

EPHING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Monday, 14 June 2021
Committee

Place: Conference Room, Civic Offices, **Time:** 7.00 - 7.37 pm
High Street, Epping

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

Other Councillors: S Heap and D Wixley

Apologies: N Bedford

Officers Present: R Hoyte (Service Manager - Housing Development), J Leither (Democratic Services Officer) and A Hendry (Democratic Services Officer)

1. WEBCASTING INTRODUCTION

The Chairman made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

2. SUBSTITUTE MEMBERS

The Cabinet Committee noted that there were no substitute members present at the meeting.

3. DECLARATIONS OF INTEREST

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

4. MINUTES

Resolved:

- (1) That the minutes of the Council Housebuilding Cabinet Committee held on the 16 March 2021 be taken as read and signed by the Chairman as a correct record.

5. COUNCIL HOUSE BUILDING PROGRESS REPORT - PHASES 3 - 5

Rochelle Hoyte, Service Manager, Housing Development presented a report to the Cabinet Committee and recommended that the Council House Building Progress Report - Phases 3 to 5 be noted. She advised that the report set out the progress that had been made across Phases 3 to 5 of the Council House Building Programme and that they were either completed, on-site or were currently being procured.

Phase 3

Cyril Hawkins Close, formerly known as Queens Road, North Weald was currently in the defects period which was being managed between Storm and Qualis and EFDC officers were interjecting when required to support defects raised and to find a resolution. In addition, EFDC would be working with the Parish Council and the EFDC Housing Management Team to arrange fencing across the boundary line to the rear as there had been a number of access issues from local residents. The final account for that scheme will be achieved following the 2-year end of defects review.

Phase 4

Package 4.1 consisted of 16 units that had been contracted and were all on site, handover dates for Package 4.1 were between September and November 2021 with Pick Hill in March 2022.

Chequers Road (A), Loughton

The foul drainage alternative connection had been agreed via a neighbouring garden. Approval had now been formerly confirmed with Essex Highways.

Bushfields, Loughton

Works had been delayed due to roof tile supply issues which had now been resolved.

Chester Road, Loughton

No delays had been reported.

Queensway, Ongar

The drainage route had already been installed and was awaiting completion this had been delayed until October 2021.

Package 4.2 consisted of 22 units which were all on site, handover dates for Package 4.2 were between February and March 2022.

Package 4.3 consisted of 15 units. Work was underway to get both contracts signed.

Pentlow Way had been delayed mainly due to the substation being re-sited. UKPN visited the site on the 8 June 2021 and a relocation for the substation had been agreed. The legal paperwork would take approximately 9 months to complete, therefore the start on site would be delayed and there would be updates to the tender sum which will be reported back to the committee when known.

Package 4.4 consisted of 24 units, consent was awaited from planning, determination expected June 2021 to work through next steps for January 2022 start on site.

Package 4.5 consisted of 2 units. This had been delayed within planning, updates were hoped to be received by the end of June 2021 to achieve a January 2022 start on site.

Phase 5

Since the last meeting of the Council House Building Cabinet Committee officers had been working with the architects ECDA to assess whether there were any viable schemes for the developments in Phase 5.

It was important that consultations were held with Ward Councillors and residents to obtain their views on the schemes to be taken forward. These would be held in June/July 2021.

Councillor A Patel stated that there was mention made in the report to the outside architects the Council were using and asked why the Council did not have their own in-house architect services working on the schemes. He also asked if the Council were using their own in-house Building Control Team.

R Hoyte advised that the Council did not have their own in-house architects as it would be a huge cost to the Council. Schemes were not worked on continuously, they would work on one scheme and then have to wait until the next scheme was ready, it was not a cost effective way by employing in-house architects for what the Council was trying to achieve in terms of the size of our Council House Building Programme. Although the Council have their own in-house building control the contractors have independent building control who do their own independent inspections and then report back to us and highlight any concerns so that our in-house building control services could then get involved if needed.

Councillor A Patel stated that the procurement and purchasing of building materials, at present, was even more difficult than first anticipated and asked how the Council were overcoming this so that no delays would happen to the start on site dates. Could the Council consider having a storage depot to store the materials.

R Hoyte advised that all of the contractors had their own storage units so it would not be necessary for the Council, at this stage, to consider.

Councillor D Wixley referred to the development in Chester Road and the reference on page 13 of the agenda to 'flood doors' and could not envisage any flooding in this area. Page 39 of the agenda referred to 'rights of way issues' and 'party wall agreements' which specifically mentioned one property in Pyrles Green and asked if the officer could elaborate on these issues.

R Hoyte advised that within the district there were some areas that were identified in different flood zones and Chester Road had been identified as being in a flood zone, due to this flood doors must be installed. She advised that she would have to get more details on the 'rights of way issues' and the 'party wall issues' and report back to Councillor Wixley.

Decision:

- (1) That the contents of this Progress Report on Phases 3 to 5 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; and
- (2) That members consider the proposals for Phase 5 and award officers the approval to move the schemes forward through planning and construction.

Reason for 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. The report sets out the progress made since reported at the last meeting on the 16 March 2021.

Other Options Considered and Rejected:

This report was on the progress made since last reported on 16 March 2021 and was for noting purposes only. There were no other options for action.

6. COUNCIL HOUSE BUILDING SCHEME BUDGETS - PHASE 3

Rochelle Hoyte, Service Manager, Housing Development presented a report to the Cabinet Committee and advised that at the last Council House Building Cabinet Committee meeting it was requested that a view of the schemes budgeting was presented to the committee.

Phase 3

Bluemans End

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Bluemans End	TSG			
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
		£753,034.23	£890,000.00	£136,965.77

Stewards Green Road

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Stewards Green Rd	TSG			
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
		£752,340.41	£959,200.85	£206,860.44

London Road

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
London Rd	VSN Ent Ltd			
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
		£235,695.00	£257,642.93	£21,947.93

Parklands, Coopersale

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Queens Road	Denmark & White			
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
		£716,756.74	£765,148.19	£48,391.45

Springfield and Centre Avenue

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Springfield and Centre Avenue				
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
			Unresolved	Unresolved

*The final account here remains unresolved due to waterlogging issue at the properties which was being resolved.

Centre Drive

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Centre Drive	VSN Ent Ltd			
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
		£300,285.00	£355,188.00	£54,903.00

Cyril Hawkins Close / Queens Road

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Queens Road	Storm Bld.			
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
		£2,470,493	£2,867,996	£397,503.00

*Still to be agreed at the end of the defects period 2023.

She advised that lessons had been learnt on how schemes going forward would be assessed financially. The introduction of ProVal was a huge asset to the development team, providing much more opportunity to consider varying costs and scheme viability before progressing schemes.

Contingencies were now reviewed on a case by case basis rather than the presumed 5-10% of a contract sum. Careful consideration was being made for the constraints identified as being recurring problems within sites. This included contamination, foundations, drainage, boundaries and ground water.

Officers also noted that some of the additions to the contract sum could have been avoided and officers would need to ensure that the lessons learned were not repeated for Phase 5 and beyond.

Councillor J Philip advised he requested this piece of work and thanked the officer for bringing to this meeting. He asked if the new technique could be applied to the work in progress on Phase 4 which would give some indication about what we were likely to see and that would then give us a comparison of whether ProVal would give the Council the confidence that they were moving in the right direction.

Councillor A Patel stated that what had been highlighted in the report was the additional cost to the Council and asked how much of that cost was borne by the contractor as when the contractors submit their tenders they should make allowances for drainage, soil contamination etc, and were our contracts too weak to enforce upon them to build, according to the costs that they had been procured at.

He then stated that it was clear there were fundamental areas where mistakes were being made in not anticipating the actual costs and that the Council needed to sharpen up on the costs going forward.

R Hoyte agreed with Councillor Patel and advised that part of what she had done within the Framework Agreement item was to highlight that there were some noticed areas with structural engineers which was used through the current framework that we have. The previous contractor tendered for the drawings that were supplied and those drawings were not suitable for the development so they then had to be changed which meant there was additional costs which the Council had to take on because it wasn't what the contractor had originally tendered for.

Councillor Patel stated that on that basis did the Council go for costs against the architect that designed the scheme.

R Hoyte advised that the Council was in the process of doing that now.

Councillor N Avey suggested that our legal services were not making the contracts as tight as they should be and asked who negotiated on behalf of the Council for these contracts with contractors and architects.

R Hoyte advised that as a part of the framework that we currently have they were already pre negotiated so the terms were generally the same, but each time the actual site changed there would be some differences based on that site. This was one of the biggest reasons why she wanted to go outside of the framework to give the Council the best opportunity to improve on this situation, the current framework only had one architect on it and there was no way to demonstrate any differences if there was only one architect. The architect then had his sub-contractors and that was where the process fell down as the sub-contractors have not been performing well and that was largely where the variation of cost had come from.

Councillor Patel asked if this situation was likely to happen on Phase 4.

R Hoyte advised that on Phase 4 there were two schemes that were over budget and that was due to contamination and the foundations, however, the Council have Section 106 contributions that were available to cover the costs. She advised that she would prepare a budget for Phase 4 as she had done on Phase 3 and stated that the rest of the schemes were all on budget.

Councillor D Wixley stated that on a development in Debden it included 1 bungalow and wondered if the Council House Building Programme as a whole how many bungalows were being built as they were beneficial to some people.

R Hoyte advised that she would come back to Councillor Wixley with the total number of bungalows that were proposed.

Decision:

- (1) That the contents of this Phase 3 scheme budget for 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.

Reason for 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. The report set out the progress made since reported at the last meeting on the 16 March 2021.

Other Options Considered and Rejected:

This report covers the scheme budgets of Phase 3 and was for noting purposes only. There were no other options for action.

7. NATIONAL FRAMEWORK AGREEMENT

Rochelle Hoyte, Service Manager, Housing Development presented a report to the Cabinet Committee and asked them to agree that EFDC became members and used

the National Framework, as an additional framework to ensure that all projects could demonstrate best value for money, quality and where contractors were judged on merit.

EFDC entered into a framework agreement in October 2018, this agreement was administered by the managing director of Cameron Consulting. The framework agreement consisted of one employer's agent (EA), one architect and four contractors. Over the last few years only two contractors have tendered for proposals that were put forward.

In order to ensure that EFDC were instructing the right consultants and contractors for the varying complexity of some of the development schemes, it was vital that EFDC were able to tender outside of the current framework agreement.

Furthermore, the current limited framework did not always provide appropriate opportunities to carryout due diligence in terms of cost and quality. This was because the framework was limited to a low number of contractors.

Officers were committed to ensuring that EFDC delivered schemes that firstly met the needs of residents but also achieved our service business goals, which included delivering on time, in budget and providing the highest quality units. To deliver these schemes we will need to be flexible in our approach to working with consultants and contractors going forward.

Using the National Framework Partnership was based on access fees which were calculated on the total cost of the development contract sum. As such these fees would be incorporated in our early feasibility studies to ensure affordability and good value.

The Chairman asked how we could ensure that local contractors were used and was there a way within this framework of firstly preferencing local Epping Forest contractors or Essex based contractors if we had to look further afield.

R Hoyte advised that within the National Framework you would be able to see all of the details from the different contractors and you could look to see what area they were based in, so from that we could tailor the areas we specifically want to concentrate on in the tender response to ensure that we were giving the opportunity first to local businesses.

Councillor J Philip stated that this was definitely the right way to go to give EFDC more choice thereby obtaining better and more economically sensible results. He suggested that neighbouring districts and not only Essex based contractors, for example North London could also be added to the areas tailored for tender responses.

Decision:

- (1) That Members agreed that EFDC became members and used the National Framework, as an additional framework to ensure all projects could demonstrate best value for money, quality and where contractors were judged on merit.

Reason for Decision:

The Council House Building programme was growing and in order to meet the targets set out as a part of the business plan and local plan, flexibility was needed within the tendering process to ensure best value across the programme.

Other Options Considered and Rejected:

There were no other options for action.

8. ANY OTHER BUSINESS

Councillor D Wixley referred to the minutes of the last meeting on page 8, where it said:

“Councillor D Wixley advised that part of Burney Drive was in his Ward and he would like to know where the site was as he could not envisage a scheme going ahead in that area.”

Initially in the previous meeting Burney Drive was referred to as Burney Close and that confused him and he could not think of a garage site in Burney Drive, to which he has now remembered so has therefore answered his question.

On the agenda another site had been referred to in Castell Road which was also in his Ward and earlier in the meeting the Officer had said that they would be moving away from garage sites, therefore, what other sites were Officers looking at.

R Hoyte advised that there were a number of other identified land opportunities within the Local Plan and the Council wished to target some of those larger pieces of land. The garage sites could normally only facilitate 3-5 units and it was expensive to build on such a small scale. Therefore, in order to meet the target of units that were needed to build, the Council would have to start looking at sites that gave an opportunity to build more units, which would make it more cost effective, to which the garage sites don't always provide that opportunity. She stated that they would still be looking to develop garage sites but needed to broaden what was being looked at.

Councillor Wixley asked if that meant that some of the garage sites would not be used as he was concerned with a particular garage site in his Ward as it was used for fly tipping.

R Hoyte advised that the Council were not going to abandon the garage sites in terms of looking at them, but the Council needed to consider building on larger sites, to meet housing targets and to reduce the cost per unit and also think about being carbon neutral which was a more expensive process.

Councillor Wixley asked if nuisance garage sites were not going to be built on were there any other ideas of what could be done to prevent these sites being used for fly tipping and anti-social behaviour.

R Hoyte advised that talks were ongoing, for instance where garages were still being used they could be refurbished and made more fit for purpose, as the current garage sites were built so many years ago when cars were much smaller and therefore many cars of today would not fit in them. Hopefully by refurbishing the sites this would mean they would be more widely used and therefore help towards stopping the anti-social behaviour. Each garage site would have to be assessed on a case by case basis.

R Hoyte advised that the supplementary agenda concerned Phase 5 of the Council House Building Programme and she would now be looking to book meetings with the Ward Members to discuss what has been proposed and decide where we go from here and take the next steps if we think the sites were not suitable. We would also like to give the opportunity to residents to be able to comment as well.

Councillor Philip asked for indicative costing to be provided as that would be helpful to decide on the site viability.

Councillor A Patel asked how the mix of dwellings was determined for the amount of people that would live in the properties for example 2 bedroom unit for 3 people and 2 bedroom unit for 4 people also what about the need for 3 and 4 bedroom houses.

R Hoyte stated that there was a mixed guidance which was used and was based on the area so that would determine what guidance we would give to the architects of the mix of dwellings for that area. The key thing was to be demonstrating that we were providing the size of units that were needed within the district. Therefore, at Planning Committees, we can demonstrate why we have chosen the size of units we have done and was purely to make sure that it was the correct fit in each area. The need for 3 and 4 bedroom houses across the district was less than 5 per cent, the biggest need for housing across the district was a 1-bedroom and then a 2-bedroom property. For example a 2-bedroom unit for 3 people meant a double bedroom and a single bedroom and a 2-bedroom unit for 4 people would be slightly larger with two double bedrooms.

Councillor S Heap stated that the garage site know as Hornbeam A, Cascade Close, Buckhurst Hill was a vexatious issue as it had gone from two houses and a reduction in the parking ability for the residents to potentially 14 flats with 18 parking spaces, none of which would be for any other resident. Therefore, if these flats were two bedroom and someone had a friend to stay that would immediately throw the parking pressure onto everyone else. Hornbeam A has 11 garages which are in use with cars chosen to fit the garages, if they were to get moved out of there and have to go back to parking in Cascade Close, Cascade Close is being denied the opportunity to alter their road layout to help themselves with their own situation, therefore, he believed this to be a bad idea but looked forward to the meetings regarding the garage sites.

The Chairman stated that she knew by previous Council House Building Cabinet Committees that Hornbeam A had been a contentious issue and was sure that a solution would be resolved once the meetings took place.

9. EXCLUSION OF PUBLIC AND PRESS

The Cabinet Committee noted that there was no business for consideration which would necessitate the exclusion of the public and press from the meeting.

CHAIRMAN