

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-011-2020/21
Date of meeting: 16 March 2021

Portfolio: Housing and Property Services

Subject: Council House Building Progress Report – Phases 3 - 5

Responsible Officer: Rochelle Hoyte (01992 562054)
Service Manager

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

That the contents of this Progress Report on Phases 3 to 5 of the Council House Building Programme be noted and presented to the Cabinet in line with the Terms of Reference of the Council House Building Cabinet Committee.

Executive Summary:

The report set's out the progress that has been made across phases 3 to 5 of the Housebuilding programme that are either completed, on-site and are currently being procured. In Phase 4, Package 4.1 - 16 units - have been contracted and starts on site all underway with Millfield started on 30/11/20 Pickhill has been added to 4.1 and start on site is due March 21 Package 4.2 - 22 units – has also been contracted and starts on site achieved January 21. Package 4.3 – 15 units – Consent approval received for Woollard Street Feb 21, contracts signing and possession still to be achieved March 21, with start on site anticipated July/Aug 21. Package 4.4 - 28 units - (an additional 12 units) are awaiting consent.

Ladyfields and Chequers Road (B) are still within planning and work is being undertaken to discuss how these can be progressed as quickly as possible. Since the approval of the APMS, it is anticipated that any schemes within the planning system will have reached a determination by May 21 as planners have requested an extension of time till this period. The tender process will follow, a consideration may be needed for an interim committee approval as it is likely that the previous forecast of June will be missed, the tender process will follow Aug/September 21 with contracts and possession achieved October 21, with the contractor being able to carry out their Design and Build due diligence and discharge their pre-commencement conditions still by Dec 21 to continue with the plan to start on site in Jan 22.

An update on Phase 5 is also provided within this report.

Reasons for Proposed Decision:

Set out in its Terms of Reference, the Council House Building Cabinet Committee is to monitor and report to the Council, on an annual basis progress and expenditure concerning the Council House Building Programme. This report sets out the progress made since last reported.

Other Options for Action:

This report is on the progress made over the last 12 months and is for noting purposes only. There are no other options for action.

Report

Phase 3

Queens Road, North Weald: HR116

10 x 3 Bed Houses & 2 x 2 Bed Houses

| Scheme | Contractor | Site Start | Contract Period | Original Comp. Date |
|-------------|------------|--------------|-----------------|---------------------|
| Queens Road | Storm Bld. | 07:01:19 | 83 Wks | 07:08:20 |
| Ant. Comp. | Variation | Contract Sum | Ant. Final Acc. | Variation |
| 30:09:20 | 6 Wks | £2,470,493 | £2,914,732 | £444,239 (18%) |

The completion date was originally August 2020 however due to the Government Restrictions in place relating to Covid19 and the consequential effect on the supply chain, there have been two Extension of Time (EOT) awards. The first for 5 weeks and the second 23 weeks and 2 days. Project completion was achieved 22.02.21 of all 12 units.

The latest final account of January 21 anticipated this as £2, 867,996 with £397,504 over contract value relating mainly to contamination removal, the under provision for utilities and Covid19 delays. The contractor Storm Ltd, are claiming £99K for preliminaries based on the awarded EOTs, this has been determined as cost neutral to both parties.

Phase 4

Phase 4.1 – Contracted with TSG Ltd

SoS. - Weeks - Handover

| | | | | |
|---|-----------------|----------|----|----------|
| Chequers Road (A), Loughton : HR 124 | 3 x 3B units | 31:07:20 | 56 | 27:08:21 |
| Bushfields, Loughton : HR 122 | 2 x 2B units | 13:07:20 | 56 | 20:08:21 |
| Chester Road, Loughton : HR 130 | 3 x 2B units | 07:09:20 | 56 | 10:09:21 |
| Queensway, Ongar : HR 140 | 4 x 1B units | 02:11:20 | 53 | 27:08:21 |
| Millfield, Ongar : HR 138 | 2 x 1B units | 30:11:20 | 53 | 30:11:21 |
| Pick Hill, Waltham Abbey : HR 145 | 2 x 3B units | 15.03.21 | 53 | 14.03.22 |
| Totalling | 16 units | | | |

(Please see **Appendix 1. Phase 4 Executive Report No17** dated February 2021).

Chequers Road (A), Loughton

Since our last report a VO was yet to be agreed for the retaining wall, this was initially anticipated at c£27k but has subsequently been agreed at £23,290.99, so a saving of £3,888, however the contingency in place has now been expended. There are yet no further variations to the contract, but this will be managed and reported on should this change.

Since the previous report of a 7wk delay, site completion is now expected 27th August 2021. This is only a delay of 1wk. This however will be closely monitored during the build programme.

Bushfields, Loughton

Since last reported on no further Vos have been raised. All current VO costs are agreed and have been instructed. Contractors proposals for boundary treatments and external lighting have been discussed.

Currently there is still a 5 wk delay due to Covid19 and contractor supply chain, Practical completion anticipated 20th August 21.

Chester Road, Loughton

Since last reported on VO has been agreed and instructed for piling works amounting to **£45,251.88** a saving of £9,460. This leaves the contingency now exceeded. Any further VOs will be managed on a case by case basis and will be managed and reported on.

Contract completion is now expected September 21 where originally forecasted for October 21.

Queensway, Ongar

Site progressing well, contractors' proposals for boundary treatments and external lighting being discussed following a site visit.

No outstanding Vos currently.

No further delays reported, and practical completion is anticipated for August 21.

Millfield, Ongar

Contractor proposals for boundary treatments and external lighting being discussed. No variations on cost yet confirmed.

Foundation designs are now being review by building control and some delays are expected, no forecast yet on how long this will be.

Currently forecasted as previously reported a c5wks delay due to Covid19 restrictions, planning responses and Building Control approval, note some time may be added to this due to foundation designs being reviewed by building control.

Pick Hill, Waltham Abbey HR145: 2 x units

Since this being moved to 4.1 a pre start meeting was held on 21st January 21, contractors have taken site possession as of 18th January 21.

Costs to be agreed for drainage alterations and landscape pre start conditions to be discharged by TSG.

SOS due imminently on 15th March 21.

Contracts signed 18th January 21.

| Phase 4.2 – Contracted with Indecon Ltd | | | SoS | Handover |
|--|--------|-----------------|------------|-----------------|
| Hornbeam Close (B) , Buckhurst Hill: | HR 136 | 3 x units | 25:01:21 | 04:02:22 |
| Hornbeam House , Buckhurst Hill: | HR 137 | 2 x units, | 25:01:21 | 04:02:22 |
| Bourne House , Buckhurst Hill: | HR 135 | 2 x units, | 25:01:21 | 04:02:22 |
| Etheridge Road , Debden: | HR 127 | 3 x units, | 11:01:21 | 21:01:22 |
| Denny Avenue , Waltham Abbey: | HR 144 | 3 x units, | 11:01:21 | 21:01:22 |
| Beechfield Walk , Waltham Abbey: | HR 147 | 5 x units, | 11:01:21 | 21:01:22 |
| Kirby Close , Loughton: | HR 120 | 4 x units, | 11:01:21 | 21:01:22 |
| Total | | 22 units | | |

No change since last reported on handover dates, all schemes are on site, all with c52-54 weeks build programme. Start on site dates were delayed from original anticipated dates of Jan/Feb 21 due to delays in planning condition discharges.

Updated programme provided by the contractor to confirm SOS and practical completion dates.

Pre start conditions approved 13th January 21 for Hornbeam Close B, Denny Avenue

Once further progress has been made on site, phases 4.2 will be presented as done so with 4.1 per each development site.

Phase 4.3 - Comprising: -

| | | |
|---|-------|-----------------|
| Pentlow Way , Buckhurst Hill: | HR139 | 7 x units |
| Woollard Street , Waltham Abbey: | HR149 | 8 x units |
| Total | | 15 units |

Woollard Street achieved planning approval 4th Feb 2021.

Contracts due to signed March 21, with simultaneous possession of the sites. The Contractor is anticipated to carry out their due diligence and discharge their planning conditions for a start on site to be made in July/August '21 to facilitate a handover anticipated in October '22.

Discussions are well underway for the relocation of an existing electric sub-station, Thames water are working with Indecon to discuss the build over of the sewer.

Draft leases and service charges are being worked up and our legal team are managing this to process further with the 4no existing leaseholders.

Phase 4.4 - Comprising: -

| | |
|---|-----------------|
| Ladyfields , Loughton: | 16 x units |
| Chequers Road (B) , Loughton: | 8 x units |
| And possibly (held in SAC) | |
| Lower Alderton Hall Lane , Loughton: | 2 x units |
| Thatchers Close , Loughton: | 1 x unit |
| Stonysotts , Waltham Abbey: | 1 x unit |
| Total | 28 units |

As earlier report both Ladyfields and Chequers Road (B) remain within planning and delayed due to the SAC issue. APMS since approved Feb 21 and planning have issued a request for extension of determination time to 31 May 21. We will monitor this with the planning team.

Note timescales above for tendering, contracts and site possession.

Lower Alderton Hall Drive and Thatchers Close, Loughton

Both these sites are awaiting planning consent and have been delayed by the Local Plan and SAC issues – these will be determined by June 21.

Because of the change in planning policy, Thatchers Close will be reviewed for delivery of 2 x 1 Bed units for which there is great need and resubmitted. There are other potential development sites near-by to be reviewed under the Phase 5 process in due course.

Stonysotts, Waltham Abbey

This consent will be reviewed for either resubmission as previously consented, potentially redesigned to deliver 2 x 1 Bed units and considered as a test site for delivery of EFDC's first Self Build or Custom-built property as it will potentially require a 'Planning Passport' type approach and will require significant internal consultation.

Whitehills Road, Loughton

Planning application submitted Feb 21. Determination dates to be confirmed.

Generally

The sites in Phase 4.1 – 4.2 are progressing, with some delays due to the reasons set out above. There are no major concerns on any of the sites that are expected to cause any further undue delay.

Phase 5

In Summary the following sites are being considered for development;

Waltham Abbey

1 Beechfield

Loughton

2 Burney Close

3 Castell Road

4 Oakley Court

5 Pyles A

6 Pylres B

7 Barrington Close

Nazing

8 Hyde Mead

9 Pound Close

Epping

10 Western Drive/Centre

Ongar

11 Fairfield Road

12 St Peters Estate

Buckhurst Hill

13 Hornbeam Close

Waltham Abbey

14 Winters Way Estate

Some may be different to what was previously reported. Following an informal discussion with the planning department we are reviewing all schemes for Phase 5 to achieve better design options, complete massing exercises and where previous applications have been refused, we are working to demonstrate how these will be overcome with any new planning submissions.

Conclusion

As promised, I will present proposed schemes within this committee or where possible provide consultations with both members and residents to take comments on all proposals.

Note that following review Marlescroft Way will no longer be taken forward for development.

The use of the Proval valuation software package is well underway and all current training sessions have taken place. All phase 4 sites are currently being run through Proval to be able to demonstrate vitality exercises on all schemes and as mentioned going forward on Phase 5 and beyond.

4.2 went through the Proval exercise and a grant funding application was made to Homes England which was successful and has achieved £1.4 Million in funding. We will be looking at making further applications for funding on future phases.

The Framework Alliance Agreement.**No changes since the last report**

Given only two contractors of the four nominated contractors have sought to provide tenders to date and given we have grown evermore concerned that there is only one nominated Architect ECDA and their inability to co-ordinate sub-consultants effectively as required by the FA (plus they would appear to overtly expensive), it is felt that the FA is therefore not operating as intended and it is not offering best value for money. We have therefore, with the assistance of our Employers Agent, reviewed the current FA and concluded that it is in EFDC's best interest to seek a change.

Following advice from Devonshire Solicitors regarding the framework, it is believed that our action to change the previous engagement arrangement in favour of our progressive approach on Phase 5 is much better and addresses our concerns in regard to the nominated Architect as the limited architectural work for the feasibility work has been tendered by our Employers Agent Airey Miller have reported that Clague Architects provided the best value for money and, of particular interest, that the incumbent architect ECD have been the most expensive.

On this basis, it is intended that Phase 5 will be sub-divided into sub-phases to accommodate programming and Councils 'approval to proceed' process following submission of a feasibility report for each site intended to be progressed to planning submission.

These sub-phases of Phase 5 will be regularly reviewed to ensure the architectural services RIBA 1-3 will be below the Official Journal of the European Union (OJEU) thresholds at each relevant stage.

It is recommended that we should seek to procure services for Phase 5 by procuring two/three tenderers from both the 'Hyde framework and ECDA (the current nominated FA Architects).

The Hyde Framework is widely used by a number of Local Authorities and Registered Housing Providers. There is a small joining fee c.£1,500 which our Employers Agent is arranging the disbursement for and which we will reimburse.

Going forward on Phase 5 the Architects tender will exclude M&E, structural and Principal Designer elements which will be procured separately.

The Architects scope will be RIBA 1-3 and based on the EFDC framework which will take precedence over the Hyde framework.

The feasibility work can continue during this period to avoid delays and it is believed there will be a much greater level of competitive tendering by a much great number of Contractors going forward.

Financial Reporting

Officers continue to work with colleagues in the Finance department to develop a more robust reporting system, particularly around cash flow.

Resource Implications:

John Cosgrave left in Feb 2021 and I have taken over as the new Service Manager.

Legal and Governance Implications:

As a consequence of Government Covid-19 Restrictions and the significant change in Planning view some delay, reprogramming and reviewing of the CHBP has occurred.

Safer, Cleaner and Greener Implications:

The continued delivery of the development housing programme will help address the antisocial behaviour issues associated with these garage sites and will reduce the opportunity for fly-tipping and thereby contribute to a Greener environment.

Consultation Undertaken:

Interdepartmental involvement has and will continue to be engaged.

Background Papers:

The Phase 4 Executive Report (Appendix 1)

Risk Management:

The Risks associated with the delivery of the current housing development programme is identified within the Executive Report attached.

Equality Analysis:

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