

<b>Report to</b>	<b>Council Housebuilding Cabinet Committee</b>
<b>Date</b>	<b>14<sup>th</sup> January 2014</b>

<b>Subject</b>	<b>Package One Update</b>
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<b>1.0</b>	<b>Executive Summary</b>
1.1	This report provides an update for phase 1 of the Council House Building Programme.
1.2	Planning applications have been submitted for all sites in phase 1, consisting of five sites in Waltham Abbey; Harveyfields, the Former Red Cross site, and three sites on the Roundhills estate. Permission was granted for the Harveyfields scheme, and the remaining sites will be determined by the planning committee meeting on 26 <sup>th</sup> February 2014. The application for site 5 for 2 houses on the Roundhills estate has been withdrawn due to legal issues to be resolved.
1.3	Conversion works for a scheme in Chigwell Row has been added to phase one. Planning permission has been granted for the conversion of the 20 unit bed-sit scheme in Marden Close in Chigwell Row to 10 x one bed units. An application for the conversion of the ground floor of the Faversham Hall to two x one bed units will be determined by 21 <sup>st</sup> January 2014.
1.4	The total scheme cost for Package One is £4,046,851 of which £333,252 is fees and £3,713,599 is works. This achieves on both, a consolidated and on an individual basis a loan repayment in Year 30, with a subsidy of £512,000 to achieve this target.
1.5	Rents are based on the Council's Affordable Rents Policy. A Rent Cap has been applied of £180 per week for all the 3 bed houses. Rents for one bed flats of £119.58 and for two bed flats of £165.58 are based on market rents of £650 and £900 per month respectively.
<b>2.0</b>	<b>Update</b>
2.1	Planning permission was granted for the Harveyfield scheme on 20 <sup>th</sup> November 2013, permission was also granted for the conversion works in Marden Close, Chigwell.
2.2	Applications have been submitted for the remaining sites in package one, the Redcross site and sites 4, 5 and 7 on the Roundhills estates. These applications will

be determined at the Planning Committee meeting on 26<sup>th</sup> February 2014. The application for site 5 on the Roundhills scheme has been withdrawn. A rights of way issue requires to be resolved before the scheme can be considered by the planning committee.

- 2.3 A late change in unit mix has been made as a result of compliance with the requirements of the Environment Agency. Two number two bed units have been changed to one bed units in order to provide a habitable room on the first floor. The Environment Agency requests that residents should be able to withdraw to the first floor in case the area is flooded.
- 2.4 The financial results of phase one have changed due to the inclusion of a service costs on the Harveyfields scheme for cleaning of the common parts of £600 per annum and ground maintenance of £200 per annum for a single three storey block. The construction programme has also been updated with a Start on site date of May 2014 and a Practical Completion date of May 2015.
- 2.5 Package 1 achieves the financial target of loan repayment in Year 30 with a subsidy of £512,000 or £22,260 per unit. The changes to the programme have resulted in small changes to the Scheme Works Costs and On costs. On a consolidated basis the schemes provide a positive Net Present Value (NPV) of £17,530 over the appraisal period of 30 years.
- 2.6 Average grant rates of £20,000 per unit for rented units have been agreed by the Homes and Communities Agency for Epping Forest District Council in the 11-14 Affordable Housing Programme. Grant rates in this region can be expected again but the HCA is looking for considerable savings.

## **Appendix**

### 1, Financial appraisal consolidation phase 1