

**Report to the Council Housebuilding
Cabinet Committee**



Report reference: CHB-006-2019/20
Date of meeting: 19 December 2019

**Epping Forest
District Council**

Portfolio: Housing and Property Services – Councillor H Whitbread

Subject: Progress Report

Responsible Officer: Deborah Fenton (01992 564221)

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

That the contents of this Progress Report on Phases 4 to 6 of the Council House Building Programme be noted and presented to the Cabinet in line with the Terms of Reference of the Council Housebuilding Cabinet Committee.

Executive Summary:

The reports sets out progress that has been made across phase 4 of the Housebuilding programme that has 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. Sixteen units are still in progress from phases 1-3. A further 72 units are expected to be delivered under phase 4. An update on our approach to phases 5 and 6 will be provided within this report.

Furthermore, the report updates Committee on any outstanding actions from the previous report (CHB-01-2019/20) specifically lessons from the internal audit and recommended actions taken.

Reasons for Proposed Decision:

To be noted and presented to the Cabinet in line with the Terms of Reference of the Council Housebuilding Cabinet Committee.

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:

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	Mulley	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%)

Six 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 to 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%)

This development is behind programme and has encountered delays due to the discovery of asbestos, and a new road & sub-station. We have estimated completion by August 2020.

Methodology Reengineering

1. Following the Audit (Feb 19), a decision was made that it would be prudent to re-evaluate our approach to the programme. Several changes were made to improve the delivery of the programme. Changes have now been implemented and embedded. This will drive efficiencies and improve delivery times.
 - a. Internal resources – A development manager has been employed to take the lead and hold responsibility for delivery.
 - b. 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.
 - c. 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.
 - d. Internal processes – We have reviewed the financial reporting and have implemented an updated reporting system to support the budget process further. This would enable site-specific reports as appose to phase reporting in addition to a rolling 13-month cash flow.
 - e. Executive and management reporting – Our Employers Agent has been instructed to supply an Executive Summary and Management Report. This will provide an overview for the Strategic Leadership Team and Members. In addition, the Management Report focuses upon the site by site issues to assist the development team's management of the programme.

Phase 4

1. Having implemented the changes to our methodology, the first group of sites has now been tendered. A report on the Competitive Tender will be submitted as a separate report to the Council Housebuilding Committee. This forms the first group of 5 sites, to deliver 14 properties, within the 4th phase which will be capable of a start on site early in the New Year following completion of the contract, and subject to approval by Committee.

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

2. The second group of sites comprising Packages 4, 5 and 6 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.
3. 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.
4. The site at Whitehills Road, Loughton is to be sold at Auction. Further details can be found in the Portfolio Holders Report (**C-010-2019/20**). The Legal pack and technical information is currently being compiled.
5. Lower Alderton Hall Lane, Loughton is currently awaiting planning consent subject a Section 106 relating to Natural England's Air Quality. Several other sites in phase 4 are being reassessed (following our methodology reengineering) to ensure value for money and best use of council land. These included Wollard Street, Pentlow Way, Buckhurst Hill, Chequers Road (B). An update on these sites will be presented at the next CHBCC.

Phases 5 & 6

6. Following our change in the methodology, we are commencing a review of other potential EFDC controlled sites. This exercise aims to either build-out or sell to raise capital to purchase larger sites. Approximately 40 sites have already been identified following a review several years ago. Once these potential sites have been assessed progress will be reported to CHBCC.
7. In addition to the above, we have been introduced to several potential development opportunities in third party control. These are currently being investigated with a view to the Council possibly acquiring these. The sites are larger and have the potential to provide an

additional 22 units. Once these potential sites have been assessed progress will be reported to CHBCC.

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:

Interdepartmental involvement has and will continue to 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.