

## **Report to Stronger Place Select Committee**

**Date of meeting: 9 December 2019**



**Portfolio:** Housing & Property Services (Councillor H. Whitbread)

**Subject:** Council Housebuilding Programme – Progress Report

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### **Recommendations/Decisions Required:**

**That the Committee note current progress with regard to Phases 4-6 of the Councils housebuilding programme.**

### **Executive Summary:**

The reports sets out the progress that has been made across Phase 4 of the housebuilding programme, that have either completed, are on site and are currently being procured. Since the programme began, a total of 91 new homes for affordable rent have been completed and 16 units are still in progress from Phases 1-3 of the programme. A further 72 units are expected to be delivered under Phase 4. An update on our approach to phase 5 and 6 will be provided within this report. The report also updates the committee on any outstanding actions from the previous report (CHB-01-2019/20), specifically lessons learnt from internal audit activity and recommended actions taken.

### **Other Options for Action:**

This report is on the progress made over the last 12 months and is for noting purposes only. There are no other options for action.

### **Report:**

1. Delays on two sites within Phases 2 and 3 have been encountered. An update on these has been provided as follows:

#### **Phase 2**

##### **Burton Road, Loughton**

15 x 3 Bed Houses, 2 x 2 Bed Houses, 23 x 2 Bed Flats & 11 x 1 x Bed Flats = 51 Properties.

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Burton Road, Loughton	Mulalley	23:02:16	104 Wks	26:02:18
Latest Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
30:11:19	94 Wks.	£9,847,179	£11,136,704	£1,289,525 (13.1%)

2. 6 units are still awaiting handover, this is due to the contractor receiving two differing proposed gas supply pipe laying plans. The Contractor is currently in negotiations with the Utility company to enable the remaining units to be connected. We have estimated handovers by the end of December.

### Phase 3

#### Queens Road, North Weald

10 x 3 Bed Houses & 2 x 2 Bed Houses

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Queens Road	Storm Bld.	07:01:19	83 Wks	07:08:20
Actual Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
07:08:20	Nil Wks	£2,470,493	£2,778,115	£306,697 (12.4%)

3. This development is behind programme and has encountered delays due to the discovery of asbestos and new road and sub-station works. Completion is estimated by August 2020.

### Methodology Reengineering

4. Following work undertaken by Internal Audit in February 2019, a decision was made that it would be prudent to reevaluate the approach to the programme. Several changes were made to improve the delivery of the programme. Changes have now been implemented and imbedded. These will drive efficiencies and improve delivery times and include:
  - internal resources – A development manager with has been appointed to take the lead and hold responsibility for delivery;
  - procurement and Contracting - A new Employers Agent has been appointed together with a Principal Architect to procure the Contracted Works with the aim of reducing cost and delivery variation;
  - programme packages – Sites are now costed individually, this will drive an improved delivery time. The previous way of packaging sites (multiple sites in each phase) led to the whole phase being delayed if an issue was found on one specific site;
  - internal process – We have reviewed the financial reporting and have implemented an updated reporting system to further support the budget process. This would enable site-specific reports as opposed to phase reporting in addition to a rolling 13-month cashflow;
  - executive and management reporting – Our Employers Agent has been instructed to supply an Executive Summary and Management Report. This will provide an overview on the status and performance of the programme for the Strategic Leadership Team and Members. In addition, the Management Report focuses upon site by site issues to assist the development team's management of the programme

### Phase 4

- The full detailed progress report on phase 4 is attached (appendix 1). In phase 4 it is intended to deliver a further 72 properties, over 5 Packages. A summary of progress is as follows:

### Package 1

- Having implemented the changes to our methodology the first group of sites has now been tendered. A report to approve the contract awards for Phase 4 (Package 1) will be submitted to the Council Housebuilding Cabinet Committee (CHBCC). This forms the first group of 4 packages, to deliver 14 properties, within Phase 4 which will be capable of a start on site early in the new year following completion of the contract and subject to approval by CHBCC.

Site	Units
Chequers Road (Loughton)	3
Bushfields (Loughton)	2
Chester Road (Loughton)	3
Queensway (Ongar)	4
Millfield	2

### Package 2

- The second group of sites comprising Package 2 of Phase 4 comprising of 3 properties at Hornbeam Close Site B, 2 properties at Hornbeam House, and 2 properties at Bourne House, Buckhurst Hill, Package 5 – consisting of 3 properties at Etheridge Road, Debden, Package 6 - consisting of 3 properties at Denny Avenue, Waltham Abbey, and 5 properties at Beechfield Walk, Waltham Abbey, totalling 18 Properties, are anticipated to be out for Tender in December 2019, and a Tender Report to be available in May 2020 with an anticipated site start in July 2020.
- Demolition is currently being carried out on Etheridge Road, Debden - from 4/11/19 to 25/11/19, Hornbeam Close Site B from 25/11/19 to 16/12/19, Hornbeam House from 16/12/19 to 20/01/20 and Bourne House, Buckhurst Hill from 20/01/20 to 10/02/20. Once completed and cleared we will hoard and install appropriate signage.
- The site at Whitehills Road, Loughton is to be sold at auction. Further details can be found in C-010-2019/20. The legal pack and technical information is currently being compiled.

### Package 3

- Lower Alderton Hall Lane, Loughton is currently awaiting planning consent subject a Section 106 relating to Natural England's Air Quality. A number of other sites in Phase 4 are being reassessed (following our methodology reengineering) to ensure value for money and best use of council land. These include Wollard Street, Pentlow Way, Buckhurst Hill, Kirby Close, Loughton and Chequers Road. An update on these sites will be presented to the next meeting of the Council Housebuilding Cabinet Committee.

#### **Package 4**

11. Preliminary work on package 4 is yet to commence. An update will be provided at the next meeting of the Committee.

#### **Phase 5 & 6**

12. Following our change in methodology we are commencing a review of other potential EFDC controlled sites. The aim of this exercise is to either build out or sell to raise capital to purchase larger sites. Appropriately 40 sites have already been identified following a review several years ago. Once these potential sites have been assessed these will be reported upon in due course
13. In addition to these sites we have been introduced to several potential development opportunities in third party control that are currently being investigated, with a view to the Council possibly acquiring these. The sites are larger and have the potential to provide 22 units. When the detail of the potential deals is clarified these will be reported upon in due course.

#### **Resource Implications:**

With these objectives in mind I am pleased to advise that a 'Housing Development Officer' has been appointed to assist in the technical coordination of the Development Housing Programme and an 'Interim Legal officer' has been appointed to focus upon and resolve all outstanding Rights of Way/Access issues. Also, an 'Interim Development Surveyor' has been appointed to assist in the potential new site review to help speed up the development housing delivery process.

Within the proposed Housing Development Structure there are two further 'Housing Development Officer' roles currently vacant and this will be reviewed going forward.

#### **Legal and Governance Implications:**

There are no current anticipated Legal and Governance implications of merit at the time of writing this report.

#### **Safer, Cleaner and Greener Implications:**

The continued delivery of the development housing programme will help address the antisocial behaviour issues associated with these garage sites and will reduce the opportunity for fly tipping and thereby contribute to a Greener environment.

#### **Consultation Undertaken:**

Inter departmental involvement has and will continue be engaged.

#### **Background Papers:**

The Management Report will be available for inspection at the CHBCC meeting.

#### **Risk Management:**

The Risks associated with the delivery of the current housing development programme is identified within the Executive Report attached.

**Equality Analysis:**

The Equality Act 2010 requires that the Public-Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to this report.