30 years at 3.50%, as defined in Section M

Calculation of Affordable Loan Based on Net Income at Year 1

Total Set Rent	70,558
Service Charges	0
Ground Rents	0
Managing Agent	0
RSL M'ngm't & Maint.	20,133
Services Cost	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids & Bad Debts	1,411
Net Income at Year 1	49,014

	Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Set Residential Rent	7,840	150.25	653.32
Set Commercial Rent	0		

Actual Loan
 Affordable Loan Assuming net income meets Year 1 loan costs
 Difference Equivalent to the capitalised Year 1 net revenue surplus.

M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 1,099,671
 Revenue First Exceeds Costs Year 1
 Loan Repaid by Year 30

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate 3.50%

Summarise Cashflow Results to Year 30

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.

Discounted Cap. Value

Max. Annual Deficit: Year

Capitalised Yr. 1 Net Revenue Surplus

Cum. Surplus at Year 30

NPV Net Rent + Cap. Val. - Loan

IRR

NPV of Net Rent Only

NPV of All Capital Receipts

	Per Unit	Per Person
Max. Annual Deficit: Year	n/a	
Capitalised Yr. 1 Net Revenue Surplus	323,076	35,897
Cum. Surplus at Year 30	84,847	9,427
NPV Net Rent + Cap. Val. - Loan	30,701	3,411
IRR	3.71%	
NPV of Net Rent Only	1,130,372	
NPV of All Capital Receipts	0	

Interest Total 725,386

Min. Interest Cover: Year 1 129.99%

Target Interest Cover % 115.00%

First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

Year	1	2	3	4	5	6	7	8	9
Opening Loan	1,099,671	1,088,364	1,075,270	1,060,288	1,043,313	1,024,234	1,002,937	988,152	971,567
Average Interest	37,707	37,290	36,809	36,261	35,644	34,951	34,320	33,782	33,181
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	49,014	50,384	51,791	53,237	54,722	56,249	49,105	50,367	51,660
Closing Loan	1,088,364	1,075,270	1,060,288	1,043,313	1,024,234	1,002,937	988,152	971,567	953,089
Gross Resid'l Rent	70,558	72,675	74,855	77,101	79,414	81,796	84,250	86,778	89,381
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,411	1,453	1,497	1,542	1,588	1,636	1,685	1,736	1,788
s/t	69,147	71,221	73,358	75,559	77,825	80,160	82,565	85,042	87,593
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	11,943	12,361	12,794	13,241	13,705	14,185	14,681	15,195	15,727
Maintenance	8,190	8,477	8,773	9,080	9,398	9,727	10,068	10,420	10,785
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	8,711	9,060	9,422
Net Rent	49,014	50,384	51,791	53,237	54,722	56,249	49,105	50,367	51,660
<i>Net Rent + Rec'ts - Inter't</i>	<i>11,307</i>	<i>13,094</i>	<i>14,982</i>	<i>16,975</i>	<i>19,079</i>	<i>21,297</i>	<i>14,785</i>	<i>16,585</i>	<i>18,478</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	10	11	12	13	14	15	16	17	18
Opening Loan	953,089	932,620	910,059	885,300	858,233	828,743	796,712	762,015	724,524
Average Interest	32,513	31,775	30,964	30,075	29,104	28,048	26,903	25,664	24,326
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	52,983	54,337	55,723	57,142	58,594	60,079	61,600	63,155	64,746
Closing Loan	932,620	910,059	885,300	858,233	828,743	796,712	762,015	724,524	684,104
Gross Resid'l Rent	92,062	94,824	97,669	100,599	103,617	106,725	109,927	113,225	116,622
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,841	1,896	1,953	2,012	2,072	2,135	2,199	2,264	2,332
s/t	90,221	92,928	95,715	98,587	101,545	104,591	107,729	110,960	114,289
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	16,277	16,847	17,436	18,047	18,678	19,332	20,009	20,709	21,434
Maintenance	11,162	11,553	11,957	12,376	12,809	13,257	13,721	14,201	14,698
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	9,799	10,191	10,599	11,023	11,464	11,922	12,399	12,895	13,411
Net Rent	52,983	54,337	55,723	57,142	58,594	60,079	61,600	63,155	64,746
<i>Net Rent + Rec'ts - Inter't</i>	<i>20,469</i>	<i>22,561</i>	<i>24,759</i>	<i>27,067</i>	<i>29,490</i>	<i>32,031</i>	<i>34,697</i>	<i>37,491</i>	<i>40,420</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0

Year	19	20	21	22	23	24	25	26	27
Opening Loan	684,104	640,616	593,914	543,848	490,261	432,990	371,865	306,710	237,343
Average Interest	22,886	21,337	19,675	17,895	15,991	13,958	11,789	9,478	7,019
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	66,374	68,039	69,741	71,482	73,262	75,083	76,943	78,845	80,789
Closing Loan	640,616	593,914	543,848	490,261	432,990	371,865	306,710	237,343	163,573
Gross Resid'l Rent	120,120	123,724	127,436	131,259	135,197	139,252	143,430	147,733	152,165
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	2,402	2,474	2,549	2,625	2,704	2,785	2,869	2,955	3,043
s/t	117,718	121,250	124,887	128,634	132,493	136,467	140,561	144,778	149,122
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	22,184	22,960	23,764	24,596	25,457	26,348	27,270	28,224	29,212
Maintenance	15,213	15,745	16,296	16,867	17,457	18,068	18,700	19,355	20,032
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	13,947	14,505	15,085	15,689	16,316	16,969	17,648	18,354	19,088
Net Rent	66,374	68,039	69,741	71,482	73,262	75,083	76,943	78,845	80,789
<i>Net Rent + Rec'ts - Inter't</i>	<i>43,488</i>	<i>46,702</i>	<i>50,066</i>	<i>53,587</i>	<i>57,271</i>	<i>61,125</i>	<i>65,155</i>	<i>69,367</i>	<i>73,770</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	28	29	30	31	32	33	34	35	36
Opening Loan	163,573	85,203	2,027	0	0	0	0	0	0
Average Interest	4,405	1,630	6	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	82,776	84,806	2,033	0	0	0	0	0	0
Closing Loan	85,203	2,027	0	0	0	0	0	0	0
Gross Resid'l Rent	156,730	161,432	166,275	171,263	176,401	181,693	187,144	192,758	198,541
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	3,135	3,229	3,325	3,425	3,528	3,634	3,743	3,855	3,971
s/t	153,595	158,203	162,949	167,838	172,873	178,059	183,401	188,903	194,570
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	30,235	31,293	32,388	33,522	34,695	35,909	37,166	38,467	39,813
Maintenance	20,734	21,459	22,210	22,988	23,792	24,625	25,487	26,379	27,302
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	19,851	20,645	21,471	22,330	23,223	24,152	25,118	26,123	27,168
Net Rent	82,776	84,806	86,880	88,998	91,162	93,373	95,630	97,934	100,287
<i>Net Rent + Rec'ts - Inter't</i>	<i>78,370</i>	<i>83,176</i>	<i>86,874</i>	<i>88,998</i>	<i>91,162</i>	<i>93,373</i>	<i>95,630</i>	<i>97,934</i>	<i>100,287</i>
Cashflow	0	0	84,847	88,998	91,162	93,373	95,630	97,934	100,287
Cum. Balance	0	0	84,847	173,845	265,008	358,380	454,010	551,944	652,231
Year	37	38	39	40	41	42	43	44	45
Opening Loan	0	0	0	0	0	0	0	0	0
Average Interest	0	0	0	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	0	0	0	0	0	0	0	0	0
Closing Loan	0	0	0	0	0	0	0	0	0
Gross Resid'l Rent	204,497	210,632	216,951	223,459	230,163	237,068	244,180	251,505	259,051
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	4,090	4,213	4,339	4,469	4,603	4,741	4,884	5,030	5,181
s/t	200,407	206,419	212,612	218,990	225,560	232,327	239,296	246,475	253,870
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	41,207	42,649	44,141	45,686	47,285	48,940	50,653	52,426	54,261
Maintenance	28,258	29,247	30,270	31,330	32,426	33,561	34,736	35,952	37,210
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	28,255	29,385	30,560	31,783	33,054	34,376	35,751	37,181	38,669
Net Rent	102,688	105,139	107,640	110,191	112,794	115,449	118,156	120,916	123,730
<i>Net Rent + Rec'ts - Inter't</i>	<i>102,688</i>	<i>105,139</i>	<i>107,640</i>	<i>110,191</i>	<i>112,794</i>	<i>115,449</i>	<i>118,156</i>	<i>120,916</i>	<i>123,730</i>
Cashflow	102,688	105,139	107,640	110,191	112,794	115,449	118,156	120,916	123,730
Cum. Balance	754,919	860,058	967,697	1,077,888	1,190,682	1,306,131	1,424,287	1,545,203	1,668,933

East Thames Group

Rent & Sale Appraisal Summary

SDS ProVal Version 9.13 Nov-2012

Scheme Name EFDC - Harveyfields, Waltham Abbey

Date 24 Jun 2013

Address

Appraisal by georg.herrmann

Funding Year 2013/2014

Seller

Local Authority Epping Forest

Site Area (acs) 0 ha

Scheme Description

Defaults Validation Check X See validation page for details

Units 9

Appraisal Version 1

Unit Details

Product Type
Net Floor Area m²
Persons
Units
Commercial?
Market Sales Value
Sales % at Outset
Yr 1 Resid'tial Rent p.w.
Yr 1 Comm' Rent per m²
Units sold at end Year

A	B	C	D	E	F	G	H	Total - All Units
Affordable Rent	Affordable Rent							
68	48							552
4	2							30
6	3							9
n	n							0
165.58	119.59							70,558
								0

Product Type
Net Floor Area m²
Persons
Units
Commercial?
Market Sales Value
Sales % at Outset
Yr 1 Resid'tial Rent p.w.
Yr 1 Comm' Rent per m²
Units sold at end Year

I	J	K	L	M	N	O	P

Acquisition & Works Costs

Acquisition
Works

Total	Average per Unit	Average per Person	hr - habitable room, ac - acre, ha - hectare	nfa - net floor area, gfa - gross floor area
0	0	0		
1,113,000	123,667	37,100	2,016 /m ² nfa	1,681 /m ² gfa
Total 1,113,000	123,667	37,100		

A&W as % of Market Sales Value

Development Subsidy

Total	Av'ge per Res' Unit	Average per Person	% TSC
180,000	20,000	6,000	14.07%

Other Capital Receipts (not Sales)

Lump Sums: Rec'd in Year
Capitalised Ground Rents, Total

Total	Per Unit	Per Person	% of TSC
0			
0			

Total Scheme Costs

Acquisition & Works as Section B
Development Fees as Section D
User-defined Interest Cost
Other Costs

Total	% TSC
1,113,000	87.0%
148,514	11.6%
18,157	1.4%
0	
Total 1,279,671	

Advance Rent Income

Loan Adjustment
RSL Capital Contribution

Total	Per Unit	Per Person	% of TSC
0			
0			
1,099,671	122,186	36,656	85.9%
Total 1,099,671	122,186	36,656	85.9%

Total Scheme Cost (TSC)

Residential Market Value
Commercial Market Value
TSC as % of Market Sales Value

Total	Per Unit	Per Person	% of TSC
0			
180,000	20,000	6,000	14.1%
0			
Total 180,000	20,000	6,000	14.1%

Private Finance

Total Scheme Cost
Development Subsidy
Receipts from Initial Sales
Advance Rent Income
Loan Adjustment
Capital Contribution at Year 1
Net Loan (before sales)

	% of TSC	% of MSV
1,279,671	100.0%	0.0%
180,000	14.1%	0.0%
0		
0		
0		
1,099,671	85.9%	0.0%

Interest Rates

Loan Amounts	Loan A	Loan B
Year 1 to 45	1,099,671	0
	3.50%	

Repayment Method Interest Only

Inflation & Allowances

Base Inflation Rate 2.50%

Year 1 Effective Inflation Rates & Values for Income

Inflation Rate
3.00%
2.50%
2.50%
0.00%
0.00%

Year 1 Effective Inflation Rates & Values for Allowances

Inflation Rate	Cost Per Unit, p.a.
3.50%	1,327
n _y	0.00%
3.50%	910
2.50%	0
2.50%	0
4.00%	0
n _y	2,000

Long Term Cashflow

Peak Loan Occurs in Year 1
Revenue First Exceeds Costs
Loan Repaid by

Loan Repayment Method Interest Only

1,099,671
Year 1
Year 30

Chosen NPV Calculation Net Rent + Cap. Val. - Loan
NPV Discount Rate 3.50%
Summarise Cashflow Results to Year 30
Capital Value of Scheme - Year 1
Capital Growth Rate p.a.
Discounted Cap. Value

Max. Annual Deficit: Year
Capitalised Yr. 1 Net Revenue Surplus
Cum. Surplus at Year 30
NPV Net Rent + Cap. Val. - Loan
IRR
NPV of Net Rent Only
NPV of All Capital Receipts

	Per Unit	Per Person
n/a		
323,076	35,897	10,769
84,847	9,427	2,828
30,701	3,411	1,023
3.71%		
1,130,372		
0		

Interest Total 725,386
Min. Interest Cover: Year 1 129,999
Target Interest Cover % 115.00%
First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Jan-2015

East Thames Housing / Epping Forest District Council
Housing Delivery Programme

Feasibility Report

Site: Marden Close IG7 6ER

Ref: IJC/dh/612.021/FR03 Rev. A
Date: April 2013

Contents

1. Introduction and Confirmation of Brief
2. Existing Accommodation
3. Proposals
4. Planning Issues and Risks
5. Impact/Implications of Statutory Services
6. Site Access and Buildability Issues
7. Neighbourly Matters and Party Walls
8. Proposed Procurement Route
9. Impact on Parking
10. Costs
11. Recommendations and Conclusions

Appendices

- A: Development Proposals – Drawings 612.020/SK2A and SK3
- B: Site Photographs
- C: Existing Site Plan
- D: Statutory Services Information
- E: Cost Build-up

1.0 Introduction and Confirmation of Brief

- 1.1. Pellings LLP are appointed as part of East Thames Group Technical Team in respect of delivery of Development Agent services to Epping Forest District Council for a six year housing delivery programme.
- 1.2. Marden Close comprises 2 small blocks of bed-sits and has been added to the original programme of garage sites as having opportunity for conversion to 1 bed flats. We understand that the property is available to EFDC on a maximum 45 year lease and this would therefore be the required lifespan of principle elements. Pellings LLP have been instructed to look at the feasibility of conversion.

2.0 Existing Accommodation

- 2.1. Marden Close is a small development consisting of 2 two storey blocks on Lambourne Road, Chigwell. The two blocks provide a total of 20 bedsit units, 1 block containing 12 units and the other 8. Access to the ground floor units is from a shared porch, each serving two flats and protected by a concrete canopy with steel support. The upper units are accessed via a shared hallway and staircase at the rear. The upper units have benefit of a door entry system. At the rear are store shed, located either side of the shared access leading to the upper flats.
- 2.2. Car parking is provided at the front of the blocks.
- 2.3. The blocks are of traditional construction. Cavity masonry under interlocking tiles covering pitched roofs. The smaller block has painted render panels on the car park elevation, up to ground floor ceiling level, with shingles above. Windows are double glazed PVCU units, ground floor doors are of PVC and security doors at the rear are of timber. Rainwater goods are a mixture of PVC gutters with some metal downpipes.
- 2.4. Each bedsit unit has a fireplace now generally blocked and served by brick-built chimney stacks.
- 2.5. Access to the bedsit area is from a porch, either at the front, on the ground floor or at mid-point on the upper floors from the shared staircase. Bathroom and kitchen are accessed from an internal hall.
- 2.6. Boilers for the heating system and hot water are located in the store rooms for the ground floor units and within the kitchen in the first floor units.

3.0 Proposals

- 3.1. Read in conjunction with Drawings 612.020/SK2A and SK3 attached at Appendix A.
- 3.2. The proposal is to convert each pair of bedsit units into a 1-bed two person flat which will result in units approximating to 60sqm, although the ground floor unit will be slightly smaller due to the staircase leading to the upper flats.
- 3.3. On the ground floor, an opening will be formed through the former party wall to access the bedroom and bathroom. Non load bearing partitions will be demolished on each floor to be replaced by new partitions to suit the revised layout. No major structural works other than forming the opening in the ground floor unit are envisaged.

- 3.4. The upper unit will have an entrance door at ground level, at the rear as existing. Store sheds and rear entrance lobby would be demolished and a new porch and two smaller store sheds erected to one side of the upper entrance.
- 3.5. New services would be required, together with new kitchen and bathroom facilities.
- 3.6. The works will be covered by the Building Regulations and will require upgrade for thermal and acoustic properties. It is envisaged that thermal upgrade will be a combination of cavity wall insulation and external insulated render systems. Acoustic solutions available are resilient bar and suspended ceiling systems. Alterations are proposed to external areas to achieve 14 car park spaces, including 1 disabled person's bay. This would necessitate a slight realignment of the access road.
- 3.7. Principal elements of the structure are in sound condition, although some prudent maintenance would be required on overhauling the roof, pointing of brickwork and overhaul of windows. Internally replacement of finishes would be required as part of the alteration works.

4.0 Planning Issues and Risks

- 4.1. The site is essentially rectangular in shape, measuring 40m in width and 42m in depth. The site area is 0.168 hectares.
- 4.2. The site is located within the built-up area of Chigwell Row which is a settlement surrounded by Green Belt. The surrounding area comprises a range of low-rise two storey family housing, generally from the 20th century.
- 4.3. In the north east corner of the site there is a gate which leads to a footpath which leads to a community building (Faversham Hall) and immediately to the rear of the site is open space which is designated Green Belt. The site is not located in a Conservation Area and it is not designated for any particular purposes in the Epping Forest District Council Combined Local Plan 1998 and Local Plan Alterations 2006. The site does not comprise any Listed Buildings. It is not located in a Flood Zone on the Environment Agency Flood Map.
- 4.4. The adopted Development Plan for Epping Forest District Council is the Combined Local Plan 1998 and Local Plan Alterations 2006.
- 4.5. There are no specific policies which seek to resist the loss of bedsits and the proposal to provide ten new units of affordable housing would comply with Epping Forest's adopted planning policies and would serve to meet the Council's housing needs.
- 4.6. The site is located in the settlement of Chigwell Row and the re-use of the existing buildings would be consistent with policy H2 which states the Council's aim to deliver at least 70% of all new housing on previously developed sites. Policy CP7 encourages the efficient use of existing built-up areas by the 'recycling of vacant, derelict, degraded and under-used land to accommodate the development' and the 're-use of urban sites, which are no longer appropriate to their existing or proposed use in the foreseeable future, for alternative land uses.'

4.7. The proposal would bring back into use existing disused housing. The proposal would maximise the use of the buildings within the Housing Group's standards and it would provide units for small households as identified by the Council in its Strategic Housing Market Assessment.

4.8. As no significant external alterations are proposed there would be no harm to the appearance or amenities of the area, and it is not considered that there would be any adverse effects on the highway. No trees would be affected and there would be no increased risk of flooding.

5.0 **Impact/Implications of Statutory Services**

5.1. We have undertaken statutory services enquiries to the following:

- Southern Gas
- Cable and Wireless
- Virgin Media
- Thames Water
- BT
- National Grid
- Scottish and Southern Energy
- Environment Agency
- UK Power Networks

5.2. Responses received to date are from Thames Water, UK Power Networks and Cable and Wireless.

5.3. UKPN – there is no indication of any primary cables affecting the developable area of the site.

5.4. Thames Water – there are no services indicated that would appear to affect proposals.

5.5. Cable and Wireless – Cable and Wireless have indicated that they have no apparatus on the site.

5.6. It should be noted there are a number of responses to enquiries that, at time of preparation of this report, have not yet been received.

6.0 **Site Access and Buildability Issues**

6.1. The site is accessed from existing site roads and there would not appear to be any particular difficulties for the normal level and size of construction traffic associated with a development of this nature.

6.2. Areas should be available for contractor's site set up and accommodation.

6.3. The site is within a primarily residential area and, accordingly, any appointed contractor should use all best endeavours to act in a considerate manner and within normal working hours.

6.4. Due to the age of the buildings, we consider there may be asbestos present and a pre-demolition survey will need to be commissioned prior to any works commencing.

7.0 Neighbourly Matters and Party Walls

- 7.1. As above, the proposed development site is within a primarily residential area and the appointed contractor should act in a considerate manner. It is proposed that restrictions on working hours, noise levels, requirement for resident liaison and similar matters will be included within contract documentation.
- 7.2. From proposals on Drawing 612.020/SK2A, any Party Wall matters would be limited to demolition of the store sheds serving plots 1-8 and the impact on No 63 Lambourne Road.
- 7.3. Confirmation of ownership will be required in due course.
- 7.4. Such Party Wall matters may be undertaken ahead of the build contract by direct appointment by EFDC, or included as a requirement for the contractor to deal with within the build contract. This later approach, however, would carry increased risk to programme and cost.

8.0 Proposed Procurement Route

- 8.1. It is understood that development works will be procured by way of the East Thames Housing Group existing contractor framework arrangements.
- 8.2. It is proposed that works shall be procured on a Design and Build basis with the contractors taking forward RIBA Stage D planning consent drawings into detailed design and construction delivery on site.
- 8.3. Schemes shall be designed to a set of Employer's Requirements to be subsequently confirmed but which substantially shall be formed from existing East Thames Housing Group Design Standards and Employer's Requirement documentation.
- 8.4. It is proposed that all site preparation works will be included within individual contract packages including any required demolitions, adjustment of statutory services, highways works and boundary maintenance/reinstatement/provision.
- 8.5. On completion of the feasibility studies for the whole programme, further recommendations will be made in terms of how works are packaged to ensure size of work packages are optimised for ensuring maximum economies for East Thames Housing Group and EFDC.
- 8.6. It is considered, at this stage, that this may be by way of a mix of different sized contractors dependent upon the numbers and geographical location of individual works packages.
- 8.7. Works will be administered by Pellings LLP as Employer's Agent acting in accordance with East Thames Housing Group terms of appointment and the overarching requirements of the Development Agency agreement.
- 8.8. Due to its nature of alteration works, it may be worth considering procuring Marden Close on a "one off" contract.

9.0 **Impact on Parking**

9.1. The Council's currently adopted parking standards are contained within Essex County Council's Parking Standards Design and Good Practice Guide – September 2009. These revised standards were adopted by the Council as statutory planning guidance in February 2012.

9.2. Flats and houses have the same parking standard as follows:

- 1 bedroom accommodation – 1 space per dwelling
- 2 bedroom accommodation and above – 2 spaces per dwelling
- Visitor parking – 0.25 spaces per dwelling (rounded up to the nearest whole number)

9.3. Against these standards, the current proposals currently comply. The site is within an area where on street parking is available.

9.4. Should the site move forward to planning application stages, it is recommended that travel and transport statements and assessments will be required, at which point parking provision requirements can be defined more accurately.

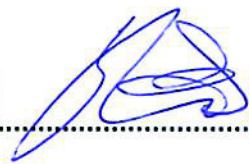
10.0 **Costs**

10.1. It is considered that a budget of £445,200.00 should be allowed for this scheme, inclusive of contractor design fees, but exclusive of professional fees and VAT. Please refer to Appendix E.

11.0 **Recommendations and Conclusions**

11.1. Subject to an overall lifetime cost appraisal, we conclude that this site appears to have economic development opportunities and we recommend is considered for taking forward to planning application stage, with a view to incorporating into the overall programme.

Signed:



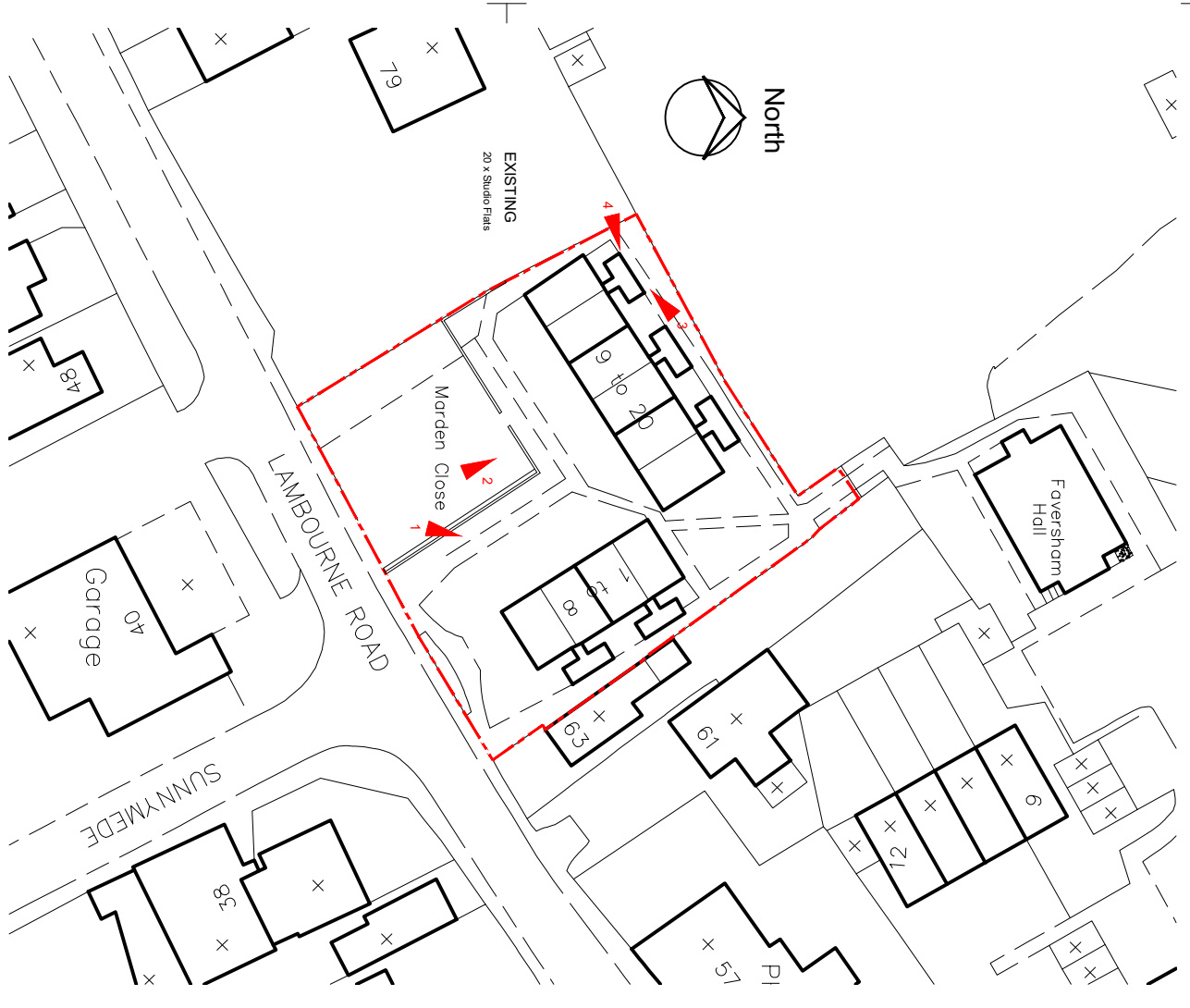
Pellings LLP

Date

24th April 2013

Appendix A

Development Proposals – Drawing 612.020/SK2A and SK3



TOTALS
 Site Area 0.161 Ha
 10 x 1 Bed Flats @ 50 sqm
 12 Parking Spaces

NOTES
 Report all discrepancies, errors and omissions
 Do not scale from this drawing
 Do not use this drawing 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
 appropriate manufacturers' recommendations that from time to
 time shall apply
 For all specialist work, see relevant drawings.

PRELIMINARY

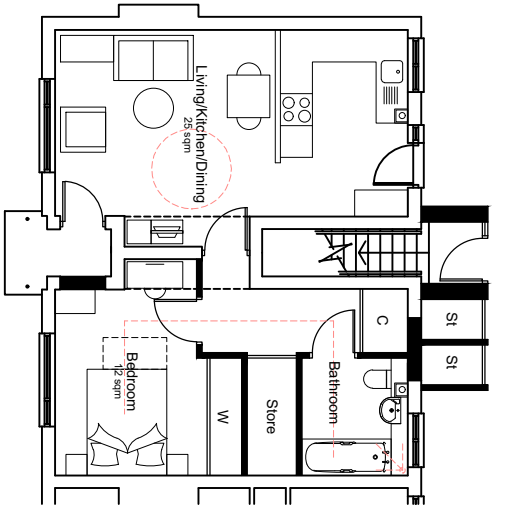
Rev	Date	Description	Name
-	-	-	-



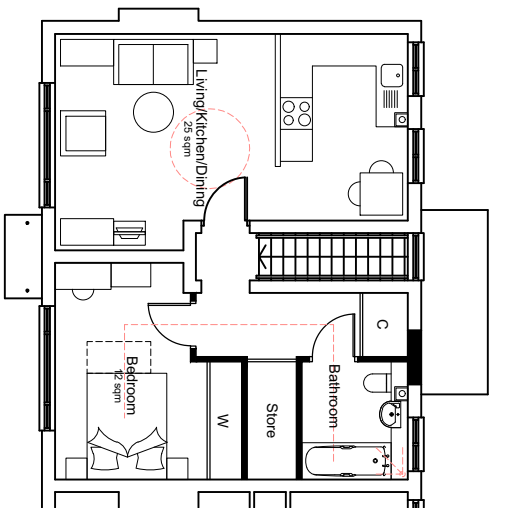
Pellings Ltd
 First Floor, Kent Road, 117
 1020 8469 9114 | 0203 5315 0019 | e.enquiries@pellings.co.uk
 www.pellings.co.uk

Architecture & Planning ■ Building Services ■ Project Management
 Client: East Thames HA
 Project: EPDC House Building Programme
 Date: MAR 2013
 Scale: 1:500
 Drawing No: 612|020|SK2
 Checked: NP
 Approved: NP

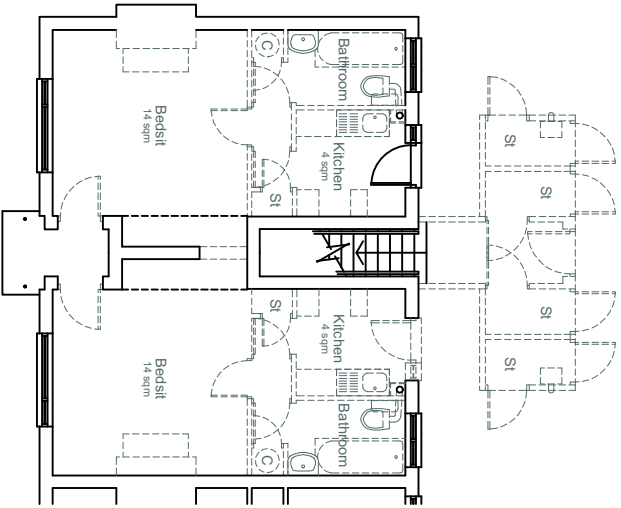
Site: Marden Close Site
 Location: Lambourne Road, Chigwell



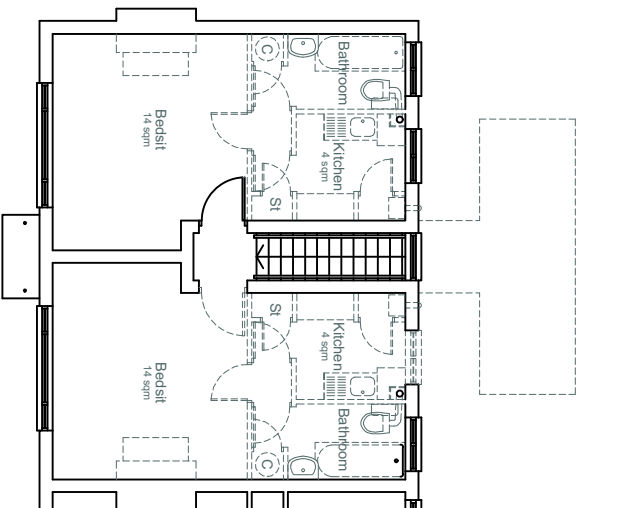
Proposed Ground Floor - 1B 2P Flat @ 50sqm



Proposed First Floor - 1B 2P Flat @ 50sqm



Existing Ground Floor - 2 x Studio Flat @ 25sqm



Existing First Floor - 2 x Studio Flat @ 25sqm

NOTES

Report all discrepancies, errors and omissions
Do not scale from this drawing
Do not construct any work 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
appropriate manufacturers' recommendations that from time to
time shall apply.
For all specialist work, see relevant drawings.

PRELIMINARY

Rev	Date	Description	Name
-	-	-	-



Pellings LLP
East Thames HA
Marden Close Site
Lambourne Road, Chigwell

PROJECT	EPDC House Building Programme
DATE	MAR 2013
SCALE	1:200 @A3
DRAWN BY	NP
CHECKED BY	SK3

Architecture & Planning ■ Building Services ■ Project Management
Cob Consulting ■ Civil Construction

Appendix B

Site Photographs

Appendix B - Site Photographs

General views to front



Rear store areas



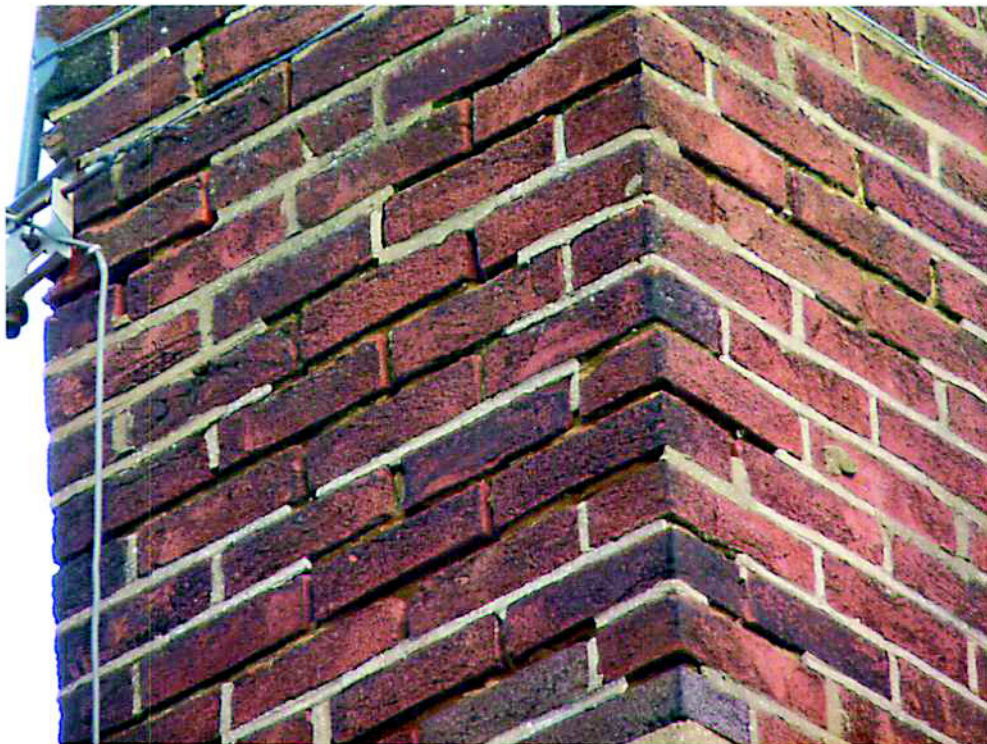
Shingles to front elevation



Deterioration to canopy structures



Re-pointing required to chimney stacks and elevations



Re-pointing required to chimney stacks and elevations



Appendix C

Existing Site Plan



Housing Services
 Civic Office,
 High Street, Epping,
 Essex, CH16 4JZ.
 Tel: 01992 844000.

Notes

The material contained in this plan has been prepared from an Ordnance Survey map and information of the Council of Epping Forest District Council. It is not intended to be used for any purpose other than that for which it was prepared and the Council does not accept any liability for any loss or damage caused by its use.

Revisions

Project

Faversham Hall, Faversham Close, and Marden Close, Lansbourne Road, Chawell, Essex.

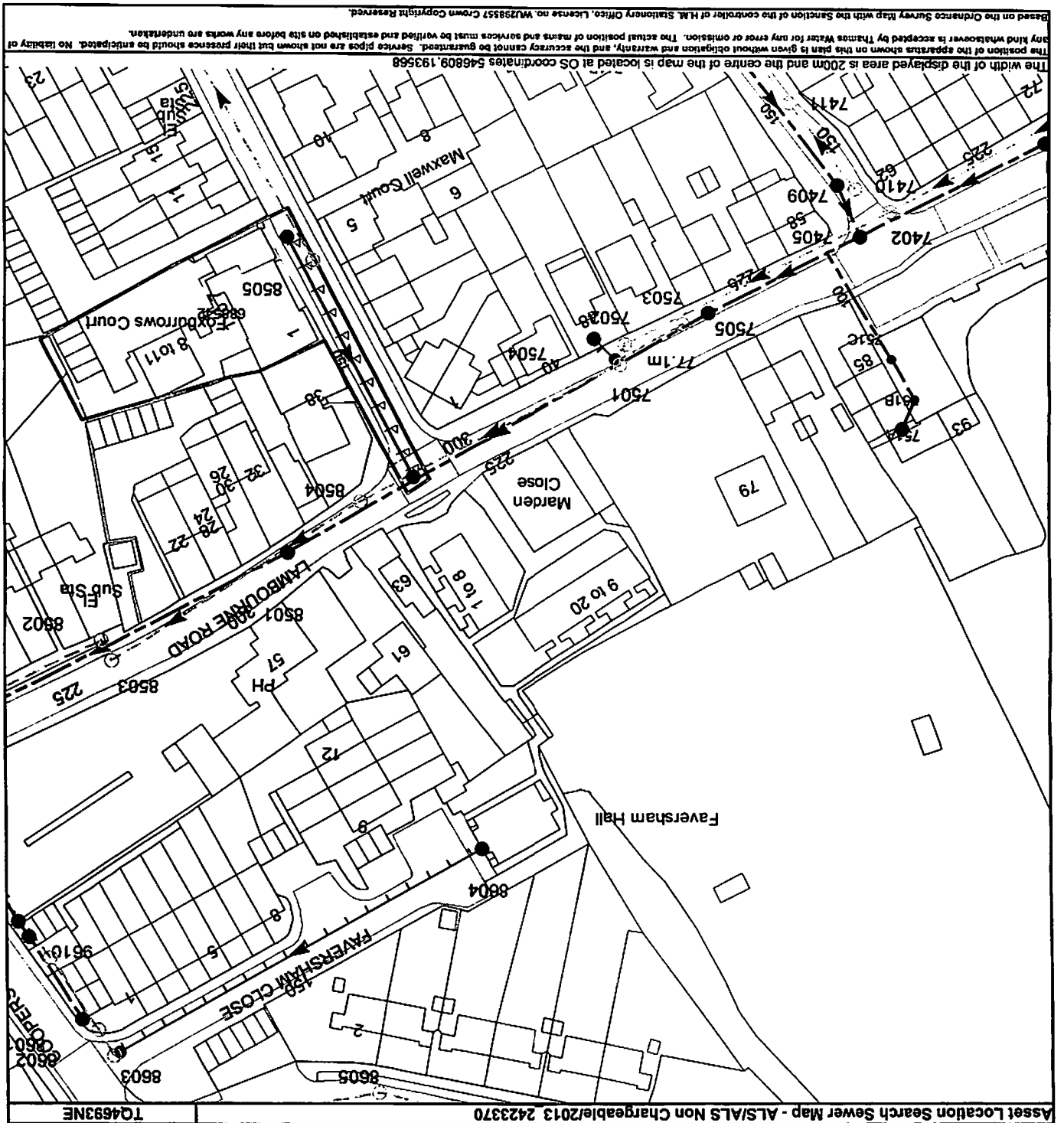
Content

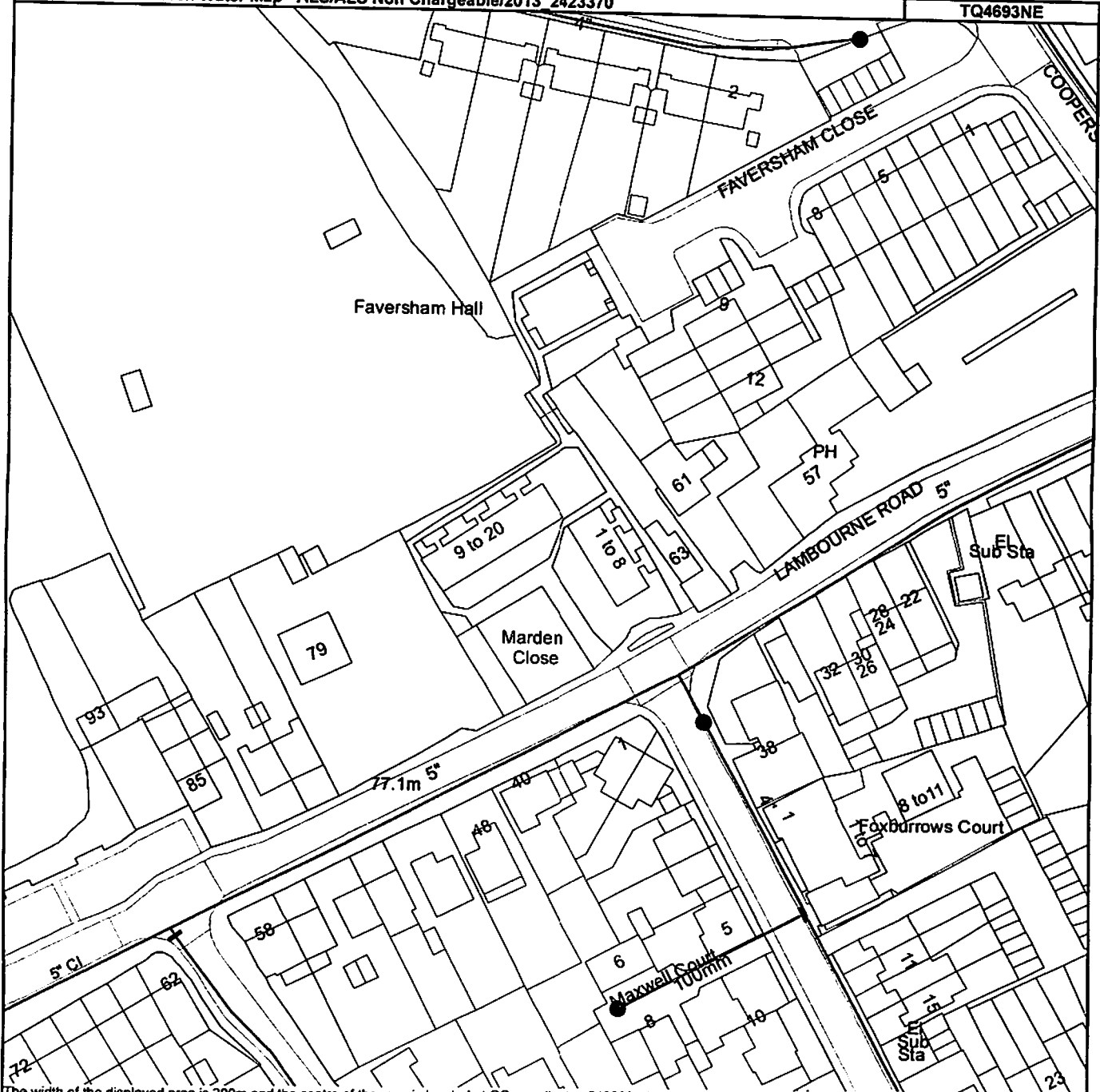
Existing location plan

Design	Drawn	Checked
Date	Scale	CAD File
05.2010	1:500	XXXXXXXXXX
Project No. 3067		
Drawing No.	Rev	

Appendix D

Statutory Services Information





The width of the displayed area is 200m and the centre of the map is located at OS coordinates 546809,193568
The position of the apparatus shown on this plan is given without obligation and warranty, and the accuracy cannot be guaranteed. Service pipes are not shown but their presence should be anticipated. No liability of any kind whatsoever is accepted by Thames Water for any error or omission. The actual position of mains and services must be verified and established on site before any works are undertaken.
Based on the Ordnance Survey Map with the Sanction of the controller of H.M. Stationery Office, License no. WU298557 Crown Copyright Reserved.

Appendix E

Cost Build-up

Marden Close, Lambourne Road
 Indicative Estimate of Cost
 for East Thames HA



Gross Internal floor area		m2	ft2
Ground Floor Affordable Flats	5Nr @ 58.4m ²	292	3,143
First Floor Affordable Flats	5Nr @ 62.7m ²	314	3,375
TOTAL GIA		606	6,518

Item	Element	Qty	Unit	Rate £/unit	Total £
1.0 Demolition					
1.1	Demolition of existing outbuildings	82	m ²	80	7,000
1.2	Demolition of chimneys & breasts	10	nr	3,000	30,000
1.3	Allowance for removal of asbestos	1	item	-	Excl.
	Sub-total			say	40,000
2.0 Stripping Out					
2.1	Demolition of internal walls	246	m ²	15	4,000
2.2	Strip out kitchens	20	nr	100	2,000
2.3	Strip out bathrooms	20	nr	100	2,000
2.4	Remove rear access doors	10	nr	50	1,000
2.5	Strip out existing ground floors	292	m ²	40	12,000
2.6	Strip/chase out all M&E	20	nr	150	3,000
	Sub-total			say	20,000
3.0 Alterations					
3.1	Cavity fill to all external walls	600	m ²	20	12,000
3.2	Install new window in lieu of rear doors	5	nr	500	3,000
3.3	Break out blockwork to openings, incl lintel	15	nr	250	4,000
3.4	Block up front entrance door openings	5	nr	300	2,000
3.5	New front entrance doors	10	nr	500	5,000
3.6	Install new canopies to entrances	10	nr	300	3,000
3.7	Repairs & insulation to roof	314	item	60	19,000
3.8	Lay new insulated floor	292	m ²	50	15,000
3.9	Acoustically upgrade ground floor ceilings	292	m ²	50	15,000
3.10	New plasterboard partitions	366	m ²	60	22,000
3.11	Re-line/plaster brick/block walls	20	m ²	25	1,000
3.12	Install new kitchens	10	nr	4,500	45,000
3.13	Install new bathrooms	10	nr	3,500	35,000
3.14	New internal doors	80	nr	350	28,000
3.15	Floor Finishes	606	m ²	40	24,000
3.16	Decorations to Walls and Ceilings	10	nr	700	7,000
3.17	Install new M&E	10	nr	4,000	40,000
3.18	BWIC	1	item	10,000	10,000
	Sub-total			say	290,000
4.0 Abnormals / E/o and External Works					
4.1	Making good to hard & soft landscaping	1	item	10,000	10,000
4.2	Install new external bin stores	5	nr	2,500	13,000
4.3	Allowance for achieving CfSh Level 3	10	nr	3,000	30,000
	Sub-total			say	50,000
				£/m2	£/ft2
INDICATIVE CONSTRUCTION COST				661	61
CONTINGENCY @ 5%					20,000
CONTRACTORS DESIGN FEES @ 6%					25,200
TOTAL INDICATIVE CONSTRUCTION COST				735	68
					445,200

Clarifications and Assumptions

Estimate based on Epping Forest District Council Feasibility drawing and standard specifications
GIA is approximate due to early stage of design
Costs are based on a Q1 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 4
Cost include for Preliminaries and OH&P @ 7%
Assumed floor to ceiling heights of 2.4m
Contractors design fees are based upon appointment with planning consent under JCT D&B contract
Assumed minimal works required to the external envelope

Exclusions

Clients professional fees (including statutory fees)
VAT
Asbestos and hazardous material removal
Excludes any landscaping other than those stated and excludes 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

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East Thames Group

Appraisal for Rent & Sale

SDS ProVal Version 9.13 Nov-2012

Saved file path: Q:\Development\Applications\Proval\Working Provals\Epping Forest House Building

Scheme Name EFDC - Marden Close

Date 24 Jun 2013

Address IG7 6ER

Funding Year 2013/2014

Another Description

Local Authority Epping Forest

Project/File Ref.

LA Number 361

County Essex

Appraisal by georg.herrmann

Scheme Description

Sketch Drw'g No.

Site Area (acs)

0.00 ha

Seller

Units 10

Appraisal Version 1

Comments

See also Commentary in Rent Summary

Market value taken from Hometrack valuation in Feb 2012, retreat Way, IG7 6EL £175,000 on Q1 2013/14 = Nationwide HPI calculator market value of £74,794 in Q1 1999

A Unit Details

	A	B	C	D	E	F	G	H	TOTALS
Unit Description									
Net Area m ²	58.40	62.70							605.50
Bedrooms	1-bed	1-bed							m ²
Persons	2	2							20
Units	5	5							10
Commercial - y?	n	n							
Flat (not house) -y?	n	n							
Shared Accom. - y?	n	n							
Habitable Rooms	2	2							20
Storeys	2	2							
Value at Jan' 1999	74,794	74,794							
Market Sales Value	175,000	175,000							1,750,000
Product Type	Social Rent	Social Rent							Res. 1,750,000
Catalyst Dev. Type	New Build	New Build							
Other Description									
Sales % at Outset									
Res' Sold Equity	0	0	0	0	0	0	0	0	0
Res' Unsold Equity	175,000	175,000	0	0	0	0	0	0	1,750,000
Initial Commercial Sales	0	0	0	0	0	0	0	0	0

Confirm Gross Floor Area

	Net m ²	Adjust by % and/or by m ²	Gross m ²	Gross ft ²
Residential Floor Area	605.50		605.50	6,517.60
Commercial Floor Area	0.00		0.00	0.00
Total Floor Area	605.50		605.50	6,517.60

Habitable Rooms Summary

Residential Rent	20
Residential Sale	0
Other	0
Total	20

B Acquisition & Works Cost

ACQUISITION	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	Memorandum Information
Use Value from Land Appraisal, y/n?							
Acquisition Total 0.0% of Market SV		VAT Total	0		0	0	
Acquisition Total			0		0	0	
WORKS	Input Type	Input	Total	VAT %	Average per Unit	Average per Person	
Works	Lump Sum	290,000	290,000		29,000	14,500	
Asbestos removal	Lump Sum	25,000	25,000		2,500	1,250	
Demolition	Lump Sum	37,000	37,000		3,700	1,850	4.77%
Abnormals	Lump Sum	50,000	50,000		5,000	2,500	
Contingency + design	Lump Sum	46,400	46,400		4,640	2,320	
Use Total from Land Appraisal, y/n?							
Works Total 25.62% of Market SV		VAT Total	0		0	0	
Works Total	741 /m ² nfa	741 /m ² gfa	448,400		44,840	22,420	

Acquisition & Works Summary	Total	Average per Unit	Average per Person
Total	741 /m ² nfa	741 /m ² gfa	448,400
			44,840
			22,420

A&W as % of Market Sales Value 25.62%

Optimisation

Target % for A&W/Market Sales Value

Acquisition
Works
Dev. Interest
Net Loan

Account Codes

Acquisition Total Entered 0
Market Value, if Different
Land Discount 0

For optimisation of Total Scheme Costs see Section F

F Total Scheme Cost

		% TSC		Per Unit	Per Person	% of TSC
Acquisition & Works as Section B	448,400	90.8%	Analysis of RSL Funding			
Development Fees as Section D	36,729	7.4%	Receipts from Initial Sales	0		
User-defined Interest Cost	8,735	1.8%	Advance Rent Income	0		
Other Costs or Savings(-)			Loan Adjustment	0		
Other Costs or Savings(-)			RSL Capital Contribution	0		
Total Scheme Cost (TSC)	493,864	100.0%	Net Loan	493,864	49,386	24,693
			Total RSL Funding	493,864	49,386	24,693
						100.0%
TSC as % of Market Sales Value	28.2%		Analysis of Subsidy & Other Funding			
			As Prod. Type	0		
Optimisation			Other	0		
Target % for TSC/Market Sales Value	90.0%		Other Sum	0		
Alternative Solutions:			Total Other Funding	0	0	0
Total spend in TSC available	1,081,181	108,118 per unit				0.0%
or Affordable Acq. Total	981,609	98,161 per unit, or 49,080 per hab. room				
or Affordable Wks. Total	1,430,009	143,001 per unit, or 2,362 per gross m ²				
Optimisation results for Acq. and Wks. assume that development fees & interest remain at 9.2% of TSC						

G Private Finance

Private Finance Requirement at Year 1	% of TSC	% of MSV	Loan Repayment Method
Total Scheme Cost - as Section F	493,864	100.0%	Annuity y/n? n Interest Only Method Chosen
Development Subsidy - as Section C	0		Leave blank
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment			
Capital Contribution at Year 1			
Net Loan, before Sales (Section J)	493,864	100.0%	
		28.2%	
Value: Loan Ratios & Affordable Loan Values			
Current Market Sales Value	1,750,000		
NPV of Net Rent Only	578,636		
User Specified Value			
Current Market Sales Value:Net Loan %	354.3%		
NPV of Net Rent:Net Loan %	117.2%		
User Specified Value:Net Loan %	0.0%		
Value: Net Loan, Target %			
Affordable Loan on NPV Value			
Affordable Loan on User Spec. Value			
Apportionment of Net Loan & Long Term Interest Rates			
	Loan A	Loan B	
Loan A: % Apportionment	100.00%	0.00%	
Loan Amounts	493,864	0	
	Interest Rate %	Interest Rate %	Effective Rate %
Year 1 to 45	3.50%		3.50%

H Inflation

Base Inflation Rate	2.50%	Inflation is applied from Year 2 onwards. Set all periods to Year 45.		
Inflation Margins & Periods for Income				
		Margin on Base Rate	Effective Inflation Rates	
Residential Tenant Rent	Year 1 to 45	0.50%	3.00%	
			0.00%	
Commercial Rent - n/a	Year 1 to 45			
Ground Rent	Year 1 to 45		2.50%	
			0.00%	
Services (Charges & Costs)	Year 1 to 45	0.00%	2.50%	
			0.00%	
Market Sales Values (Residential)	Year 1 to 45	0.00%	2.50%	
			0.00%	
Market Sales Values (Commercial) - n/a	Year 1 to 45		0.00%	
			0.00%	
Inflation Margins & Periods for Allowances				
		Margin on Base Rate	Effective Inflation Rates	
Management	Year 1 to 45	1.00%	3.50%	
			0.00%	
Maintenance	Year 1 to 45	1.00%	3.50%	
			0.00%	
Reinstatement	Year 1 to 45		2.50%	
			0.00%	
Another Allowance	Year 1 to 45	0.00%	2.50%	
			0.00%	
Major Repairs	Year 1 to 45	1.50%	4.00%	
			0.00%	

I Rent Allowances & Periods

Set allowances as at Year 1 of Long Term Cashflow and all periods to Year 45, ignoring future sales

	A	B	C	D	E	F	G	H	Weighted Averages at Year 1
Product Type	Social Rent	Social Rent							Units Available 10
Commercial									
Number of Units	5	5							
Res' Shared Equity?	n	n							
Prop. Ava'ble for Rent?	y	y							
Managing Agent	% of Gross Rent (excl. Ground Rent & Service Charges) less voids								
Year 1 to 45									0.00%
Add VAT to M. Ag.									
RSL Management	Per Unit Per Annum								Default value for information, Shared Equity 0 Default value for information, Rent 275
Year 1 to 45	1,327	1,327							1,327
Maintenance	Per Unit Per Annum								Default value for information, Rent 691
Year 1 to 45	910	910							910
Product Type	A	B	C	D	E	F	G	H	
Res' Shared Equity?	Social Rent	Social Rent							
Prop. Ava'ble for Rent?	n	n							
	y	y							
Services Cost	Per Unit Per Annum								0
Year 1 to 45									0
Reinstatement Cost	Per Unit Per Annum								0
Year 1 to 45									0
Another Allowance	Per Unit Per Annum								0
Year 1 to 45									0
Voids & Bad Debts	% of Gross Rents & Service Charges								Default value for information, Shared Equity 0.00% Default value for information, Rent 4.25%
Year 1 to 45	2.00%	2.00%							2.00%

Major Repair Sinking Fund Options

Option 1

% Selection	% User Input	Year 1 to 45	0.80%	on 629,720
	User Input	629,720		

Option 2

Per Unit, Per Annum, Com. Rented Units Only	Year 1 to 45	
---	--------------	--

Option 3

Per Unit, Per Annum, Res. Rented Units Only	Year 1 to 45	
---	--------------	--

Sinking Fund at Year 7 6,374

Defer the Start of the Sinking Fund to Year

Memorandum Information
Options 2 & 3 can be used together. With these options shared equity units and units fully sold at the outset are excluded.

J Sales & Other Capital Receipts

1. Other Capital Receipts in Long Term Cashflow

All capital income is deemed to be received at the end of the year entered.

Lump Sum	Description	
Infla'd Sum	Description	

2. Unit & Ground Rent Sales

All sales are deemed to be received at the end of the year entered. For Sales & Equity Shares at the outset, enter in Section A

For staircasing shared equity units, use the Shared Equity Report

	A	B	C	D	E	F	G	H	Total for all Units
Product Type	Social Rent	Social Rent							
Units	5	5	0	0	0	0	0	0	
Commercial									
Market Sales Value Available for Sale	175,000	175,000	0	0	0	0	0	0	
	y	y							
Sell units at end of Year									
Value for Sale at Yr. 1	175,000	175,000	0	0	0	0	0	0	
Rec'd at Year of Sale	0	0	0	0	0	0	0	0	0
Total Received	0	0	0	0	0	0	0	0	0
Sell Gr'd Rents at Year									
Capital'd %	0	0	0	0	0	0	0	0	0

Set Ground Rents in Section L. Inflation is applied to Year 2 onwards.

K Cost Rent at Year 1

No. of Weekly Rent Periods p.a.

Loan Interest is on the full Net Loan. The long term cashflow uses an averaged interest after receiving rent.

	Year 1
Loan Interest	17,285
Managing Agent	0
RSL Management	13,270
Maintenance	9,100
Services Cost (S.C.)	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids etc. 2.0%	809
Total Cost at Year 1	40,465

Total Cost at Year 1, Per Unit Type - rents are pro rata net floor area					
Type	Commercial	Rent p.w. excl. S.C.	S.C. p.w.	Total p.w.	Total p.m.
	n	74.80	0.00	74.80	325.23
	n	80.30	0.00	80.30	349.18
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Averages	77.55 per week (ex. S.C.)		337.20 per month (ex. S.C.)		
	77.55 per unit per week		337.20 per unit per month		
	66.83 per net m ² (ex. S.C.)		66.83 per net m ² (incl. S.C.)		

Loan Interest is on the Opening Loan. The long term cashflow uses an averaged interest after receiving rent. Therefore Cost Rent is overstated. **NB** For calculating the Total Cost at Year 1, Voids and Managing Agent costs use a unit average. These costs will vary with the actual rent and with the Managing Agent and Voids percentages for each dwelling type.

L Set Rents & Service Charges for Long Term Cashflow

Cost Rent & S.C., p.w.	A	B	C	D	E	F	G	H	Total at Year 1
Product Type	Social Rent	Social Rent							
Commercial									
Target - April 2014	97.27	97.27	0.00	0.00	0.00	0.00	0.00	0.00	
Rent Cap	136.79	136.79	0.00	0.00	0.00	0.00	0.00	0.00	
Service Cost p.w.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Cost Rent p.w. excl. S.C.	74.80	80.30	0.00	0.00	0.00	0.00	0.00	0.00	40,465
Total Cost Rent p.w.	74.80	80.30	0.00	0.00	0.00	0.00	0.00	0.00	40,465

Commercial Rents n/a

Year 1 to									0
-----------	--	--	--	--	--	--	--	--	---

These Options n/a Set Initial Rent Free Period (months) months
 Rent Review Period, i.e. rent fixed for years

Preferred Yield % on Unsold Equity (Shared Equity Units)

Residential Shared Equity units only

Unsold Equity Share %	Cost Rent % of u/s Eq'ty	Rent p.w at 2.75% Yield	Local Housing Allowance

Set Residential Tenant Rents per week as at Year 1 up to 45 years

Year 1 to	45	97.27	97.27						50,754
-----------	----	-------	-------	--	--	--	--	--	--------

Set all service charges received per week

Year 1 to	45								0
-----------	----	--	--	--	--	--	--	--	---

Set Ground Rents received per annum

Year 1 to	45								0
-----------	----	--	--	--	--	--	--	--	---

Rent Yields as at end of Year

	1	Gross	Net
Total All Revenue Income, ex. voids at Year 1		49,739	27,369
Compared with Market Value at Year 1	1,750,000	2.84%	1.56%
Compared with Total Scheme Cost of	493,864	10.07%	5.54%
Compared with Acquisition Cost of	0		

Residential at Start of Year 1
 Gross Rent 50,754
 Market Value 1,750,000
 Yield 2.90%

Commercial at Start of Year 1
 Gross Rent 0
 Market Value 0
 Yield

Rent Yields as at end of Year

	Gross	Net

NPV of Gross Rent & S.C. ex. Voids, divided by Open'g Loan, p.a. at Year 1
 NPV of Net Rent less loan interest, divided by Open'g Loan, p.a.
 NPV Period & Discount Rate: 30 years at 3.50%, as defined in Section M

Calculation of Affordable Loan Based on Net Income at Year 1

Total Set Rent	50,754
Service Charges	0
Ground Rents	0
Managing Agent	0
RSL M'ngm't & Maint.	22,370
Services Cost	0
Reinstatement Cost	0
Another Allowance	0
Major Repairs	0
Voids & Bad Debts	1,015
Net Income at Year 1	27,369

	Per Unit p.a.	Per Unit p.w.	Per Unit p.m.
Set Residential Rent	5,075	97.27	422.95
Set Commercial Rent	0		

Actual Loan
 Affordable Loan Assuming net income meets Year 1 loan costs
 Difference Equivalent to the capitalised Year 1 net revenue surplus.

M Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 493,864
 Revenue First Exceeds Costs Year 1
 Loan Repaid by Year 25

NPV Calculation Options Net Rent + Cap. Val. - Loan

NPV Discount Rate 3.50%

Summarise Cashflow Results to Year 30

Capital Value of Scheme - Year 1

Capital Growth Rate p.a.

Discounted Cap. Value

Interest Total 251,906

Min. Interest Cover: Year 1 162.44%

Target Interest Cover % 115.00%

First met after Year 1 in Year 2

Max. Annual Deficit: Year

Capitalised Yr. 1 Net Revenue Surplus

Cum. Surplus at Year 30

NPV Net Rent + Cap. Val. - Loan

IRR

NPV of Net Rent Only

NPV of All Capital Receipts

	Per Unit	Per Person
Max. Annual Deficit: Year	n/a	
Capitalised Yr. 1 Net Revenue Surplus	30,055	15,027
Cum. Surplus at Year 30	21,666	10,833
NPV Net Rent + Cap. Val. - Loan	8,477	4,239
IRR	4.77%	
NPV of Net Rent Only	578,636	
NPV of All Capital Receipts	0	

Last Works payment in Scheme Cashflow Dec-2014

Year	1	2	3	4	5	6	7	8	9
Opening Loan	493,864	483,344	471,735	458,982	445,026	429,807	413,262	401,801	389,366
Average Interest	16,849	16,469	16,052	15,593	15,093	14,548	14,057	13,647	13,203
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	27,369	28,078	28,805	29,549	30,312	31,093	25,518	26,082	26,656
Closing Loan	483,344	471,735	458,982	445,026	429,807	413,262	401,801	389,366	375,913
Gross Resid'l Rent	50,754	52,277	53,845	55,460	57,124	58,838	60,603	62,421	64,294
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,015	1,046	1,077	1,109	1,142	1,177	1,212	1,248	1,286
s/t	49,739	51,231	52,768	54,351	55,982	57,661	59,391	61,173	63,008
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	13,270	13,734	14,215	14,713	15,228	15,761	16,312	16,883	17,474
Maintenance	9,100	9,419	9,748	10,089	10,442	10,808	11,186	11,578	11,983
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	0	0	0	0	0	0	6,374	6,629	6,895
Net Rent	27,369	28,078	28,805	29,549	30,312	31,093	25,518	26,082	26,656
<i>Net Rent + Rec'ts - Inter't</i>	<i>10,520</i>	<i>11,609</i>	<i>12,753</i>	<i>13,956</i>	<i>15,219</i>	<i>16,545</i>	<i>11,461</i>	<i>12,435</i>	<i>13,453</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0
Year	10	11	12	13	14	15	16	17	18
Opening Loan	375,913	361,396	345,768	328,981	310,985	291,727	271,154	249,210	225,837
Average Interest	12,723	12,205	11,649	11,051	10,411	9,727	8,997	8,219	7,390
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	27,240	27,833	28,436	29,048	29,669	30,301	30,941	31,592	32,251
Closing Loan	361,396	345,768	328,981	310,985	291,727	271,154	249,210	225,837	200,976
Gross Resid'l Rent	66,223	68,209	70,256	72,363	74,534	76,770	79,073	81,445	83,889
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,324	1,364	1,405	1,447	1,491	1,535	1,581	1,629	1,678
s/t	64,898	66,845	68,850	70,916	73,043	75,235	77,492	79,817	82,211
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	18,086	18,719	19,374	20,052	20,754	21,480	22,232	23,010	23,815
Maintenance	12,402	12,836	13,286	13,751	14,232	14,730	15,246	15,779	16,332
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	7,170	7,457	7,755	8,066	8,388	8,724	9,073	9,436	9,813
Net Rent	27,240	27,833	28,436	29,048	29,669	30,301	30,941	31,592	32,251
<i>Net Rent + Rec'ts - Inter't</i>	<i>14,517</i>	<i>15,628</i>	<i>16,787</i>	<i>17,996</i>	<i>19,258</i>	<i>20,573</i>	<i>21,944</i>	<i>23,373</i>	<i>24,861</i>
Cashflow	0	0	0	0	0	0	0	0	0
Cum. Balance	0	0	0	0	0	0	0	0	0

Year	19	20	21	22	23	24	25	26	27
Opening Loan	200,976	174,566	146,543	116,841	85,393	52,129	16,976	0	0
Average Interest	6,509	5,574	4,582	3,532	2,420	1,244	161	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	32,920	33,598	34,284	34,980	35,684	36,397	17,137	0	0
Closing Loan	174,566	146,543	116,841	85,393	52,129	16,976	0	0	0
Gross Resid'l Rent	86,405	88,998	91,668	94,418	97,250	100,168	103,173	106,268	109,456
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	1,728	1,780	1,833	1,888	1,945	2,003	2,063	2,125	2,189
s/t	84,677	87,218	89,834	92,529	95,305	98,164	101,109	104,142	107,267
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	24,649	25,512	26,404	27,329	28,285	29,275	30,300	31,360	32,458
Maintenance	16,903	17,495	18,107	18,741	19,397	20,076	20,778	21,506	22,258
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	10,206	10,614	11,038	11,480	11,939	12,417	12,913	13,430	13,967
Net Rent	32,920	33,598	34,284	34,980	35,684	36,397	37,118	37,847	38,584
<i>Net Rent + Rec'ts - Inter't</i>	<i>26,410</i>	<i>28,023</i>	<i>29,702</i>	<i>31,448</i>	<i>33,264</i>	<i>35,153</i>	<i>36,957</i>	<i>37,847</i>	<i>38,584</i>
Cashflow	0	0	0	0	0	0	19,981	37,847	38,584
Cum. Balance	0	0	0	0	0	0	19,981	57,828	96,411
Year	28	29	30	31	32	33	34	35	36
Opening Loan	0	0	0	0	0	0	0	0	0
Average Interest	0	0	0	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	0	0	0	0	0	0	0	0	0
Closing Loan	0	0	0	0	0	0	0	0	0
Gross Resid'l Rent	112,740	116,122	119,605	123,194	126,889	130,696	134,617	138,655	142,815
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	2,255	2,322	2,392	2,464	2,538	2,614	2,692	2,773	2,856
s/t	110,485	113,799	117,213	120,730	124,352	128,082	131,925	135,882	139,959
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	33,594	34,770	35,987	37,246	38,550	39,899	41,295	42,741	44,237
Maintenance	23,037	23,844	24,678	25,542	26,436	27,361	28,319	29,310	30,336
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	14,526	15,107	15,711	16,339	16,993	17,673	18,380	19,115	19,879
Net Rent	39,328	40,079	40,838	41,602	42,373	43,149	43,931	44,717	45,507
<i>Net Rent + Rec'ts - Inter't</i>	<i>39,328</i>	<i>40,079</i>	<i>40,838</i>	<i>41,602</i>	<i>42,373</i>	<i>43,149</i>	<i>43,931</i>	<i>44,717</i>	<i>45,507</i>
Cashflow	39,328	40,079	40,838	41,602	42,373	43,149	43,931	44,717	45,507
Cum. Balance	135,739	175,819	216,656	258,258	300,631	343,780	387,711	432,428	477,935
Year	37	38	39	40	41	42	43	44	45
Opening Loan	0	0	0	0	0	0	0	0	0
Average Interest	0	0	0	0	0	0	0	0	0
Other Capital Receipts	0	0	0	0	0	0	0	0	0
Sales Receipts	0	0	0	0	0	0	0	0	0
Staircasing Receipts	0	0	0	0	0	0	0	0	0
Gr'd Rent Sales Rec'pts	0	0	0	0	0	0	0	0	0
Loan Repayment, Total	0	0	0	0	0	0	0	0	0
Closing Loan	0	0	0	0	0	0	0	0	0
Gross Resid'l Rent	147,099	151,512	156,058	160,740	165,562	170,529	175,644	180,914	186,341
Gross Comm'l Rent	0	0	0	0	0	0	0	0	0
Service Charges	0	0	0	0	0	0	0	0	0
Ground Rents	0	0	0	0	0	0	0	0	0
Voids	2,942	3,030	3,121	3,215	3,311	3,411	3,513	3,618	3,727
s/t	144,158	148,482	152,937	157,525	162,251	167,118	172,132	177,296	182,614
Managing Agent	0	0	0	0	0	0	0	0	0
RSL Management	45,785	47,388	49,046	50,763	52,539	54,378	56,281	58,251	60,290
Maintenance	31,397	32,496	33,634	34,811	36,029	37,290	38,595	39,946	41,344
Services Cost	0	0	0	0	0	0	0	0	0
Reinstatement Cost	0	0	0	0	0	0	0	0	0
Another Allowance	0	0	0	0	0	0	0	0	0
Major Repairs	20,675	21,502	22,362	23,256	24,186	25,154	26,160	27,206	28,295
Net Rent	46,300	47,097	47,895	48,695	49,496	50,296	51,095	51,892	52,685
<i>Net Rent + Rec'ts - Inter't</i>	<i>46,300</i>	<i>47,097</i>	<i>47,895</i>	<i>48,695</i>	<i>49,496</i>	<i>50,296</i>	<i>51,095</i>	<i>51,892</i>	<i>52,685</i>
Cashflow	46,300	47,097	47,895	48,695	49,496	50,296	51,095	51,892	52,685
Cum. Balance	524,235	571,332	619,227	667,922	717,418	767,714	818,808	870,700	923,385

East Thames Group

Rent & Sale Appraisal Summary

SDS ProVal Version 9.13 Nov-2012

Scheme Name EFDC - Marden Close

Address IG7 6ER
Funding Year 2013/2014
Local Authority Epping Forest
Scheme Description Units 10

Date 24 Jun 2013
Appraisal by georg.herrmann
Seller
Site Area (acs) 0 ha
Defaults Validation Check See validation page for details
Appraisal Version 1

Unit Details

	A	B	C	D	E	F	G	H	Total - All Units
Product Type	Social Rent	Social Rent							
Net Floor Area m ²	58	63							606
Persons	2	2							20
Units	5	5							10
Commercial?	n	n							
Market Sales Value	175,000	175,000							1,750,000
Sales % at Outset									
Yr 1 Resid'tial Rent p.w.	97.27	97.27							50,754
Yr 1 Comm' Rent per m ²									0
Units sold at end Year									

Product Type
Net Floor Area m²
Persons
Units
Commercial?
Market Sales Value
Sales % at Outset
Yr 1 Resid'tial Rent p.w.
Yr 1 Comm' Rent per m²
Units sold at end Year

I	J	K	L	M	N	O	P

Acquisition & Works Costs

	Total	Average per Unit	Average per Person	hr - habitable room, ac - acre, ha - hectare	nfa - net floor area, gfa - gross floor area
Acquisition	0	0	0		
Works	448,400	44,840	22,420	741 /m ² nfa	741 /m ² gfa
Total	448,400	44,840	22,420	25.62%	A&W as % of Market Sales Value

Development Subsidy

	Total	Average per Unit	Average per Person	% TSC
Total	0	0	0	0.00%

Other Capital Receipts (not Sales)

Lump Sums: Rec'd in Year 0
Capitalised Ground Rents, Total 0

Total Scheme Costs

Acquisition & Works as Section B 448,400 90.8%
Development Fees as Section D 36,729 7.4%
User-defined Interest Cost 8,735 1.8%
Other Costs 0

Total Scheme Cost (TSC)

493,864

Residential Market Value 1,750,000

Commercial Market Value 0

TSC as % of Market Sales Value

28.2%

RSL Funding	Total	Per Unit	Per Person	% of TSC
Receipts from Initial Sales	0			
Advance Rent Income	0			
Loan Adjustment	0			
RSL Capital Contribution	0			
Net Loan	493,864	49,386	24,693	100.0%
Total	493,864	49,386	24,693	100.0%

Subsidy & Other Funding

As Prod. Type	0			
Other	0			
Other Sum	0			
Total	0	0	0	0.0%

Private Finance

	Total	% of TSC	% of MSV
Total Scheme Cost	493,864	100.0%	28.2%
Development Subsidy	0		
Receipts from Initial Sales	0		
Advance Rent Income	0		
Loan Adjustment	0		
Capital Contribution at Year 1	0		
Net Loan (before sales)	493,864	100.0%	28.2%

Interest Rates	Loan A	Loan B
Loan Amounts	493,864	0
Year 1 to 45	3.50%	

Repayment Method Interest Only

Inflation & Allowances

Base Inflation Rate 2.50%

Year 1 Effective Inflation Rates & Values for Income

	Inflation Rate
Residential Tenant Rent	3.00%
Commercial Rent - n/a	
Ground Rent	2.50%
Services (Charges and Costs)	2.50%
Market Sales Values (Residential)	2.50%
Market Sales Values (Commercial) - n/a	0.00%

Year 1 Effective Inflation Rates & Values for Allowances

	Inflation Rate	Cost Per Unit, p.a.
Management	3.50%	1,327
Managing Agent	n _i	0,00%
Maintenance	3.50%	910
Reinstatement	2.50%	0
Another Allowance	2.50%	0
Major Repairs	4.00%	0
Voids	n _i	2,00%

Long Term Cashflow

Loan Repayment Method Interest Only

Peak Loan Occurs in Year 1 493,864
Revenue First Exceeds Costs Year 1
Loan Repaid by Year 25

Chosen NPV Calculation Net Rent + Cap. Val. - Loan
NPV Discount Rate 3.50%
Summarise Cashflow Results to Year 30
Capital Value of Scheme - Year 1
Capital Growth Rate p.a.
Discounted Cap. Value

Max. Annual Deficit: Year n/a
Capitalised Yr. 1 Net Revenue Surplus 300,549
Cum. Surplus at Year 30 216,656
NPV Net Rent + Cap. Val. - Loan 84,772
IRR 4.77%
NPV of Net Rent Only 578,636
NPV of All Capital Receipts 0

	Per Unit	Per Person
	30,055	15,027
	21,666	10,833
	8,477	4,239

Interest Total 251,906
Min. Interest Cover: Year 1 162.44%
Target Interest Cover % 115.00%
First met after Year 1 in Year 2

Last Works payment in Scheme Cashflow Dec-2014

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Epping Forest District Council

Investment Report

Decision Item



Report to	Council Housebuilding Cabinet Committee
Date	10 July 2013

Subject	Development Proposals for Package (Year) One
Author	Andy Gatrell, Georg Herrmann – East Thames

1.0	Executive Summary
1.1	<p>This report marks the beginning of the Epping Forest Housebuilding Programme and proposes Package One for the first year of the Programme, consisting of three sites in Waltham Abbey; Harveyfields, the Former Red Cross site, Roundhills and a further site in Roundhills (comprising 3 garages sites). Details of the proposed conversion of Marden Close in Chigwell Row are also included in this report.</p> <p>The sites comprising the proposed first package are currently occupied by garages built in the 1970s and, as all garages of this period, are very small. Parking a modern car in these garages proves difficult if not impracticable. The garages suffer a high void rate of around 38%, and the use of the majority of let garages for the required purpose of parking is considered unlikely. The redevelopment proposals herein comprise the replacement of 108 garages with 16 houses and 9 flats for affordable rent for 96 residents on the Council's Housing Register; there will also be 57 parking spaces in total.</p> <p>The merit of the proposal is to convert poorly used Local Authority land and assets to residential use and thus successfully improve small pockets of land in the ownership of Epping Forest District Council (EFDC) and provide additional affordable housing to meet demand.</p> <p>Package One achieves on both a consolidated and an individual basis a loan repayment in Year 30, although a subsidy of £425,000 from the Council is required to achieve this target.</p> <p>Rents are based on the Council's Draft Affordable Rents Policy, and it has been necessary to apply the use of the proposed Rent Cap within the draft policy of £180 per week for all the 3 bed houses.</p> <p>The Marden Close conversion of 20 bedsits to 10 x 1 bedroom flats in Chigwell Row remains outside Package One. Cabinet approval has already been granted in principle, subject to the decision of the Cabinet Committee. The scheme has a loan repayment of 25 years without subsidy.</p>

2.0 Scheme Description

2.1 The Sites

The former Red Cross site and the Roundhills and Harveyfields garage sites in Waltham Abbey have been identified to form the first package of the EFDC House Building Programme. Conversion works at Marden Close in Lambourne Road, Chigwell Row have been added on request of the Council's Cabinet.

2.2 Details

The proposals for the former Red Cross site consist of two storey terraced housing, in detail 4 x 3 bed and 2 x 2 bed houses with 12 parking spaces.

The proposals for three garage sites at Roundhills are for 4 x 3 bed and 6 x 2 bed houses with 30 parking spaces.

The proposal for the Harveyfields site consists of one three storey block of flats with 3 x 1 bed and 6 x 2 bed flats with 15 parking spaces.

The Marden Close project in Chigwell Row will deliver 10 x 1 bed units at 58m² and 62m². The existing development, leased to EFDC, of which 45 years remain, is a small development in two small blocks which have been void for many months as it has become difficult to find elderly residents for small bedsits in Chigwell Row.

EFDC Cabinet gave approval on 4th February 2013 for the conversion of the 20 bedsits to 10 x 1 bed room units, subject to the approval of the Cabinet Committee. Rents will remain social rents as per Cabinet approval.

Overall, Package One will deliver 25 affordable rented units, and Marden Close will provide a further 10 units for social rent.

Feasibility reports describing these proposals in greater detail with photographs of the current sites are to be found at Appendix 2.

2.3 Current Use

Former Red Cross site, Roundhills, Waltham Abbey:-

There are currently 7 garages on this site and additional informal parking. 4 garages are void, a void rate of 57%.

Roundhills sites:-

There are currently 54 garages on this site and additional informal parking. 18 garages are void, a void rate of 33%.

Harveyfields, Waltham Abbey:-

There are 40 garages on this site and additional informal parking. 16 garages are currently void, a void rate of 40%.

Marden Close, Lambourne Road, Chigwell :-

This scheme consists of 20 small bedsits of ca 25m², which has been void for many months.

2.4 **Costs**

Total Scheme Costs for Package One is £3,948,421, in detail £1,037,757 for the former Red Cross site, £1,279,671 for Harveyfields and £1,630,993 for the Roundhills sites. Additional Total Scheme Costs of £493,864 are incurred for the Marden Close scheme.

As part of the overall Total Scheme Costs, the Total Works Costs for Package One is £3,428,500, in detail £901,000 for the Red Cross site, £1,113,000 for Harveyfields and £1,414,500 for the Roundhills sites. Additional Works Costs of £448,400 are incurred for the Marden Close conversion.

The cost advice from Pellings LLP includes allowances for demolition, asbestos removal, abnormal costs, contractor's design fees and a 5% contingency. A build cost rate of £1,250 per m², excluding the aforementioned, is considered to be robust and appropriate, compared to projects of similar size and scope let within the last 12 months.

A detailed cost breakdown and copies of the financial appraisal modelling are to be found at Sections 7-11 of this report and at Appendix 1 respectively.

2.5 **Design**

The schemes will be designed following local planning guidance and the Essex vernacular architectural tradition. They will use a mix of masonry and timber materials and blend well into and enrich the existing urban environment. The design brief includes sustainability criteria, and Code for Sustainable Homes Level 3 will be reached on all schemes.

Pellings have provided feasibility reports for the three sites which demonstrate the development potential outlined above. The Feasibility reports are attached as Appendix 2.

Once approval has been given, the detailed design will be progressed and planning applications will be prepared, in consultation with EFDC.

2.6 **Procurement**

It is proposed that the East Thames' EU-compliant contractors framework will be utilised for procuring a contractor to carry out these works. This report requests that authority shall be delegated to the Director of Housing to approve the use of the appropriate form of build contract.

3.0 **Scheme Status**

3.1	What stage is the scheme at?	Feasibility stage
3.2	Planning Status?	Following approval, detailed design will be undertaken with the target of submitting planning applications for Package 1 in 8 weeks' time.
3.3	Have the Build Costs been market tested?	Following granting of planning permission, package 1 will move onto the procurement stage.

4.0 Strategic Fit

4.1 The scheme complies with the EFDC Draft Development Strategy, particularly as this will provide a large number of affordable family units, although it should be noted that the Draft Development Strategy has not yet been considered by the Cabinet Committee, or adopted yet by the Council's Cabinet.

The land is owned by EFDC and the redevelopment will eliminate a current ASB problem and provide new housing for 102 residents on the Council's Housing Register.

Rents are based on the Council's Draft Affordable Rents Policy, and it has been necessary to apply the use of the proposed Rent Cap within the draft policy of £180 per week for all the 3 bed houses.

4.2 The Council's Corporate Plan 2011-2015 sets out the aims and priorities of the council for the four year period and addresses the challenges that the district faces. It's stated aim is "Making our district a great place to live, work, study and do business". These schemes shall contribute to this aim.

5.0 Design & Sustainability

5.1 All units will meet the Essex Housing Design Guide and will be built to Code for Sustainable Homes Level 3. It is our intention to deliver a scheme with 30% of family housing across all tenures and 10% wheelchair units. The numbers of units to be dual aspect will be maximised.

6.0 Mix of Units

6.1 The sites disaggregate as follows:-

Former Red Cross site:-

Beds	Persons	Tenure	Size sqm	Rent p/w	Service costs p/w	Nr. Units
2	4	Affordable Rent	77	£165.58	Incl	2
3	5	Affordable Rent	93	£180	Incl	4
		TOTAL AFFORDABLE UNITS				6

Harveyfields:-

Beds	Persons	Tenure	Size sqm	Rent p/w	Service costs p/w	Nr. Units
1	2	Affordable Rent	48	£119.58	Incl	3
2	3	Affordable Rent	68	£165.58	Incl	6
		TOTAL AFFORDABLE UNITS				9

Roundhills sites:-

Beds	Persons	Tenure	Size sqm	Rent p/w	Service costs p/w	Nr. Units
2	4	Affordable Rent	77	£165.58	Incl	6
3	5	Affordable Rent	93	£180	Incl	4
<u>TOTAL AFFORDABLE UNITS</u>						10

Marden Close, Lambourne Road, Chigwell

Beds	Persons	Tenure	Size sqm	Rent p/w	Service costs p/w	Nr. Units
1	2	Social Rent	58	£97.27	tbc	5
1	2	Social Rent	62	£97.27	tbc	5
<u>TOTAL Social Rent UNITS</u>						10

7.0 **Financial Information – Consolidated Package 1**

7.1 Summary:-

Package 1 achieves the financial target of loan repayment in Year 30 with a subsidy of £425,000 from the Council. Total Scheme Costs are £3.9m, as part of which the Total Build Cost budget is £3.4m.

All schemes collectively provide a positive Net Present Value (NPV) of £2,757 over the appraisal period of 30 years.

7.2	Financial Measure	Value
7.3	Loan Repayment	In Year 30
7.4	Internal Rate of Return	3.51%
7.5	Net Present Value	£2,757
7.6	Total Scheme Cost	£3,948,421
7.7	Acquisition	£0
7.8	Works Cost	£3,428,500
7.9	Total on costs	£519,921
7.10	Total Loan Requirement	£3,523,421
7.11	First year surplus/(deficit)	£5,543
7.12	Subsidy	£425,000

8.0 Financial Information - Red Cross site, Waltham Abbey		
8.1	Financial Measure	Value
8.2	Loan Repayment	In Year 30
8.3	Internal Rate of Return	3.67%
8.4	Net Present Value	£21,325
8.5	Total Scheme Cost	£1,037,757
8.6	Acquisition	£0
8.7	Works Cost	£901,000
8.8	Total on costs	£136,757
8.9	Total Loan Requirement	£932,757
8.10	First year surplus/(deficit)	£8,326
8.11	Subsidy	£105,000

9.0 Financial Information – Harveyfields, Waltham Abbey		
9.1	Financial Measure	Value
9.2	Loan Repayment	In Year 30
9.3	Internal Rate of Return	3.71%
9.4	Net Present Value	£30,721
9.5	Total Scheme Cost	£1,279,671
9.6	Acquisition	£0
9.7	Works Cost	£1,113,000
9.8	Total on costs	£166,671
9.9	Total Loan Requirement	£1,099,671
9.10	First year surplus/(deficit)	£11,307
9.11	Subsidy	£180,000

10.0	Financial Information – Roundhills, Waltham Abbey	
10.1	Financial Measure	Value
10.2	Loan Repayment	In Year 30
10.3	Internal Rate of Return	3.67%
10.4	Net Present Value	£35,149
10.5	Total Scheme Cost	£1,630,993
10.6	Acquisition	£0
10.7	Works Cost	£1,414,500
10.8	Total on costs	£216,493
10.9	Total Loan Requirement	£1,490,993
10.10	First year surplus/(deficit)	£14,104
10.11	Subsidy	£140,000

11.0	Financial Information – Marden Close, Lambourne Road, Chigwell	
11.1	<p>The Marden Close scheme achieves a loan repayment in Year 25 without any subsidy. The loan repayment is therefore within the period of the existing lease.</p> <p>It achieves a positive NPV for the Council over the 30 year appraisal period of £84,772.</p>	
11.2	Financial Measure	Value
11.3	Loan Repayment	In Year 25
11.4	Internal Rate of Return	4.77%
11.5	Net Present Value	£84,772
11.6	Total Scheme Cost	£493,864
11.7	Acquisition	£0
11.8	Works Cost	£448,400
11.9	Total on costs	£45,464
11.10	Total Loan Requirement	£493,864
11.11	First year surplus/(deficit)	£10,520
11.12	Subsidy	£0

12.0	Key Risks
12.1	<p>Revenue Risks: The rents assumed in the financial appraisal prove to be too high.</p> <p>Mitigation: EFDC approve rent assumptions and the rents are within the Council's draft rent setting policy.</p>
12.2	<p>Capital Risks: Ground conditions and site surveys may identify additional un-budgeted costs. Tender returns may be higher than estimated.</p> <p>Mitigation: If site surveys identify substantive costs additional approval may be required or the scheme may be discontinued or redesigned to reduce build budget.</p> <p>Additionally a 5% contingency has been allowed for within the build cost estimate to hedge against this risk.</p>
12.3	<p>Reputational Risks: Delays to programme and change of use issues in respect of car parking may result in adverse publicity.</p> <p>Mitigation: Consultation with local residents and EFDC. If Package One is delayed we are able to substitute sites. The Council's off site parking programme will be very welcome in the communities affected and thus help our programme.</p>
12.4	<p>Quality Risks: Build quality does not meet specified standards.</p> <p>Mitigation: We will monitor robustly the build process with our qualified staff and consultants. The use of East Thames' Employer's Requirements will ensure that schemes are delivered to high standards.</p>
12.5	<p>Legal: Rights of Ways and Easements may be identified in the course of the due diligence process.</p> <p>Mitigation: East Thames and EFDC have formulated a robust due diligence process, and this process will be followed on each and every scheme.</p>
12.6	<p>Procurement: Going out to OJEU to procure Package 1 will lead to delays and additional costs.</p> <p>Mitigation: Use of the OJEU compliant East Thames Framework</p>

Recommendation	The Council Housebuilding Cabinet Committee is being asked to:
Details	<p>Approve, subject to the satisfactory completion of the due diligence process :-</p> <ul style="list-style-type: none"> • The scheme proposals presented herein (including the financial appraisals) to develop up to 25 units; • The submission of planning applications for each scheme; • A total scheme budget of £3,948,421 for Package 1 and a total scheme budget of £493,864 for the Marden Close

	<p>scheme; and</p> <ul style="list-style-type: none">• Use of the East Thames Contractors Framework to procure building contractors for these projects.
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<p><u>Appendices</u></p> <p>1, Financial appraisal model</p> <p>2, Feasibility reports</p>

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East Thames Group

Scheme Consolidation Summary

SDS ProVal Version 8.19 Aug-2011

Memorandum Information

Consolidation Name EFDC - Package 1

Prepared By georg.herrmann
Version 1
File Path Q:\Development\Applications\Proval\Working Provals\Epping Forest House Building Programme\Package 1

Comments

Date 24 Jun 2013
This File Last Saved 16 May 2013
Total Units 25
Schemes 3
Check Defaults Validation X
Key
GN General Needs
LCHO Low Cost Home Ownership
NPV Net Present Value
NRS Net Revenue Stream
SH Supported Housing
SPPA Special Projects Promotional Allowance

Schemes in this Consolidation

	Units	Scheme Type	Appraisal Date	Local Authority
1 EFDC - Red Cross site, Roundhill	6	PF	24 Jun 2013	Epping Forest
2 EFDC - Harveyfields, Waltham /	9	PF	24 Jun 2013	Epping Forest
3 EFDC - Roundhills, Waltham Ab	10	PF	24 Jun 2013	Epping Forest

Scheme Capital Costs - All Schemes

	Units	Per Unit
Acquisition	0	0
Works	3,428,500	137,140
Persons	102	4
On-Costs (Fees & Interest)	519,921	20,797
Non Qualifying (incl. SPPA) & Other Costs	0	0
TOTAL SCHEME COST	3,948,421	157,937
Market Value (MV)	0	0
Cost:Value % TSC/MV	0.0%	
SHG Claimed (incl SPPA)	425,000	17,000
Other Grant or Subsidy	0	0
Initial Sales Receipts	0	0
Loan Adjustm't	0	0
RSL Capital Contrib'	0	0
Net Loan	3,523,421	140,937

Development Cashflows

	First Event	Last Event	PC or Last Sale Date	Check for Errors In Scheme Cashflow
1 EFDC - Red Cross site, Roundhill	Oct 2013	Jan 2015		
2 EFDC - Harveyfields, Waltham A	Oct 2013	Jan 2015		
3 EFDC - Roundhills, Waltham Abt	Oct 2013	Jan 2015		

Long Term Cashflow

	Date Into Managem't	First Income Received, Y/E	Last Income Received, Y/E
1 EFDC - Red Cross site, Roundhill:	Jan 2015	Mar 2015	Mar 2060
2 EFDC - Harveyfields, Waltham A	Jan 2015	Mar 2015	Mar 2060
3 EFDC - Roundhills, Waltham Abt	Jan 2015	Mar 2015	Mar 2060

Financial Assumptions & Summary

Specified Month for End of Year 1 Loan Repayment	Mar	Interest Only Method	3,523,421 Peak Loan Occurs in Yr.1 Mar 2015
Cashflow Calculated to Year	30		Year 1 Income First Exceeds Costs
Min Int. Cover 127.4% Occurs in Yr.1 Jan 2016	Interest Rates Year 1 to 30 Year 31 to	3.50%	Year 30 Loan Repaid
Net Present Value (NPV) Discount Rate	3.50% over 30 years		7,739 Cumulative Balance at Year 30
NPV Calculation Option	Net Rent + Cap. Val. - Loan		2,757 NPV Net Rent + Cap. Val. - Loan
NPV of Net Rent at Year 1	3,426,603	IRR 3.51%	2,775,554 Capitalised Year 1 Rev. Surplus
Residual Cap. Value of Schemes at Year 1	0	Gross Yield 5.3%	
NPV of all Loans at Year 1	3,423,846	Net Yield 1.8%	
NPV of all Cap. Rec'pts at Year 1	0		0 Total to Grant Recycling Fund

East Thames Group

Scheme Capital Costs

SDS ProVal Version 8.19 Aug-2011

Memorandum Information

Consolidation Name EFDC - Package 1

Date 24 Jun 2013

Prepared By georg.herrmann

Total Units 25
Schemes 3

Version 1
This File Last Saved 16 May 2013 10:29

Scheme Name	Hide/Unhide Header Rows	Type	Units	Acquisition	Works	Persons	On-Costs (Fees & Interest)	Non Qualifying (Incl. SPPA) & Other Costs	TOTAL SCHEME COST	Market Value (MV)	Cost:Value % TSC/MV	SHG Claimed (incl SPPA)	Other Grant or Subsidy	Initial Sales Receipts	Loan Adjustm ^{nt}	RSL Capital Contrib ^{ution}	Net Loan
1 EFDC - Red Cross site, Roundhills		PF	6	0	901,000	28	136,757	0	1,037,757	0		105,000	0	0	0	0	932,757
2 EFDC - Harveyfields, Waltham Abbey		PF	9	0	1,113,000	30	166,671	0	1,279,671	0		180,000	0	0	0	0	1,099,671
3 EFDC - Roundhills, Waltham Abbey		PF	10	0	1,414,500	44	216,493	0	1,630,993	0		140,000	0	0	0	0	1,490,993
TOTALS			25	0	3,428,500	102	519,921	0	3,948,421	0	0.0%	425,000	0	0	0	0	3,523,421

Notes

Scheme Type - Key
 GN General Needs
 LCHO Low Cost Home Ownership
 SH Supported Housing
 PF Private Finance

Qualifying Cost includes the Norm On-Costs less any discount specified by the user. Qualifying Cost is not reported for Private Finance appraisals
 In Non Qualifying Costs, SPPA refers to supported housing appraisals. Where costs have been entered against this item they are included.

East Thames Group

Long Term Cashflow

SDS ProVal Version 8.19 Aug-2011

Consolidation EFDC - Package 1
 Date 24 Jun 2013
 Prepared By georg.herrmann
 Version 1
 File Last Saved 16 May 2013 10:29
 Total Units 25
 Schemes 3

Specify the Month Only for the End of Year 1 **Mar**
 Loan Repayment Method - Annuity y/n? **n** Interest Only Method years
 For 'Interest Only' method, leave this cell empty
 Summarise Cashflow Results to Year **30**
 leave this cell blank
 Set Interest Rates up to Year 60 Year 1 to 30 3.50%
 Check all periods and interest rates are set correctly Year 31 to
 Net Present Value (NPV) Discount Rate **3.50%** over 30 years
 NPV Calculation Options Net Rent + Cap. Val. - Loan

Specified Opening Loan Year 1

Peak Loan Occurs In Yr.1 Mar 2015 3,523,421
 Income First Exceeds Costs Year 1
 Loan Repaid by Year 30
 Cumulative Balance at Year 30 7,739
 NPV Net Rent + Cap. Val. - Loan 2,757 110 per unit
 Capitalised Year 1 Rev. Surplus 2,775,554 111,022 per unit

For details of when all schemes are in management, see Long Term Cashflow Details Page
First & Last Scheme into Management

	Sch. No.	Scheme Name	Date	Type
First Scheme	1	EFDC - Red Cross site, R	Jan 2015	PF
Last Scheme	1	EFDC - Red Cross site, R	Jan 2015	PF

Total to Grant Recycling Fund 0

NPV of all Cap. Rec'pts at Year 1 0
 NPV of Net Rent at Year 1 3,426,603 Min Int. Cover 127.36%
 Residual Cap. Value of Schemes at Year 1 0 Occurs in Yr.1 Jan 2016
 NPV of all Loans at Year 1 3,423,846 Gross Yield 5.3%
 IRR 3.51% Net Yield 1.8%

Comments

Year Number	1	2	3	4	5	6	7	8	9	10
Year Ending	Mar-2015	Mar-2016	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024
Opening Loan	0	3,517,878	3,483,220	3,442,900	3,396,599	3,343,978	3,284,688	3,222,696	3,175,663	3,122,806
New Scheme Loans	3,523,421	0	0	0	0	0	0	0	0	0
Interest	20,223	120,660	119,378	117,895	116,201	114,284	112,137	110,296	108,585	106,668
PF Other Cap. Rec'pts	0	0	0	0	0	0	0	0	0	0
Net St'csg Receipts	0	0	0	0	0	0	0	0	0	0
Loan Repayments	25,765	155,319	159,697	164,197	168,821	173,574	174,129	157,329	161,441	165,655
Closing Loan	3,517,878	3,483,220	3,442,900	3,396,599	3,343,978	3,284,688	3,222,696	3,175,663	3,122,806	3,063,819
Revenue Income										
Rent etc. GN/LCHO/PF	35,086	211,570	217,917	224,455	231,188	238,124	245,268	252,626	260,204	268,011
SH Income	0	0	0	0	0	0	0	0	0	0
SH Other Rev. Rec'pts	0	0	0	0	0	0	0	0	0	0
Total Rev. Income	35,086	211,570	217,917	224,455	231,188	238,124	245,268	252,626	260,204	268,011
To Grant Recycling	0	0	0	0	0	0	0	0	0	0
Revenue Expenditure										
Allowances	9,321	56,251	58,220	60,258	62,367	64,550	71,138	95,297	98,763	102,356
SH Expenditure	0	0	0	0	0	0	0	0	0	0
Total Rev. Exp'diture	9,321	56,251	58,220	60,258	62,367	64,550	71,138	95,297	98,763	102,356
Net Rev. Income	25,765	155,319	159,697	164,197	168,821	173,574	174,129	157,329	161,441	165,655
Net Inc. + Rec'pts - Int.	5,543	34,659	40,319	46,302	52,620	59,290	61,992	47,033	52,857	58,987
Cashflow	0	0	0	0	0	0	0	0	0	0
Cumulative Balance	0	0	0	0	0	0	0	0	0	0

Note that the following years are in 5-year steps (see print options for full 60 years)

Year Number	15	20	25	30						
Year Ending	Mar 2029	Mar 2034	Mar 2039	Mar 2044						
Opening Loan	2,759,978	2,199,729	1,388,779	262,145						
New Scheme Loans	0	0	0	0						
Interest	93,609	73,595	44,756	4,812						
PF Other Cap. Rec'pts	0	0	0	0						
Net St'csg Receipts	0	0	0	0						
Loan Repayments	188,312	213,831	242,518	266,957						
Closing Loan	2,665,275	2,059,493	1,191,017	0						
Revenue Income	0	0	0	0						
Rent etc. GN/LCHO/PF	310,698	360,184	417,552	484,057						
SH Income	0	0	0	0						
SH Other Rev. Rec'pts	0	0	0	0						
Total Rev. Income	310,698	360,184	417,552	484,057						
To Grant Recycling	0	0	0	0						
Revenue Expenditure	0	0	0	0						
Allowances	122,386	146,353	175,034	209,360						
SH Expenditure	0	0	0	0						
Total Rev. Exp'diture	122,386	146,353	175,034	209,360						
Net Rev. Income	188,312	213,831	242,518	274,696						
Net Inc. + Rec'pts - Int.	94,703	140,236	197,762	269,884						
Cashflow	0	0	0	7,739						
Cumulative Balance	0	0	0	7,739						

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Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-005-2013/14
Date of meeting: 10 July 2013

Portfolio: Housing – Cllr David Stallan

Subject: Procurement of Works Contractor – Council Housebuilding Programme

Responsible Officer: Paul Pledger, Asst. Director of Housing (Property) (01992 564248)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

That the Council procures its Works Contractors for the House-Building Programme using the current and any future East Thames EU-compliant Framework Agreement.

Reasons for Proposed Decision:

The procurement of works for the House-Building Programme would require the Council to undertake an EU-compliant tender exercise. However, East Thames have already undertaken an EU-compliant tender exercise, which is available for the Council to use.

Other Options for Action:

1. To undertake a separate EU procurement exercise, specific to just the Council's House-building Programme. This would be time consuming and costly.
2. Not to undertake an EU procurement exercise, and to let individual works contracts for each site. This would not generate savings through economies of scale and would be much more resource intensive to undertake. It would significantly delay the period between receipt of planning permission and starting on site.

Report:

1. A significant part of the House-building Programme is the procurement of the construction works. The Council's Contract Standing Orders requires the Council to undertake competitive tenders for all works over £50,000. However, in addition, EU procurement rules apply to all works contracts where the value is (currently) in excess of £4,348,350.
2. In order to obtain the best value for money, the Council would seek to appoint a Works Contractor on a single contract for each phase of works. This would not necessarily reach the EU limits on a phase by phase basis, but would over the whole of the programme. As part of the Council's Development Agency Agreement with East Thames, East Thames has the responsibility for procuring the Works Contractor on behalf of the Council. However, East Thames have already undertaken an EU-compliant procurement exercise to select a list of approved Framework Contractors from which all of their own House-building Programme is tendered, and have offered the Council, as part

of their tender for Development Agent, the opportunity to use this Framework Agreement, to avoid the necessity of the Council incurring the time and expense to produce a similar document.

3. East Thames have taken Legal Advice from their Solicitor, Trowers & Hamblins, who have confirmed that the Council can legally use their Framework Agreement, and that its use by the Council would comply with EU procurement rules.

4. The Framework Agreement is based on a list of approved Contractors, who have all applied to join the Approved List to undertake construction works, based on a traditional JCT Design and Build Contract. The list is broken down into two separate contracts, one for contracts below £5m and one for contracts above £5m. The estimated value of the Council's works packages will determine which list of contractors is invited to tender. There are at least two local contractors on each of the Approved Lists.

5. Invitations to tender will be issued to all contractors on the list, who will then provide a competitive bid, which will therefore satisfy Contract Standing Orders. It is therefore recommended that the Council seeks competitive tenders for the construction works using the East Thames Framework Agreement.

Resource Implications:

Undertaking a competitive tender exercise for the Construction works using the East Thames Framework Agreement is included in the Development Agent tender submission by East Thames. The fees and works costs are included in the existing Capital Programme for Council House-Building

Legal and Governance Implications:

Based on the advice from East Thames and their own Legal Advisors, Trowers and Hamblins, using this Framework Agreement satisfies the EU Procurement Rules. This also complies with Contract Standing Orders.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Advice has been sought from the Essex Procurement HUB and East Thames legal advisors, Trowers and Hamblins

Background Papers:

The East Thames OJEU Notice and the advice from Trowers and Hamblins Solicitors

Impact Assessments:

Risk Management

Legal advice has been sought in order to consider and mitigate risks.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

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Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

EUROPEAN UNION

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E-mail: ojs@publications.europa.eu Info & on-line forms: <http://simap.europa.eu>**CONTRACT NOTICE****SECTION I: CONTRACTING AUTHORITY****I.1) NAME, ADDRESSES AND CONTACT POINT(S)****Official name:** [Development Framework 2010 \(New Build Contractors\)](#)**Postal address:** [29-35 West Ham Lane, Stratford .](#)Town: [London](#)Postal code: [E15 4PH](#)Country: [United Kingdom](#)**Contact point(s):** [Procurement Department 29-35 West Ham Lane, Stratford E15 4PH.](#)Telephone: [0208 522 2000](#)For the attention of: [Procurement Department](#)Email: procurement.contact@east-thames.co.ukFax: [0208 522 2001](#)**Internet address(es) (if applicable)**General address of the contracting authority (URL): <http://www.east-thames.co.uk/>

Address of the buyer profile (URL):

Further information can be obtained at:

- As in above-mentioned contact point(s)
 Other: please complete Annex A.I

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at:

- As in above-mentioned contact point(s)
 Other: please complete Annex A.II

Tenders or requests to participate must be sent to:

- As in above-mentioned contact point(s)
 Other: please complete Annex A.III

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

I.2) TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES

- | | |
|--|---|
| <input type="radio"/> Ministry or any other national or federal authority, including their regional or local sub-divisions | <input type="radio"/> General public services |
| <input type="radio"/> National or federal agency/office | <input type="radio"/> Defence |
| <input type="radio"/> Regional or local authority | <input type="radio"/> Public order and safety |
| <input type="radio"/> Regional or local agency/office | <input type="radio"/> Environment |
| <input checked="" type="radio"/> Body governed by public law | <input type="radio"/> Economic and financial affairs |
| <input type="radio"/> European institution/agency or international organisation | <input type="radio"/> Health |
| <input type="radio"/> Other (<i>please specify</i>): | <input checked="" type="radio"/> Housing and community amenities |
| | <input type="radio"/> Social protection |
| | <input type="radio"/> Recreation, culture and religion |
| | <input type="radio"/> Education |
| | <input checked="" type="radio"/> Other (<i>please specify</i>): |
| | Mixed-use and mixed tenure buildings normally in association with residential development |

The contracting authority is purchasing on behalf of other contracting authorities:

- yes no

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

SECTION II: OBJECT OF THE CONTRACT

II.1) DESCRIPTION

II.1.1) Title attributed to the contract by the contracting authority

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

II.1.2) Type of contract and location of works, place of delivery or of performance

(Choose one category only - works, supplies or services - which corresponds most to the specific object of your contract or purchase(s))

<input checked="" type="radio"/> (a) Works <input type="radio"/> Execution <input checked="" type="radio"/> Design and execution <input type="radio"/> Realisation, by whatever means of work, corresponding to the requirements specified by the contracting authorities	<input type="radio"/> (b) Supplies <input type="radio"/> Purchase <input type="radio"/> Lease <input type="radio"/> Rental <input type="radio"/> Hire purchase <input type="radio"/> A combination of these	<input type="radio"/> (c) Services Service category No (For service categories 1-27, please see Annex II of Directive 2004/18/EC)
Main site or location of works East London and Essex and bordering areas/authorities NUTS code UKI	Main place of delivery	Main place of performance

II.1.3) The notice involves

- A public contract
 The establishment of a framework agreement
 The setting up of a dynamic purchasing system (DPS)

II.1.4) Information on framework agreement (if applicable)

<input checked="" type="radio"/> Framework agreement with several operators Number OR, if applicable, maximum number of participants to the framework agreement envisaged 8	<input type="radio"/> Framework agreement with a single operator
---	--

Duration of the framework agreement:

Duration in year(s): _____ or month(s): 48

Justification for a framework agreement, the duration of which exceeds four years:

Estimated total value of purchases for the entire duration of the framework agreement (if applicable; give figures only):	
Estimated value excluding VAT:	Currency:
OR Range: _____ and 300000000.00 between 70000000.00	Currency: GBP
Frequency and value of the contracts to be awarded: (if known):	

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

II.1.5) Short description of the contract or purchase(s)

East Thames is a registered social landlord and social regeneration charity with more than 13,500 homes. But we're more than just a landlord - we also build new homes, provide care and support services and offer employment, training and community programmes.

Our mission is 'to make a positive and lasting contribution to the neighbourhoods in which we work'.

Our focus is firmly on east London and Essex. This has been the case since we started as a small housing association in 1979, and that commitment hasn't changed.

Full details of East Thames development operations can be found at:

<http://www.east-thames.co.uk/development>

For details of East Thames design requirements and philosophy please refer to the Design Guide included with this PQQ

East Thames wishes to establish a framework agreement to service the requirement for new build properties over the 4 years from March 2011.

The framework is divided into two lots, by value of construction;

1. £ 0 – 5 million
2. £ 5 million plus

East Thames is looking to appoint in the order of 5 contractors to each lot.

In addition there will be appointments of 'reserve' contractors as part of this exercise to allow East Thames flexibility in terms of management of contractor performance.

Note that at this time the number of appointees is flexible and should not be taken as a final figure but only as an indication of East Thames thoughts at this time; numbers may change.

Note that whilst the bulk of the likely requirement is for New Build this may encompass some element of refurbishment where a new development design incorporates some existing structures.

Note that there is no guarantee of work under any framework set up as a result of this procurement exercise.

The Framework Objectives are:

- (a) zero health and safety incidents;
- (b) team-working and consideration for others, including quality and diversity considerations;
- (c) greater predictability of out-turn cost and programme;
- (d) improvements in quality, productivity and value for money;
- (e) improvements in environmental performance, sustainability and reductions in environmental impact;
- (f) improvements in the carrying out of the works with particular regard to the rectification of defects in a timely manner; leading to right first time with zero defects;
- (g) the avoidance of disputes;
- (h) ETG satisfaction with the performance of the framework constructors;
- (i) to work in a spirit of continuous improvement to continually improve value for money, quality and best value;
- (j) adopt, where appropriate, Modern Methods of Construction, including off-site manufacturing;
- (k) consider and adopt any efficiency initiatives ETG may bring to the attention of framework constructors;
- (l) promote innovation and its benefits; and
- (m) a commitment to social responsibility in construction.

The framework will be for use by:-

East Thames Group Limited including subsidiaries ('East Thames Group')

East Thames Group development partners

London and Eastern region county councils, local authorities, district and borough councils

Development corporations and agencies

Other public sector entities wishing to construct property including but not limited to:

Members of Buy4London

Members of G15

London and Eastern region Registered Social Landlords ('RSLs')

MHS Homes (formerly Medway Housing Society)

North London Muslim Housing Association Limited;

Bahay Kubo Housing Association Limited;

Spitalfields Housing Association Limited;

Westcoast Housing and Training Limited;

Tamil Community Housing Association Limited;

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

Arhag Housing Association Limited;
The Industrial Dwellings Society (1885) Limited; and,
Karin Housing Association Limited.
Broxbourne Housing Association Limited
Estuary Housing Association Limited

NOTE:- All communications and PQQ/Tender activity will be via the RICS eTendering solution. Please note that the site may indicate that consortia Expressions of Interest / Tenders are disallowed. This is a technical glitch and is incorrect; provision has been made to accommodate consortia subject to the instructions issued in the documentation.

NOTE:- This opportunity is accessible via eTendering. The eTendering system can be accessed at:-
<https://www.ricsetendering.com/>

Suppliers will need to create an account. To do this follow the links for Supplier Registration:

Once registered suppliers must search for open PQQS. There may be several available. The relevant title is:-
project_17153 - Development Framework 2010 (New Build Contractor)

You will need to complete a series of questionnaires and upload responses.

To assist in the completion there are a number of templates and guidance documents available to download.

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS**II.1.6) Common procurement vocabulary (CPV)**

	Main vocabulary	Supplementary vocabulary (if applicable)
Main object	45210000	
Additional object(s)	45211000	
	45211200	
	45211360	

II.1.7) Contract covered by the Government Procurement Agreement (GPA)

yes no

II.1.8) Division into lots (for information about lots, use Annex B as many times as there are lots)

yes no

If yes, tenders should be submitted for (tick one box only)

- one lot only
 one or more lots
 all lots

II.1.9) Variants will be accepted

yes no

II.2) QUANTITY OR SCOPE OF THE CONTRACT**II.2.1) Total quantity or scope** (including all lots and options, if applicable)

While the contracting authority cannot guarantee volumes it is estimated that the complete value of contracts likely to be called off against this Framework Agreement can be reasonably stated as below.

<i>If applicable, estimated value excluding VAT (give figures only):</i>	Currency:
OR Range: between 70000000.00 and 300000000.00	Currency: GBP

II.2.2) Options (if applicable)

yes no

If yes, description of these options:

<i>If known, provisional timetable for recourse to these options:</i>		
in months:	or days:	(from the award of the contract)
Number of possible renewals (if any):	or Range: between	and

II.3) DURATION OF THE CONTRACT OR TIME-LIMIT FOR COMPLETION

Duration in months: 48	or days:	(from the award of the contract)
OR Starting	(dd/mm/yyyy)	
Completion	(dd/mm/yyyy)	

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION

III.1) CONDITIONS RELATING TO THE CONTRACT

III.1.1) Deposits and guarantees required (if applicable)

To be provided in the [Contract Documents](#)

III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them

To be provided in the [Contract Documents](#)

III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded (if applicable)

Where a consortium or other grouping of suppliers submits a bid, such consortia or grouping must nominate a lead organisation to deal with East Thames on all matters relating to the the Framework Agreement. All consortium members or grouping will be required to be jointly and severally liable in respect to the obligations and liabilities relating to the Framework Agreement.

Where a consortium or other grouping of suppliers submits a bid, such consortium or grouping must provide to the contracting authority with the consortium's completed PQQ an undertaking from each member on headed paper that the resources necessary to perform the contract will be available.

III.1.4) Other particular conditions to which the performance of the contract is subject (if applicable)

yes no

If **yes**, description of particular conditions

The successful framework contractors will be required to actively participate in the achievement of social and/ or environmental policy objectives including the recruitment and training and the support or employment of apprentices, long-term job seekers, school leavers, residents and small and medium enterprises. Accordingly, the contract performance conditions will relate in particular to social and environmental considerations

III.2) CONDITIONS FOR PARTICIPATION

III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers

Information and formalities necessary for evaluating if requirements are met:

[Details are provided in the PQQ](#)

III.2.2) Economic and financial capacity

Information and formalities necessary for evaluating if requirements are met:

[Details are provided in the PQQ](#)

Minimum level(s) of standards possibly required (if applicable):

III.2.3) Technical capacity

Information and formalities necessary for evaluating if requirements are met:

[Details are provided in the PQQ](#)

Minimum level(s) of standards possibly required (if applicable):

III.2.4) Reserved contracts (if applicable)

yes no

The contract is restricted to sheltered workshops

The execution of the contract is restricted to the framework of sheltered employment programmes

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

III.3) CONDITIONS SPECIFIC TO SERVICES CONTRACTS**III.3.1) Execution of the service is reserved to a particular profession**

yes no

If yes,reference to the relevant law, regulation or administrative provision:

III.3.2) Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service

yes no

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

SECTION IV: PROCEDURE

IV.1) TYPE OF PROCEDURE

IV.1.1) Type of procedure

<input type="radio"/> Open	
<input checked="" type="radio"/> Restricted	
<input type="radio"/> Accelerated restricted	Justification for the choice of accelerated procedure:
<input type="radio"/> Negotiated	Candidates have already been selected <input type="radio"/> yes <input type="radio"/> no If yes, provide names and addresses of economic operators already selected under Section VI.3) <i>Additional information</i>
<input type="radio"/> Accelerated negotiated	Justification for the choice of accelerated procedure:
<input type="radio"/> Competitive dialogue	

IV.1.2) Limitations on the number of operators who will be invited to tender or to participate (*restricted and negotiated procedures, competitive dialogue*)

Envisaged number of operators
OR Envisaged minimum number 5 and , if applicable, maximum number 25
Objective criteria for choosing the limited number of candidates: Details are provided in the PQQ

IV.1.3) Reduction of the number of operators during the negotiation or dialogue (*negotiated procedure, competitive dialogue*)

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

yes no

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

IV.2) AWARD CRITERIA

IV.2.1) Award criteria (please tick the relevant box(es))

Lowest price

OR

The most economically advantageous tender in terms of

the criteria stated below (the award criteria should be given with their weighting or in descending order of importance where weighting is not possible for demonstrable reasons)

the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document

Criteria	Weighting	Criteria	Weighting
1.		6.	
2.		7.	
3.		8.	
4.		9.	
5.		10.	

IV.2.2) An electronic auction will be used

yes no

If yes, additional information about electronic auction (if appropriate)

The Contracting Authority reserves the right to use eAuction(s)

IV.3) ADMINISTRATIVE INFORMATION

IV.3.1) File reference number attributed by the contracting authority (if applicable)

N/A

IV.3.2) Previous publication(s) concerning the same contract

yes no

If yes,

<input type="radio"/> Prior information notice	<input type="radio"/> Notice on a buyer profile
Notice number in OJ:	of (dd/mm/yyyy)
<input type="radio"/> Other previous publications (if applicable)	

IV.3.3) Conditions for obtaining specifications and additional documents (except for a DPS) or descriptive document (in the case of a competitive dialogue)

Time limit for receipt of requests for documents or for accessing documents	
Date: 11/11/2010 (dd/mm/yyyy)	Time: 16:30
Payable documents	
<input type="radio"/> yes <input checked="" type="radio"/> no	
If yes, price (give figures only):	Currency:
Terms and method of payment:	

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IV.3.4) Time-limit for receipt of tenders or requests to participate

Date: 11/11/2010 (dd/mm/yyyy) Time: 16:30

IV.3.5) Date of dispatch of invitations to tender or to participate to selected candidates (if known) (in the case of restricted and negotiated procedures, and competitive dialogue)

Date: 13/12/2010 (dd/mm/yyyy)

IV.3.6) Language(s) in which tenders or requests to participate may be drawn up

ES CS DA DE ET EL EN FR IT LV LT HU MT NL PL PT SK SL FI SV

Other:

IV.3.7) Minimum time frame during which the tenderer must maintain the tender (open procedure)

Until: (dd/mm/yyyy)

OR Duration in month(s):

OR days: (from the date stated for receipt of tender)

IV.3.8) Conditions for opening tenders

Date: (dd/mm/yyyy) Time:

Place (if applicable):

Persons authorised to be present at the opening of tenders (if applicable)

yes no

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

SECTION VI: COMPLEMENTARY INFORMATION

VI.1) THIS IS A RECURRENT PROCUREMENT *(if applicable)*

yes no

If **yes**, estimated timing for further notices to be published:

VI.2) CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY EU FUNDS

yes no

If **yes**, reference to project(s) and/or programme(s):

VI.3) ADDITIONAL INFORMATION *(if applicable)*

PQQs will be issued and should be returned via East Thames' selected Electronic Tendering Tool ('ETT'). Details regarding the operation of the ETS are contained within the PQQ.

NOTE:- This opportunity is accessible via eTendering. The eTendering system can be accessed at:- <https://www.ricsetendering.com/>

Suppliers will need to create an account. To do this follow the links for Supplier Registration:

Once registered suppliers must search for open PQQS. There may be several available. The relevant title is:- project_17153 - Development Framework 2010 (New Build Contractor)

You will need to complete a series of questionnaires and upload responses.

To assist in the completion there are a number of templates and guidance documents available to download.

East Thames reserves the right not to award a framework agreement or award a framework agreement or framework agreements for part or part of the works only. Applicants should note that the award of a framework agreement is not a guarantee of work

VI.4) PROCEDURES FOR APPEAL

VI.4.1) Body responsible for appeal procedures

Official name: [High Court of England and Wales](#)

Postal address:

Town:

Postal code:

Country: [United Kingdom](#)

Telephone:

Email:

Fax:

Internet address (URL):

Body responsible for mediation procedures *(if applicable)*

Official name:

Postal address:

Town:

Postal code:

Country:

Telephone:

Email:

Fax:

Internet address (URL):

VI.4.2) Lodging of appeals *(please fill heading VI.4.2 OR if need be, heading VI.4.3)*

Precise information on deadline(s) for lodging appeals:

The contracting authority will observe a standstill period following the award of the contract and conduct itself in respect of any appeals in accordance with the Public Contracts Regulations 2006 (as amended by the Public Contracts (Amendment) Regulations 2009).

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

VI.4.3) Service from which information about the lodging of appeals may be obtainedOfficial name: [OGC](#)

Postal address:

Town:

Postal code:

Country: [United Kingdom](#)

Telephone:

Email:

Fax:

Internet address (URL): www.ogc.gov.uk/**VI.5) DATE OF DISPATCH OF THIS NOTICE:**[07/10/2010](#) (dd/mm/yyyy)

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS**ANNEX A****ADDITIONAL ADDRESSES AND CONTACT POINTS****I) ADDRESSES AND CONTACT POINTS FROM WHICH FURTHER INFORMATION CAN BE OBTAINED**

Official name: [RICS eTendering Website](#)
Postal address: <https://www.ricsetendering.com/web/login.shtml>
Town: [N/A](#) Postal code:
Country: [United Kingdom](#)
Contact point(s): <https://www.ricsetendering.com/web/login.shtml> Telephone:
For the attention of:
Email: Fax:
Internet address (URL): <https://www.ricsetendering.com/web/login.shtml>

II) ADDRESSES AND CONTACT POINTS FROM WHICH SPECIFICATIONS AND ADDITIONAL DOCUMENTS (INCLUDING DOCUMENTS FOR COMPETITIVE DIALOGUE AS WELL AS A DYNAMIC PURCHASING SYSTEM) CAN BE OBTAINED

Official name: [RICS eTendering Website](#)
Postal address: <https://www.ricsetendering.com/web/login.shtml>
Town: [N/A](#) Postal code:
Country: [United Kingdom](#)
Contact point(s): <https://www.ricsetendering.com/web/login.shtml> Telephone:
For the attention of:
Email: Fax:
Internet address (URL): <https://www.ricsetendering.com/web/login.shtml>

III) ADDRESSES AND CONTACT POINTS TO WHICH TENDERS/REQUESTS TO PARTICIPATE MUST BE SENT

Official name: [RICS eTendering Website](#)
Postal address: <https://www.ricsetendering.com/web/login.shtml>
Town: [N/A](#) Postal code:
Country: [United Kingdom](#)
Contact point(s): <https://www.ricsetendering.com/web/login.shtml> Telephone:
For the attention of:
Email: Fax:
Internet address (URL): <https://www.ricsetendering.com/web/login.shtml>

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

ANNEX B (1)

INFORMATION ABOUT LOTS

LOT NO 1 TITLE **New Build (To £ 5,000,000.00 Build Cost)**

1) SHORT DESCRIPTION

LOT 1:- New Build (To £ 5,000,000.00 Build Cost)

Content

This Lot encompasses;

o New Build works including preparatory work required for a new building (demolitions, land decontamination, remediation works)

o Size of development to be to a value of not more than £ 5,000,000.00.

New Build works are most likely to be carried out on a design and build basis, although some projects may be carried out on the basis of a traditional 2 stage approach.

Contract form for a call of contract is likely to be JCT though other commonly used forms will be in scope.

Property may be commercial or residential or a mixture of the two.

Some refurbishment activity may be required where a development is retaining some pre-existing structures.

Development may involve other development partners though is more likely to be only the single framework user

Projects/Works undertaken by appointees to this panel are likely to be characterised by a low to medium level of complexity and one or two phases.

They are likely to involve some stakeholder (specifically including residents) consultation.

2) COMMON PROCUREMENT VOCABULARY (CPV)

	Main vocabulary	Supplementary vocabulary (if applicable)
Main object	45210000	
Additional object(s)	45211000	
	45211200	
	45211360	

3) QUANTITY OR SCOPE

<i>If applicable, estimated value excluding VAT (give figures only):</i>	Currency:
OR Range: between 10000000.00 and 50000000.00	Currency: GBP

4) INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION (if applicable)

Duration in months:	or days:	(from the award of the contract)
OR Starting	(dd/mm/yyyy)	
Completion	(dd/mm/yyyy)	

5) ADDITIONAL INFORMATION ABOUT LOTS

NOTE:- This opportunity is accessible via eTendering. The eTendering system can be accessed at:- <https://www.ricsetendering.com/>

Suppliers will need to create an account. To do this follow the links for Supplier Registration:

Once registered suppliers must search for open PQQS. There may be several available. The relevant title is:- project_17153 - Development Framework 2010 (New Build Contractor)

You will need to complete a series of questionnaires and upload responses.

To assist in the completion there are a number of templates and guidance documents available to download.

Development & Asset Management Framework 2010:- NEW BUILD CONTRACTORS

ANNEX B (2)

INFORMATION ABOUT LOTS

LOT NO 2 TITLE New Build (£ 5,000,000.00 Plus Build Cost)

1) SHORT DESCRIPTION

This Lot encompasses;

o New Build works including preparatory work required for a new building (demolitions, land decontamination, remediation works)

o Size of development to be not less than £ 5,000.000.00 Build Cost

New Build works are most likely to be carried out on a design and build basis, although some projects may be carried out on the basis of a traditional 2 stage approach.

Contract form for a call of contract is likely to be JCT though other commonly used forms will be in scope.

Property may be commercial or residential or a mixture of the two.

Some refurbishment activity may be required where a development is retaining some pre-existing structures.

Development may involve other development partners though is more likely to be only the single framework user

Projects/Works undertaken by appointees to this panel are likely to be characterised by a medium to high level of complexity and multi-phase projects are likely

They are likely to involve some stakeholder (specifically including residents/communities) consultation.

2) COMMON PROCUREMENT VOCABULARY (CPV)

	Main vocabulary	Supplementary vocabulary (if applicable)
Main object	45210000	
Additional object(s)	45211000	
	45211200	
	45211360	

3) QUANTITY OR SCOPE

<i>If applicable, estimated value excluding VAT (give figures only):</i>	Currency:
OR Range: between 60000000.00 and 250000000.00	Currency: GBP

4) INDICATION ABOUT DIFFERENT DATE FOR DURATION OF CONTRACT OR STARTING/COMPLETION (if applicable)

Duration in months:	or days:	(from the award of the contract)
OR Starting	(dd/mm/yyyy)	
Completion	(dd/mm/yyyy)	

5) ADDITIONAL INFORMATION ABOUT LOTS

NOTE:- This opportunity is accessible via eTendering. The eTendering system can be accessed at:- <https://www.ricsetendering.com/>

Suppliers will need to create an account. To do this follow the links for Supplier Registration:

Once registered suppliers must search for open PQQS. There may be several available. The relevant title is:- project_17153 - Development Framework 2010 (New Build Contractor)

You will need to complete a series of questionnaires and upload responses.

To assist in the completion there are a number of templates and guidance documents available to download.

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-006-2013/14
Date of meeting: 10 July 2013

Portfolio: Housing – Cllr David Stallan

Subject: Council Housebuilding Programme – Risk Register

Responsible Officer: Alan Hall, Director of Housing (01992 564004)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

That the first iteration of the Programme-wide Risk Register for the Council Housebuilding Programme (to be tabled) be noted.

Reasons for Proposed Decision:

The Council's Housebuilding Programme is a major undertaking, involving significant amounts of money and risks, it is essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Other Options for Action:

- (a) Not to have a Risk Register – but it would not be appropriate to contemplate such an option; and
- (b) To request amendments to the format or content of the Programme-wide Risk Register.

Report:

1. Since the Council's Housebuilding Programme is a major undertaking, involving significant amounts of money and risks, it is essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.
2. As part of the Council's Development Agency Agreement with East Thames, East Thames has the responsibility for producing and keeping up to date the Risk Registers for the Housebuilding Programme. In turn, East Thames has instructed their building consultants, Pellings LLP, to undertake the administration of the Risk Registers on its behalf.
3. Following approval by the Cabinet of individual developments and development packages, Pellings LLP will produce and keep updated Risk Registers for each development/package, which will be monitored by the Project Team at Project Team Meetings.
4. In addition, it is appropriate to have a "Programme-wide" Risk Register, which will be a "live document" for the Housebuilding Programme. Pellings LLP are currently finalising

the first iteration of the Programme-wide Risk Register, which will be either tabled or provided in advance of the meeting.

5. The Cabinet considered the format of the Risk Register at its last meeting.

Resource Implications:

If risks are not properly identified or managed, it could result in additional costs to the Council, with the amounts dependent on the issue and its severity.

Legal and Governance Implications:

There is no legal requirement to have and maintain a Risk Register, but it is good governance practice to do so.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

None

Background Papers:

None

Impact Assessments:

Risk Management

The purpose of the Risk Register is to record, monitor and mitigate risks

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A