

Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-011-2013/14
Date of meeting: 04 February 2014

**Epping Forest
District Council**

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

Recommendations:

(1) That the current progress with regard to Package One, consisting of five sites in Waltham Abbey; Harveyfields, the former Red Cross site, and three sites on Roundhills Estate be noted;

(2) That the revised budget position be noted, with total scheme costs of £3,908,324 (Works & fees) for which a higher subsidy of £512,000 that previously reported is required to achieve a 30-year payback as required by the Council's Development Strategy with a positive Net Present Value (NPV); and

(3) That the updated financial information, including the revisions to the housing estimates, be noted and the amendments to the budgets be submitted to Cabinet as part the HRA Capital Programme and Revenue Account.

Executive Summary:

In July 2013, the Cabinet Committee considered feasibility studies and an investment report for Package One of the Council's House-building Programme. This report provides Members with an update on both progress to date and budget position.

Reasons for Proposed Decision:

It is a requirement that the House-Building Cabinet Committee receives regular updates on progress and monitors expenditure against the House-building budget as delegated by the Cabinet.

Other Options for Action:

1. This report is for noting only.

Background

1. Attached at Appendix 1 is an updated Investment Report for Package One consisting of five sites in Waltham Abbey; Harveyfields, the former Red Cross site, and three sites on the Roundhills Estate.

2. The Cabinet Committee's attention is drawn to the following updated information contained within the Investment Report:
 - a. The revised Total Scheme Costs for Package One is now £3,908,324 (Works & Fees).
 - b. Overall, Package One will now deliver 23 affordable rented units, with Site 5, consisting of 2 x three-bed houses, being withdrawn so that a "Right of Way" issue can be resolved.
 - c. Package One achieves the financial target of loan repayment in Year 30, providing it receives subsidy of £512,000. This has increased from £425,000 mainly due to Caretaking and Grounds Maintenance costs now being included.
3. The updated cash flow shows reductions of £130,000 and £705,000 in 2013/14 and 2014/15 respectively, relative to the figures approved as part of the Capital Programme on 2 December 2013. This represents: transfers of £77,000 and £63,000 in 2013/14 and 2014/15 respectively to the HRA Revenue Account for feasibility works; and carry forwards of £53,000 and £642,000 from 2013/14 and 2014/15 to future years for slippage on construction works.

Resource Implications:

A revised total scheme cost of £3,908,324 for Package One from the existing Capital Programme for 2013/14 and 2014/15 inclusive of works and fees, using £512,000 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 monitor both progress and budgets for the House-building programme.

Safer, Cleaner and Greener Implications:

Redeveloping under-utilised garages adds value to and enhances the local environment and streetscape.

Consultation Undertaken:

Residents of Harveyfields and the Roundhills estate in Waltham Abbey have been consulted, through the Town and County Planning Act consultation process.

Background Papers:

Development Strategy, Feasibility and Investment Report for Package One, considered by the Cabinet Committee in July 2013

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