

**Report to the Council Housebuilding
Cabinet Committee**



Report reference: CHB-007-2013/14

Date of meeting: 04 February 2014

**Epping Forest
District Council**

Portfolio: Housing – Cllr David Stallan

**Subject: Strategic Approach to the Prioritisation of Potential
Developments – Council Housebuilding Programme**

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

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That the following general strategic approach be adopted for the prioritisation of potential sites taken forward for development under the Council's Housebuilding Programme:
 - (a) Generally, over a period of time, development sites be spread around the towns/villages where sites are located, on a rotational basis, so that all locations have the benefit of affordable housing being provided in their area;
 - (b) Priority for the development of potential sites be given to areas in which the highest number of housing applicants live;
 - (c) Towns/villages with sites that could potentially deliver the greatest number of new properties be prioritised in preference to locations where less properties could be delivered; and
 - (d) If possible, development packages/phases generally comprise sites within the same town/village, in order to reduce the contractor's site set-up costs;
- (2) That, taking account of the strategic approach set out in (1) above, locations be grouped together into the following two Groups and the Priority Orders shown:

Group A (Locations with sites that could potentially deliver 10 or more homes):

<u>Priority</u>	<u>Location</u>
1	Loughton
2	Waltham Abbey
3	Epping
4	Buckhurst Hill
5	Ongar
6	North Weald

Group B (Locations with sites that could potentially deliver less than 10 homes):

<u>Priority</u>	<u>Location</u>
1	Theydon Bois
2	Nazeing
3	Roydon
4	Coppersale
5	High Ongar
6	Matching Green/Tye

- (3) That development packages/phases be formulated each year, on a rotational basis - in the Priority Order shown in Group A above - until the capacity for the potential number of homes in a location reduces to less than 10, at which point the location be moved into Group B;**
- (4) That, where less than 20 homes can be provided within a development package/phase in one of the locations within Group A above, one or more sites within Group B also be included within the development package/phase, on a rotational basis - in the Priority Order shown in Group B above - to comprise a package/phase of between 20 and 25 homes; and**
- (5) That a review of the priority orders within Groups A and B in (2) above be undertaken by the Cabinet Committee in three years' time, prior to Year 5 of the Housebuilding Programme being formulated, having regard to the same strategic approach set-out at (1) above.**

Executive Summary:

The Cabinet has previously agreed a list of potential development sites for which the Council's Development Agent would be asked to undertake detailed development and financial appraisals. Now that the Development Agent is starting to undertake development appraisals for each site, there is a need to agree a strategic approach to the prioritisation of potential sites for development.

A general strategic approach for the prioritisation of potential sites is proposed for adoption, which suggests that locations within the District be grouped together into two Groups, having regard to the Primary List of Sites previously agreed by the Cabinet and whether the locations have capacity to deliver more or less than 10 new homes, and that development packages/phases be formulated each year, on a rotational basis in an agreed Priority Order, based on the number of applicants living within each location.

Since there are various ways in which the number of potential sites within a location could increase and, as the Development Programme progresses, the number of new homes that could be provided at locations within the groups is likely to reduce - which could have an effect on the Priority Orders within both groups – it is proposed that a review of the priority orders within the two groups be undertaken in three years' time, having regard to the same proposed strategic approach.

Reasons for Proposed Decision:

There is a need to agree a strategic approach to the prioritisation of potential sites for development.

Other Options for Action:

The main alternative options appear to be:

- (a) Not to have a strategic approach – but this would mean that a high profile, high cost Council Programme would not have a strategic direction; and
- (b) To adopt a different approach to the prioritisation of sites – of which there are a myriad of alternatives.

Background

1. At its meeting in July 2012, the Cabinet agreed a list of potential development sites for which the Council's Development Agent, East Thames, would be asked to undertake detailed development and financial appraisals.

2. It was assessed at that time that, potentially, a maximum of around 225 new Council homes could be developed on the 69 Council-owned difficult-to-let and small garage sites (and some other sites) that were listed as an Appendix to the Cabinet report, based on an initial appraisal of the development potential of each site by officers. However, it was also explained that many of these sites would be problematical to develop, and that more-detailed development appraisals undertaken by East Thames would assess which ones had real development potential. Therefore, it was accepted that the number of sites and homes that could actually be developed overall was likely to be much less.

3. The Cabinet agreed a methodology for separating the sites into a "Primary List" and "Reserve List", and that detailed development and financial appraisals should only be undertaken of sites on the Primary List at this stage. The Primary List comprises:

- (a) All Garage sites with vacancy rates of 20% or more as, at 1st July 2012;
- (b) Five small areas of Council-owned land identified as having development potential; and
- (c) One garage site that has structural problems, that would be expensive to repair.

4. There are 11 sites in 6 locations on the Reserve List, that could provide a further 17 properties (maximum). The Reserve List comprises:

- (a) Small garage sites (i.e. comprising 6 or less garages), with no vacancies as at 1st July 2012, but that have been difficult to let in the past; and
- (b) All garage sites with more than 6 garages, vacancy rates of less than 20% as at 1st July 2012 and no waiting list.

5. Now that East Thames is starting to undertake development appraisals for each site, there is a need for the Cabinet Committee to agree a strategic approach to the prioritisation of potential development sites, in order to determine the order in which sites are submitted for planning permission and subsequently developed – which is the purpose of this report.

6. The Cabinet agreed that 58 potential development sites, with a maximum capacity to accommodate 211 new homes in 12 towns/villages, should be included on the Primary List. This excluded any Council-owned sites around The Broadway, Loughton that had been identified within The Broadway Design and Development Brief since, at that time, the intention was to work with a housing association to develop these sites for affordable housing.

7. The maximum number of properties that could be provided in each town/village varies significantly, from a maximum of 2 homes (High Ongar and Matching) to a maximum of 71 homes (Loughton – excluding The Broadway).

8. The Cabinet has also previously agreed that the Council Housebuilding Programme should seek to develop around 20 new homes each year, initially for a 6 year period, for which funding has been made available within the Housing Capital Programme.

9. The Cabinet Committee has already agreed that Year 1 of the Development Programme will comprise 23 potential new homes in Waltham Abbey. The reason for this was that one of the sites (the former Red Cross Hall site, Roundhills) has been allocated £90,000 funding from the Harlow Area Growth Fund, subject to a Start-on-Site being achieved by 1st August 2014. Planning permission has already been granted for one site in Year 1, comprising 9 flats, and planning applications have been submitted and are awaiting determination for the development of a further 14 new homes.

Strategic Approach

10. It is suggested that the following general strategic approach should be adopted for the prioritisation of potential sites taken forward for development:

(a) Generally, over a period of time, development of sites should be spread around the towns/villages where sites are located, so that all areas have the benefit of affordable housing being provided in their area – effectively, developments should be undertaken on a rotation basis around the District;

(b) Priority for the development of potential sites should be given to areas in which the highest number of housing applicants live;

(c) Towns/villages with sites that could potentially deliver the greatest number of new properties should be prioritised in preference to locations where less properties could be delivered; and

(d) If possible, development packages/phases (i.e. the grouping of sites into one works contract, usually undertaken each year) should generally comprise sites within the same town/village, in order to reduce the contractor's site set-up costs.

Prioritisation of Sites

11. Taking account of (b) above, the numbers of housing applicants living in each of the towns/villages where potential development sites are located has been obtained. Taking account of (c) above, it is suggested that towns/villages be grouped together into two Groups, having regard to the Primary List agreed by the Cabinet in July 2012:

Group A Comprising towns/villages with sites that could potentially deliver 10 or more new homes in total

Group B Comprising towns/villages with sites that could potentially deliver less than 10 new homes in total

12. Having regard to the proposed strategic approach and information referred to above, it is proposed that the two Groups comprise the following locations with the priority orders for developments shown, based on the number of housing applicants living in that town/village:

Group A (Capacity for 10 or more new homes)				
Priority Order	Location	No. of Housing Applicants	No. of Sites	Max. No. of Properties
1	Loughton	478	16 ^(#)	52 ^(#)
2	Waltham Abbey	472	18	71 ^(*)
3	Epping	95	5	12
4	Buckhurst Hill	80	5	23
5	Ongar	76	2	11
6	North Weald	48	2	16

(*) = Including the Year 1 sites

(#) = Excluding the sites at The Broadway

Group B (Capacity for less than 10 new homes)				
Priority Order	Location	No. of Housing Applicants	No. of Sites	Max. No. of Properties
1	Theydon Bois	19	2	5
2	Nazeing	15	2	7
3	Roydon	13	1	3
4	Coopersale	10	3	7
5	High Ongar	9	1	2
6	Matching Green/Tye	7	1	2

13. Taking account of (c) within the proposed strategic approach above, it is suggested that development packages/phases be formulated each year, on a rotational basis in the Priority Order shown in Group A, until the capacity for the potential number of homes in a location within Group A reduces to less than 10 homes, at which point it is suggested that the location be moved into Group B.

14. Furthermore, taking account of (d) within the proposed strategic approach above, it is suggested that, where less than 20 homes can be provided within a development package/phase in one of the locations in Group A, one or more sites within Group B also be included within the development package/phase, on a rotational basis in the Priority Order shown in Group B, to comprise a package/phase of between 20 and 25 homes.

15. On this basis, since Year 1 of the Programme already comprises sites in Waltham Abbey, Year 2 of the Programme would comprise site(s) in Loughton, which is why appraisals for a site in Loughton is to be considered later in the Cabinet Committee's agenda for this meeting. It is likely that this would be followed by developments in Epping and some sites from Group B in Year 3, and developments in Buckhurst Hill in Year 4.

16. At its meeting in July 2012, the Cabinet also agreed that:

- (a) Sites on the Reserve List be promoted to the Primary List, and that detailed development and financial appraisals also be undertaken for these sites by the Development Agent, if the percentage of vacant garages within the site increases to 20% or more;
- (b) Garage sites should remain on the Primary List, even if their vacancy rates fall to below 20% in the future;
- (c) Subject to the Cabinet's approval at a later date, detailed development and financial appraisals should be undertaken by the Development Agent for any other sites on the Reserve List if;

- (i) There are insufficient numbers of properties that can be viably developed from the Primary List to deliver a Housebuilding Programme of 120 new homes over a six-year period; or
 - (ii) The Cabinet subsequently decides to increase the size of the Housebuilding Programme and there are insufficient numbers of properties that can be viably developed to deliver a larger Programme
- (d) That further initial development assessments be undertaken over time by either officers or the Development Agent of:
- (i) All other garage sites comprising 6 or less garages;
 - (ii) Any further garage sites that start to have vacancies with no waiting list; and
 - (iii) Any Council-owned land on housing sites considered to be surplus to requirements.

17. A number of additional potential sites have already been identified by officers relating to (d) above, on which a report will be submitted to a future meeting of the Cabinet Committee to determine whether or not they should be added to the Primary List of sites.

18. As can be seen from (a)-(d) above, there are a number of ways in which the number of potential sites within the Primary List could increase, which could have an effect on the Priority Orders within both Group A and Group B. Furthermore, as the Development Programme progresses, the remaining number of new homes that could be provided at locations within Group A is likely to reduce. It is therefore suggested that a review of the priority orders within Groups A and B be undertaken by the Cabinet Committee in three years' time, prior to Year 5 of the Housebuilding Programme being formulated, having regard to the same strategic approach set-out within this report. It is not suggested that the review be undertaken any earlier than 3 years, to allow the Development Agent to progress the Development Programme with sites in an agreed order, without the risk of the order changing, for the foreseeable future.

Resource Implications:

The Cabinet has already agreed the required resources to deliver the Programme for the foreseeable future within the Housing Capital Programme, based on the Council's HRA Financial Plan.

Legal and Governance Implications:

It is considered good governance to adopt and follow a strategic approach to the prioritisation of sites, which has been agreed in an open and transparent way.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's Development Agent, East Thames, and their lead consultants, Pellings, have been consulted on the contents of this report and have confirmed that they support the proposed approach.

Background Papers:

None

Impact Assessments:

Risk Management

There are no material risks associated with the proposed approach. The key issue from a risk management point of view is to ensure that potential development sites have development and financial appraisals undertaken, and progressed to the planning stage, in timely and co-ordinated fashion, to ensure that the Programme is not disrupted.

The proposed strategic approach assists with this process.

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