

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