

Committee Agenda



**Epping Forest
District Council**

Council Housebuilding Cabinet Committee Thursday, 21st August, 2014

You are invited to attend the next meeting of **Council Housebuilding Cabinet Committee**, which will be held at:

**Council Chamber, Civic Offices, High Street, Epping
on Thursday, 21st August, 2014
at 6.30 pm .**

**Glen Chipp
Chief Executive**

**Democratic Services
Officer**

Jackie Leither Ext 4756
Email: democraticservices@eppingforestdc.gov.uk

Members:

Councillors D Stallan (Chairman), R Bassett, W Breare-Hall, Ms S Stavrou and G Waller

PLEASE NOTE THE START TIME OF THIS MEETING

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

(Assistant to the Chief Executive) To declare interests in any item on this agenda.

3. MINUTES (Pages 3 - 14)

To confirm the minutes of the last meeting of the Cabinet Committee held on 17 April 2014.

4. TERMS OF REFERENCE (Pages 15 - 16)

To note the terms of reference of this Cabinet Committee, updated May 2014.

5. ACCEPTANCE OF TENDER -COUNCIL HOUSEBUILDING PHASE 1 (Pages 17 - 20)

(The Director of Communities) To consider the attached report (CHB-001-2014/15).

6. NAMING OF NEW COUNCIL HOUSING DEVELOPMENTS - PHASE 1 (Pages 21 - 38)

(The Director of Communities) To consider the attached report (CHB-002-2014/15).

7. PHASE 1 AND 2 PROGRESS REPORT (Pages 39 - 46)

(The Director of Communities) To consider the attached report (CHB-003-2014/15).

8. OUTCOME OF HCA AFFORDABLE HOUSING GRANT APPLICATION (Pages 47 - 50)

(The Director of Communities) To consider the attached report (CHB-004-2014/15).

9. DEVELOPMENT STRATEGY - YEAR 2 UPDATE (Pages 51 - 136)

(The Director of Communities) To consider the attached report (CHB-005-2014/15).

10. RISK REGISTER UPDATE (Pages 137 - 142)

(The Director of Communities) To consider the attached report (CHB-006-2014/15).

11. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require 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.

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Council Housebuilding Cabinet **Date:** Thursday, 17 April 2014
Committee

Place: Council Chamber, Civic Offices, **Time:** 5.30 - 7.50 pm
High Street, Epping

Members Present: D Stallan (Chairman), R Bassett, W Breare-Hall, Ms S Stavrou and G Waller

Other Councillors: Ms J Hart, Mrs C Pond, C Whitbread and K Angold-Stephens

Apologies:

Officers Present: A Hall (Director of Communities), P Pledger (Assistant Director (Housing Property and Development)), J Leither (Democratic Services Assistant) and A Hendry (Democratic Services Officer)

Also in attendance: A Gatrell (Head of Development, East Thames Group), I Collins (Client Lead, Pellings LLP) and Simon Smith (CIH Consultancy)

26. DECLARATIONS OF INTEREST

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

27. MINUTES

RESOLVED:

That the minutes of the last meeting held on 4 February 2014 be taken as read and signed by the Chairman as a correct record.

28. TERMS OF REFERENCE

The Director of Communities presented a report to the Cabinet Committee with regard to a Leader Decision that had extended the Committee's Terms of Reference. It was anticipated that the Council may wish to seek Investment Partner status with the Homes and Communities Agency (HCA) and to submit funding bids for grants in the future.

This extension of the Cabinet Committee's Terms of Reference empowered the Cabinet Committee to authorise an application for Investment Partner status and submission of funding bids.

Resolved:

To note the Leader Decision to extend the Cabinet Committee's Terms of Reference with an additional paragraph (Paragraph 12).

Reasons for the Decision:

To ensure that all members of the Cabinet Committee are aware of the extension to the Terms of Reference.

Other Options Considered and Rejected:

None – for noting only.

29. ACCELERATING THE HOUSEBUILDING PROGRAMME

The Director of Communities presented a report to the Cabinet Committee. He advised that at the last meeting, the Cabinet Committee requested a report to this meeting on how an accelerated and extended Housebuilding Programme could be funded, and the associated implications.

The Council's HRA Business Planning Consultant, Simon Smith from CIH Consultancy had produced a report on this issue, together with advice on the maximum amount for which HCA funding should be sought, in order to ensure that all 1-4-1 Receipts from Right to Buy sales are spent within the required 3 years of receipt and that none were passed on to the Government, with interest.

Simon Smith was in attendance to present his report, annexed to the main report, and to answer members' questions.

Based on the information within CIH Consultancy's report, the recommendations set out at the commencement of the report had been formulated by the Director of Communities, most of which would require endorsement by the Cabinet.

Recommended:

- (1) That the report from CIH Consultancy on the options for funding an accelerated Council Housebuilding Programme and the associated implications be noted;
- (2) That the following recommendations be made to the Cabinet:
 - (a) That the Council seeks to increase the number of affordable homes developed in Phases 3-6 from 20 to 30 per year;
 - (b) That HCA funding be sought, initially, for Phase 2 of the Housebuilding Programme at Burton Road, Loughton for 40 homes - based on a 56-home development, with the remaining homes in Phase 2 being funded from 1-4-1 Receipts and the other resources made available within the HRA as a result of the other recommendations within the CIH Consultancy report;
 - (c) That further bids for HCA funding be made in future years for future phases of the Housebuilding Programme, should the amount of 1-4-1 Receipts be less than forecast within the CIH Consultancy report, provided that the receipt of such HCA funding would not result in any 1-4-1 Receipts having to be passed to the Government;
 - (d) That, as a policy, the minimum balance held in the HRA be reduced from £3 million to £2 million;
 - (e) That the Council's HRA Self-Financing Reserve be re-profiled, to release funds for the Housebuilding Programme in earlier years of the HRA Business

Plan by increasing contributions to the Reserve in later years (closer to the HRA's first PWLB loan maturing in 2021/22), whilst ensuring that sufficient resources have been accumulated within the Reserve to repay this first loan on maturity (subject to no further borrowing being undertaken to extend the Housebuilding Programme, as referred to in Recommendation 2(h) below);

(f) That 30% of the Council's accruing HRA attributable debt balances be utilised to help fund the accelerated Housebuilding Programme;

(g) That the HRA's contribution to the Housing Improvements and Service Enhancements Fund between 2019/20 – 2021/22 (Years 7-9) be reduced by a sufficient amount to enable Phases 2-6 of the Housebuilding Programme to be funded (currently estimated at a reduction of £2.09 million - £2.24 million per annum, from £3.87 million per annum to £1.63 million - £1.78 million per annum), which will be dependent on:

- (i) The outcome of the HCA funding bid;
- (ii) The amount of 1-4-1 Receipts received in 2014/15;
- (iii) The receipt of any further financial contributions received as a result of Section 106 Agreements;
- (iv) Any property or land sales for which the Cabinet agrees the resultant receipt can be utilised to fund the Housebuilding Programme; and
- (v) Any adjustments that have to be made to the amount allocated to the Fund in the intervening period, due to unforeseen and un-budgeted reasons affecting the HRA.

(h) That, in principle, the Council Housebuilding Programme be extended by a further 4 years to 10 years, after the current Years 3-6, with an additional 30 new affordable homes provided each year;

(i) That no decisions be made now on the most appropriate way of funding an extended Housebuilding Programme, but that consideration be given at an appropriate time in the future - and before any commitments are made or expenditure incurred; and

(j) That the purchase of properties from the open market and/or the provision of local authority grant(s) to one of the Council's Preferred Housing Association Partners to fund affordable housing schemes in need of grant, continue to be kept as a contingency plan, should the amount of 1-4-1 Receipts still be in excess of the maximum amount that can be spent on the Housebuilding Programme, in order to avoid having to pass any 1-4-1 Receipts to the Government, with interest.

Decision:

(1) That, in accordance with its terms of appointment, the Council's Development Agent, East Thames, be asked to update the Council's Development Strategy, once the outcome of the Council's bid to the HCA was known, taking account of any decisions made to accelerate the Housebuilding Programme and other relevant decisions made by the Cabinet Committee and Cabinet since the time the current Development Strategy was produced; and

(2) That the outcome of any decisions to accelerate the Housebuilding Programme be included within the Council's HRA Financial Plan 2014/15, when it would be reviewed and updated at the end of Quarter 1 of 2014/15.

Reasons for the Decision:

A number of sites within the Council's ownership have been identified as being potentially suitable for Council housebuilding. The proposed number of new homes developed at Burton Road, Loughton was likely to be in excess of the numbers included within the HRA Business Plan. Furthermore, as a result of the current high number of Right to Buy (RTB) sales being completed, there was a risk that not all of the "1-4-1 Receipts" (i.e. those that can be spent on new housebuilding, to replace those lost due to the RTB) will be able to be spent within the required 3 years of receipt.

Moreover, the Cabinet Committee had indicated its wish for the Council to bid for funding from the HCA's forthcoming Affordable Homes Programme. In any event, the need for affordable housing continues to increase, whilst Council homes are also being sold through the Right to Buy, so an accelerated Housebuilding Programme would be welcomed.

Other Options Considered and Rejected:

- (a) Not to accelerate or extend the Programme, or accelerate it at a different rate or extend it for a different period;
- (b) Not to seek HCA Investment Partner status or bid for HCA funding, or to bid for different number of homes or a different unit grant cost;
- (c) Not to re-profile the HRA Self-Financing Reserve;
- (d) Not to utilise 30% of the HRA attributable debt to help fund the Programme, or to utilise more or less of the attributable debt;
- (e) To reduce further the amount allocated by the HRA to the Housing Improvements and Service Enhancements Fund than proposed;
- (f) To borrow further loans from the PWLB, as an alternative to the proposed approaches for funding; and
- (g) Not to reduce the minimum HRA balances to less than £3 million.

30. PHASE 2 FEASIBILITY REPORT - BURTON ROAD, LOUGHTON

The Assistant Director (Housing Property and Development) presented a revised report and feasibility studies regarding the Burton Road site in Loughton. Members were reminded that at the last meeting of the Cabinet Committee they had requested that the density of the site be increased and a new site design and feasibility study be brought to this meeting for approval. Officers presented the Cabinet Committee with two designs for the site:

- (a) a 42-home development; and
- (b) a 56-home development.

The Head of Development, East Thames Group stated that the Financial Appraisal models for both the Burton Road options had been formulated in line with the Council's approved:

- (i) Development Strategy;
- (ii) Economic Assumptions Framework; and
- (iii) Affordable Rent Policy.

The costs used to formulate the appraisal had been taken from the cost build-up provided by Pellings LLP's Quantity Surveyor.

The Head of Development, East Thames Group advised comparative information had been provided in the report to enable Members to decide between the two

schemes. He stated that the information was broadly divided into two areas; financial and non-financial.

Financial

For both schemes:

- (a) Revenue first exceeds cost in Year 1;
- (b) The loan repayment was Year 30;
- (c) They each had positive Nett Present Values (NPV) of £2,196,159 (Option 1) and £3,182,344 (Option 2) respectively; and
- (d) They each had an Internal Rate or Return (IRR) of 5.34% (Option 1) and 5.46% (Option 2) respectively.

Whilst Option 2 had a higher level of capital investment it also produced a greater return (better NPV and IRR).

Option 1 had an NPV per person of £14,739 whilst Option 2 was £25,664.

Option 1 had an NPV per unit of £52,308 whilst Option 2 was £56,828.

Option 1 had a debt per unit of £130,308 whilst Option 2 was £132,558.

Option 2 had a lower build cost per square metre of £1,894 (gross floor area) as opposed to Option 1 which had a build cost per square metre of £1,685 (gross floor area). This was partly due to the fact that the level of enabling works remained broadly similar, as was the allowance for risk in the ground.

Non-Financial

Option 1 accommodates 149 people whilst Option 2 accommodates 212 people; 63 more people in Option 2.

Option 1 produces 30 family homes (2 bed homes and above) whilst Option 2 produces 42; 12 more family homes in Option 2.

Option 1 delivers 9 houses compared to 18 in Option 2; 9 more in Option 2.

The second option would therefore provide more family accommodation and hence a significantly greater child density, which was a decision making factor.

The Head of Development, East Thames Group also confirmed that Secure by Design certification would be sought as per the Council's approved Development Strategy.

It was noted that Secretary of State consent would be required to appropriate the land for planning purposes, in order to facilitate the development.

Recommended:

(1) That, subject to Secretary of State consent, the former garage site and associated amenity land at Burton Road, identified for the development of Council Housebuilding, 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.

Decisions:

(1) That the development feasibility for the Burton Road Site, Loughton consisting of a 56-home scheme be approved and progressed to detailed planning stage, and if

planning permission is received, for the invitation of tenders as Phase Two of the Council's Housebuilding Programme;

(2) That the estimated capital investment required to deliver a scheme consisting of 56 new affordable rented Council properties as Phase Two of around £8.9m, including fees and works, be noted;

(3) That an estimated subsidy of £1.512m for a 56-home scheme be set aside for Phase Two in order to achieve a pay-back of 30 years with a positive Net Present Value (NPV) as required by the Council's Development Strategy;

(4) That a financial contribution of £18,400 to the NHS to fund healthcare be included as part of the planning permission by way of a Unilateral Undertaking, subject to the money being specifically spent on services in the Loughton area; and

(5) That the Housing Portfolio Holder be authorised to submit a detailed planning application for the Burton Road development site.

Reasons for the Decision:

At its last meeting, the Cabinet Committee considered a feasibility study for a 31-home scheme at Burton Road, Loughton as Phase Two of the Council's Council Housebuilding Programme. However, it was resolved that an alternative scheme be developed for the site, which increased the density of the housing and reduced the parking allocation by taking advantage of the site's town centre location, good local shopping facilities and public transport infrastructure. Appropriating the land would override any third party access claims which may frustrate the Council's objectives for redevelopment.

Other Options Considered and Rejected:

1. Not to progress with either of the schemes presented in the report and revert to the 31-home scheme considered by the Cabinet Committee in February 2014.
2. To develop the site with a different number of homes, or with an alternative mix of property types or parking allocation.
3. Not to progress with any of the three schemes for this site and consider alternative sites to make up Phase Two.
4. 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.

31. HOMES AND COMMUNITIES AGENCY BID

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee. He advised that following the launch of the 2015-18 Affordable Homes Programme Bid Prospectus by the Homes and Communities Agency (HCA), the Council now had the opportunity to bid for an Affordable Housing Grant to subsidise the Council's Housebuilding Programme. The Prospectus signals the start of the Bid Round, which would close at 12 noon on 30 April 2014. The Prospectus prescribes that any bids must be made based on an executive decision.

Further documentation would need to be prepared in relation to the design and training standards that the HCA expects. These standards had not been published by

the HCA yet but East Thames was monitoring this situation and would work with the Council to deliver these statements on time.

Once the bid was submitted, the HCA expected to confirm successful bids by Mid July 2014. It was recommended that, should the Council's bid be successful, then East Thames be authorised to lead on the process of gaining investment partnership status with the HCA.

The advantage to bidding for grant from the HCA was that, if successful, more affordable homes could be provided within the Housebuilding Programme than otherwise would be the case.

Due to the limited amount of time between the meeting and the 30 April deadline to submit a bid to the HCA for Affordable Housing Grant, the Chairman of Council had agreed to waive the Call-in Procedure for this item.

Decisions:

(1) That East Thames, in consultation with the Director of Communities, be authorised to submit a bid to the Homes and Communities Agency (HCA) for Affordable Housing Grant as part of the Affordable Homes Programme 2015-18, before the 30 April 2014 deadline, initially to fund 40 homes at Burton Road, Loughton, based on a grant of £12,500 per home and the provision of affordable rents in line with the Council's Affordable Rent Policy, with the remaining 16 homes, plus the 23 homes included in Phase 1, being put forward as part of the bid with a nil grant requirement;

(2) That, as part of the bid for HCA Affordable Housing Grant, the Council reaffirms its intention to charge affordable rents for all new homes, but to retain social housing rent for existing housing stock and not convert vacant properties to affordable rent on re-let;

(3) That, subject to a successful grant application, East Thames be authorised to prepare an application on behalf of the Council for HCA Investment Partner Status so that the funding can be drawn down at the appropriate time; and

(4) That it be noted, due to the amount of time between the meeting and the 30 April deadline to submit a bid to the HCA for Affordable Housing Grant, the Chairman of Council had agreed to waive the Call-in Procedure for this item.

Reasons for the Decision:

In order for the HCA to consider any bids for Affordable Housing Grant, it requires the bid to be supported by an executive decision of the Board or other authorised Committee.

Other Options Considered and Rejected:

Not to submit an application for grant and to self-fund the programme.

32. POLICY ON UNDEVELOPABLE SITES

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the approach to be taken in respect of sites in the area that are not deemed appropriate for development by the Council. He advised that the Council's Development Agent was required to undertake a feasibility study

for each of the 65 garage and other surplus sites included on the list of potential development garage sites approved by the Cabinet. The future use of any site considered either unsuitable or financially unviable, or not receiving planning permission, would need to be considered and it was considered helpful for a general Policy to be agreed in advance. Following previous informal consultation with the Cabinet Committee, the report set out the proposed approach the Council should take where sites are found to be unsuitable for Council housebuilding.

Decisions:

1. That, should any of the potential development sites identified for Council housebuilding not be developable because:
 - (i) They do not receive planning permission;
 - (ii) They are not financially viable for the Council to develop based on a development appraisal; or
 - (iii) The Cabinet Committee considers, for whatever reason, the site should not be developed for Council housing;

Officers be authorised to consider the following options and submit a separate report to the Cabinet Committee to determine the future use of the site:

- a. To sell the site for social housing to a housing association in return for a capital receipt to fund future Council housebuilding and to gain nomination rights for Council housing applicants;
 - b. To sell the site for private development, either for residential or other use in return for a capital receipt to fund future Council housebuilding;
 - c. To divide up the site and sell the land to local residents to extend their private gardens in return for a capital receipt to fund future Council housebuilding;
 - d. To demolish the garages, re-surface and mark out the land and to leave the site as open car parking for local residents;
 - e. To sell the site to a Town or Parish Council for their own purposes (eg. public amenity space) in return for a capital receipt to fund future Council housebuilding; and
 - f. To continue to market and rent the garages to local residents; and
2. That the Cabinet Committee recommends to the Leader of the Council that the Terms of Reference for the Council Housebuilding Cabinet Committee be varied to empower the Cabinet Committee to determine the future use of garage sites and other Council owned land previously identified and approved by the Cabinet for possible Council housebuilding, where the Cabinet Committee agrees that development is not appropriate.

Reasons for the Decision:

The Cabinet has agreed to consider the development potential of 65 garage sites, and development would always be subject to feasibility, financial viability and planning approval. Where sites are not developable, then their future use must be considered to maximise the Council's benefit of the Asset.

Other Options Considered and Rejected:

To agree any other option for the future use of the sites as the Cabinet Committee deemed suitable.

33. ANNUAL REPORT TO CABINET

The Assistant Director presented a draft Progress Report for the Cabinet Committee to present to the Cabinet. He advised that, set out in its Terms of Reference, the Cabinet Committee was required to monitor and report to the Cabinet, on an annual basis progress and expenditure in relation to the Council Housebuilding Programme.

Recommended:

That the Annual Progress Report on Council Housebuilding be presented to the Cabinet.

Reasons for the Decision:

Set out in its Terms of Reference, the Cabinet Committee would be required to monitor progress and expenditure in relation to the Council Housebuilding Programme and report to the Cabinet on an annual basis.

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.

34. DEVELOPMENT NAMING

The Director of Communities presented a report to the Cabinet Committee advising that some new Council developments would need to be named for postal and other purposes.

It was therefore suggested that the Cabinet Committee's Terms of Reference be extended through a Leader's Decision to include this provision.

Decision:

That the Leader of the Council be recommended to make a Leader's Decision to include, within the Cabinet Committee's Terms of Reference, the authority to decide, where necessary, in consultation with Ward Members, on the names of developments undertaken through the Council Housebuilding Programme.

Reasons for the Decision:

It was considered that the Cabinet Committee would be the most appropriate body to undertake this role.

Other Options Considered and Rejected:

- (a) To delegate responsibility to officers;
- (b) To request the Housing Scrutiny Panel to undertake this role; or
- (c) That responsibility be given to the full Cabinet.

35. RISK REGISTER UPDATE

The Assistant Director (Housing Property and Development) presented a report to the Cabinet Committee regarding the Risk Register, which had been reviewed and updated by Pellings LLP. He highlighted risks found with part of the Phase I developments.

- (a) Marden Close, Chigwell Row - a problem had been identified with Japanese Knotweed growing on the site; and
- (b) The Former Red Cross Hall site, Waltham Abbey - the land was potentially contaminated.

At its meeting in July 2013, the Cabinet Committee considered the first iteration of the Risk Register prepared by East Thames. Since the Council's Housebuilding Programme was a major undertaking, involving significant amounts of money and risks, it was essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Following approval by the Cabinet of individual developments and development packages, East Thames had, and would continue to produce and keep updated, Risk Registers for each development/package, which would be monitored by the Project Team at Project Team Meetings.

In addition, it was appropriate to have a "Programme-wide" Risk Register, which was a "live document" for the Housebuilding Programme. East Thames, and specifically Pellings LLP, who are the Architects and Employers Agent appointed by East Thames, had updated the Programme-wide Risk Register, taking account of comments made by Members at the last meeting of the Cabinet Committee.

Resolved:

That the current Programme-wide Risk Register for the Council Housebuilding Programme be noted.

Reasons for the Decision:

The Council's Housebuilding Programme was a major undertaking, involving significant amounts of money and risks, it was essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Other Options Considered and Rejected:

- (a) Not to have a Risk Register – but it would not be appropriate to contemplate such an option; and
- (b) To request amendments to the format or content of the Programme-wide Risk Register.

36. ANY OTHER BUSINESS

Resolved:

That, in accordance with Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules, the Chairman had permitted the following item of urgent business to be considered following the publication of the agenda:

- (a) Outcome of Funding Bid for the Council Housebuilding Programme.

37. OUTCOME OF FUNDING BID FOR THE COUNCIL HOUSEBUILDING PROGRAMME

The Director of Communities presented a report advising the Cabinet Committee that the Council was a member of the West Essex Housing Forum, which had submitted a bid to the London-Stansted-Harlow Programme of Development (POD) Partnership Board for funding towards the costs of the Council Housebuilding Programmes of the three district councils in West Essex.

The bid for £112,000 was successful, and the Council's share would be £37,300.

Decision:

- (1) That the successful outcome of the bid by the West Essex Housing Forum to the London-Stansted-Harlow Programme of Development (POD) Partnership Board for funding towards the costs of the Council Housebuilding Programmes of the three district councils in West Essex be noted; and
- (2) That it be noted that the Council's share of the £112,000 total funding will be £37,300 - towards the costs of the development at Harveyfields, Waltham Abbey as part of Phase 1 of the Housebuilding Programme.

Reasons for the Decision:

For noting only.

Other Options Considered and Rejected:

For noting only.

38. EXCLUSION OF PUBLIC AND PRESS

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

CHAIRMAN

This page is intentionally left blank

Council House Building Cabinet Committee

TERMS OF REFERENCE AND MEMBERSHIP

Terms of Reference

1. To consider and recommend to the Cabinet the Development Strategy for the Council's House Building Programme on an annual basis.
2. To consider and sign-off development appraisals and financial appraisals produced by the Council's appointed Development Agent for sites previously identified by the Cabinet as having development potential and that could be included within the Council's House Building Programme.
3. To approve the submission of detailed planning applications, and/or if more appropriate outline planning applications, by the Council's appointed Development Agent for sites that the Cabinet Committee considers are suitable for development and viable, having regard to the development appraisals and financial appraisals for the sites.
4. To invite ward members to attend meetings of the Cabinet Committee when potential development sites in their ward are under consideration, and to provide an opportunity for ward members to provide comments on proposed developments, before development appraisals and financial appraisals are signed-off and approvals to submit planning applications are given.
5. To approve the subsequent development of sites considered suitable for development and viable that receive planning permission, subject to the acceptance of a satisfactory tender for the construction works.
6. To approve, and include within financial appraisals, the use of the following sources of funding for the development of individual sites within the Council's House Building Programme:
 - (a) The agreed Housing Capital Programme Budget for the House Building Programme;
 - (b) Capital receipts made available through the Council's Agreement with the Department of Communities and Local Government allowing the use of receipts from additional Right to Buy (RTB) sales as a result of the Government's increase in the maximum RTB Discount to be spent on House Building;
 - (c) Financial contributions received from developers for the provision of affordable housing within the District, in lieu of on-site affordable housing provision, in compliance with Section 106 Planning Agreements; and
 - (d) Grant funding received from the Homes and Communities Agency.
7. To approve the submission of the Council's Pre-Qualification Questionnaire to the Homes and Communities Agency (HCA), applying for Investment Partner status with the HCA.
8. To consider and accept tenders received for the construction works on sites included within the Council House Building Programme.
9. To determine whether, in addition to the potential development sites already considered by the Cabinet, sites with development potential within the following categories should be added to either the House Building Programme's Primary List or Reserve List and detailed development appraisals and financial appraisals undertaken by the Council's Development Agent:
 - (a) Other specific garage sites comprising 6 or less garages;
 - (b) Specific garage sites where garage vacancies arise with no waiting list of applicants; and
 - (c) Specific areas of Council-owned land on housing sites considered to be surplus to requirements.

10. To determine whether sites on the Reserve List of potential development sites previously agreed by the Cabinet should be promoted to the Primary List, and detailed development appraisals and financial appraisals undertaken by the Council's Development Agent, due to:
 - (a) There being insufficient numbers of properties that can be viably developed from the Primary List of potential development sites to deliver a House Building Programme of 120 new homes over a six-year period; and/or
 - (b) The Cabinet subsequently deciding to increase the size of the House Building Programme and there being insufficient numbers of properties that can be viably developed to deliver a larger Programme.
11. To monitor and report to the Cabinet on an annual basis:
 - (a) Progress with the Council House Building Programme; and
 - (b) Expenditure on the Housing Capital Programme Budget for the Council House Building Programme, ensuring the use (within the required deadlines) of the capital receipts made available through the Council's Agreement with the Department of Communities and Local Government allowing the use of receipts from additional Right to Buy (RTB) sales as a result of the Government's increase in the maximum RTB Discount to be spent on house building.
12. To approve applications to the Homes and Communities Agency (HCA) (or any successor body) to obtain HCA Investment Partner Status (or similar), in order to enable the Council to seek funding from the HCA, and to approve funding bids to the HCA for developments within the Council House Building Programme (*added by Leader Decision – 21.3.14*).
13. To consider and approve the future use of any potential development site previously identified by either the Cabinet or Cabinet Committee as having possible development potential for Council House Building where it either does not gain planning consent, is deemed inappropriate to develop undevelopable by the Cabinet Committee for whatever other reason or where the development appraisal identifies that the site is economically undevelopable. (*Added by Leader Decision – 16.5.14*)
14. To decide, where necessary, the names of developments undertaken through the Council House Building Programme, following consultation with the Parish or Town Councils. (*Added by Leader Decision – 16.5.14*)

Membership

Housing Portfolio Holder (Chairman)
Finance and Technology Portfolio Holder
Planning Portfolio Holder
Environment Portfolio Holder
Safer, Greener and Highways Portfolio Holder

Frequency of Meetings

As and when required, as determined by the Housing Portfolio Holder.

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-001-2014/15
Date of meeting: 21 August 2014

Portfolio: Housing

Subject: Acceptance of Tender – Council Housebuilding (Phase 1)

Responsible Officer: P Pledger (01992 564248)
Asst Director (Housing Property & Development)

Democratic Services: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

That a further evaluation into the financial credit standing of the lowest and second lowest tenderers be carried out, and the outcome reported to the Cabinet Committee before a decision is reached on which tender to accept for the Design and Build Contract for the construction of 23 new affordable Council homes, making up Phase 1 of the Council House-building Programme.

Executive Summary:

A tender exercise, undertaken in accordance with Contract Standing Orders, for the Design and Build contract for Phase 1 of the Council House-building programme resulted in 4 out of 5 tenders being returned. These have been evaluated by Pellings LLP, the Employers Agent acting on behalf of the Council's Development Agent East Thames. However, it has been recommended by Pellings LLP that any appointment should be subject to the Council undertaking a financial evaluation of the tenderers that are being considered. This will be carried out and reported to the Cabinet Committee in order for a decision to be made on which tender to accept.

Reasons for Proposed Decision:

The Council House-building Cabinet Committee has agreed to tender the works using the East Thames Framework Agreement, based on a Design and Build Contract. Therefore, this tender exercise satisfies that decision and has been undertaken in line with the Council's Development Strategy and the Council's Contract Standing Orders. However, in view of the recommendation by Pellings LLP to undertake a financial review of the lowest tenderers before making a decision, this additional information was not available at the time this report was published.

Other Options for Action:

To accept the lowest (or second lowest) tender without undertaking a financial check on the tenderers. However, this could expose the Council to the potential risk of entering into a high profile contract with a company financially unfit to complete the works.

Report:

(1) The Cabinet Committee, at its meeting in July 2013 considered and approved the detailed feasibility study for the construction of 25 new affordable homes over four sites on Roundhills, Waltham Abbey and a fifth site in Harveyfields, Waltham Abbey. One of the sites on Roundhills was later withdrawn from the Phase 1 programme. Planning applications were submitted and subsequently approved for the construction of 23 new affordable homes.

(2) Whilst all Contractors on the East Thames Contractors Framework list were contacted, just 2 of the 12 Contractors on the list expressed an interest to tender. Therefore, a further 3 Contractors, known to Pellings LLP as having the necessary experience of working on similar schemes of size and nature, were added as a result. All of those invited to tender are registered on Constructionline. The tender list was made up of the following Contractors:

- Countryside Properties Ltd - (Original East Thames Contractors Framework list)
- Hill Partnership Ltd - (Original East Thames Contractors Framework list)
- Broadway Construction Ltd – (Added by Pellings LLP)
- Bugler Developments Ltd - (Added by Pellings LLP)
- MK Building Contractors (UK) Ltd - (Added by Pellings LLP)

(3) Tenders were issued on 16 May 2014 to all 5 Contractors listed above, based on a JCT Design and Build Contract using the designs approved by the Planning Sub-Committee and the comprehensive set of the Council’s Employers’ Requirements. The pre-tender estimate for the works was £3,119,000

(4) The tenders were returned on 27 June 2014 and opened by the Housing Portfolio Holder on the same day. The tenders were registered as follows:

Tenderer	Place	Tender Sum
MK Building Contractors (UK) Ltd	1	£3,066,839.00
Broadway Construction Ltd	2	£3,245,143.62
Hill Partnership Ltd	3	£3,503,274.83
Bugler Developments Ltd	4	£3,744,504.97
Countryside Properties Ltd		Did not Tender

(5) Arithmetical checks were carried out by Pellings LLP on all of the tenders received, with the two lowest tenders being analysed in detail. The tenders submitted by MK Building Contractors (UK) Ltd and Broadway Construction Ltd as lowest and second lowest respectively represented fully compliant bids.

(6) Whilst a detailed tender evaluation report has been received from Pellings LLP, it is their recommendation that any appointment is subject to financial checks by the Council. Due to the limited time available to undertake this in advance of the Agenda being published, it is recommended that a further evaluation into the financial credit standing of the lowest and second lowest tenderers be carried out, and the outcome reported to the Cabinet Committee before a decision is reached.

Resource Implications:

Funding the House-building programme will be made up of 1-4-1 RTB receipts (30% of the

total works costs), £87,000 from the sale of land at Millfield, High Ongar, £127,300 grant from the Harlow Growth Area Fund, £127,500 from the release of a Covenant at Lawton Road, and the balance from accrued S.106 contributions and existing Capital funding set aside for Council house-building.

Legal and Governance Implications:

The tenders have been sought in accordance with Contract Standing Orders. Since the value of the work is below the EU Procurement thresholds for Works, EU Procurement rules do not apply.

Safer, Cleaner and Greener Implications:

The new affordable Council homes are to be constructed to "Secure By Design" standards and will meet the Code for Sustainable Homes level 3.

Consultation Undertaken:

Each of the local Ward Councillors, Residents and the Roundhills Residents Association have all been consulted at the Feasibility stage and at Planning application stage.

Background Papers:

1. Council House-building Cabinet Committee report on the feasibility studies for the Phase 1 development sites.
2. Tender evaluation report produced by Pellings LLP, the Employers Agent acting on behalf of the Council's Development Agent East Thames.

Risk Management:

A Programme wide Risk Register has been developed and is monitored by the Cabinet Committee. A site specific risk register has also been developed, which has identified risks such as contaminated land. These risks are being managed through the inclusion of specific measures in the contract.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-002-2014/15
Date of meeting: 21 August 2014

Portfolio: Housing

Subject: Naming of New Council Housing Developments - Phase 1

Responsible Officer: P Pledger (01992 564248)
Asst Director (Housing Property & Development)

Democratic Services: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

That the approach to naming the developments in Phase 1 of the CHB Programme be agreed.

Executive Summary:

At its meeting in April 2014 the Cabinet Committee recommended to the Leader of the Council that the Terms of Reference for the Cabinet Committee be amended to incorporate the future naming of developments undertaken through the Council House-building Programme. Since the Phase 1 development is shortly due to commence on site, it is necessary to set out the approach that is to be taken when agreeing the street names and addresses.

Reasons for Proposed Decision:

There is a legal requirement that all streets are named and properties numbered. In line with its Terms of Reference the Cabinet Committee is required to consider and approve the naming of each new Council House-building development, following consultation with the Parish or Town Councils and in line with the Council's Policy on Street naming and Numbering.

Other Options for Action:

Since all new developments require an address and the Council has the legal responsibility to ensure streets are named and properties numbered, the only other options available are whether to name the addresses now or at a later date.

Report:

(1) It is the Council's responsibility to ensure that all new properties are allocated an appropriate address as it facilitates:

- Emergency Services locating properties;
- Consistency of property based information across local government databases and within the community;

- Reliable delivery for post and other such deliveries; and
- Location of address for visitor to the area

(2) To this end, the Council has already got in place a Policy that aids Developers in suggesting street names, for which the Council has the power to approve or reject under the Towns Improvement Clauses Act 1847 (S64 and S65) in conjunction with S21 of the Public Health Act Amendment Act 1907. A copy of the Policy is attached at appendix 1 of this report.

(3) Taking account of the Council's Policy, it is recommended that the Cabinet Committee considers and agrees the approach they wish to take in respect of street naming for the Phase 1 development sites.

Resource Implications:

Since street naming is a chargeable service, based on the published fee of £50.50 for the first property plus £16.50 per each additional property, the cost will be around £420, which will be met from the overall scheme costs.

Legal and Governance Implications:

Towns Improvement Clauses Act 1847 (S64 and S65) in conjunction with S21 of the Public Health Act Amendment Act 1907.

Safer, Cleaner and Greener Implications:

Appropriately named streets and clear numbering aids the emergency services.

Consultation Undertaken:

At this stage there has not been any consultation in respect of this report.

Background Papers:

Council House-building Cabinet Committee Terms of reference.

Risk Management:

There are no direct risks associated with this report.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.

This page is intentionally left blank



Street Naming and Numbering Policy

Epping Forest District Council
Civic Offices
High Street
Epping
Essex
CM16 4BZ

Tel: 01992 564608
Fax: 01992 561016
Email:

EPPING FOREST DISTRICT COUNCIL STREET NUMBERING AND NAMING POLICY

Table of Contents

(1)	Purpose of Policy	3
(2)	Applicable Legislation	5
2(a)	Towns Improvement Clauses Act 1847.....	5
2(b)	Public Health Act Amendment Act 1907	5
(3)	Charging for the Street Naming & Numbering Service	6
3(a)	Local Government Act 2003.....	6
(4)	Naming of New Streets	7
4(a)	Criteria for Naming Streets.....	7
(5)	Renaming of Existing Streets	9
(6)	Naming of Existing Unnamed Streets	9
(7)	Addressing of New Properties	10
7(a)	Criteria for addressing new properties.....	11
	Appendix A – Street Name Plate Specifications	13

(1) PURPOSE

The address of a property is becoming an increasingly important issue, with the Emergency Services particularly needing an efficient and easy means of locating properties.

Epping Forest District Council (EFDC) has the legal responsibility to ensure that streets are named and properties numbered. The authority has the power to approve or reject property addresses submitted by developers or members of the public under the Towns Improvement Clauses Act 1847 (S64 and S65) in conjunction with S21 of the Public Health Act Amendment Act 1907. These powers also extend to commercial properties as well as domestic.

This policy is designed to provide guidance to developers, businesses and residents who undertake property development and address changes and these applications will be subject to the official Street Naming and Numbering (SNN) process. It is essential that a comprehensive and efficient standard for naming streets and numbering or naming properties is maintained as it facilitates:

- Ø Emergency Services locating properties
- Ø Consistency of property based information across local government databases and within the community
- Ø Reliable delivery for post and other such deliveries
- Ø Location of addresses for visitors to the area

Street Naming and Numbering is a chargeable service and the process is only carried out when the relevant Planning Permission has been granted for a development and the Street Naming and Numbering fees have been paid. EFDC makes these charges on the basis that the Council may charge for the provision of such a service, provided the person to whom the service is given has agreed to its provision. This excludes the statutory elements of the SNN function for which there should be no charge, but allows for charges to be made for the discretionary elements on a "not for profit" basis therefore allowing the Council to recover costs incurred. The discretionary services are those that an authority has the power, but not a duty, to provide, and for SNN purposes these services include:

- (i) consultation and liaising with other external organisations such as the Royal Mail, Parish and Town Councils and Emergency services;
- (ii) the naming and numbering of new properties;
- (iii) alterations to either a name or numbers for new developments after initial naming and numbering has been undertaken;
- (iv) notifications to relevant organisations
- (v) confirmation of addresses;
- (vi) challenges to existing official naming/numbering schemes/addresses held within the street naming and numbering records; and
- (vii) obtaining a postcode from the Royal Mail.

Developers and individuals must not allocate property or street names themselves and should follow the process set out in this policy. If a property is not lawfully assigned a proper address through the SNN process it will not appear on the council's Local Land and Property Gazetteer (LLPG) which is used by the Royal Mail, Emergency services, credit agencies and many other companies, and may well lead to difficulties in receiving mail, goods services or when applying for a credit card.

The LLPG forms a basis for feeding correctly named and numbered streets and properties in to the National Land and Property Gazetteer.

Where street names or previous numbers have been established without going through the official SNN process EFDC has the authority to issue Renaming or Renumbering Orders, under Section 64 of the Towns Improvement Clauses Act 1847.

Allocation of post codes are managed by the Royal Mail and must be confirmed by them. EFDC may undertake this process on the applicant's behalf and inform the applicant and other interested parties. The provision of a full postal address, including a post town, and post code is the discretionary element of the SNN service for which a charge is made. However the Royal Mail will not provide a post code to any applicant without receiving the street name and number or name of the property within the street from the Council.

(2) APPLICABLE LEGISLATION

2 (a) Towns Improvement Clauses Act 1847

Section 64: Houses to be numbered and streets named

The commissioners shall from time to time cause the houses and buildings in all or any of the streets to be marked with numbers as they think fit, and shall cause to be put up or painted on a conspicuous part of some house, building, or place, at or near each end, corner, or entrance of every such street, the name by which such street is to be known; and every person who destroys, pulls down, or defaces any such number or name, or puts up any number or name different from the number or name put up by the commissioners, shall be liable to a penalty not exceeding Level 1 on the standard scale for every such offence.

Section 65: Numbers of houses to be renewed by occupiers

The occupiers of houses and other buildings in the streets shall mark their houses with such numbers as the commissioners approve of, and shall renew such numbers as often as they become obliterated or defaced; and every such occupier who fails, within one week after notice for that purpose from the commissioners, to mark his house with a number approved of by the commissioners, or to renew such number when obliterated, shall be liable to a penalty not exceeding Level 1 on the standard scale and the commissioners shall cause such numbers to be marked or to be renewed as the case may require, and the expense thereof shall be repaid to them by such occupier, and shall be recoverable as damages.

2 (b) Public Health Act Amendment Act 1907

Section 21: Power to alter names of streets

The local authority may, with the consent of two-thirds in number of the ratepayers, and persons who are liable to pay an amount in respect of council tax, in any street, alter the name of such street or any part of such street. The local authority may cause the name of any street or of any part of any street to be painted or otherwise marked on a conspicuous part of any building or other erection.

Any person who shall wilfully and without consent of the local authority, obliterate, deface, obscure, remove or alter any such name, shall be liable to a penalty not exceeding Level 1 on the standard scale.

(3) CHARGING FOR THE STREET NAMING & NUMBERING SERVICE

3 (a) Local Government Act 2003

Section 93: Power to charge for discretionary services

- (1) Subject to the following provisions, a best value authority may charge a person for providing a service to him if –
 - (a) the authority is authorised, but not required, by an enactment to provide the service to him and
 - (b) he has agreed to its provision.
- (2) Subsection (1) does not apply if the authority-
 - (a) has power apart from this section to charge for the provision of the service, or
 - (b) is expressly prohibited from charging for the provision of the service.
- (3) The power under subsection (1) is subject to a duty to secure that, taking one financial year with another, the income from charges under that subsection does not exceed the costs of provision
- (4) The duty under subsection (3) shall apply separately in relation to each kind of service
- (5) Within the framework set by subsections (3) and (4), a best value authority may set charges as it thinks fit and may, in particular-
 - (a) charge only some persons for providing a service;
 - (b) charge different persons different amounts for the provision of a service
- (6) In carrying out functions under this section, a best value authority shall have regard to such guidance as the appropriate person may issue
- (7) The following shall be disregarded for the purposes of subsection (2)(b)-
 - (a) section 111(3) of the Local Government Act 1972 (c. 70) (subsidiary powers of local authorities not to include power to raise money),
 - (b) section 34(2) of the Greater London Authority Act 1999 (c. 29) (corresponding provision for Greater London Authority), and
 - (c) section 3(2) of the Local Government Act 2000 (c. 22) (well-being powers not to include power to raise money).
- (8) In subsection (1), “enactment” includes an enactment comprised in subordinate legislation (within the meaning of the Interpretation Act 1978 (c.30)).

(4) NAMING OF NEW STREETS

Property developers and local residents may suggest names for new streets and these should be submitted to the SNN Officer for consideration against our criteria. Consultation is undertaken with Town or Parish Councils for the area, which can either accept the suggestion or object to it and offer their own alternatives. Any alternatives will again be assessed against our criteria and can be rejected if it does not meet these criteria. Once a suitable suggestion has been selected the SNN officer will seek agreement with the developer.

Where a street is created as part or all of a new development, all costs for the erection of new street name plates will be paid for by the property developer. The specifications for the plates and their location are provided at Appendix A. Maintenance of the street name plates only becomes the responsibility of EFDC once the street has been adopted.

No street name plate will be erected until the street name has been confirmed in writing by EFDC.

4 (a) Criteria for Naming Streets

From this point forward developers, residents, Town and Parish Councils should use the criteria set out below when considering suggestions for naming of streets:

- 1) There must be at least two properties with entrances from a street/private access way before a street name is proposed.
- 2) New street names shall not be assigned to new developments when such developments can be included in the current numbering scheme of the street providing access.
- 3) Phonetically similar names will also be avoided e.g. Willows Avenue and Winnows Avenue.
- 4) New street names shall not duplicate any name already in use in the area, or neighbouring area. A variation on the street name by thoroughfare type (avenue, street, road) will not be allowed e.g. if there is already a street named Oak Road, Oak Lane will not be allowed.
- 5) Consideration should be given to existing historical or geographical connections that have already been established within the area, and new names should be in keeping with any themes.
- 6) Street names are unacceptable if they are likely to cause spelling or pronunciation difficulties as these may lead to confusion for Emergency Services.
- 7) Street names that may be considered or construed as obscene, racist or which would contravene any aspect of the council's equal opportunities policies will not be acceptable.
- 8) Street names that may be open to re-interpretation by graffiti or shortening of the name shall be avoided.
- 9) New street names should not end in "s" where it can be construed as a possessive or plural.
- 10) No street to start with the word "The".
- 11) All punctuation, including apostrophes, shall be avoided.

12) Words of more than three syllables and the use of more than two words (excluding the thoroughfare type) shall be avoided.

13) All new street names must end with one of the following suffixes:

Street -	any thoroughfare that is lined with buildings
Road -	any street
Way -	any street
Avenue -	any street (often lined with trees)
Drive -	any street (often lined with trees)
Grove -	any thoroughfare or cul-de sac (often lined with trees)
Lane -	any street (often narrow or in the country)
Rise -	a street on a sloped hill
Mews -	a small street, alley, or courtyard
Gardens-	for streets (not properties) – subject to there being no confusion with local open space
Crescent -	for a curved street
Close -	for a cul-de-sac only
Square -	for a square only
Hill -	for a hill side street only
Terrace-	for a terrace of houses (i.e. not facing on to an existing named street and therefore not a subsidiary name for a row of properties within an already named street)
Parade -	a public square or promenade

14) All new pedestrian ways should end with either Walk or Path.

15) Naming of a street after a living person will not be accepted, however:

The Director responsible shall have discretion to waive this if he believes there are valid and appropriate reasons to do so. Any such proposed exception would be considered by the Director if:

- i) The proposal is supported by a Member of Parliament and/or local authority councillor
- ii) The person can be shown to have been of the highest standing and such a view is likely to be shared by the public
- iii) The proposer has obtained written consent from a close member of the family of the person or a direct descendant. If that is impracticable a statement of reasons made to obtain consent must be submitted with the application

(Note: it is likely that such names would only be considered if the proposer can provide proof that the person has been deceased for more than 20 years. This is in line with the heritage “blue plaque” regulations).

16) Street Names are not acceptable where it could be construed as advertising.

17) Naming a street after a company or association with a company that has or has not traded in the area in the past will not be accepted. However, the Director responsible shall have the discretion to waive this if he believes there are valid and appropriate reasons to do so.

(5) RENAMING OF EXISTING STREETS

Consultation with all affected rate payers/non domestic rate payers will first be undertaken and the consent of two thirds of those affected must be obtained before consideration will be given to re-naming a street. The Parish or Town Councils will also be involved in this consultation process to obtain their views.

A report which provides evidence of the rate payers' approval will be given to the Portfolio Holder for Street Naming and Numbering which will seek their endorsement to instigate the change.

All street re-naming will be done in strict compliance with the criteria set out under Naming of New Streets above.

(6) NAMING OF EXISTING UNNAMED STREETS

This will be considered only where there is difficulty in locating the street due to a lack of name. This delay in locating the street can be a problem even though there are no properties addressed in the street, or where properties are using the nearest named street as their address e.g. where they are situated on private access road.

The same process and criteria as described at renaming of existing streets will apply.

(7) ADDRESSING OF NEW PROPERTIES

When a developer or resident makes an application to have a new plot or development named and numbered they must provide the following information to the SNN Officer

- Ø **The Planning Application Reference Number** – Street naming and numbering for new developments can only be undertaken once the application is approved by the Planning Department, as without this any address cannot be allocated.
- Ø **Plans** – plans which clearly show the plot numbers, location in relation to existing land or properties in the road, and these must also indicate where the front door or primary access points are for each property.
- Ø **Internal Layout Plans** – Where appropriate these will be supplied clearly indicating the front doors for each property, the main access points for the block, floor levels, and plot numbers.
- Ø **Suggested names for any streets/ block names** – a letter indicating the preferred names for any streets within the developments, or block names where flats/apartments are involved.
- Ø **Payment of Fees** - a cheque for fees payable in accordance with the fees set by EFDC must be included with the information on the development before any SNN process can begin.
- Ø **The use for which the property is to be used.**

For developments of 1-6 properties the name of the development will be agreed by the SNN Officer with the developer, using the criteria as described at naming of new roads.

For developments of 7 or above properties consultation will take place with the Parish or Town Council for the area for their views on the names suggested for the streets involved. If there are any objections to the names suggested, the developer will be advised and further suggestions can be made at this point if required.

7 (a) Criteria for addressing of new properties

The following criteria will apply for addressing of all new properties/buildings:

- 1) All new property developments will be numbered rather than named. Exceptions will apply in existing streets where no numbering scheme currently exists, or where the extent of infill numbering has been exhausted.
- 2) All new streets shall be numbered with odd numbers on the left and even numbers on the right, starting at the primary entrance to the street. Where the street runs between two other streets, the numbering will start at the end of the street nearest the centre of the town or village.
- 3) Consecutive numbering may be used in a cul-de-sac or in a situation where there is no scope for future development.
- 4) The number of a property/building will be allocated to the street onto which the front door or main entrance faces, except in circumstances where the front door or main entrance provides no direct access from that street.
- 5) Numbers will remain sequential with no exception being made for superstition in the use of the number 13 or any other number considered to be unlucky, or personal preferences.
- 6) Flats and units within a block will be numbered sequentially in a clockwise direction from the main entrance/stairwell. Properties that have more than one entrance in a street (but

form part of the same property) will have the internal flats/units numbered in a clockwise direction within each part of the block served by a separate entrance.

- 7) Properties will be given a street number according to the street in which the main entrance is located and allocated a property name. The internal flats/units will be numbered individually e.g. Flats 1 – 17 Brickfield Court, 45 Chester Road.
- 8) For conversions with fewer than 4 internal flats/units the properties will keep the existing number and then use letters:
e.g. 21 Barnfield Road converted into three flats becomes Flat A 21 Barnfield Road, Flat B 21 Barnfield Road and Flat C 21 Barnfield Road.
- 9) When new properties are built on an existing numbered street, and there are no available numbers to use whilst retaining the current sequence, a letter will be used as a suffix e.g. 21a.
- 10) A business name will not be accepted as taking the place of a number or a building name.
- 11) Private garages or buildings used for housing vehicles and similar purposes will not be numbered.
- 12) A piece of land cannot be given an official address; only property on that piece of land can have a conventional address for the purposes of delivering mail and services.
- 13) On a street without numbers a name may be allocated to a new property/building.
- 14) Where a residential house is named and there is an assigned property number, the number must continue to be used. The name cannot be used instead of the number, and the number must be displayed in conjunction with the name.
- 15) The name of the property/building should not duplicate the name of the street, pedestrian way, geographical area or any other property within the area. This is the responsibility of the owner and not the Council, but the SNN Officer can offer assistance on names already in use. A variation in the end word e.g. Court House or Lodge will not be accepted as sufficient reason to duplicate a name
e.g. if there is a building named Oak Court, Oak Lodge would not be considered.
- 16) When assigning a new property/building name in an area where existing properties have theme e.g. historical or geographical connections, the new name should if possible be in keeping with this.
- 17) Property/building names are unacceptable if they are likely to cause spelling or pronunciation difficulties as these may lead to confusion for Emergency services.
- 18) Names of more than three syllables should not be used.
- 19) All new building names should, wherever possible, end with the suffix:

House -	Residential or commercial properties
Lodge -	Residential or commercial properties
Court -	Residential or commercial properties
Heights-	Residential or commercial properties
Point -	commercial properties

No building names to start with the word "The".

20) Naming a property/building after a company is only acceptable if the company no longer occupies the building and there is a positive local association and does not cause confusion. A business name cannot take the place of a number or a building name.

21) Names that could be seen as advertising are not acceptable.

22) A family name will not generally be considered acceptable, however:

The Director responsible shall have discretion to waive this if he believes there are valid and appropriate reasons to do so. Any such exception would only be considered by the Director if:

- i) the proposal is supported by a Member of Parliament and/or local authority councillor.
- ii) the person can be shown to have been of the highest standing and such a view is likely to be shared by the public.
- iii) the proposer has obtained written consent from a close member of the family of the person or a direct descendant. If that is impracticable a statement of reasons and efforts made to obtain consent must be submitted with the application.

(Note that it is likely that such names would only be considered if the proposer can provide proof that the person has been deceased for more than 20 years. This is in line with the heritage "blue plaque" regulations).

APPENDIX A

Specifications for Street Name Plates and their location:

STREET NAME PLATE SPECIFICATION

POSTS

Black recycled plastic posts.

Post dimensions 80 x 80 x 1220mm with beveled tops.

Milled (routed) at top of post to accept main backboard assembly.

Base of post drilled to accept anchor pins 10mm x 160mm

BACKBOARD

30mm x 150mm section, overall height and length of backboard is dependent upon number of lines and length of wording

SIGN FACE

Stabilised impact resistant polycarbonate with legends applied directly to the reverse side.
Double sided SNP's can be produced.

CHANNEL

“U” Section aluminium channel fitted top and bottom of backboard to retain sign face.

“U” Section channel can be supplied in various colours.

“U” channel bonded with 3m Scotchweld EPX bonding adhesive.

LETTERING

The maximum number of letters permitted per line is

12 to 13 where road name allows.

Font is Kindersley 89mm letter

FRAME

Posts and backboard can be used in conjunction with

Die Pressed Aluminium Street Name Plate.

FOUNDATION

1220mm posts require foundations 450 x 450 x 450mm,

Need to be 800mm above ground level (to top of sign)

Backfill with compacted concrete.

This page is intentionally left blank

Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-003-2014/15
Date of meeting: 21 August 2014

**Epping Forest
District Council**

Portfolio: Housing

Subject: Progress Report – Marden Close & Faversham Hall Conversions,
Phase 1 & 2 of the Council Housebuilding Programme

Responsible Officer: P Pledger (01992 564248)
Asst Director (Housing Property & Development)

Democratic Services: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That the current progress with regard to Marden Close and Faversham Hall, as well as Phases 1 and 2 of the Council housebuilding programme be noted, and in particular a reduced number of new affordable homes at Burton Road, Loughton as Phase 2 from 56 homes to 52;
- (2) That the current budget position be noted, based on
 - a. Marden Close & Faversham Hall tender sum already agreed by the Housing Portfolio Holder in the sum of £890,000 (Works and Fees) for 12 new self-contained flats;
 - b. Phase 1 tender received and agreed earlier on the Agenda, taking account of the total scheme costs of around £3.35m (Works & fees) for 23 homes at Roundhills and Harveyfields, Waltham Abbey; and
 - c. Phase 2 feasibility estimate of £8.9m (Works & fees) for 52 new homes at Burton Road, Loughton.
- (3) That the Programme timetable at appendix 1 of this report be noted

Executive Summary:

In July 2013, February 2014 and April 2014, the Cabinet Committee considered feasibility studies, investment reports and progress reports for Marden Close and Faverhsam Hall conversions as well as Phases 1 and 2 of the Council's Housebuilding Programme. This report provides Members with an update on both progress to date and budget position.

Reasons for Proposed Decision:

It is a requirement that the Housebuilding Cabinet Committee receives regular updates on progress and monitors expenditure against the Housebuilding budget as delegated by the Cabinet.

Other Options for Action:

This report is for noting only.

Report:

Marden Close and Faversham Hall Conversion

(1) In July 2014 the Housing Portfolio Holder agreed the appointment of PA Finley Ltd to undertake the Design and Build Contract for the conversion of 20 bedsits at Marden Close and the ground floor of Faversham Hall into 12 self-contained 1-bed flats, in the sum of £819,861 (excluding the Development Agent fees of around £70,000). The contract is currently being drawn up and a Date of Possession is estimated to be around the beginning of September 2014 after the detailed design has been completed by the Contractor. Completion is estimated to be 12-months later around September 2015.

Phase 1

(2) Earlier on the agenda the Cabinet Committee is to consider the tender for Phase 1 of the Council's house building programme. From that report, it is noted that the lowest tender received by MK Building Contractors (UK) Ltd was in the sum of £3,066,839 with a construction period of 55 calendar weeks. This was £52,161 (1.7%) below the Pellings pre-tender estimate of £3,119,000 and £178,304.62 (13.1%) below the second lowest tender.

(3) The funding for Phase 1 will therefore consist of around £920,000 (30%) 1-4-1 RTB receipts, £127,000 grant from the Harlow Growth Area Fund, £87,000 from the sale of land in Millfield, High Ongar and the balance from accrued S.106 contributions as well as from existing Capital funding set aside for Council housebuilding.

(4) MK Building Contractors (UK) Ltd have stated that they would require a 10-12 week design and mobilisation period, which will mean the Date of Possession will need to be agreed, around mid to late November 2014. Therefore, the anticipated completion for Phase 1 will be around December 2015.

(5) Each of the garage tenants across all 4-sites making up Phase 1 has been served a Notice to Quit and their tenancies have been ended. This has allowed the Council to erect "Herras" style security fencing around the sites, thereby creating temporary diversions, which will help to head off any potential claims of access over the land by third party rights, which would in turn frustrate the Council's regeneration objectives for the sites.

(6) A parking study has been carried out in accordance with the planning conditions, which has resulted in the three areas of Roundhills, Waltham Abbey being ranked against other off street parking schemes across the district. The outcome of this is the Red Cross site now sits at the top of the programme for the next phase (phase 6), should the Cabinet agree to progress the Off Street Programme when it is next considered in February 2015. The other two sites in Roundhills, Waltham Abbey would fall within Phases 7 and 8.

Phase 2

(7) Since the Cabinet Committee agreed to progress with a 56-home scheme at the Burton Road site in Loughton as Phase 2 of the Council Housebuilding Programme, Pellings LLP, the Architects appointed by the Council's Development Agent East Thames, have consultation with the Council's Planning Officers and developed the designs in line with their observations around overlooking issues. This has resulted in a slight reduction from 56 new homes to 52. The mix will therefore be as follows:

- 2 x 2-bed houses
- 15 x 3-bed houses

- 13 x 1-bed flats
- 22 x 2-bed flats
- 27 off street parking spaces

(8) The estimated cost for Phase 2 remains at around £8.9m with a £1.512m subsidy to achieve a 30-year pay-back and a positive NPV. This excludes the sum of £18,400 agreed by the Cabinet Committee as a financial contribution to the NHS to fund healthcare by way of a Unilateral Undertaking, subject to the money being specifically spent on services in the Loughton area.

(9) The planning application for the Burton Road development is due to be submitted by the end of August 2014. Assuming planning approval is granted, Phase 2 will commence on site around May 2015.

(10) A programme in the form of a gant chart is attached at appendix 1 of this report illustrating the programme timescales for each of the phases 1 and 2 as well as Marden Close and Faversham Hall.

Resource Implications:

- Around £890,000 – Marden Close and Faversham Hall conversion (Works and Fees) This is funded from the Service Enhancement Fund. However, 1-4-1 RTB Receipts can be used to part fund the conversion of Faversham Hall, but not Marden Close.
- Around £3,350,000 – Phase 1 of the Council Housebuilding Programme (Works and Fees) funded from 1-4-1 RTB Receipts, other grants, S.106 contributions and existing Capital budgets for Council Housebuilding.
- Around £8,900,000 – Phase 2 of the Council Housebuilding Programme (Works and Fees) funded from 1-4-1 RTB Receipts, other grants, S.106 contributions and existing Capital budgets for Council Housebuilding.

Legal and Governance Implications:

Within its Terms of Reference, the Housebuilding Cabinet Committee is expected to monitor both progress and budgets for the Housebuilding programme.

Safer, Cleaner and Greener Implications:

Redeveloping under-utilised garages adds value to and enhances the local environment and streetscape.

Consultation Undertaken:

Local Ward Councillors and Residents associated with each of the sites have been consulted, either at the Cabinet Committee meeting or through the Town and County Planning Act consultation process.

Background Papers:

The Development Strategy, as well as feasibility studies and investment reports for Marden Close & Faversham Hall, Phases 1 & 2, together with the Housing Portfolio Holder report on the outcome of the tender exercise for Marden Close and Faversham Hall.

Risk Management:

Within the financial viability assessments, the greatest risk is that the assumptions prove to be incorrect resulting in each phase being un-viable. Now that the tenders for Marden Close & Faversham Hall as well as Phase 1 of the Council Housebuilding Programme have now been received, these risks are significantly reduced.

In other cases where tenders have not yet been received, these risks are mitigated by the Council being able to either add more subsidy or not to progress the works beyond the planning stage.

In addition, a project wide risk register has been compiled and are monitored by the Cabinet Committee, with site specific risk assessments monitored by the Project Team.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

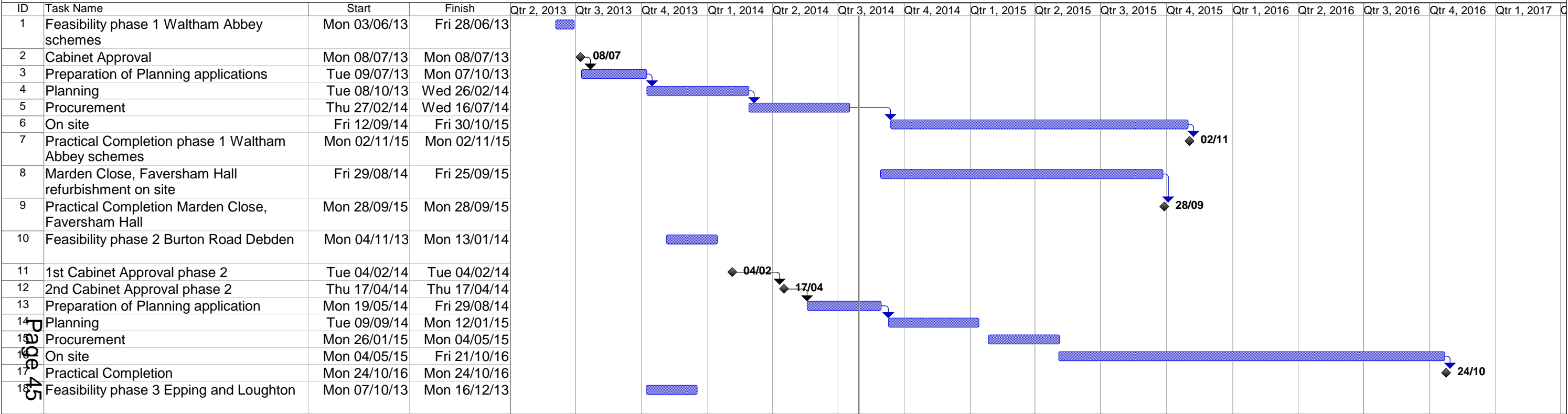
From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.

This page is intentionally left blank

EFDC - CHBP July 2014



Page 4/5

Project: EFDC - CHBP July 2014 Date: Wed 30/07/14	Task		Project Summary		Inactive Task		Duration-only		Finish-only	
	Split		External Tasks		Inactive Milestone		Manual Summary Rollup		Progress	
	Milestone		External Milestone		Inactive Summary		Manual Summary		Deadline	
	Summary		Inactive Task		Manual Task		Start-only			

This page is intentionally left blank

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-004-2014/15
Date of meeting: 21 August 2014

Portfolio: Housing

Subject: Outcome of HCA Affordable Housing Grant Application

Responsible Officer: P Pledger (01992 564248)
Asst Director (Housing Property & Development)

Democratic Services: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That it be noted, the Council's bid to the Homes and Communities Agency (HCA) for £250,000 Affordable Housing Grant to subsidise the development of 40 new affordable homes as part of Phase 2 of the Council's House-building Programme, made up of £12,500 per property, has been approved by the HCA.**
- (2) That it also be noted that the grant is conditional on the Council being able to achieve Investment Partner Status with the HCA and the Council being able to deliver the new affordable homes within the timescale of the Bid Programme 2015-18.**

Executive Summary:

Following the launch of its 2015-18 Affordable Homes Programme Bid Prospectus by the Homes and Communities Agency (HCA), the Council House-building Cabinet Committee agreed at its last meeting in April 2014 that East Thames submit a bid on behalf of the Council for a total of £250,000 to subsidise the development costs of 40 new affordable homes, making up Phase 2 of the Council House-building Programme. It has recently been announced that this bid was successful, subject to the Council being able to achieve Investment Partner Status with the HCA and the Council being able to deliver the new affordable homes within the timescale of the Bid Programme 2015-18.

Reasons for Proposed Decision:

This report is for noting only. No decision is required.

Other Options for Action:

This report is for noting only.

Report:

- (1) The Cabinet Committee, at its meeting in April 2014 agreed that East Thames be authorised, in consultation with the Director of Communities to submit a bid to the Homes and Communities Agency (HCA) for Affordable Housing Grant as part of the Affordable Homes Programme 2015-18, initially for £250,000 to fund 40 homes in Phase 2 of the Council's**

house-building programme on behalf of the Council.

(2) The Cabinet Committee also agreed that subject to a successful grant application, East Thames were to prepare an application on behalf of the Council for HCA Investment Partner Status so that the funding can be drawn at the appropriate time.

(3) As a result, East Thames submitted the grant application on behalf of the Council before the deadline of 30 April 2014 in line with the Cabinet Committee's decision

(4) On 22 July 2014, the HCA announced that the Council's bid for £250,000 funding for 40 units based on £12,500 per home, has been approved. An additional 17 non grant funded homes were also accepted into the programme by the HCA. This grant is however, subject to the following:

- That the Council becomes an Investment Partner with the HCA; and
- That the schemes need to complete by 31 March 2018 to be eligible for the grant. The grant will be withdrawn if this date is not adhered to.

(5) The details on how to achieve Investment Partner Status have yet to be released by the HCA. Once this is known, East Thames will prepare and submit the application for Investment Partner Status on behalf of the Council.

(6) It should be noted that any homes that are subsidised through the HCA Affordable Homes Programme cannot receive any further public subsidy by way of 1-4-1 RTB receipts.

Resource Implications:

£250,000 HCA Affordable Housing Grant, made up of £12,500 per home for 40 homes in Phase 2 of the house-building programme.

Legal and Governance Implications:

Each of these 40 homes that are subsidised through the HCA Grant cannot receive any further public subsidy by way of 1-4-1 RTB receipts.

Safer, Cleaner and Greener Implications:

n/a

Consultation Undertaken:

None

Background Papers:

Council House-building Cabinet Committee report giving approval to submit an application for HCA Affordable Housing Grant.

Risk Management:

The grant is dependent on the Council becoming an Investment Partner of the HCA - Low risk.

The new affordable homes need to complete by 31 March 2018 to be eligible for the grant, otherwise and grant may be withdrawn if this date is not adhered to – Low risk

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-005-2014/15
Date of meeting: 21 August 2014

Portfolio: Housing

Subject: Development Strategy Update

Responsible Officer: P Pledger (01992 564248)
Asst Director (Housing Property & Development)

Democratic Services: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That the Development Strategy update, formulated by the Council's Development Agent in conjunction with Council Officers, at Appendix 1 of this report be considered; and**
- (2) That the House-building Cabinet Committee recommends to the Cabinet that the Development Strategy update be approved.**

Executive Summary:

The Cabinet Committee was consulted on the format and content of the Development Strategy when it was first introduced in July 2013. The Strategy was drafted by East Thames in consultation Officers as part of their Service Agreement, and was finally approved by the Cabinet following a recommendation from the Cabinet Committee. Since then, the Cabinet Committee has considered a whole range of additional Policies including accelerating the programme, prioritising sites and what to do with sites that become undevelopable. This updated Development Strategy incorporates all of those Policies considered and agreed by the Cabinet Committee over the last 12-months.

Reasons for Proposed Decision:

Approval of the Development Strategy remains the responsibility of the Cabinet. However the House-building Cabinet Committee is required to consider and then recommend its approval to the Cabinet.

Other Options for Action:

Not to adopt the contents of the Strategy in the format presented and alter any of its statements, targets, standards, procedures or assumptions.

Report:

- (1) Within the Terms of Reference for the House-Building Cabinet Committee, it states that this Committee will consider and recommend to the Cabinet the Development Strategy for the Council's House-building Programme on an annual basis.**

(2) As part of their appointment, it was a requirement that East Thames prepare the Development Strategy on behalf of the Council and update it annually.

(3) At its previous meeting in July 2013, the Cabinet Committee was consulted on the first iteration of the Development Strategy including the assumptions that will be made, the standards used, the consultation methods that will be adopted, the procurement methods used for construction works and the performance targets used to measure progress. All feasibility studies that have been presented to the Cabinet Committee since then have been based on that Development Strategy.

(4) During the last 12-months, the Cabinet Committee has considered a whole range of additional Policies, such as accelerating the House-building Programme, prioritising the sites for development and the future use of sites found to be unsuitable for Council house-building. This annual update of the Development Strategy seeks to pull together all of these Policies into the Development Strategy for future reference.

(5) The Development Strategy is set out at Appendix 1 of this report for consideration in detail and, subject to being satisfied with its contents, the Cabinet Committee is asked to recommend its approval to the Cabinet.

Resource Implications:

Adoption of the Development Strategy triggered a fee payment in the sum of £3,000 to East Thames in accordance with the terms of the Development Agreement. However, the annual update of the Strategy is included in the Service Agreement.

Legal and Governance Implications:

Within its Terms of Reference, the House-Building Cabinet Committee is expected to consider and recommend to the Cabinet the Development Strategy for the Council's House-building Programme.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The House-building Cabinet Committee have already been consulted at previous meetings on the first iteration of the Development Strategy and a whole range of Policies relating to Council House-building, which have been incorporated in the Strategy as presented.

Background Papers:

The reports and documents referred to in the list of appendices

Risk Management:

Since the Development Strategy has a direct bearing on the financial viability and delivery of the Council's house-building programme, the greatest risks are that the assumptions prove to be incorrect resulting in each phase being un-viable.

These risks are mitigated by the Council being able to learn from the experience of East Thames, who have been undertaking developments similar to that proposed in the strategy for some time.

Since the Cabinet Committee will consider and sign-off financial appraisals for every proposed development, the financial effects of the Strategy can be monitored. If, over time, a problem is identified, the Cabinet Committee can review its policy.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.



Development Strategy 2013-2019 (August 2014 update)

Content

1. Introduction
2. Purpose
3. Context (local and national)
4. What Will We Deliver?
5. How Will We Deliver?
6. Where Will We Deliver?
7. When Will We Deliver?
8. Appendices
 - A. Acceleration of the Development Programme Paper
 - B. KPI's
 - C. Pipeline Report
 - D. Economic Assumptions Framework
 - E. HCA Bid Paper
 - F. Cabinet Committee Scheme Approval Template
 - G. On-site Management Process
 - H. Core File
 - I. Terms of Reference for Council House Building Cabinet Committee
 - J. Scheme Progress Update Report Template
 - K. Unsuitable Sites Paper
 - L. Prioritisation of Sites Paper
 - M. Rent Policy Paper
 - N. Affordable Rent Update Paper
 - O. List of Sites

1 Introduction

Epping Forest District Council currently own and manage around 6,500 homes within the District. Presently there are 1,500 applicants on the Council's Housing Register who wish to gain access to affordable homes within the District. The Council currently acts as enabler facilitating Registered Providers (RPs) operating within the District to develop new affordable housing to meet housing need.

In order to directly meet this housing need, the Council has agreed to initiate a Council House Building Programme to develop new affordable rented homes. This will be achieved through the use of its own funding and land holdings.

The Council's Development Strategy sets out what the Council wishes to achieve from the House Building Programme, details an overall approach to achieve the aims of the programme and describes a coherent plan to implement these aims.

The House-Building Programme will be delivered by the Council in conjunction with East Thames Group who have been appointed to deliver Development Agency Services for the Council, including all Development and Project Management Services and the provision of all professional Building Services, including: Architectural, Employer's Agency, Quantity Surveying, Cost Consulting, Construction Design Management, Engineering and Surveying, but excluding construction works.

This Development Strategy was updated in August 2014 and was re-approved by the Council's Cabinet in XXXXX 2014.

2. Purpose

Through the Council House Building Programme the Council will:-

Meet the Aims of the Corporate Plan

The Council's Corporate Plan 2011-2015 sets out the aims and priorities of the Council for the four-year period and addresses the challenges that the district faces. Its stated aim is "Making our district a great place to live, work, study and do business". The Council House Building Programme shall contribute greatly to this aim and supports the four central themes of that strategy namely safety, sustainability, health and aspiration.

By providing new high quality, sustainable homes in areas that are currently filled with underused garages the Council will meet the needs of the District's residents and revive neighbourhoods by providing an environment within which they can flourish.

Meet Housing Need

The Council House Building Programme will deliver new homes that go towards meeting the demand within the District for affordable rented homes. The demand is clearly identified in the Housing Strategy, and this Programme shall help to meet the Council's Housing Strategy 2009-2012 and its vision that "Epping Forest will be a district that has safe, decent and attractive housing that meets the needs of those who want to live in the District."

Build Sustainable, high quality homes and services

The Council House Building Programme will provide high quality and sustainable homes to meet the current and future housing need within the District.

The Council will control the type, tenure, and specification and quality of the new affordable housing provided by the programme.

The programme will expand the Council's stock holding, and the new homes will be owned, managed and maintained by the Council thereby increasing efficiencies within the Housing Directorate, the HRA Business Plan and the Council as a whole.

Create high quality environments and regenerate Communities

The new homes will predominantly be developed on Council-owned difficult to let and under utilised garage sites. These new homes will improve the existing environment, reduce anti-social behaviour and contribute toward the revitalisation of existing communities.

Develop and Maintain a Strong Council

By building new homes on its own land, rather than disposing of it to RP partners within the District at a discount, the Council will maintain control over its assets and the HRA will benefit financially from the generation of a long term income stream. Additionally, the Council will receive the Government's New Homes Bonus (with the "affordable housing premium"), and potentially attract capital grant receipts from the Homes and Communities Agency, whilst increasing efficiencies through improved economies of scale by growing stock in management.

Since the Council is able to utilise Public Works Loan Board (PWLB) loans at extremely preferential rates, compared to the private loans market, and can recover all the VAT paid on development fees, it is in an ideal position to deliver affordable housing within the District at a lower cost than its Preferred Housing Association Partners.

3. Context

Housing Revenue Account Reform

In 2012 the Government introduced legislation to abolish the Housing Revenue Account subsidy system and introduce self-financing for Council Housing.

The Government's policy objectives at that time were:-

- To increase local transparency and abolish the current opaque system under which there is little connection between the level of rent charged and the resources Councils have to spend locally;
- To give Councils financial autonomy and therefore more accountability for the provision of housing services;
- To end decades of complex central control and allow Council housing to be managed and financed locally; and
- To ensure Councils have the incentives to actively manage their housing stock on a Long term basis rather than simply react to an uncertain annual funding formula.

Source: Implementing self-financing for council housing, DCLG, 1 February 2011

The Council built its last home in June 1985 and these reforms will provide the Council with a means of delivering new affordable housing within the District and to enable it to build more new affordable homes each year than it currently sells under the Right to Buy.

The Council has agreed that the House Building Programme will be self-funded, without any financial support from the General Fund and financed from the following sources:-

- Capital receipts from additional Right to Buy sales as a result of the Government's decision to increase discounts for tenants purchasing their property under the Right to Buy;
- S106 Agreement contributions from developers in lieu of on-site affordable housing provision;
- Funding from the Homes and Communities Agency (HCA) (where possible);
- Borrowing (if necessary);
- Housing Revenue Account (HRA) surpluses (generated through additional financial capacity provided through loans from the PWLB);
- Any other external sources of funding that may be identified or secured from time to time; and/or
- Cross-subsidy from the sale of other development sites within the House Building Programme on the open market (if necessary).

Using its own assets to meet housing need

The Council has identified a portfolio of garage sites that are designated as 'Difficult to Let'. The Council's research estimates that around 65 of these sites may have development potential. A further 5 non-garage sites have been identified as also having development potential. The Council has agreed that, where developable and viable, these sites will be developed by the Council through the Council House Building Programme to provide new affordable homes.

4. What Will We Deliver?

Quantum of New Homes

The Council's initial review of the sites to be used in the House Building Programme estimates that a maximum of ca.230 new homes could be developed thereon.

Based upon this review the Council originally set a target of delivering 20 new homes each year over the next 6 years or 120 in total.

Following further investigation of the deliverable sites and financial opportunities available to EFDC a report on the acceleration of the development programme was presented to Cabinet on 17/04/14 – See **appendix A**. The headline changes to the phases due to this acceleration are as follows;

- **Phase 1** – Remains the same comprising 23 homes (all of which now have planning permission)
- **Phase 2** – Increasing the number of homes from the currently-planned 20 homes to 56 homes, based on the optional proposals put forward by the Project Team
- **Phases 3-6** – Increasing the number of homes from the currently-planned 20 homes per year to 30 homes per year
- **Phase 7-10** – Extending the Programme by a further 4 years, from the 6 years currently planned, with 30 additional new homes provided each year.

Further details on the acceleration programme are set out in later in the strategy

Affordable Rents

The homes delivered shall be for affordable rent to meet the housing need within the District.

The affordable rents to be charged are set out in the Council's Affordable Rent Policy, adopted by the Council's House-building Cabinet Committee in July 2013, and will be a percentage of the market rent for that property type in the area.

The rent charged shall be the lower of:-

- 80% of market rents for the location; or
- The Local Housing Allowance (LHA) within the Broad Rental Market Area (BRMA) for the type of property; or
- An affordability cap of £180 per week.

The Council has decided to adopt an affordability cap which recognises the Government's Universal Credit regime and the associated Benefits Cap. Under the Benefit Cap, the total amount of benefit for which a family in England & Wales shall be eligible is £500 per week, with single people eligible to a maximum of £350 per week.

Therefore, with mind to the affordability of the homes and the sustainability of residents' tenancies, the Council has used the Homes and Community Agency (HCA) guidance that weekly housing costs should not exceed 45% of net income.

The application of the Council's Affordable Rents Policy will result in a maximum weekly affordable rent of £180 per week (this being 36% of the £500 per week Benefit Cap under Universal Credit).

All Affordable Rents charged by the Council will be gross and inclusive of service charges.

A copy of the Affordable Rent Policy is attached as Appendix M

A further paper was presented to cabinet, see Appendix N, which capped the weekly affordable rent at £180 per week for 2014/15 and is reviewed annually by the cabinet committee.

Quality

The Council has a significant role to play in improving its existing housing stock, regenerating neighbourhoods and providing high quality new homes that meet the needs of local households on low to modest incomes. Through the House Building Programme the Council will work to provide well designed and cost effective new homes to meet these aims.

The Council places a great emphasis on providing homes that will last, be cost effective and be valued by residents. As a design direction, the Council has adopted the *East Thames Design Guide*, the *East Thames Employer's Requirements* and the *Essex Housing Design Guide* for the design and construction its new homes. The Council will work with East Thames to ensure that, for each site, the design complements and enhances the local neighbourhood in which the homes are built.

The Council will build a range of typologies, both houses and apartments that are appropriate to the individual development sites, with a particular focus on creating sustainable family housing where appropriate.

Through carefully considered design and liaison with local communities, the Council will develop schemes of a range of sizes that address local needs.

The Council places an emphasis on the sustainability of its homes, environmental performance and economy of use. Therefore every new home delivered through the Council House Building Programme will meet at least Level 3 of the Code for Sustainable Homes.

Each new scheme will go through a design critique process that will enable Council staff, residents and other stakeholders to have meaningful input into design evolution.

This co-ordinated approach to developing and designing schemes will ensure that all relevant Council departments are involved in ensuring successful design, handover, completion and management.

The Council will work with the Development Agent to provide a comprehensive brief for each project.

Technical Specification

The Council recognises that the design of the places, spaces and homes built, along with the quality of their construction, are critical for resident satisfaction.

The Council will use East Thames' existing comprehensive performance specification, known as "The East Thames Employer's Requirements" to ensure that all the new homes delivered by this Programme are robust, energy efficient and cost effective to residents and the Council.

Key Performance Indicators

The Council will measure the success of the House Building Programme through the evaluation of key performance indicators relating to the delivery of schemes, cost and sustainability of the schemes. These can be found at Appendix B.

These will be monitored monthly by the Council's Officers and East Thames and reported to each meeting of the Council House Building Cabinet Committee.

5. How Will We Deliver?

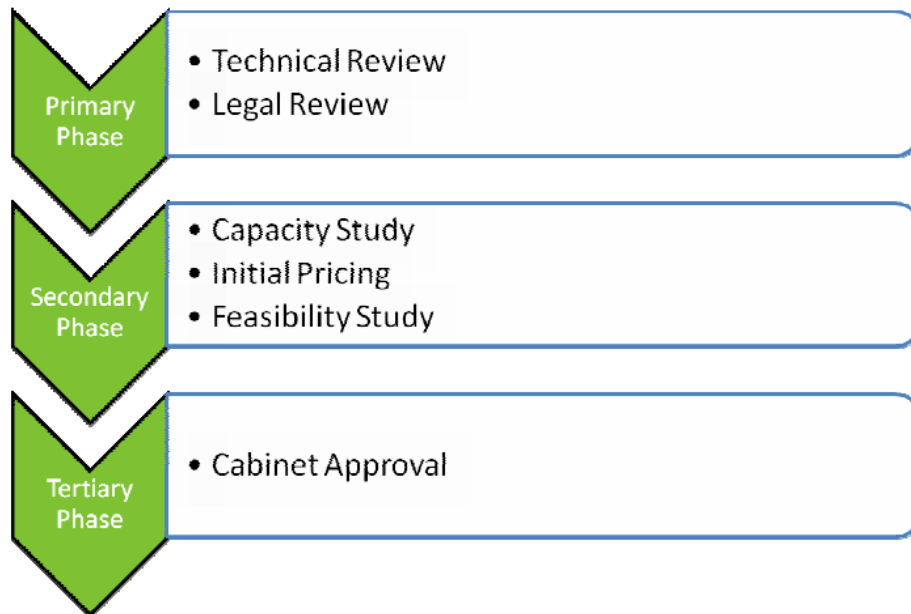
Review of sites

It is proposed that, in order to achieve the best value for the Council, sites will be packaged up, preferably using geographical selection. This will achieve economies of scale for contractors, making them more attractive for contractors and more viable for the Council.

The 65 garage sites potentially available for development will undergo a systematic review and assessment process during the first two years of the Council House Building Programme. This will determine their suitability and viability for development.

The assessment of these sites will be monitored and reported monthly to the Council by the Development Agent in the form of a pipeline report (format attached at Appendix C).

Review of Sites



Primary Phase

Technical review

This will highlight issues that will impact upon or even prevent the development of the site such as planning considerations, rights of way, rights of light, flood risks, servicing etc. Any issues highlighted will inform the design direction, technical specification and cost assumptions used to appraise the viability of the site.

Legal review

This involves investigating the legal title. Once again this will highlight any issues which could prevent or affect the development of the site such as easements, rights of way etc. These will inform the financial appraisal and the physical development proposals.

Secondary Phase

Capacity Study

If, after identifying any physical, legal or technical constraints to development, the sites are considered viable an architectural feasibility study will be conducted to determine the development capacity of the site.

Initial Pricing

The architectural proposals produced will be reviewed, along with the technical information, and priced by the project team and a quantity surveyor.

Financial Appraisal

A financial appraisal will be conducted on each site to determine whether the development is viable against the parameters set within the Council's Economic Assumptions

Framework. If the scheme is considered viable (either on a stand alone basis or as part of a wider package of sites) it shall be taken to the Council House Building Cabinet Committee as part of a package of viable sites for approval to proceed. The Councils Economic Assumptions Framework is set out in Appendix D

Any site not considered viable for development as affordable housing shall be assessed by the Council, with the assistance of the Development Agent, for either other development potential or any other alternative use and the outcome of the assessment will be reported to the Council's Cabinet.

HCA Grant Funding

EFDC applied to the HCA South-East for grant funding as part of the Affordable Homes Programme 2015-18. This bid was approved by Cabinet on 17/04/14 (see Appendix E)

The bid was amended slightly during negotiations which mainly centred on removal of all three bed houses. This was because the rent on these properties was set at 65% of market rent rather than 80%. As these properties were entered as zero grant properties this did not have an effect on the actual grant allocation received from the HCA.

The bid that has been accepted by the HCA and the following funding will be made available is set out below.

Scheme	Units	grant per unit
Harveyfields	9	£0
Roundhills (site 7)	6	£0
Red Cross	2	£0
Burton Rd	40	£12,500

The final requirement for this grant to be processed is for EFDC to become a partner of the HCA. This is a formal process that includes the HCA checking the accounts of the partner organisation and carrying out other due diligence. This process will be completed by September 2014. East Thames will lead on gaining partnership status on behalf of EFDC as part of their role as Development Agents.

The grant funding for these schemes will be provided 50% at start on site and 50% on practical completion and schemes must practically complete before April 2018.

Tertiary Phase

Cabinet Committee Approval

The Cabinet Committee will be presented with a comprehensive report detailing the scheme details including:-

- The design proposals (the number and nature of units to be developed);
- A scheme budget estimate;
- A procurement plan;
- A financial appraisal of the site;
- A project time table;
- A project risk assessment; and
- A recommendation on how to proceed.

Once a project or package has been approved by the Cabinet Committee the projects shall be progressed to RIBA Stage D by the Development Agent and submitted for planning approval.

An example of the Cabinet Committee Scheme Approval Report can be found at Appendix F.

Appraisal Methodology

The Council will use a loan repayment methodology to determine viability.

The repayment methodology assesses whether the net revenue generated by the project is capable of repaying the capital loan required to develop the project as well as the accrued interest.

The Council will use a set of economic assumptions in the appraisal of each scheme. These assumptions have been derived from various sources, including the Council's HRA Business Plan and the actual cost of maintaining and managing its existing stock. These assumptions are referred to as the 'Economic Assumptions Framework' and are at Appendix D.

The Council will consider a scheme viable when the following parameters, set within the Economic Assumptions Framework, are met:-

- The scheme can repay its loan within 30 years; and
- The scheme produces a positive Net Present Value (NPV) over 30 years.

The Council will also consider the viability of schemes within a package i.e. if an individual scheme within a package does not meet the financial parameters, but when it is included within a package of sites and the overall package meets those parameters, the Council will consider the package to be viable.

Community Liaison

As part of the development appraisal process, the Ward Member(s) for the areas in which developments are proposed will be invited to the meeting of the Cabinet Committee at which the development and financial appraisals will be considered and decisions made about whether or not development of the site should be pursued. This will give an opportunity for Ward Members, as the Council's representatives of the local residents, to give their views on the proposals and to raise any concerns.

For those developments that are pursued, during the preparation of planning applications, the Development Agent, on behalf of the Council, will inform local residents and Ward Members of the forthcoming planning application, providing access to view plans on-line. Residents' Associations will also be consulted where one exists.

During the preparation and construction of each project, the Development Agent and contractor will identify and provide a dedicated point of contact for residents to answer queries, attend any meetings and provide any requested information.

Delivery

Post-Cabinet Committee approval the Development Agent will progress the schemes through the planning process and to handover.

Planning

Upon Cabinet Committee approval the scheme will be progressed to RIBA Stage D by the Development Agent and submitted to the Council's Planning Directorate for approval.

On site

Upon planning approval, packages of sites will be tendered to procure a Design and Build Contractor to develop the detailed design (RIBA Stages E onward) and build out the scheme to completion.

Procurement

The Development Agent will ensure that all procurement is in line with the Council's Contract Standing Orders. The Council's Development Agent, East Thames Group, has procured an EU-compliant Contractors Framework consisting of 12 contractors.

Any council in the South East of England may utilise this Framework, and the Council's Cabinet Committee has agreed that East Thames' Framework should be used for the House Building Programme, and that the Development Agent can call-off contractors from the Framework, and tender each package to every member of the Framework to ensure value for money is achieved.

On site

The scheme will be managed on site by the Development Agent in line with the On Site Management process at Appendix G.

Throughout the construction process the Council's Development Agent will administer the build contract on behalf of the Council, ensuring that the Programme is delivered on time and on budget and to the quality and technical standards specified in the contract.

The Development Agent and the Council will liaise throughout the process to ensure that the scheme is handed over for occupation as programmed and residents can occupy the new homes immediately.

The Development Agent will procure for the Council a detailed core file (the content of which is at Appendix H) providing all necessary technical and legal information on the development, a Health and Safety File and Operation and Maintenance Manual.

The Development Agent will prepare a Resident Handbook for each new property describing how their new home works and who to contact if a problem arises.

Post Completion and Defect Monitoring

Post-completion of the new homes the Development Agent will administer any defects that are identified or reported to the Council during the 12 month defects liability period.

They will ensure that the build contractor deals with all defects according to the requirements of the build contract and ensure that the Final Account is agreed.

After the new homes have been occupied for at least 6 months, the Development Agent will visit residents to find out more about their experiences of living in their new homes – what they like about the design of their home, what could be better and the things they don't like. This feedback will be used to improve future homes in the Council House Building Programme.

Once the Final Account has been agreed the Development Agent will produce a scheme review. This shall incorporate:-

- Resident feedback on the new homes;
- The scheme KPIs;
- The financial performance of the scheme against original approval; and
- The scheme programme against approval.

The outcome of these reviews will be reported to the Council House Building Cabinet Committee at the appropriate time after completion of each phase.

Governance

The Council has established its Council Housebuilding Cabinet Committee, comprising members of its full Cabinet, to oversee the delivery of the Housebuilding Programme. Its Terms of Reference are provided at Appendix I.

The Council House Building Programme will have the following governance structure to ensure accountability, quality control and transparency.

Governance



Risk Management and Risk Register

As part of the governance approach, and a requirement of the Development Agent's appointment, the Development Agent will record and maintain risk registers for both the Housebuilding Programme as a whole for each individual development. These will identify the key risks, the likelihood and impact of them arising and ways for them to be mitigated. East Thames has subcontracted responsibility for preparing and maintaining all the risk registers to its building consultants, Pellings.

The risk registers will periodically be reviewed by the Cabinet Committee.

Programme Monitoring

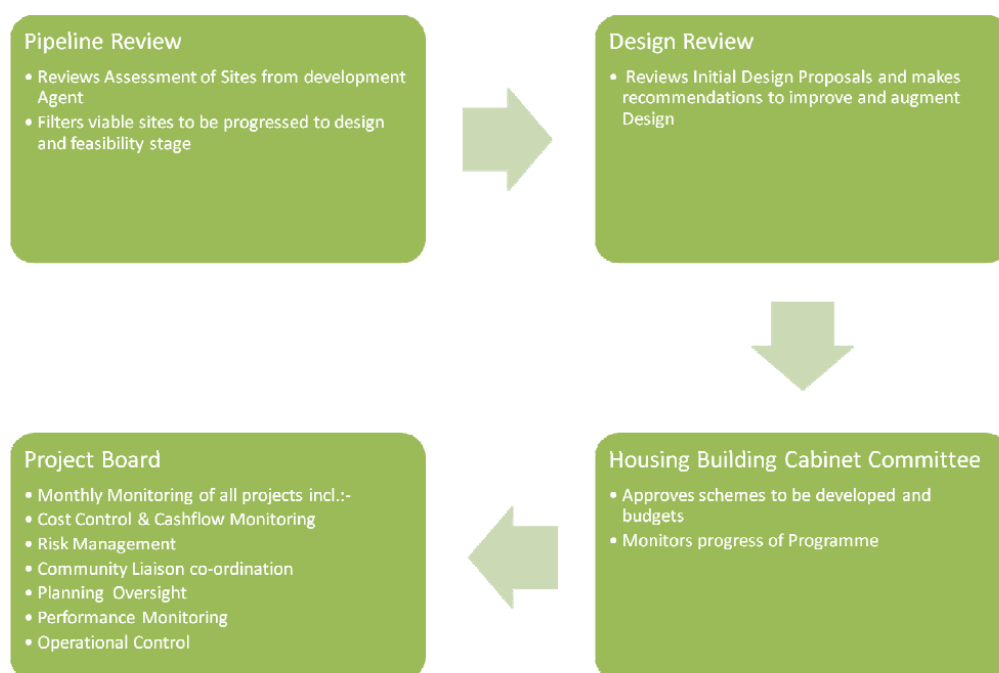
Once scheme approval is granted, monthly meetings will be held where the Development Agent reports to the Council upon progress of the packages and the Development Programme generally.

A Programme & Performance Report will be produced detailing:-

- Development Programme cashflow;
- Contract KPIs;
- Performance against Programme;
- Build Contractor KPIs;
- Key risks;
- Scheme Reviews;
- Any programme variances (cash or time); and
- Performance against HCA targets (should partner status be achieved).

Once each scheme is on site, all data relating to the units in development will be recorded using the Development Agent's project management system and reports will be provided to the Council at the monthly progress meeting (reporting format found at Appendix J).

Programme Control Panels



6.0 Sites unsuitable for development

There will be occasions when a site is considered unsuitable for development as council housing. This could be for a number of reasons;

- 1) unable to gain planning permission
- 2) site is financially unviable
- 3) Cabinet committee considers the site, for whatever reason, unsuitable for development.

In these cases Officers are to be authorised to consider the following options and will submit a separate report to the Cabinet Committee to determine the future use of these sites:

- a. To sell the site for social housing to a Housing Association in return for a capital receipt to fund future Council house-building and to gain nomination rights for Council housing applicants;
- b. To sell the site for private development, either for residential or other use in return for a capital receipt to fund future Council house-building;
- c. To divide up the site and sell the land to local residents to extend their private gardens in return for a capital receipt to fund future Council house-building;
- d. To demolish the garages, re-surface and mark out the land and to leave the site as open car parking for local residents;
- e. To sell the site to a Town or Parish Council for their own purposes (e.g. public amenity space) in return for a capital receipt to fund future Council house-building;
or
- f. To continue to market and rent the garages to local residents;

Please see appendix K – Cabinet Paper “Future use of garage sites unsuitable for development” for further details.

Prioritisation of Sites

On the 4th of February 2014 a paper was passed by EFDC Cabinet which sets out the matrix for the prioritisation of sites for redevelopment. This paper is available as Appendix L.

The summary of the paper is as follows;

The Cabinet has previously agreed a list of potential development sites for which the Council's Development Agent would be asked to undertake detailed development and financial appraisals. Now that the Development Agent is starting to undertake development appraisals for each site, there is a need to agree a strategic approach to the prioritisation of potential sites for development.

A general strategic approach for the prioritisation of potential sites is proposed for adoption, which suggests that locations within the District be grouped together into two Groups, having regard to the Primary List of Sites previously agreed by the Cabinet and whether the locations have capacity to deliver more or less than 10 new homes, and that development packages/phases be formulated each year, on a rotational basis in an agreed Priority Order, based on the number of applicants living within each location.

Since there are various ways in which the number of potential sites within a location could increase and, as the Development Programme progresses, the number of new homes that could be provided at locations within the groups is likely to reduce - which could have an effect on the Priority Orders within both groups – it is proposed that a review of the priority orders within the two groups be undertaken in three years' time, having regard to the same proposed strategic approach.

When Will We Deliver?

From the outset, the Council set out to deliver a minimum of 120 new homes over 6 years. A list of the potential sites for the Council House Building Programme is contained at Appendix I. The Council aimed to start building the first new homes before the end of the 2013/14 financial year and deliver the first handovers within 12 months of commencing the programme. At the point of this update, this timetable is still on target

The Council will review all of the sites on the list at Appendix 10 within the first two years of the programme for suitability and viability.

Once assessed the sites will be presented to the Cabinet Committee for approval. A delivery programme will be composed, which will involve concurrent packages of sites, to ensure that the delivery target is achieved.

Any new sites identified will be approved by the Cabinet Committee before being added to the pipeline.

Acceleration of the Development Programme

Since the original publication of the development strategy a decision was taken by Cabinet to accelerate the development programme. The main recommendations / Decisions accepted were as follows; (a full copy of the paper is available as appendix A):

- (1) That the report from CIH Consultancy, attached as an appendix, on the options for funding an accelerated Council House-building Programme and the associated implications be noted;
- (2) That, subject to the Cabinet Committee's decision on the number of homes for which planning permission should be sought at Burton Road, Loughton for Phase 2 of the House-building Committee, the following recommendations be made to the Cabinet:

(a) That the Council seeks to increase the number of affordable homes developed in Phases 3-6 from 20 to 30 per year;

(b) That HCA funding is sought, initially, for Phase 2 of the House-building Programme at Burton Road, Loughton for either;

- (i) 28 homes - based on a 42-home development; or
- (ii) 40 homes - based on a 56-home development;

With the remaining homes in Phase 2 being funded from 1-4-1 Receipts and the other resources made available within the HRA as a result of the other recommendations within this report;

(c) That further bids for HCA funding be made in future years for future phases of the House-building Programme, should the amount of 1-4-1 Receipts be less than forecast within the CIH Consultancy report, provided that the receipt of such HCA funding would not result in any 1-4-1 Receipts having to be passed to the Government;

(d) That, as a policy, the minimum balance held in the HRA is reduced from £3 million to £2 million;

(e) That the Council's HRA Self-Financing Reserve be re-profiled, to release funds for the House-building Programme in earlier years of the HRA Business Plan by increasing contributions to the Reserve in later years (closer to the HRA's first PWLB loan maturing in 2021/22), whilst ensuring that sufficient resources have been accumulated within the Reserve to repay this first loan on maturity (subject to no further borrowing being undertaken to extend the House-building Programme, as referred to in Recommendation 2(g) below);

(f) That 30% of the Council's accruing HRA attributable debt balances be utilised to help fund the accelerated House-building Programme;

(g) That the HRA's contribution to the Housing Improvements and Service Enhancements Fund between 2019/20 – 2021/22 (Years 7-9) be reduced by a sufficient amount to enable Phases 2-6 of the House-building Programme to be funded (currently estimated at a reduction of £1.79 million - £2.42 million per annum, from £3.87 million per annum to £1.45 million - £2.08 million per annum), which will be dependent on:

- (i) The number of homes pursued for development under Phase 2;
- (ii) The outcome of the HCA funding bid;
- (iii) The amount of 1-4-1 Receipts received in 2014/15;
- (iv) The receipt of any further financial contributions received as a result of Section 106 Agreements;
- (v) Any property or land sales for which the Cabinet agrees the resultant receipt can be utilised to fund the House-building Programme; and
- (vi) Any adjustments that have to be made to the amount allocated to the Fund in the intervening period, due to unforeseen and un-budgeted reasons affecting the HRA.

(h) That, in principle, the Council House-building Programme be extended by a further 4 years to 10 years, after the current Years 3-6, with an additional 30 new affordable homes provided each year;

(i) That no decisions be made now on the most appropriate way of funding an extended House-building Programme, but that consideration be given at an appropriate time in the future - and before any commitments are made or expenditure incurred; and

(j) That the purchase of properties from the open market and/or the provision of local authority grant(s) to one of the Council's Preferred Housing Association Partners to fund affordable housing schemes in need of grant, continue to be kept as a contingency plan, should the amount of 1-4-1 Receipts still be in excess of the maximum amount that can be spent on the House-building Programme, in order to avoid having to pass any 1-4-1 Receipts to the Government, with interest;

8.0 Review of the Development Strategy

Although the Development Strategy is intended to cover the whole period of the initial House Building Programme, it will be reviewed annually by the Cabinet Committee, which will recommend any changes to the Cabinet for adoption.

9.0 Site and phase updates

The table below sets out the progress to date since the inception of the EFDC development programme. 6 sites have received full planning permission for the creation of 33 new homes. A further 52 homes are planned for the Burton Road site which has attracted HCA grant funding to aid the delivery of this exciting project which is expected to submit for planning at the end of August 14. As part of the acceleration of the programme Phase 3 sites are in the feasibility stage to establish which sites will be brought forward next to continue the development of new affordable homes in Epping.

Scheme	Description/ units	1 bed	2b flats	2 bed houses	3 bed houses	total	Stage in dev process	Contractor	planning	Contract value	Contract awarded	SOS	PC	HCA Grant
Marden Close, Faversham Hall Phase 1	Refurbishment	10					tender returned	P A Finlay	Full Permission granted	£ 819,861	Mid August	Aug-2014	Sep-2015	
Harveyfields	New Build	3	6			9	tender returned	MK Building Contractors	Full Permission granted	£ 3,066,839	End August	Sep-2014	Oct-2015	17 non grant units
Red Cross	New Build			2	4	6	tender returned	MK Building Contractors	Full Permission granted					
Roundhills site 4	New Build				2	2	tender returned	MK Building Contractors	Full Permission granted					
Roundhills site 7	New Build		6			6	tender returned	MK Building Contractors	Full Permission granted					
total						23	tender returned	MK Building Contractors	Full Permission granted					
Phase 2 Burton Road, Debden	New Build	13	22	2	15	52	preparation of planning application		submission end August 14	tbc	tbc	tbc	tbc	£500,000
Phase 3, sites in Epping and Loughton							in feasibility							

Phases 1 and 2 EFDC unit spread



8.0 Appendices

- A. Acceleration of the Development Programme – Cabinet Committee Report
- B. KPI's
- C. Pipeline Report
- D. Economic Assumptions Framework
- E. HCA Bid Paper
- F. Cabinet Committee Scheme Approval Template
- G. On-site Management Process
- H. Core File
- I. Terms of Reference for Council House Building Cabinet Committee
- J. Scheme Progress Update Report Template
- K. Unsuitable Sites Paper – Cabinet Committee Report
- L. Prioritisation of Sites Paper – Cabinet Committee Report
- M. Rent Policy Paper
- N. Affordable Rent Update Paper
- O. List of Sites

**Report to the Council Housebuilding
Cabinet Committee**



**Epping Forest
District Council**

**Report reference: C-*nnn*-2013/14
Date of meeting: 17th April 2014**

Portfolio: Housing – Cllr David Stallan

**Subject: Funding an Accelerated Council Housebuilding Programme –
Report from CIH Consultancy**

Responsible Officer: Alan Hall, Director of Communities (01992 564004)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

(1) That the report from CIH Consultancy, attached as an appendix, on the options for funding an accelerated Council Housebuilding Programme and the associated implications be noted;

(2) That, subject to the Cabinet Committee's decision on the number of homes for which planning permission should be sought at Burton Road, Loughton for Phase 2 of the Housebuilding Committee, the following recommendations be made to the Cabinet:

(a) That the Council seeks to increase the number of affordable homes developed in Phases 3-6 from 20 to 30 per year;

(b) That HCA funding be sought, initially, for Phase 2 of the Housebuilding Programme at Burton Road, Loughton for either;

- (i) 28 homes - based on a 42-home development; or
- (ii) 40 homes - based on a 56-home development;

with the remaining homes in Phase 2 being funded from 1-4-1 Receipts and the other resources made available within the HRA as a result of the other recommendations within this report;

(c) That further bids for HCA funding be made in future years for future phases of the Housebuilding Programme, should the amount of 1-4-1 Receipts be less than forecast within the CIH Consultancy report, provided that the receipt of such HCA funding would not result in any 1-4-1 Receipts having to be passed to the Government;

(d) That, as a policy, the minimum balance held in the HRA be reduced from £3 million to £2 million;

(e) That the Council's HRA Self-Financing Reserve be re-profiled, to release funds for the Housebuilding Programme in earlier years of the HRA Business Plan by increasing contributions to the Reserve in later years (closer to the HRA's first PWLB loan maturing in 2021/22), whilst ensuring that sufficient

resources have been accumulated within the Reserve to repay this first loan on maturity (subject to no further borrowing being undertaken to extend the Housebuilding Programme, as referred to in Recommendation 2(g) below);

(f) That 30% of the Council's accruing HRA attributable debt balances be utilised to help fund the accelerated Housebuilding Programme;

(g) That the HRA's contribution to the Housing Improvements and Service Enhancements Fund between 2019/20 – 2021/22 (Years 7-9) be reduced by a sufficient amount to enable Phases 2-6 of the Housebuilding Programme to be funded (currently estimated at a reduction of £1.79 million - £2.42 million per annum, from £3.87 million per annum to £1.45 million - £2.08 million per annum), which will be dependent on:

- (i) The number of homes pursued for development under Phase 2;
- (ii) The outcome of the HCA funding bid;
- (iii) The amount of 1-4-1 Receipts received in 2014/15;
- (iv) The receipt of any further financial contributions received as a result of Section 106 Agreements;
- (v) Any property or land sales for which the Cabinet agrees the resultant receipt can be utilised to fund the Housebuilding Programme; and
- (vi) Any adjustments that have to be made to the amount allocated to the Fund in the intervening period, due to unforeseen and un-budgeted reasons affecting the HRA.

(h) That, in principle, the Council Housebuilding Programme be extended by a further 4 years to 10 years, after the current Years 3-6, with an additional 30 new affordable homes provided each year;

(i) That no decisions be made now on the most appropriate way of funding an extended Housebuilding Programme, but that consideration be given at an appropriate time in the future - and before any commitments are made or expenditure incurred; and

(j) That the purchase of properties from the open market and/or the provision of local authority grant(s) to one of the Council's Preferred Housing Association Partners to fund affordable housing schemes in need of grant, continue to be kept as a contingency plan, should the amount of 1-4-1 Receipts still be in excess of the maximum amount that can be spent on the Housebuilding Programme, in order to avoid having to pass any 1-4-1 Receipts to the Government, with interest;

(3) That, in accordance with its terms of appointment, the Council's Development Agent, East Thames, be asked to update the Council's Development Strategy, once the outcome of the Council's bid to the HCA is known, taking account of any decisions made to accelerate the Housebuilding Programme and other relevant decisions made by the Cabinet Committee and Cabinet since the time the current Development Strategy was produced; and

(4) That the outcome of any decisions to accelerate the Housebuilding Programme be included within the Council's HRA Financial Plan 2014/15, when it is reviewed and updated at the end of Quarter 1 of 2014/15.

Executive Summary:

At its last meeting, the Cabinet Committee requested a report to this meeting on how an accelerated Housebuilding Programme could be funded, and the associated implications. The Council's HRA Business Planning Consultant has produced a report on this issue, together with advice on the maximum amount for which HCA funding should be sought, in order to ensure that all 1-4-1 Receipts from Right to Buy sales are spent within the required 3 years of receipt and none are passed on to the Government, with interest.

Based on the information within CIH Consultancy's report, the recommendations set out at the commencement of this report have been formulated by the Director of Communities, most of which will require endorsement by the Cabinet.

Reasons for Proposed Decision:

A number of sites within the Council's ownership have been identified as being potentially suitable for Council housebuilding. The proposed number of new homes developed at Burton Road, Loughton is likely to be in excess of the numbers included within the HRA Business Plan. Furthermore, as a result of the current high number of Right to Buy (RTB) sales being completed, there is a risk that not all of the "1-4-1 Receipts" (i.e. those that can be spent on new housebuilding, to replace those lost due to the RTB) will be able to be spent within the required 3 years of receipt.

Moreover, the Cabinet Committee has indicated its wish for the Council to bid for funding from the HCA's forthcoming Affordable Homes Programme. In any event, the need for affordable housing continues to increase, whilst Council homes are also being sold through the Right to Buy, so an accelerated Housebuilding Programme would be welcomed.

Other Options for Action:

The main alternative options for action appear to be:

- (a) Not to accelerate or extend the Programme, or accelerate it at a different rate or extend it for a different period;
- (b) Not to seek HCA Investment Partner status or bid for HCA funding, or to bid for different number of homes or a different unit grant cost;
- (c) Not to re-profile the HRA Self-Financing Reserve;
- (d) Not to utilise 30% of the HRA attributable debt to help fund the Programme, or to utilise more or less of the attributable debt;
- (e) To reduce further the amount allocated by the HRA to the Housing Improvements and Service Enhancements Fund than proposed;
- (f) To borrow further loans from the PWLB, as an alternative to the proposed approaches for funding; and
- (g) Not to reduce the minimum HRA balances to less than £3 million.

Background

1. At its last meeting, the Cabinet Committee requested a report to this meeting on how an accelerated Housebuilding Programme could be funded, and the associated implications. This was for four main reasons:

- (a) The proposed development at Burton Road, Loughton agreed at the last meeting - as Phase 2 of the Council Housebuilding Programme – can accommodate more than the 20 new homes planned within the Council's current HRA Business Plan for Phase 2.

The Cabinet Committee asked officers to seek to increase the number of properties proposed for the development, from the 31-33 homes presented by officers at the last meeting. A separate report on the agenda regarding the development of Burton Road provides two alternative schemes – providing either 42 or 56 new homes.

- (b) As a result of the current high number of Right to Buy (RTB) sales being completed (53 sales in 2013/14, compared to the DCLG's expectations of 10 sales prior to the maximum discount being increased to £75,000), there is now a real risk that not all of the Council's "1-4-1 Receipts" (i.e. those that can be spent on new housebuilding, to replace those lost due to the RTB) will be able to be spent within the required 3 years of receipt, if the amount of housebuilding is not increased – since no more than 30% of development costs (works and fees) can be funded by 1-4-1 Receipts. This would mean that unspent 1-4-1 Receipts would need to be passed on to the Government, with interest (at a punitive rate), which the Council would want to avoid at all costs.

1-4-1 Receipts could be used to purchase properties from the open market, but separate funding would still be required to fund the other 70% of the purchase costs. Since the cost to the Council of purchasing properties from the open market is greater than developing on its own (free) land, it would be more economical to accelerate the Housebuilding Programme, than acquiring existing properties.

- (c) The Cabinet Committee has indicated its wish for the Council to lever-in additional external funding for its Housebuilding Programme, by applying for Investment Partner status with the Homes and Communities Agency (HCA) and bidding for funding from the HCA's forthcoming Affordable Homes Programme – for which bids have to be submitted by 30th April 2014. In view of the risk relating to the use of 1-4-1 Receipts referred to in (b) above, it is likely that HCA funding could only be used if the Housebuilding Programme was accelerated.

There is a separate report on the agenda relating to the proposed application for HCA Investment Partner status and the proposed submission bids for HCA funding.

- (d) In view of the continuing high need for affordable housing within the District, and the increasing loss of Council homes through the RTB, an accelerated Housebuilding Programme would be very welcome, if there is sufficient site capacity and it can be funded.

Accelerating the Housebuilding Programme

2. Accordingly, the Director of Communities has asked Simon Smith, the Council's HRA Business Planning Consultant from CIH Consultancy (who has advised the Council on its HRA business planning for many years) to provide a report on how an accelerated Housebuilding Programme could be funded, and the associated implications.

3. He was asked to base his report on the following:

- **Phase 1** - Comprising 23 homes (all of which now have planning permission)
- **Phase 2** – Increasing the number of homes from the currently-planned 20 homes to either 42 or 56 homes, based on the optional proposals being out forward by the Project Team to this meeting under a separate agenda item

- **Phases 3-6** – Increasing the number of homes from the currently-planned 20 homes per year to 30 homes per year
- **Phase 7-10** – Extending the Programme by a further 4 years, from the 6 years currently planned, with 30 additional new homes provided each year.

4. In addition, CIH Consultancy was also asked to advise on the maximum amount for which HCA funding should be sought, in order to supplement the use of 1-4-1 Receipts, whilst ensuring that all 1-4-1 Receipts are spent within the required 3 years of receipt and none are passed on to the Government, with interest.

5. It should be noted that all the costs referred to within CIH Consultancy's report are based on Level 3 of the Code for Sustainable Homes (CSH). At its last meeting, the Cabinet Committee requested a report to this meeting on the costs and implications of constructing new Council homes to the higher CSH Level 4. Since there is currently some uncertainty, nationally, over the future relationship between the new Part L of the Building Regulations (introduced from April 2014) and the CSH, it is intended to bring a report on this matter to a future meeting of the Cabinet Committee, once the future of the CSH is clearer. However, if the CSH continues, and if all new Council homes are constructed to CSH Level 4, it will increase the costs significantly over the remaining 5-9 year period of the Programme, which will require additional funding to that identified within the CIH Consultancy report and covered by the above recommendations.

6. CIH Consultancy's report on the funding and associated implications of an accelerated Housebuilding Programme is attached as an appendix. By its very nature, being a complex subject with many variables and options to consider, the report is quite lengthy and number-intensive - but CIH Consultancy has strived to produce a report that is easy to follow and understand, if read carefully. **Simon Smith from CIH Consultancy will be attending the Cabinet Committee to present his report in person, and to answer members' questions.**

7. Based on the detailed information within CIH Consultancy's report, the Director of Communities has formulated the recommendations set out at the commencement of this report for the Cabinet Committee's consideration. Since most of the recommendations are outside the purview of the Cabinet Committee, they will require endorsement by the Cabinet.

Open Market Purchases and Local Authority Grant Contingency Plan

8. When the Cabinet authorised the Director of Communities to enter into the 1-4-1 Receipts Agreement with the Department of Communities and Local Government (DCLG) in June 2012, knowing the potential risk that the 1-4-1 Receipts may not all be utilised within the required 3 years, the Cabinet agreed that, should it be subsequently identified that sufficient 1-4-1 Receipts will not be spent before they have to be passed to the DCLG, a report should be submitted to the Cabinet at the earliest opportunity to consider their alternative use allowed by the agreement. It was agreed that this should include the possible acquisition of new Council homes on the open market and/or the provision of local authority grant(s) to one of the Council's Preferred Housing Association Partners to fund affordable housing schemes in need of grant.

9. It is therefore suggested that such arrangements continue to be kept as a contingency plan, should the amount of 1-4-1 Receipts still be in excess of the maximum amount that can be spent on the Housebuilding Programme.

Development Strategy

10. In 2013, in accordance with its terms of appointment, the Council's Development Agent, East Thames, produced a Development Strategy for the Housebuilding Programme, which was adopted by the Cabinet.

11. It is a further requirement that East Thames updates the Development Strategy on an annual basis. It is therefore suggested that East Thames be asked to update the Development Strategy, once the outcome of the Council's bid to the HCA is known, taking account of any decisions made to accelerate the Housebuilding Programme and other relevant decisions made by the Cabinet Committee and Cabinet since the time the current Development Strategy was adopted.

HRA Financial Plan and Business Plan

12. It is a requirement that, for 2014/15, all of the Council's business plans are completed and signed-off by portfolio holders by 30th April 2014. The HRA Business Plan is always pre-scrutinised by both the Housing Scrutiny Panel and the Tenants and Leaseholders Federation, who are due to meet on 23rd and 24th April respectively.

13. Since the 30-Year HRA Financial Plan (also produced for the Council by CIH Consultancy) forms an important part of the HRA Business Plan, in order to meet this deadline – and since the Cabinet Committee's and Cabinet's decisions on possibly accelerating the Housebuilding Programme will not be known in time – it should be noted that it has been necessary to include an HRA Financial Plan within the HRA Business Plan 2014/15 that is based on the current Housebuilding Programme.

14. However, CIH Consultancy reviews and updates the HRA Financial Plan on a quarterly basis, so the outcome of any decisions on accelerating the Housebuilding Programme can be included within the Quarter 1 Update.

Resource Implications:

The financial resource implications are set out in detail within CIH Consultancy's report, attached as an Appendix.

The Housing Portfolio Holder has recently agreed to increase the amount of hours for the current part-time Housing Development Officer role. Part of the additional hours could be to be utilised to assist with an accelerated Programme.

Legal and Governance Implications:

The Cabinet Committee's Terms of Reference authorise it to oversee the delivery of the Housebuilding Programme, without the need to refer many decisions to the Cabinet. However, accelerating the Programme and increasing the required resources is outside of the Committee's Terms of Reference, so recommendations need to be made to the Cabinet for decision.

Safer, Cleaner and Greener Implications:

Most Council housebuilding will be on difficult-to-let garage sites, many of which are considered to be eyesores and attract fly-tipping and anti-social behaviour. Therefore, the development of more sites, more quickly, should result in them providing a safer, cleaner and more attractive environment.

All of the properties will be built to current Building Regulations, using modern materials, so they will be much more energy-efficient than existing Council homes.

Since all of the Council’s difficult-to-let garage sites are on previously developed (i.e. “brownfield” land), it is preferable to new developments having to be provided on Green Belt land.

Consultation Undertaken:

The Council’s Development Agent (East Thames), CIH Consultancy and the Council’s Management Board have been consulted on this report, and any comments received have been incorporated.

Background Papers:

None.

Impact Assessments:

Risk Management

The following are the key identified risks, together with the proposals for mitigation. In addition, it should be noted that East Thames’ consultants, Pellings LLP, maintain a Risk Register for the Programme, which is updated and reported to each meeting of the Cabinet Committee:

Risks	Mitigation
HCA funding is not received	<ul style="list-style-type: none"> • CIH Consultancy’s report explains the funding requirements for scenarios where both HCA funding is and is not received
1-4-1 Receipts may not all be utilised within the required 3 years, requiring them to be passed to the DCLG with interest.	<ul style="list-style-type: none"> • The CIH Consultancy Report assesses the likely 1-4-1 Receipts to be received in 2014/15, and bases its proposals to ensure that they are fully spent within the required timescale • If necessary, Phases 3 onwards could be brought forward to incur expenditure earlier • Cabinet has already agreed a Contingency Plan, requesting that a report be submitted to the Cabinet at the earliest opportunity to consider their alternative uses allowed by the DCLG Agreement, including the acquisition of new Council homes on the open market and/or the provision of local authority grant(s) to one of the Council’s Preferred Housing Association Partners to fund affordable housing schemes in need of grant.

<p>Other costs within the HRA increase, or income is less than expected, which materially and adversely affects the funding available for the Housebuilding Programme and the HRA generally.</p>	<ul style="list-style-type: none"> • The Housing Improvements and Service Enhancements Fund is already considered as a “balancing fund” within the HRA, able to increase and contract on an annual basis, dependent on how much the HRA can afford to contribute to the Fund. Even after accounting for an accelerated Housebuilding Programme, there are still significant amounts of resources forecast to be available to the Fund, which could be utilised to cover the effects on increased expenditure or reduced income • It is proposed that at least £3 million be maintained as the minimum amount of HRA Balances – this could be reduced to £2 million (or less if absolutely necessary).
<p>Contractual risks associated with a modest sized building programme</p>	<ul style="list-style-type: none"> • Ensure that the appointment of works contractors is robust • Ensure that the Council’s risks are minimised through the appropriate Standard Contracts, suitably amended • Only utilise contractors that are on East Thames Framework Contractors List, who have been selected following a robust appraisal process
<p>Significant budgetary overspends arise for construction works and/or fees</p>	<ul style="list-style-type: none"> • Ensure robust consideration of development appraisals in the first instance • Include sufficient provision for contingencies • Ensure effective project management arrangements, to include identification of potential overspends early • Effectively monitor actual and forecast costs and existing and future funding sources • Report to each meeting of the Cabinet Committee on progress/costs/funding.
<p>Development Agent does not perform to a satisfactory standard</p>	<ul style="list-style-type: none"> • The appointment of the Development Agent and its consultants properly assessed East Thames’ and Pellings LLP’s ability to provide a good standard • The Development Agent was appointed on the basis of price and quality

	<ul style="list-style-type: none"> • The Evaluation Criteria at both the PQQ and Tender Stage were comprehensive, with key factors weighted appropriately • The Development Agent and Pellings LLP have been required to have sufficient Professional Indemnity Insurance • Appropriate provisions have been included within the Development Agent's contract to deal with unsatisfactory performance, including the determination of the contract
Contracts with either the Development Agent or works contractors are terminated whilst projects/works are in progress	<ul style="list-style-type: none"> • Collateral warranties are in place with the Development Agent's consultants, to enable EFDC to appoint them direct if necessary • Collateral warranties will be required from works contractors' consultants, to enable EFDC to appoint them direct if necessary • The Development Agent and consultants have been required to have hold sufficient Professional Indemnity Insurance
Worked-up schemes do not receive planning permission, or have to be aborted for other reasons, incurring abortive costs	<ul style="list-style-type: none"> • Ensure involvement of planning officers at early stages and ongoing, to receive advice on the planning merits • Ensure development feasibility studies are sufficiently detailed and robust to identify potential site problems

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

This page is intentionally left blank

Schedule 1 KPI's
Key Performance Indicators

Standard	Measures	Target	
Resident satisfaction	Post-handover resident questionnaire	95% satisfaction amongst respondents	
Time	Planning: 1 st pre-application meeting to validation	Variable target based on initial estimate for planning submission	
	Planning: from validation to approval	13 weeks	
	Construction time: (excess time over contract completion date)	108% total days on site compared to contractual days on site	
	Construction time: (excess time over valid extensions granted)	0%	
Construction costs	Predictability	Feasibility to tender	95% - 105% of estimated cost
		Tender to completion	98% - 102% of accepted tender
	Cost per metre ²		For information
	Whole Life costs		Less than 80% of the construction costs
Quality of Design	HCA Housing Quality and Design Standards	100% of units meet standard	
	Lifetime Homes	100% of units meet standard	
	Secure by Design		Achievement of Part 2 for all schemes
			Full certification for schemes with more than 40 units
	Building for Life	Minimum score of 14	
	Code for Sustainable Homes	Level 3 as minimum	
Defects	Resident satisfaction (from post-occupation resident survey)	98% satisfaction amongst respondents	
	Defects at beginning of snagging	Score of 8 or above on scale below	
	Defects at handover	Score of 10 on scale below	
	<i>Defect free</i>	10	
	<i>Some defects with no significant impact on residents/client</i>	8	
	<i>Some defects with impact on residents/client</i>	5/6	
	<i>Major defect with impact on residents/client</i>	3	
	<i>Totally defective</i>	1	
	Defects completed on time	Emergency	100%
		Urgent	85%
Routine (end of defects)		100%	
Site Issues	Health & Safety	Zero reportable	
	Considerate contractors	Small sites < 40 units Minimum score of 32, no less than 4 in each section	
Waste management	Waste generated on site	Maximum of 11 tons per £100k contract value if extenuating circumstances. Target = 6 tons per £100k contract value	
	Waste send to landfill	Up to 6 tons/£100k contract value	
	Waste Management data to be collated and entered onto the WRAP portal to ensure continuous improvement		

This page is intentionally left blank

This page is intentionally left blank

Economic Assumptions Framework For Epping Forest District Council

Operating / Revenue Assumptions

Affordable Rent

Affordable Rent Item	Suggested Value
Investment Period	45 years
Rent Increase (above RPI)	+ 0.50 %
Major Repairs Cost per Unit (from year 7)	0.80 % * £1,300 * GIA
Management Cost per Unit	£1,327
Maintenance Cost per Unit	£910
Voids	1%
Bad Debts	1%

Inflation Elements

Inflation Items	Suggested Value
Long-term inflation forecast	2.50 %
Management Costs Inflation	RPI + 1.00 %
Maintenance Costs Inflation	RPI + 1.00 %
Major Repairs Costs Inflation	RPI + 1.50 %

Funding Elements

Funding Items	Suggested Value
Debt Funding: Development Period	3.3%
Debt Funding: Long-term Financing Period	30 years
Debt Funding: Long-term Financing Rate	3.5%
NPV Discount Rate	3.5%

Approval Criteria

Affordable Rent

Approval Criteria	Suggested Value
Internal Rate of Return (IRR)	5%
Net Present Value (NPV)	> £0
Cost-to-Value (C/V Ratio) ***	100 %
Payback year	< 30 years

Appendix D

Notes

Investment Period

This figure is in line with industry assumptions regarding the useful life of a building and the cyclical replacement of its component parts.

Major Repairs Cost per Unit (from year 7)

This is derived from East Thames research into building lifecycles from the Building Defects Insurance (BLP).

Management Cost per Unit

Based on Current Council costs

Maintenance Cost per Unit

Based on Current Council costs

Voids

Based on Current Council Performance

Bad Debts

Based on Current Council Performance

Long-term inflation forecast

Based on current RPI projections

Management Costs Inflation

The margin above inflation reflects the fact that over the long term, these costs such as the cost of staff, tend to rise above inflation.

Maintenance Costs Inflation

The margin above inflation reflects the fact that over the long term, these costs such as the cost of staff and materials, tend to rise above inflation.

Major Repairs Costs Inflation

The margin above inflation reflects the fact that over the long term, these costs such as the cost of staff and materials, tend to rise above inflation.

Debt Funding Costs and NPV discount rate

The debt funding costs reflect the Council's true borrowing costs and NPV discount rate matches these for the for use in calculating the discounted cashflows.

On Site Management Process

1.0 **Purpose of Process**

- 1.1 To clarify the processes throughout the period on site.
- 1.2 To ensure consistency in the work practices of the Development Agent, and ensure that schemes are built to a high standard, are completed on time and within budget, and meet the funding criteria.

2.0 **Definitions**

SOS – Start on site – The contractual start date of the project which does not necessarily mean the contractor physically starts on the site

PC – Practical Completion – The date agreed and certified by the consultant that the works are complete

Contract Completion Date – The date stated in the contract when the works are due to complete

Valuation – An estimate of the measured work carried out by the contractor over a set period of time

Interim Certificate- A certified amount to be paid to the contractor by the client based on a valuation from the consultant

Extension of Time – A period of time assessed by the consultant based on clauses set out in the contract to justify an extension to the contract completion date

LADs - Liquidated and Ascertained Damages – A deduction of monies from the contractor for late completion of the work without a legitimate reason for an extension of time. LADs should be a calculated amount of the loss incurred for late completion and not a penalty

Liquidation – The winding up of affairs for a contractor by ascertaining liabilities and apportioning assets

Determination - The cessation of a building contract under the relevant clauses stated due to liquidation or non performance

3.0 **Processes within the start on site procedure**

3.1 **Start on Site Notice**

Following start on site the senior project manager must send a copy of the

Start on Site Notice to the Epping Forest District Council Housing Development Officer.

3.2 Start on Site Grant Claim

The senior project manager should ensure that any HCA grant is claimed at the earliest opportunity in line with the HCA procedures. A copy of the grant claim i.e. the IMS print screen should be sent to the Epping Forest District Council Housing Development Officer.

3.3 Tender Price Index for Social Housing (TPISH)

Following start on site the senior project manager must ensure that the Tender Price Index for Social Housing (TPISH) form is completed and returned to the Building Cost Information Service (BCIS).

3.4 Sign Boards

3.4.1 The senior project manager must comply with the HCA's signboard requirements for all Social Housing Grant (SHG) funded schemes.

For the full signboard procedure, refer to the Capital Funding Guide.

3.5 Site Meetings

3.5.1 Attendance

The senior project manager must provide a schedule of all site meetings to the Epping Forest District Council Housing Development Officer. The senior project manager must attend all site meetings. Where not possible the senior project manager must ensure that at least one East Thames representative is present and briefed to raise issues if required.

The meetings shall be chaired by the employers agent who will take minutes and these will be distributed to Epping Forest District Council Housing Development Officer.

3.5.2 Role of Group Staff at Site Meetings

The contract is supervised on behalf Epping Forest District Council by a East Thames. No instructions should be given direct to the contractor by East Thames or Epping staff. Such instructions must come through the Employers Agent only.

3.5.3 Contractor's Report

The Contractors are to submit monthly reports at the site meetings. The

report should contain the following :-

- Progress for the previous month
- Delays or acceleration to the programme
- Subcontractors and Suppliers
- Any Information Required
- Weather / Labour returns/ Health and Safety
- Key Performance Indicators required to be collected on a monthly basis

3.6 Client Information

3.6.1 Cost Report

The Employer's Agent is required to submit monthly reports on contract when submitting the valuation of the work to date. This should include the following :-

- Updated cashflow.
- Estimated cashflow forecast and final account
- Agreed variations and changes in programme.

3.7 Financial Processes

3.7.1 Processing of Interim Claims and Certificates

Requests for payment of all invoices will be sent to the Epping Forest District Council via East Thames. The senior project manager will check the costs, and pass to Epping Forest District Council Housing Development Officer to authorise.

3.7.2 Monitoring of Cash Spend

The senior project manager should monitor contractor's invoices to ensure that the pattern of expenditure is approximately consistent with the original cash flow projections for the scheme. If the contractor appears to be invoicing at a significantly faster or slower rate than originally planned this may be an indication of contract difficulties which should be investigated.

3.7.3 Authorisation of Additional Expenditure

There may be circumstances when a variation is necessary which leads to increased works cost. Under no circumstances should a change instruction be given without a price being confirmed by the contractor or the Employers

Agent and the financial effect on the scheme determined.

Any proposed variation must be reported to the Council immediately.

Any variation must be approved in writing by Epping Forest District Council Housing Development Officer.

3.8 Delays in the Project

3.8.1 Authorisation of Extension of Time

The contractor may request an extension of time for delays caused by allowable factors as laid out in the building contract (e.g. exceptionally inclement weather). Any such request must be reported to the Council immediately. Authorisation to issue an extension of time should be given based on the assessment by the Employer's Agent and approved by the Council.

Liquidated and Ascertained Damages (LADs)

3.8.2

If a delay has occurred where an extension of time is not allowable under the contract then it will usually be appropriate to charge a deduction of monies from the contractor for late completion of the work without a legitimate reason for an extension of time. LADs should be a calculated amount of the loss incurred for late completion and not a penalty. The method of calculation for LADs will be laid out in the contract. The Employer's Agent will advise the when and where it is appropriate to charge LADs.

3.9 Contractor Insolvency and Contract Determination

3.9.1 Early Warning Signs

It is not always easy to spot the signs of a contractor getting into financial difficulty but if the senior Project Manager notices any of the early warning signs listed below they should discuss with the Council and the Employers Agent at the earliest opportunity:

- Progress of site slowing down
- Sudden contractor staff changes
- Lack of materials on site
- Persistent market rumours circulating about the contractor
- Contractor adopting a more "contractual" approach than previously
- Contractor requests for early payments or additional funds
- Contractor complaining that they are short of work
- Complaints from sub-contractors, or direct requests for payment from sub-contractors (this is one of the more serious signs)

3.9.2 **Determination**

The financial consequences for the Council of a contractor's liquidation can be serious. A decision to determine or assign a building contract will only be taken at the Council. If a contractor goes into liquidation or receivership, the employment of the contractor may be automatically determined by the conditions of the building contract. It is important to get the scheme back on site with another contractor as soon as possible.

Nevertheless the Council must always take legal advice before determining or assigning any contract and liaise closely with the Employer's Agent. This will be lead by the senior project manager The following paragraphs are not a comprehensive guide, but are intended as a checklist for the senior project manager in the event of a liquidation or determination.

3.9.3 **Site Security**

Should a building contractor go into liquidation the senior project manager must take prompt action to ensure that the site is secured, and if appropriate, that a security firm is engaged. It is common for malicious damage to take place in the first few days after the liquidation of a main contractor, particularly where sub-contractors may have been left unpaid. The senior project manager must liaise with the Council to gain authority to incur reasonable costs in arranging immediate security cover. The amount is to be agreed with the Council.

3.9.4 **Liquidators**

Agreement with the receiver of a contractor in liquidation may be necessary to determine the method by which completion works will be arranged. Early steps should be taken to identify the liquidator. The Senior Project Manager should liaise closely with the Council solicitors, and the contractor's receiver.

3.9.5 **Notifications**

The following must be notified if a contractor goes into liquidation

Epping Forest District Council Housing Development Officer

East Thames Head of Development Services

3.9.6 **Consultants Report**

Immediately after a contract is determined, the Employer's Agent should be asked to check carefully that the partially completed works have been built in accordance with the specification, and should invite the NHBC (or other

appointed) to satisfy themselves on the quality of the work carried out.

3.9.7 Insurance

Contractors insurances may lapse once a liquidation or determination takes place. The senior project manager should ensure that the insurance officer is promptly informed and requested to insure any partially completed buildings.

3.9.8 Contract Payments

Under no circumstances should payments be made pending a full assessment of likely losses. Any contract certificate payments which are being processed should be stopped. The Council should be notified, and any cheques issued which have not yet been sent should be stopped.

3.10 Updating Information

3.10.1 Property Pages on Sequel Update

When the scheme has its name approved by the local authority and the post office, the addresses should be updated on sequel, cross checking the floor areas with IMS to ensure building correct bands.

3.10.2 Variations to original bid on IMS

Variations to grant confirmation may lead to the grant paid back to the HCA e.g. if a waiver is requested or if a standard is not achieved. If there are any variations to the original bid information the SENIOR Project Manager should inform the Council and the Head of Development immediately.

3.10.3 Workflows

It is the project manager's responsibility to ensure that the appropriate workflows have been updated and the relevant information for Sequel for this stage. The internal procedures for Sequel are on the attached link.

<Q:\Development\Applications\SDS Sequel\Internal Procedures\SDS Sequel Development Procedure.doc>

3.11 Service Charges

Service charge information should be completed 6 months before handover and passed to the Epping Forest District Council Housing Development

Officer.

This page is intentionally left blank

Core File Requirements	
SCHEME NAME:	Note - if item included, if item is not applicable or comment
Letter from EDFC solicitor confirming clean title	
Confirmation of contractual site possession (with date)	
Evidence that contractor and consultants selection in line with EDFC terms of appointment & procedures	
Where capital subsidy to the scheme from other sources, including public sources, confirmation of the amounts and sources of funding should be retained	
Terms of appointment of consultants	
Copies of the building contract document and final account documentation	
Evidence whole life costs assessed at pre-acquisition stage	
Copies of Housing Quality Indicator assessments	
Evidence that HCA waivers, where applicable, have been agreed for variations for non-compliance with required standards	
Copy of Cabinet approval, and all subsequent re-approvals.	
Completed TPISH (Tender Price Index for Social Housing) return made to BCIS - evidence (email or covering letter) that document sent also kept on file	
An "as built" site plan (not required for street properties)	
List of plot numbers, and corresponding full postal addresses and tenure	
Section 106 Planning Agreement	
Section 106 Agreement – letters or emails from Local Planning Authority confirming that the conditions in the Agreement have been satisfied (copies acceptable)	
Copy of Section 38 Road Adoption Agreement. If not to be adopted note in comment e.g. estate roads to remain private but site abuts adopted road	
Copy of Section 104 Sewer Adoption Agreement. if not to be adopted note in comment e.g. estate sewers to remain private - join adopted main in [x] street.	

SCHEME NAME:	Note - if item included, if item is not applicable or comment
Section 38/ Section 104 – update on expected date of adoption. Enclose letters from appropriate authorities confirming acceptance of works/ start of maintenance period/ adoption. NB If adopted, earlier letters from appropriate authorities are not required.	
If development was in breach of old restrictive covenants on title has any notice of breach been received?	
Copy of Planning Permission (if n/a state why e.g. refurbishment)	
Conditions to planning permission – letters or emails confirming sign off of reserved matters and approval of conditions having been satisfied from Local Planning Authority or explain why sign off not available	
Conservation area consent/listed building consent	
Building Regulation completion certificate	
Confirmation of date of Practical Completion (note is this covered by NHBC certification?)	
Consultant's estimate of final works costs, and where appropriate a separate estimate of the non-works elements, e.g. on costs	
Restrictive Covenant or Defective Title Indemnity Policies	
NHBC/ Zurich/ HAPM documentation. Please note we need final certificates not cover notes. If copies are not available, please obtain confirmation from NHBC/Zurich etc. of policy numbers and that policy is in force.	
Environmental Reports – soil reports, site investigation reports.	
Environmental – final report. Written confirmation from a third party validating that recommendations have been carried out. -NB written confirmation from the local authority that a planning condition to remediate and to validate the remediation will suffice if a validation report is unavailable.	
Build Contract and Consultants Appointments - only required if no NHBC	
Warranty – architect - only required if no NHBC	

SCHEME NAME:	Note - if item included, if item is not applicable or comment
Warranty – main contractor - only required if no NHBC	
Warranty – sub contractor(s) only required if no NHBC	
Deeds of Grant to statutory authorities of rights / easements (e.g. licences/ wayleaves)	
Is the development on a floodplain? If so are there any defences? Any items incorporated into the build? Agreed mediation plan with the Environment Agency?	
Details of rents, including HB eligible service charges	
Any other documentation specifically relating to any interest or restriction on land and /or build	
Confirmation that there are no outstanding matters/disputes with regard to the scheme e.g. boundary disputes, lack of sign off by planning authority.	
Evidence that the 20 Building for Life criteria have been carried out and the scheme achieves the required standard.	
Required sustainability certificates have been achieved and carried out by registered assessor on the basis of the scheme designs as planned and delivered.	
Prepared By	
Name	
Signed	
Dated	
Head of Development (name)	
Signed	
Dated	

This page is intentionally left blank

Council House Building Cabinet Committee

TERMS OF REFERENCE AND MEMBERSHIP

Terms of Reference

1. To consider and recommend to the Cabinet the Development Strategy for the Council's House Building Programme on an annual basis.
2. To consider and sign-off development appraisals and financial appraisals produced by the Council's appointed Development Agent for sites previously identified by the Cabinet as having development potential and that could be included within the Council's House Building Programme.
3. To approve the submission of detailed planning applications, and/or if more appropriate outline planning applications, by the Council's appointed Development Agent for sites that the Cabinet Committee considers are suitable for development and viable, having regard to the development appraisals and financial appraisals for the sites.
4. To invite ward members to attend meetings of the Cabinet Committee when potential development sites in their ward are under consideration, and to provide an opportunity for ward members to provide comments on proposed developments, before development appraisals and financial appraisals are signed-off and approvals to submit planning applications are given.
5. To approve the subsequent development of sites considered suitable for development and viable that receive planning permission, subject to the acceptance of a satisfactory tender for the construction works.
6. To approve, and include within financial appraisals, the use of the following sources of funding for the development of individual sites within the Council's House Building Programme:
 - (a) The agreed Housing Capital Programme Budget for the House Building Programme;
 - (b) Capital receipts made available through the Council's Agreement with the Department of Communities and Local Government allowing the use of receipts from additional Right to Buy (RTB) sales as a result of the Government's increase in the maximum RTB Discount to be spent on House Building;
 - (c) Financial contributions received from developers for the provision of affordable housing within the District, in lieu of on-site affordable housing provision, in compliance with Section 106 Planning Agreements; and
 - (d) Grant funding received from the Homes and Communities Agency.
7. To approve the submission of the Council's Pre-Qualification Questionnaire to the Homes and Communities Agency (HCA), applying for Investment Partner status with the HCA.
8. To consider and accept tenders received for the construction works on sites included within the Council House Building Programme.
9. To determine whether, in addition to the potential development sites already considered by the Cabinet, sites with development potential within the following categories should be added to either the House Building Programme's Primary List or Reserve List and detailed development appraisals and financial appraisals undertaken by the Council's Development Agent:
 - (a) Other specific garage sites comprising 6 or less garages;
 - (b) Specific garage sites where garage vacancies arise with no waiting list of applicants; and
 - (c) Specific areas of Council-owned land on housing sites considered to be surplus to requirements.

10. To determine whether sites on the Reserve List of potential development sites previously agreed by the Cabinet should be promoted to the Primary List, and detailed development appraisals and financial appraisals undertaken by the Council's Development Agent, due to:
 - (a) There being insufficient numbers of properties that can be viably developed from the Primary List of potential development sites to deliver a House Building Programme of 120 new homes over a six-year period; and/or
 - (b) The Cabinet subsequently deciding to increase the size of the House Building Programme and there being insufficient numbers of properties that can be viably developed to deliver a larger Programme.
11. To monitor and report to the Cabinet on an annual basis:
 - (a) Progress with the Council House Building Programme; and
 - (b) Expenditure on the Housing Capital Programme Budget for the Council House Building Programme, ensuring the use (within the required deadlines) of the capital receipts made available through the Council's Agreement with the Department of Communities and Local Government allowing the use of receipts from additional Right to Buy (RTB) sales as a result of the Government's increase in the maximum RTB Discount to be spent on house building.
12. To approve applications to the Homes and Communities Agency (HCA) (or any successor body) to obtain HCA Investment Partner Status (or similar), in order to enable the Council to seek funding from the HCA, and to approve funding bids to the HCA for developments within the Council House Building Programme (*added by Leader Decision – 21.3.14*).
13. To consider and approve the future use of any potential development site previously identified by either the Cabinet or Cabinet Committee as having possible development potential for Council House Building where it either does not gain planning consent, is deemed inappropriate to develop undevelopable by the Cabinet Committee for whatever other reason or where the development appraisal identifies that the site is economically undevelopable. (*Added by Leader Decision – 16.5.14*)
14. To decide, where necessary, the names of developments undertaken through the Council House Building Programme, following consultation with the Parish or Town Councils. (*Added by Leader Decision – 16.5.14*)

Membership

Housing Portfolio Holder (Chairman)
Finance and Technology Portfolio Holder
Planning Portfolio Holder
Environment Portfolio Holder
Safer, Greener and Highways Portfolio Holder

Frequency of Meetings

As and when required, as determined by the Housing Portfolio Holder.

Report to the Council House-building Cabinet Committee



Report reference: C-*nnn*-2013/14
Date of meeting: 04 February 2014

**Epping Forest
District Council**

Portfolio: Housing – Cllr David Stallan

Subject: Future use of garage sites and other surplus sites unsuitable for redevelopment – Council House-Building Programme

Responsible Officer: Paul Pledger, Asst. Director of Housing (Property)
(01992 564248)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

1. That, should any of the development sites identified for Council house-building not be developable because:
 - i. They do not receive planning permission;
 - ii. They are not financially viable for the Council to develop based on a development appraisal; or
 - iii. The Cabinet Committee considers for whatever reason, the site should not be developed for Council housing,

Officers be authorised to consider the following options and submit a separate report to the Cabinet Committee to determine the future use of the site:

- b. To sell the site for social housing to a Housing Association in return for a capital receipt to fund future Council house-building and to gain nomination rights for Council housing applicants;
 - c. To sell the site for private development, either for residential or other use in return for a capital receipt to fund future Council house-building;
 - d. To divide up the site and sell the land to local residents to extend their private gardens in return for a capital receipt to fund future Council house-building;
 - e. To demolish the garages, re-surface and mark out the land and to leave the site as open car parking for local residents;
 - f. To sell the site to a Town or Parish Council for their own purposes (eg. public amenity space) in return for a capital receipt to fund future Council house-building; and
 - g. To continue to market and rent the garages to local residents; and
2. That the Cabinet Committee recommends to the Leader of the Council that the Terms of Reference for the Council House-building Cabinet Committee be varied to empower the Cabinet Committee to determine the future use of garages sites and other Council owned land previously identified and approved by the Cabinet for possible Council house-building.

Executive Summary:

The Council's Development Agent is required to undertake a feasibility study for each of the 65 garage and other surplus sites included on a list of potential development garage sites approved by the Cabinet. The future use of any site considered either unsuitable, financially unviable or not receiving planning permission must to be considered and a Policy agreed. Following consultation with the Cabinet Committee, this report sets out the approach the Council will take where sites are found to be unsuitable for Council House-Building.

Reasons for Proposed Decision:

Since the Cabinet has agreed to consider the development potential of 65 garage sites, any development is always subject to feasibility, financial viability and planning approval. Where sites are not developable, then their future use must be considered to maximise the Council's benefit of the Asset.

Other Options for Action:

1. To agree any other option for the future use of the sites as the Cabinet Committee deems suitable.

Background

1. The Council House-Building Cabinet Committee was consulted, at its meeting in February 2014, on the options that should be considered for any of the 65 under-used garage sites and other Council owned sites previously identified for potential re-development, that either might not achieve planning consent, not be financial viable for the Council to redevelop or where the Cabinet Committee considers it does not want to develop for whatever reason.
2. Having been assessed by East Thames, who is the Council's Development Agent, each site will be considered for its development potential, which includes a detailed feasibility study and financial viability assessment. Each site is then presented to the Cabinet Committee for consideration in consultation with the relevant Ward Councillors.
3. Whilst all sites presented to the Council House-Building Cabinet Committee have so far been approved to go forward for planning approval and subsequent development, it is very likely that some sites will either not gain planning consent, or not be put forward by the Cabinet Committee, or there may be unforeseen circumstances that prevents development (i.e. there may be underground services, there are legal issues or for any other reason that may come to light).
4. Each site has its own unique circumstances. Therefore, it is not possible to have a policy that prescribes a future use where Council house-building is not possible. For any site that either does not gain planning consent, is not put forward for development by the Cabinet Committee or the development appraisal identifies it is not developable, it is recommended that a further report be brought back to the Cabinet Committee recommending its disposal or other use, based on the range of options as follows:
 - a. To sell the site to one of the Council's Preferred Housing Association Partners for affordable housing in return for a capital receipt to fund future Council house-building, and the Council gaining nomination rights in line with the terms of the Partnership. This option will provide a capital receipt for the site and would still provide much needed social housing in the district. This option is more likely to be selected where planning permission is not granted for a development put forward by the Council;

- b. To sell the site to a private developer for either private residential or commercial use in return for a capital receipt to fund future Council house-building. This option will most likely provide the highest capital receipt for the site. However, it is unlikely to provide affordable housing;
 - c. To divide up the site and sell the land to neighbouring properties for garden use for a capital receipt to fund future Council house-building. This will provide a community benefit to residents, reduce the Council's future maintenance liabilities and the Council would benefit from a small capital receipt;
 - d. To demolish the garages, resurface the land and mark it out for unallocated off-street parking; This would only be proposed in areas experiencing parking problems. It will reduce the Council's future maintenance liabilities for the garages but increase it for parking surfaces. There would also be a capital cost;
 - e. To sell the land to a Town or Parish Council for other community relates uses including grassed or landscaped amenity space, for a capital receipt to fund future Council house-building. This will reduce the Council's future maintenance liabilities and benefit from a small capital receipt; or
 - f. Retention of the garages and to continue to rent them where possible.
5. Since the decision on how to dispose of sites unsuitable for Council house-building is not set out within the Terms of Reference for the Cabinet Committee, it is recommended that the Cabinet Committee recommends to the Leader of the Council that the Terms of Reference be amended to include the following wording:

"To consider and approve the future use of any potential development site previously identified by either the Cabinet or Cabinet Committee as having possible development potential for Council house-building where it either does not gain planning consent, is deemed inappropriate to develop undevelopable by the Cabinet Committee for whatever other reason or where the development appraisal identifies that the site is economically undevelopable."

Resource Implications:

None at this stage

Legal and Governance Implications:

Within its Terms of Reference, the House-Building Cabinet Committee is expected to consider the future use of each garage site for the purpose of Council House-building. However, the Terms of Reference does not extend to or any other alternative use.

Safer, Cleaner and Greener Implications:

The future use of under-utilised garage sites that do not have redevelopment potential, need to be considered so as to make the best possible use of the site and enhance the environment.

Consultation Undertaken:

The Cabinet Committee were consulted on the options to be included in this report at a previous meeting in February 2014.

Background Papers:

Terms of Reference for the Cabinet Committee

Impact Assessments:

Risk Management

Each site will need to have a risk assessment carried out to ensure the future use is both safe and suitable in the short, medium and long-term. Site specific Risk Assessments have yet to be compiled.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

It should be noted that an Equality Impact Assessment has already been formulated for Housing Strategy and Development.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

**Report to the Council Housebuilding
Cabinet Committee**



**Epping Forest
District Council**

Report reference:

Date of meeting: 4th February 2014

Portfolio: Housing – Cllr David Stallan

Subject: Strategic Approach to the Prioritisation of Potential Developments – Council Housebuilding Programme

Responsible Officer: Alan Hall, Director of Housing (01992 564004)

Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That the following general strategic approach be adopted for the prioritisation of potential sites taken forward for development under the Council's Housebuilding Programme:
 - (a) Generally, over a period of time, development sites be spread around the towns/villages where sites are located, on a rotational basis, so that all locations have the benefit of affordable housing being provided in their area;
 - (b) Priority for the development of potential sites be given to areas in which the highest number of housing applicants live;
 - (c) Towns/villages with sites that could potentially deliver the greatest number of new properties be prioritised in preference to locations where less properties could be delivered; and
 - (d) If possible, development packages/phases generally comprise sites within the same town/village, in order to reduce the contractor's site set-up costs;
- (2) That, taking account of the strategic approach set out in (1) above, locations be grouped together into the following two Groups and the Priority Orders shown:

Group A (Locations with sites that could potentially deliver 10 or more homes):

<u>Priority</u>	<u>Location</u>
1	Loughton
2	Waltham Abbey
3	Epping
4	Buckhurst Hill
5	Ongar
6	North Weald

Group B (Locations with sites that could potentially deliver less than 10 homes):

<u>Priority</u>	<u>Location</u>
1	Theydon Bois
2	Nazeing
3	Roydon
4	Coppersale
5	High Ongar
6	Matching Green/Tye

- (3) That development packages/phases be formulated each year, on a rotational basis - in the Priority Order shown in Group A above - until the capacity for the potential number of homes in a location reduces to less than 10, at which point the location be moved into Group B;
- (4) That, where less than 20 homes can be provided within a development package/phase in one of the locations within Group A above, one or more sites within Group B also be included within the development package/phase, on a rotational basis - in the Priority Order shown in Group B above - to comprise a package/phase of between 20 and 25 homes; and
- (5) That a review of the priority orders within Groups A and B in (2) above be undertaken by the Cabinet Committee in three years' time, prior to Year 5 of the Housebuilding Programme being formulated, having regard to the same strategic approach set-out at (1) above.

Executive Summary:

The Cabinet has previously agreed a list of potential development sites for which the Council's Development Agent would be asked to undertake detailed development and financial appraisals. Now that the Development Agent is starting to undertake development appraisals for each site, there is a need to agree a strategic approach to the prioritisation of potential sites for development.

A general strategic approach for the prioritisation of potential sites is proposed for adoption, which suggests that locations within the District be grouped together into two Groups, having regard to the Primary List of Sites previously agreed by the Cabinet and whether the locations have capacity to deliver more or less than 10 new homes, and that development packages/phases be formulated each year, on a rotational basis in an agreed Priority Order, based on the number of applicants living within each location.

Since there are various ways in which the number of potential sites within a location could increase and, as the Development Programme progresses, the number of new homes that could be provided at locations within the groups is likely to reduce - which could have an effect on the Priority Orders within both groups - it is proposed that a review of the priority orders within the two groups be undertaken in three years' time, having regard to the same proposed strategic approach.

Reasons for Proposed Decision:

There is a need to agree a strategic approach to the prioritisation of potential sites for development.

Other Options for Action:

The main alternative options appear to be:

- (a) Not to have a strategic approach – but this would mean that a high profile, high cost Council Programme would not have a strategic direction; and
- (b) To adopt a different approach to the prioritisation of sites – of which there are a myriad of alternatives.

Background

1. At its meeting in July 2012, the Cabinet agreed a list of potential development sites for which the Council's Development Agent, East Thames, would be asked to undertake detailed development and financial appraisals.

2. It was assessed at that time that, potentially, a maximum of around 225 new Council homes could be developed on the 69 Council-owned difficult-to-let and small garage sites (and some other sites) that were listed as an Appendix to the Cabinet report, based on an initial appraisal of the development potential of each site by officers. However, it was also explained that many of these sites would be problematical to develop, and that more-detailed development appraisals undertaken by East Thames would assess which ones had real development potential. Therefore, it was accepted that the number of sites and homes that could actually be developed overall was likely to be much less.

3. The Cabinet agreed a methodology for separating the sites into a "Primary List" and "Reserve List", and that detailed development and financial appraisals should only be undertaken of sites on the Primary List at this stage. The Primary List comprises:

- (a) All Garage sites with vacancy rates of 20% or more as, at 1st July 2012;
- (b) Five small areas of Council-owned land identified as having development potential; and
- (c) One garage site that has structural problems, that would be expensive to repair.

4. There are 11 sites in 6 locations on the Reserve List, that could provide a further 17 properties (maximum). The Reserve List comprises:

- (a) Small garage sites (i.e. comprising 6 or less garages), with no vacancies as at 1st July 2012, but that have been difficult to let in the past; and
- (b) All garage sites with more than 6 garages, vacancy rates of less than 20% as at 1st July 2012 and no waiting list.

5. Now that East Thames is starting to undertake development appraisals for each site, there is a need for the Cabinet Committee to agree a strategic approach to the prioritisation of potential development sites, in order to determine the order in which sites are submitted for planning permission and subsequently developed – which is the purpose of this report.

6. The Cabinet agreed that 58 potential development sites, with a maximum capacity to accommodate 211 new homes in 12 towns/villages, should be included on the Primary List. This excluded any Council-owned sites around The Broadway, Loughton that had been identified within The Broadway Design and Development Brief since, at that time, the intention was to work with a housing association to develop these sites for affordable housing.

7. The maximum number of properties that could be provided in each town/village varies significantly, from a maximum of 2 homes (High Ongar and Matching) to a maximum of 71 homes (Loughton – excluding The Broadway).

8. The Cabinet has also previously agreed that the Council Housebuilding Programme should seek to develop around 20 new homes each year, initially for a 6 year period, for which funding has been made available within the Housing Capital Programme.

9. The Cabinet Committee has already agreed that Year 1 of the Development Programme will comprise 23 potential new homes in Waltham Abbey. The reason for this was that one of the sites (the former Red Cross Hall site, Roundhills) has been allocated £90,000 funding from the Harlow Area Growth Fund, subject to a Start-on-Site being achieved by 1st August 2014. Planning permission has already been granted for one site in Year 1, comprising 9 flats, and planning applications have been submitted and are awaiting determination for the development of a further 14 new homes.

Strategic Approach

10. It is suggested that the following general strategic approach should be adopted for the prioritisation of potential sites taken forward for development:

(a) Generally, over a period of time, development of sites should be spread around the towns/villages where sites are located, so that all areas have the benefit of affordable housing being provided in their area – effectively, developments should be undertaken on a rotation basis around the District;

(b) Priority for the development of potential sites should be given to areas in which the highest number of housing applicants live;

(c) Towns/villages with sites that could potentially deliver the greatest number of new properties should be prioritised in preference to locations where less properties could be delivered; and

(d) If possible, development packages/phases (i.e. the grouping of sites into one works contract, usually undertaken each year) should generally comprise sites within the same town/village, in order to reduce the contractor's site set-up costs.

Prioritisation of Sites

11. Taking account of (b) above, the numbers of housing applicants living in each of the towns/villages where potential development sites are located has been obtained. Taking account of (c) above, it is suggested that towns/villages be grouped together into two Groups, having regard to the Primary List agreed by the Cabinet in July 2012:

Group A Comprising towns/villages with sites that could potentially deliver 10 or more new homes in total

Group B Comprising towns/villages with sites that could potentially deliver less than 10 new homes in total

12. Having regard to the proposed strategic approach and information referred to above, it is proposed that the two Groups comprise the following locations with the priority orders for developments shown, based on the number of housing applicants living in that town/village:

Group A (Capacity for 10 or more new homes)				
Priority Order	Location	No. of Housing Applicants	No. of Sites	Max. No. of Properties
1	Loughton	478	16 ^(#)	52 ^(#)
2	Waltham Abbey	472	18	71 ^(*)
3	Epping	95	5	12
4	Buckhurst Hill	80	5	23
5	Ongar	76	2	11
6	North Weald	48	2	16

(*) = Including the Year 1 sites

(#) = Excluding the sites at The Broadway

Group B (Capacity for less than 10 new homes)				
Priority Order	Location	No. of Housing Applicants	No. of Sites	Max. No. of Properties
1	Theydon Bois	19	2	5
2	Nazeing	15	2	7
3	Roydon	13	1	3
4	Coopersale	10	3	7
5	High Ongar	9	1	2
6	Matching Green/Tye	7	1	2

13. Taking account of (c) within the proposed strategic approach above, it is suggested that development packages/phases be formulated each year, on a rotational basis in the Priority Order shown in Group A, until the capacity for the potential number of homes in a location within Group A reduces to less than 10 homes, at which point it is suggested that the location be moved into Group B.

14. Furthermore, taking account of (d) within the proposed strategic approach above, it is suggested that, where less than 20 homes can be provided within a development package/phase in one of the locations in Group A, one or more sites within Group B also be included within the development package/phase, on a rotational basis in the Priority Order shown in Group B, to comprise a package/phase of between 20 and 25 homes.

15. On this basis, since Year 1 of the Programme already comprises sites in Waltham Abbey, Year 2 of the Programme would comprise site(s) in Loughton, which is why appraisals for a site in Loughton is to be considered later in the Cabinet Committee's agenda for this meeting. It is likely that this would be followed by developments in Epping and some sites from Group B in Year 3, and developments in Buckhurst Hill in Year 4.

16. At its meeting in July 2012, the Cabinet also agreed that:

- (a) Sites on the Reserve List be promoted to the Primary List, and that detailed development and financial appraisals also be undertaken for these sites by the Development Agent, if the percentage of vacant garages within the site increases to 20% or more;
- (b) Garage sites should remain on the Primary List, even if their vacancy rates fall to below 20% in the future;
- (c) Subject to the Cabinet's approval at a later date, detailed development and financial appraisals should be undertaken by the Development Agent for any other sites on the Reserve List if;

- (i) There are insufficient numbers of properties that can be viably developed from the Primary List to deliver a Housebuilding Programme of 120 new homes over a six-year period; or
 - (ii) The Cabinet subsequently decides to increase the size of the Housebuilding Programme and there are insufficient numbers of properties that can be viably developed to deliver a larger Programme
- (d) That further initial development assessments be undertaken over time by either officers or the Development Agent of:
- (i) All other garage sites comprising 6 or less garages;
 - (ii) Any further garage sites that start to have vacancies with no waiting list; and
 - (iii) Any Council-owned land on housing sites considered to be surplus to requirements.

17. A number of additional potential sites have already been identified by officers relating to (d) above, on which a report will be submitted to a future meeting of the Cabinet Committee to determine whether or not they should be added to the Primary List of sites.

18. As can be seen from (a)-(d) above, there are a number of ways in which the number of potential sites within the Primary List could increase, which could have an effect on the Priority Orders within both Group A and Group B. Furthermore, as the Development Programme progresses, the remaining number of new homes that could be provided at locations within Group A is likely to reduce. It is therefore suggested that a review of the priority orders within Groups A and B be undertaken by the Cabinet Committee in three years' time, prior to Year 5 of the Housebuilding Programme being formulated, having regard to the same strategic approach set-out within this report. It is not suggested that the review be undertaken any earlier than 3 years, to allow the Development Agent to progress the Development Programme with sites in an agreed order, without the risk of the order changing, for the foreseeable future.

Resource Implications:

The Cabinet has already agreed the required resources to deliver the Programme for the foreseeable future within the Housing Capital Programme, based on the Council's HRA Financial Plan.

Legal and Governance Implications:

It is considered good governance to adopt and follow a strategic approach to the prioritisation of sites, which has been agreed in an open and transparent way.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's Development Agent, East Thames, and their lead consultants, Pellings, have been consulted on the contents of this report and have confirmed that they support the proposed approach.

Background Papers:

None

Impact Assessments:

Risk Management

There are no material risks associated with the proposed approach. The key issue from a risk management point of view is to ensure that potential development sites have development and financial appraisals undertaken, and progressed to the planning stage, in timely and co-ordinated fashion, to ensure that the Programme is not disrupted.

The proposed strategic approach assists with this process.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

This page is intentionally left blank

Report to the Council Housebuilding Cabinet Committee



Report reference: C-nnn-2013/14
Date of meeting: 10 July 2013

**Epping Forest
District Council**

Portfolio: Housing – Cllr David Stallan
Subject: Affordable Rent Policy – Council Housebuilding Programme
Responsible Officer: Alan Hall, Director of Housing (01992 564004)
Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

(1) That the Cabinet’s previous decision that “affordable rents’ should be charged for Council properties built under the Council’s Housebuilding Programme be re-affirmed;

(2) That when such properties are (re)let, the Council’s affordable rents be set at a level equivalent to the lowest of:

- (a) 80% of market rents for the locality in which the property is situated, as assessed by the Council’s Estates and Valuations Division;**
- (b) The Local Housing Allowance level for the Broad Market Rental Area in which the property is situated; and**
- (c) A rent cap of £180;**

(3) That affordable rents be increased annually by the Retail Price Index (as at the preceding September) + 0.5% (or any other maximum increase determined by the Government), until the tenant vacates, when the affordable rent will be re-based in accordance with the Homes and Communities Agency’s (HCA’s) Affordable Rent Model and the policy at (2) above; and

(4) That the Council’s rent cap level be reviewed annually and set out within the Rents Strategy Chapter of the HRA Business Plan each year.

Executive Summary:

The Cabinet has previously agreed that “affordable rents” should be charged for the properties built under the Council’s Housebuilding Programme, which will be higher than the “social rents” charged for the Council’s existing properties.

It is necessary for the Council to adopt a policy, explaining its approach to how affordable rent levels will be set, within the HCA’s Affordable Rent Model. The maximum affordable rent is 80% of the market rent for the same type of property in the same locality, including service charges.

The report proposes an approach to how the Council should set its affordable rents.

Reasons for Proposed Decision:

It is necessary for the Council to adopt a policy, explaining its approach to how affordable rent levels will be set, within the HCA's Affordable Rent Model.

Other Options for Action:

The other main options are:

(a) The Council could set rents at a lower level than 80% of market rents – but this would have implications for the viability of new developments.

(b) No reference could be made to the LHA level – but this could result in rents not being covered in full for tenants in receipt of housing benefit.

(c) No rent cap is imposed, or a lower or higher rent cap could be adopted. However, if a higher rent cap is adopted, it could have implications for tenants in receipt of housing benefit when Benefit Caps are introduced under the welfare reforms. If a lower rent cap is adopted, it could affect the financial viability of developments.

Background

1. Councils and, until recently, housing associations generally charge “social rents” for their properties. These are set in accordance with a Government formula, based on:

- Property value;
- Average earnings for the county; and
- Property size

2. The Government's Rent Convergence Policy (which has been adopted by the Council), seeks to ensure that (within a 5% tolerance) similar rents are charged for the same type of property in the same location, irrespective of whether the landlord is a council or a housing association.

3. The Government's target date for convergence to be achieved across the country is April 2015. However, the Council's target is to achieve rent convergence by April 2017 – although it should be noted that many of the Council's properties will not reach their target rent by April 2017, because to do so would breach the Government's maximum annual rent increase for individual properties, which is currently RPI + 0.5% + £2 per week. As part of the Government's Comprehensive Spending Review (CSR) announced on 26th June 2013, the Government stated that social rents can be increased by the Consumer Prices Index (CPI) + 1% per annum from April 2015 for at least the following 10 years.

4. To enable the Government to significantly reduce the amount of grant required to develop new affordable housing, the Homes and Communities Agency (HCA – the Government agency that funds and regulates all registered providers of housing, which includes the Council) has said that all new affordable rented homes built by housing associations and councils with grant from the HCA must charge “affordable rents”. Even if HCA grant is not provided, in order to minimise the amount of subsidy required from other sources, most developing housing associations now charge affordable rents for newly-developed affordable rented housing. It should be noted that the formal approval of the HCA must be obtained before a Council or a housing association can charge affordable rents, but this is generally forthcoming.

5. In addition, the HCA expects registered providers who have funding contracts with the HCA to also convert the rents of a proportion of re-lets to vacant properties (usually around 1/3) from social rents to affordable rents when they are re-let, and to use the additional rent to fund its new developments. This is to reduce a developing housing association's reliance on grant from the HCA.

6. Affordable rents are defined by the HCA as being up to 80% of market rents (including service charges). Very generally, social rents are usually around half the level of market rents. Once properties are let, the HCA's Affordable Rent Model states that affordable rents can be increased annually by a maximum of RPI (as at the preceding September) + 0.5%, until the property is vacated. On re-let, the rent has to be re-based in accordance with policy and market rents at that time. Although at the time of the Government's CSR announcement, information and certainty was given about future rent increases for social rents, it made no reference to future rent increases for affordable rents. Further information on this may be provided in advance of the Cabinet Committee meeting, in which case an oral update will be given.

7. The Cabinet has already agreed in principle to charge affordable rents for the Council's Housebuilding Programme. This is for two main reasons:

- (a) To ensure that developments are viable, since they would require significant subsidy if social rents were charged instead of affordable rents; and
- (b) To charge similar rents for similar newly-built affordable rented properties as housing associations are charging for their new developments – i.e. to provide “an even playing field”.

8. However, when charging affordable rents for the Housebuilding Programme, there are some issues that members need to understand, as follows:

- (a) The Council will be charging significantly different (i.e. higher) rents for properties built under its Housebuilding Programme, compared to all the Council's current properties (which are let at social rents);
- (b) It is likely that only applicants either with reasonable incomes or in receipt of housing benefit will be able to afford newly-built properties, let at affordable rents. Working applicants on lower incomes, but who are ineligible for housing benefit, are likely to struggle to pay affordable rent levels, and are therefore more likely not to bid for them through the Choice Based Lettings Scheme, and only bid for existing Council properties let at social rents.
- (c) If an affordable rent is charged at a level that is higher than the “Local Housing Allowance” (LHA) for the “Broad Market Rental Area” (BMRA) in which the property is situated (set by the Rent Officer Service, based on the 30th percentile of market rents in the BMRA), the difference between the rent and the LHA cannot be met from housing benefit. Therefore, if a tenant is in receipt of housing benefit, they have to pay the difference between the LHA and the affordable rent themselves.
- (d) The Government's welfare reforms will result in some affordable rents being unaffordable to those on benefits (i.e. universal credit) if 80% of market rents are charged – mainly larger families in larger properties. For this reason, housing associations and councils who charge affordable rents generally have a rent cap, which limits the maximum rent that can be charged, in order for rents to be

affordable to any tenant in receipt of housing benefit (or universal credit). This is covered in more detail below.

9. Since the Council has determined that affordable rents should be charged for properties built through its Housebuilding Programme, an Affordable Rent Policy needs to be adopted explaining the approach to how Council rents will be set. The Policy needs to be agreed at this meeting, since East Thames, the Council's Development Agent, needs to know the rent levels to input into their financial appraisals for the Council's potential development sites, the first of which are due to be considered at this meeting.

Proposed Affordable Rent Policy

10. The approach that most housing associations take (who have now been operating affordable rents for some time) is to set affordable rents at the lowest of three factors:

- 80% of the market rent for the property;
- The LHA level for the property within the BRMA; or
- A self-imposed rent cap – that avoids any tenants losing money as a result of the introduction of the Government's Benefits Cap under the welfare reforms

11. The rent cap adopted by most housing associations that have one, generally takes account of the Government's new Benefits Cap level (£500 per week for couples and single people with children and £350 per week for single people without children) and tenants' estimated living costs. Rent caps adopted by the Council's Preferred Housing Association Partners vary, between £180 and £225 per week. It is officers' view that, for the Epping Forest District, a rent cap of £180 per week would be appropriate, bearing in mind that an affordable rent at this level would be significantly higher than the social rents charged by the Council for its existing properties.

12. It is worth noting that, for the proposed developments within Package 1 of the Council Housebuilding Programme (reported to the Cabinet Committee as a later agenda item), the proposed Affordable Rent Policy has been applied and that, as a result, it has been necessary for the rents of all the 3-bedroomed houses (10 properties on two sites) to be set at the proposed rent cap of £180 per week.

13. Therefore, it is proposed that the Affordable Rent Policy set out at the commencement of the report be adopted.

Resource Implications:

The Affordable Rent Policy has a direct bearing on the rental income received for new developments, and their financial viability. The higher the rents are set, the greater the income and the less subsidy is required from other sources (e.g. capital receipts from Right to Buy sales, Section 106 contributions etc).

Legal and Governance Implications:

Formal approval from the HCA will be required before affordable rents can be charged, but this is generally forthcoming.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's Preferred Housing Association Partners have been consulted on their approach to affordable rents.

East Thames, the Council's Development Agent, has been consulted on the contents of this report, and their comments have been taken into account.

Background Papers:

None

Impact Assessments:

Risk Management

Since the Affordable Rent Policy has a direct bearing on the rental income received for new developments, the greatest risks are that either new developments become unviable as a result (if rent levels are too low) or too many housing applicants are unable to afford the rents (if they are too high).

These risks are mitigated by the Council being able to learn from the experiences of housing associations, who have been charging affordable rents for some time. The risk of setting rents too high is mitigated by the proposed rent cap, which should avoid any properties being unaffordable to tenants in receipt of housing benefit. It is proposed that the rent cap level is reviewed annually.

Since the Cabinet Committee will consider and sign-off financial appraisals for every proposed development, the financial effects of the Affordable Rent Policy can be monitored. If, over time, a problem is identified, the Cabinet Committee can review its policy.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

It should be noted that an Equality Impact Assessment has already been formulated for Housing Strategy and Development.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

This page is intentionally left blank

Report to the Council Housebuilding Cabinet Committee



Report reference: C-nnn-2013/14
Date of meeting: 4 February 2014

**Epping Forest
District Council**

Portfolio: Housing – Cllr David Stallan
Subject: Review of Rent Cap – EFDC Affordable Rent Policy
Responsible Officer: Alan Hall, Director of Housing (01992 564004)
Democratic Services Officer: Jackie Leither (01992 564756)

Recommendations:

- (1) That the Council's Rent Cap remains at £180 per week for 2014/15;**
- (2) That the Council's Affordable Rents Policy be applied to both:**
 - (a) Financial Appraisals for potential developments; and**
 - (b) To the actual rents charged for properties when they are let;**

in relation to market rent levels, Local Housing Allowance (LHA) levels and the Rent Caps applicable at that time;

- (3) That the Council's Rent Cap next be reviewed by the Cabinet Committee towards the end of 2014/15, in time for inclusion within the Rents Strategy Chapter of the HRA Business Plan for 2015/16.**

Executive Summary:

The Cabinet Committee previously agreed and adopted an Affordable Rents Policy for the Council Housebuilding Programme, explaining the approach to the setting of affordable rents for the Council Housebuilding Programme.

The Affordable Rents Policy includes the use of a Rent Cap, relating to the maximum rent to be charged for affordable rented properties; in July 2013, the Cabinet Committee agreed that this should be set at £180 per week for 2013/14, but that the level should be reviewed by the Cabinet Committee annually.

Since the Rent Cap was only agreed less than 7 months ago, it is suggested that the Council's Rent Cap remains at £180 per week for 2014/15.

The report also clarifies and confirms that the approach and rent levels set-out within the Affordable Rents Policy (including the level of Rent Cap), when applied to both Financial Appraisals for potential developments and to the actual rents charged for properties when they are let, relate to those levels that are applicable at that point in time, which may be different, due to the time lapse between the Financial Appraisal stage and when the properties are built and let.

Reasons for Proposed Decision:

It is a requirement of the Council Affordable Rents policy to review the level of Rent Cap each year.

Other Options for Action:

The other main options are:

- (a) To either reduce or increase the level of Rent Cap; or
- (b) To no longer have a Rent Cap.

Background

1. At its meeting on 10th July 2013, the Cabinet Committee agreed and adopted an Affordable Rents Policy for the Council Housebuilding Programme, which explains the approach to how affordable rents for new Council properties built under the Programme will be set.

2. "Affordable rents" are defined by the HCA as being up to 80% of market rents (including service charges). Once properties are let, the HCA's Affordable Rent Model states that affordable rents can be increased annually by a maximum of RPI (as at the preceding September) + 0.5%, until the property is vacated. Following a change in approach by the Government, from April 2015, the maximum increase will change to CPI (as at the preceding September) +1%. The Cabinet Committee agreed that, once the properties have been re-let, the Council's affordable rents should be increased annually by the maximum increase.

3. On re-let, the rent has to be re-based in accordance with Affordable Housing Policy applicable at that time.

4. The Council's Affordable Rents Policy states that affordable rents will be set at the lowest of three factors:

- 80% of the market rent for the property;
- The Local Housing Allowance (LHA) level for the property within the Broad Rental Market Area (BRMA); or
- A Rent Cap self-imposed by the Council – that avoids rents being unaffordable, even if they are less than the first two factors, particularly with regard to the introduction of the Government's new Benefits Cap as part of its welfare reforms

5. It is anticipated nationally that the Government's welfare reforms will result in some affordable rents being unaffordable to those on benefits (i.e. housing benefit and, in the future, universal credit) if 80% of market rents, or even the LHA level, are charged – mainly for those larger families in larger properties. For this reason, many housing associations and councils that charge affordable rents generally apply a Rent Cap, which limits the maximum rent that can be charged, in order for rents to be affordable to any tenant in receipt of housing benefit (or universal credit in the future).

6. Having regard to the Rent Caps applied by a number of other councils and housing associations, and to the Government's Benefit Caps, the Cabinet Committee agreed in July 2013 that a Rent Cap of £180 per week should be applied in respect of the Council's Housebuilding Programme for 2013/14, bearing in mind that an affordable rent at this level

would still be significantly higher than the social rents charged by the Council for its existing properties.

7. The Cabinet Committee also agreed that the Council's Rent Cap level should be reviewed annually by the Cabinet Committee - and then set out within the Rents Strategy Chapter of the HRA Business Plan each year.

8. Since the Rent Cap was only agreed less than 7 months ago, and particularly in view of the fact that the Government has not increased its Benefits Cap from £500 per week (£350 for single people without children), it is suggested that the Council's Rent Cap remains at £180 per week for 2014/15.

9. For the avoidance of doubt, it is also suggested that the Council's Affordable Rents Policy is applied to both:

- Financial Appraisals for potential developments; and
- To the actual rents charged for properties when they are let;

in relation to the market rents, LHAs and Rents Cap applicable at that time. So, for example, although Financial Appraisals prepared now would use a Rent Cap of £180 per week, when the properties that are the subject of the Financial Appraisal are eventually let (which could be up to 2 years later, or more for developments undertaken in later phases which are appraised over the next 12 months) the Rent Cap agreed for that financial year would be the one applied to actually set the rents.

Resource Implications:

The Rent Cap has a direct bearing on the rental income received for new developments, and their financial viability. The higher the rents are set, the greater the income and the less subsidy is required from other sources (e.g. capital receipts from Right to Buy sales, Section 106 contributions etc).

Legal and Governance Implications:

Formal approval from the HCA will be required before affordable rents can be charged, but this is generally forthcoming.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's Preferred Housing Association Partners, including East Thames (the Council's Development Agent), have previously been consulted on the Council's Affordable Rents Policy and the use of Rent Caps and raised no concerns or objections.

Background Papers:

None

Impact Assessments:

Risk Management

Since the use of Rent Caps within the Affordable Rent Policy has a direct bearing on the rental income received for new developments, the greatest risks are that either new developments become unviable as a result (if the Rent Cap is too low) or too many housing applicants are unable to afford the rents (if it is too high).

These risks are mitigated by the Council being able to learn from the experiences of housing associations, who have been charging affordable rents for some time, including the use of Rent Caps.

Since the Cabinet Committee will consider and sign-off financial appraisals for every proposed development, the financial effects of the Rent Cap and the Affordable Rent Policy more generally can be monitored. If, over time, a problem is identified, the Cabinet Committee can review its policy.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?

It should be noted that an Equality Impact Assessment has already been formulated for Housing Strategy and Development.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A

**Potential Sites for Council Housebuilding Programme
Suitable for Development
Dec-12**

Key

	= Less than 20% void garages
	= Between 20% and 30% void garages
	= More than 30% void garages

Garage site	Total Garages	Vacant Garages	% Empty	Location of Entrance to garage site	Development Potential	Ward	ETG comments	Ease of Devt. (1=Easy; 5=Hard)	Max. No. of of Props.
Primary List									
Buckhurst Hill									
Bourne House (garages 12 to 36)	25	15	60%	Rear/ side (south) of Bourne House	Development potential. Adjacent to Green Belt. Any development would be subject to overlooking from Bourne House. Are garages being used by the 24no. flats of Bourne House? Removal of these garages would remove all on site parking for Bourne House; Planners would be concerned. Similar site north of Bourne House has been developed into 4no. Flats by Estuary H.A. This development could be replicated. Some off-street parking could be provided within clothes drying area to off-set loss. Possible block of four flats.			3	4
Hornbeam Close (north: garages 1 to 24) (south: garages 25 to 38)	38	9	24%	Rear of and adjacent to flats at Hornbeam Close. Two sites; north 24 garages, south 14 garages.	Development potential: on one or both sites. Both sites North site: possible pair of houses? Maintain RoW through site? South site: possible block of four flats? Maintain rear access to adj. houses. adjacent to Green Belt. Any development would be subject to overlooking from adjacent five storey block of flats. North site may have established RoW running through site. South site would need to retain rear access points from properties fronting Hornbeam Road and RoW serving these areas. Both sites have good access road width. North site; possible three small houses. South site; possible block of four flats.			2	7
Hornbeam House (garages 1 to 22)	22	14	64%	Rear/ side (north) of Hornbeam House.	Development potential. Adjacent to Green Belt. Any development would be subject to overlooking from Hornbeam House. Rear access from properties fronting Hornbeam Road would have to be retained and existing RoW. Access road wide. Possible block of six flats.			3	6
Pentlow Way (garages 1 to 10)	10	4		Adjacent to 23 Pentlow Way	Development potential. Garages and surrounding hard-standing provides parking for adjacent 16no. Existing				

			40%		flats. Electricity sub-station also exists. Development is possible, however, sub-station would need to be re-sited, this would be expensive. Off-street parking would need to be considered, together with allocation/ use of amenity space. Some overlooking issues. Existing clothes drying area could be incorporated. Possible block of four flats.			2	4
Loughton Way (garages 1 to 24)	24	8	33%	Via access road to rear of 142 to 196 Loughton Way	Development potential. Additional 3/ 4 car parking spaces would be lost. General area is not particularly suitable for residential development. However, access could be taken from Blackmore Road and new development could 'turn its back' on access road (apart from off-street parking provision). Overlooking issues from existing flats. Possible two houses.			4	2
Coopersale									
Parklands - Site A 100	26	8	31%	Coopersale Common: various locations. 12 distinct garage area. (garages 1 to 100 and 110 to 125) Adjacent to 44 Parklands	Development potential: for a number of different sites. Very poor parking. Some have large courtyards at front. Footpaths accessing some of sites. Couple of blocks are formed within built form. Most existing dwellings have rear or side access arrangements: these must be retained. If all areas developed; six houses and eleven bungalows may be possible.			3	3
Parklands - Site B 60 - 68	9	2	22%	Adjacent to 71 Parklands	Ditto			2	2
Parklands - Site C 119 - 122	4	1	25%	Between 52 Parklands and 53 Garnon Mead	Ditto			3	2
Epping									
Centre Avenue (garages 1 to 20)	20	9	45%	Adjacent to 18 Centre Avenue	Development potential. Site is awkward shape; some re-adjustment of boundaries may be prudent. Numerous rear access points from surrounding properties onto forecourt exist. Considerable gradient across site. Development would need to be single storey due to overlooking issues. Possible two bungalows.			4	2
Centre Drive - Site B (garages 1 to 7)	7	1	14%	Adjacent to 24 Western Avenue	Development potential, only if the rear garden of 24 Western Avenue is incorporated within the site area. 24 Western Avenue is currently in Council ownership. Development would need to be single storey due to overlooking issues. Tree root issues. Overhead BT			2	2

Springfield B Block (garages 2 to 16)	16	6	38%	Between 34 and 36 Springfield	cables. Good highway access. Possible two bungalows. Development potential, albeit, slight. Vehicular and pedestrian access from surrounding properties onto forecourt. RoW from southern end of site, through site, also exists. Any development would, presumably, have to retain these access rights. Gradients through and across site. Site narrow. Overlooking issues. Tree root issues. Possible single bungalow only.			4	1
Springfield C Block (garages 1 to 39)	39	8	21%	Between 15 and 17 Springfield	Development potential. Only in the area of garages 1 to 18, remaining garages could continue. Two rear access points from 5 and 7 Springfield. Good highway access. Development could front Springfield with parking to rear. Possible three houses.			3	3
Stewards Green Road (garages 1 to 20)	20	10	50%	Adjacent 52 Stewards Green Road	Development potential: part of site next to no. 52. Good access. Useful adjoining grassed land. One private access (garage to 39 Stewards Green). Electric sub station on site. Possible 4/ 5 houses.			1	5
High Ongar									
Millfield (garages 1 to 12)	12	5	42%	Between 48 and 49 Millfield	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: may need to widen at junction with Millfield. Numbers 39 and 49 have taken vehicular access from forecourt. Refuse servicing may be problematic. Possible two bungalows.			3	2
Lightton									
Bushfields (garages 51 to 70)	20	8	40%	Rear of 82 to 92 Alderton Hall Lane	Development potential. Steep gradients exist within forecourt area. Close proximity to Central Line. Development would need to be single storey due to overlooking issues. Access road narrow: may need to widen at junction with Bushfields: no. 82 Alderton Hall Lane is owned by the Council. No. 131 Chequers Road takes access for a garage from the site's forecourt, no. 86 Alderton Hall Lane takes pedestrian access too. Refuse servicing may be problematic. Possible two bungalows.			3	2
Chester Road (garages 654 to 675)	22	10	45%	Rear of 121 and 125 Chester Road	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with Chester Road. Refuse servicing may be problematic. Number 1 single storey due to overlooking issues. Access road narrow: need to widen at junction with Chester Road. Refuse servicing may be problematic. No. 1 Grosvenor Drive is currently in Council ownership. Possible two bungalows.			3	2

Chequers Road - Site A (garages 146 to171)	26	17	65%	Between 2 and 12a Chequers Road	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with Chequers Road. Refuse servicing may be problematic. Number 2 Chequers single storey due to overlooking issues. Access road narrow: may need to widen at junction with Chequers Road. No. 2 Chequers Road is freehold, whereas, 12a is currently owned by the Council. Possible two bungalows.			3	2
Chequers Road - Site B (garages 231 to 258)	28	18	64%	Between 75 and 81 Chequers Road	Development potential. Planning Officers previously had problems with loss of garage parking if whole site is developed. Home Group previously assessed that 9no x one bedroomed flats could be provided on whole site. problems with loss of garage parking if whole site is developed. Home Group previously assessed that 9no. x one bedroomed flats could be provided on whole site.			1	9
Etheridge Road (garages 676 to 712)	36	15	42%	Between 72 and 74 Etheridge Road	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: no ability to widen at junction with Etheridge Road. No access potential elsewhere. Development will single storey due to overlooking issues. Access road narrow: no ability to widen at junction with Etheridge Road. No access potential elsewhere. Development will be limited by access restriction (2.4m max). Refuse servicing may be problematic. Possible three bungalows.			3	3
Hillfields (garages 13 to 24)	12	8	67%	Between flat blocks 80/98 and 100/112 100/ 112	Development potential, albeit, slight. Development would need to be single storey due to overlooking issues. Possible Possible two bungalows.			3	2
Kirby Close	4	1	25%	Adj. to 20 Kirby Close Could incorporate adjacent bank, access rd and access via Valley Hill	Development potential. Home Group has previously assessed that 4 x 1 bed flats and 4 x 2 bed flats could be provided.			4	8
Ladyfields (garages 332 to 353)	22	8	36%	Opposite 39 to 45 Ladyfields	Development potential. Good highway access; frontage. No major overlooking issues. Noise from railway. Retain trees to front and rear elevations. Possible two large houses. Extend development into adjacent green space?			1	2
Langley Meadow - Site A (Amenity area)	1	1	100%	Adjacent to 21-24 Langley Meadow	Development potential. Some of the land has erroneously been included within the lease of 21 Langley Meadows. 3 Langley Meadows has a right of way over land. 26 Langley Meadows may have a lease - the lease/plan are contradictory.			1	4
Langley Meadow - Site B (Amenity area)	1	1	100%	Adjacent to 25-28 Langley Meadow	Development potential - not yet explored in detail.			1	4
Lower Alderton Hall Lane (garages 440 to 445)	6	2	33%	Opposite 1 to 6 Lower Alderton Hall Lane	Development potential, albeit, slight. Any development would have a major impact on existing parking facilities to the existing eleven surrounding houses. New and existing parking would have to be carefully considered. Retain trees to embankment. Possible two/ three flats.			2	3
Marlescroft Way - Site B (garages 581 to 591)	11	6	55%	Off Marlescroft Way via forecourt	Development potential. Good highway access. Garage structures form lower perpendicular form of			2	2

			50%	flats above, therefore, development would consist of conversion. Possible two flats.				3	2
Pyrls Lane - Site A (garages 1 to 12)	12	6	50%	Rear of flat block 109 to 127	Development potential. Development would need to be single storey due to overlooking issues. Very mature oak tree. Possible two bungalows.			3	2
Pyrls Lane - Site B (garages 82 to 109)	28	6	21%	Rear of 100 to 108 Pyrls Lane	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with Pyrls Lane. Refuse servicing may be problematic. Numbers 108 and 110 Pyrls are freehold. Possible three bungalows.			3	3
Thatchers Close (Unused land)	1	1	100%	Adjacent to 7 Thatchers Close	Development potential. Home Group has previously assessed that 2 flats could be provided			2	2
Whitehills Road (garages 354 to 380)	27	12	44%	Rear of 4 Whitehills	Development potential. Development would very likely need to be single storey due to overlooking issues. Access road narrow: may need to widen at junction with Whitehills Road, however, this may prove difficult due to freehold owner and electricity sub-station on each side of access road. Refuse servicing may be problematic. High level communication cables over site. Trees to site periphery. Possible three bungalows.			3	3
Matching Green									
Palms (garages 8 to 18)	18	5	28%	Adjacent to 25 Clovers	Development potential, albeit, slight. The site is entirely within the Green Belt. Any development would have to be deemed sustainable. Numerous rear access points from surrounding properties onto forecourt/ access road exist. Electricity sub-station with access onto access road exists. Access road narrow: may need to widen at junction with Clovers. No. 26 Clovers is owned by the Council. Refuse servicing may be problematic. Development would need to be single storey due to overlooking issues. Possible two bungalows.			3	2
Nazeing									
Palmers Grove (garages 1 to 25)	25	7	28%	Rear of 30 to 44 Palmers Grove	Development potential. Access road narrow; may need to widen junction with Palmers Grove: both 44 Palmers Grove and 57 Hoe Lane are in Council ownership. No. 49 Hoe Lane has taken vehicular access from the access road and a large number of other peripheral properties have taken pedestrian access. Electricity sub-station exists with possible RoW issues. Separate RoW to the rear of Hoe Lane properties exists and may have to be retained. Mature trees exist around site periphery. Ownership of land to north-west of site unknown; could be Council owned. Signs of land-grab. Development would very likely need to be single storey due to overlooking issues. Refuse			3	4

					servicing may be problematic. Possible three/ four bungalows.				
Pound Close (garages 1 to 12)	12	5	42%	Between 14 and 15 Pound Close	Development potential. Reasonable access to site, however, existing footpath needs to be retained in order access number 14. In addition, an existing right of way exists through the site that runs from between numbers 35 and 37 St. Leonards Road; this needs to be retained. A large area of land exists south of the garages, this would need to be included to make any development meaningful. Possible three small houses.			2	3
North Weald									
Bluemans End (garages 1 to 16, further 8no. garages demolished)	16	5	31%	Between 16 and 17 Bluemans End	Development potential. Access road narrow: may need to widen. Site appears to be bordered on two sides by watercourses; gate is provided for access (presumably for Environment Agency), RoW may have to be retained. Mature trees bordering two sides of site. Site surrounded by residential gardens, overlooking could be problem, although trees could screen. Possible block of four flats.			2	4
Queens Road (garages 1 to 55)	55	22	40%	Between 17 and 19 Queens Road	Development potential. Access road narrow: need to widen, especially at junction with Queens Road. Both 17 and 19 in Council ownership. 17 gives more opportunity for widening, however, small electricity sub-station would need relocating. Mature trees adjacent to access need to be retained. Block of 8/12 flats could be formed; possibly more if area of land south of garages incorporated into the design.			3	12
Ongar									
Queensway (garages 1 to 38)	38	22	58%	Between 97 and 99 Queensway	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: ability to widen removed due to development. An existing right of way exists through the site that runs from between 39 and 41 St. Peter's Avenue may need to be retained. Numerous adjoining properties have taken access from the forecourt. Refuse servicing may be problematic. Development will be limited by access restriction (2.4m max.). Possible three bungalows.			3	3
St. Peter's Avenue (garages 1 to 30)	30	9	30%	Between 42 and 44 St. Peter's Avenue	Development potential. Development would need to be single storey due to overlooking issues. Access road narrow: need to widen at junction with St. Peter's Avenue, however, may not be possible due to limited gap between existing buildings (alternative: demolish detached dwelling in Moreton Road for new access). Possible eight bungalows.			3	8

Roydon									
Parkfields - Site A (garages 4 to 19)	16	8	50%	Between 2 Parkfields and 52 Hansells Mead	Development potential. Ownership of adjacent areas of land unknown. Development would need to address overlooking issues. Access road through to site very narrow. Some mature hedges and trees to address. Both properties either side of access road are freehold; therefore access road cannot be widened. Refuse servicing may be problematic. Difficult to estimate size of development until ownership of adjacent areas determined; possibly small block of flats?			2	2
Theydon Bois									
Graylands (garages 1 to 6)	6	5	83%	Between 24 and 25 Graylands	Development potential. Thames Water pumping station on site located in awkward position: re-locate? Access road narrow between 24 and 25. Overlooking issues: development may have to be single storey. If pumping station re-sited possible two bungalows (one if not).			3	2
Green Glade (garages 12 to 38)	27	6	22%	Between 59 and 61 Green Glade	Development potential. Access road narrow; may need to widen at junction with Green Glade by encroaching onto existing green verge. Overlooking issues: development may have to be single storey. Numerous vehicular access points from surrounding properties onto forecourt. Possible three bungalows.			3	3
Waltham Abbey									
Beechfield Walk (garages 1 to 23)	23	9	39%	Between 92 and 94 Beechfield Walk	Development potential. Access road narrow; may need to widen at junction. Overlooking issues. Trees to periphery. Site on edge of Green Belt. Access from rear garden of 92 onto site. Due to limited highway frontage a small block of flats may be best suited. Both properties either side of access road are freehold. Possible six flats.		right of way issues	1	6
Bromfield Court (garages 302 to 309)	8	6	75%	Adjacent to 14 Bromfield Court	Development potential. Existing garages enclosed within walled courtyard with other open parking area (7no.). Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small houses (or GP surgery).			3	2
Denny Avenue (garages 8 to 32)	25	14	56%	Between 34 and 35 Denny Avenue	Development potential. Overall site contains 32no. garages, however, eight of these are private (these are located within a single block on the west of the site). Good highway access; access road wide enough for develop-			2	3

Page 133

				ment. Overlooking issues. Public footpath along flank of no. 34 needs to be retained, together with access to private garages. Possible three houses.					
Gant Court (garages 99 to 126)	28	6	21%	4no. separate blocks of garages. One of these forms the ground floor of a block of flats - all off Gant Court	Development potential. However, the natural break in the built form where the garages exist, could be argued as forming the character of the area. If the Planners could be convinced otherwise, three of these areas could be infilled, either with houses or (in an attempt to keep the break in the built form) bungalows. One of these areas has a section of unallocated parking. Each of these three areas sits adjacent to the existing highway. One of these areas could contain two houses or bungalows. The garages forming the ground floor of a block of flats could be converted into flats, however, parking provision would be problematic. Perhaps a mixture between the two could be achieved, ie. two large flats and a central parking area between.			3	2
Harveyfields (garages 1 to 40)	40	16	40%	Adj to 14 Harveyfields. 5no separate sites of garages	Development potential. 5% separate sites of 91 garages all in close proximity. Home Group has previously assessed that 6 X 1 bed flats and 6 X 2 bed flats could be provided on three sites of 40 garages, to enable garage users to relocate to other garages.			2	12
Mallion Court (garages 220 to 256)	37	11	30%	6no. separate blocks (areas) of garages. One of these forms the ground floor of a block of flats - all off Mallion Court.	Development potential. However, the natural break in the built form where the garages exist, could be argued as forming the character of the area. If the Planners could be convinced otherwise, five of these areas could be infilled, either with houses or (in an attempt to keep the break in the built form) bungalows. A couple of these areas have sections of unallocated parking. Each of these five areas sits adjacent to the existing highway. One of these areas could contain two/ three houses or bungalows. The garages forming the ground floor of a block of flats could be converted into flats, however, parking provision would be problematic. Perhaps a mixture between the two could be achieved, ie. two large flats and a central parking area between; or four flats and parking created within the landscape nearby.			2	4
Mason Way (garages 200, 202 and 204)	3	1	33%	Adjacent to 204 Mason Way	Development potential, albeit, slight. It is assumed that the garages were constructed to provide parking to the adjacent bungalows. Planning conditions would be likely to reflect this. Adjacent land in order to develop also falls within adjacent property boundaries (204 Mason and Jessopp Court). Development would be single storey only. Good high way access. Possible single bungalow.			3	1
Pick Hill (garages 1 to 21)	21	17	81%	Opposite Pickhill Farm. Two access points from Pick Hill. Site between rear gardens of 18 Conybury Close and 13 Oxleys Road	Development potential. North half of site falls within Green Belt. Pick Hill and verge (Green Belt area) owned by Corporation of London, however, now dedicated to Highways Authority. Tree Preservation Orders exist for trees within verge area. Two access points through to garages is subject to wayleave agreement. Access points			1	3

				and Oakwood could be extended with vehicular access off the existing access road. Refuse servicing would need investigation. A turning head may also prove difficult. Possible six houses.					
Shingle Court (garages 318 to 325)	8	2	25%	Adjacent to 16 Shingle Ct	Development potential. Existing garages enclosed within walled courtyard with other open parking area (7no.). Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small houses (or GP surgery).			3	2
Stoneyshotts (Cross Terrace) (garages 1-3)	3	0	0%	Between Cross Terrace and Honey Lane	Garages suffer from major structural problems - expensive to repair, however are all let at the moment.			2	1
St. Thomas's Close (garages 1 to 12)	12	6	50%	Between 15 and 17 St. Thomas's Close	Development potential. Ownership of large area of land north of the garages in unknown. Six private garages are also sited within the site (under license?). Site is located on a substantial gradient. Rear access from 22 to 32 Princesfield Road through site. Land grab from 22 Princesfield Road? Access road narrow; need to widen at junction with St. Thomas's Close? Number 15 freehold, number 17 currently in Council ownership. Refuse servicing would need investigation. Overlooking could be problematic. Possible five/ six houses.			4	6
Woollard Street (garages 1 to 39)	39	13	33%	Adjacent to 15 Woollard Street	Development potential. Site has recently been adapted in order to provide vehicular rear access to 20 to 26 Greenfield Street and 15 to 25 Woollard Street; this limits any potential development due to the need to retain a vehicular route. Good highway access. Development could front Woollard Street with rear parking provision. Possible five/ six houses.			2	6
Wrangley Court (garages 388 to 394)	7	2	29%	Adjacent to 7 Wrangley Court	Development potential. Existing garages enclosed within partly walled courtyard. Garage courtyard accessed off turning head at end of cul-de-sac, therefore, turning head must remain. Trees adjacent to site. Development would need to be set back from existing building line in order to accommodate parking. Good highway access. Possible two small small houses (or GP surgery).			3	2
TOTALS	1,095	441	40%	Maximum Potential No. of Properties				212	

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-006-2014/15
Date of meeting: 21 August 2014

Portfolio: Housing

Subject: Council House-building Programme – Risk Register

Responsible Officer: P Pledger (01992 564248)
Asst Director (Housing Property & Development)

Democratic Services: Jackie Leither (01992 564756)

Recommendations/Decisions Required:

That the Programme-wide Risk Register for the Council House-building Programme be noted.

Executive Summary:

Attached as an appendix to this report is the project wide risk register associated with the Council's House-building Programme, which is for review, commenting or noting as appropriate.

Reasons for Proposed Decision:

The Council's Housebuilding Programme is a major undertaking, involving significant amounts of money and risks, it is essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

Other Options for Action:

- (a) Not to have a Risk Register – but it would not be appropriate to contemplate such an option; and
- (b) To request amendments to the format or content of the Programme-wide Risk Register.

Report:

(1) Since the Council's Housebuilding Programme is a major undertaking, involving significant amounts of money and risks, it is essential that the Officer Project Team and the Cabinet Committee record, monitor and mitigate those risks.

(2) Pellings LLP, who are the Employers Agent appointed by the Council's Development Agent East Thames, produce and keep up to date the Risk Registers for the House-building Programme.

(3) Following approval by the Cabinet of individual developments and development packages, Pellings LLP produce and keep updated Risk Registers for each development/phase, which is monitored by the Project Team at Project Team Meetings.

(4) In addition, a “Programme-wide” Risk Register, which is a “live document” for the House-building Programme is also updated and monitored by the Cabinet Committee. The latest version is attached as an appendix to this report.

Resource Implications:

If risks are not properly identified or managed, it could result in additional costs to the Council, with the amounts dependent on the issue and its severity.

Legal and Governance Implications:

There is no legal requirement to have and maintain a Risk Register, but it is good governance practice to do so.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

None

Background Papers:

None

Risk Management:

The purpose of the Risk Register is to record, monitor and mitigate risks

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Within the Housing Service Strategy, it has been identified that the target groups that are affected by the Council's house building programme are people in need of:

- affordable housing,
- homelessness assistance,
- supported housing for special needs groups,
- owners and occupiers of poor condition housing
- council and housing association tenants.

From that, it was identified that generally, there is an under provision of suitable accommodation for nearly all target groups. This has been reaffirmed in the most recent Strategic Housing Market Assessment.

Decision making is affected by funding and other factors, such as the availability of building land suitable for particular groups e.g. the elderly or young families.

There is no evidence of unlawful discrimination in relation to the provision of affordable housing.

This page is intentionally left blank

Risk ID	Date	Vulnerability	Trigger	Consequence	Likelihood (A, B, C, D)	Impact (1, 2, 3, 4)	Rating	Risk Owner	Existing Controls / Actions to Address Risk	Effectiveness of Controls / Actions	Required further Management Action	Responsibility for Action	Critical Success Factors and Measures	Review Frequency	Key Date
1	26-Jun-13	Basis of house building programme.	Change in Government and/or Local Plan.	Reputational risk.	C	1	C1	All	Establishment of high level demand, design, and financial parameters on which to base the programme together with clear and defined outputs.	Scheme proceeds to comply with Local Plan.	Ongoing review and monitoring.	All	Scheme is completed to Local Plan.	Quarterly	xx
2	26-Jun-13	Land availability.	Land not available within required timeframe.	Scheme may not be able to go-ahead. Increase in cost(s) and delay to programme.	C	1	C1	EFDC	Initial appraisals of existing garage sites demand and opportunity for development undertaken by EFDC.	Land is available within required timeframe and budget.	Ongoing review and monitoring.	EFDC	Land is obtained to enable scheme to proceed.	Quarterly	xx
3	26-Jun-13	Funding availability.	Decrease in funding for the scheme.	Insufficient funds for scheme to proceed as intended.	C	1	C1	EFDC	Continuous monitoring of available funding from a) 1 to 1 RTB replacement, b) Section 106 contributions, c) HCA grant, d) Sale of sites, and e) Third Party funding.	Sufficient funds are available for the scheme to proceed.	Ongoing review and monitoring.	EFDC	Sufficient funds are obtained for the scheme to proceed.	Quarterly	xx
4	26-Jun-13	Financial control	Unknown or unexpected costs. Reduction in budget(s).	Insufficient funds for scheme and/or budget overspend.	B	2	B2	ETG and PLLP	Provision of robust feasibility reports with funding and construction criteria review. Change control mechanisms implemented.	Ensuring sufficient funds are available for the scheme.	Continuous monitoring of anticipated cost(s) against budget.	ETG and PLLP	Ensuring scheme is within budget.	Monthly	xx
5	26-Jun-13	Programme management - impact on programme of site specific reports not being commissioned until post planning permission.	Late and/or untimely commissioning and/or receipt of site specific reports.	Increase in cost(s) and delay to programme.	B	2	B2	PLLP	Prepare Project Executive Plan (PEP) with high level programme. Provide early feasibilities to formulate the whole of the six year programme. Undertake site specific report ahead of or as part of planning application to mitigate delays between planning consent and tender action.	Early identification to site specific risks / issues.	Ongoing review and monitoring.	PLLP	Site specific risks and issues are identified early on in the project to minimise any increase in costs and/or delay to programme.	Monthly	xx
6	26-Jun-13	Resistance from local community.		Increase in cost(s) and delay to programme.	B	2	B2	All	Engage local community. Encourage use of local labour by contractors and encourage provision of training and apprenticeships. Undertake resident consultation and formulate a publicity strategy.	Local Community are receptive to scheme.	Ongoing review and monitoring.	All	Local Community accept the completed scheme.	Monthly	xx
7	26-Jun-13	Impact on programme of party wall issues.		Increase in cost(s) and delay to programme.	A	2	A2	EFDC and ETG	Establish ownership of properties adjacent to or affected by proposed development. Ensure that party wall notices are issued promptly (possibly outside of the build contract requirements).	Early identification of any party wall issues.	Ongoing review and monitoring.	EFDC and ETG	Any party wall risks and issues are identified early on in the project to minimise any increase in costs and/or delay to programme.	Monthly	xx
8	26-Jun-13	Legal issues including rights of title, boundary ownership, easements on or over the site.		Increase in cost(s) and delay to programme.	A	1	A1	EFDC	Establish clear line of responsibility for each of the legal issues and engagement of EFDC Legal Directorate.	Early identification of legal issues and rights.	Ongoing review and monitoring.	EFDC	Any legal issues and rights are identified early on in the project to minimise any increase in costs and/or delay to programme.	Monthly	xx
9	26-Jun-13	Design parameters	Design criteria and parameters not established and/or established late.	Increase in cost(s) and delay to programme.	B	1	B1	All	Early meeting and engagement with local planning authority to establish design criteria and parameters.	Design criteria and parameters established in good time to enable programme to be met.	Ongoing review and monitoring.	All	Design criteria and parameters established within required timeframe to enable programme to be met.	Monthly	xx
10	26-Jun-13	Overlooking to/from adjoining residents.	Design affects adjoining owner's Right to Light and/or view.	Adjoining owner's Right to Light affected. Possible complaints from adjoining owners. Increase in cost(s) and delay to programme.	B	2	B2	PLLP / ETG	Consideration of appropriate screening or single storey development.	Adjoining owner's Right to Light not affected.	Ongoing review and monitoring.	PLLP / ETG	Adjoining Owner's Right to Light and/or views not adversely affected.	Monthly	xx
11	26-Jun-13	Impact of existing trees	Existing trees may affect the design and/or below ground works.	Increase in cost(s) and delay to programme.	A	1	A1	ETG	Commissioning of Arboricultural report - site specific.	Review Arboricultural report before proceeding with detailed design.	Ongoing review and monitoring.	ETG	Arboricultural report is received and reviewed prior to design.	Monthly	xx
12	26-Jun-13	Impact of ground conditions and contamination.	Ground contamination present. Ground conditions not suitable.	Increase in cost(s) and delay to programme.	A	1	A1	EFDC / ETG	Assessment of initial reports to be undertaken by EFDC to inform desktop study and commissioning of the site investigation requirements.	Review site / ground investigations report before proceeding with detailed design.	Ongoing review and monitoring.	EFDC / ETG	Site investigation report is received and reviewed prior to design.	Monthly	xx

13	26-Jun-13	Flood risk	Site may lie within / on a flood risk zone.	Increase in flood prevention measures as part of scheme. Increase in cost(s) and delay to programme.	C	1	C1	PLLP	Consider advice of local planning authority and Environment Agency.	Advice from planning authority and Environment Agency taken on-board and reviewed.	Ongoing review and monitoring.	PLLP	Scheme is completed to minimise any potential effects of flooding (within acceptable limits).	Quarterly	xx
14	26-Jun-13	Accurate design at planning application stage	Unknown topography of existing site.	Scheme not designed to accommodate existing topography.	B	2	B2	EFDC / ETG	Commission topographical surveys.	Existing topography is established early and in good time.	Ongoing review and monitoring.	EFDC / ETG	Scheme is designed to take into account existing topography where appropriate.	Monthly	xx
15	26-Jun-13	Transport / traffic / parking assessment	Transport / traffic / parking assessments not undertaken.	Planning application cannot be submitted without transport statements. Delay in programme.	A	2	A2	EFDC / ETG	Commission transport statements to support planning application.	Transport Statement is able to be prepared and submitted with planning application.	Ongoing review and monitoring.	EFDC / ETG	Planning application submitted with suitable transport statement.	Monthly	xx
16	26-Jun-13	Clarity of design parameters	Unclear and/or non-existent design parameters.	Scheme not designed to meet Employer's Requirements.	C	1	C1	ETG / PLLP	Establish consistent set of Employer's Requirements - reference to East Thames Group Design Guidance and requirements of the Essex Design Guide.	Clear design parameters are established early on in the project.	Ongoing review and monitoring.	ETG / PLLP	Design able to proceed with clear design parameters in place.	Monthly	xx
17	26-Jun-13	Inexperienced contractor design team		Contractor design team not able to fulfil their duties and meet the Employer's Requirements.	C	1	C1	PLLP	Include a requirement for the contractor's design team to be clarified at tender stage of each project / phase.	Clarification of the contractor's design team at tender stage.	Ongoing review and monitoring.	PLLP	Contractor's Design Team is able to produce a design that is compliant with the Employer's Requirements.	Quarterly	xx
18	26-Jun-13	Financial control	Unknown or unexpected costs.	Insufficient funds for scheme and/or budget overspend.	A	1	A1	PLLP / ETG	Undertake financial gateway review at each stage of feasibility / design / procurement / construction.	Ensuring sufficient funds are available for the scheme.	Continuous monitoring of anticipated cost(s) against budget.	PLLP / ETG	Ensuring scheme is within budget.	Monthly	xx
19	26-Jun-13	Effect on design of site risks	Unknown or unexpected site risks.	Increase in cost(s) and delay to programme.	A	1	A1	PLLP	Commission surveys early.	Site risks established early.	Ongoing review and monitoring.	PLLP	Site risks identified can be eliminated or minimised.	Monthly	xx
20	26-Jun-13	Loss of control of design through Design & Build procurement	Poorly defined Employer's Requirements.	Increase in cost(s) and delay to programme.	C	2	C2	PLLP	Develop robust set of Employer's Requirements that control design to meet Client's brief.	Employer's Requirements are clearly defined.	Ongoing review and monitoring.	PLLP	Employer's Requirements are fulfilled.	Quarterly	xx
21	26-Jun-13	Poor durability of materials	Materials do not perform as expected.	Increase in future maintenance and life cycle costs.	C	2	C2	PLLP	Using basis of East Thames Group Design Guidance, complement with cost and use exercises where required.	Acceptable results from Cost and Use exercises undertaken (where required)	Ongoing review and monitoring.	PLLP	Future maintenance and life cycle costs are minimised.	Quarterly	xx
22	26-Jun-13	Design liability provided to end user	Collateral warranties with sufficient cover not in place.	End user liable for design as a result of actions / inactions by the design team.	C	2	C2	PLLP	Ensure that collateral warranties are required from the contractor's design team to end user clients and establish level of professional indemnity insurance.	Collateral warranties obtained from contractor's design team.	Ongoing review and monitoring.	PLLP	End user is not responsible for any design liability.	Quarterly	xx
23	26-Jun-13	Ensure that sustainability criteria supports effective capital cost versus cost in use analysis	Sustainability criteria does not support capital cost versus cost in use analysis.	Scheme is not sustainable and may not achieve relevant compliance.	C	2	C2	PLLP / EFDC	Ensure that Employer's Requirements require the contractor to consider a fabric first approach to thermal performance with bolt-on technologies minimised. Code for Sustainable Homes pre-assessment commissioned early.	Fabric first approach undertaken by contractor.	Ongoing review and monitoring.	PLLP / EFDC	Sustainability criteria achieved.	Quarterly	xx
24	26-Jun-13	Compliance with public procurement regulation	Procurement process etc. not followed.	Procurement process may need to be halted / aborted / repeated / extended.	C	2	C2	ETG	Proposed use of East Thames Group contractor framework - OJEU compliant and ensure processes are consistent with EFDC standing orders. ETG to advise on framework renewal dates.	East Thames Group Contractor Framework used and implemented.	Ongoing review and monitoring.	ETG	Scheme complies with all necessary procurement regulation.	Quarterly	xx
25	26-Jun-13	Contractor financial failure	Contractor may cease trading during the course of the scheme and/or not be able to finance the works.	Scheme may halted / stopped.	D	1	D1	ETG / PLLP	Updated financial references and checks to be undertaken.	Financial standing of contractor is known.	Ongoing review and monitoring.	ETG / PLLP	Contractor is able to finance / complete the scheme and provide all necessary resources.	Six-Monthly	xx
26	26-Jun-13	Contractor performance	Lack of KPIs / incentives for contractor to complete the scheme.	Increase in cost(s) and delay to programme.	D	1	D1	ETG / PLLP	Establish KPIs, monitor and incentivise.	Monitoring of contractor's performance against KPIs can take place.	Ongoing review and monitoring.	ETG / PLLP	Contractor's performance meets or exceeds KPIs.	Six-Monthly	xx
27	26-Jun-13	Financial control	Unknown or unexpected costs.	Insufficient funds for scheme and/or budget overspend.	C	1	C1		Implement Change Control mechanism - ensure the effects of any changes / variations are known to the team ahead of instruction. Agree levels of retention and insurance. Agree wording for performance bond / parent company guarantee provision.	Ensuring sufficient funds are available for the scheme.	Continuous monitoring of anticipated cost(s) against budget.		Ensuring scheme is within budget.	Quarterly	xx
28	01-Apr-14	Japanese Knotweed (Marden Close & Faversham Hall Site)	Is found to be present on site	Scheme may not be able to proceed as planned and/or need to be amended to accommodate the presence of Japanese Knotweed.	A	1	A1	EFDC	Survey has been undertaken and has confirmed that Japanese Knotweed is present on the subject site and adjoining sites.	Procedure for eradication / control to be submitted to and approved by the Local Planning Authority.	EFDC procuring legal advice with regard to the extent of works to eradicate / control the Knotweed to the adjoining sites.	EFDC / Contractor	Japanese Knotweed can be removed / contained / managed safely.	Monthly	xx
29	01-Apr-14	Ground contamination (Red Cross Hall Site)	Presence of contaminants in / on the ground.	Scheme may not be able to proceed as planned and/or need to be amended to accommodate existing ground conditions / contaminants.	A	2	A2	PLLP	EFDC have highlighted potential contamination issues with use of domestic garages and a former horticultural nursery. Bore holes and soil investigations have been undertaken. Information issued as part of ERs. Concern ALSO expressed by Environment Agency.	Soil Investigation Report to be issued as part of ERs. Procedure for eradication / control to be submitted to and approved by the Local Planning Authority.	Ongoing review and monitor.	Contractor	Existing contaminants are removed / managed safely.	Monthly	xx
30	04-Aug-14	Closing off existing footpaths necessary to facilitate the works.	Existing Rights of Way etc. affected. Objections from residents.	Unknown route for pedestrians and/or persons not connected with these works. Objections from residents.	B	2	B2	PLLP	Principal Contractor to undertake risk assessment and implement a safe system of work. Item included in ERs. Principal Contractor to apply for relevant permits and submit applications / notices etc. in good time.	Footpaths can be closed off / rerouted in good time with minimal inconvenience to local community.	Ongoing review and monitor.	Contractor	Works can proceed safely and access for residents maintained.	Monthly	xx