

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-007-2020/21
Date of meeting: 08 September 2020

Portfolio: Housing and Community Services – Cllr H Whitbread

Subject: Council House Building Progress Report – Phases 2-4

Responsible Officer: Deborah Fenton (01992 564221)

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That the contents of this Progress Report on Phases 3 to 4 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:

This report sets out the progress that has been made across phases 3 to 4 of the Housebuilding programme that has either completed, are on-site and are currently being procured. An update on phase 3 has also been provided. In Phase 4, 14 units (package 4.1) have been tendered and were approved at CHBCC on 19th December, contracts have been signed and start on site dates are included in this report. 22 units (package 4.2) have been tendered and will be reported on during the CHBCC meeting in July. 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 phase 5 will be provided within this report.

Reasons for Proposed Decision:

Set out in its Terms of Reference, the Council House Building Cabinet Committee is to monitor and report to the Council on an annual basis progress and expenditure concerning the Council House Building Programme. This report sets out the progress made over the last 12 months.

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:

Phase 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	£2,816,876	£346,383 (14%)

As at the last Valuation the contractor was granted an extension of time of 5 weeks due to utility delays which do not at yet attract an extra cost claim. However, they are also approximately a further 8 to 10 weeks behind due to Government Restrictions in place relating to Corvid19 and the consequential effect on the supply chain. There are no cost claim details submitted at this time.

The Current anticipated final account is anticipated to be c£ 2,850,000

Phase 4

Phase 4.1 – Contracted.

Programmed SoS - Weeks - Handover

Chequers Road (A), Loughton : HR 124	3 x 3B units	31:07:20	56	27:08:21
Bushfields, Loughton : HR 122	2 x 2B units	13:07:20	56	13:08:21
Chester Road, Loughton : HR 130	3 x 2B units	07:09:20	53	13:09:21
Queensway, Ongar : HR 140	4 x 1B units	12:10:20	58	26:11:21
Millfield, Ongar : HR 138	2 x 1B units	12:10:20	58	26:11:21
Totalling	14 units			

The Programmed Start on Site activity has now occurred on Chequers Rd (A) and Bushfields with the others to follow shortly. Pre-commencement variations (including the additional works to further address recent rear garden water logging issues on earlier phases) are in the process of being agreed and boundary treatments and drainage outfalls are being reviewed. Non Material and Material Amendment Applications are due to be submitted on the 18th August.

Some Asbestos has been found under the slab at Chequers Rd (A) and a small area of potential ground contamination has been found at Bushfields, the cost of which is anticipated to be within the allowed contingency. Pre-design work is continuing and once finalised if any further None Material/Material Amendment Applications are required they will be submitted by the Contractor who is continuing to make progress within the Government Guidelines and restrictions with the aim of minimising any delays.

The figures below in bold are the latest and set out the movement compared with the figures previously reported. This is down to several issues but mainly the adjustment in contract value following the Contractor Design and Build exercise and the associated drainage costs reported up on previously. Please note there remains a total contingency figure of £128,042.

	Fees	Build Costs	Cont.	Sub Total	Pre-Demo.	Variation
Chequers Rd (A) : 114,966	838,963	40,000	993,929	48,275		
114,164	857,246	28,089	999,499			+5,570
Bushfields : 93,839	526,518	30,000	650,357	39,050		
91,739	544,936	20,003	656,678			+ 6,321
Chester Road : 105,350	747,395	40,000	892,745	16,922		
104,115	788,462	20,331	912,908			+20,163
Queensway : 116,390	914,925	49,594	1,080,909	77,639		
114,415	934,483	35,780	1,084,678			+3,769
Millfield : 92,076	458,001	30,000	580,077	17,024		
90,662	476,284	23,839	590,785.			+10,708

Phase 4.2 – Comprising: -

Latest Anticipated Possession

SoS

Hornbeam Close (B) Buckhurst Hill:	HR 136	3 x units	14:09:20	26:10:20
Hornbeam House , Buckhurst Hill:	HR 137	2 x units,	14:09:20	26:10:20
Bourne House , Buckhurst Hill:	HR 135	2 x units,	14:09:20	26:10:20
Etheridge Road , Debden:	HR 127	3 x units,	14:09:20	26:10:20
Denny Avenue , Waltham Abbey:	HR 144	3 x units,	14:09:20	26:10:20
Beechfield Walk , Waltham Abbey:	HR 147	5 x units,	14:09:20	26:10:20
Kirby Close , Loughton:	HR 120	4 x units,	14:09:20	26:10:20
Total		22 units		

During a recent pre-commencement meeting the anticipated possession dates and initial start on site dates were presented subject to a further period of c2 – 3 weeks to allow for a staggered start on site. These will be confirmed closure to the time.

The Tender Report for the 4.2 group of sites was submitted and approved at the previous CHBCC meeting and the tender price of £2,160,015 and £4,234,504 totalling £6,394,519 was accepted with completion some c52 weeks following the actual Start on Site.

The Contractor Indecom Limited, is currently engaged carrying out their Design & Build responsibilities and the Contract is being finalised for signing.

As reported previously for good order - The tender breakdown is listed below:-

	Latest Pre-Tender Cost Estimate	Latest Tender Price	Difference
Contract 1:			
Hornbeam Close (B):	972,800	796,102	(176,698)
Hornbeam House:	596,885	643,764	46,879
Bourne House:	646,400	720,149	73,749
Contract 2:			
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)

Non Material and Material Applications are being prepared for submission to address any and all know changes that have occurred since the original consent was granted for the various sites.

It must be remembered that 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 designs so as to minimise any further potential delays.

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
Stoneyshots , 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 have been recently tendered and are now being analysed and will be reported upon in the form of a further Tender Report which will be presented at the next forthcoming CHBCC.

Initial indications are that tender price is likely to be just below the Cost Consultants latest forecast.

Due to significant design changes which were necessary to Pentlow Way, Woollard Street these will be resubmitted for Planning consent.

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

Due to significant design changes and scheme improvements reported previously Chequers Road (B) will be resubmitted for Planning Consent as will Ladyfields. These will both be designed to 'Passivehaus' standard 'Fabirc First' and Ladyfileds will be designed and build to the full 'Passivehaus' Standard incorporating 'Air Source Heat Pump and Heat Recovery System' as a positive response to Councils Climate Emergency and will enable fields tests and experience to be gained to better inform the Councils future decision making.

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.

It should be noted that a potentially significant change in Planning view has been raised which may considerably affect the CHBP for which further clarification is being sought. The programme is continuing albeit 'at risk'.

In summary to date these total 84 properties for Phase 4 and therefore now reflects a potential increase in affordable units of 12 extra properties (16.6%) over what has previously been forecasted and approved.

Phase 5 +

Further to this previous report a Draft Policy Paper – A New Approach for Phase 5, has been produced for presentation regarding the potential change in approach going forward to that previously taken by seeking earlier community engagement. This is set out in more detail in the Draft Policy document.

Financial Reporting

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.

A Executive update is available in appendix 1

Further to this, officers are in the process of purchasing ProVal which is a financial modelling tool. This will enable the team to produce desk to appraisals and produce reports which will highlight the financial viability

Resource Implications:

There is currently a Housing Development Officer role vacant, and this position is currently being recruited to.

Legal and Governance Implications:

As mentioned, it should be noted that a potentially significant change in Planning view has been raised which may considerably affect the CHBP for which further clarification is being sought. The programme is continuing albeit 'at risk'.

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 Executive Report is attached to this report (appendix 1).

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.