

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet Committee **Date:** Thursday, 12 March 2020

Place: Council Chamber - Civic Offices **Time:** 7.00 - 7.45 pm

Members Present: H Whitbread (Chairman), N Avey, A Patel and C Whitbread

Other Councillors: A Lion

Apologies: J Philip and S Stavrou

Officers Present: D Fenton (Service Manager (Housing Management & Home Ownership)), J Leither (Democratic Services Officer) and S Mitchell (PR Website Editor)

19. 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 meeting.

20. SUBSTITUTE MEMBERS

The Cabinet Committee noted that Councillor C Whitbread would substitute for Councillor S Stavrou at the meeting.

21. DECLARATIONS OF INTEREST

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

22. MINUTES

Resolved:

That the minutes of the meeting held on 19 December 2019 be taken as read and signed by the Chairman.

23. PROGRESS REPORT - PHASES 4 TO 6

The Service Manager, Housing Management and Home Ownership presented a report the Cabinet Committee, she advised that the report set out the progress that had been made across Phase 4 of the Council Housebuilding programme that had either been completed, were on-site or were currently being procured.

Package 4.1 comprised of 14x units that had been tendered and were approved at CHBCC on 19 December 2019. Package 4.2 comprised on 22x units and were now being tendered the outcome would be reported to the Council Housebuilding Cabinet Committee (CHBCC) meeting in June 2020. Package 4.3 comprised of 49x units,

previously 31x units. This package had been reviewed, resulting in some additional potential units being identified. The proposals were being progressed for planning submission, tender and reporting to the CHBCC. Package 4.4 comprised of 5x units and were now being technically progressed.

Phase 4 – package 4.1

The first group of sites within package 4.1 were competitively tendered and presented for approval at the 19 December 2019 CHBCC meeting. Package 4.1 relates to sites at Chequers Road (Site A - 3 x Properties), Bushfields (2 x Properties), Loughton. Package 2 – Chester Road (3 x Properties), Loughton. Package 3 – Queensway (4 x Properties) and Millfield (2 x Properties), Ongar, delivering the first 14 properties.

A pre-start meeting has been held, and contracts have now been issued for signing. Currently, post-tender and client changes are being priced to enable the Contractor to take possession imminently.

Phase 4 – package 4.2

Package 4.2 were currently out for tender to deliver 22 properties, comprising Hornbeam Close (B) – 3x units, Hornbeam House – 2x units, Bourne House – 2x units, Etheridge Road – 3 x units, Denny Avenue – 3 x units, Beechfield Walk – 5 x units and Kirby Close – 4 x units.

The role of the 'Principal Architect' and their involvement in the procurement of the sub-consultants, surveys and the associated scope of works had been reviewed and amended following which, it was anticipated that this may result in c£150k to c£200k of savings in the fees going forward.

Phase 4 – package 4.3

Package 4.3 comprised of Lower Alderton Hall Lane – 2x units, Inclusion of Lower Alderton Hall Lane was pending. This site was currently awaiting planning consent to be released pending the resolution with regards to the Local Plan and Natural England.

Pick Hill, Waltham Abbey – 2x units are progressing now potential drainage outfalls have been identified. The Council have reviewed the potential scope of the site at Ladyfields, Loughton, which previously had approval for six units, was now being re-planned to deliver c17x units. Woollard Street, Waltham Abbey, had been redesigned as the consented scheme was undeliverable as the ridge height exceeded the permissible height. Pentlow Way, Buckhurst Hill – 7x units and Chequers Road (B) – 5x units, have been delayed pending agreement with Thames Water to permit build over contracts which have only recently been confirmed. Chequers Road (B) was consented for 5x units however it was being reviewed as it may be possible to deliver c12x units totalling c49x units (previously approved 31x units), These schemes would now progress to tender in March/April 2020.

Phase 4 – package 4.4

Package 4.4 sites comprised of 5x units in total. Thatcher's Close, Loughton – 1x unit, Broomfield Court, Waltham Abbey – 1x unit, Shingle Court, Waltham Abbey – 1x unit, Stoneysshots, Waltham Abbey – 1x unit and Wrangley Court, Waltham Abbey – 1x unit. These were now being technically assessed with the aim of them being tendered in June/July 2020.

Phase 5 & 6

Work to identify sites for the above phases was due to be completed by mid-March, following this officers will begin to hold briefings with members to start the consultation process. Reports will be presented to the next CHBCC meeting.

Phases 2 & 3

Burton Road had six units which were completed however, challenges over the location of a gas pipe was still outstanding, although a resolution was close to being reached. A further update would be provided at the next CHBCC meeting. Queens Road, which had a delayed start due to contamination was now on target to be completed in August 2020, this was in line with the revised target date.

Sales

Whitehills site was to be sold at auction in March 2020.

Rights of Way issues

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

The Chairman advised the Cabinet Committee that the Burton Road development, Phases 2 and 3, was due to be opened but had now been postponed due to the Coronavirus pandemic.

Councillor A Patel asked if Package 4.3 which was originally 31x units and had now been increased to provide 49x units, for clarification was this increase due to the Local Plan and had it been justified.

The Service Manager advised that she did not have that information to hand and would speak to her colleague Mr Cosgrave, who worked on the technical side and would report back at the next meeting of the CHBCC meeting. She added that through the RTB the Council lost 30 units a year therefore sites were being reviewed to maximise the potential of these sites to counteract this loss.

Decision:

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 House Building Cabinet Committee.

Reasons for the Decision:

Set out in its Terms of Reference, the Council House Building Cabinet Committee was 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 Considered and Rejected:

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

24. PURCHASE OF STREET PROPERTIES

The Service Manager, Housing Management and Home Ownership presented a report to the Cabinet Committee, she advised the report set out the progress that had been made in allocating the Council's Right to Buy receipts in line with the report which was agreed by the Council Housebuilding Cabinet Committee in July 2015.

Offers had been made and accepted on 18 properties across the district. The total spend amounts to £6,374,329m which was made up of 30% Right to Buy receipts and the remaining funded from the capital house building programme. Furthermore, the Council's Consultants have taken into account the construction methods, so as not to risk increased asset management challenges which was often the case with older properties such as pre-1945's. The Council were working towards an exchange by the end of the financial year to meet Government requirements.

In July 2015, the Council House Building Cabinet Committee considered a report on accelerating the house building programme to ensure that all 1-4-1 Receipts from Right to Buy sales were spent within the required three years of receipt and none were passed on to the Government, with interest. One of the options agreed was to purchase street properties. The recommendations of the Cabinet Committee were later agreed by the Cabinet.

To assist the Council, Steven Tarry (Metaplan – CIHCM Development Director) was appointed by the Council. The instruction included sourcing street properties which were chain free and were not pre – 1945's (the construction method made them difficult to treat).

Overview of the properties

While the offers have been accepted, legal searches, property surveys and independent valuation surveys would need to be completed before exchange. Subject to a satisfactory outcome, it was recommended that the Council completed the purchase of the street properties, with a view to letting them at an affordable rent in line with the Rent Policy.

Councillor C Whitbread stated that although this was not the best way to spend the Right to Buy receipts, but at this time if the Council did not buy street properties they would have to pay the Government the receipts plus interest. He asked that in the future could officers not contact corporate companies that do part exchanges with a developer. The Service Manager advised that the plan going forward was never to be in this situation again.

Councillor A Lion asked how many empty properties there were in the district. The Service Manager stated that she did not know as this came under a different section.

Councillor C Whitbread asked when the Council sold a property did the Council have the first offer to buy back. The Service Manager advised that the Council did but this had not previously happened. Going forward she assured the Cabinet Committee that this would now happen.

Decision:

That the contents of the Progress Report on the purchase of 18 street properties be noted and presented to the Cabinet in line with the Terms of Reference of the Council Housebuilding Cabinet Committee.

Reasons for the Decision:

To give the Cabinet assurance that all of the Councils 1-4-1 Receipts from Right to Buy (RTB) sales were spent within the required three years of receipt, and none were passed on to the Government, with Interest. The Cabinet agreed on the recommendations of the Council Housebuilding Cabinet Committee to delegate the authority to the Service Director to source properties for sale on the open market, make verbal offers to purchase and make recommendations to the Housing Portfolio Holder to agree their purchase.

Other Options Considered and Rejected:

Not to purchase these properties and pass on the Receipts to Government with interest. This would not be in the best interest of the Council given the local housing need. Also, the strain put on the Council's Housing Revenue Account (HRA) due to the loss of stock under RTB would worsen.

25. IMPACT OF RIGHT TO BUY AND COUNCIL HOUSE BUILDING PROGRAMME ON THE HOUSING REVENUE ACCOUNT

The Service Manager, Housing Management and Home Ownership presented a report the Cabinet Committee, she advised the report was an initial report, highlighting the impact of the Right to Buy (RTB) purchases on the Housing Revenue Account.

The number of properties purchased under the RTB since 1977 was 4876. This amounted to a loss of nearly 50% of EFDC Council Housing stock. Furthermore, the impact on the Housing Revenue Account in today's money amounts to approximately £25m per year. On average RTB completions are in the region of 30 per year. Since 2012 Councils have been able to use the RTB receipts to part fund street purchases or a building programme. EFDC has a house building programme, to date 108 properties have been built. The current build programme was based on delivery of a total of 370 properties to 2024.

The Council's current programme will mitigate the RTB purchases, however this would only increase the Council's stock by 0.7% year on year if continued at the current rate (2021 72 properties). However, RTB creates an ongoing risk to the HRA, and before agreeing the next programme the Cabinet Committee will need to consider whether the programme should seek to introduce a pipeline which will continue to increase overall housing stock.

To mitigate the loss of Right to Buy and increase the Council's housing stock by 1% per year, the Council would need to have a council house building programme which delivered 90 units a year. The Local Plan was currently a barrier to this as there were no sites which were allocated for council house building. Furthermore, the opportunity to build on smaller sites was limited as the local plan had only a small number of 'windfall' sites (sites which were not allocated) which were permitted to proceed each year.

Moving forward, an annual report will give the context required to help Members understand the impact of the RTB and the number of new build properties needed if the Council chooses to mitigate the future losses to the HRA.

Decision:

That the contents of this initial report be noted. That a follow-up report was received on an annual basis to understand the ongoing impact of the Right to Buy (RTB) on the Housing Revenue Account (HRA) and the steps being taken to mitigate this via the Council House Building Programme.

Reasons for the Decision:

Set out in its Terms of Reference, the Council House Building Cabinet Committee was to monitor and report to the Council on an annual basis progress and expenditure concerning the Council House Building Programme. It was suggested that this included the ongoing impact annually on the HRA from RTB, and mitigation by the ongoing Council Housing programme.

Other Options Considered and Rejected:

This report sets out the historical impact of RTB on the HRA, and the options to mitigate it going forward. There are no other options for action.

26. ANY OTHER BUSINESS

The Cabinet Committee noted that there was no other urgent business for consideration.

27. 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