

Supplementary Cabinet Agenda



**Epping Forest
District Council**

Cabinet Thursday, 6th September, 2018

Place: Council Chamber, Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services: A. Hendry (Democratic Services)
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16. ANY OTHER BUSINESS (Pages 3 - 8)

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 24 of the Council Procedure Rules contained in the Constitution requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

- (a) **Please find attached the minutes from the last Council Housebuilding Cabinet Committee meeting held on 30 August 2018.**

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Thursday, 30 August 2018
Committee

Place: Council Chamber, Civic Offices, **Time:** 7.00 - 8.10 pm
High Street, Epping

Members Present: S Stavrou (Chairman), S Kane, G Mohindra, J Philip and A Lion

Other Councillors: R Morgan, M Owen and C C Pond

Apologies: N Avey

Officers Present: A Hall (Director of Communities), P Pledger (Assistant Director (Housing Property & Development)), M Rudgyard (Housing Development Manager), J Leither (Democratic Services Officer) and J Bell (Senior Accountant)

1. WEBCASTING INTRODUCTION

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet and that the Council had adopted a protocol for the webcasting of its meetings.

2. SUBSTITUTE MEMBERS

The Cabinet Committee noted that Councillor A Lion would substitute for Councillor N Avey at the meeting.

3. DECLARATIONS OF INTEREST

Pursuant to the Council's Code of Member Conduct, Councillor G Mohindra declared a personal interest in Agenda Item 7, by virtue of being the Essex County Council Cabinet Member for Economic Development. The Councillor had determined that his interest was non-pecuniary and that he would remain in the meeting for the consideration of the item.

4. MINUTES

That the minutes of the meeting held on 5 April 2018 be taken as read and signed by the Chairman as a correct record subject to an error in minute item 28, Substitute Members. It was recorded that Councillor C Whitbread would substitute for Councillor G Mohindra, who was present at the meeting and that it was Councillor Breare-Hall who had given apologies.

5. CHANGE OF ORDER

The Chairman advised the Cabinet Committee that Item 8, Any Other Business would be moved to incorporate a verbal report from the Assistant Director (Housing

Property & Development) with an update on the recent fire at Burton Road, Loughton.

6. ANY OTHER BUSINESS

That, as agreed by the Chairman of the Cabinet Committee and in accordance with Section 100B(4)(b) of the Local Government Act 1972, the following items of urgent business be considered following the publication of the agenda:

- Burton Road, Loughton – Fire update.

7. BURTON ROAD, LOUGHTON - FIRE UPDATE

The Assistant Director (Housing Property & Development) updated the Cabinet Committee on the recent fire that had occurred at the Burton Road, Loughton Phase 2 development of the Council Housebuilding development. He stated that no report from the contractor had yet been received with regard to how the fire started.

He advised the Cabinet Committee that he was the first Officer from EFDC on the scene and the fire had looked more serious than it was. Six fire appliances attended from Essex and London. The reported explosions on site were thought to be fire extinguishers and it was known that there were gas bottles also on the site, which did not explode, and because of this the Police and Firefighters worked together to clear the area swiftly and it was reported that there were no casualties.

Burton Road was a development of 51 units, comprising of 17 town houses and 34 apartments. The site was still being constructed and none of the units had tenants living in them. The fire began on the third floor roof of the four storey block of 19 apartments and was contained in the third and fourth storey. A structural engineer had been to survey the site and had confirmed that the site was stable. The main damage was to the windows and doors of the third and fourth stories, none of the utility installations had any damage to them. One structural beam had buckled which would be replaced. The cause of the fire was still under investigation.

The Ward Members expressed concern over the insulation materials used and asked Officers if they were confident that the materials used were not toxic. The Assistant Director stated that after the tragic Grenfell Tower disaster all building materials used by the contractors had been checked and were of a standard approved and everything was fit for purpose. Building Control Officers had inspected the site at intervals and they had not flagged up any concerns.

Members were concerned with the likely delay the fire may have caused. The Assistant Director advised that there would be no delay to the 17 town houses and the block of 15 apartments which should continue to be completed by the end of December 2018. The block of 19 apartments with fire damage will fall slightly behind schedule, but should be ready by the end of March 2019. Consideration was being given to the possibility of letting the ground and first floor stories of the fire-damaged apartment block.

8. BIDS TO MHCLG FOR ADDITIONAL HRA BORROWING

The Director of Communities presented a report to the Cabinet Committee. He advised that the report was not about borrowing any more money than the Council will otherwise need to borrow to complete Phases 4-6 of the Council Housebuilding programme and to purchase the completed affordable rented homes at the Pyrles Lane Nursery site.

The Council were unable to borrow money for Housing Revenue Account (HRA) purposes above the amount for which HRA borrowing approval(s) have been granted by the Government (MHCLG).

In 2012, the Council borrowed £185.456million from the Public Works Loan Board (PWLB) to fund the levy that had to be paid to the Government at that time in order to enable all stock-retained councils, and councils with arms-length management organisations (ALMOs), to leave the discredited former HRA Subsidy System – and to provide an internal loan between the HRA and the General Fund. As a result of this transaction, the Council was left with HRA Borrowing Headroom of £31.065million, set by the Government, which was the amount of additional borrowing that the Council could undertake for HRA purposes.

This HRA Borrowing Headroom was sufficient to cover the additional borrowing required by the Council to fund its current Housebuilding Programme, up to and including Phases 4-6 and the purchase of the affordable rented homes to be built by a private developer at the Pyrles Lane Nursery Site, Loughton.

However, the Council was one of a number of councils invited to bid by 7th September 2018 for additional HRA borrowing approvals from the MHCLG. If the Council submitted one or more bids for additional borrowing approvals and were successful, these additional approvals could be utilised to cover the borrowing requirements for Phases 4-6 and Pyrles Lane, enabling the Council's existing HRA Borrowing Headroom of £31.065million to be maintained. This would then provide scope to enable the Council to undertake further borrowing in the future if it wanted - to either extend the Housebuilding Programme or to fund expenditure for other HRA purposes.

The Director of Communities had worked with the Council's HRA Business Planning Consultant and senior housing and finance officers to assess the additional borrowing requirement to fund the remainder of the Council's existing Housebuilding Programme, bearing in mind that 30% of the costs would be funded from One-for-One Replacement RTB Receipts ("141 Receipts").

As a result, it was proposed that four bids covering the three Broad Market Rental Areas (BRMAs) in the District and the development of the Pyrles Lane Nursery site, Loughton, totalling additional borrowing approvals for £8.052million, in year 2021/22, be submitted to Homes England (which was acting on behalf of the MHCLG), in accordance with the bidding strategy as set out in the main report to the agenda, summarised as follows:

Bid 1 – Ongar	£204,319
Bid 2 – Waltham Abbey	£1,497,368
Bid 3 – Loughton (excluding Pyrles Lane)	£5,884,227
Bid 4 – Pyrles Lane, Loughton.	£466,168

If all four bids were successful, they would increase the Council's HRA Borrowing Headroom by £8.052million. If less than the four bids were successful, the HRA Borrowing Headroom would not be increased by so much. Although this report only relates to borrowing approvals, obviously, there will be resource implications when the required borrowing was undertaken which would be reported to Members at that time.

The Terms of Reference of the Council Housebuilding Cabinet Committee did not empower Members of the Cabinet Committee to make the final decision on the

recommendations and the Committee was therefore asked to agree the recommendations to be made to the Cabinet on the 6 September 2018. Due to the timescales involved, the Vice-Chairman of Council had agreed and signed the Overview and Scrutiny Rule 53 (Special Urgency) to waive the call-in period so that the Council can submit a bid by the 7 September 2018.

Decision:

That the following be recommended to the Cabinet:

- (1) That, subject to any minor amendments agreed with the Housing Portfolio Holder (including bid amounts and borrowing profiles), the Director of Communities be authorised to submit four separate bids to Homes England for additional Housing Revenue Account (HRA) borrowing approvals, for four separate “schemes” totalling £8.052million in year 2021/22, with the borrowing profiles as set out in the report;
- (2) That the Council’s Chief Financial Officer reports to a future meeting of the Finance and Performance Cabinet Committee on the most appropriate way to arrange the additional HRA borrowing when required; and
- (3) That the Cabinet noted that, due to the deadline for bids being 7th September 2018, the Chairman of Council had been requested to determine that the call-in provisions of Rule 53 of the Overview and Scrutiny Rules (Special Urgency), contained within the Council’s Constitution, can be disregarded for this decision – the Chairman’s decision will be reported orally.

Reasons for Decision:

The Council would benefit from additional HRA borrowing approvals to cover additional borrowing in the future if the Council needed, which could be used to either fund an extension to its current Housebuilding Programme or to fund expenditure on other HRA purposes.

Other Options Considered and Rejected:

The main alternative options were:

- (1) Not to bid – but this would mean that the current opportunity to obtain additional HRA borrowing approvals to cover any additional borrowing required in the future, to fund either an extension of the current Housebuilding Programme or expenditure on other HRA purposes, would be lost – and there were no indications of any further opportunities arising in the foreseeable future.
- (2) To submit a different number of bids, and/or for different amount(s) of additional HRA borrowing approvals – although the Director of Communities was of the view that the officers’ recommended bid proposal was appropriate under all the circumstances.

9. APPROPRIATION OF LAND AT VARIOUS SITES

The Assistant Director (Housing Property & Development) presented a report to the Cabinet Committee. He advised that, at its meeting in June 2015, the Council Housebuilding Cabinet Committee had approved the principle of development of land at Pound Close and Palmers Grove, Nazeing, the land at Colvers, Matching Green and land at Parkfields (Site A), Roydon..

Due to an administrative oversight the recommendation for the appropriation of these sites under the Local Government Act 1972 and Town and Country Planning Act 1990 to change the purpose for which the land was held from one statutory purpose to another was not presented to the Cabinet Committee as part of the decision to progress to detailed planning stage as previously agreed by the Cabinet Committee.

It was therefore recommended that the former garage sites and associated amenity land listed above and that had been previously considered and agreed by the Cabinet Committee at its meeting in June 2015 as viable for the development of Council House Building, be appropriated for planning purposes under provisions laid out in the Local Government Act 1972 and Town and Country Planning Act 1990 on the grounds that the land was no longer required for the purposes in which it was currently held.

Decision:

- (1) That the former garage sites and associated amenity land at the following former garage sites, namely:
- a. Pound Close, Nazeing;
 - b. Palmers Grove, Nazeing;
 - c. Colvers, Matching Green; and
 - d. Parkfields (Site A), Roydon

and that had been previously considered and agreed by the Cabinet Committee at its meeting in June 2015 as viable for the development of Council House Building, be appropriated for planning purposes under provisions laid out in the Local Government Act 1972 and Town and Country Planning Act 1990 on the grounds that the land was no longer required for the purposes for which it was currently held in the Housing Revenue Account.

Reasons for Decision:

Appropriation of the land cannot take place after a planning application has been submitted otherwise there was a risk that the proposed re-development scheme may be frustrated by third party rights, which would in turn frustrate the Council's regeneration objectives for the site. By appropriating land, once planning permission was obtained, the rights of affected third parties can be overridden to the extent that they become an entitlement to compensation rather than a right to obtain an injunction to prevent the scheme.

Other Options Considered and Rejected:

Not to appropriate the land and take the risk that a third party will not try to prevent the development by laying claim to a long established right of access across the land.

10. EXCLUSION OF PUBLIC AND PRESS

The Cabinet Committee noted that there were no items of business on the agenda that necessitated the exclusion of the public and press from the meeting.

CHAIRMAN

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