

Report to the Council Committee – Stronger Place



Date of Meeting: 9 July 2020

Portfolio: Housing and Community Services – Councillor H Whitbread

Subject: Council Housebuilding Progress Report – Phases 2 - 4

**Responsible Officer: Deborah Fenton (01992 564221)
Service Manager**

Democratic Services: V Messenger (01992 564265)

Recommendations/Decisions Required:

- (1) That the contents of this Progress Report on Phases 2 to 4 of the Council Housebuilding Programme be noted and presented to the Stronger Place Select Committee.**

Executive Summary:

This report sets out the progress that has been made across phases 2 to 4 of the House Building programme that has either completed, are on-site and are currently being procured. An update on previous phases 2 and 3 has also been provided. In Phase 4, 14 units (package 4.1) have been tendered and were approved at the CHBCC on 19th December 2019, contracts have been signed and the start on site dates are included in this report. 22 units (package 4.2) have been tendered and will be reported at the CHBCC meeting in September 2020. 21 units (package 4.3) are being progressed for tender and reporting to the CHBCC. Package 4.4 which is 27 units (an additional 12 units) are being technically progressed (in anticipation of planning submission and tender). An update on our approach to phases 5 will be provided within this report.

Reasons for Proposed Decision:

This report sets out the progress made over the last 12 months, and is presented to Committee as an update on the programme

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.

The Report:

Work has begun on phase 4 of our programme. An update on these and a brief update on our outstanding properties from early phases can be found below:

Phase 2

Burton Road, Loughton: HR107

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
19:03:20	105 Wks	£9,847,179	£10,875,997	£1,028,818 (10.5%)

The handover of the remaining 6 units occurred 19th March 2020. (Delayed due to a Gas supply issue). There remains 2.5% retention of £271,899.

Phases 3

Queens Road, North Weald: HR116

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
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
30:09:20	6 Wks	£2,470,493	£2,867,376	£396,883 (16%)

The original start was delayed due to the discovery of asbestos and a new road and sub-station works.

As at the last Valuation, the contractor was c.4 weeks behind our updated timelines due to service utility delays. In addition, there has been Government Restrictions in place, relating to Covid-19 which will inevitably result in further potential delays. This is yet to be assessed and agreed and will be reported once known albeit the contractor has endeavoured to continue to carryout work on site within the Governments Guidelines.

Phase 4.1 – Comprising: -

		Latest Anticipated Start on Site	Handover	
Chequers Road (A), Loughton	: HR 124	3 x units	29:06:20	29:06:21
Bushfields, Loughton	: HR 122	2 x units	29:06:20	29:06:21
Chester Road, Loughton	: HR 130	3 x units	03:08:20	29:06:21
Queensway, Ongar	: HR 140	4 x units	07:09:20	29:06:21
Millfield, Ongar	: HR 138	2 x units	07:09:20	29:06:21
Totalling		14 units		

Contracts have been signed and the pre-design work has continued to be progressed within the Government Guidelines and restrictions with the aim of minimising any delay to the commence on site. A staggered start on site is to be made to assist with compliance with the new working arrangements notwithstanding that it is currently anticipated all handovers will occur by the end of June 2021.

	Fees	Build Costs	Cont.	Sub Total	Pre-Demo.
Chequers Road (A)	: 114,966	838,963	40,000	993,929	48,275
Bushfields	: 93,839	526,518	30,000	650,357	39,050
Chester Road	: 105,350	747,395	40,000	892,745	16,922
Queensway	: 116,390	914,925	49,594	1,080,909	77,639
Millfield	: 92,076	458,001	30,000	580,077	17,024

Please note there are currently known additional development costs to be included in the above i.e.: -

- 1) £1,856.25 for each site for carrying out Title/Surveyed Boundary checks;
- 2) The additional drainage costs to mitigate water logging experienced on previous sites; and
- 3) Potential savings in actual boundary fence and wall treatments anticipated at tender stage.

We have also adopted the principal of providing a 'Contingency' allowance to reflect anticipated cost elements which were not specifically known at the time of tender but for which expenditure is anticipated. This will assist in managing the cost fluctuations that occur during the development delivery period.

Rights of Way/Access compensation payments are being concluded for which formal valuations are currently awaited, following which these will be included and reported upon going forward.

Phase 4.2 – Comprising: -		Latest Anticipated Start on Site	Handover
Hornbeam Road (B) Buckhurst Hill:	HR 136	3 x units	12:07:20
Hornbeam House , Buckhurst Hill:	HR 137	2 x units,	12:07:20
Bourne House , Buckhurst Hill:	HR 135	2 x units,	12:07:20
Etheridge Road , Debden:	HR 127	3 x units,	12:07:20
Denny Avenue , Waltham Abbey:	HR 144	3 x units,	12:07:20
Beechfield Walk , Waltham Abbey:	HR 147	5 x units,	12:07:20
Kirby Close , Loughton:	HR 120	4 x units,	12:07:20
Total		22 units	

Subject to the acceptance by the Cabinet of this the latest anticipated Start on Site and Handover dates which are given above.

The latest pre-tender cost estimates were: -

	Fees	Build Costs	Cont.	Sub Total	Pre-Demo.
Hornbeam Road (B):	101,311	972,800	107,411	1,181,522	22,699
Hornbeam House:	82,252	596,885	67,914	747,051	33,610
Bourne House:	82,470	646,400	72,887	801,757	38,410
Etheridge Road:	109,938	976,925	108,686	1,195,549	30,157
Denny Avenue:	91,783	858,800	95,058	1,045,641	48,508
Beechfield Walk:	101,852	1,297,200	139,905	1,538,957	35,705
Kirby Close:	99,029	1,107,004	120,603	1,326,636	6,184

These sites have now been tendered and are the subject of a 'Tender Report' to the Council's House Building Cabinet Committee recommending acceptance of the submitted quotation. The difference between the pre-tendered cost estimate and the tendered prices are as follows:

	Latest Pre-Tender Cost Estimate	Latest Tender Price	Difference
Hornbeam Road (B):	972,800	796,102	(176,698)
Hornbeam House:	596,885	643,764	46,879
Bourne House:	646,400	720,149	73,749
Etheridge Road:	976,925	1,173,281	196,356
Denny Avenue:	858,800	860,640	1,840
Beechfield Walk:	1,297,200	1,115,482	(181,718)
Kirby Close:	1,107,004	1,085,101	(21,903)
	6,456,014	6,394,519	(61,495)

Phase 4.3 - Comprising: -

Pick Hill , Waltham Abbey:	HR145	2 x units
Pentlow Way , Buckhurst Hill:	HR139	7 x units
Bromefield Court , Waltham Abbey:	HR143	1 x unit
Shingle Court , Waltham Abbey:	HR147	1 x unit
Stoneyshotts , Waltham Abbey:	HR148	1 x unit
Woollard Street , Waltham Abbey:	HR149	8 x units
Wrangley Court , Waltham Abbey:	HR161	1 x unit
Total		21 units

These sites are currently anticipated to be issued for tender by the end of June 2020 with aim of making a Start on Site in November 2020 and Handover by November 2021/March 2022.

Notwithstanding the current Government restrictions there has been good progress made in these difficult circumstances to continue to progress due diligence and work towards completing the design to minimise any further potential delays.

Pick Hill

Demolition/hoarding and securing of site was completed in February 2020.

A traffic management survey and plan are being procured in advance of tender and contract signing.

Drainage surveys are underway and landscape design to be completed.

Pentlow Way

The design has been finalised and is awaiting to be submitted as a None Material Application to seek approval to minor changes necessitated by Electricity Substation relocation and access requirements and drainage build over design.

Improved refuse and central landscaping improvements will be provided to existing public open space.

Thatchers Close

Has been included in the Phase 4.4 group of sites as it is awaiting planning consent delayed due to the outstanding Local Plan and SAC issues.

Woollard Street

The design has been finalised and has resulted in a reduction of one less unit due the consented design not being deliverable within the constraint of the ridge height limitation. This is now awaiting the submission of a None Material Application to seek approval to the resultant minor changes.

Bromefield Court, Shingle Court, Stoneyshotts, and Wrangley Court

These are single unit sites and due diligence is underway in order to advance to tender by the end of June 2020.

Phase 4.4 – Comprising: -

Chequers Road (B) , Loughton:	8 x units
Ladyfields , Loughton:	16 x units
Lower Alderton Hall Lane , Loughton:	2 x units
Thatchers Close , Loughton:	1 x unit
Total	27 units

The above now reflects a potential increase in affordable units of 12 over what has previously been forecasted and approved.

Chequers Road (B)

Previously designed for 5 x 3 bed houses this has now been the subject of a detailed design review resulting in a revised proposal for 4 x 2 Bed and 4 x 3 Bed flats to better respond to the latest housing need demand thereby generating an additional 3 units.

Also of note in response to the Councils Climate Emergency pledge on 19th September 2019, “to do everything within the Councils power to make Epping Forest District Council area carbon neutral by 2030” we are currently carrying out a review of the construction proposals with the aim of moving closer to achieving a ‘Passivehaus’ standard by incorporating the ‘Passivehaus’ principals within the massing and fabric design which will go a great way towards achieving the Councils stated aim.

Ladyfields

As with Chequers Road above this site has also been the subject of detailed design review, given its close proximity to the TFL train station. This has resulted in a potential increase in the affordable unit delivery of 16 units, delivering a mix of 1 x Bed, 2 x Bed and 3 x Bed units. This was significantly more than the previously approved 6 x 3 Bed units. We are also currently carrying out a review of the construction proposals with the aim of moving closer to achieving a ‘Passivehaus’ standard by incorporating the ‘Passivehaus’ principals within the massing and fabric design which will go a great way towards achieving the Councils stated aim.

Lower Alderton Hall Drive and Thatchers Close

Both these sites are awaiting consent and have been delayed by the Local Plan and SAC issues which it is hoped will be resolved soon.

Given the progress now made it is currently anticipated these sites will be issued for tender in September 2020 to achieve (subject to planning being granted) a potential Start on Site in January 2020 for Handover in c January/March 2022.

Phase 5 +

A detailed review is nearing conclusion to identify several potential sites which may be progressed for future development. This will involve engagement with Local Councillors to discuss and address local issues that these development sites may progress.

Once these have progressed sufficiently and have been initially assessed, a Feasibility Report will be presented to CHBCC for consent to proceed and progress to the planning application and delivery stage.

The Rights of Way/Access issues stemming from the Appropriation process are being addressed in line with the phased programme. A policy is being developed to ensure a fair and consistent approach is being taken.

Financial update

Officers continue to work with colleagues in the Finance department to develop a more robust reporting system, particularly around cash flow. The report provides an updated oversight of the costs to be incurred by EFDC.

Resource Implications:

There is currently a Housing Development Officer role vacant, and this position 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:

N/A

Risk Management:

The Risks associated with the delivery of the current housing development programme is identified within this report. The Executive Report (Reference no: CHB-001-2020/21) for the Council Housebuilding Cabinet Committee meeting of 23 June 2020 is also available to view at the weblink below:

<https://rds.eppingforestdc.gov.uk/documents/g10475/Public%20reports%20pack%2023rd-Jun-2020%2019.00%20Council%20Housebuilding%20Cabinet%20Committee.pdf?T=10>

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 consideration of this report. The equality information accompanying report CHB-001-2020/21 is also provided at the above weblink.