

## **Report to the Council Housebuilding Cabinet Committee**



**Report reference:** CHB-009-2013/14  
**Date of meeting:** 04 February 2014

**Epping Forest  
District Council**

**Portfolio:** Housing – Cllr David Stallan  
**Subject:** Package (Year) Two Feasibility Report – Council House-Building Programme  
**Responsible Officer:** Paul Pledger, Asst. Director of Housing (Property) (01992 564248)  
**Democratic Services Officer:** Jackie Leither (01992 564756)

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### **Recommendations:**

(1) That the Package Two development feasibility, consisting of the former Council Depot, garage site and grassed area previously identified for possible housing development in the Broadway Regeneration Masterplan at Burton Road, Debden be considered in detail and be approved to progress to detailed planning stage, and if planning permission is received the invitation of tenders as Year 2 of the Council's House-building Programme;

(3) That it be noted that the estimated capital investment required to deliver all 25 new affordable rented Council properties in Package Two, is around £4,108,287 including fees and works;

(4) That an estimated subsidy of £1,025,000 be set aside for Package Two of the works and fees in order to achieve a pay-back of 30 years as required by the Council's Development Strategy with a positive Net Present Value (NPV); and

(3) That the Housing Portfolio Holder be authorised to submit the detailed planning application for the Burton Road development site.

### **Executive Summary:**

Taking account of the Council's Development Strategy, Design Standards and Employers Requirements, East Thames has prepared a feasibility study report for the garage site at Burton Road, Debden, Loughton. A financial viability assessment has also been undertaken for the site. In total, this single site will deliver 25 affordable Council dwellings forrent at a total estimated cost of around £4,108,287, using £1,025,000 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, 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 the schemes and develop alternative sites.
2. To amend the property sizes and types.

### **Background**

1. Attached is a feasibility study, which considers redevelopment of the Council's former Depot, garages and amenity sites in Burton Road, Debden, Loughton, which has previously been identified as a potential housing redevelopment in the Broadway Redevelopment Masterplan. This was re-affirmed, by the North Weald Airfield and Asset Management Cabinet Committee in September 2012. The site incorporates the former Housing Works Depot / Parking Administration Office.
2. Also attached as an appendix to this report is an Investment Report for the development proposals for Package Two of the works. Each of these reports needs to be read both individually and collectively as a package. These are as follows:

Appendix 1 – Feasibility Report for Burton Road, Debden.

Appendix 2 – Investment Report, Development Proposals for Package Two.

3. The Cabinet Committee's attention is drawn to the following outcomes contained within the Investment Report:
  - a. The Total Scheme Costs for Package Two is £4,108,287, made up of £3,584,838 works costs and £524,449 fees.
  - b. Overall, Package Two will deliver 25 affordable rented units.
  - c. Package Two achieves the financial target of loan repayment in Year 30, providing it receives subsidy of £1,025,000.
4. It is recommended that the Burton Road site included in Package Two be approved to proceed to detailed planning stage and the invitation of tenders, to form Year Two of the Council's House-building Programme.
5. It is further recommended that the Housing Portfolio Holder submits a detailed planning application for each site.
6. It is recommended that the £1,025,000 subsidy requirement be allocated to Package Two in order to achieve a 30-year loan repayment period.

### **Resource Implications:**

£4,108,287 from the existing Capital Programme for 2014/15 and 2015/16 inclusive of works and fees, using £1,025,000 subsidy in line with the Council's Development Strategy for the 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:**

The site being considered currently has garage blocks, rented to garage tenants, but not necessarily adjacent to the blocks. A large proportion of the site contains a former Council depot and garages which are either vacant or not used to park vehicles (Source: ECC Parking Standards) Redeveloping this former depot site, garages and amenity land will add value to and enhance the local environment and streetscape.

### **Consultation Undertaken:**

None

### **Background Papers:**

Development Strategy, Policy on Funding the House-building Programme

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